L03: Discussion Data Analytics

My understanding of descriptive data analytics is that it’s intended to aggregate data for the purpose of informing readers and equipping them with a better understanding of something. Basically, well organized information that you could put in a brochure to inform somebody about a car or a trip (but certainly not limited to that!).

I understand predictive data analytics to be taking descriptive data and making predictions based on said data. An example would be predicting when Apple’s stock price will reach $500 a share, based on past price fluctuations, current market cap, sales of past iPhones and their correlation to share price, etc. It may not come true in the specified time frame, or perhaps ever, but at the very least the predictions are based on data.

Prescriptive analytics would be making decisions based on both predictive and descriptive data analytics. Let’s say that you have descriptive data that describes the materials, engineering, and performance of a fighter jet. Based on this data, the manufacturer presents an estimate of the running costs of one jet over 15, 20, and 30-year periods, everything from service intervals to training, to fuel, weapons costs, etc. Finally, keeping in mind the jet specs and estimated running costs, the country you represent decides to order 50 of them to be used by their air force.

I honestly didn’t have any muddy points for this topic. I thought the textbook explained everything very well and gave examples that made it clear for me. However, it is possible that my assessment is rooted in folly, and that I have this all wrong. I’m curious what you all think. Let’s chat!