

# Leveraging the Power of A/B Testing

## **Agenda**

- Introductions Meet the Panel
- Panelist A/B Testing Case Studies
  - Determining what to test
  - Deciding on your goal / what you are trying to prove
  - Evaluating the results and measurement KPIs
  - Selecting and deploying the winner
  - Challenges, surprises, lessons learned, advice
- Wrap Up / Q&A

## Meet the Panel

**Udemandware** 

Sue Chapman
Director, Merchandising Practice



Doug Rosenberg
Manager, Online Traffic & Loyalty

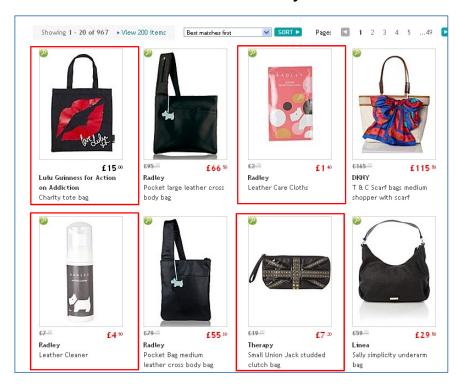


Jonathan Isernhagen
Director of Marketing Analysis

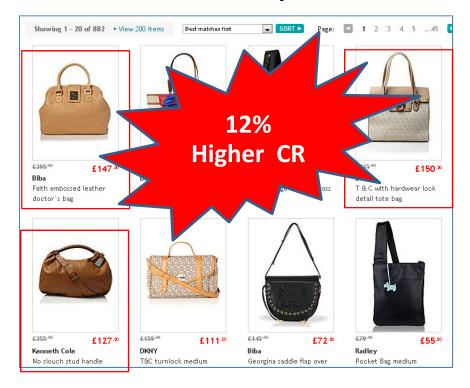
## Category Sort Order

#### House of Fraser – Handbags Category

Test Case A - Sort by Units



Test Case B - Sort by Revenue



## Category Landing Page Messaging

Living Direct - Compact Appliance
Appliances > Laundry





Guided Shopping Experience

50-50 split

Featured Image

Delta increases – 10.6% RPV; 11% Overall Revenue

## **Order Promotions**

CPO Commerce – Bosch – DeWALT Tools

\$15 OFF
Orders over \$100



- Delta increases 75% Conversion; 300% Revenue
- Lesson Learned Customers prefer % off rather than \$ off; multiple site tests for sensitivity

## Doug Rosenberg Manager, Online Traffic & Loyalty Brooks Sports, Inc.

## A/B Testing Overview

- Goal: Increase Revenue Per Visitor (RPV)
- Create a Testing Plan
  - Brainstorm Ideas
  - Prioritize based on potential impact
  - Screen for Feasibility
  - Adopt testing mindset what can we test
- BrooksRunning.com Prioritized Opportunities
  - Sitewide Shipping Offer / Message
  - Promotional Offer Impact
  - Homepage Creative/Layout
  - Category Sort Order/Creative
  - Major Site Changes (Product Detail Page, Checkout)

#### Goal: Maximize site profitability with shipping offer

#### = FLAT RATE SHIPPING only \$5!

Metric	\$5 Flat Ship	FS on \$75	Free Ship
Revenue/Visit	-	-2%	-3%
<b>Conversion Rate</b>	-	+7%	+22%
Average Order Size	-	-8%	-21%

- Test 7.5k visitors in May '11 and test was stopped
  - Customer complaints: promised free shipping in ads
  - \$5 Flat Shipping looked promising
  - Very small sample size not statistically significant

Goal: Maximize site profitability with shipping offer



Metric	FS on \$75	Free Ship	Free 3-Day
Revenue/Visit	-	-3%	+4%
<b>Conversion Rate</b>	-	+10%	+15%
Average Order Size	-	-11%	-10%

#### Test – 110k visitors in June '11

- Customer complaints 3-day was arriving in 5+ days
- Free Shipping has much higher costs
- Threshold gives incentive to add to cart

Goal: Maximize site profitability with shipping offer

FREE EXPEDITED SHIPPING on orders over \$75!

Metric	FS on \$75	FS on \$50	Expedited \$75
Revenue/Visit	-	+8%	-7%
<b>Conversion Rate</b>	-	+13%	-3%
Average Order Size	-	-4%	-4%

- Test 92k visitors in Aug '11
  - "Expedited" messaging did not resonate
  - Free Ship on \$50 looked promising but something seemed wrong with the results

Goal: Maximize site profitability with shipping offer

= FREE SHIPPING on orders over \$75!

Metric	FS on \$75	FS on \$50	Expedited \$75
Revenue/Visit	-	+2%	+2%
<b>Conversion Rate</b>	-	+3%	+5%
Average Order Size	-	-2%	-4%

- Test 155k visitors in Aug/Sept '11
  - Removed special customer groups
  - 2% lift in RPV did not justify changing

### Gift with Purchase Promotion – Free Shirt

FREE I PRUNNING tech shirt & FREE SHIPPING when you spend \$100

#### **Goal: Measure incremental impact of GWP Offer**

- <u>Target</u>: Increase RPV by 15%
- <u>Test</u>: Free Shirt and Shipping on \$100 Header & Homepage hero
- <u>Control</u>: Free Shipping on \$75 in Header; no homepage
- <u>Timing</u>: Test Ran for 1 week in Dec prior to going live sitewide

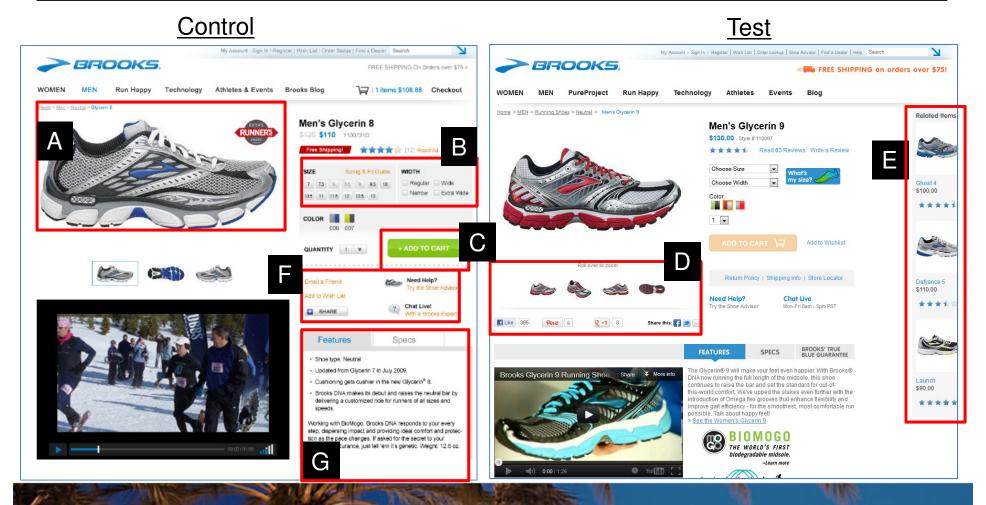
#### **Results**

- Increased RPV by 23% including 13% lift in AOS
- Lift in AOS paid for shirt
- Wish list: Test impact of homepage hero image



## Major Site Changes

Our A/B Test showed that the PDP changes did not help or hurt site performance. This would have been a good case for Multivariate testing.



## Challenges & Takeaways

#### Testing Challenges

- Customer experience
- Bandwidth team and creative
- Skewed results from special user groups
- Development team with testing knowledge and mindset

#### Takeaways

- Prioritize testing opportunities
- Wash, Rinse, Repeat test, learn, and test again
- Communicate with key cross-functional groups
- Try to build tests

## Challenges & Takeaways

#### Testing Challenges

- Customer experience
- Bandwidth team and creative
- Skewed results from special user groups
- Development team with testing knowledge and mindset

#### Takeaways

- Prioritize testing opportunities
- Wash, Rinse, Repeat test, learn, and test again
- Communicate with key cross-functional groups
- Try to build tests

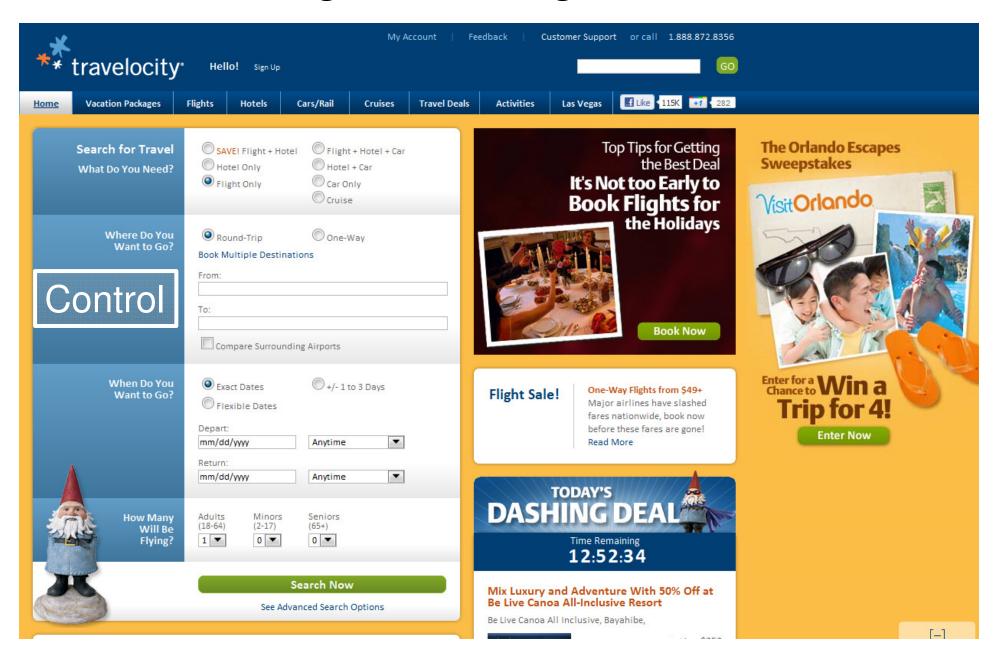
## Jonathan Isernhagen Director of Marketing Analysis Travelocity.com

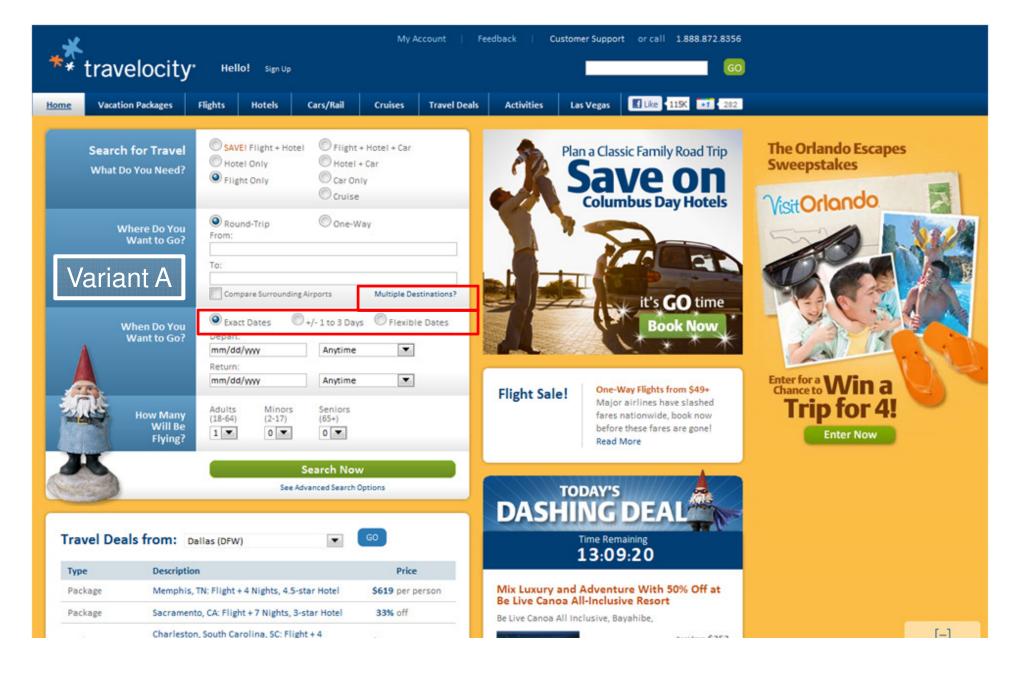
## Travelocity A/B Testing Case Studies

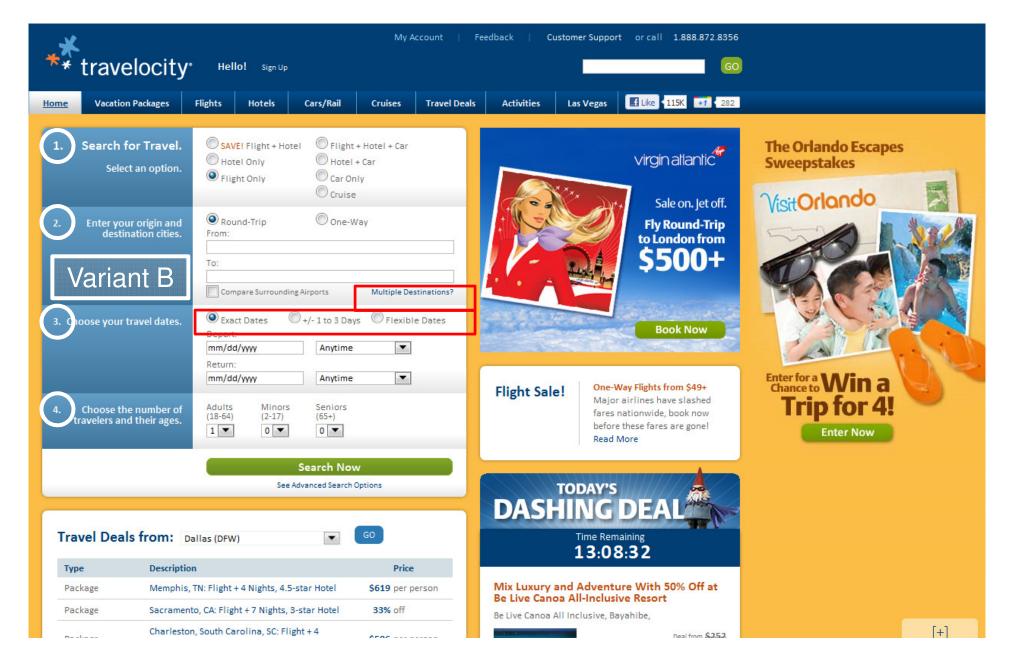
- 1) Home Page search widget modification
- 2) Hotel Detail Page "flexible dates" tab name
- 3) Summary

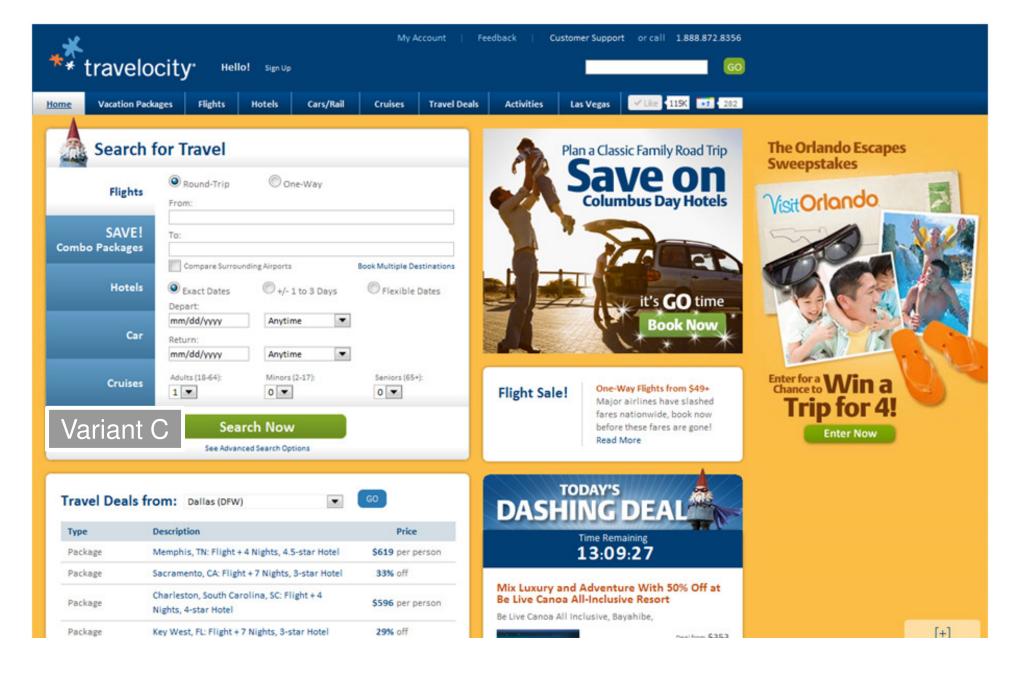
**Problem**: home page search widget stretches below fold, may intimidate shoppers.

**Test**: try various means of vertical compression and enumerating the steps to fill out the search widget.

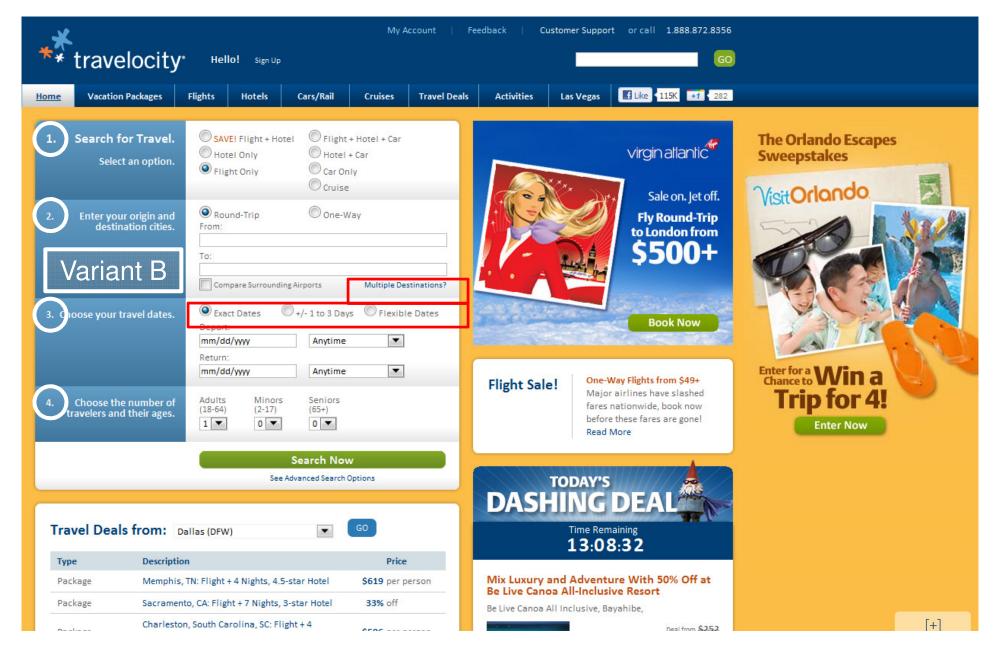








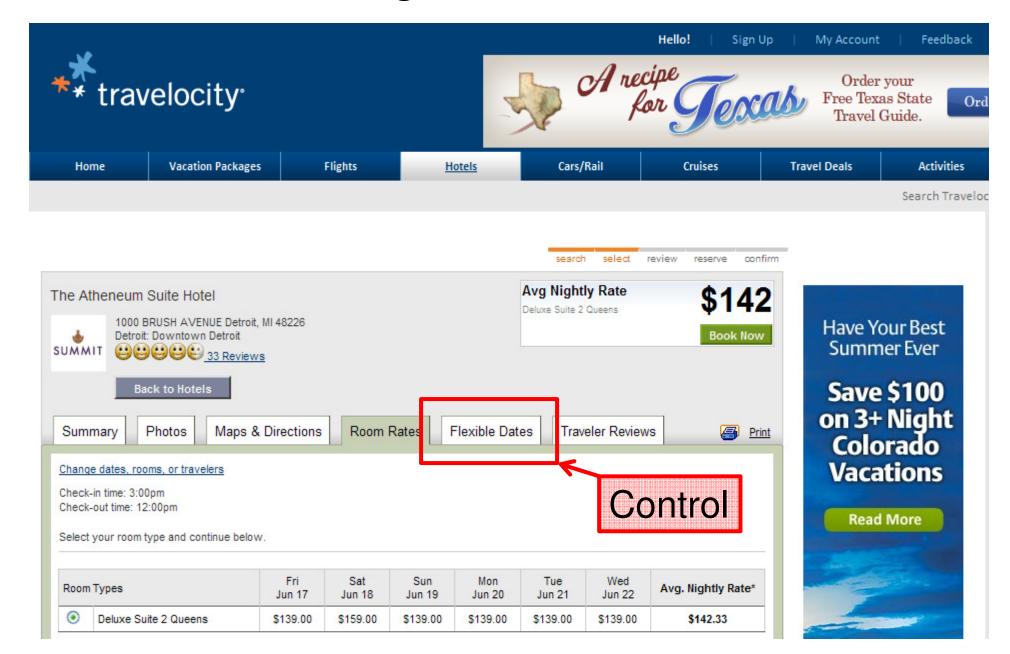
## The Winner

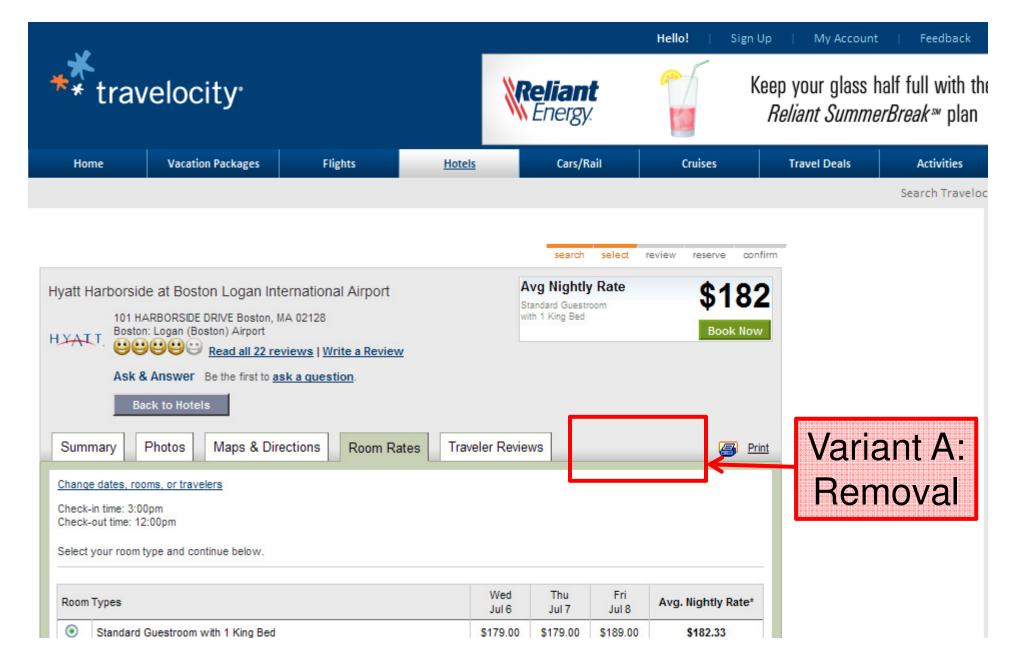


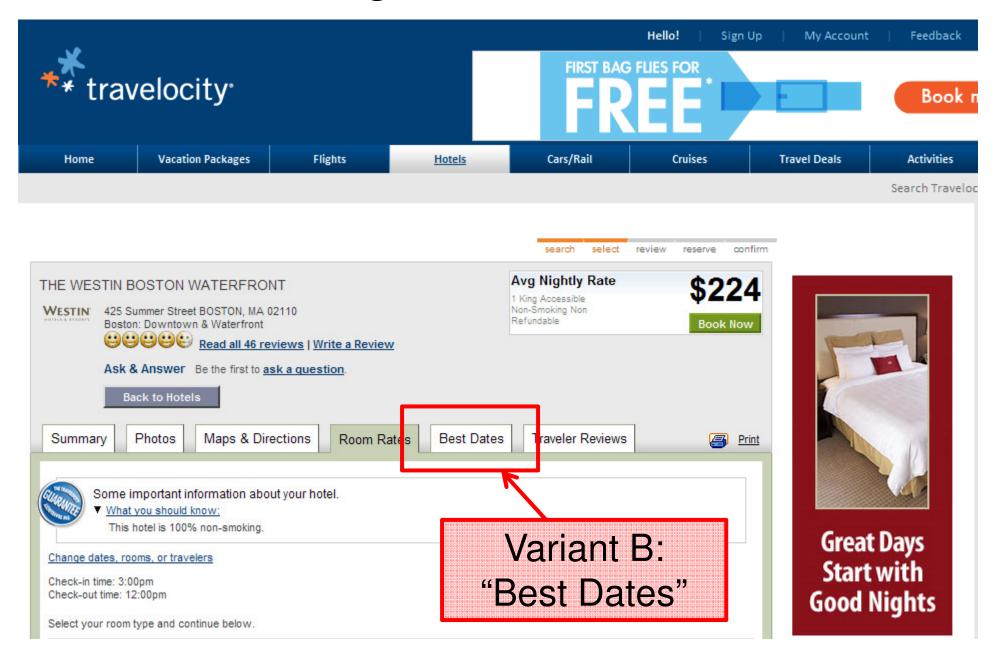
**Problem**: critical page in the profitable hotel shopping path may be ambiguously named.

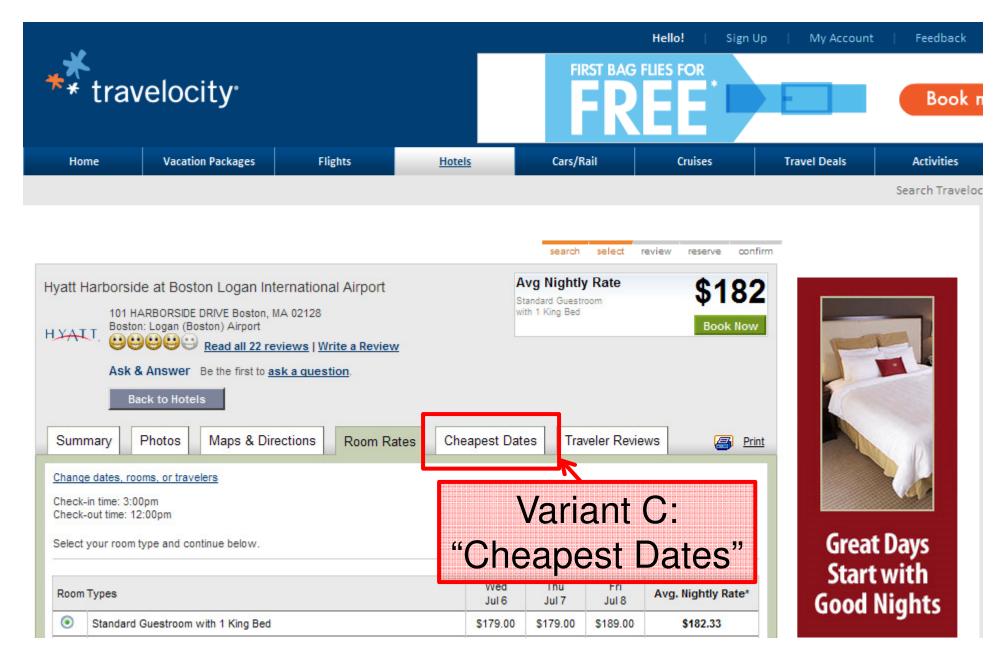
"Flexible Dates" calendar page of cheapest travel dates may be named too ambiguously for shoppers to understand.

**Test**: try alternative tab names and removal of tab altogether.

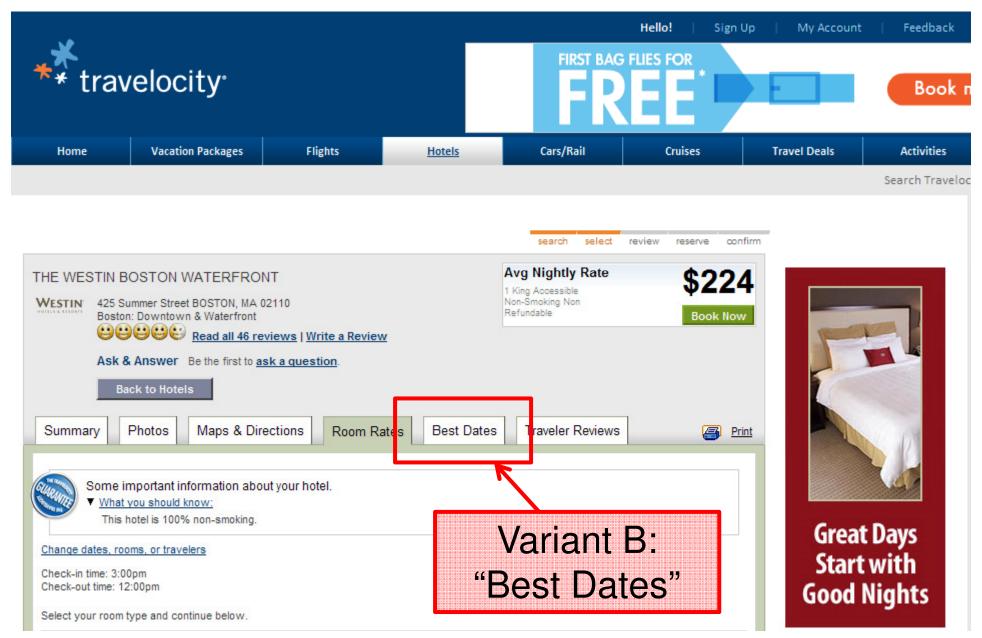








## The Winner



## **Advice**

- 1) Maintain database of test ideas/results: preferably online. Improves dialogue/memory.
- 2) Know your position in the pack: test more aggressively if you have less to lose.
- 3) Know what you can do with available traffic: if you can't get to confidence, cut variants, purity, confidence, precision and/or just use surveys
- **4) Bet money on your tests**: notice who has good/bad customer experience instincts

## Speaker Roundtables Today 5:15 - 5:45 PM in the EXPO Hall

Travelocity's A/B Testing Lessons Learned

Jonathan Isernhagen
Director of Marketing Analysis
Travelocity.com

How Living Direct Leverages A/B Testing

Scott Madison
Online Merchandising Analyst
Living Direct

# Thanks for joining us! and special thanks to our panelists

Questions