

# AUSTRALIAN BUSINESS: EMERGING STRONGER WITH DATA DRIVEN INSIGHTS

## Survey shows a need for greater investment, prioritization, and confidence

### AUSTRALIAN BUSINESS LEADERS SEE POTENTIAL IN DATA

According to Gartner analyst Andrew White, “Data is an intangible asset, as is IP, software, brand, and good will. Business investment in intangible assets has become more important than investment in tangibles for many industries as a driver for growth and productivity.”<sup>1</sup>

Most companies understand the value of data today and have embraced tools to collect, store, analyze, and share information. In fact, Gartner projects enterprise IT spending to rise in Australia as it recovers from the COVID-19 pandemic.<sup>2</sup>

A study on the future data landscape, conducted by The Economist Intelligence Unit and sponsored by Snowflake, collected input from 914 global executives across eight industries and 13 countries, including 50 business leaders from Australia. The majority (88%) of Australian respondents hold C-suite or equivalent titles at their company. Most (92%) are very involved in the oversight and decisions of data management, such as sourcing, exchange, warehousing, governance, and analytics.

Many Australian business leaders recognize the strategic opportunities that data-driven insights offer their organizations. One-third (34%) see the biggest advantage to be expanding their customer base. Attracting top talent (30%), gaining market share (28%), and decreasing time-to-market (22%) are among the other top responses. But things get a bit more complicated from there.

**“ The Snowflake Data Cloud has helped revolutionize the way we work with data at OZ Minerals. Snowflake has simplified our data modelling processes, provided the power and functionality to dynamically scale with us as we need it and importantly, has reduced the time to value in delivering insights, driving better business decisions.”**

—LUKE BEST, Principal Data Engineer, OZ Minerals

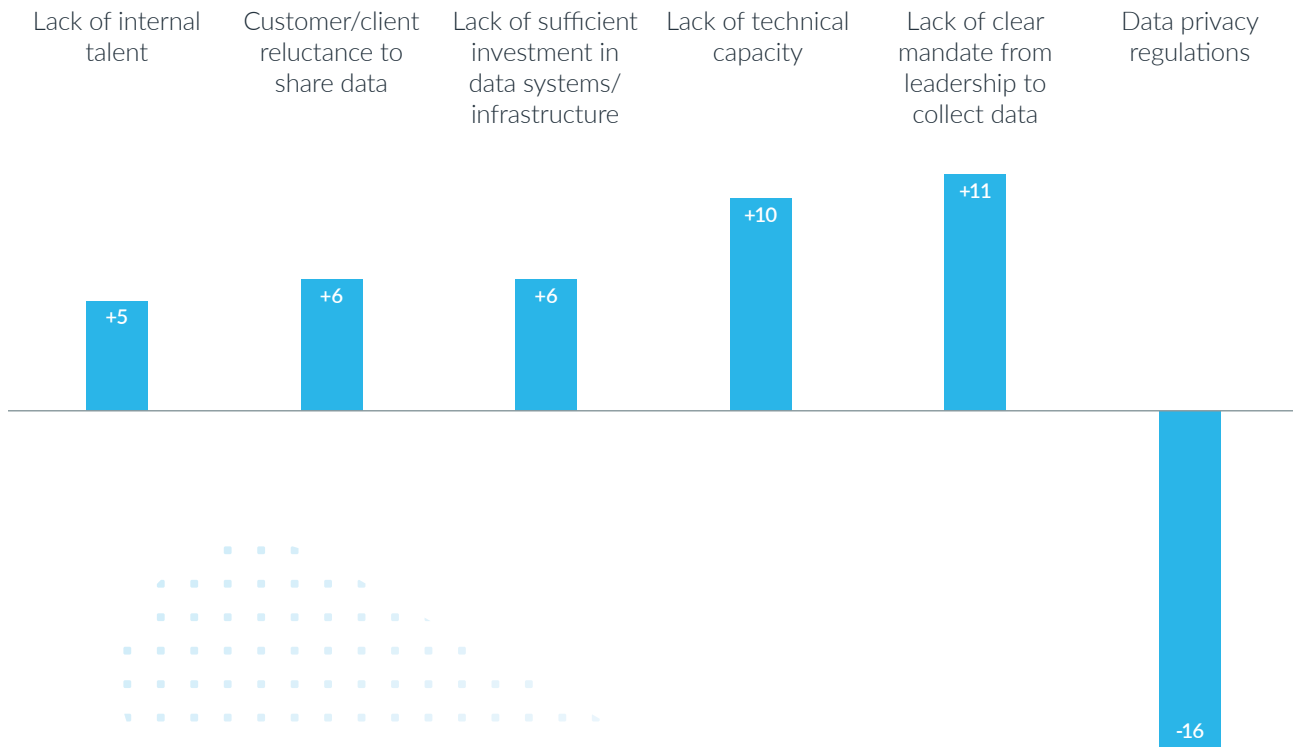
## OPPORTUNITIES AND CHALLENGES WITH DATA COLLECTION IN AUSTRALIA

Respondents in Australia report that they are collecting data to some degree. Nearly half (48%) purchased data from another corporate partner or nonprofit/nongovernmental source in the last six months (higher than the global averages of 40% and 33%, respectively). Another 38% report recently purchasing data from a government body. The vast majority (88%) also accepted data without payment in that same timeframe. About half (48%) indicate that third-party and syndicated data vendors were their most useful source of data.

Australians also indicate they face more challenges that interfere with their ability to collect data effectively (see Figure 1). Cumulatively, these responses indicate that they face insufficient infrastructure, limited technical capacity, and lack of internal talent, which inherently impede their ability for data collection.

**FIGURE 1: Australians rated their biggest challenges with regard to data collection.**

(The biggest challenges to the organization's ability to collect data; Australia deviation from the global survey average)



## SHARED DATA OCCURRING SLIGHTLY HIGHER COMPARED TO REST OF WORLD

Australian companies are also selling and providing data to third parties. In the six months prior to the survey, nearly half of respondents report selling data to a supplier or vendor (44%) or government body (42%). Around one-third had sold to a nonprofit/nongovernmental organization (36%) or third-party data vendor (32%). Most (88%) also say they have provided data without payment, which is slightly higher than the average global rate (83%).

Australian respondents are less likely to take advantage of data from external parties. When asked how often they shared data to draw insights that could lead to better customer service practices, 30% said frequently (compared to the global average of 49%) while another 18% said rarely (versus 8% globally).

About one-third (36%) of Australian respondents report frequently using data for driving innovation in products or services (versus 50% of average companies), and about one-quarter (24%) say they rarely do so (versus only 10% globally). Using data to build trust among different organizations in their industry is also rare for another 22% of Australian respondents (versus 11% globally).

## UNDERSTANDING AUSTRALIA'S DATA UTILIZATION

Survey results provide some insight into the reasons for Australia's data utilization compared to other nations. Respondents were asked to cite challenges that inhibit their organization's ability to draw insights from data. The most common responses were:

- **34%: Too much time required (global average 21%)**
- **28%: Barriers to data sharing with other organizations (global average 27%)**
- **26%: Lack of internal talent to build technical capacity (global average 21%)**

Australian business leaders are actively tackling inherent data challenges. Respondents acknowledge weakness in most critical areas when it comes to data utilization. When rating their performance in comparison to industry peers, they cite their primary obstacles to overcome as:

- **Ability to collect data from customers and clients (76%)**
- **Ability to deal with data-related regulation in their country (60%)**
- **Ability to draw insights from data (64%)**
- **Ability to use data-driven insights for strategic purposes (60%)**
- **Technical capacity to manage data (62%)**
- **Overall revenue growth (74%)**

One recent contributing factor could be a sharp decline in investment from outside the country. According to The Guardian, total foreign investment to Australia fell by 46% last year, whereas foreign investment to Japan, China, India, Sweden, and Spain rose.<sup>3</sup>

## ROOM FOR FUTURE IMPROVEMENT

Pressures over the last year have brought challenges for advancing the data landscape. According to Ibis World, rising trade tensions between Australia and China, weak margins, high uncertainty, and ongoing disruption from COVID-19 are expected to provide headwinds from Australian businesses from investing in new productive capacity throughout the year.<sup>4</sup> But on the positive side, overall business confidence in Australia is expected to recover significantly in 2021 and 2022.<sup>5</sup> Looking ahead to the next three years, about a quarter (26%) of Australian respondents expect their spending on data analysis to increase significantly.

In terms of top priorities to enhance data capabilities in the coming three years, two options stood out among the Australian respondents. More than a quarter (28%) cite "acquiring or merging with a firm with better data capabilities." Another 22% say creating a Chief Data Officer role within the company is a priority.

<sup>1</sup> [The Value of Data](#)

<sup>2</sup> [Australian enterprise IT spending to grow in 2021](#)

<sup>3</sup> [Chinese investment in Australia plunged by 61% last year, new data shows](#)

<sup>4</sup> [The Global Economic Outlook for 2021 – Australia](#)

<sup>5</sup> [The Global Economic Outlook for 2021 – Australia](#)