

## Business Intelligence vs. Big Data in Capturing the CX

**Delivering an incredible customer experience is a priority for every business. Today, Big Data and Business Intelligence (BI) has become one of the most valuable, innovative and exciting technological developments.**

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Customers expect to be treated like royalty by brands. They expect businesses to know them, understand their preferences, and deliver relevant experiences. Experience has become the currency of brand loyalty and retention; more than half (55%) of companies surveyed by [Gartner Research](#) reported that their digital ambition is to create a better customer experience.

Today, an increasing amount of companies are realizing that true competitive advantage lies in creating an engaging customer experience - one that is personal, fast, easy, and useful. The only problem: many companies are uncertain how to deliver it. Using advanced analytics such as BI and Big Data, companies can improve their customer and user experiences, leading to both higher satisfaction and loyalty in the long term.

What does this all mean for [business intelligence \(BI\)](#) users and systems? With all the attention on advanced analytics for big data, what's the reasoning for BI?

### History of Big Data

Put simply, big data comprises larger, more complex data sets, especially from new data sources. These data sets are so large that traditional data processing software struggles to process it. But these massive volumes of data can be used to address business problems we wouldn't have been able to tackle before.

The concept of big data gained momentum in the early 2000s when industry analyst Doug Laney articulated the now-mainstream definition of big data as the **three V's**:

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**Volume:** Organizations collect data from a variety of sources, including business transactions, smart (IoT) devices, industrial equipment, videos, social media and more. In the past, storing it would have been a problem, but cheaper storage on platforms such as data lakes and Hadoop have eased the burden.

**Velocity:** With the growth of the Internet of Things, data streams in to businesses at an unprecedented speed and must be handled in a timely manner. RFID tags, sensors and smart meters are driving the need to deal with these masses of data in near real time.

**Variety:** Data comes in all types of formats – from structured, numeric data in traditional databases to unstructured text documents, emails, videos, audios, stock ticker data and financial transactions.

Finding value in big data isn't only about analyzing it (which is a whole other benefit). It's an entire discovery process that requires insightful analysts, business users, and executives who ask the right questions, recognize patterns, make informed assumptions, and predict behavior.

## History of Business Intelligence

Overall, the role of business intelligence is to improve all parts of a company by improving access to the firm's data and then using that data to increase profitability.

BI encompasses a wide variety of tools, applications and methodologies that enable organizations to collect data from internal systems and external sources, then prepare it for analysis, develop and run queries against that data and create reports, dashboards and data visualizations to make the analytical results available to corporate decision-makers, as well as operational workers.

BI offers capabilities for near real-time sales tracking, allows users to discover insights into customer behavior, forecast profits, and more. Diverse industries like retail, insurance, and oil have adopted BI and more are joining each year. BI platforms adapt to new technology and the innovation of its users.

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In practice, you know you've got modern business intelligence when you have a comprehensive view of your organization's data and use that data to drive change, eliminate inefficiencies, and quickly adapt to market or supply changes.

## Business Intelligence Vs Big Data

A Big Data solution differs in many aspects to BI. Although Big Data and Business Intelligence are two technologies used to analyze data to help companies in the decision-making process, there are differences between them. They differ in the way they operate as much as in the type of data they analyze. Basically, Business Intelligence is concerned with questions of "what and where", while Big Data analytics makes it possible to answer the "why and how".

These are the main differences between Big Data and Business Intelligence:

- In the context of BI, information is stored on a central server (data warehouse), while Big Data involves a distributed file system, which makes operations more flexible but also the preservation of data safer.
- Big Data deals with structured and unstructured data (from different sources including those external to the company, such as social networks), while Business Intelligence analyzes structured or semi-structured data, for the most part internal to society. The formats are mechanically less varied.
- BI uses historical data to make future decisions, where Big Data solutions can not only look for past data but also real-time data sources. This brings agility to the research.
- Big Data solutions bring processing functions to the data rather than the other way around. Analysis is information oriented, which is not the focus of business intelligence tools.

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## Working Together

BI and Big Data analytics have revolutionized a myriad of industries, with the retail sector being the biggest beneficiary. The advantage that comes with the ability to process significant volumes of data is the main attraction of business intelligence and big data analytics.

While data analytics and business intelligence both share a passion for data as well as insights, the two are drastically separate methods: They work separately and fulfill a different purpose, but both have a significant hold in modern insight-driven organizations. This means instead of pitting them against one another, organizations must bring them together so they can improve themselves and each other by leveraging capabilities and skills.

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