An In-Depth Analysis Of The Impact Of The Business Analytics On Digital Business Growth[1]

Krishna Rathi

Anil Surendra Modi School of Commerce, Narsee Monjee Institute of Management Studies, Mumbai

ABSTRACT

A company entity's productivity and efficiency will rise with the use of business analytics. Globally, business analytics has had a big impact on a lot of different business sectors. As a developing nation, India can utilise business analytics to advance all of its industries. The current study examines how business analytics are being used in the various sectors of the Indian economy, both now and in the future. The researcher has taken secondary data into account when analysing how business analytics is gaining traction in different Indian industries. It is noted that during the study period, business analytics use in India increased positively in sectors like IT, travel and transportation, pharmaceutical and healthcare, retail, and e-commerce, but it increased negatively in sectors like FMCG, telecom, engineering and manufacturing, and energy and utility. Nonetheless, given the vast untapped market in India, there is room for expansion in the application of business analytics in a number of industries.

INTRODUCTION

Business analytics can be used to identify, assess, and explore a vast untapped market in the Indian economy. India is experiencing an exponential development in business analytics due to the country's increasing internet user base. According to a World Bank estimate, the number of internet users in India increased from 20% in 2018 to 41% in 2019, and it is predicted to reach a new peak of over 0.9 billion in 2025. Due to the tremendous rise in internet usage and data volume acquired, business analytics is now able to investigate the use of the internet in Indian industry.

In India, the business analytics market grew by 26.5% in 2021 over 2020. Several businesses, such as BharatPe, have looked into promising opportunities in the MSME industries. Only by using business analytics to finance these tiny businesses was this made possible. With a high return rate of 96%, BharatPe has so far disbursed loans of Rs 3000 crores (IBE, 2022).

Business analytics is the iterative and statistically systematic analysis of a business entity to understand the current business trends and the industry growth trends in order to formulate critical strategic decisions and planning that can drive the growth of the business. Business analytics is based on the massive volume of data accumulated over the years known as Big Data. Business analytics uses four forms of analytics: descriptive, diagnostic, predictive, and prescriptive, to address what has happened, why it has happened, what the future holds, and how to address it.

The company can increase the effectiveness of its operations with the use of business analytics. The Indian government now makes the majority of project decisions using business analytics. As an illustration, during the COVID-19 epidemic, the Indian government successfully distributed the CoWin vaccine by using business analytics (IBE, 2022).

Not only do huge corporate entities employ business analytics, but small firms do as well. The main applications of business analytics in India are in the areas of forecasting, risk management, supply chain efficiency, and business operation efficiency. Business difficulties are resolved and production and profit are increased by the business entity's insights from business analytics.

PROBLEM STATEMENT

India is the democratic nation with the highest population, featuring both developed and developing sectors. Artificial Intelligence and business analytics are growing at an astonishing rate worldwide. The application of business analytics in industrialised nations has shown to be quite successful in raising operational productivity and efficiency across a range of industries. The research's initial goal is to examine how business analytics are used throughout India's different industries.

GOALS

to comprehend how business analytics is being used and growing in Indian business sectors. to examine how business analytics may develop in different Indian business sectors in the future.

TECHNIQUES

The study analysed how business analytics is currently being applied in India's various industries using descriptive methodologies and secondary data. The study examined data from the previous two years, 2021 and 2022, to comprehend how business analytics are used in different industries in India. The investigator has gathered trustworthy secondary data.

DATA ANALYSIS AND INTERPRETATION

Major sectors in data analytics

As a rising nation, India benefits greatly from the application of business analytics, which is also helpful in a number of other expanding industries. In comparison to 2021, the business analytics sector in India has risen significantly, accounting for 34.5% of the country's total market value. According to "Analytics India Magazine," the non-IT sectors of India have demonstrated a great deal of promise for the nation's expanding pool of business analytics engineers. company analytics can be used by Indian company entities to address the complexity of their numerous operational concerns and problems. Additionally, the application of business analytics has made it possible to comprehend customer expectations and create new goods that meet those needs.

Some of the major business sectors which uses the business analytics include:

Information Technology

When it comes to business analytics, the information sector dominates in India. This represents roughly 43% of business analytics' overall utilisation. The main contributors are IT and IT-enabled businesses like TCS, CTS, WIPRO, INFOSYS, etc. Since 2020, there have been about 4,50,000 more employees hired. In order to address concerns and difficulties in important economic areas, the Indian government has launched numerous initiatives to collaborate with the IT industry.

Banking, Financial Services and Insurance (BFSI) sector

India's second-largest business sector is the banking, financial services, and insurance (BFSI) industry. Its proportion in the business analytics space is approximately 34.1%. The first businesses in India to employ business analytics were BFSI organisations. India has $31 billion in business in the BFSI industry, making it the third largest in the world. This sector is predicted to be valued at approximately $140 billion. PayTm, PhonePe, Policybazaar, and other large companies are among those that are presently adopting business analytics to fight for market dominance. Employing business analytics, insurance companies such as Policybazaar have found success in matching their products with the proper clients.

Retail and E-commerce

According to the NASSCOM, 1.2 million transactions take place in India's retail and e-commerce sectors in a single day. By 2020, the firm will be worth about $50 billion, and it will be expanding quickly to overtake the US e-commerce industry and move up to the second spot globally. Only in this industry can business analytics be used to achieve this. In India, the retail and e-commerce industry makes up about 18% of the entire business analytics market. Amazon, Flipkart, and other big players in this industry use business analytics to achieve a 21% year-over-year growth. Business analytics is used to create a well-developed supply chain and its distribution channels.

Pharma and Health care

During COVID19, the significance of pharmaceuticals and healthcare was truly felt. The campaign was only able to be a huge success because business analytics was used to allocate the COVID vaccine to the necessary areas throughout India and to track the vaccination's progress. In the pharmaceutical and healthcare industries, business analytics is expected to expand by 11% to 17% in 2022.

Travel and Transport

Another important industry that benefits greatly from utilising business analytics is logistics. Business analytics are used in this industry to estimate daily loads, determine the best route at the lowest feasible cost of transportation, and create profitable itineraries for leisure travellers, among other things. The use of business analytics in this industry has increased significantly, from 2% in 2021 to 6% in 2022.

INDUSTRIES WHERE THE USE OF BUSINESS ANALYTICS IS DECLINING

When it comes to using business analytics, the FMCG, telecom, and engineering and manufacturing sectors are some of the most negatively impacted. The use of business analytics in the engineering and manufacturing industry has decreased, going from roughly 18% in 2021 to 9% in 2022.

The use of business analytics in the FMCG industry has decreased, going from approximately 8% in 2021 to 5% in 2022. The telecom industry grew negatively in 2022, falling from 5% in 2021 to 4% in 2022. In comparison to 2021, the Energy and Utilities industry has also experienced negative growth in 2022.
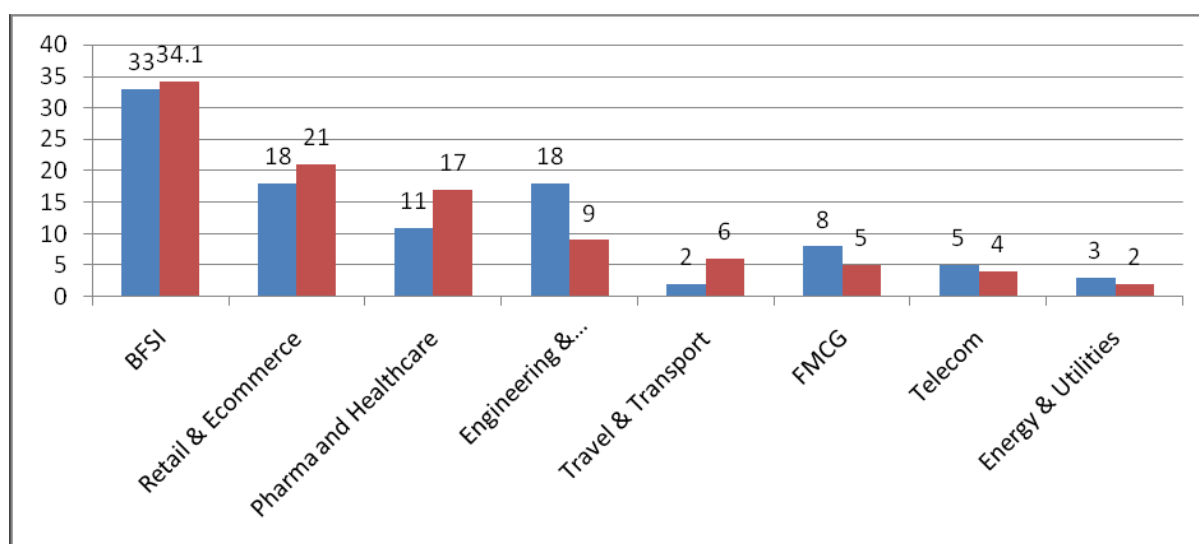

Figure 1 - Analytics Market Share during 2021 and 2022

Major Observations from the sector-wise market share during 2021 and 2022

Indian Government and business analytics

Since 2014, India has made significant investments in big data to improve the effectiveness of its government. The Indian government makes use of a large amount of data to enhance the standard of living for both its employees and government departments. The Indian government has launched numerous new projects aimed at expanding and improving the working space for the use of big data analytics to business analytics. The Indian government's several recent initiatives have enhanced Indian inhabitants' quality of life by providing better access to e-governance work areas and for personal identification. Some of the major initiatives developed by the Indian government are:

Digital India

One of the government's key initiatives is Digital India in India. The project's goal is to equip people with digital tools so that India may become a knowledge-based economy and revolutionise Indian society. The primary goal of the Digital India Program is to provide e-governance services and assistance to the Indian populace. High-speed internet and extensive internet service penetration made possible by business analytics can help achieve this. Business

analytics is also helpful in pinpointing areas where the Indian populace's digital literacy needs to be strengthened and empowered. The Indian economy as a whole will rise quickly if this scheme is successful.

Digi locker

Another initiative in India called Digi locker makes use of business analytics to offer the people of India free services for storing and preserving their important papers. This initiative helps to reduce fraudulent activity and stops serious corruption in India.

MyGov

The Indian government's MyGov initiative is a pooled sourcing work area that uses business analytics to collect innovative ideas from the Indian populace. The Indian government is depending on this project to use business analytics to gather ideas, opinions, and choices from Indian residents. For this scheme, the Indian government has suggested allocating $10.7 billion in the 2022–2023 budget.
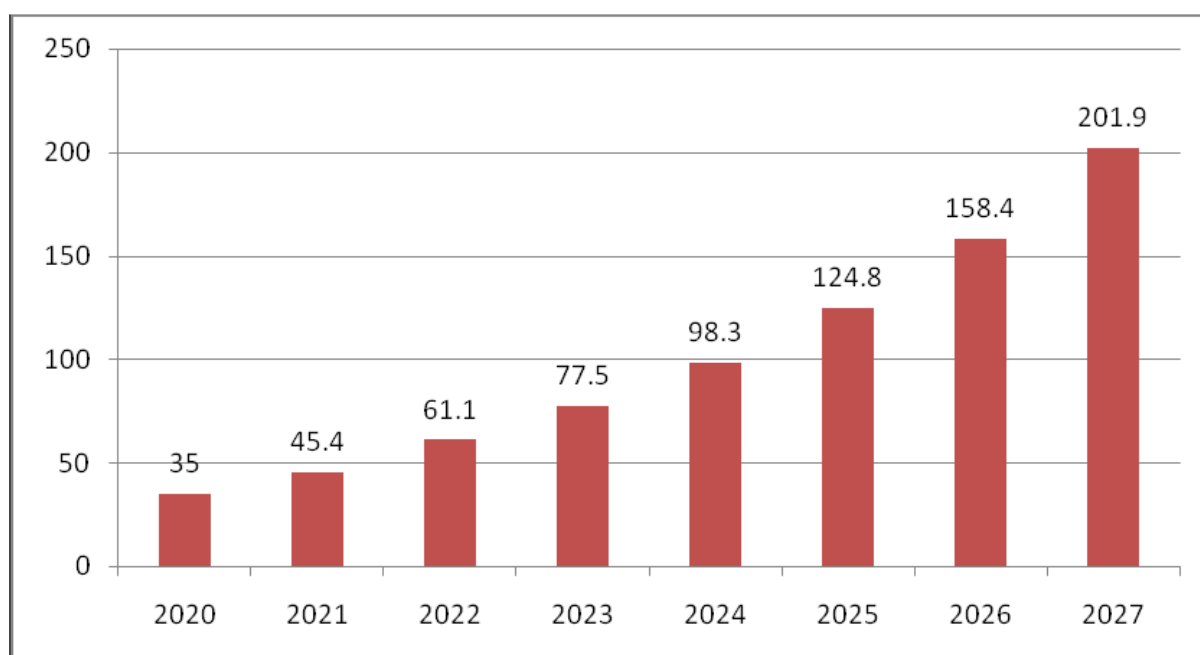

Figure 2 - Projection of Business Analytics in India

According to a report by Analytics India Magazine, the Indian analytics market is expected to expand rapidly, reaching a massive market volume of USD 124.0 billion by 2025, USD 158.4 billion by 2026, and USD 201.0 billion by 2027. Roughly 14% of the Indian analytics industry is accounted for by the Banking, Financial Services, and Insurance (BFSI) sector.

CONCLUSION

The business analytics market in India is predicted to grow to a value of approximately $119 billion by 2026. India is still developing, and there is a lot of untapped potential in the Indian market. While the use of business analytics has increased positively in the areas of information technology, retail and e-commerce, banking, financial services and insurance (BFSI), pharmaceuticals and healthcare, and travel and transportation, it has increased negatively in the areas of FMCG, telecom, engineering and manufacturing, energy, and utilities in 2022 compared to 2021. Business analytics is another tool that the Indian government is adopting to enhance the general standard of living of its people.

REFERENCES

[1]. Chwelos, P., Benbasat, I., and Dexter, A. S. (2001). Empirical test of an EDI adoption model. Information Systems Research, 12(3), 304-321.

[2]. Gangwar, H. (2018). Understanding the determinants of big data adoption in India: An analysis of the manufacturing and services sectors. Information Resources Management Journal(IRMJ), 31(4), 1-22.

[3]. Ghasemaghaei, M., Ebrahimi, S., and Hassanein, K. (2018). Data analytics competency for improving firm decision making performance. The Journal of Strategic Information Systems, 27(1), 101-113.

[4]. Jeyaraj, A., Rottman, J. W., and Lacity, M. C. (2006). A review of the predictors, linkages, and biases in IT innovation adoption research. Journal of Information Technology, 21(1), 1-23.

[5]. Puklavec, B., Oliveira, T., and Popovič, A. (2018). Understanding the determinants of business intelligence system adoption stages. Industrial Management & Data Systems, 118(1), 236-261.

[6]. Ramanathan, R., Duan, Y., Cao, G., and Philpott, E. (2012). Diffusion and impact of business analytics: A conceptual framework. World Academy of Science, Engineering & Technology, 6(9), 208-213.

[7]. Sudesh Zingde, Neha Shroff (2020), Business Environment and Data Analytics: Enablers For Sustainable Economic Growth, International Conference on Global Economy in Business, Management, Social Science and Humanity Perspective, GEMSH-20 , 51-59.

[8]. Sun, S., Cegielski, C. G., Jia, L., and Hall, D. J. (2018). Understanding the factors affecting the organizational adoption of big data. Journal of Computer Information Systems, 58(3), 193-203.

[9]. Verma, S., and Bhattacharyya, S. S. (2017). Perceived strategic value-based adoption of Big Data Analytics in emerging economy. Journal of Enterprise Information Management, 30(3), 354-382.

[10]. Wang, Y. M., Wang, Y. S., and Yang, Y. F. (2010). Understanding the determinants of RFID adoption in the manufacturing industry. Technological Forecasting and Social Change, 77(5), 803-815.

[11]. Xavier, M. J., Srinivasan, A., and Thamizhvanan, A. (2011). Use of analytics in Indian enterprises: An exploratory study. Journal of Indian Business Research, 3(3), 168-179.