



# Rapid Graphs- Tableau for Customer Segmentation and Lifetime Value Analysis

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Freakalytics- rapid analytics to explore, understand, communicate and act



+ Training- public and on-site



# Freakalytics- rapid analytics to explore, understand, communicate and act

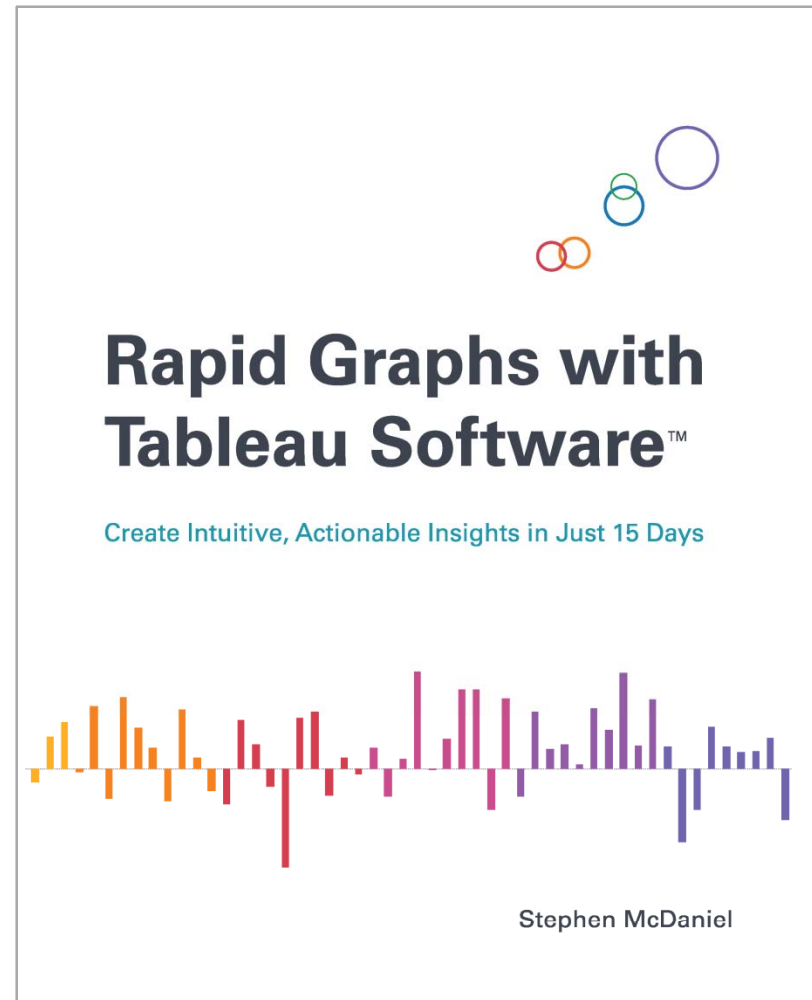


## + Consulting

- Tableau referral partner!
- SAS- data mining & forecasting
- Analytic strategy expertise

## + Author

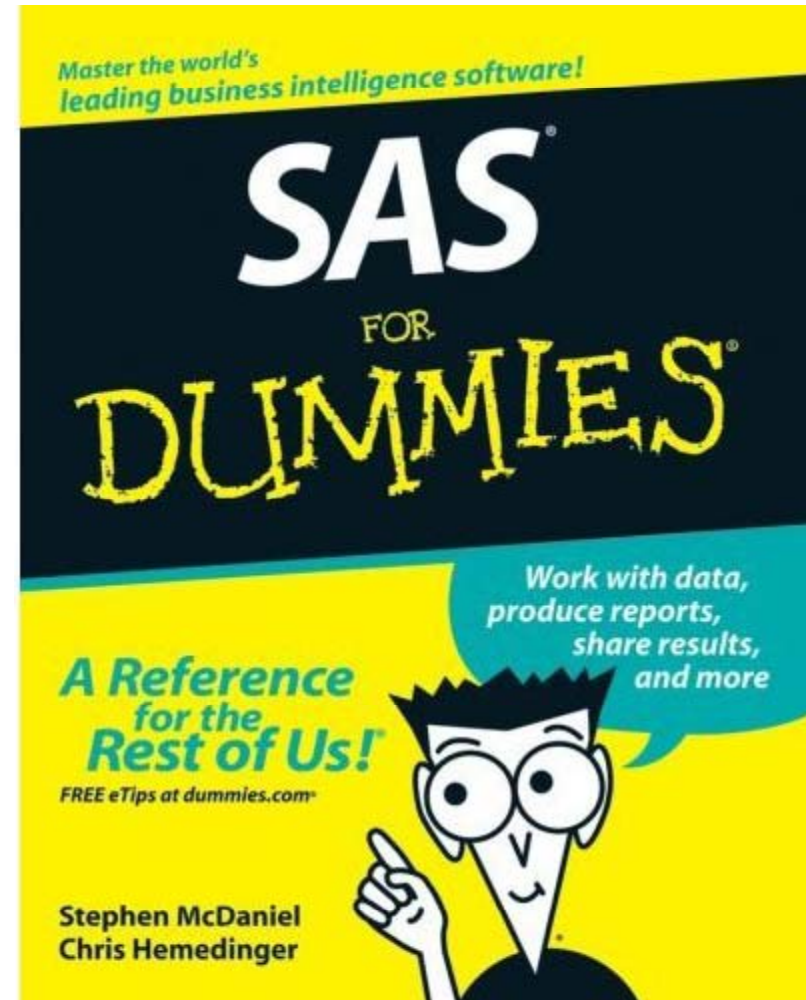
- “Rapid Graphs With Tableau Software“
- “SAS for Dummies“



Freakalytics- rapid analytics to explore, understand, communicate and act



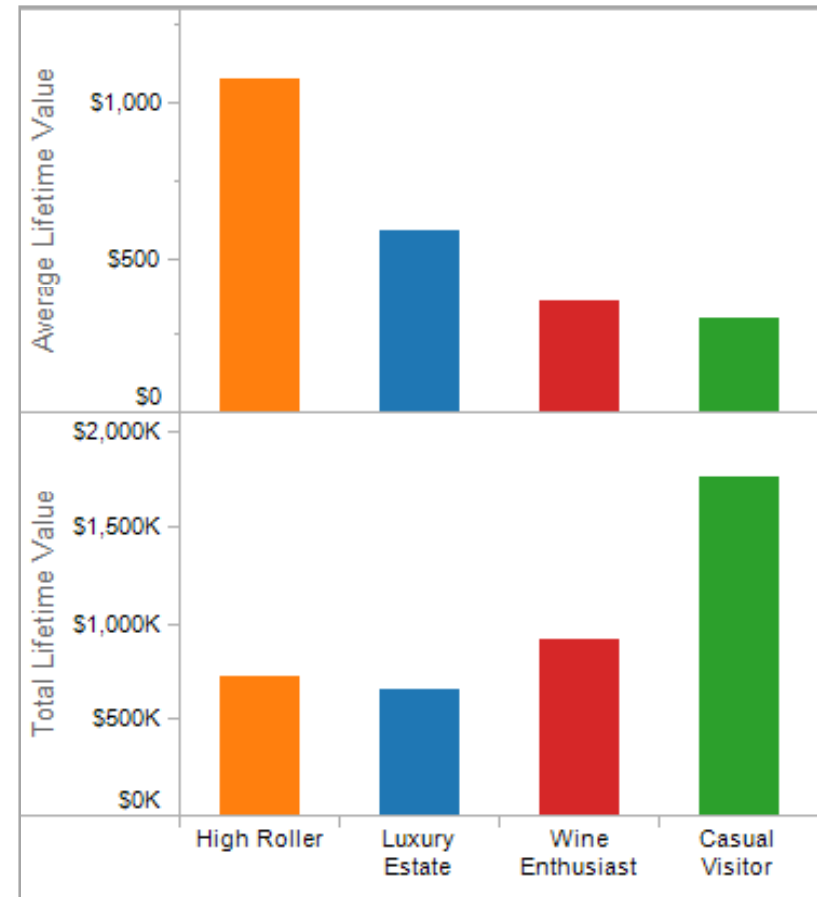
- + Netflix
- + SAS
- + UC- Berkeley
- + Target
- + Best Buy
- + Oracle
- + Amgen
- + US Dept. of Treasury
- + American Express



# Customer segments + lifetime value + Tableau = dramatic increase in ROI



- + Determine & periodically refresh for each customer
  - Segments- rule based
  - Lifetime value (LTV)- a dynamic metric
- + Tableau for rapid graphs, exploration and sharing





# Case study- a niche winery with a strong direct to consumer business



- + Revenue- \$4.1m
- + 60% of sales are direct to consumer
- + **87% of gross profit from direct**
- + Data “scrambled” for this demo



# Customer segments are valuable for broad product and marketing decisions

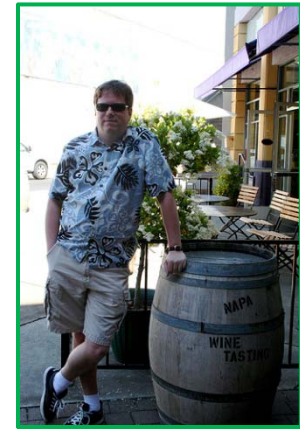


- + Segments - customer groupings based on marketing research
- + Guidance for product & marketing decisions
- + Weakness- a generalization- hard to measure impact

Enthusiast



Casual



High Roller



Luxury



# Make customer segments actionable – assign each customer to a segment



- + Implement rules based on research & clustering
- + Key insights
  - Evaluate product affinity and sales
  - Measure and tailor marketing programs for segments

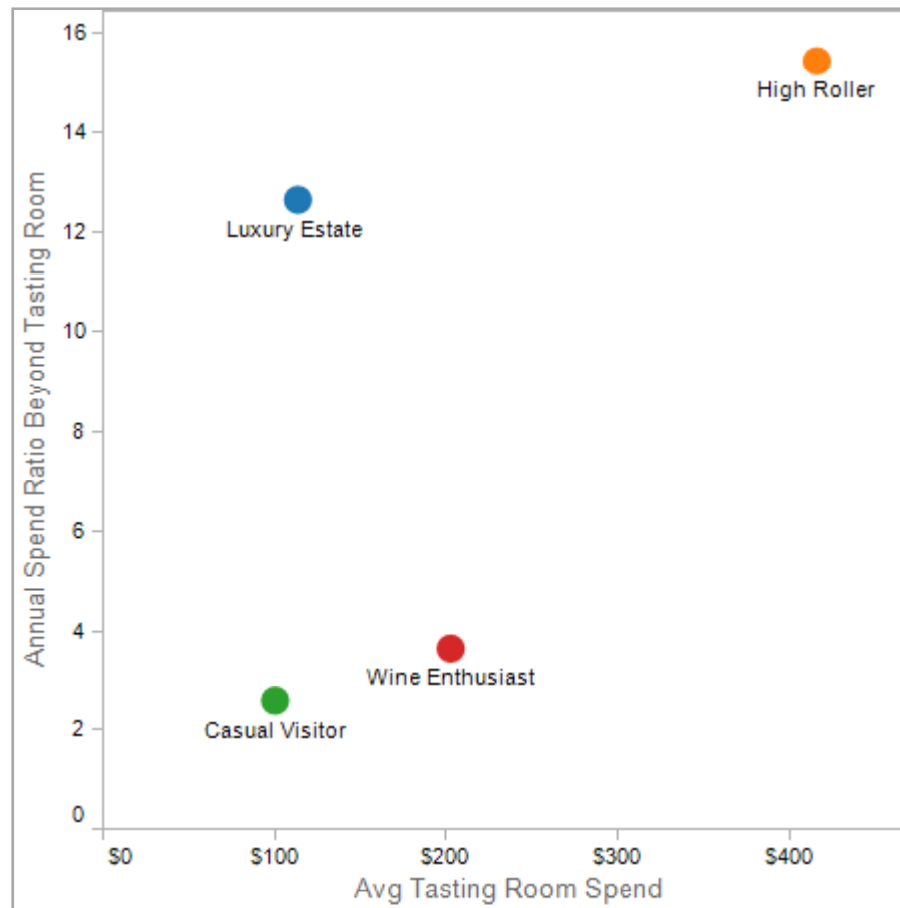




# Individual customer segments = the power to explore results & question assumptions



- + Which marketing actions are justified for each customer?
- + New customer segment counts and sales versus prior year
- + Marketing results as investment amount & messaging changes



# Customer lifetime value- beyond response rates to measure true impact of marketing



- + Superior to response rates & recent purchases
- + Can evolve over time to incorporate richer, broader views of behavior
- + LTV is a strategic metric- measuring true impact of marketing programs

The single purchase view



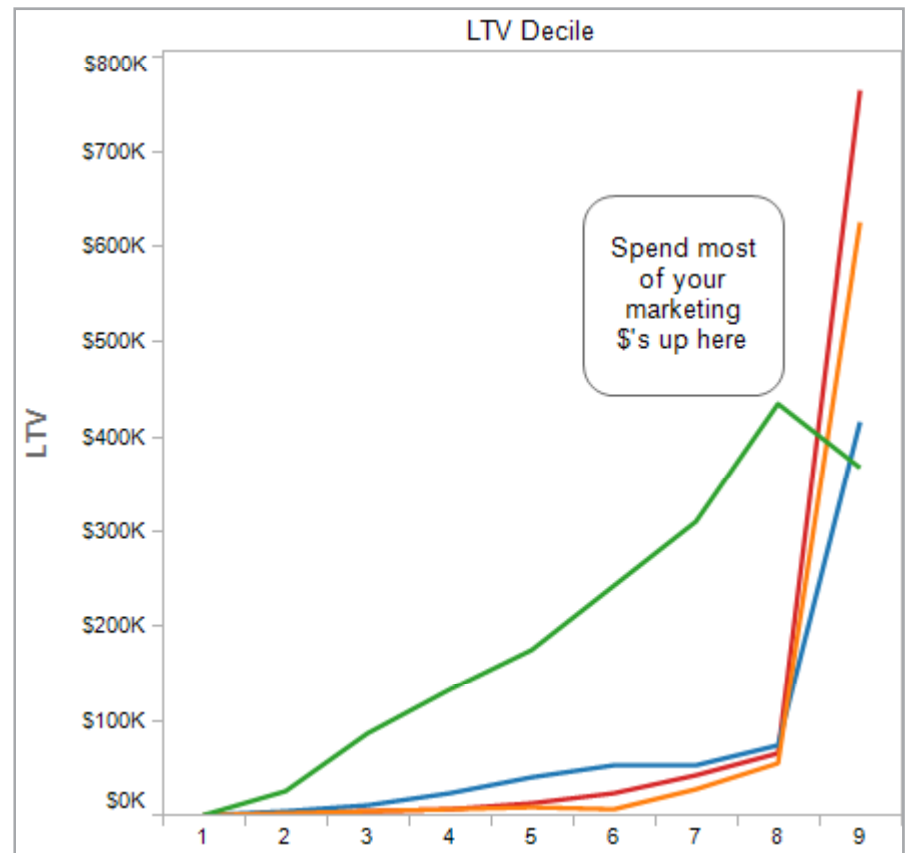
LTV- estimate the future



# Gain understanding of tactical and strategic questions with LTV



- + Go beyond response rates to invest for long-term ROI
- + Value of new customers
- + Value of prospects
- + Segment exploration



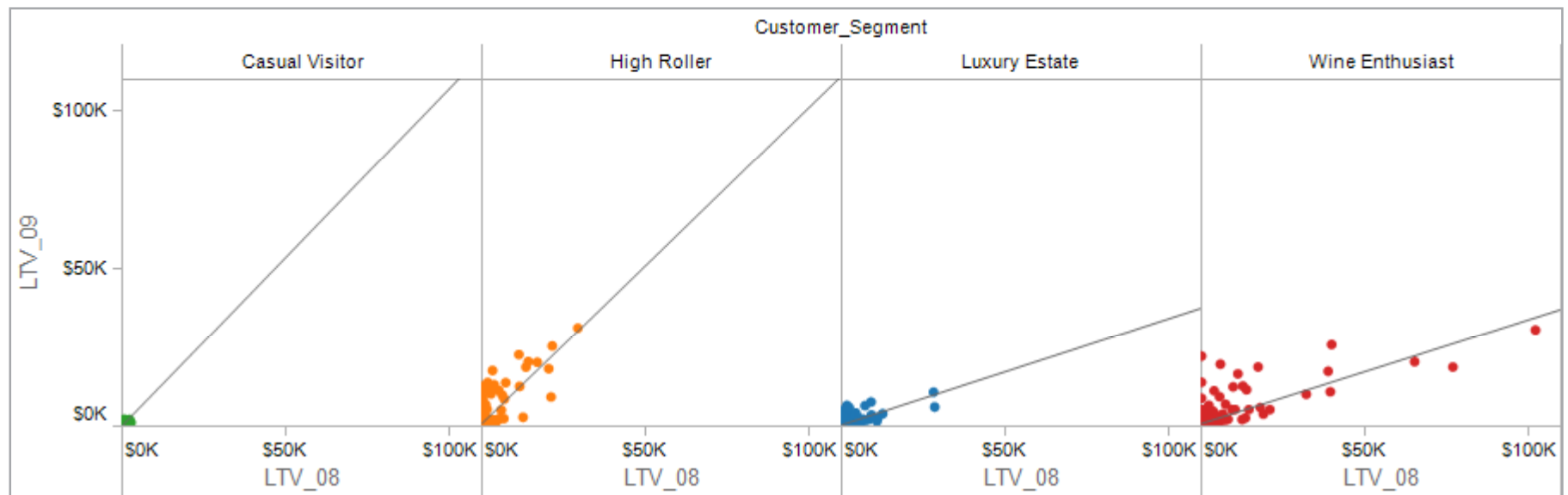
# Demo / Exploration of Winery Customers



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- + How did marketing programs and publicity change LTV in 2009 over the prior year?





# Demo / Exploration of Winery Customers



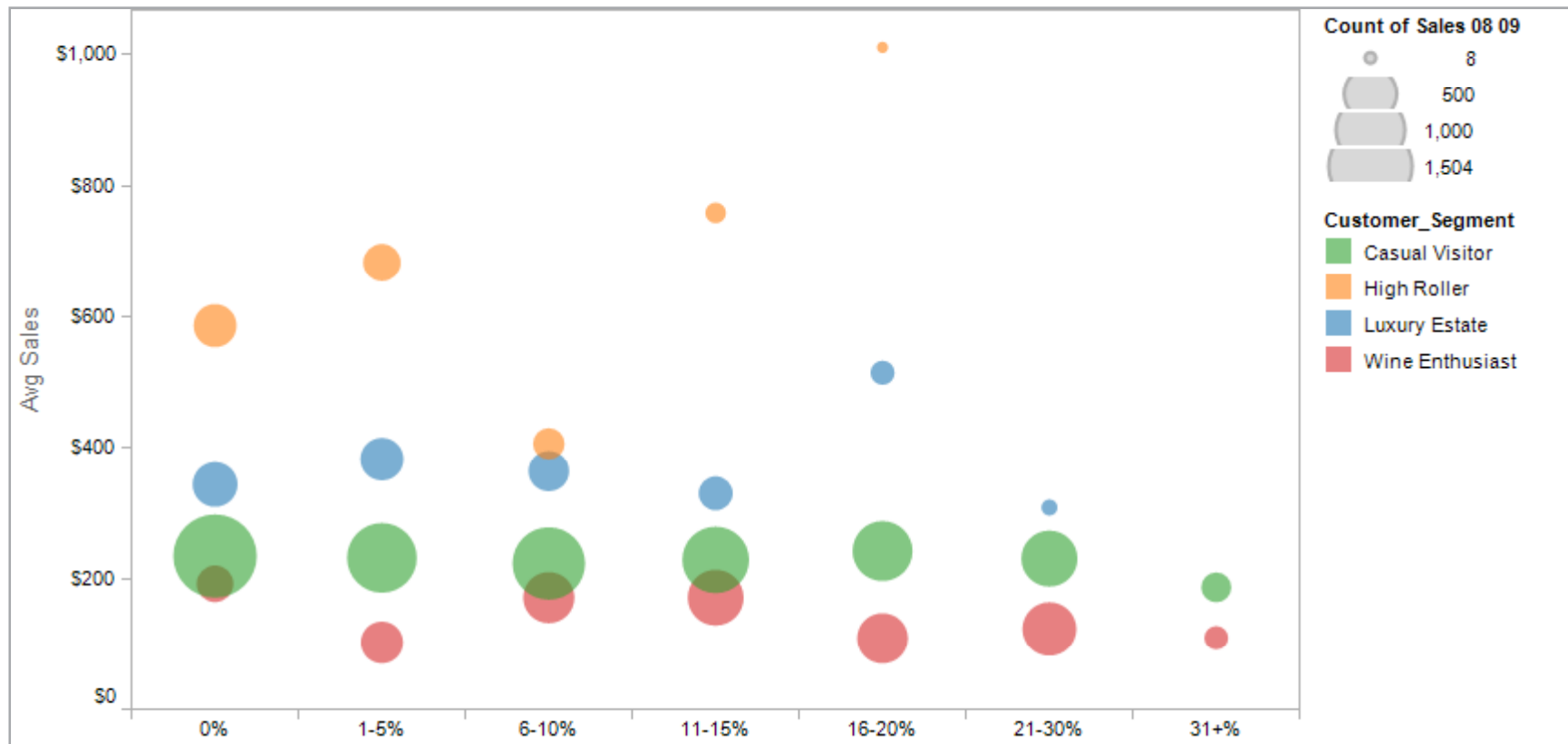
- + Significant 2009 LTV improvements- Casual and High Roller segments
- + Large 2009 LTV decline of high-end Wine Enthusiast and Luxury Estate segments



# Demo / Exploration of Winery Customers



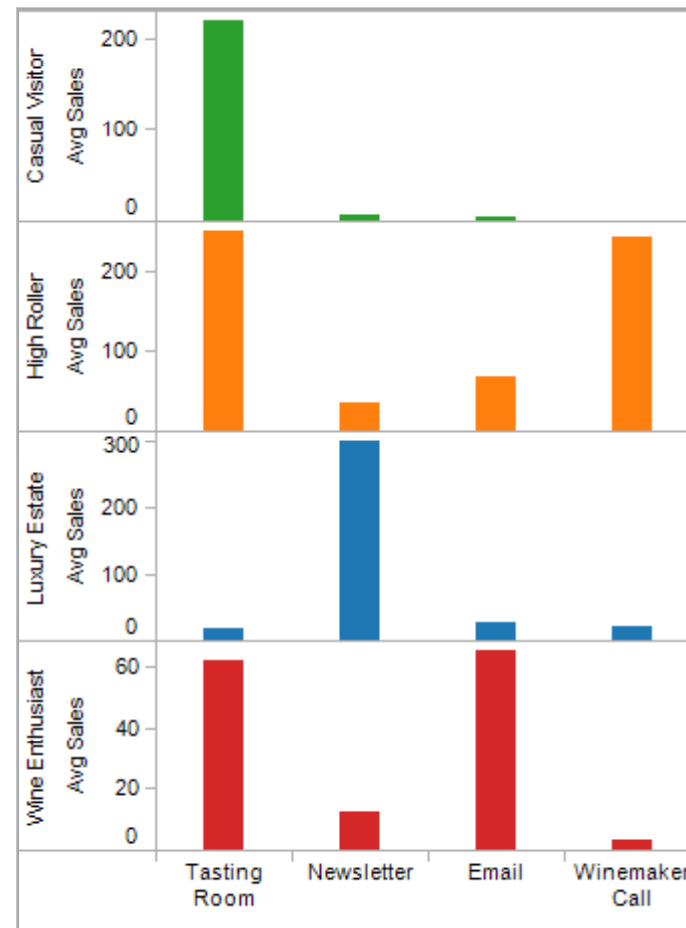
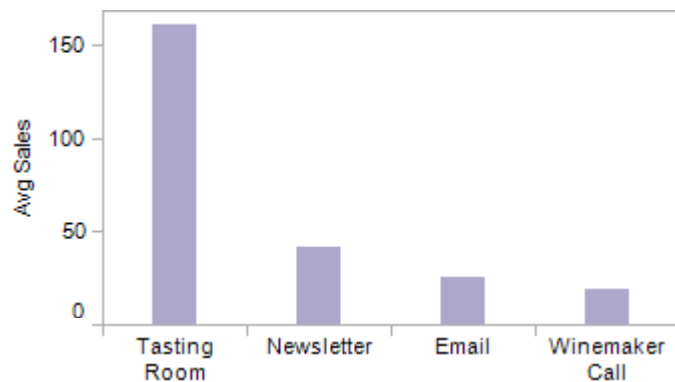
+ With the big surge in Casual Visitors, will bigger discounts yield more revenue per customer?



# Demo / Exploration of Winery Customers



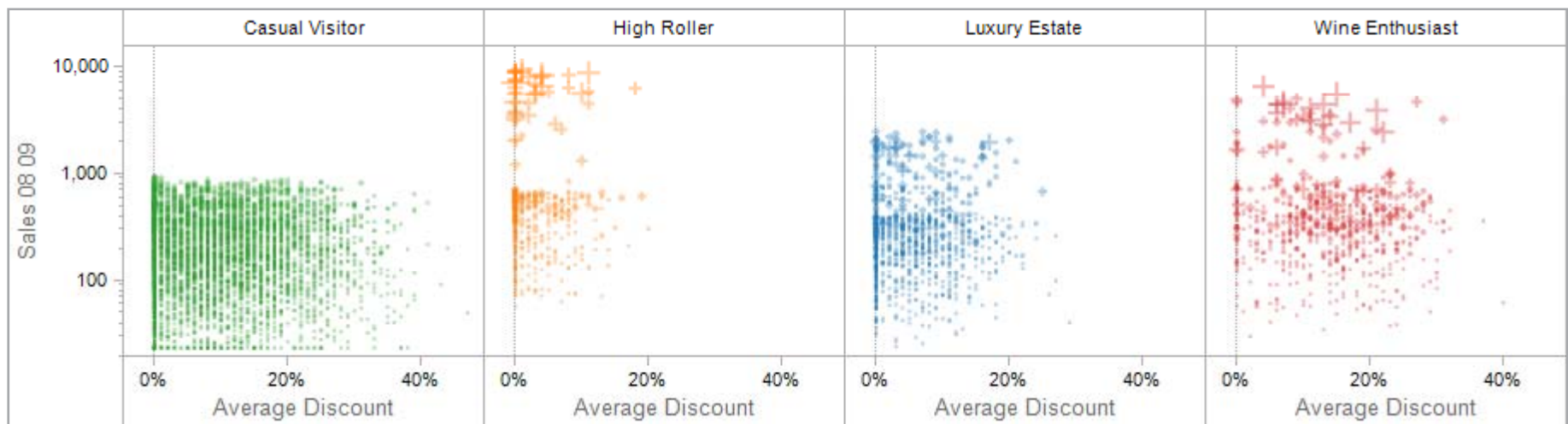
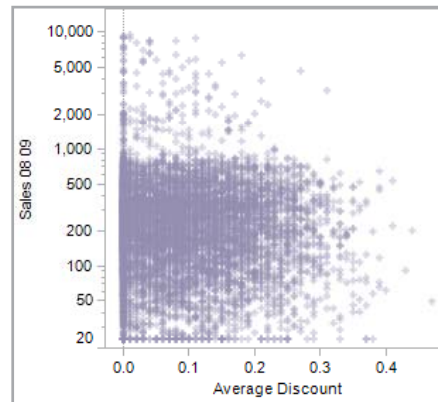
- + Average program results on left. Add segments to inform program targeting for higher ROI.



# Demo / Exploration of Winery Customers



- + Customer average discount by sales on top. Add segments & LTV (size) to inform discount offer decisions.



# Forthcoming Book and More on Tableau



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## **“Rapid Graphs With Tableau Software: Create Intuitive, Actionable Insights in Just 15 Days”**

+ Available at Amazon!

Visit me at [www.Freakalytics.com](http://www.Freakalytics.com) for updates on the book, applied analytics examples, and tips on SAS and Tableau

## **“SAS 9.2 for Dummies”**

- + Forthcoming in early 2010 (co-author- Chris Hemedinger of SAS)
- + Current version of **“SAS for Dummies”** is available