

Data to be a defining tech trend in 2012

December 24 2011, by Glenn Chapman

The start of this year was marked by a tech industry obsession with where to put growing mountains of information gathered online and by sensors increasingly woven into modern lifestyles.

External drives boasted seemingly unfillable capacities and companies touted services for storing bits and bytes at massive data centers in the Internet "cloud."

As 2012 approaches, focus has turned to searching for trends, patterns and other useful insights about people's preferences and behaviors that might be buried in troves of data.

"Big [analytics](#) toward the end of the year became the big term and into next year it will be the big term," independent [Silicon Valley](#) analyst [Rob Enderle](#) told AFP on Friday.

"Analytics is really the core of what will be happening in everything from medical research to advertising."

The theme for this year's Web 2.0 Summit in San Francisco was unlocking the power of "big data," and the topic was dissected by top Internet company executives at an array of industry [gatherings](#).

"Analyzing data can tell you what resonates and what doesn't," Enderle said. "Applied to elections it could be the difference between winners and losers."

An IBM computer called "Watson" that made headlines by beating a human [Jeopardy! television quiz](#) show champion at his own game demonstrated the power of data analytics, according to the analyst.

"Could you imagine Watson used for legal or medical research?" Enderle asked. "You can do some amazing things by drawing conclusions from information you already have but couldn't make heads or tails of before now."

He predicted that analytics would drive major breakthroughs in the years ahead.

Large businesses out to recapture the [intimacy](#) of running small shops in tune with local customers are turning to a startup that gleans insights about people from cold, hard data.

Collective(i) will come out of stealth mode in January with a unique service that helps businesses better understand even their smallest customers through real-time data analysis.

"We are bringing analytics and business intelligence to the masses," said Collective(i) chief executive Stephen Messer.

"What Ford's assembly line did for cars we are doing for analytics," he said.

The New York City-based firm operated by Cross Commerce Media has been in test mode for seven months, winning fans such as US gift service 1-800-Flowers and flash-sale website Gilt.

"At the end of the day, what I am always trying to do is re-create the relationship we had with customers when we started with one flower shop in Manhattan in 1976," said 1-800-Flowers president Chris

McCann.

"Collective(i) has given me the ability to do that in a different way than has been done before," continued McCann, who was 15 years old when he joined his older brother in their first florist shop.

While analysis companies typically present clients with charts showing break-downs of market or sales data, Collective(i) figures out why numbers turn out as they do.

Messer gave the examples of deducing that people buy more macaroni-and-cheese when the outside temperature dips below a certain temperature, or that folks see the dish as a prime alternative to soup.

Stores can tailor ad pitches or promotions to the weather as well as their customers, he explained.

"Others give you the facts, we give you the 'why'," Messer said.

"What it means is that companies are listening to their customers again and not just pitching you products you don't want," he contended.

Analytics will let companies more shrewdly target money spent on advertising, potentially saving money in the multi-billion-dollar ad market.

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