

Statistics in business

Business



Statistics is a way of gathering, analyzing, interpreting and presenting data so that it becomes more meaningful. It helps convert raw data into useful information. Statistics is therefore a collection of information. Statistics can be presented in graphical form to make it more appealing and easily understandable by the users. Statistics can be descriptive or inferential.

Descriptive statistics have to do with methods in a data set that utilizes numerical and graphical to look for patterns to summarize the information revealed in a data set, and to present the information in a convenient form.

The four elements of descriptive statistical problems are the population or sample of interest, one or more variables (characteristics of the populations or sample units) that are to be investigated, Tables, graphs, numerical summary tools, and the identification of patterns in the data. Also there are Inferential statistics that utilizes sample data to make estimates, decisions, predictions, or other generalizations about a larger set of data.

There are 5 elements of inferential statistical problems: The population of interest, one or more variables (characteristics of the population units) that are to be investigated, the sample of population units, the inference about the population based on information contained in the sample, and a measure of reliability for the inference. When it comes to the role of statistics in business decision making it is applied in many ways in terms of consumer preferences or even financial trends.

For example, managers across any type of business unit formulate problems, they decide on a question relating to the problem and then form a statistical formulation of the question is used to determine answers to all of the above.

An example of a business question may be how many calls are answered on average in a call center and how can we increase the numbers of calls answered per hour. Another example may be how we can increase the number of accounts.