

What are some real life examples of using mean, median, and mode?

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Mean, median, and mode are statistical measures used to describe the central tendency of a set of data. In real life, these measures are commonly used in various fields such as business, economics, and science to understand and analyze data. For instance, in business, mean can be used to determine the average sales of a product, median can help identify the middle income of a population, and mode can indicate the most popular product or service among customers. In economics, these measures can be used to analyze income distribution or consumer spending patterns. In science, mean, median, and mode are often used to summarize data in experiments or studies. Overall, these measures provide valuable insights and help make informed decisions based on data analysis in various real-life situations.

Real Life Examples: Using Mean, Median, & Mode

The mean, median, and mode are three metrics that are commonly used to describe of a dataset.

Here's a quick definition of each metric:

Mean: The average value in a dataset. Median: The middle value in a dataset. Mode: The most frequently occurring value(s) in a dataset.

Individuals and companies use these metrics all the time in different fields to gain a better understanding of datasets.

The following examples explain how the mean, median, and mode are used in different real life scenarios.

Example 1: Mean, Median, & Mode in Healthcare

The mean, median, and mode are widely used by insurance analysts and actuaries in the healthcare industry.

For example:

Mean: Insurance analysts often calculate the mean age of the individuals they provide insurance for so they can know the average age of their customers. **Median:** Actuaries often calculate the median amount spend on healthcare each year by individuals so they can know how much insurance they need to be able to provide to individuals. **Mode:** Actuaries also calculate the mode of their customers (the most commonly occurring age) so they can know which age group uses their insurance the most.

Example 2: Mean, Median, & Mode in Real Estate

The mean, median, and mode are also used often by real estate agents.

For example:

Mean: Real estate agents calculate the mean price of houses in a particular area so they can inform their

clients of what they can expect to spend on a house. **Median:** Real estate agents also calculate the median price of houses to gain a better idea of the "typical" home price, since the median is less influenced by outliers (like multi-million dollar homes) compared to the mean. **Mode:** Real estate agents also calculate the mode of the number of bedrooms per house so they can inform their clients on how many bedrooms they can expect to have in houses in a particular area.

Example 3: Mean, Median, & Mode in Human Resources

The mean, median, and mode are often used by individuals who work in Human Resource departments at companies.

For example:

Mean: Human Resource managers often calculate the mean salary of individuals in a certain field so that they can know what type of "average" salary to offer to new employees. **Median:** Human Resource managers also often calculate the median salary in certain fields so that they can be informed of what the typical "middle"

salary is for a particular field. Mode: Human Resource managers also calculate the mode of different positions in the company so that they can be aware of the most common position of employees at their company.

Example 4: Mean, Median, & Mode in Marketing

The mean, median, and mode are often used by marketers to gain an understanding of how their advertisements perform.

For example:

Mean: Marketers often calculate the mean revenue earned per advertisement so they can understand how much money their company is making on each ad. Median: Marketers also calculate the median revenue earned per advertisement so they can understand how well the median ad performs. Mode: Marketers also calculate the mode of the type of ad used (e.g. newspaper, TV, radio, digital) so they can know which type of ads their company uses most often.

How to Find Mean, Median & Mode in Excel (With Examples)