The objectives of statistical average

The statistical average refers to the measure of middle value of the dataset. *The objectives* of statistical average are to:

a. *Present mass data in a summary form*: The mass data is condensed to make it readable and to use it for further analysis. It is too hard for human mind to grasp a large body of numerical figures. A measure of average is used to generalize such data into a single figure, which makes it easier to understand.

b. *Alleviate comparison***:** It is difficult to compare two different sets of mass data. However, we can compare those two after computing the averages of individual data sets. While comparing, the same measure of average should be used. It leads to incorrect conclusions when the mean salary of employees is compared with the median salary of the employees.

c. *Establish connection between data sets*: The average can be used to draw inferences about the unknown relationships between the data sets. Computing the averages of the data sets is helpful for estimating the average of population.

d. *Ensure basis for decision-making*: In many fields such as business, finance, insurance and other sectors, managers compute the averages and draw useful inferences or conclusions for taking effective decisions.