Using data to make smart product bets

Based on content presented by Stephanie Evans,
lead product manager at Segment

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Customer behavioral data provides perspective and clarity

According to Stephanie Evans, one question Product Managers are constantly asked is, "What is the one thing that you and your team can do...right now that's going be insanely impactful?" The answer? Collect detailed customer behavioral data and use it when you make product decisions. Customer behavioral data can give you perspective on what all of your customers are doing, rather than on what just the most vocal ones are doing.

Behavioral data also provides clarity. It can show you what your customers are actually doing, when they are doing it, and the actual experience they are having when using your software. This is often much different than what you are seeing on the back end. This clarity will give you insight into what new tools or features your customers need, and you can build your product roadmap based on what you uncover.

Three ways collecting customer data can help your company

Collecting and analyzing behavioral data has significant benefits for your development team, engineers, and customer-facing departments.

1. PRIORITIZE MORE EFFECTIVELY

You and your product team are constantly coming up with new products and new features for existing products. You can't implement all your ideas at once, and an important part of your job is prioritizing and deciding what to focus your energy on first. Customer behavioral data is essential for prioritizing your roadmap and backlog effectively.

For example, you can use data to see where errors might be occurring either through analytics or with a screen recording tool. Once identified, you can use the data to see how many times the error has occurred and how many customers were affected.

Segment's product team experienced this firsthand. A few years back, Segment received multiple error reports from both customers and colleagues. At the same time, we had several new features in the works that we wanted to focus on. By collecting and analyzing data from customers using the app, the Segment team could see that around 10% of users were experiencing these errors. That added up to about 7,000 errors a month. Thanks to customer behavioral data, Segment could see this was a significant and widespread issue and could make fixing it a high priority.

> "There's nothing quite like the clarity of behavioral data to actually show you how your customers are using your product."
>
> -Stephanie Evans

2. IDENTIFY THE ROOT PROBLEM

Another advantage of customer behavioral data is that it shows you what customers are experiencing, not just what they're saying. If a customer tells you the app is "crashing," what does that actually mean in terms of specific errors? Tools like FullStory will show you what the customer sees in the app before, during, and after an error occurs. Once you know exactly what the problem is, you can address it without wasting time trying to fix unrelated features in the app.

Segment used behavioral data to clarify what their error reports meant. They were able to determine that most of the errors were transactional, meaning the error occurred as the customer was trying to complete a specific task, and the customer had to begin the series of steps over again. Only a few were errors causing the app to close entirely. The data gave Segment's product team a solid jumping-off point to focus their efforts.

3. DECREASE CUSTOMER RESPONSE TIME

Behavioral data collection tools can dramatically improve your customer response time. Data is typically available instantly, whereas waiting for feedback directly from customers can take days. Set up alerts for when errors occur so you will know right away if there's a problem. You can then reach out to the customer and let them know that you're working on their issue or that you have a solution for them.

Segment did this by setting up alerts in Slack when new errors were logged. When an error came through, the engineers were notified right away and looked at behavioral data to determine that a misplaced semicolon in the code was the root problem. They reached out to the customer with a temporary solution and worked on the back end to fix the problem so it didn't happen to other customers. By using alerts and customer data analysis this way, Segment reduced their average customer response time from eight days to eight minutes.

The key takeaway from all of this is that looking at customer behavioral data provides a perspective and clarity about what is happening in your app that error logs alone can't offer. By collecting and analyzing this type of data, your team will know what features to prioritize, and they will be able to respond quickly and effectively to errors.

How Segment can help

Segment integrates with your data warehouse and does the heavy lifting of organizing and loading your customer data into the warehouse. Segment works with multiple data warehouses, including Redshift, BigQuery, and Snowflake.

You can also check out Segment's integrations catalog for customer data collection and analysis tools like FullStory and Hotjar.

Keep reading to learn more

- The CDP Report 2020: The Rise of Customer Data Platforms

- CRM is not enough

- Spotting bad data at your company