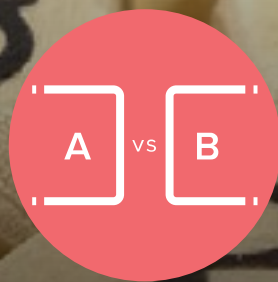




STRANDS
RETAIL



A RETAIL MARKETER'S GUIDE TO A/B TESTING CAMPAIGNS

A Retail Marketer's Guide to A/B Testing Campaigns

In the world of online retail marketing, optimizing the customer experience is no doubt a primary goal—and also an ongoing journey. Shopping on your website should be a delightful experience for all visitors, and making it so requires constant observation and continuous improvement.

Yet, in order for that delightful experience to translate to real value for your business, visitors must convert into paying customers—that is, select a product, click “buy,” and make the purchase. Still, a report by Econsultancy suggests that only 28% of marketers are satisfied with their conversion rates. So, how can you make website

improvements that stimulate greater conversion?

One answer is A/B testing. When making improvements to any of your digital platforms, implementing A/B testing is a smart way to analyze pages, emails, and content by comparing different variations and choosing the most successful version—that is, the one that encourages visitors to become customers.

This eBook offers guidelines for designing and launching A/B testing campaigns so you can start making the most of your online retail marketing efforts.

Who is Strands Retail?

Founded in 2004, Strands Retail provides global personalization and recommendation solutions that empower online retailers to offer superior customer experience within their digital channels. Strands Retail provides email segmentation and personalization products to eCommerce business users all over the world. Learn more about A/B Testing with Strands Retail.

We hope this guide will serve as a actionable starting point for high impact tests on your retail website. Strands Retail works with 100+ retailers worldwide and can help you optimize your A/B testing campaigns with proven methods to increase average order values and improve your eCommerce site overall.

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WHAT IS AB TESTING?

A/B testing (also called split-testing) involves changing specific elements within a fixed digital environment and presenting those variations (A and B) to your audience to understand which performs better. Typically, the two pages (be they big or small changes to landing pages, emails, or calls-to-action, to name a few) are shown to a similar audience at the same time with variations between them.

The objective is to see what resonates best with your customers, and which version leads to the highest conversion rate. Based on results such as like increased click rate, growth in average order values, and increased total purchases, you can decide on the most successful elements and pages to use going forward.



What are A/B testing campaigns and how can they help your business?

A/B testing is ideal for eCommerce platforms where different variables of your pages and email messages can be explored and analyzed for improved performance. When you begin an A/B test, you'll start by setting up campaigns.



PRO TIP

What's a campaign?

An A/B testing campaign is centered around a series of messages or content with a single theme, designed to achieve a goal or set of goals. In order to effectively plan your A/B testing campaigns, you need to set goals (like stimulating more email newsletter sign-ups; increasing your email open rate; or increasing total sales of a particular item). Setting up A/B testing campaigns can help your online business by getting more familiar with your customers' behaviors. Then, you can make changes that can result in more qualified leads, better customer retention, and increased sales. Generally speaking, A/B testing can help your website achieve better results—and even small changes can make a big difference when it comes to your bottom line.

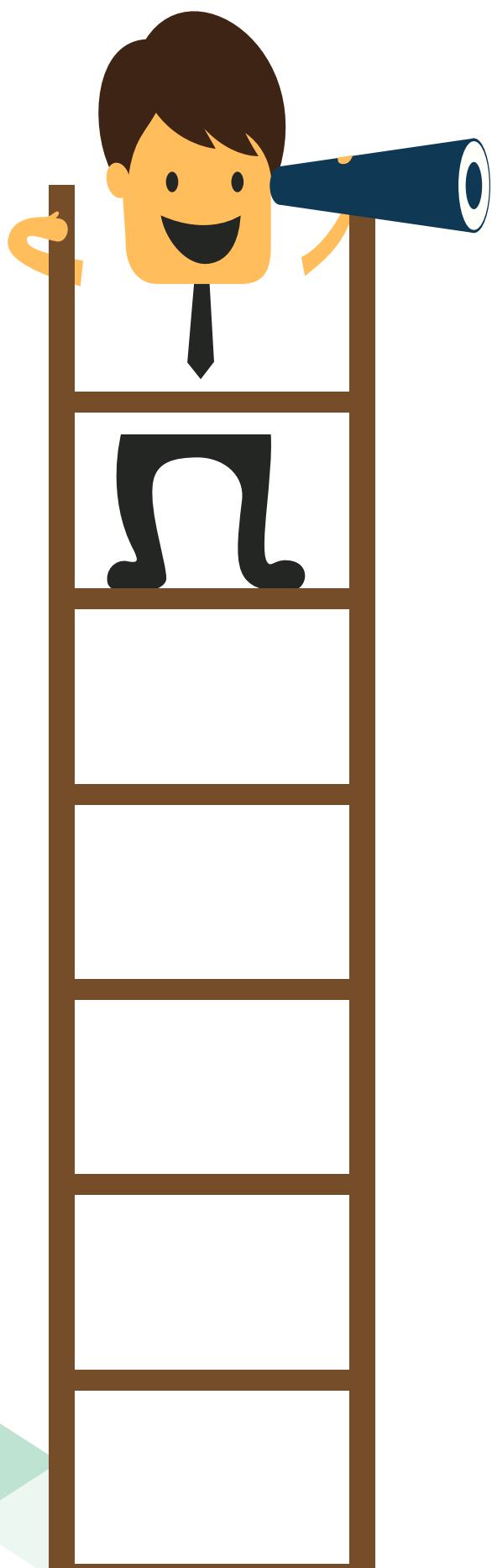


A/B Testing Steps for Your eCommerce Site:

As you develop an A/B testing strategy for your eCommerce website, consider these guidelines:

1.

IDENTIFY TESTING OPPORTUNITIES



As the saying goes, it's best to measure twice, cut once. When you know where to begin testing, you can make the best use of your time and effort when it comes to analyzing results and making changes.

Before testing anything, start by identifying your problem areas—or, put another way, your website's opportunities for growth.

- Do you know what needs to be improved?

- What are the industry averages in terms of bounce rate, click rate, and conversion rates for each element within your platform?

- Are you performing above or below average in these areas?

Take the time to answer these questions. Once you do, you'll know where to find the lowest hanging fruit and how to pick them first:

- What can you be doing better?

- Where do customers' experiences fall short of expectations?

- Where are you losing revenue?

These are all potential testing opportunities.

Here are more suggestions for how to begin A/B testing:



Analyze website data for potential problem areas:

First, be sure you are tracking your data—such as visitor traffic and content performance—using a website analysis tool such as Google Analytics. This data will prove invaluable as you explore how well your pages are attracting and converting customers. If there are areas within your website where you are failing to convert potential leads, you need to know about them.



Identify key Data:

Gathering data is essential to launching any A/B testing campaign. Quantitative analytics tools like Google Analytics, Kissmetrics, or Spring Metrics can help determine where your efforts are failing to produce the desired goals. These insights might highlight problem areas:

- Frequent dropouts from product detail pages
- High percentages of people exiting from the checkout page
- Low clicks on home page promotional links



Consider the customer's perspective:

Consider the customer's perspective: Don't stop at quantitative data alone. Take the time to review any customer support feedback. When testing new ideas, it helps to know your site from a user's perspective.



Prioritize problem pages:

Take note of problem pages with high bounce rates, low traffic, or poor conversion rates. For example, if your data shows that 75% of potential customers are exiting from the checkout page before making a purchase, that's an opportunity ripe for improvement. Think about your website's objectives in relation to your problem areas to determine what to test first.

2.

GENERATE HYPOTHESES ABOUT SPECIFIC TOUCH-POINTS OF YOUR WEBSITE

After you gather data and identify your problem areas, the next step is to make a hypothesis—an educated guess about what you think will happen when you run your test. In fact, posing hypotheses is an integral aspect of the testing process. When you think about where an action might lead you, you can be better prepared for the results. After defining your problem areas and articulating your hypotheses, you can start planning specific, results-oriented split-testing variations for your website.

Below are some example A/B testing hypotheses primed for the retail marketing professional. Remember that any hypothesis should be supported by data, so always make data collection your first step.

- ◆ **Highlighting the sale price will lead to increased purchases.** Perhaps you've noticed that leads keep bouncing from pages where products are listed with a single price (and no visible sale price). One hypothesis is that crossing out the original price in red and including a sale price below it will increase sales of that item.
- ◆ **Adding a demo video on a product page will lead to more purchases.** Maybe you've learned from customer support feedback that users are unsure how to use a particular product, and this has affected sales. You might hypothesize that including a product demonstration video would encourage more people to buy.

According to a case study by Optimizely, online retailer Fab saw a **49%** increase in product-to-cart clicks after adjusting their call to action.



- ◆ **Better call to action will lead to more purchases.** Calls to action vary for every website and with every type of product. Should yours say “Click here” or “Learn more”? Should your links be at the end of the page, or near the top? Should your buttons be green or red? A sample hypothesis can explore any of these questions and make an guess as to how altering the call to action can lead to greater conversion.
- ◆ **Populating the search field can improve efficiency.** You may hypothesize that updating your search box to populate with product suggestions would get people to product pages more efficiently, and even offer more information about types of products on your site—leading to more sales.
- ◆ **Making a “free shipping” value proposition will increase sales.** Potential customers might be bouncing from the checkout page once they see the cost of shipping for particular products. So, you might hypothesize that adding a “free shipping” value proposition to your home page (or the checkout page or certain product pages) will result in more completed checkouts.



PRO TIP

Make specific hypotheses for precise solutions

Sometimes, you'll gather data that tell you about specific opportunities for improvement. When you know the finer details of a problem, you can make a more detailed hypothesis for A/B testing. For instance, if you learn that only 10% of first-time visitors click on “Recommended Products” at the bottom of your home page, but 25% of them are clicking on the “Sale” products at the top of the same page. You know that you're missing out on a lot of potential clicks for product recommendations, so you hypothesize that moving the link to the top of the home page will result in a 15% increase in clicks.

3.

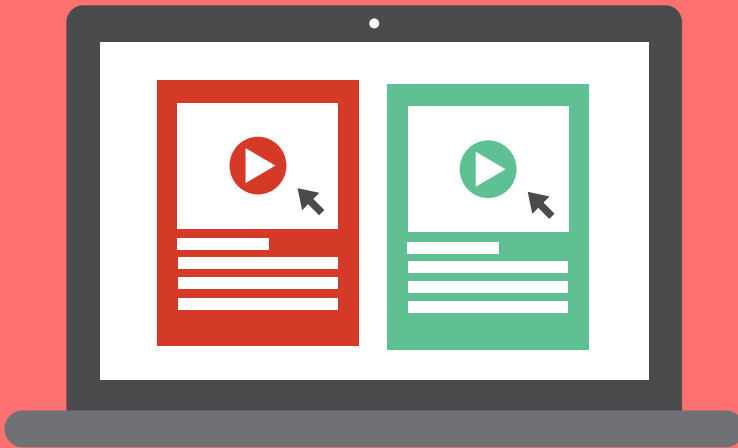
DESIGN THE TEST

Now that you've gathered your data and posed your hypotheses, it's time to design your A/B test. Essentially, this means deciding which pages to test and what elements—also known as variables—you want to analyze. Based on the data you've gathered and the hypotheses you have made, you'll boil down your testing goals to one or more pages and/

CALLS TO ACTION

**Questions:**

- Are your calls-to-action worded clearly so people can easily add items to their carts?
- Are the calls-to-action optimized on product pages so people know where to click?
- Should your call-to-action buttons be green? Red? A different shape?


 TEST DESIGN

Design one “Add to cart” button that is green, and one that is red, and test to see which gets more clicks.



COPY & MESSAGING



Questions:

- Can you rewrite your product descriptions so they are clear and more enticing?
- Are your product descriptions easy to find?



> TEST DESIGN

If your product descriptions are currently written as paragraphs, try testing the copy in the form of bulleted lists instead.



LAYOUT & DESIGN



Questions:

- Is your page easy to view and navigate?
- Does the color scheme fit with your brand?
- Should you rearrange certain elements to make them easier to see?



> TEST DESIGN

If you're looking to get more eyes on certain elements of a page, try creating a second version of the page with a different color scheme to entice readers to click on the links you want.

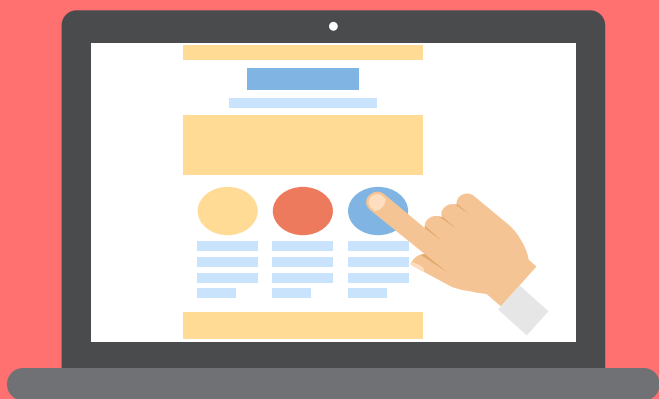


IMAGES



Questions:

- Are your images placed in an area that is easy to see?
- Are the images high-quality and fitting for product or subject matter?
- Do the images need to be bigger or smaller?
- Are images linked product pages? Should they be?



> TEST DESIGN

Try testing a new version of your page where the image is linked to the same page as your call to action in order to increase sales opportunities.



HEADLINES



Questions:

- Are your headlines clear and engaging?
- Should your headlines be resized?



> TEST DESIGN

Test a second version of your web page with a new headline using different wording.



PRODUCT RECOMMENDATIONS



Questions:

- Are you using recommendations on your product page?
- Can customers easily navigate to product recommendations without leaving the product page itself?
- What types of recommendations work the best?



> TEST DESIGN

Test different locations for product recommendations on your page and see which attracts more clicks.



PROMOTIONS



Questions:

- Are product or shipping promotions easy to find on the home page or product pages?
- Are the promotions too loud or distracting?



> TEST DESIGN

Try two versions of the page: one with a vibrant, attention-grabbing promo, and one that is more subtle. Test to see which one attracts more clicks.





PRO TIP

Changes big and small can both yield results

When A/B testing consider testing something minor on your first go-round—like changing the color of a call to action button or using two distinct subject lines in an email newsletter. Even these small changes can lead to big results. However, you might also consider expanding your variables—that is, instead of testing just the subject line, try creating two completely different newsletters and testing them against one another. You will likely see bigger differences in your results, and then can drill down to smaller adjustments from there.

4.

CALCULATE TEST SUBJECTS AND TIMEFRAME

When setting up your A/B test, plan for a particular number of visitors as well as a timeframe for the test so you know when to begin and end the experiment.

- **What should you test?** Depending on what you choose to test, you should plan to test all the visitors to your site, or anyone signed up for your email marketing lists, over a predetermined period of time. The key is to divide your testing audience into two similar groups, so that one segment of your audience sees one version (A), and the other segment sees the second version (B). Then you can track the reactions and results to see how they differ between the two. It's important that your groups are split randomly into two test groups so that you have a similar sampling of users.
- **When should you test?** Choose a period of time to run your test—long enough that you can gather an adequate sampling of information, and short enough that you can actually implement the changes and move on. Hubspot suggests waiting 15-30 days

before evaluating any results from an A/B test. If you're testing an email newsletter, you can control for things like date and time the newsletter is sent, so that all test groups receive the email at the same time.



PRO TIP

Don't conduct more than one test a time

There are many elements to test and many ways to do it. But if you start running multiple tests at once, it will be difficult to know which changes caused which results. Instead, focus your efforts on a single test, and go from there.

5.

BEGIN RUNNING THE A/B TEST

Now that you've gathered data, nailed down your hypotheses, designed your plan and determined the audience and timeline for your test, it's time to begin setting up your A/B test in your marketing software. This is where the testing tools come in. Every tool is different, and sometimes the A/B testing process varies depending on the type of content you're testing.

Learn how Strands Retail provides the tools to help you run your test and gather results simply and effectively.

When you test elements of a web page (or even the page in its entirety), visitors will randomly land on one or your variations—that is, page element A or page B. The A/B testing tool you use will record which page the reader landed on as well as what happens after that, usually by assigning cookies to every visitor to make sure they always see the same version of the page. This keeps your page looking professional and gives the reader a consistent experience.

6.

ANALYSE THE RESULTS

After you run the test—that is, after waiting 15-30 days—it's important to spend time evaluating your results.

View side-by-side comparisons

Your A/B testing software will have recorded the data for both variations of the page you're testing, allowing you to view them side by side for a quick and easy comparison. Depending on the tool you use, you'll be able to look at different data points for each variation—things like unique visitors, conversion rate, form submissions, and overall improvement.

Number of visitors: Take a look at the number of visitors that went to each page. Depending on your goals, this number may have useful data about who's making their way to your homepage, product pages, and checkout page, and if this number has increased or decreased with the different variations.

Conversions: This number indicates how many readers are converting—that is, putting items in the cart, entering their payment data, and completing a purchase.

Improvement: Some tests show overall improvement numbers, helping identify the “winner” of the A/B test.



Account for errors

Unfortunately, not all your test results will be as pristine as you expect. Sometimes the information in an A/B test can be inaccurate for reasons like these:

- **Flawed testing tool data:** Get in the habit of checking your back-end figures against your analytics. That is, see if your A/B testing tool says the same thing as Google Analytics for the element or page you're testing. If not, it could be the result of flawed coding or a glitch in the testing tool. Try checking just one page variation in both places (running an A/A test) until you're confident the figures match up. If things still look fishy, consider reaching to the administrator for support.
- **Outside world affecting your data:** Be aware of what's happening outside of your A/B test that may affect your results. For instance, testing during the holiday season might not be representative of normal customer behavior, and may skew your results.
- **Poor browser/device performance:** Before running your A/B test, take a moment to see if the page variations you've designed display properly in all applicable browsers and on all devices. If visitors cannot access your pages from their devices, your test results may not reflect the most accurate information.

Measure significance

When evaluating the results of your A/B test, it helps to determine the statistical significance of the data you've gathered. This can help you know when your results indicate a clear winner. HubSpot recommends a few tools to mathematically determine the test winner and help you decide whether or not to continue with your test:

- [Split Test Calculator](#)
- [User Effect's Split Test Calculator and Decision Tool](#)
- [Visual Website Optimizer](#)



PRO TIP

What to do when there is no clear winner

Sometimes, there may not be enough useful data to make any sort of conclusions or see any clear “winner” between the elements you're testing. This could mean that you need to extend the length of time that you run your test in order to gather more data. It could also mean that the element you are testing is too small to result in any significant behavior changes among visitors. Next time, you might try testing different elements on the same page to see if a different variation has a greater effect on lead generation.

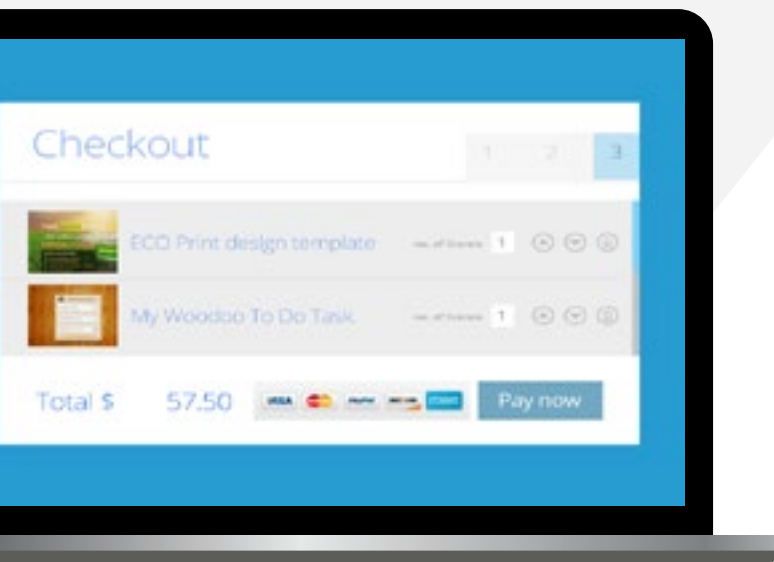


Campaign Examples for Online Retailers:

Now that you've gotten the hang of A/B testing, you can try different strategies for ongoing A/B testing campaigns aimed at converting more visitors into customers. For more ideas, here are several examples of A/B testing campaigns you can implement on different pages of your own eCommerce website

EXAMPLE

CHECKOUT PAGE A/B TESTING CAMPAIGNS



The checkout page is perhaps the most important source of data for driving conversions. By performing different tests on this page, you will likely get very specific results about how your visitors react.

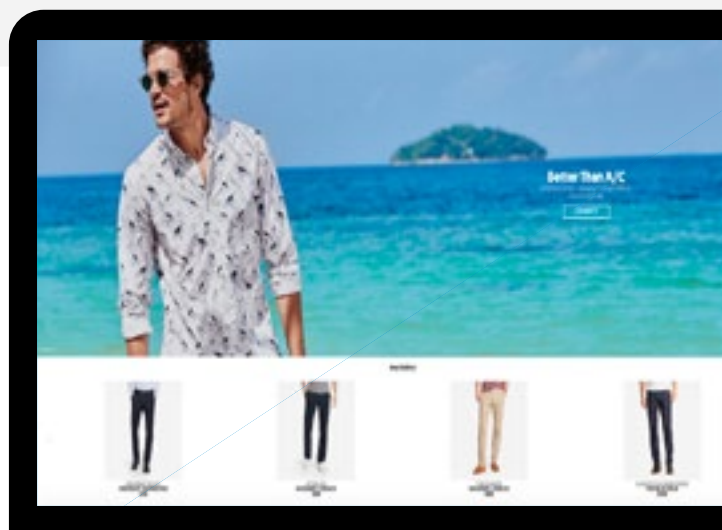
Try testing different sales strategies like upselling and cross-selling, as well as testing simple, one-page checkout processes against multi-page checkout processes.

EXAMPLE

HOMEPAGE PAGE A/B TESTING

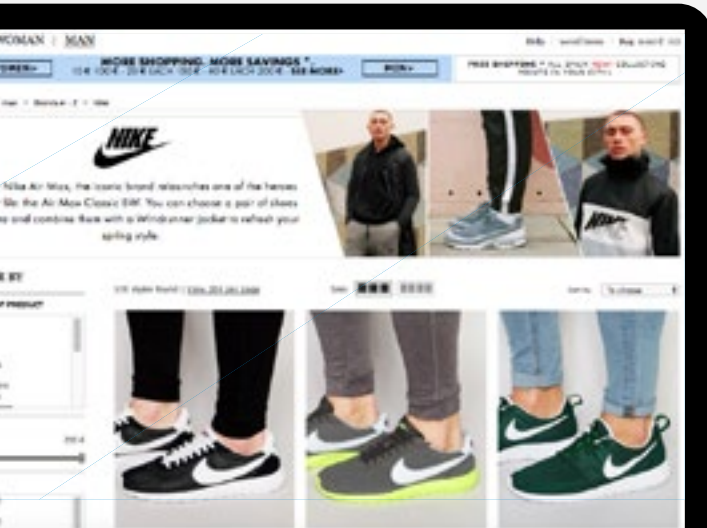
Your home page is an important selling point for future customers, and traditionally one of the primary landing pages on your website. Develop testing campaigns on the home page by testing the placement of top selling products versus new products.

Or, try personalizing the home page based on new versus returning visitors. Show new users the best-selling products, and show returning customers products or content based on their past behaviors.



EXAMPLE

CATEGORY PAGE A/B TESTING CAMPAIGNS



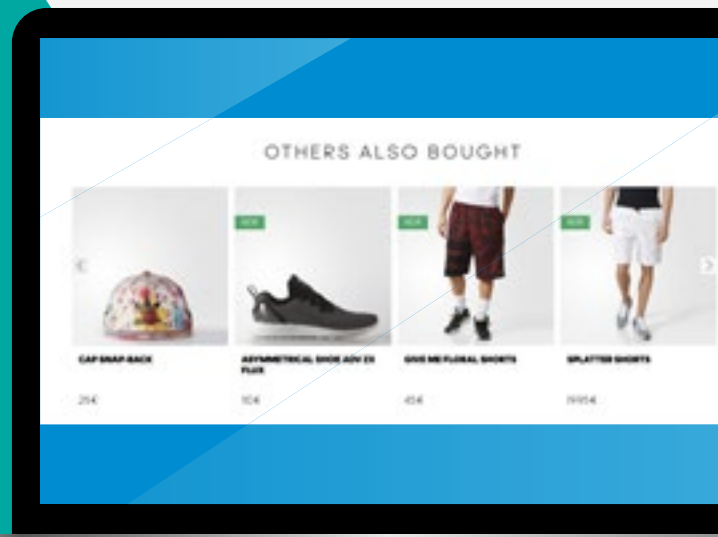
Drill down from the home page and test major category pages next. You might develop an A/B testing campaign where one page shows the best-selling products at the top of the category page, while the other groups products by filters that visitors can click through.

EXAMPLE

RECOMMENDATIONS A/B TESTING CAMPAIGNS

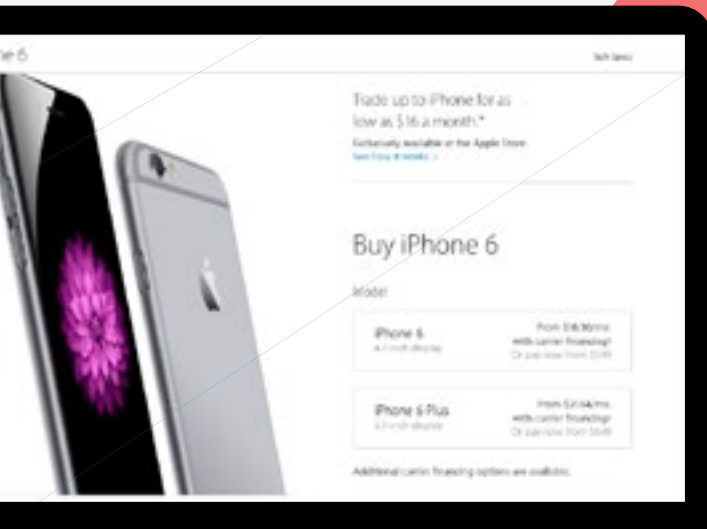
Test the efficacy of product recommendations on certain pages by adjusting the placement, layout, and types of recommendations that show up on each page.

For instance, you might try one page with three recommended products populated near the bottom of the page, and another test page with six recommended products in the same area.



EXAMPLE

PRODUCT PAGE A/B TESTING CAMPAIGNS



Test specific product pages for your most popular or best-selling products and see how customers react. On these pages, you can start by checking your calls-to-action. For example, test buttons with different wording to see which ones convert more (e.g. "Buy Now," "Add to Cart," "Order Now," etc).

You can also test things like the length and location of product descriptions, the size and appearance of images, and how many search results appear on the online store.

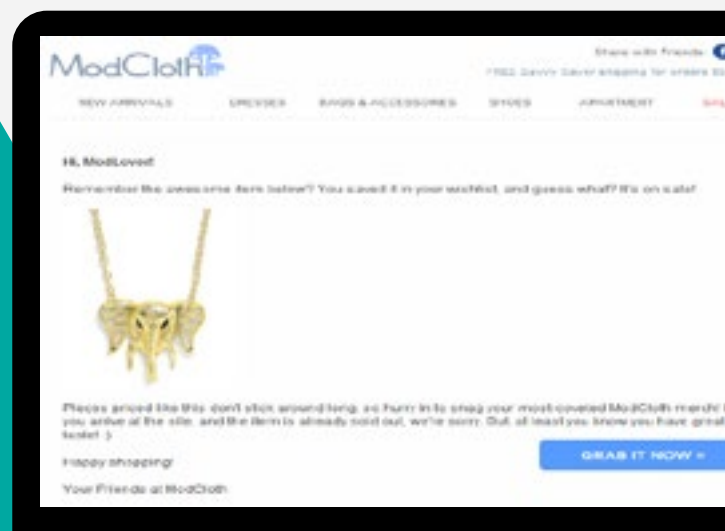
EXAMPLE

A/B TESTING CAMPAIGNS FOR EMAIL

A/B testing is not limited to website content. In fact, it's useful for email marketing campaigns, too.

Test two different versions of your email newsletters or promotions to determine which elements encourage readers to click into your eCommerce website.

Just like a webpage, you can test things like calls-to-action, product recommendations, and design.





PRO TIP

Use segmentation to get actionable data

Some experiments might achieve more useful data if they are applied only to specific segments of visitors. Think about how you can narrow your A/B tests by segmenting your tests by behavior, outcome, or source:

- **Segment by behavior:** Separate your test subjects based on visitor behavior, such as those who have visited your website fewer than 10 times and those who have visited more than 10 times.
- **Segment by outcome:** Try varying your tests based on the products people have purchased in the past, or the total value of their most recent order.
- **Segment by source:** Depending on how visitors find you (that is, through a Google search, via an email promotion, by signing up for your newsletter, etc.), you can vary your test subjects by entry point.



PRO TIP

Focus on the most common exit pages

Use Google Analytics to see which pages visitors leave and when. You can test different elements to determine what may keep a visitor on a page longer, or what might encourage them to take a specific action—like completing their purchase.

PRO TIP

Don't forget the top of the funnel

Remember to keep an eye on the persuasive aspect of your content—often called the top of the funnel—where customers first get interested in your website. Try testing different techniques for engaging customers from their very first experience on your website, such as relevant top-level content, interesting imagery, or enticing promotions.



BIGGEST MISTAKES IN ECOMMERCE A/B TESTING

Any time you do something for the first time, there is bound to be a learning curve. Here are the most common mistakes of running A/B tests on e-commerce websites, with suggestions for how to avoid them.

1.

Running tests without enough background information

Naturally, you're eager to start your A/B testing campaign. But unless you take the time to analyze your website data and make realistic hypotheses, you may be in the dark about what exactly you need to test, and how to analyze your results. Before you start, be sure to spend some time getting to know your website's problem areas, familiarizing yourself with the analytics and customer shopping trends, an even performing a usability audit to understand a layperson's perspective.

2.

Running too many tests at the same time

It's best to run only one A/B test at a time. That way, you can be sure to control for all other variables, and ensure that any results you see are due to the elements you were testing. If you have too many tests going at once, you run the risk of muddling your final outcome.





3.

Wasting time on inefficient testing

Certain elements are really too small to result in any measurable results. These include very minor copy changes (such as changing “a” to “the”) or insignificant design changes (changing a graphic from dark green to light green). Instead, try out more drastic tests in order to get the more impactful results.



4.

Giving up after your first test

It’s okay if your first test doesn’t yield the results you expected. Look over the data and plan your next step. This may involve giving your test some more time, testing different elements on the same page, or moving to a different page and testing something else. As long as you’re learning about your site and working toward improvement, you’re on the right track!



5.

Ignoring small victories

When A/B testing, it helps to keep your expectations in check. There’s a difference between tests with zero results and those that indicate small improvements. Don’t automatically ignore those little wins. For example, adding product recommendations to a popular category might improve clicks by a meager 5% at first. But test for another month, and your results may improve to 10%.



6.

Not integrating data with analytics

Many A/B testing tools have built-in analytics integrations, meaning that your testing data is sent to your analytics provider while the test is happening. This can help enhance your post-test analysis and also provide a back-up evaluation of your test results. This is a good way to keep all your tools on the same page while giving yourself more peace of mind.



7.

Focusing only on the design

It’s easy to get caught up in the look and feel of your eCommerce site, but don’t make that your sole focus. Remember to use the data to evaluate the number of real conversions, and you’ll have a better sense as to whether changing that font style really did encourage more sales.

CONCLUSIONS

A/B testing offers data-supported insights into your eCommerce website's performance and user behaviors, creating new opportunities for improvements within product pages, email marketing, calls to action, and more. This information allows online retail marketers to formulate plans to optimize their online content, attract more customers, and improve sales over time.

Looking to get started with a proven A/B testing tool? Strands Retail offers A/B testing services specially designed to help eCommerce marketers achieve merchandising success. With a special focus on online personalization and product recommendations, Strands helps by identifying opportunities within different digital channels and implementing ongoing testing and evaluation aimed at delivering actionable results.

We hope you enjoyed this eBook and are ready to start testing your website for improved conversions.

If you ever need new ideas, have a look at our blog where we regularly talk about new ways of increasing conversions and personalization for your eCommerce site. Want to share your feedback on this eBook?

Feel free to reach out to us! You can always send us an email if you have any questions about conversion optimization or eCommerce in general. We are more than happy to help you out.

retail.strands.com

PRODUCT RECOMMENDATIONS WORK

Personalization and automated merchandizing tools work to increase sales through intelligent product recommendations. Offering the right product to the right customer at the right time is what we do. With Strands personalization software solution, you'll increase total pages, cart

sizes and sales. From our Barcelona HQ and offices in San Francisco, Miami, Madrid & Buenos Aires, we serve market leaders like Panasonic, Disney, Ashley Stewart, Chewy.com, Markafoni

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