

Importance of data driven approach to manage digital businesses

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**“You can’t manage what you don’t
measure.”**

W. Edwards Deming and Peter Drucker

Agenda

1. Data driven online businesses
 - i. Online business definition
 - ii. Data driven approach
 - iii. Key online business components
2. Culture of Analytics
 - i. Why the data driven approach?
 - ii. Business intelligence structure
 - iii. Optimization, Behavioral Learning, Big data & Predictive Analytics
3. Importance of Measurement – Case Studies
 - i. Acquisition – Consumer Behavior and Preferences
 - ii. Product – Design, Pricing and Revenue optimization
 - iii. Retention – Big data driven predictive analytics
 - iv. Risk Management - Process Automation
4. Future Trends

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1.1 Online Business Definition

A business or Non-Profit organization that sells its products and services on any digital delivery platform (like: Website, Mobile, Tablet, Digital TV etc.) where product / service content is delivered through internet.

- Case in point, Play Games24x7's Online Rummy game business, RummyCircle.com, where the service is delivered online.

P.S.: I have limited the definition to a fairly tactical one to keep things in perspective. I am not covering, corporate social responsibility, impact on environment, impact on lives of people and world peace at this moment.

Case in point – RummyCircle.com

[We are hiring!](#)



Market Leader

RummyCircle: India's
best and largest online
rummy site



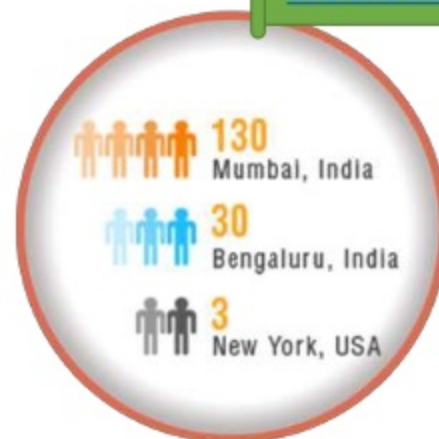
Our Growth

Cash positive and
growing!



Funding

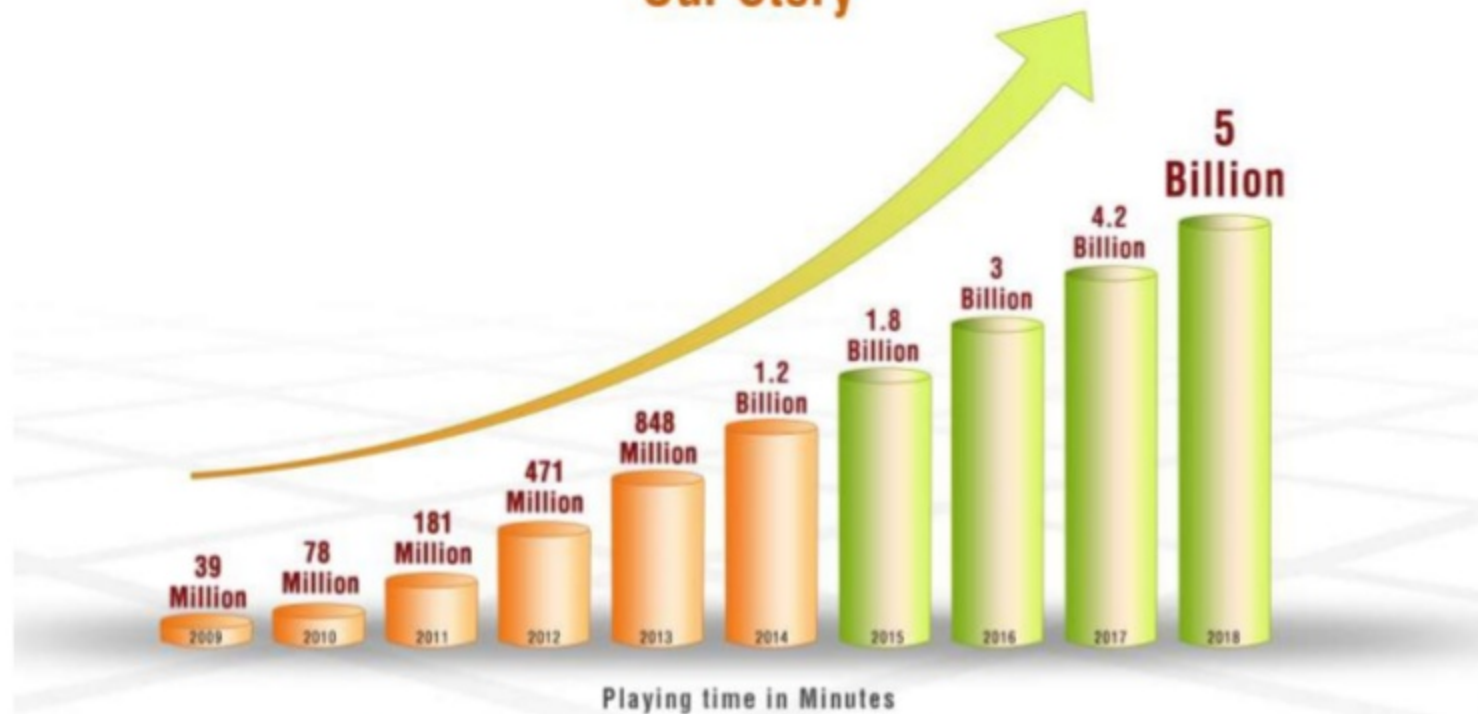
Funded by Tiger Global



Team Strength

3 offices, 160
employees

Our Story



Our phenomenal growth can be attributed to How We Work!

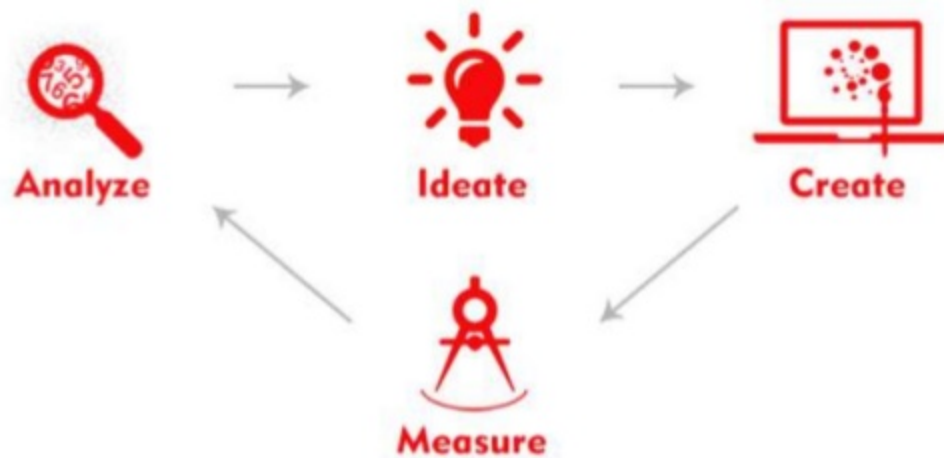
"How" matters!



Source: Dilbert.com

1.2 Data Driven Approach

How We Work



1.2 Data Driven Approach

- **Business Objective:** Based on our strategy, we set a business objective. This is also based on past data of what works and what doesn't.
- **Analysis:** We break down the business problem by looking at the relevant data.
- **Hypothesis:** Basis our analysis, we come up with Hypothesis that could explain the behavior.
- **Experiment:** We setup experiments to test our hypothesis.
- **Outcome:** We measure the results and report our outcomes.
- **Insight:** We learn from the outcomes.

This process is repeated and we continuously improve our business decisions and outcomes.

1.3 Key Online Business Components

Key business components from growth perspective:

- **New User Acquisition** - New players through attractive campaigns
- **Product Design** - Provide a wholesome Rummy experience
- **Payments** – Seamless multi-option payment mechanism
- **Retention** - Innovative offers and promotions

Focus on Customer service components:

- Customer Delight – Low Turn-Around-Times
- Smooth Operations – Time bound delivery / on -schedule
- Risk Management – Safe, fair, low risk - enhance consumer trust

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2. Culture of Analytics – Across Business



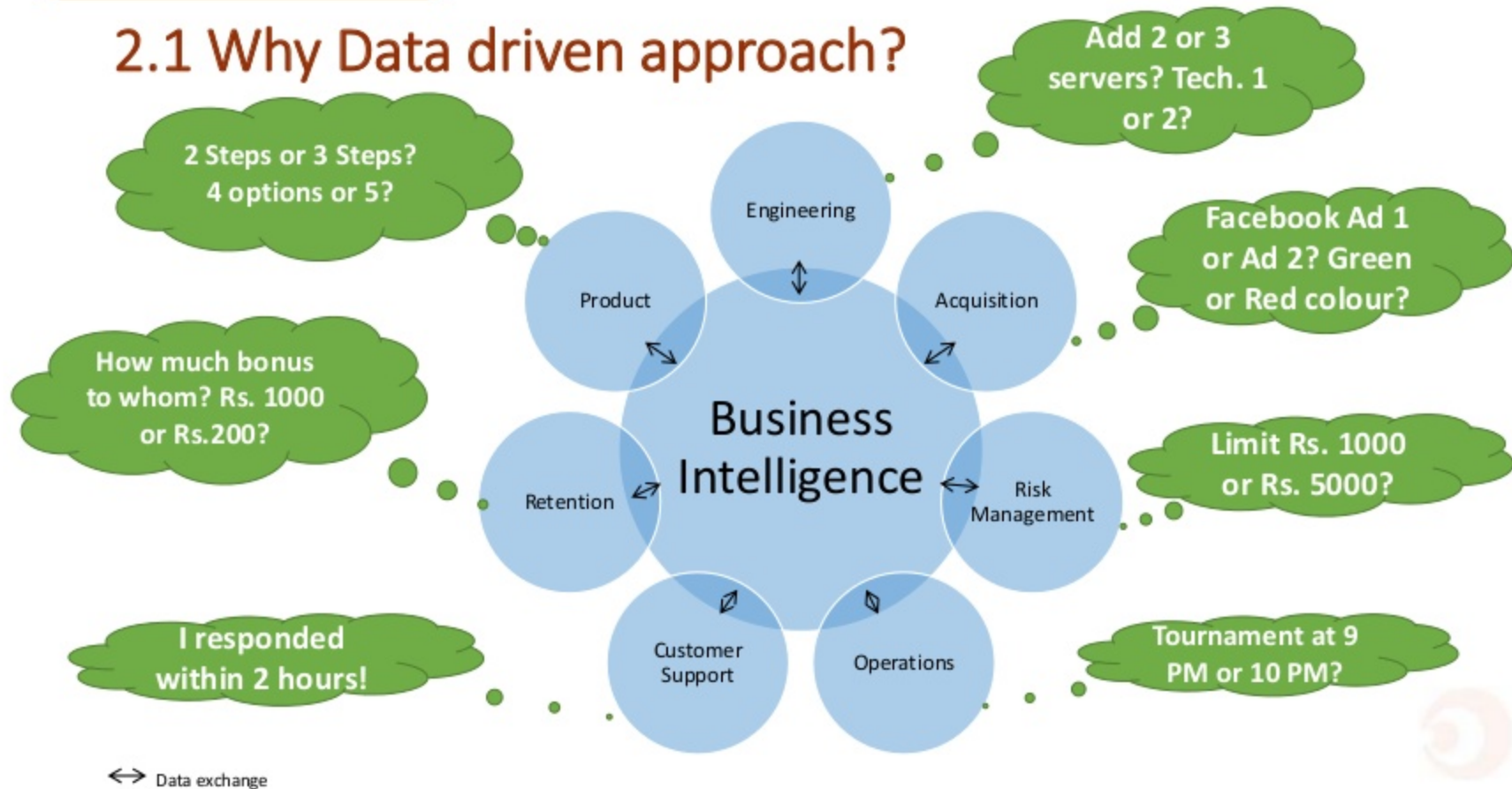
- Data helps in making Fact / Evidence based decisions. Faster and more accurately.
- It's no more an activity or department, it is the Culture.

↔ Data exchange

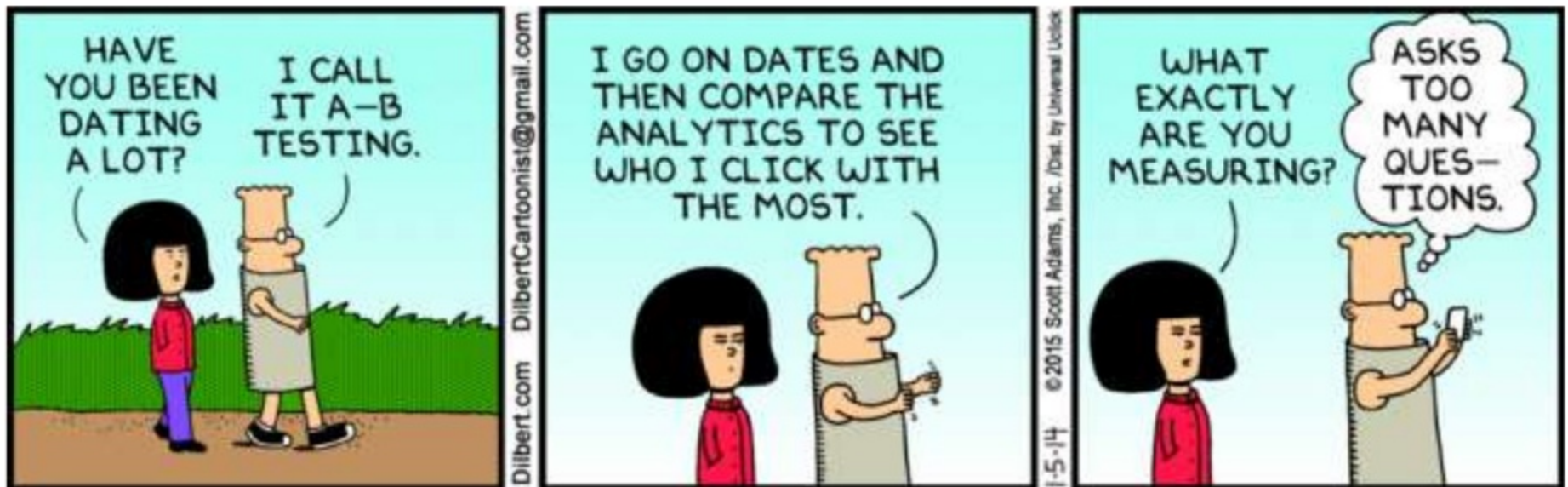
2.1 Why Data driven approach?



2.1 Why Data driven approach?



2.2 Tools and Techniques



[Source: Dilbert.com](http://Dilbert.com)

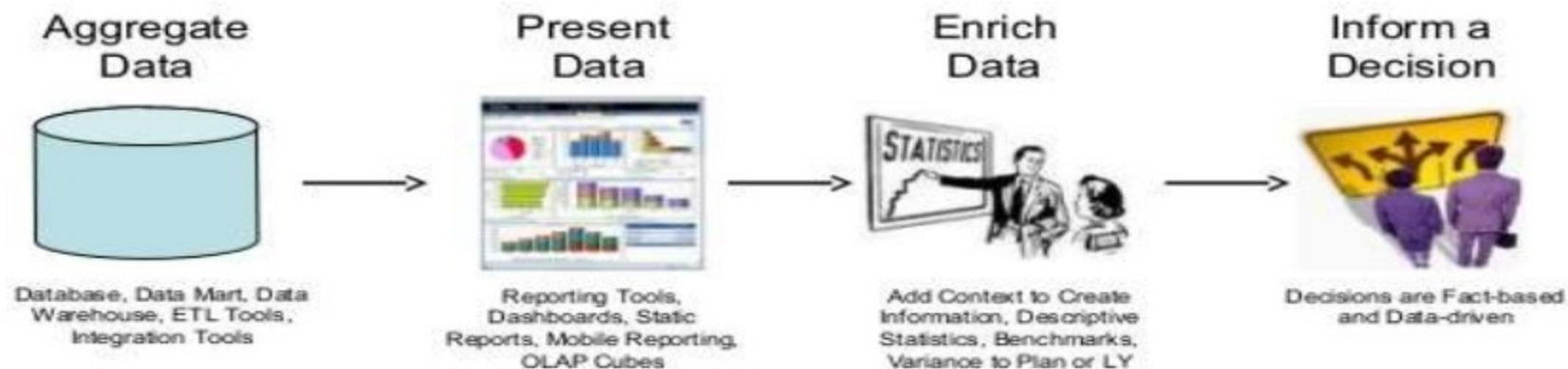
2.2 Tools and Techniques

Below are some standard tools and techniques we employ on an ongoing basis:

- Behavior or Preference measurement - A/B Testing
 - Look for Statistical Significance – for complete funnel
 - Monte-Carlo Simulation (smaller data samples)
 - E.g.: [Acquisition](#) and [Product](#) tests.
- Regression Analysis
 - Predicting Y with variables X1, X2, X3... Xn
 - E.g.: Display advertising has an impact on brand search volume.
- Big Data
 - Predictive models based on real-time events and / or past data for real time actions or predictive outcomes.
E.g.: [Retention case study](#).

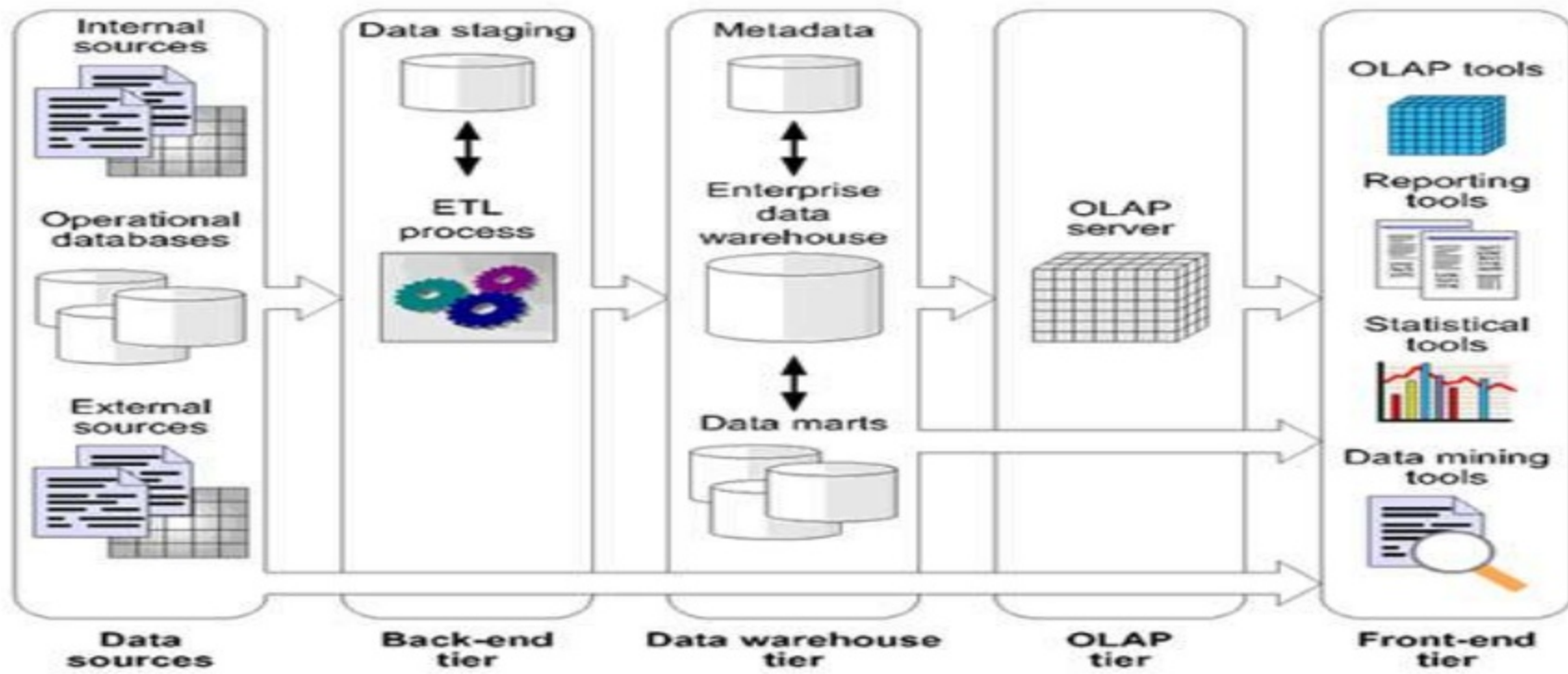


2.3 Business Intelligence Structure



BI enables the business to make intelligent, fact-based decisions

2.3 BI Structure Contd.



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