

2014 SURVEY OF USE OF DATA IN BARBADIAN ORGANISATIONS: HOW COMPANIES USE EXISTING DATA

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Part 2 of our 4-part series summarising the 2014 Survey of Use of Data in Barbadian Organisations revealed that organisations were, in general, dissatisfied with available external information ([click here to read article](#)). Though limited, the importance of the data available should not be overlooked, especially given the potential links between data use and financial performance (see [The Relationship Between Data Practices and Financial Performance](#)). In Part 3 of our series, we investigate the extent to which corporations use the limited data available to them to inform decision making. We found that companies focus largely on internal sale and financial data to inform their corporate strategy, and there is significant room for improvement with respect to the use of economic and industry data as well as webpage/social media data.

Use of Economic and Industry Indicators

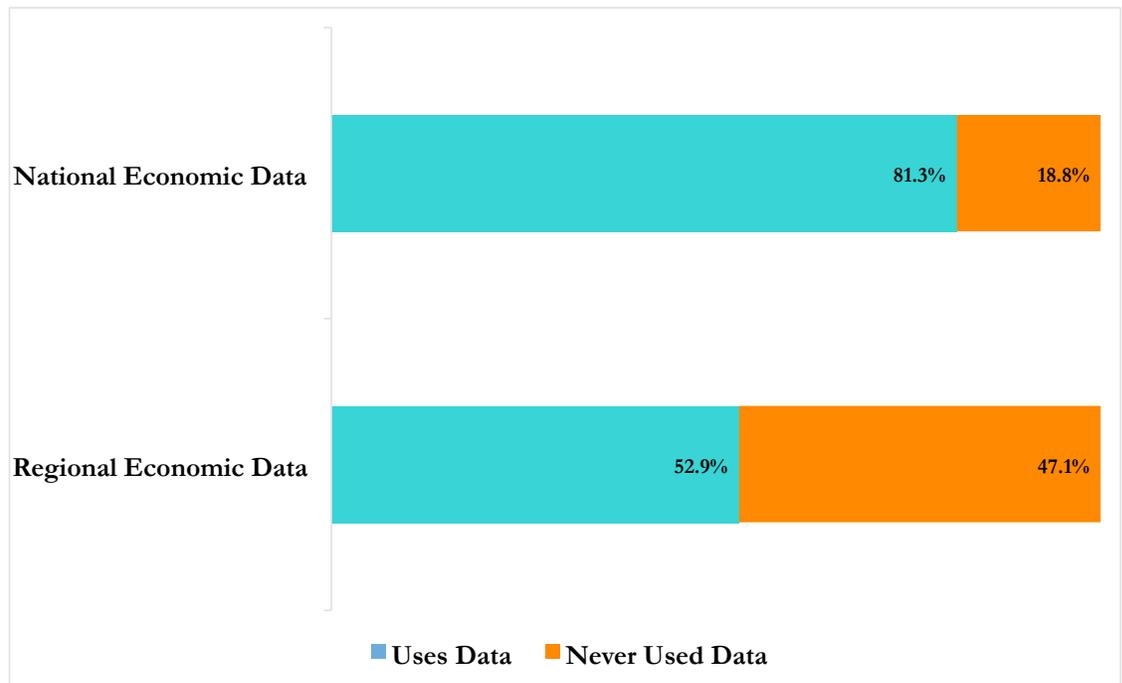
As part of their core public service roles, various Government institutions, statutory bodies and international agencies often release economic reports and indicators. These resources allow us to gauge the health of an economy and how consumers are behaving. It should naturally follow, therefore, that macroeconomic information is crucial for business planning.

Generally, respondents recognise the importance of domestic economic statistics - 81% of the sample noted that they use national economic data in their company. It should be noted that those not using the data also reported high levels of dissatisfaction with the macroeconomic statistics available. Of those companies using national economic data, most (66.7%) use the data on either a monthly or quarterly basis, reflecting the publication cycles of most national economic statistics.

While most respondents appear to be keeping a finger on the pulse of the national economy, companies seem less interested in regional economic data – only 52.9% of respondents use regional data to inform

Exhibit 1

Respondents recognised the importance of tracking national economic data, but pay less attention to regional economic data



their operations. On the surface, many would find it plausible that only those companies with branches abroad or those interested in tapping into other regional markets would be interested in regional developments. However, there are several economic links between Barbados and the rest of the region. For example, tourism is arguably the main-stay of the Barbadian economy, and in 2013, 17.2% of our tourist arrivals originated from CARICOM. In addition, 48.3 % of our domestic exports were imported by CARICOM countries. In this way, developments in the region could potentially impact on the Barbadian economy and by extension impact even those businesses that have a domestic focus. Companies in the financial services, manufacturing and electricity, gas and water industries seem to be aware of this, as these tend to be the main users of regional data in the sample.

Industry Data

Data at the industry level is particularly useful for competitive positioning and understanding market trends. It would then be expected that companies monitor developments in their respective industries as well as competitive developments. The survey results, however, suggest that a significant share of companies do not incorporate such information into their operations: 18.8% of respondents noted that they do not use national

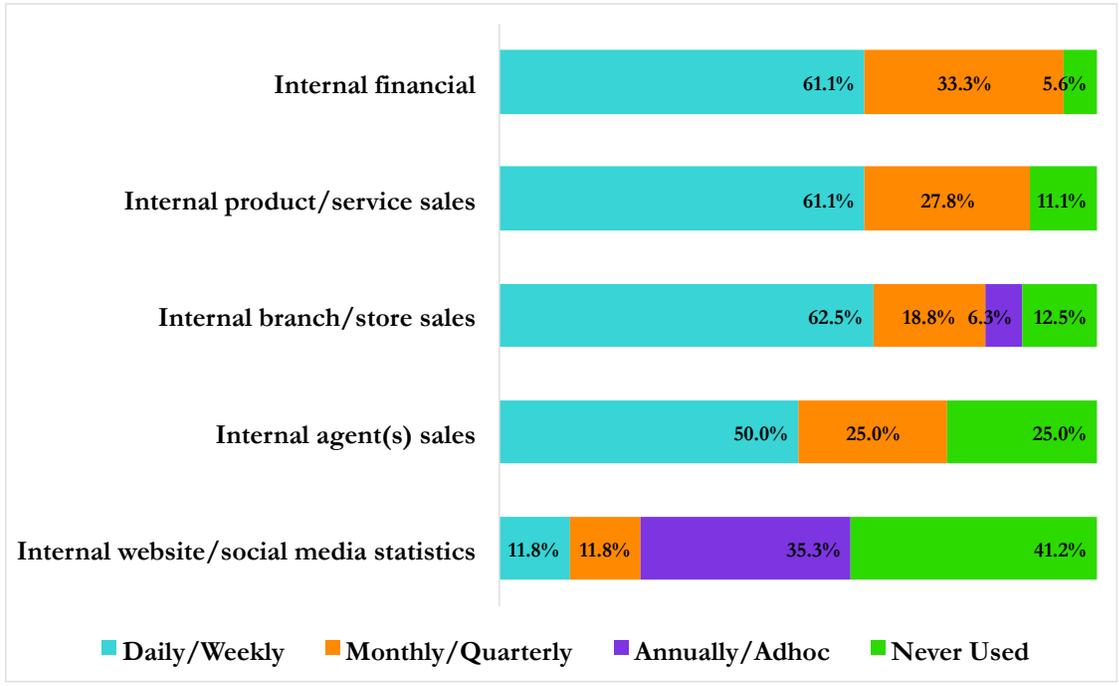
industry data while 29.4% of respondents do not use data on individual competitors. This could be partly related to the general dissatisfaction in industry statistics (see [Attitudes Towards External Data](#)) or because relevant industry data does not exist for their industry. Like information on economic developments, users of this data seem to mainly use the data on a monthly or quarterly basis, as 52.9% of respondents use data on individual competitors on a monthly or quarterly basis, while 43.8% of all respondents reported that they use national industry data at this frequency.

Internal Data

Corporations often use internal sources of data to analyse the performance of the company, identify marketing opportunities and deficiencies, and inform future plans. As such, it is not surprising that most companies are focused on internal financial and sales information. In comparison to the external information – which seem to be largely accessed on a monthly/quarterly basis – survey respondents tend to access the internal financial and sales data much more frequently.

The most used type of internal data is financial data – 94.4% of respondents reported using this information, with 61.1% of all companies surveyed reporting using this data on a daily/weekly basis. The least used internal information was webpage and social media statistics - over 40 percent of respondents never use this information. The gross underuse of this data is somewhat surprising. With the wide-spread use of internet in Barbados, online activity at any moment in time can be described as a snapshot of collective consciousness. For businesses, the number of hits on a webpage, the number of likes on Facebook or the number of tweets about one's business could indicate interest in a product at any point in time. This is also a relative easy and cheap way to gauge the effectiveness of marketing efforts. Furthermore, if what people search for is indicative of what they buy, then tracking webpage and social media traffic could potentially provide real-time information on sales.

Exhibit 2
Online statistics are the least used type of internal company information



Large and Small Companies Differ

We also investigated whether companies of different sizes exhibited significant differences in data usage (see Exhibit 3a and 3b). According to

Exhibit 3a
Large companies are more likely to use external information ...

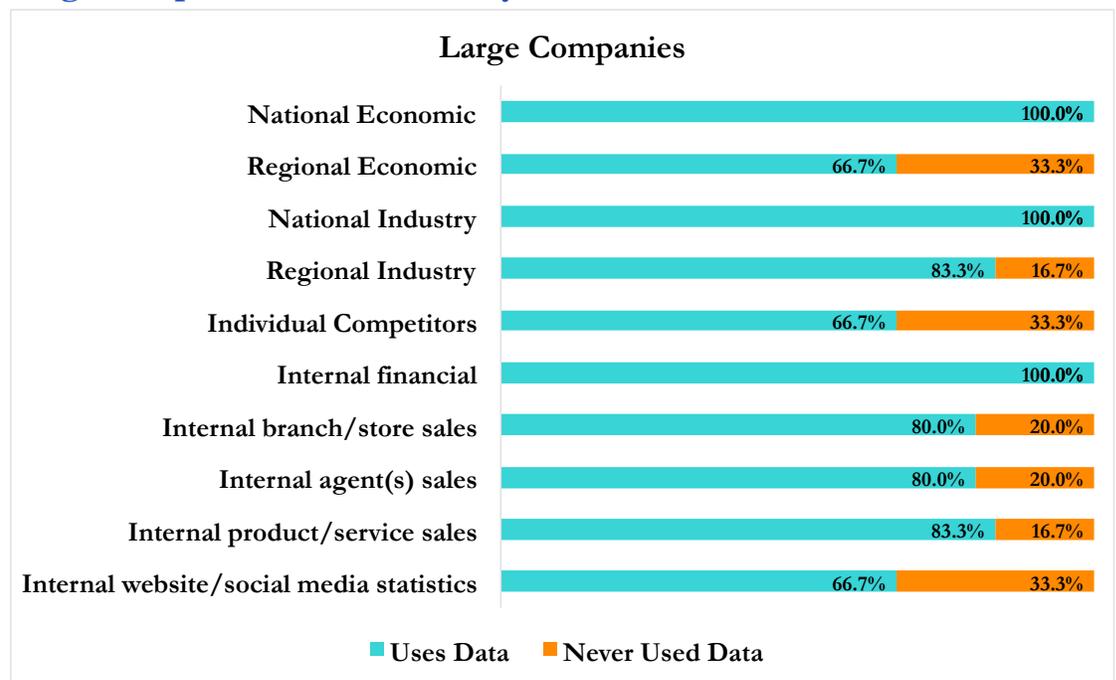
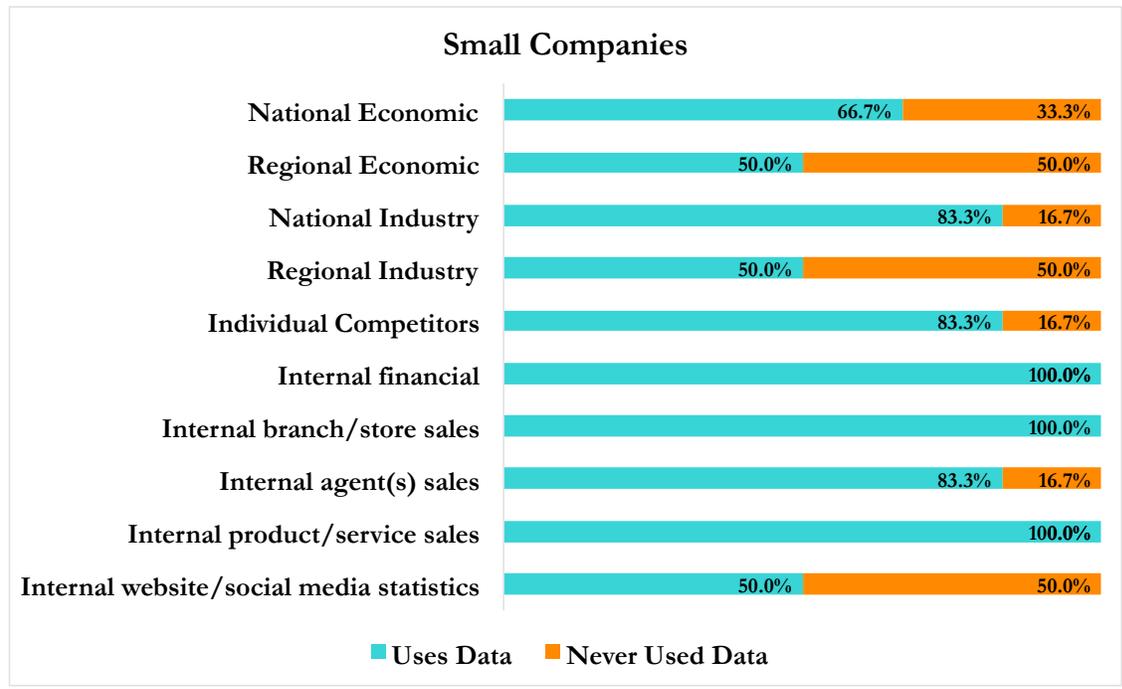


Exhibit 3b
... while small companies are more likely to use competitor information and internal statistics



our survey results, large companies seem more likely to use economic and industry indicators than the smaller firms. Large companies are also more likely to focus on webpage and social media statistics. This could possibly reflect the fact that larger firms have more available resources. For instance, our survey results indicate that large companies are more likely to have an economist on staff or on retainer, and also are more likely to have a staff member dedicated to collecting and analysing statistics.

Interestingly, smaller firms seem to focus a bit more on internal statistics and information about the competitors than larger firms. This is counterintuitive because collecting information on competitors typically requires a more investigative, on-the-ground approach than downloading national statistics from an online source. It would therefore suggest that smaller firms perceive that competitor developments have a more immediate impact on their business than national statistics and place their efforts accordingly.

Nest Steps

While companies should be commended for their incorporation of available data, the survey suggests that there is a wealth of external and internal data sources waiting to be analysed that could support corporate decision making – mainly regional macroeconomic and industry

information and webpage/social media statistics. There could be a number of reasons for the limited use of these statistics. For example, respondents could generally be dissatisfied with the data available and so opt not to use it; they could be unaware of how to incorporate said data into their decision making; or, they may not have the resources to analyse such data.

At Antilles Economics, we believe in fact-based decision making and making use of all available information. We are aware that many companies are unaware of all of the existing data and/or how to incorporate it in their planning. On our end, we will continue to:

- provide independent and up to date research on domestic and regional economies and industries, including statistics, analysis and forecasts;
- partner with our clients to ensure that available information is incorporated into their strategic plans; and,
- continue to provide training sessions and seminars on how to effectively incorporate various types of internal and external data into the decision-making process.

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