Background and Examples

A Week In The Life Of An Analyst Rock Star: Using Analytics To Dramatically Boost Bottom Lines

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

• Revenue- $4.1m

• Direct business
  – 60% of sales
  – 87% of gross profit

• 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
- Weaknesses
  - Generalizations
  - Hard to measure impact
Make customer segments actionable – assign each customer to a segment

• Which marketing actions are justified for each customer?

• Segment counts and sales-current year versus prior year

• Marketing results from changes in investment amount & messaging
Customer lifetime value- beyond response rates to measure true impact of marketing

- Superior to response rates & recent purchase data

- 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
Visualize Annual Sales by Average Discount, LTV = Size of Point

- All customers in top graph
- Segments (below) with LTV (size) can inform discount offer decision-making.
Public debate often focuses on very simple metrics to explain topics of great importance.

This demonstrates how careful selection of relevant metrics can greatly enhance understanding of important issues.

We hope that you will find this useful in expanding your thinking about business metrics in a fresh, new light.
Region Oil and Natural Gas Proven Reserves (Current $'s)

- Middle East: 55%
- Eurasia: 14%
- North America: 9%
- Africa: 9%
- Central & South America: 6%
- Asia & Oceania: 4%
- Europe: 2%

Total Current $ Value of Oil and Gas Reserves
Proven Reserves - Running Total Percent of World Reserves and Reserves in Current $'s

The top 10 countries control 81% of world reserves.

The top 4 countries control 49% of world reserves.

Proven Reserves

- Saudi Arabia
- Russia
- Iran
- Iraq
- Kuwait
- Qatar
- United Arab Emirates
- Canada
- Venezuela
- Nigeria
- Libya
- United States
- Algeria
- China
- Norway
- Mexico
- Rest of World

The chart shows the distribution of proven reserves among countries, with Saudi Arabia, Russia, and Iran leading the way. The top 10 countries collectively control 81% of the world's reserves, while the top 4 countries control 49%.
Which “green” activities are consumers performing? Activities that-
- Save them money?
- Are easy to do?
- Are the most beneficial to the environment?
- Some combination of the three?

Combining survey insights with expert opinion uncovered:
- Activities that experts rank as the most beneficial for the environment are not always performed frequently by consumers.
- Economic benefit to the consumer is a stronger predictor of frequently-performed activities than environmental benefit.
- However, convenience to the consumer is the best predictor of green behavior!
“Newcomer” communities can maximize the impact of launching their green programs by

• Prioritizing activities that are convenient and economical for the consumer.
• Motivating consumers with educational programs and incentives.
• Waiting until the environmental program has gotten off the ground before encouraging activities that are low in convenience.
“Veteran” communities can prioritize the activities using environmental benefit

- Activities that are most convenient can be financially penalized for non-compliance.
- Less convenient activities can have incentives for performance.
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