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# 5 Issues That Make Data Analytics Less Effective for Small Businesses

Business analytics is the driver of the most successful businesses in today’s world. Business owners often have an idea of what is driving and impacting their bottom line, but they might not know which of these factors has the biggest impact and why that is so. With the amounts of data businesses collect today, business owners can become overwhelmed quickly. This amount of data can also be a huge burden for business owners. To help lessen it, we will discuss some of the issues that reduce the effectiveness of data analytics in small businesses to see if they affect you.

## Knowing The Value of Data and Analytics But Not Using Them

It is good for a business to focus on activities that generate revenue such as marketing, lead generation and sales. Many small business owners know they should be using data to enhance their businesses but they do not. Why? Analytics are scary for a lot of people. Many business owners fear analytics because they think focusing on it would take too much time, resources and knowledge they do not have.

The good news is that leveraging data analytics is one of the best things you can do for your business once you get over our fears and the learning curve. Once everything is set up just right, data analytics can give you insights that help you streamline your business, make better strategic decisions and increase profitability.

To make the most out of data analytics, take some time each week to work on it. You can seek to understand how everything works and goes together or learn one to leverage data analytics for your business’ benefit.

## Not Having The Right Tools

There is no data analytics without data. All businesses are already collecting data but they do not have the right tools in place to take advantage of this data. A common result of this is [fragmentation of data](https://www.networkworld.com/article/3316979/understanding-mass-data-fragmentation.html) that makes it harder to analyze the data to make it useful. The other is an inability to clean and break this data into understandable chunks.

Fortunately, there are lots of tools that can help a business do both. These tools bring all the data you collect together and analyze it for you. In some cases you might need a data analyst to clean the data for you, but these tools do a great job already.

## Not Paying Attention to Trends

Trends quantify data patterns and explain them over a given period. Trends can be any upward or downward shift in a specific type of data over time. The goal of paying attention to trends is to use them to predict what might happen in the future. Using your knowledge about trends, you can take steps to correct bad trends and to support good ones.

The good thing about collecting the right types of data is that you can use the data to track trends daily, weekly, monthly, or even quarterly. Tare going tohere is no rule for the timeframe to use as you can use what works best for your business.

Since trends are only seen over time, a business has to understand how to collect the right type of data over a given period and compare it against data from a similar period. Business leaders can use simple or complex data mining and big data techniques to reveal patterns, regularities, and irregularities as well as trends.

Businesses are always looking for people who can help them do this, especially in a world where the demand for data analysts is increasing. An advanced degree can help you gain the skills businesses are looking for today. The [Aston University Master in business analytics program](https://astonuniversityonline.ca/masters-business-analytics-online) will prepare you for a role in business analytics, giving you the skills you need to thrive in a data-driven business environment.

## Looking at The Wrong Metrics

It is very important that you know which types of data to collect, track and use in your analysis. Every business is different so the types of data each collects will be different. A common rule is to define your goals and objectives and use those to decide which data to collect and track.

For example, a business that is looking to increase brand awareness will collect different data from one that is looking to increase sales. By doing this, you get a clear picture of when your data analysis efforts are adding value to your business and when they are not.

One thing to be wary of is collecting vanity data. This includes data like Instagram followers or Facebook likes. Vanity metrics only tell a small part of the story and should only be collected if they are going to be used alongside other types of data.

Google Analytics does a great job of helping decide the types of data you should be tracking and what metrics to keep an eye on. Also, track metrics that give you insights that can help make decisions. For example, you could collect metrics that help you streamline the [customer onboarding process](https://blog.hubspot.com/service/customer-onboarding) or personalize the experience they have with your brand.

## Failing To Ask Why

Data is interconnected such that a change in one data point could lead to a change in another data point. For example, your sales might increase if your email open rates increase, too. Here you can see how the email campaign answers the question of why sales went up.

Questioning your data helps you know what areas to focus on and which ones not to. It also tells you what is working and what is not. You can then take the necessary measures to deal with any issues making you not see the results you want.

## Conclusion

Data is so important to businesses in today’s data-driven world. It is not enough to collect the data as businesses also need to put measures in place to ensure they are using this data effectively so they see the results they want. Leveraging data and data analytics will benefit your business for a long time and assure continuing revenue from there. Data analytics can also help you take your business and everything about it to the next level.