



indicative

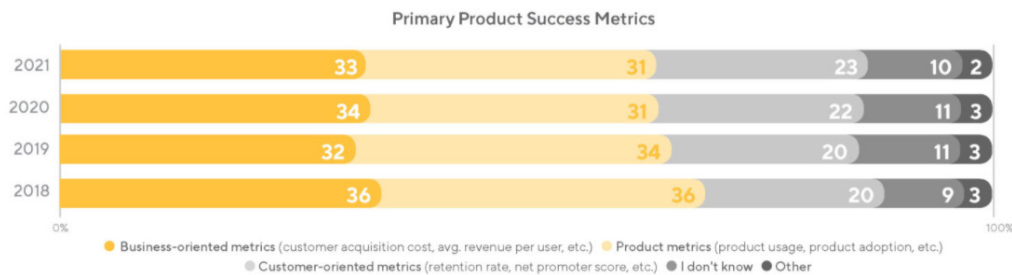
The Analytics

Guide to Winning and Retaining Customers



In today's market, the battle to successfully compete for, win, and retain customers comes down to data. Simply put, teams with access to the most useful data can build the products and experiences that convert customers and keep users around.

According to ProductPlan's [2021 State of Product Management Report](#), "64% of product teams say their primary success metrics are business and product metrics."



Source: ProductPlan

Business-oriented metrics like CAC, CLTV, MRR, ARPU, and conversion have led as the most common success metrics for product teams over the last two years.

But product metrics have been a close second. That's because growing those top-line business metrics *depends* on product metrics and a product team's ability to make data-driven product decisions to improve them.

Doing so requires a clear path for product development that's built on real customer data. That's where Customer Analytics comes in, allowing product teams to:

- Get to know customers on a deeper level
- Experiment and test hypotheses
- Set goals, KPIs, and other metrics to track

In this guide, we explain how product, data, and customer teams can use Customer Analytics to more effectively win, engage, and retain customers.

Win More Customers with Customer Analytics

A business analyst will tell you that funnels are a crucial part of understanding a customer's journey from their first site visit to revenue generation. As a Customer Analytics platform, Indicative understands that this is only the tip of the iceberg for funnels.

Stepping away from standard business intelligence (BI) tools opens the door for more advanced funnels to answer questions like:

- What product features make customers more likely to convert?
- Are customers coming to your site through multiple ads before they convert?
- Which is the optimal path to conversion?
- How are customers engaging with a new product feature?
- How long does it take customers to check out after they've seen our great new blog post?

Even with a BI tool, answering these questions isn't always straightforward.

BI tools like Looker and Tableau are a good way to reduce the time it takes a technical user to answer a question, but they require knowledge of SQL and data tables, leaving non-technical users to rely on others to answer their questions.

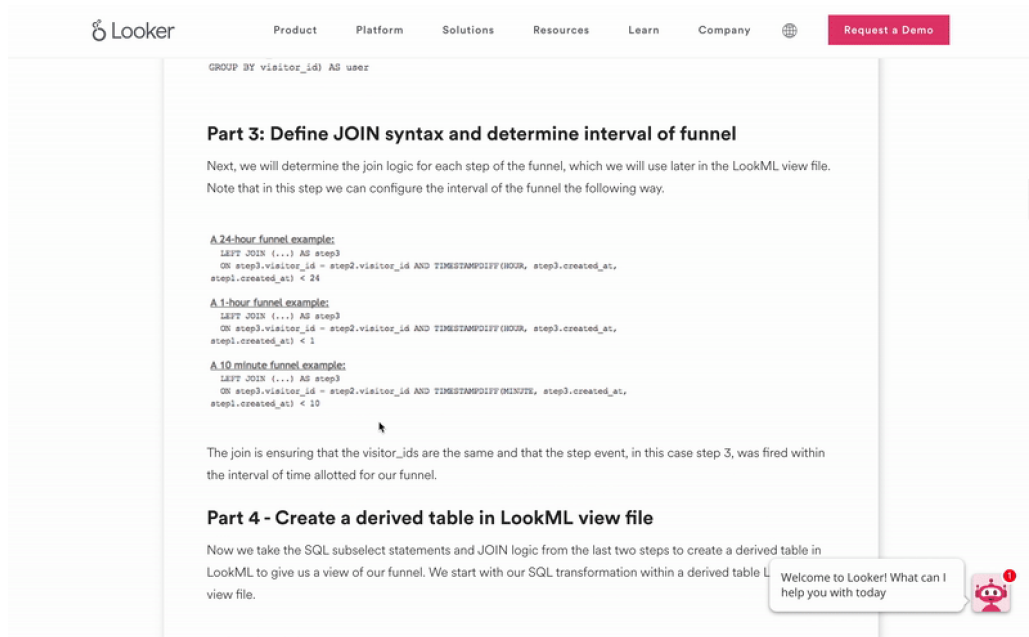
Customer Analytics, on the other hand, takes a step back from SQL all together—to empower even the least technical people on your team to ask and answer questions.

How-To Build a Conversion Funnel with Customer Analytics

To show you the power of Customer Analytics, let's answer a question for the Content Editor of PetBox. PetBox is a (fictional) boxed subscription service for your pets. They also have a blog to keep customers up to date with the animal world. **The Content Editor wants to know:**

- Are users purchasing products faster if they visit the blog?

Take a look at what you would need to do in Looker to answer this question.

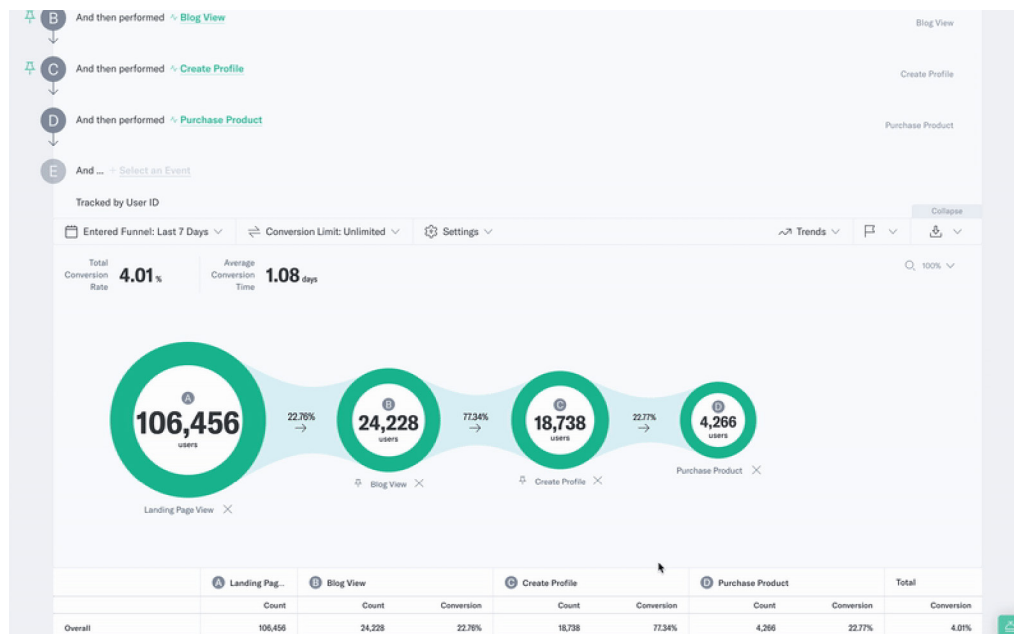


This same question is easy to answer with a Customer Analytics solution.

1. Start a New Funnel Analysis

You can answer this question by creating a [funnel analysis](#). That can be as easy as choosing a trigger for users to enter the funnel and outlining the next actions users should take, in order.

With the right Customer Analytics solution, this process is quick and easy. Here's an example of what it looks like in Indicative:



2. Get Answers in Seconds

Once your funnel is built, it's ready for live data. The funnel in our example tells us that, of the 106,456 customers who viewed the landing page, 24,228 viewed the blog, 18,738 created a profile and 4,266 purchased a product. You can also view the total conversion rate and average conversion time.

Without any SQL or analyst help, a PetBox marketer, data analyst, or product manager can quickly answer their question! Customers take a little over a day to purchase a product when they view the blog.

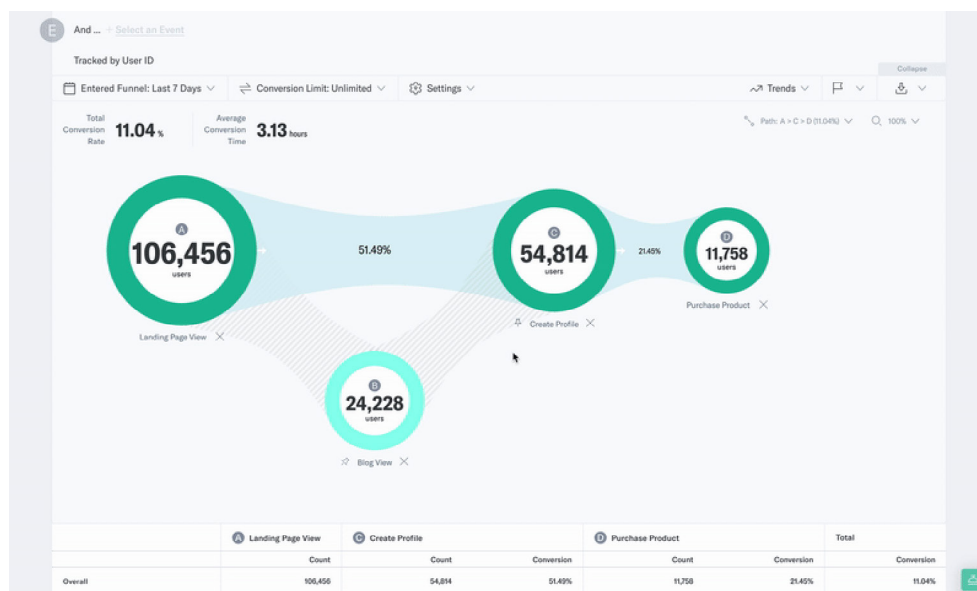
3. Create Multipath Funnels

For more insights into how your users move through the funnel to convert, creating a multipath funnel can help. These are essential to understand how customers actually navigate through your platform and provide insight into the optimal path to conversion.

In SQL based BI tools, it's difficult to compare different customer journeys. You would need to build two separate funnels and compare them, costing time and resources. With Customer Analytics, it's easy to make any action an optional step through a multipath funnel.

To give more meaning to the conversion time of a blog viewer, it's useful to make viewing the blog an optional step in the funnel, for example.

Here's an example of how that works in Indicative—simply unpin “blog view” by clicking the pin icon in the funnel or to the left of “blog view” in the query builder:



4. Compare Average Conversion Time

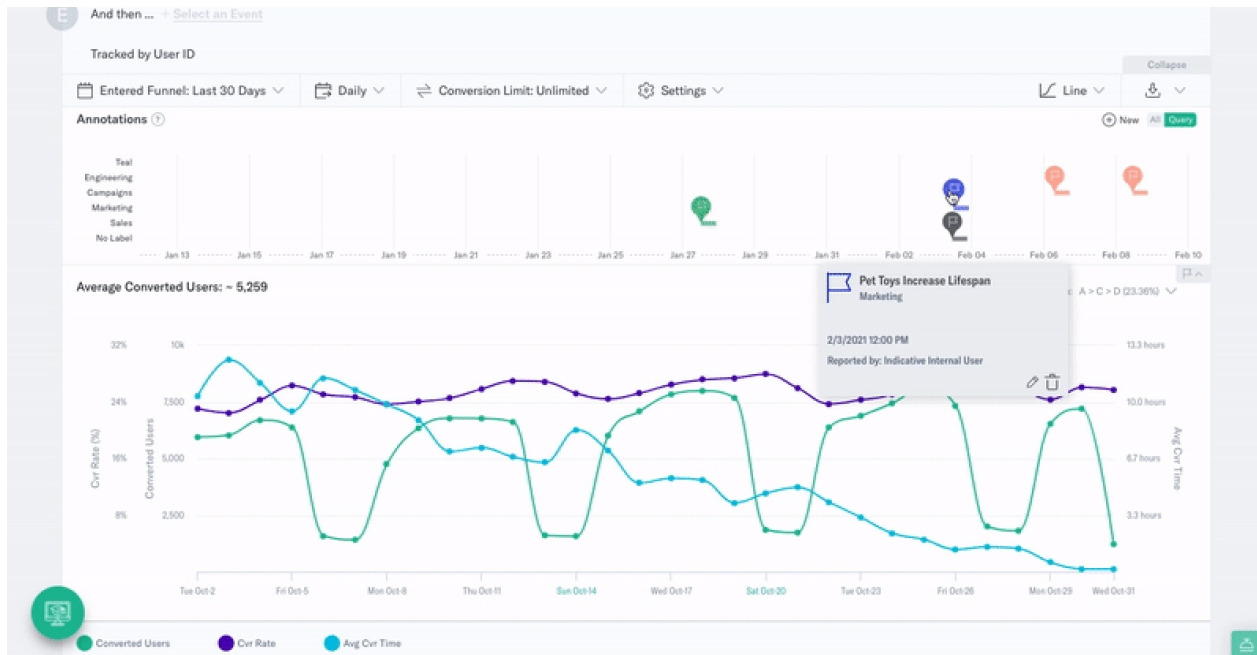
[Multipath funnels](#) enable you to compare customers who did and did not perform an action in a single analysis. The funnel path above looks at users who viewed the landing page, did not view the blog, created a profile, and finally purchased a product. The funnel path below looks at users who did view the blog before purchasing. By comparing time-to-conversion for this customer journey to the journey of customers who didn't view the blog, you can learn how blog views affect conversion.

Looking at the conversion rate in our example, it's clear that customers who don't view the blog are more likely to purchase a product (11.04%) than users who do view the blog (4.01%). With one multipath funnel, PetBox can say that blog viewers are less likely to purchase a product and take longer to purchase than customers who don't view the blog at all.

5. Has Blog Viewer Conversion Changed?

After realizing that conversion of blog readers is lower, PetBox changed their blog style, and now wants to know if this has had an impact on blog viewer conversion.

It's easy to answer this with a Customer Analytics tool. Here's an example of how it works in Indicative:



Where conversion funnels provide helpful insight into customers who have entered a funnel during a specific time range, looking at conversion over time provides insight into how metrics like conversion rate, conversion time, and the number of converted customers have changed.

Like most companies, PetBox conversion has its ups and downs. To understand why conversion may have changed, PetBox has created annotations to mark important product releases, interesting features in their data, and more. The green annotation above shows when PetBox released their new blog style. The blue annotation is the day PetBox released the blog post “Pet Toys Increase Lifespan.” PetBox can now easily see that both their new blog style and content geared towards purchasing drive more users to convert.

With conversion over time, it's quick and easy for PetBox to see how the blog is affecting customers' purchasing behavior.

Engage and Retain Your Users with Customer Analytics

Adoption

With so many SaaS products and apps offering free trials these days, activation has become an easier hill to climb—asking users to sign up without getting their wallets out is always an easier ask.

But that shift has pushed the pressure down-funnel, to adoption. Once users sign up to try your product, it's on your product team to draw new users in, boost adoption, and ultimately, open their wallets.

As Katryna Balboni [writes for Appcues](#), “When you improve product adoption rates, you’ll find it does more than just stabilize your revenue—it also unlocks new growth opportunities. Users who have fully bought into your product bring new users into the fold via viral and network effects.

“Product adoption,” Katryna adds, “is also a good indicator of which users are most likely to be interested in expanding their use of your product by expanding to new use cases, taking advantage of additional features, adding users, and other upsell/cross-sell strategies.”

In other words, higher adoption rates make it easier to engage and retain more customers down the road. And Customer Analytics can help you boost those adoption rates.

Find Your Users' Aha! Moment

Ah, the Aha! moment—the moment when the value of your product or app clicks into place for new users. The idea holds that once a user has their aha! moment, they're bought in and ready to stick with your product for the long-term.

The faster users reach this moment, the quicker they'll adopt your product and the more loyal they'll be down the road. When more users reach this moment, you'll see a higher adoption rate and less churn.

Customer Analytics can help you find the right Aha! moment for your users—so you can actively funnel users toward that event—measure the efficacy of your efforts to funnel users there, and track how those efforts affect long-term metrics like retention, lifetime value, and more.

Using [cohort analysis](#) inside a Customer Analytics platform, for example, you can look at how usage across your product's features correlates with adoption. [Segmentation](#) features can help identify key behaviors of users that adopt your product.

Improve Your Onboarding

Onboarding for new users is one of the most effective tools product and CX managers have to influence adoption. With Customer Analytics, you can access the tools and data you need to improve that onboarding experience and its effect on product adoption.

The two primary ways [to do this](#) are to:

- Personalize your onboarding based on behavioral triggers
- A/B test and measure onboarding completion rates against adoption

By analyzing your users' behavioral data with a Customer Analytics solution, you can better understand their goals for using your product. That knowledge enables you to personalize your onboarding resources based on highly-targeted customer segments.

From there, you can test out those personalized onboarding experiences to see how they affect adoption. By looking at adoption over time, a good Customer Analytics tool will show you how completion of personalized onboarding correlates with higher (or lower) adoption rates versus generic onboarding or none at all.

Engagement

According to a [Gallup poll](#), fully engaged customers represent a 23% premium over an average customer when it comes to share of wallet, profitability, revenue, and relationship growth. In some industries, it's even greater. For example, Gallup found that companies that successfully engage their B2B customers realize 63% lower customer attrition and a 55% higher share of wallet.

In short: Engagement is important, but it's hard to get users to engage more without understanding how and why they're engaging in the first place. That's where Customer Analytics comes into play.

The type of data analysis that typically helps drive user engagement requires interpreting a number of different metrics, but largely, the focus is on behavioral data.

- At what point are leads entering your sales funnel and what point are they dropping off?
- What is the LTV of your average customer?
- Who are your customers? How do they live? What do they love?

Analyzing user data can give you insights that help solicit enthusiastic user engagement — the kind that gets your company paid. The tips below will help you use data to change the way you interact with customers and drive conversions and engagement across all platforms.

Power Personalization with Customer Analytics

You can't give consumers the content they want to interact with if you don't know what kind of content that is — and the truth is that most businesses don't know how to do personalization right.

According to an [IBM report](#), 90% of companies consider personalization an important part of their business strategies, but just 39% of consumers claim they've received relevant brand communications. A customer isn't going to interact with company messaging they don't need or want.

This is where great data comes in.

Data analysis on consumer behaviors can help you understand what type of messaging works for which type of customers, and then you can target specific segments from there.

For example, this can be used in an email campaign where you collect people's insights (i.e. data on core consumer behaviors) and [create highly personalized market segments](#). In other words, you'll learn what customers want, so you can send them the type of message they're looking for—and the effectiveness in this strategy has been proven over and over again.

According to research, email segmentation and individualized email campaign messaging is the most effective type of personalization—and personalized emails have six times higher traction rates than those that don't.

Eliminate The Bumps In Your Sales Funnel With Data Analysis

Data analysis regarding consumer behavior goes a lot deeper than simply demographics. You can actually use insights to help you determine points of friction within your sales funnel.

For example, if a high number of users are abandoning their cart at the payment stage of mobile checkout, it may be a signal that mobile checkout takes too long because users aren't bothered to find their credit card. In this case, a solution might be having your UX team add a PayPal checkout option.

Similarly, you may find out that a wealth of users are [dropping off after visiting your site](#) from Instagram. This could be a signal to implement more specific linking by connecting your product catalog to your business profile.

Whatever the reason, services like Indicative can help you uncover which touchpoints in your sales funnel are key to customer acquisition and which ones are stopping them by analyzing multipath customers journeys.

A/B Testing Tells You What You're Doing Wrong (and Right!)

One of the key features of data analysis using Customer Analytics is that you can [use it on marketing campaigns](#) you're already running to increase engagement (and thus, ROI) and collect information for future campaigns.

The latter can be done through A/B testing, which is hardwired to maximize the number of people who view your marketing messages. Here, you'll test anything from subject lines and message content to format, call-to-action (CTA) buttons, and landing pages to see which solicits the best response from users.

After a few A/B tests, your company should be able to determine trends and nail down what works and what doesn't. Products like Indicative can help in the process.

Behavior-Triggered Actions

A/B testing is useful, but it also isn't the end-all-be-all of data analysis. Data analysis — especially when used in conjunction with automation — can help you solicit user engagement by triggering certain actions based on user behavior (think: personalized emails or dynamic social ads).

For example, this is commonly seen in cart abandonment campaigns. If a user leaves an item in their shopping cart before bouncing from a page, it may trigger additional messaging — like an email or app notification — that reminds the user they were interested in that item.

Retention

The average worldwide [retention rate in mobile apps from 2012 – 2019](#) was less than 35%. Lenny Rachitsky (Growth PM, Airbnb) and Casey Winters (CPO, Eventbrite) launched a [comprehensive benchmark report on retention recently](#). The report agrees that retention metrics are essential to sustainable economics and growth for any company type and size.

This means product teams have to work hard to improve onboarding and engagement to retain customers. Consistent effort in retaining customers keeps customer acquisition costs low and increases lifetime value.

Understanding the usage patterns of your existing customer base is critical to this process. Analyzing your customer's journey can unlock key areas of friction and provide opportunities to improve your app or product.

That's where cohort analysis comes in.

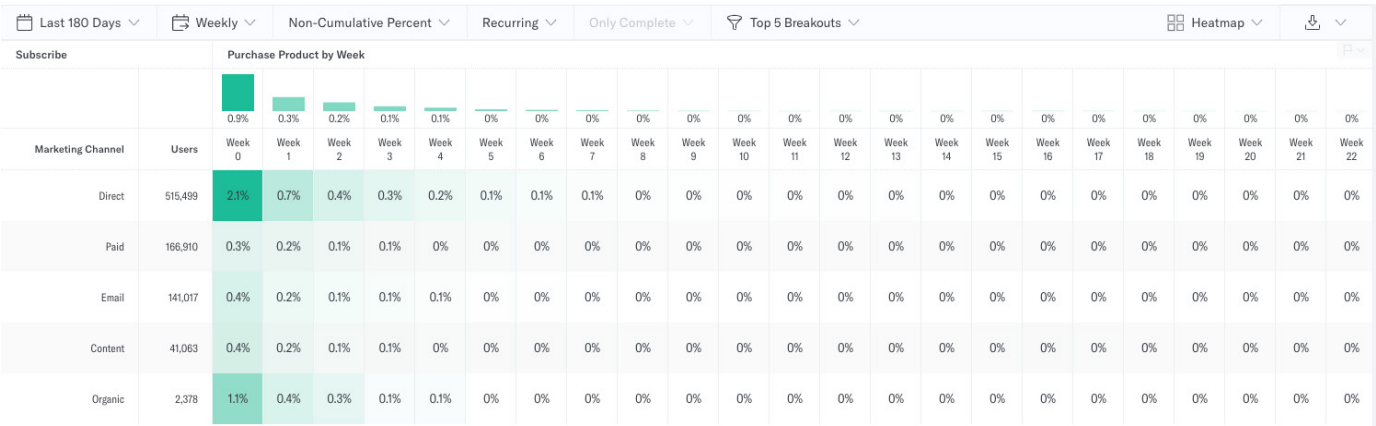
Via cohort analysis, product teams split customer segments either based on their onboarding or actions, and then break them into [groups or 'cohorts'](#) for a given time period. Splitting these cohorts by period and observing changes in behavior over similar periods in the customer lifecycle is a great way to analyze what events or triggers customers respond to and improve your product accordingly.

Let's look at the primary scenarios of how you could improve your product retention by analyzing cohorts.

Optimize the Cost of New Acquisition Channels

If your team is exploring new acquisition channels, then cohorts can help your teams optimize acquisition costs and focus on profitable channels.

For example, the cohort below shows us purchases made by users after subscribing to the product. It helps us understand direct channels like push notifications might be the biggest driver of the buying decision for your customers in the first week than other channels like email or referral marketing. So a concentrated effort in refining our notification approach could nudge our customers further into their buying decisions



Analyze Performance of Product Updates

If your team launches frequent product updates, launch cohorts can help you probe customer churn. There could be app sections where your customers experience poor performance, which your team can fix before it is too late.

For example, Snapchat released a massive redesign of their app in 2018 and faced severe backlash immediately after launch, with [thousands of users protesting the change](#) in the app experience. Launch cohorts can help you examine customer behavior before and after the update to drill down into massive pattern changes and fix these experience issues quickly.

Increase Customer Lifetime Value

Analyzing cohorts of your most engaged customers will help you understand their usage patterns over time. You could then use the lessons learned to create behavioral nudges in new customers to help them make quicker buying decisions. This will increase lifetime value for your product and support your product growth over time.

For example, Pinterest keeps a [close watch on its cohort of 'core Pinners'](#) or power users of Pinterest, who have visited 14 or more times in a 28-day period. It also monitors cohorts of users with a lesser proportion of usage to identify areas where these users typically drop off. Monitoring these cohorts helps Pinterest identify how to best communicate the core value.

Pinterest provides in the quickest way to the newest of users, thus increasing customer lifetime value.

In this manner, customer data cohorts could reveal surprising insights with minimal effort required to fix them. Such steps lead to your organization's sustainable revenue growth since [engaged customers are much more likely to purchase from you](#) than your passive customers.

The Best Customer Analytics Solution: Indicative

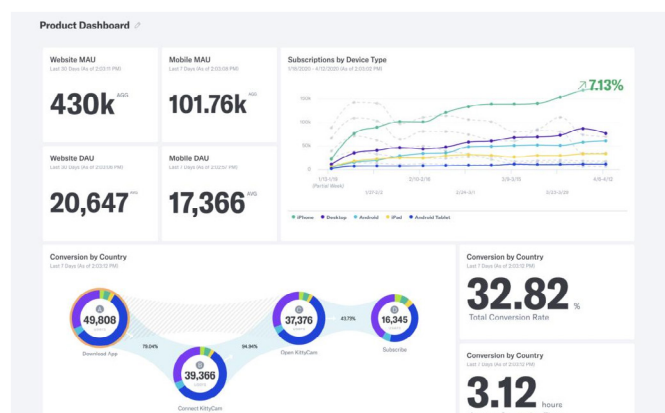
Now that you know how Customer Analytics can help you win and retain more customers, is it time to give a Customer Analytics solution a try? We're admittedly a little biased, but we believe Indicative is the best Customer Analytics solution on the market. We've built Indicative to make powerful data analysis [accessible for everyone](#) in the organization—plus Indicative is the only Customer Analytics platform that [connects directly with your data](#).

The leading Customer Analytics Solution that Helps Product and Marketing Teams Convert, Engage, and Keep Customers

1. Get a single view of multiple customer journeys
2. Simple to use — no coding or SQL
3. Only Indicative connects directly to your data

indicative

Try Indicative Free



gousto

Haven Life

Tomorrow TODAYTIX

COX

TREND MICRO

liv up