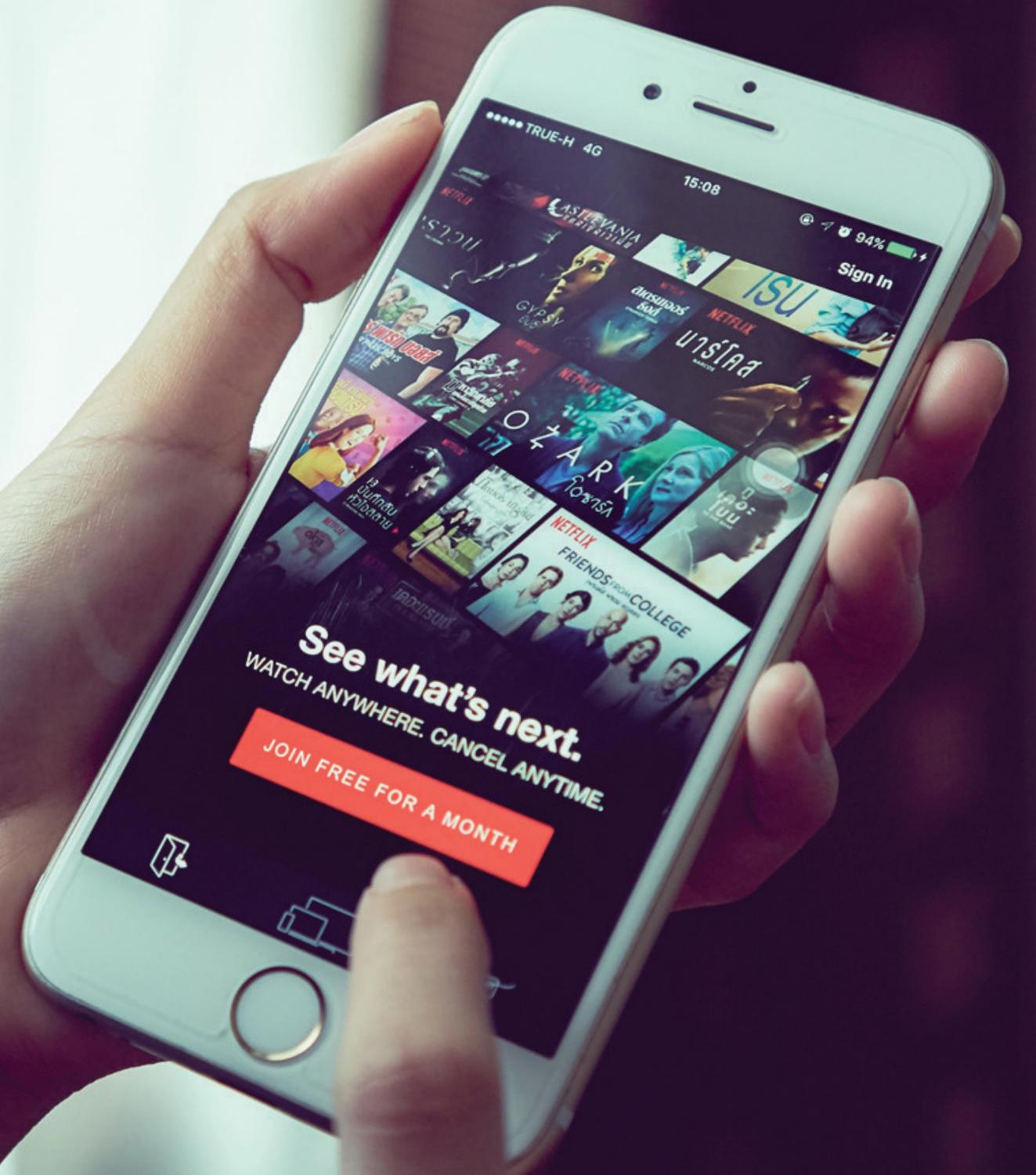




THE VALUE OF USAGE ANALYTICS in the Subscription Economy



THE RISE OF THE SUBSCRIPTION ECONOMY

Arguably the most significant recent evolution in e-commerce is the growth in subscription business models. According to McKinsey and Co, the subscription e-commerce market has grown by more than 100 percent a year over the past five years, with the largest retailers of this kind generating over \$2.6 billion of sales in 2016, compared to \$57 million in 2011. The trend is proving to be so successful that subscription businesses are already growing nine times faster than the S&P 500.

The most prominent examples are in the media and entertainment sector, from video streaming, such as Netflix and Hulu, and music streaming (Spotify) to news (such as The New York Times), gaming (Sony PlayStation Plus), and with its expansion into the production of entertainment content, the behemoth that is Amazon.

File storage and file sharing services such as Dropbox and Google Drive and numerous SaaS companies are also making the most of the subscription model. And businesses of other kinds are getting in on the action, such as LegalZoom's legal services, with its 3.6million customers, or the fitness company Peloton that was recently valued at \$4 billion, with a year-on-year growth rate over 170%.

Most significantly, more traditional and established companies have started subscription businesses. Cosmetics company Sephora has launched its subscription service, Play! that's in competition with Walmart's Beauty Box, and names such as Birchbox and Ipsy. Even multinational giants are adopting this model. In the men's grooming sector, subscription business is heating up. P&G's Gillette on Demand currently goes head to head with Dollar Shave Club, which Unilever acquired in 2016 for \$1 billion to get a foothold in this market of subscription selling.



THE BENEFITS FOR CUSTOMERS AND BUSINESS

Customers increasingly want the convenience and speed offered by subscription services because they automate the purchase of certain items that users agree to replenish regularly.

Plus, the savings are attractive for them, even with the monthly fees, as they regularly receive discounts on items they're replenishing. Other subscription services enable consumers to stipulate their preferences so that they receive more highly personalized choices and offers.

Businesses find subscriptions so attractive because subscriptions enable them to extend their relationship with consumers and keep them engaged. Subscriptions create a far stickier customer relationship than that established by one-off sales of individual units. They stimulate repeat sales and purchases because they involve developing an ongoing dialogue with customers. It's a process that transcends customer acquisition, pricing, billing, and payments because it also means nurturing relationships so that you understand more closely what customers want and offer products and services in line with their demands. You also have the benefit of saving all the information about this relationship - an amazing amount of data from which to gain insights.

A DATA-DRIVEN DIALOGUE

Turning customers into subscribers requires businesses to have a much greater appreciation of customers' needs, interests, lifestyle and engagement with trends. It's an understanding that must be ongoing, and that changes with the customers themselves. To achieve this most effectively requires real-time data and accurate analytics that puts machine learning, data science, and AI at the center of the subscription businesses. This data is increasingly applied to subscription billing, customer retention marketing, and communication to keep subscribed customers, minimize churn and to foster more personalized, timely and targeted communication aimed at customer engagement and retention. In this context, understanding the performance of your subscription marketing processes becomes vital to scaling up for further success.

WHY IS USAGE ANALYTICS SO IMPORTANT?

When your business model relies on this data-driven dialogue with subscribers, you need to be confident that your analytics is genuinely adding value, both in terms of what you learn about your subscribers, and to ensure that your business is using analytics most effectively.

So, it's important to know that the data you're gathering from your products and processes, and the dashboards with the information created by your BI software, are being widely used by your customers and those within your organization to help their decision-making and increase their satisfaction from your products and services. Only then can you be sure that these tools are effective and worth the investment.

Usage analytics gives you a clear picture of engagement with your products or services. Inside your enterprise, you'll be able to see who's using the information you supply, what dashboards and features they are using most frequently, and whether any are underused, redundant or inefficient. For example, pinpointing frequently-used widgets gives you the rationale to extend them, develop more and perhaps increase the number of licenses and users. Conversely, redundant or inefficient features can potentially hinder system performance, slowing widget response times, so it's important to identify them and solve these issues or make better use of your resources by eliminating those widgets altogether.

In the case of underused widgets, usage analytics tells you whether you need to educate users more about them, whether you should change them, so they will be used in a smarter, more impactful way, or whether they should possibly be eliminated. There's a data security benefit here because this analysis also enables you to identify if any users are viewing dashboards or data that they shouldn't have access to.

Even if adoption is at the level you would expect, it can still be useful to understand how the BI and analytics platform you are using is actually used on a day-to-day basis. Understanding which types of analyses or reports are more popular will help you consider whether the usage is in line with your business objectives. In this way, you get the insight with which you can understand how well your BI is performing, if your data and analysis are important to your stakeholders, and whether you are attaining a good ROI.

ENHANCING THE IMPACT OF EMBEDDED ANALYTICS

As more companies adopt a subscription-based business model, it becomes increasingly important for them to deliver more value with every interaction, so that they ensure user engagement, retention and continued growth. This necessitates building “stickier” websites, apps, and content that is laser-focused on users and usage.

Organizations can create these “stickier” apps, sites etc., by applying a combination of embedded and usage analytics to find out what customers like and want. Usage analytics helps identify opportunities to upsell additional or new products and services to customers, based on their existing usage patterns, and tailored to their requirements or level of engagement. Subscription products and services therefore benefit greatly from the data and insights that can be discovered about customers’ behavior, how they use products and services and how they interact with them.

With these capabilities, companies can also enter a fruitful dialogue with customers by opening analytics to them. The customer behavior data that organizations gather from embedded analytics enables them to provide customers themselves with valuable insights on their own use of your products and/or services.

So, for example, subscribers to a service can receive a regular weekly email update, which may include usage analytics about their engagement with a service and the benefits they’ve received. This reinforces how valuable the service is to the customer and reassures them that their subscription is worthwhile. Furthermore, as you open this data to your customers, they can start to understand their usage habits and answer their own questions before they need to contact customer services, thereby lowering operational costs.

Employing a combination of embedded analytics and usage data is a win-win scenario for companies and customers. It’s an ideal retention tool that builds trust between the two and strengthens the relationship between them both. And it forms the foundation for decisions that help organizations improve the differentiation, performance, and targeting of their products and services, reduce churn and boost overall revenue.

SUMMARY: ANALYZE YOUR OWN ANALYTICS

BI Analytics is a serious undertaking. Ensuring that you have the right solution in place requires the following considerations, all of which are equally important:

- Understanding the benefits of your BI implementation
- Understanding how your BI is being used and what KPIs are being tracked
- Identifying underused or redundant dashboards, functions, and performance issues
- Getting a concept of the current ROI you're receiving from your BI
- Understanding how you can reduce churn

In summary, you use business intelligence to monitor and investigate various aspects of your company – sales, marketing, operations, and others. But as a data-driven organization, you should put your BI tools under the same scrutiny. This means using the same techniques and tools with which you measure every other aspect of the business to measure the effectiveness of your BI itself.

In effect, you're monitoring two different aspects of the BI deployment: system usage, i.e. which dashboards and queries are frequently being used; and data usage, i.e. which sources, tables, and columns, are being processed on a regular basis.

THE BENEFITS OF THE SISENSE APPROACH

Since Sisense is a Single-Stack™ BI tool, you can easily access all the relevant information regarding user actions, data processing, performance, and dashboard usage. By doing so, you can:

- Ensure that users get the best value and the most benefits from their BI tools
- Reassure procurement and budget managers that BI tools are a worthwhile investment
- Pinpoint areas of poor performance so that the analytics tool can be fixed, in a simple and timely manner

After all, if you want to be sure that you're making optimal use of BI, it's logical to use the full capability of your analytics tools to check that you're getting the most value, the best usage and the best data for your business.

WANT TO LEARN MORE ABOUT HOW SISENSE USAGE
ANALYTICS CAN HELP YOU AND YOUR CUSTOMERS?

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