

# Everything you need to know about A/B testing.

Connect with customers and improve conversions with A/B testing done right.





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The verdict is in: when it's done right, A/B testing works. The question is no longer whether to test a campaign, but which of its elements are helping you—and which are holding you back. You need to think strategically to ensure that each campaign is structured in the best possible way to drive conversions.

It's impossible to develop more effective campaigns and grow your customer base if you don't know which of your campaign elements further these efforts and which ones work against them. Fortunately, A/B testing offers an easy way to assess a campaign's effectiveness, element by element.

With A/B testing, any company can learn how to improve their marketing campaigns, better understand their customer base, develop more relevant and connected content, and boost their return on investment (ROI).

If you're not yet using A/B testing, don't make the mistake of assuming your marketing campaigns are working. Every moment you hesitate, you may be alienating large customer groups—or missing opportunities to boost campaign ROI.

In this eBook, we'll cover the essentials of A/B testing, including:

- The definition of A/B testing
- Why A/B testing is important
- The A/B testing process
- A/B testing and marketing automation

- Testing segmentation
- A/B testing best practices
- How to measure test results



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# Understand the basics of A/B testing.

A/B testing, also known as split testing, compares two versions of the same campaign on a specific channel, such as:

• A website

Mobile apps

• Landing pages

- Social media
- Emails

• Digital advertisements

A/B testing is a comparison of two versions of a campaign with a single element changed.

Examples of individual campaigns on these channels include:

- The homepage for a website
- A smartphone notification concerning a new product offer
- The initial email a new customer receives after signing up for a service

The difference between the two versions all comes down to one element, whether it's the size of a clickable button, the wording of a call to action, the fonts, or another design, formatting, or language element.



For example, you could set up a test on a company's homepage that compares a blue background to a green background. The page has had a blue background for years, but the company has seen conversions steadily drop. You want to know if users might be enticed by a change in branding, and whether they might be more receptive to a green background.

Running an A/B test would measure which color has a greater effect on click-through rates, page views, and conversions. If the blue background prompts a significantly higher number of conversions and the green background drives customers away, you'll know which color will help you meet your business goals.

You'll want to test only one element at a time to maintain control over the results and draw firm conclusions. From these conclusions, you can assess the effectiveness of each variable in driving conversions and, from there, adjust your campaigns. By making these necessary adjustments, you're able to continue improving your efforts to deliver the highest possible ROI to your organization.

Testing alia	ises		
		of ways to refer to each of t e terms we've come across	
	Version A	Version B	
	Control	Variant	
	Champion	Challenger	
	Original	Test	
	Version 1	Version 2	
		•	

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# Making a case for A/B testing.

The beauty of A/B testing is that you can discover what buyers like and want simply by looking at their actions. A/B testing also improves consumer engagement, campaign effectiveness, and marketer expertise. Here are a few reasons why A/B testing should be a part of your company's marketing strategy moving forward.

#### Engage with your customers more effectively.

The goal of A/B testing is to improve the way buyers and brands interact by exploring the marketing methods that resonate the best. Because A/B testing applies to everything from engaging personalized emails to social networks, it opens all channels to stronger communication.



A/B testing improves consumer engagement, campaign effectiveness, and marketer expertise.

# Enhance your campaign's efficiency and improve programs for specific audiences.

Not all audiences are going to respond the same way to a single campaign. Trying out different combinations for specific groups of customers can help you eliminate elements that alienate users, drive people away, or don't have any impact whatsoever on conversion rates.

#### Learn more about your audience's preferences.

A/B testing gives you a large amount of data on audience behavior. The more tests you run, the greater your understanding, which helps you make more intuitive choices in your marketing efforts.

### Don't skimp on the process.

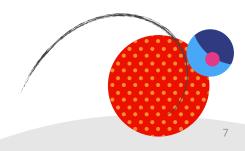
Start the A/B testing process by first picking the right elements to test, and then following each and every step of the testing workflow. You'll want to be sure to complete the entire process before making changes to your campaigns. If you move too quickly, you could make an uninformed decision and alter an element that was working well. A/B testing, when executed in full, can help you avoid this mistake.

First let's discuss *what* to test, and then we'll talk about *how* to test.

#### What should you test?

When it comes to A/B testing, you can test—and gain valuable insight from almost anything. Testing variables in messages can show you which content resonates more with your target audience. Testing visual variables can give you insight into the link between a given image, stylistic element, or color and your conversion rates.

Within any campaign's messages and visuals are numerous elements that can be varied. On the following two pages we've compiled a table of the elements we deem most likely to turn visitors into customers. They are categorized by the channels each is most likely to be used in: web pages, social media posts, email, mobile apps, and digital ads. Consider testing any element you believe is likely to have a direct impact on your conversion rates.



#### Know your campaign elements.

#### 🗒 Web pages

#### Calls to action (CTAs)

- Buy now? Purchase? Check out? Add to cart? Change the CTA text on your buttons to see what word or phrase converts the most visitors.
- Vary the location of your CTA button—make some more prominent than others.
- Test different colors, shapes, and sizes of images for CTA buttons on your website.

#### Content

- Test gated content against non-gated content. Find out what gets more downloads and whether your users are willing to fill out forms.
- Vary how your content is displayed. Do users prefer to scroll down the page or click through to another page to learn more?

#### Сору

- Vary the headline text. Try headlines that are more straightforward, witty, or creative.
- Test paragraphs vs. bulleted lists.
- Test shorter vs. longer copy.

#### Visual media

- Test several types of imagery—people vs. products and photos vs. illustrations.
- See how stock images stack up against images of employees or customers in action.
- Test auto-play against click-to-play for videos.

#### Site navigation

- Vary the menu item order in your site navigation.
- Test the navigation bar's orientation. Do visitors prefer a horizontal or vertical bar?

#### Forms

- Vary the length of your sign-up forms.
- Try a special offer, discount, or promotion to increase sign-ups.
- Ask for different pieces of information in your form fields.

#### Personalization

- Test different page designs and messaging for new vs. returning visitors.
- Try varying the content based on your visitors' demographics.
- Create seasonal or location-based offers and test on visitors living in specific locations.

#### Pricing and shipping

- Test a free trial offer vs. a free demo offer for short-term and long-term conversions.
- Test annual billing vs. monthly billing on your pricing page. Which generates more subscriptions?

#### 💬 Social media posts

- Vary the size and placement of social icons to see what impels users to share more often.
- Test your profile images, cover images, and more to see what customers respond to.
- Try different images in social ads. See which one—or which style—gets better results.
- Test different types of social messaging on each channel to see what copy resonates.

#### 🖂 Email

- · Vary the "from" name.
- Use different greetings.
- Test the length and contents of your email subject lines.
- Try using imagery and rich media in your emails.
- Test personalized vs. non-personalized emails by using the recipient's name, or other known personal data, in the subject line or body of the email.
- Find the optimal time to reach your audience by measuring open rates on different days of the week and at different hours.

#### Mobile apps

- Vary your display and navigation options, such as blinds, buttons, and blocks.
- Use distinct types of notifications—SMS, push, and in-app. Also test your messaging and offers.
- Vary where on your website (or in your app) visitors are routed by an in-app or push message.
- Test rendering for mobile.

#### 🗐 Digital ads

- Test the headlines on your paid campaigns to see what gets more clicks.
- Try changing the display URL on your ad.
- Use different conversion page variations—copy, image, CTA, and form.

#### Follow an A/B testing workflow.

If you're going to integrate A/B testing into your marketing strategy, be mindful of doing so on a regular basis. It's not a process that can be partially monitored or dabbled in when convenient. It's also a good idea to make sure every member of your marketing team has some background in testing and, more importantly, understands its value.

A/B testers can follow this detailed workflow:

#### **1.** Choose one element to test.

Select an element you believe will have an impact on customers' behavior. Test high-impact programs: pricing page, sign-up page, welcome email, etc.

#### 2. Write a hypothesis.

Just like any scientific method, A/B testing begins with a strong hypothesis about what you think may happen, such as an increase in conversions, clickthrough rates, or the amount of time your customers spend on a particular web page. Your hypothesis could be based on several factors:

- What's worked in other places, such as similar web pages and emails
- Insight from your colleagues
- Feedback from customers
- Plain old instinct

Ask yourself what you think will happen—which version do you think customers will prefer and why? Because A/B testing will produce data to support (or refute) your hypothesis, the results can give you confidence in your decision-making—and solid justification for pitching changes or new ideas to your managers.

#### **3.** Specify a sample group.

Use a large enough sample size. The larger the sample size, the stronger your results will be. Also determine which demographic or industry to focus on for this A/B test.

#### 4. Define what success looks like.

Determine what you want to achieve through testing. What are your ultimate success metrics? What will you improve through testing and optimization? Success can be measured by opens, clicks, shares, conversions, and more.

#### **5.** Set up the test.

Schedule when you'll administer the test and determine how long it will run.

#### 6. Look at test results.

After completing the test, analyze data sets and examine results based on the success factors you determined earlier. It's helpful to set up a chart to record your results as you run tests.

Text type	Asset	Version A	Version B	Metric to assess winner	Winner (A or B)
Subject line				Opens	
Link in email				Clicks	
Form in landing page				Conversions	

#### Example of A/B testing results worksheet



#### 7. Determine the winning combination.

Ascertain which version performed better and whether the difference was sizeable or only marginal. Was it statistically significant? (More on this later.)

#### 8. Make necessary changes.

Put your test results to work. If a red CTA button is more effective than a black one, change it on the page or email in question.

Note that the exact process may vary depending on your industry, company size, and target audience, but it always consists of creating, running, and reporting on the test.

The keys to successful A/B testing are finding the process that works for you and your marketing team and maintaining consistency throughout all tests. Consistency is crucial, because the slightest change can alter results—or prompt you to make changes to a campaign element that was already driving conversions!



#### How long should you test?

There's no exact rule for testing duration, but here are some considerations:

- No matter what size your business is, you should run A/B tests for at least one week—conversion rates are known to vary quite a bit during the first few days of a test.
- Businesses with larger client bases may need to let an A/B test run longer than their smaller counterparts, because they'll need to test a higher sample of visitors to form a strong conclusion.
- In general, you shouldn't test for too short a time, as you won't end up with a large enough group of visitors to be statistically accurate. But don't test for too long, either, as variables outside your control tend to crop up over longer periods.

# A/B testing and marketing automation.

Marketing automation software can breathe new life into your A/B testing efforts. It can help you set up multiple tests quickly and easily and then administer them automatically, so you can focus your attention on other areas.

Overall, incorporating A/B testing into your marketing automation strategy can help you:

- Test elements on multiple campaigns simultaneously, saving you time and allowing you to draw conclusions and make necessary changes to your campaigns more quickly
- · Improve emails, landing pages, and other campaigns
- Determine and pinpoint the best campaigns to achieve your marketing objectives
- · Boost response rates on various campaigns
- Raise your conversion rates through various channels

For the email channel in particular, specific features of a marketing automation platform can be set to send a test email to your recipients list as part of an automatic, triggered campaign. If the variant outperforms the control, you are notified and can take any necessary action, so you get the most out of every marketing campaign.

#### A/B testing tip

Even when we think our hypotheses are correct, there's always a chance we may be wrong. That's why testing is so important.

#### A/B testing examples

#### Sender name

Always test your assumptions. Consider a test that Adobe conducted to evaluate the email sender name's effect on opens. The control showed "Adobe Premium Content" as the sender and the test (variant) showed "Ryan Hammer" as the sender. The success metric was the number of opens.

Inbox	Inbox	
From	From	
Adobe Premium Content	Ryan Hammer	
Version A	Version B	Winner

Their hypothesis was that the generic name would win—because while both current and potential customers know the name "Adobe," they probably wouldn't be familiar with the name Ryan Hammer. They would likely be inclined to ignore (or even automatically delete) an email from a perceived stranger—or so the thinking went. But their hypothesis was wrong. In fact, the email from Ryan Hammer generated more opens. Their conclusion was that customers saw those emails as more personal and warmer than a mass email blast.

**Take-away:** Even when we think our hypotheses are correct, there's always a chance we're wrong. We wouldn't want to send only "Adobe Premium Content" emails, totally unaware that they're not as effective as they could be!

#### Email subject line

In another test at Adobe, we compared two subject lines for an email promoting a webinar—"[Webinar] How to Measure the ROI of Your Social Marketing" (version A) and "[Webinar] Do You Measure the ROI of Your Social Marketing?" (version B).



Our hypothesis was that version A's subject line would perform better because it was worded in an actionable way for marketing practitioners, the target audience. Once again, this hypothesis was wrong. Version B's more direct subject line was the winner.

**Take-away:** A subject line that gets to the point and encourages action gets more opens and clicks than a subject line that simply encourages education.

#### Mobile

Because mobile devices have such a small screen to work with, marketers must identify the best way to lay out their content to attract customers. With Adobe Marketo Engage, an Adobe customer set out to determine if using a new format on their mobile site would generate more prospects. Specifically, they wanted to see if placing sponsored search results on a certain mobile page would generate more conversions and more revenue. Their success metric was the number of clicks.

Our customer theorized that the number of clicks would decrease. It didn't. The number of clicks went up by 1.6%.

Take-away: Just a small tweak to your site can produce a lift in conversions.

#### Digital ad copy

Another Adobe customer wanted to increase the number of likes on the company's Facebook page. In this pursuit, they A/B tested two nearly identical versions of their company ad. Both had the same headline—"Do You Run Facebook ads?" Body copy varied as follows:

- Version A: LIKE us for pro tips on how to improve your Facebook ad campaigns today!
- Version B: LIKE us for daily tips on how to improve your Facebook ad campaigns & increase your ROI!



As you'll see above, Version B changes the word "pro" to "daily" and adds the line "increase your ROI!" You'd think the notion of increasing ROI would be enticing to potential customers. Surprisingly, version A ended up winning this showdown. Within a few days, it had acquired over 70 new likes, while version B acquired zero.

**Take-away:** We can see the power of changing copy on digital ads—even if the change is relatively small.

# Understand the significance of segmentation.

To recap, an A/B test changes one element of, say, a web page, to see if the change influences conversions or another success metric. To take this a step further, these two variations need to be tested on different groups of buyers—one variation for one group and another for a second group.

This is where segmentation comes into play, bringing a level of focus to your test that you could not obtain without it.

Segmentation is the grouping of prospective buyers based on their wants, needs, and attributes. The idea is that those who have similar wants, needs, and attributes will also have similar buying behaviors and will respond in similar ways during an A/B test.

If you don't segment, it's as though you are treating your entire audience as one person. This can negatively affect your A/B test results. With A/B testing, you should be as specific with (and as in control of) the variables as possible.

**Segmentation:** the grouping of prospective buyers based on their wants, needs, and attributes.



#### Segmentation criteria

Your buyers vary greatly. To draw solid conclusions from your A/B test, you must first segment them. Conversion XL recommends the following four segmentation approaches.

#### 1. Source

Separate people by the source that led them to your website or other channel. Perhaps they landed on your website when they clicked a paid ad on a related site, or a link that popped up in their Facebook newsfeed.

#### 2. Behavior

Separate people by how they behave when using a certain channel—both the actions they typically take and those they typically avoid. For example, they may often click on a CTA that offers a product discount but seldom on one that encourages them to "learn more" about a product.

#### 3. Outcome

Separate people by the products or services they're interested in or regularly purchase, or by the type of event they usually register for. For example, they may attend every webinar your company holds, which suggests they're very interested in your product or service, but they may stay away from the networking parties.

#### 4. Demographic

Separate people by age, gender, location, or other defining qualities.



#### A closer look

Let's take a look at an example. You could perform an A/B test on two groups that consist of 18- to 25-year-olds. The objective is to make sure that the groups mirror one another in order to maintain control over the conclusions.

You wouldn't want to perform the same test on two different demographics, because then you wouldn't know whether the outcome of your test was due to the variation in element or the variation in demographics. You can see how setting up the test without segmentation would likely lead to skewed results.

# Follow these A/B testing best practices.

As with any marketing strategy, you should follow a set of best practices if you want your A/B testing to do its job and do it well. Here are some to consider:

#### Consult your coworkers.

Ask coworkers for input when creating tests, and gain insight from those on the front lines. Talk to members of different teams to make sure you get broad input and perspective.

#### Test the entire customer journey.

It's easy to get caught up in testing elements on web pages and other channels that pertain to the early stages of the customer journey. Most energy from your marketing team tends to focus on the development of these initial attention-grabbers. As an A/B tester, it's important that you test elements on web pages and other channels that pertain to all stages of the customer journey.

#### Test one by one.

This may seem like a repetitive point—but it's an important one: Test only one element at a time so that you're sure what variation is responsible for any change in outcome.

#### Test incrementally.

You've heard that slow and steady wins the race; and with A/B testing this is certainly true. Before getting started, map out a strategic plan of attack. It may help to draw a tree showing what exactly you'll test and, based on the results of those tests, what you'll test next and so on. The objective is to test several elements in a specific order, leading up to a finale when you can draw a firm conclusion to validate (or invalidate) your hypothesis.



#### Be realistic.

Not every test will produce slam-dunk results every time. And honestly, with good A/B testing, that is as it should be. There is subtle positive change with each test—and when you combine tests, a much more telling result will surface. This is the real goal of A/B testing: to draw conclusions about your customers and their preferences based on the bigger picture rather than one isolated test.

#### Test in full.

Even if your test is yielding reliable results right off the bat, you should always see it through to completion. This means testing for the duration originally planned or until you reach the number of visitors you originally decided on. Seeing your test through to the end will not only help you ascertain how your users interact with your web page or other channel, but it will also help you obtain stronger data—which you can use to back up your recommendations to company stakeholders.

#### Go with your instinct.

If you're not convinced by the test results (if they're quite a bit different from your hypothesis and/or don't make sense), then run the test again. Odds are, your instinct is correct. When you re-test, examine how you set up the original test, and correct any technical mistakes. Remember, just a tiny bit difference in setup can affect the outcome dramatically.



The goal of A/B testing is to draw conclusions about your customers and their preferences based on the bigger picture rather than one isolated test.

# Measure your test results.

Interpreting and tracking results is the most crucial step of the A/B testing process. This is where you'll determine what changes to make to increase your campaign's effectiveness. Optimizely recommends assessing results in terms of added value—even just a small percentage increase in conversion rates could mean a major difference in revenue.

#### Calculate the statistical significance.

Once you have your results, determine whether a statistically significant difference exists between your two versions. The process of gaining validity is hypothesis testing, but the actual validity we seek is called statistical significance. Statistical significance refers to setting up a confidence level—how sure we are that the results we're getting from an A/B test are accurate.

Instead of performing the significance tests yourself, you can use an online A/B testing significance calculator. Websites such as <u>Optimizely</u> and <u>KISSmetrics</u> offer these handy tools for free. And it's never a bad idea to use two calculators to double-check your results.



#### Learn even from negative results.

Also remember that negative and neutral results can be helpful for better understanding customers.

Customers may surprise you, completely throwing you off and negating your hypothesis. That's par for the course with A/B testing. It gives you an opportunity to learn from the test—about your customers' preferences, what attracts them, and what makes them tick. You can then use this information to test repeatedly, until you eventually uncover the "it" factor that takes conversions through the roof.

#### Turning a negative into an impressive win

OK A.m.b.A., a Scandinavian oil and energy company, wanted to change a landing page to drum up conversions. This page was copy heavy and lacked visuals. The variant in the first test included an additional image on the page. However, the image which was a breakdown of the calculation of an offer—led to 30% fewer conversions. The company had thought customers would want a better understanding of the calculation, but that turned out to be the wrong assumption.

OK's initial hypothesis was invalidated. So they tested again—but this time, their additional visual was a checklist showing what the customer would get in the offer.

The result: Conversions skyrocketed by nearly 50%.

A negative A/B test sparks changes that yield impressive conversion rate gains.

150%





# There is power—and possibility in the process.

A/B testing is an ongoing process, not a one-time-only event. People, trends, and preferences change over time, and marketers must respond accordingly. The best way to stay at the top of your game is to consistently test elements across your campaigns so that you don't neglect any opportunity to bring in sales and conversions.

#### Key take-aways for the savvy marketer

- There's no time like the present—start testing now!
- Don't assume you know what your audience is thinking—test to confirm your instincts.
- Listen to and take action on what you learn from testing—A/B testing is your vehicle for optimizing your marketing efforts.

A/B testing is revolutionizing marketing because results are real, and you can easily act on them to improve your campaigns.

The beauty of the A/B test is that the possibilities are endless. Marketers can always learn something new and continue to improve their marketing efforts. It takes perseverance, creative thinking, and swift automation.

Don't guess. Test!



#### Adobe Experience Cloud

Adobe Experience Cloud is the most comprehensive suite of customer experience management tools on the market. With solutions for data, content, engagement, commerce, personalization, and more, Experience Cloud is built on the world's first platform designed specifically to create customer experiences. Each product is built on a foundation of artificial intelligence and works seamlessly with other Adobe products. And they integrate with your existing technology and future innovations, so you can consistently deliver the right experience every time.

#### Adobe Marketo Engage

Adobe Marketo Engage specializes in customer engagement for complex B2B buying journeys. As a complete solution for lead management, it brings marketing and sales together to nurture leads, orchestrate personalized experiences, optimize content, and measure business impact across every channel. It natively supports both demand- and account-based marketing strategies, providing a single, integrated lead management platform from acquisition to advocacy. Build engaging, personalized experiences at scale and prove impact with Adobe Marketo Engage.



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