

How data helps small businesses grow

With the digital revolution in full swing, data is to business what oxygen is to mankind. It is a crucial resource - one that enables companies, especially smaller ventures, to make better business decisions, grow their customer base, keep their competitive edge and secure funding.

“There are no two ways about it in today’s world of doing business data - both structured and unstructured - has become a vital asset. Small and medium-sized enterprises (SMEs) - in particular - are benefitting from capturing, processing and analysing data effectively and efficiently,” says Miguel da Silva, managing director at Retail Capital.



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It is true what American startup development guru Geoffrey Moore said a few years ago, “Without data and analytics, companies are blind and deaf, wandering out onto the web like a deer on a freeway”.

“Data keeps business owners in tune with all sides of their operations, helping them satisfy existing customers, identify new markets, and fine-tune their overall marketing strategy to attract new fans and secure funding,” Da Silva says. “Without data, these days, you are nowhere.”

Here are the business benefits of using big data to keep your cutting edge...

1. Using data to understand your customers

This will enable you to deliver exactly what they want at all times. “A consistently good user experience is key in retaining your customers,” writes analyst Daniel Newman in *Forbes Magazine*.

“More than half of customers today say they’ve switched companies solely because of poor user experiences. Companies who fail to embrace customer experiences as a strategic path to growth won’t just be lagging, they’ll get left behind.”

Personalisation is key. Today’s customers don’t want to be treated as numbers. They want a service that is tailored to their very specific situations. This makes Netflix and Spotify such strong brands. Over time they have mastered the art of data-driven customer personalisation by suggesting movies, songs, and books that fit their users’ tastes.

The result: a fiercely loyal and growing customer base and multi-million-dollar turnovers.

2. Use data to identify new markets

Besides keeping your current customers happy, a data-driven approach helps you identify new target markets, what products and services these potential customers are looking for, what they like and don’t like about their current service providers, and what would make them switch to you.

This serves as the backbone for better strategic marketing decisions. As Big Data Use Cases 2015: Getting Real On Data Monetization by the Business Application Research Centre (BARC) in Germany states, being data-driven leads to better strategic decisions (69%), which results in a better understanding of what new and future customers (52%) want.

3. Data helps attract funding

Being a data-driven SME increases your chances of securing funding. Having all the necessary data at your disposal helps you craft a thorough presentation that answers all the potential investor’s questions. This improves your chances of getting what you want.

Providing funders and lenders with a detailed overview of your financials and track record whilst telling them all about how people feel about you, why they use your products or services and to what extent they would recommend your business, makes you a very attractive target.

4. Data-driven companies adapt better

The continuous analysis of data harvested from different sources allows you to predict, forecast, and adapt to market changes, and mitigate problems ahead of time. Data-driven companies have proven to be better at responding proactively to market and industry pressures by putting measures in place to adapt to the new status quo. Being agile helps you remain relevant in times of upheaval, prevents you from being disrupted by competitors and unfavourable market forces, and ensures you can continue to meet the promises you have made to your customers - safeguarding your reputation.

5. Keeping data secure

Data-driven companies do everything digitally, including the transmission, processing and storage of your customers' information. This makes your operations more efficient and competitive as opposed to those who are doing everything the paper way.

There is a catch: the data under your care needs to be kept safe and secure at all times. A data leak may put an abrupt end to your customers' trust. This can cost you your business.

"Companies must take the required steps to encrypt and protect all sensitive documents," says Linda Misauer, head of global solutions at Striata.



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"For organisations, solutions are available for the secured viewing of sensitive documents such as bank statements. These allow you and your customers, each from their side of the app or platform, to securely view the content, regardless of your or their location."

In other words, besides customers and employees data is the lifeblood of any company. Businesses, including SMEs, have to start treating it as such if they want to disrupt instead of being disrupted by competitors, market forces and other internal and external elements.

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