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## 7 DATA COLLECTION METHODS IN BUSINESS ANALYTICS



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Data is being generated at an ever-increasing pace. [According to Statista](#), the total volume of data was 64.2 zettabytes in 2020; it's predicted to reach 181 zettabytes by 2025. This abundance of data can be overwhelming if you aren't sure where to start.

So, how do you ensure the data you use is relevant and important to the business problems you aim to solve? After all, a data-driven decision is only as strong as the data it's based on. One way is to collect data yourself.

Here's a breakdown of data types, why data collection is important, what to know before you begin collecting, and seven data collection methods to leverage.

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## WHAT IS DATA COLLECTION?

**Data collection** is the methodological process of gathering information about a specific subject. It's crucial to ensure your data is complete during the collection phase and that it's collected legally and [ethically](#). If not, your analysis won't be accurate and could have far-reaching consequences.

In general, there are three types of consumer data:

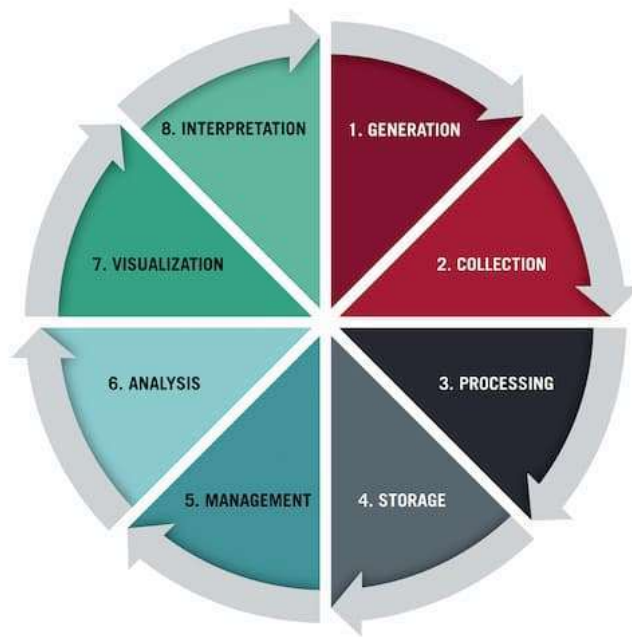


- **First-party data**, which is collected directly from users by your organization
- **Second-party data**, which is data shared by another organization about its customers (or its first-party data)
- **Third-party data**, which is data that's been aggregated and rented or sold by organizations that don't have a connection to your company or users

Although there are use cases for second- and third-party data, first-party data (data you've collected yourself) is more valuable because you receive information about how your audience behaves, thinks, and feels—all from a trusted source.

Data can be qualitative (meaning contextual in nature) or quantitative (meaning numeric in nature). Many data collection methods apply to either type, but some are better suited to one over the other.

In the [data life cycle](#), data collection is the second step. After data is generated, it must be collected to be of use to your team. After that, it can be processed, stored, managed, analyzed, and visualized to aid in your organization's decision-making.



Before collecting data, there are several factors you need to define:

- The question you aim to answer
- The data subject(s) you need to collect data from
- The collection timeframe
- The data collection method(s) best suited to your needs

The data collection method you select should be based on the question you want to answer, the type of data you need, your timeframe, and your company's budget.

## THE IMPORTANCE OF DATA COLLECTION

Collecting data is an integral part of a business's success; it can enable you to ensure the data's accuracy, completeness, and relevance to your organization and the issue at hand. The information gathered allows organizations to analyze past strategies and stay informed on what needs to change.

The insights gleaned from data can make you hyperaware of your organization's efforts and give you actionable steps to improve various strategies—from altering marketing strategies to assessing customer complaints.



Basing decisions on inaccurate data can have far-reaching negative consequences, so it's important to be able to trust your own data collection procedures and abilities. By ensuring accurate data collection, business professionals can feel secure in their business decisions.

Explore the options in the next section to see which data collection method is the best fit for your company.

## 7 DATA COLLECTION METHODS USED IN BUSINESS ANALYTICS

### 1. Surveys

Surveys are physical or digital questionnaires that gather both qualitative and quantitative data from subjects. One situation in which you might conduct a survey is gathering attendee feedback after an event. This can provide a sense of what attendees enjoyed, what they wish was different, and areas in which you can improve or save money during your next event for a similar audience.

While physical copies of surveys can be sent out to participants, online surveys present the opportunity for distribution at scale. They can also be inexpensive; running a survey can cost nothing if you use a free tool. If you wish to target a specific group of people, partnering with a market research firm to get the survey in front of that demographic may be worth the money.

Something to watch out for when crafting and running surveys is the effect of bias, including:

- **Collection bias:** It can be easy to accidentally write survey questions with a biased lean. Watch out for this when creating questions to ensure your subjects answer honestly and aren't swayed by your wording.
- **Subject bias:** Because your subjects know their responses will be read by you, their answers may be biased toward what seems socially acceptable. For this reason, consider pairing survey data with behavioral data from other collection methods to get the full picture.

***Related:*** [3 Examples of Bad Survey Questions & How to Fix Them](#)

### 2. Transactional Tracking

Each time your customers make a purchase, tracking that data can allow you to make decisions about targeted marketing efforts and understand your customer base better.

Often, e-commerce and point-of-sale platforms allow you to store data as soon as it's generated, making this a seamless data collection method that can pay off in the form of customer insights.

### 3. Interviews and Focus Groups

Interviews and focus groups consist of talking to subjects face-to-face about a specific topic or issue. Interviews tend to be one-on-one, and focus groups are typically made up of several people. You can use both to gather qualitative and quantitative data.

Through interviews and focus groups, you can gather feedback from people in your target audience about new product features. Seeing them interact with your product in real-time and recording their reactions and responses to questions can provide valuable data about which product features to pursue.

As is the case with surveys, these collection methods allow you to ask subjects anything you want about their opinions, motivations, and feelings regarding your product or brand. It also introduces the potential for bias. Aim to craft questions that don't lead them in one particular direction.

One downside of interviewing and conducting focus groups is they can be time-consuming and expensive. If you plan to conduct them yourself, it can be a lengthy process. To avoid this, you can hire a market research facilitator to organize and conduct interviews on your behalf.

### 4. Observation

Observing people interacting with your website or product can be useful for data collection because of the candor it offers. If your user experience is confusing or difficult, you can witness it in real-time.



Yet, setting up observation sessions can be difficult. You can use a third-party tool to record users' journeys through your site or observe a user's interaction with a beta version of your site or product.

While less accessible than other data collection methods, observations enable you to see firsthand how users interact with your product or site. You can leverage the qualitative and quantitative data gleaned from this to make improvements and double down on points of success.



## 5. Online Tracking

To gather behavioral data, you can implement pixels and cookies. These are both tools that track users' online behavior across websites and provide insight into what content they're interested in and typically engage with.

You can also track users' behavior on your company's website, including which parts are of the highest interest, whether users are confused when using it, and how long they spend on product pages. This can enable you to improve the website's design and help users navigate to their destination.

Inserting a pixel is often free and relatively easy to set up. Implementing cookies may come with a fee but could be worth it for the quality of data you'll receive. Once pixels and cookies are set, they gather data on their own and don't need much maintenance, if any.

It's important to note: Tracking online behavior can have legal and ethical privacy implications. Before tracking users' online behavior, ensure you're in compliance with local and industry [data privacy standards](#).

## 6. Forms

Online forms are beneficial for gathering qualitative data about users, specifically demographic data or contact information. They're relatively inexpensive and simple to set up, and you can use them to gate content or registrations, such as webinars and email newsletters.

You can then use this data to contact people who may be interested in your product, build out demographic profiles of existing customers, and in remarketing efforts, such as email workflows and content recommendations.

***Related:*** [What Is Marketing Analytics?](#)

## 7. Social Media Monitoring

Monitoring your company's social media channels for follower engagement is an accessible way to track data about your audience's interests and motivations. Many social media platforms have analytics built in, but there are also third-party social platforms that give more detailed, organized insights pulled from multiple channels.

You can use data collected from social media to determine which issues are most important to your followers. For instance, you may notice that the number of engagements dramatically increases when your company posts about its sustainability efforts.

