

What Is Datafication?

The word “Datafication” does not have a definition or rather it is not yet a word that has found a place in a dictionary. And yet it is a word we are hearing a lot these days. What it simply means is this- from our actions to our thoughts, everything is getting transformed into a numerically quantified format or “Data”.



From sports to finance and from entertainment to healthcare everything around us is converting into data. For example, we create data every time we talk on the phone, SMS, tweet, email, use Facebook, watch a video, withdraw money from an ATM, use a credit card, or even walk past a security camera. The notion is different from digitization. In fact datafication is far broader than digitization. This astronomical amount of data has information about our identity and our behaviour.

Datafication is helping us to understand the world in a way which was never done before. New technologies are now available to ingest, store, process and visualise that data. Organizations are using them to get benefits. For example marketers are analysing Facebook and Twitter data to determine and predict sales. Companies spanning from all sectors and sizes have started to realize the big benefits of data and its analytics. They are beginning to improve their capabilities to collect and analyse data. Bernard Marr gives us one example to better understand how businesses use data:

“Wal-Mart is able to take data from your past buying patterns, their internal stock information, your mobile phone location data, social media as well as external weather information and analyse all of this in seconds so it can send you a voucher for a BBQ cleaner to your phone– but only if you own a barbeque, the weather is nice and you currently are within a 3 miles radius of a Wal-Mart store that has the BBQ cleaner in stock.”

Simply put Datafication has begun to revolutionize the world in ways we never imagined. Large data sets need storage, database software to store the data, and analytics tools to turn data into meaningful information for businesses. Data storage, data management and data analysis technologies now provides us with the tools to spot the patterns, trends and relationships in political, economic, social and environmental relationships.

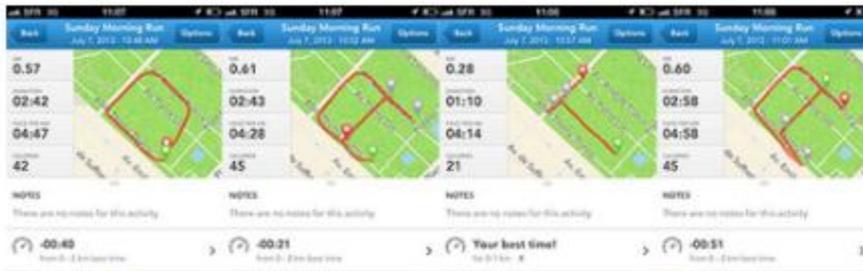
With the data readily available, companies need enough levels of skilled professionals who can analyse and manage the data, to ensure it is of the greatest benefit. It will create jobs in the areas of data infrastructure, data management and data analytics. According to information technology research and advisory firm Gartner, Big Data will create more than 4.4 million jobs, opening up opportunities for analyst and data-savvy job seekers. Organizations need people who understand how to collect, store and analyse the data.

We are truly entering into the era of Bigdata. Datafication and its analytics is going to play an important role for innovation and productivity in the future.

Datafication, according to MayerSchoenberger and Cukier is the transformation of social action into online quantified data, thus allowing for real-time tracking and predictive analysis. Simply said, it is about taking previously invisible process/activity and turning it into data, that can be monitored, tracked, analysed and optimised. Latest technologies we use have enabled lots of new ways of ‘datify’ our daily and basic activities.



Timo Elliott, SAP



DATIFICATION

Although the term is ugly, “datification” is rapidly becoming a big trend in our daily lives.

Datification is about taking a process or activity that was previously invisible and turning it into data. That data can then be tracked, monitored, and optimized, leading to new opportunities — and new challenges. It’s similar in

Summarizing, datification is a technological trend turning many aspects of our lives into computerized data using processes to transform organizations into data-driven enterprises by converting this information into new forms of value.

Datification refers to the fact that daily interactions of living things can be rendered into a data format and put to social use.

Examples:

And here could be many examples of datification.

Let’s say social platforms, Facebook or Instagram, for example, collect and monitor data information of our friendships to market products and services to us and surveillance services to agencies which in turn changes our behaviour; promotions that we daily see on the socials are also the result of the monitored data. In this model, data is used to redefine how content is created by datification being used to inform content rather than recommendation systems.

However, there are other industries where datification process is actively used:

- Insurance: Data used to update risk profile development and business models.
- Banking: Data used to establish trustworthiness and likelihood of a person paying back a loan.
- Human resources: Data used to identify e.g. employees risk-taking profiles.
- Hiring and recruitment: Data used to replace personality tests.
- Social science research: Datification replaces sampling techniques and restructures the manner in which social science research is performed.

Netflix Case:

Netflix, an internet streaming media provider, is a bright example of datification process. It provides services in more than 40 countries and 33 million streaming members. Originally, operations were more physical in nature with its core business in mail order-based disc rental (DVD and Blu-ray). Simply said, the operating model was that the subscriber creates and maintains the queue (an ordered list) of media content that they want to rent (for example, a

movie). If you limit the total number of disks, the contents can be stored for a long time, as the subscriber wishes. However, to rent a new disk, the subscriber sends the previous one back to Netflix, which then forwards the next available disk to the subscribers queue. Thus, the business goal of the disk rental model is to help people fill their turn. The model has changed and now Netflix is actively transforming their service into a smart one, actively using datafication processes.