

What is the Importance of Data?

by James Miller - Searchbug Blog - <https://www.searchbug.com/info>

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by James Miller - Monday, March 11, 2019

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You're probably dealing with more data than ever before. If you're not convinced, look at how many tools you use that just help you manage information.

Google Sheets. Excel. OpenOffice Calc. LibreOffice Calc. Lotus 1-2-3. Zoho. We could go on. The point is that you've got so much data to work with that we're willing to bet you've got more than one piece of software for managing all that data.

A more important question is, "Why do you have all that data?" It costs money to collect. It costs money to manage. And it costs even more money if it's incorrect. Why not just go back to the good ole days when businesses made decision based on the boss's intuition?

The reality is that life is better with data. Some data is more valuable than others. But all of it has a heavy impact on how your business operates.

To use your data efficiently *and* effectively, you need to be clear on what types of data you can have, and what all of it is useful for.

The Importance of Data: What to Do With It?

This question can be answered in a single sentence: data helps you make better decisions.

Data helps you make decisions in every aspect of your business, from R&D, to production, to distribution. No matter what you sell.

Human resources teams use data to resolve internal issues, identify the best candidates, and make new hires.

Marketing departments use data to find the most receptive audience and determine the best way to reach them.

Executives use data to expose trends and make long-term decisions.

Everybody in your organization needs good data to make good decisions. But, not everybody in your organization needs all the data available. They only need the data that's relevant to them.

So, what data is most relevant to each part of your business? Let's talk about the different types of data.

Transactional Data

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Transactional data is the recorded results of actions. Ad clicks, web purchases, and email opens are some actions that generate transactional data. They're actions that can be recorded and quantified.

Since most transactional data is created by people doing things, it's useful for observing behavioral patterns and trends, and optimizing how your company interacts with people. So, marketing teams, product designers, and UX specialists are usually most interested in transactional data.

However, engineering and HR teams can sometimes use transactional data for solving internal problems and making design improvements.

Internet Data

Internet data is any publicly accessible information on the web. Blogs, internet search results, social media profiles, and anything else you can find on the internet constitutes internet data.

Internet data is easy to collect. The difficult part is organizing the information and turning it from unstructured data—data that's only readable by humans—and turning it into structured data—data that's readable by computers.

Turning internet data into structured data enables you to use data processing and data management software to analyze and manipulate internet data. This is valuable for collecting and monitoring customer reviews, competitor marketing content, or published government data.

Usually, [web scraping tools](#) are used for collecting internet data. Internet data is most useful to marketing teams, executives, and financial teams. But, there's enough data on the internet that there's useful information for everyone.

IoT Data

IoT data (internet of things data) is generated by sensors. Sensor data is generated by everything from laptops, to smart watches, to cars. Anything that has a sensor generates IoT data.

This data is most useful for optimizing equipment and mechanical processes. Your engineers, production teams, and R&D teams love IoT data.

Personal Data

We saved the best for last. Personal data is arguably the most important type of data for businesses.

The entire purpose of a business is to provide value to people. To get paid for that value, you need to know who you're trying to reach—most importantly where they are and how to contact them. If you can't communicate with customers, you can't sell anything. No matter how good your offering is.

So, [correct personal data](#) is one of the most important things your business can have. It's the key to contacting your customers.

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Your marketing team will use customer data the most. Customer service teams also need customer data to function efficiently.

Fortunately, there are a lot of ways to collect customer data. You can collect it yourself. But you can also buy it. Either way, it's important to make sure that your personal data is correct. Otherwise, it's useless.

The Importance of Data Validation

So, you see where your data gets used. Obviously, having correct data is critical. If your data is incorrect, it could lead to bad decisions. Or useless product developments. Or wasted advertising money.

It causes huge efficiency issues. There are too many problems associated with bad data to list here. If you want to get acquainted with all the symptoms of bad data, check out our post on [everything that can go wrong with bad data](#).

It's a little scary. But, there's good news: with the right tools, most data is easy to verify.

The number one cause of bad data is manual data entry. People make mistakes. It might not be malicious. But it still puts bad data into your databases. So, even if computers collect all your data, you still need a validation process if people handle your data at any point.

With transactional data and IoT data, the validation process is a simple matter of quality control. If you've manually copied data from one place to another, the copied data needs to be checked against the original before you use it.

Sadly, internet data is nearly impossible to validate. If you're scraping web data, you'll often have to take it at face value (unless it's personal data, which we'll cover next). It's just too easy to put false information out there on the net.

Validating Personal Data

That brings us to personal data. We here at Searchbug are personal data fanatics. So, this is the area we know the most about.

With the right tools, personal data is very easy to collect, and very easy to validate. Without the right tools, validation can be a nightmare.

Regardless of how you collect your data—whether you're purchasing lists or collecting personal information through contact forms—you need to validate it. There's simply no way to collect personal data without people touching the information somewhere along the way. Either a person manually enters it in a form field, or it gets handled by someone in your organization when you use the data.

But it gets worse. Personal data decays. People move. They change their phone number. They change their email address. Their contact information goes out of date rather quickly.

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So, and we know we already said it, but validate your personal data.

The two most efficient ways to do this are bulk data validation and automation. The method you use will depend on how you collect and manage your data.

Bulk Data Validation

If you use data management software, you can use bulk data validation. Even if you collect data on paper forms, you can upload your data for bulk data validation once you've got it in your data management software.

Just export your contact lists as .csv, .txt, or Excel files, and upload that file. You'll get a .csv file with the validated data that you can reload into your data management system. Easy peasy.

Automated Data Validation

If your data collection and management process is entirely electronic, you can create an automated data validation process using an API.

With an API, you can validate data at the point of entry, to prevent bad data from entering your system. Then you can automate the backend validation by linking your in-house data management software to an online data cleansing service. This eliminates manual data entry and keeps your databases clean.

As you can see, your data is incredibly important. A business can't operate without data.

But, if your data is wrong, it could be worse than having no data at all. So, your data validation process is just as important as the data itself.

Make sure you're validating and using your data correctly. If you need bulk data validation or want to see what you can do with automated data validation, check out the Searchbug [batch processing tools](#) and [APIs](#).

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