MOZART DATA

The 2024 Insights Playbook: Fueling Growth in an Uncertain Economy

In This Playbook

Introduction

Many hear the word "insights" and start thinking about metrics and dashboards. While it's true that metrics, proper measurement, and dashboards are the backbone of strong reporting and a data-driven organization, they aren't exactly the same thing as insights.

Insights really start at the next-level questions, which are often spurred on by a review of critical reporting. Once you're identifying trends and asking "why?", you're on the path to insights that can impact how your organization does business.

For most growing companies, any sign of a down economy — whether a true financial crisis or just a period of economic uncertainty — is cause for concern. Projections are complicated enough when companies and consumers are buying with confidence. Understanding how a downturn might impact your business and the steps you can take to overcome obstacles is a difficult task.

While a down economy is not what anyone is looking for, it shouldn't automatically be cause for fear for organizations that are capable of using insights to make smarter business decisions.

In this playbook, we'll show you how pairing the equation of your business with flexible reporting gives you access to next-level insights. From there we'll cover specific actions you can take to create better products without wasting valuable resources, run smarter campaigns, and keep your customers happy, all with insights from your own data.

Insights have their own costs. In the last section of this playbook we'll give you our take on how to unlock insights at your organization, from the tools that can make a difference to practical data strategy for any company.

One last note before we dive in: most of the best practices and strategies we lay out in this playbook are valuable no matter the state of the economy. So whether you're concerned about how outside factors will impact your business or you're feeling bullish about 2024, take a look.

The equation of your business — writing it down and using it

No matter the state of the economy, you need to write down the equation of how your business makes money. This is the foundation for reporting and insights, whether you're selling to businesses or consumers.

Start at the simplest point, don't worry about every dial you can turn to increase revenue or lever you can pull to cut costs just yet (we'll get to that later). How does your business make money? Let's look at a B2B SaaS company first.

The equation should roughly be:

$$\text{REVENUE} = \begin{array}{l} \text{Existing revenue} \\ + \text{ New customer revenue} \\ + \text{ Expansion/upsell revenue} \\ - \text{ Churned revenue} \end{array}$$

These different components have their own equations that you need to identify.

$$\text{EXISTING REVENUE} = \begin{array}{l} \text{Number of existing customers} \\ \times \text{ average deal size} \end{array}$$

$$\text{UPSELL REVENUE} = \begin{array}{l} \text{\# customers who upsell in the same time period} \\ \times \text{ average upsell value} \end{array}$$

$$\text{CHURNED REVENUE} = \begin{array}{l} \text{\# customers who churn in the time period} \\ \times \text{ average contract value} \end{array}$$

Depending on your business these questions will be more or less difficult to answer — we'll get to some helpful reporting best practices later in this playbook.

For those selling to consumers (B2C/DTC), let's examine the equation again — how does your business make money? For those selling individual orders of a product (as opposed to a subscription model, which will look more like the B2B SaaS example above), it's probably along the lines of:

$$\text{REVENUE} = \#\ orders \times \underbrace{revenue / order}_{(\ average\ order\ size\ )}$$

This might seem obvious, but once you have an understanding of how revenue works at your organization you can start asking more in-depth questions.

You may want to explore how turning dials to attempt to increase revenue — more ad campaigns, sales activity, promotional offers, upsell motions, etc. — would impact your overall success. Questions about these types of activities are a logical next step for many companies, especially during a time of economic uncertainty when more companies are concerned with how they drive revenue, not just the fact that they are driving revenue.

Modeling a DTC subscription business can be hard, especially since customers can typically pause or modify the subscription. If you need help projecting customer activity, it might be time to talk to a company like Mozart Data or one of our consulting partners.
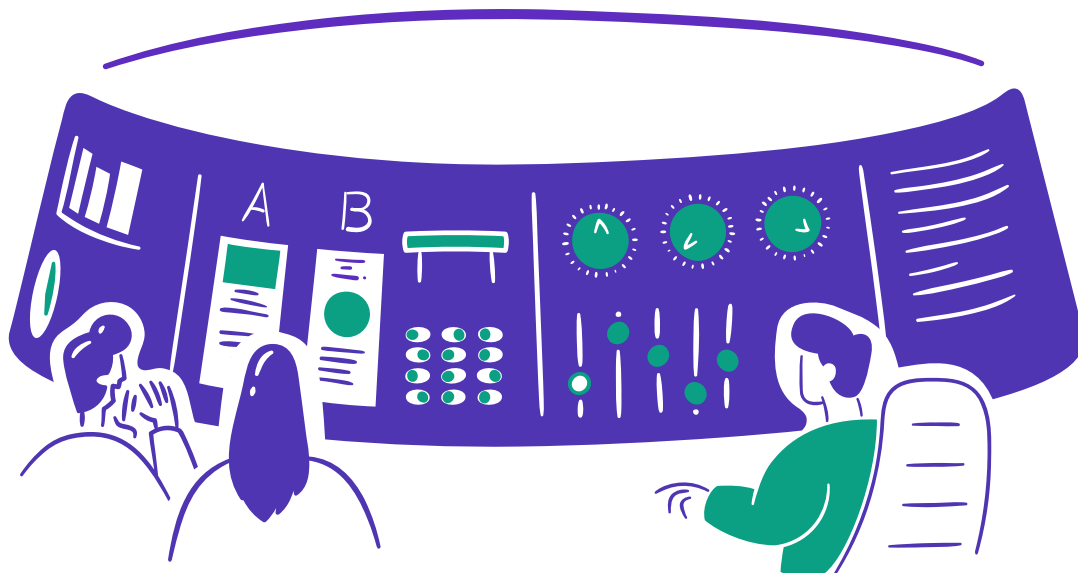
When you understand revenue, you have much of the context needed for questions concerning costs and the financial wellbeing of your organization, too. You can add variables like costs of producing or developing your product and business expenses to answer important questions like:

- How much runway do we have? What would a +/- change in revenue do to that runway?
- How profitable are we?
- How much would revenue need to increase to justify expanding our Sales team? Our Product team?
- Which products impact our profitability the most?

Mozart Data's co-founders used to run a hot sauce company.

Their revenue equation was pretty simple:

$$\text{REVENUE} = \text{total \# bottles sold} \times \text{selling price per bottle}$$

Because they knew how much it cost them to make a bottle of hot sauce and sell it, they even got to the point of using profit per bottle sold, not the selling price.

So:

$$\text{PROFIT} = \text{total \# of bottles sold} \times \text{profit per bottle}$$

With this equation they could run their business more effectively. With historical data on sales they could make projections about how a discount code would impact sales volume (and profitability), or how much of their product to produce and inventory.

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Data isn't just about tracking metrics; it's a tool for survival and growth. It empowers businesses to identify inefficiencies, optimize costs, and pivot strategies swiftly. Data can reveal underperforming products or services, inefficient processes, or untapped market opportunities - enabling businesses to allocate resources more effectively, cut down on wastage, and even uncover new revenue streams.

James Burke
Co-Founder,
South Shore Analytics

# Assessing how the economy should impact your business

If you're concerned that the economy is impacting or will impact your business, it's important to assess how it's performing (and why) and which aspects of your business are most likely to be affected.

Oftentimes a downturn is caused by a tightness of funds, with companies and consumers simply spending less money. This is particularly important for businesses selling luxury goods and services. These tend to be much more procyclical or hyper-cyclical and prone to retractions when there simply are not enough funds to pay for both luxuries and necessities.

In this scenario, it's important to analyze which parts of your business, if any, are considered a luxury by your customers. Analyze your sales trends and seek answers to questions like:

> Answering these questions ad-hoc is worth it, but more difficult. Capture this data in regular reporting so you can monitor the health of your sales process.
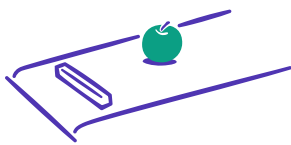
What percentage of our buyers only make a single purchase?

For DTC brands, this could be cause to examine whether customers consider their goods to be a luxury, or if there is a perceived issue in quality of goods or customer service.

What does our upsell process look like? Do many customers upsell? Has a change occurred in our upsell business? Is unexpected churn starting to occur instead?

For B2B companies, understanding the upsell process is invaluable. A change in upsells during a downturn can immediately tell you which parts of your business are viewed as a luxury by at least a portion of your customers. Historic data on the types of companies that upsell (and ideally, why they agreed) can provide insight into which parts of your business may be considered a luxury, so you can anticipate or understand what happens during a downturn.

What kind of feedback about pricing are we hearing?

At the highest level, feedback on pricing from multiple channels can be valuable. What are customers telling you directly? Do you collect feedback from Closed Lost opportunities? Are there insights hiding in plain sight in reviews of your business?

Interest rates can also impact your business. A notable increase in rates might not immediately affect (potential) customers' ability to spend, but it does place greater importance on the present while devaluing the future.

If rates are rising, it's important to understand if your offering is one that benefits the customer now or in the future — or if that's what your potential customers believe, even if your team sees things differently. Some of this is out of your control, which puts more value on attaining actionable insights you can use to adjust your strategies.

Asking the right questions can help in this scenario. Try to collect feedback on why deals aren't closing, why customers aren't returning, etc. You may learn that potential customers "just don't see enough value right now" and can apply that information to your educational efforts in the sales process.

How to set up flexible, effective reporting

Once you've written down the equation of your business, you know much of what you want to measure with reporting. The key is to achieve clean, reliable set up of your reporting, so the data is trustworthy and accessible to those who need access to make decisions. With capable reporting you give your team the ability to access some insights and ask, "what next?".

For most businesses, a good dimension table containing relevant details about your customers and a fact table containing information about events that matter to your business are necessary to achieve this type of reporting.

User	Signup date	Last session	CLTV

Dimension tables — understanding your customers

While there are many kinds of dimension tables (you can take a deeper dive here), we'll focus on customer tables. A customer table in this scenario is a very "wide" dimension table where each customer has a row. Different columns in that row will contain critical information about the customer.

The information contained in these tables often varies a bit between B2B and DTC companies.

For companies selling to consumers, anything that would help with targeted advertising in that sector is valuable to include in a customer table.

For B2B companies, we often see details like:

- Industry
- Company employee count at deal date
- Company employee count at current date
- Title at company (CTO, Analyst, Operations, Growth, PM, Sales, etc.)
- Seed/total funding $$
- Lead source
- Products/services they're purchasing
- First contract date
- Sales cycle length
- Deal value
- Payments information (e.g. payments up to date Y/N, next payment date, etc.)

A company selling to consumers is more likely to need:

- Location: zip code, city, state, country
- Gender/sex
- Age/DOB
- Socio-economic or census data
- First purchase date
- Last purchase date
- Number of purchases
- Average purchase value
- Acquisition channel (if known)

When you have access to data about all of your customers, you can start looking for actionable insights. Every company wants to identify trends for what their ideal customer looks like and to better understand the customers they currently have.

For B2B companies, ask questions like:

- Are your customers growing over time?
- Do you have multiple personas you target and do they perform differently?
- Do you have an issue with payments that you might not see if you're only looking at contract values and your bank accounts?

For B2C/DTC, ask questions like:

- How are different geographies, age groups, etc. performing?
- Do different buyers spend more money on individual orders?
- Do they purchase more or less frequently?

Fact tables — the first (big) step in understanding event data

A fact table is a very similar concept, but would typically be oriented around "events", like an action a customer has taken inside your SaaS product or purchases made in a given month. When you're tracking these facts, you can aggregate or count them, allowing you to quickly query based on questions that may indicate the health of your business.

Ideally your table will have one row for every important fact (event). The specific facts will vary depending on what your business cares about, but let's use a SaaS company as an example. You may want events for:

Daily sign-ins or sessions	Daily active users	Uses of specific features	Clicks to help documents	Clicks to help chat/contact us

If the SaaS company aggregates all of these facts, they can basically slice and dice their user base by actions:

"Show me every user who has logged in X number of times this month"	"Show me all accounts that have used feature Y in the last 90 days"	"Show me all users who have accessed help documents but not reached out for support"

When you can answer questions about how users/customers interact with your business, you can start asking why and testing those hypotheses. We'll dive deeper into the potential use-cases for Product and GTM teams in a moment.

> "Insist on connecting your data project to the pain points on the minds of top leadership. I'm always in listening mode trying to identify the KPIs and business functions we should be bringing more insight to.

Todd McGuire
Data Strategy Advisor
Data Methods

Setting these tables up

Between dimension and fact tables, you're going to have answers to most of the common questions about your organization, including many of the questions surrounding the equation of your business.

But in order to create these valuable tables, you need a data warehouse. The data for these tables comes from multiple sources (CRMs, payment solutions, ad platforms, etc.) that cannot be reliably combined into a single table without a warehouse.

Another perk of using a data warehouse? You'll gain access to "snapshotting" your tables for easy historical analysis. This can be a quick way to look for insights (what looks different now?) and it's a valuable step in auditing your data to make sure it's reliable.

Data is not a panacea

We just told you how amazing flexible reporting is, but we'd be remiss if we didn't tell you what data probably **won't** do for your organization. You're unlikely to find an insight that can completely turn around a failing initiative.

To be clear, data is great at helping you accelerate what is working and decelerate what isn't working. If you're running ads on Facebook or LinkedIn, for example, you have access to more data than those platforms provide. Look at other marketing and sales data and see which campaigns are driving leads that convert to sale. Have you learned more about your ideal audience, or about ad copy and calls to action? Those insights are immediately actionable: ramp up activity that is proven to work better and either modify or decrease activity that hasn't been working as well.

While this might seem obvious, in the example above your data can't help you if these ads just aren't working. Yes, there is a possibility that all of your customer data suggests X is your ideal customer profile (ICP) and your ads were targeted to Y, so you should try again. But if that isn't the case, data probably isn't going to help you go from nothing to something.

This isn't a reason to ignore your data. The takeaway should be that you have to bring your knowledge of your business, industry, and experience to the table when you're seeking insights.

Run smarter campaigns and optimize go-to-market strategies

One of the most valuable things companies can do is gain an understanding of not just how their marketing and sales efforts have performed, but who the leads and customers are and what actions they have taken to interact with the company.

If you're running any kind of campaign — advertising, outbound (email, LinkedIn, or other messaging), nurture, etc. — you have access to some useful data in the platform you're using. There are likely some actionable insights there. You can see messaging that has a higher engagement rate, creative driving more clicks, etc.

If you really want access to more dials to improve your campaign performance, you need to move beyond using this data in isolation. Sales, product, and revenue/payments data can all be paired with your marketing and campaign data to develop better understanding of your customer journey, allowing you to optimize every step.

One of the most valuable exercises for any company, whether they're selling to businesses or consumers, is to track the customer beyond campaign and initial purchase or contract signing through their complete customer lifecycle. This allows you to segment different customers by lead channel, how they were closed (self-serve, sales-assisted, only after promotion applied, whatever makes sense for your business), customer acquisition cost (CAC), and customer lifetime value (CLTV).

You'll understand not just which customers were acquired efficiently but also how much you can expect them to spend, allowing you to develop more accurate ideal customer profiles (ICPs) and target them more effectively. Optimizing your campaigns for lower CAC is great; optimizing for CLTV is even better.

For companies selling to consumers, anything that would help with targeted advertising in that sector is valuable to include in a customer table.

ZEPLIN

Our customer Zeplin analyzed their customers' journey, including acquisition channel, product usage data, and sales touchpoints to determine who should be counted as a true self-serve customer and who should be counted as sales-assisted. From there, they added data on the customers' traffic profile, company size, and company growth to build better profiles for marketing and sales activities.

They understand which types of customers need more and less help from their team to see value in their product and can drive those interactions intelligently. Customers are monitored to identify who is ready for upsell (a product-qualified lead) and who is at risk of churning from their platform and needs better support.
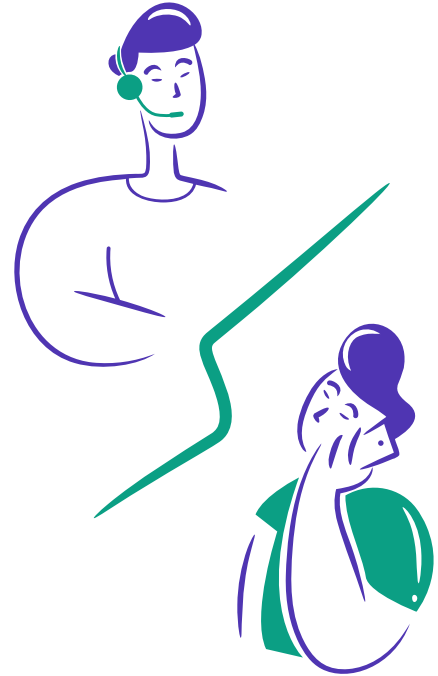
These insights can also be pushed into the tools your marketing and sales teams are using. Tools like Braze and Hubspot are incredibly powerful and are a source of valuable data, but become even more capable when data is operationalized.

Consider taking learnings on which types of leads and opportunities become the most valuable customers and developing smarter lead scoring, where those accounts can be prioritized by sales, sent specific promotional offers, etc. when they engage with your content or communications.

Our customer Goodr Sunglasses found insights on how campaigns and promotional offers for individual pairs of sunglasses, like limited edition releases, could drive traffic resulting in additional purchases.

Everyone knows traffic should be valuable; Goodr learned how valuable different kinds of traffic can be and use that knowledge to inform their greater advertising strategy.

goodr

While some organizations in grow-now mode may not worry about CAC and CLTV when new funding is coming easily or consumers are happy to spend, the ability to run smarter campaigns is invaluable during a downturn.

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One major benefit of using your existing customer data is that you will have built up a wealth of knowledge about their preferences, behaviours and buying cycles. Analyzing this data will help you tailor your sales and marketing efforts with confidence. In uncertain economic times, this predictability is gold, allowing you to strategically allocate resources.
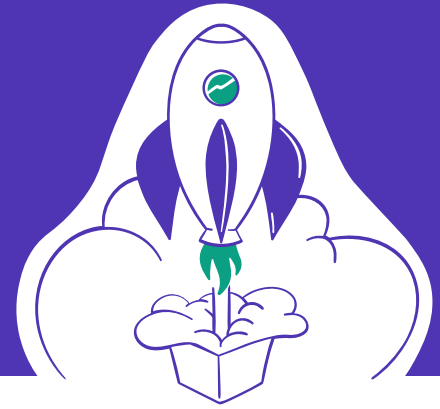
Tracey O'Neill

Founder,
Principal Data Consultant
The Data Consultant

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Product development without wasting resources — what's worth the squeeze?

Data and insights reveal opportunities, but without a sound strategy you can quickly find yourself wasting resources. For most companies, product resources are particularly valuable; it's no secret that engineering and product titles are often some of the most well-compensated. It's imperative that you see a return on those salaries, particularly during a downturn.

For SaaS companies

Customer journey analysis shouldn't just be for the go-to-market team. First, much of the strategy from our campaign section is relevant to the Product team; if you can understand which segments of your users are continuing to take actions and spend money, you're setting yourself up to find more insights about what they care about.

Ideally you'll also use a tool like Segment to track actions in your product. This is where you can identify your product-specific funnel and identify which steps through the product users are or are not falling off.

You likely have an understanding of what makes your product valuable and from assessing happy existing customers, you can confirm those hypotheses. The goal is to pair your expert knowledge of your space, product, and customer with data to unlock next-level insights.

When product resources are tight, insights on where customers are getting "stuck" in your product allow you to prioritize feature development that actually matters to your customers. At Mozart, we might hypothesize that Feature X solves for Customer Pain Point A. We use Segment to track clicks through our product and send that data to our platform. From there, we can analyze key events over time and determine whether or not Feature X actually solved for Customer Pain Point A.

> Product teams need to be measuring success to inform future decisions. Even with a powerful tool like Segment, it's impractical and expensive to combine all of your product usage data with data regarding where your customers came from and how much they're paying without a data warehouse.
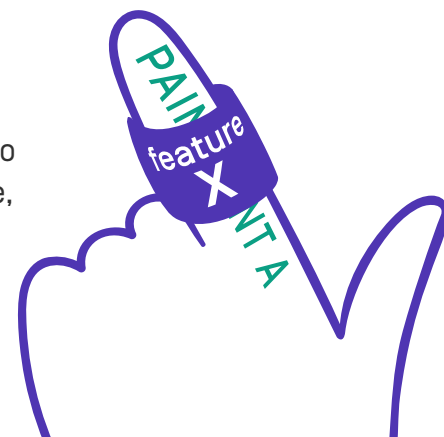
The same principles can be applied to new feature development. Whether your potential projects are asks made by your customers or concepts from your existing product roadmap, you need to have an idea of how valuable they will be before you commit valuable resources. Historical data on feature adoption is incredibly valuable, as it can tell you which types of customers are actually using new features and the general direction your product should be moving.

In a downturn it's critical to reference this. Ensure that you're dedicating resources to your most valuable customers, not your loudest customers. Don't forget that there are costs to maintaining and building products, too. Feature bloat doesn't just lead to a worse user experience — it slows down your team and costs you money.

For companies selling physical products

For those selling physical products like B2C and DTC companies, you're used to calculating how much it costs to produce/acquire, inventory, market, and ship your products and comparing that to how much you can sell them for. We won't try to tell you how to calculate those margins or to focus on products with sustainable margins.

Where you may be missing adequate insight is how your products are affecting overall sales. Let's return to the example of Goodr Sunglasses above. Their limited edition sunglasses incurred additional costs for design and fabrication. However, by looking at historical data around these product launches, they found that they drove higher sales of other sunglasses than expected as compared to other promotions.

For B2C/DTC brands it's critical to think of the promotional value of product launches. Track these launches to find the sweet spot for your business and market. Too few launches and you're leaving money on the table; too many and you can fatigue your customers while spending more money internally.

Product analytics overlap with campaign optimization again when you examine which products are drawing return customers. Best sellers don't have to have the best margins if they're responsible for higher CLTV and can point you towards product development decisions that can lead you towards more sustainable revenue.

We get a lot of questions about the value of A/B testing inside SaaS products. If you have a great number of users, you may uncover actionable insights about your product, from UX/UI to the utility of new features.

However, A/B testing requires substantial resources and if you don't have a great number of users, you're unlikely to see strong enough data to justify the investment. We'd recommend focusing on the strategies covered above first.

Leveraging insights to keep your customers happy

The product funnel analysis strategies above should provide ample opportunity to understand how to better serve customers, especially at SaaS companies.
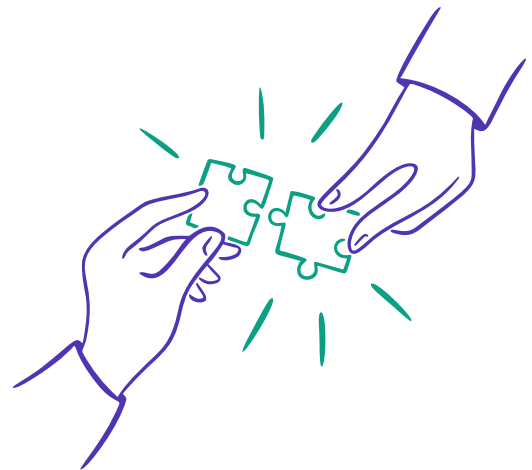
At a SaaS company, any place where users get stuck in the product is an opportunity to not just improve the product, but improve service. This is especially true for companies with a product-led growth (PLG) motion and/or a free tier of the product. Sticking points in the product, whether they occur in core features during onboarding and first weeks of use or in more advanced features months down the road, can be identified. With that insight customer success teams can take a number of proactive steps, like creating better help documentation and sending out better educational product emails.

Some organizations have moved on to operationalizing these insights with alerting features that prompt rapid in-app customer support. They're either building this feature themselves or using a third party tool like ServiceBell.

For customer success teams, it's also valuable to surface insights directly to your customers.

MODERN TREASURY

Our customer Modern Treasury was struggling to give their customer success team the information they needed to quickly answer questions about customer accounts while communicating with that customer because that information existed in more than one place. Customer success managers also needed a better way to share insights with customers during quarterly business reviews. By organizing all relevant customer success data, any member of the team has access to dashboards about their customers.

When it comes to keeping customers happy, customer feedback and problem resolution are two of the most important focuses for B2C and DTC companies.

Feedback in the form of reviews and surveys is inherently valuable (you probably don't need a data company to tell you that). You can unlock actionable insights when you start pairing feedback with acquisition channels and other cohorts of your customer base.

- Are customers who come in via a promotion reviewing products differently than other customers? Those that came in during the holidays?
- Are customers who found your product from organic search responding differently than those who saw an ad? What about those referred by a 3rd party review (sponsored or not)?
- Can you tie review and feedback activity to willingness to make another purchase?

The answers to these sorts of questions may point you towards customers that need more urging to return. You can test and measure those attempts and build a stronger picture of the customer beyond that first purchase.

As for problem resolution, incorporate this data into your customer journey analysis. Here are some questions that may reveal actionable insights:

- Are different resolution methods resulting in higher return customer rates?
- What are the costs of different solutions? Refunds, replacements, additional promo codes, etc. will all impact costs and/or margins on orders.
- What does CLTV look like for these different cohorts of customers?
- How does CLTV for customers who have had a complaint compare to those that have not?

If you're primarily an e-commerce business, you know how important your website is. It's the most important part of your customer experience. If you want to keep your customers happy, look for unusually large drop-offs from site visitors that came from email and SMS campaigns. The outlier could be behavioral, but it could also be due to a broken promo code or misleading language about the value of a promotion. Insights don't have to be complicated when you track things over time.

Insights have costs— how to balance a focus on insights with your business objectives

Finding actionable insights in your data still requires resources. You need tools to collect and organize the data needed to answer your questions and someone on your team is spending their valuable time on solving those problems.

As we wrap things up here, we have a few thoughts on how to prioritize this work so you access the insights needed to drive your business forward without letting costs spiral out of control in an uncertain economy.
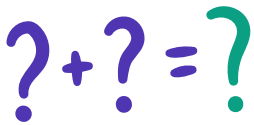
Prioritize questions that can be tied back to the equation of your business. Get that equation right and start investigating the dials you can turn to impact your business.

Look for the broader theme of insights so you can make practical, savvy business decisions about cost tradeoffs — the more you understand why you see a trend in your data, the more you learn about your customer and your business and the more effectively you can test hypotheses and measure success without needing a new dimension of the data or needing to debug the data.

Some questions just aren't worth answering — if the human resources to answer a question will be high, make sure it's a question that is actionable and impactful to your business operations.

Don't forget that there won't always be an insight that can make a failing experiment successful. Prioritize being smart about your resources and learning from the failures.

Marketing spend is perhaps the most important example here. If you have to be more efficient, you should strongly consider cutting back on things like advertising programs that aren't working. There may be no way to find an insight that will turn a campaign around, but you can waste additional resources seeking those insights.

Keep spend reasonable on data tools

You want to find actionable insights without wasting resources. Fortunately, data tooling has advanced a great deal, allowing fewer employees to do much, much more with their data. Mozart Data is of the opinion that you can get quite far with one or two data users, whether those people are data analysts or "just" an operator willing to learn.

Bang for the data buck is much better when automation enters the picture. Depending on your background, automation might sound more complicated than it is. Don't think about incredibly complicated technology; think about scheduling. With the right data tools, you can sync your data on a schedule and send reports (and potential insights) to members of your team without repetitive manual tasks that happen to cost your team a lot of money.

Scheduling sounds great, but it may still seem daunting (and/or expensive). That's why you need the right tools.

We've mentioned data warehouses a few times in this playbook. They're absolutely critical for insights — you cannot answer complicated questions when your disparate data sources are not connected to each other and instead live in "data silos."

A data warehouse is exactly what it sounds like: a centralized place for all of your valuable data to live in an organized manner. With a data warehouse you can organize data from multiple sources in a single table that you can query, allowing you to answer questions about your customer and business accurately and quickly.

Alongside a data warehouse, you need tools to extract, transform, and load that data into the warehouse on a schedule. These are known as ETL tools. To clean and organize that data in your warehouse you need a data transformation layer.

ETL
+ a data warehouse
+ data transformation

=

The
MODERN
DATA
STACK
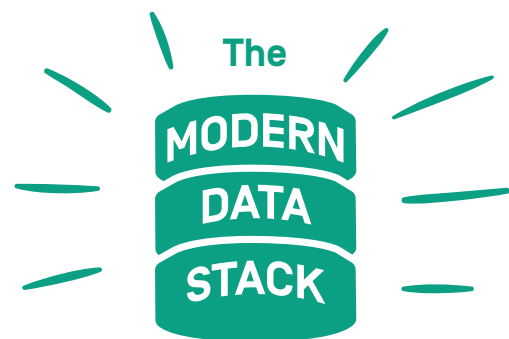
Traditionally, a company hired data engineer(s) to set up and manage these tools, but with a company like Mozart Data, anyone can set up a modern data stack in a few minutes without additional headcount. We handle the connections between these tools and maintenance, so our customers can focus on insights.

With a data warehouse and the modern data stack in place you don't need specialized tools for every type of data problem (e.g. marketing data tools vs finance tools) or an agency tackling insights for each of your teams. Instead, you have a single source of truth for your data and the tools needed to reliably extract insights.
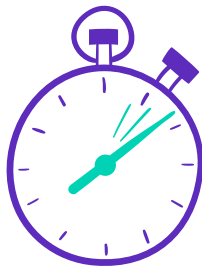
Mozart Data helps you save money in multiple ways.

MOZART DATA

No need to hire data engineers to access actionable insights

Bulk discounts on best-in-class data tools

Scheduling tools included

In-house data analysts can help you write the equation of your business and answer critical questions

> Being data-driven often comes with a high barrier of entry. Modern Data Stacks run on tools that are tricky to configure. They also depend on staff that's hard to source and expensive to retain. While it may be tempting, it's never safe to cut corners since poorly engineered systems can waste even more money.
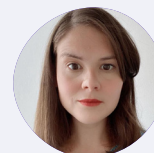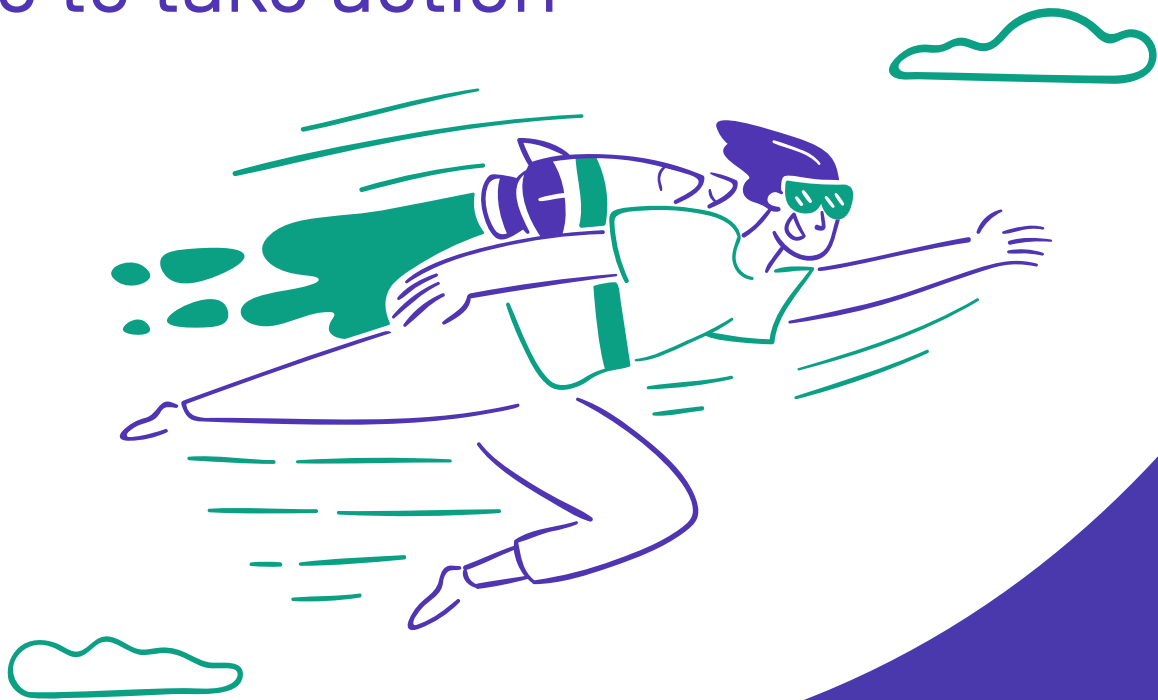
Therese Moriarty
Founder, Principal
Eyeful

Time to take action

We hope this playbook has given you real ideas to help improve the way your business runs.

At the end of the day, everyone is operating on a certain number of assumptions. For those with a strong understanding of their industry and customer, some of these assumptions will be correct. But everyone is operating on some wrong assumptions.

When you leverage reporting and insights you can build hypotheses on reality, not untested assumptions. From there, you're almost guaranteed to make better use of your limited resources.

If you'd like help accessing insights that can help drive your business, please get in touch. We offer a free version of our platform so you can get started risk free.

Contact Us

MOZART DATA

mozartdata.com