When it comes to gaining a better understanding of predictive analytics, I think being able to apply it to real world situations within business cases provides insight on how someone can use this topic to provide answers for others. Because of predictive analysis, people will have the possibility of identifying potential events and opportunities, and either avoid or capitalize on them. Through these moments, the process involves taking large amounts of data that can be mined to identify the indicators of events and use that data to make predictions that benefit a particular business. (XMPRO, 2015)

Looking at certain business cases, one use is for churn prevention which is a proactive strategy for keeping customers around for a longer period of time or replacing past ones that may left. The need for this stems from companies not wanting to spend more money on collecting new customers, but to be concerned with how to retain current ones. In predictive analytics, it will help to prevent churn in your customer base by identifying signs of dissatisfaction among your customers, and identify those customer segments that are at the most risk for leaving. (XMPRO, 2015) By understanding which customers are possibly at risk of leaving or no longer happy with the service or product, companies can use this information to make the changes to sustain their customer base overall.

For another business case that utilizes predictive analytics, we can look further into risk modeling and the role it can play in improving a business. In looking for risk, it is important to understand that it is not one primary cause but that it can be produced by several different factors. Risk modeling can glean potential areas of risk from the massive number of data points collected by most organizations and sorting through them to identify potential areas of risk, and trends in the data that suggest the development of situations that can affect the business and bottom line. (Parthasarathy, 2019) With applying this model and using the analytics, it will allow for companies to understand certain areas in their business may need more attention or plans to resolve an issue before it presents itself or reaches a point where it cannot be resolved.

With all the different companies that are using predictive analytics, it will be beneficial for them to gather this data on customers and predict next actions based on historical data. Therefore, that information can be used to make decisions that impact the business’ bottom line and influence results. (Parthasarathy, 2019) In the end, by using predictive analytics throughout these cases and various others not mentioned, they only provide insight, but it takes someone to take action from the results of a predictive analysis.

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