Five Big Data trends for 2016

18 January 2016: With the New Year upon us, financial institutions and businesses will be looking to leverage Big Data analytics as one of the means to overcome the current tough economic conditions.

Yudhvir Seetharam, Head of Analytics at FNB Business, says the use of Big Data has grown tremendously in South Africa over the past two years. It has helped businesses to reduce costs, be more innovative and gain a competitive advantage. While there are a number of technical definitions for Big Data, it simply refers to applying scientific principles to data in order to produce actionable insights.

Seetharam shares five trends on the growth of Big Data and how it is actively being used by businesses.

It is now being offered at universities

The Big Data hype has come with an increase in awareness of how collecting and analysing data can offer benefits to businesses. Given the specialist skills required for these roles, many universities are now offering analytics degrees – effectively preparing the future generation to function in the analytics world once they begin their working careers.

You can now see it

Data is only useful if it produces some positive outcome. Simply storing it becomes meaningless, until at the very least, a report showing trends is produced. The simple act of visually seeing data will increase, as more analysts utilise simple or even commercialised software to display data to their stakeholders. Unlike in the past, when stakeholders had to ask for data, they will now be proactively provided with insights that can then be actioned.

You're now legally obliged to manage it

To mitigate the impact of potential financial crises, regulators both globally and locally are enforcing stricter management of data, especially

in financial institutions. Banks need to have accurate and reproducible credit reports as per Basel regulations. This means that a bank needs to prove to a regulator that what's in its reports can be backed up with data. Similarly, to avoid the misuse of data, South Africa is set to enforce the Protection of Personal Information Act (POPI) this year. This act protects the consumer's personal information from misuse by any business.

You're now part of it

We are living in an age where we have become more connected to electronic platforms – from social media to kitchen appliances. By essentially creating your own "home" web, you can easily order groceries online (or your fridge can do it for you), automatically record your favourite episode on TV and even watch over your house while you're on holiday. The glue that holds these elements together is known as the "internet of things". Arguably, this data reveals much about your preferences, which can be used to find suitable products that would make your life easier.

You can now make money from it

From a business perspective, being able to understand customers is essential for survival and profitability. Businesses are investing more capital into analytics and data, in order to derive customer insights. While there is still a long way to go, financial institutions are also actively using Big Data to truly understand their customers in order to offer them tailor made solutions.