ProductCamp ON>LINE™
June 11, 2021

A/B Testing to Determine Product Priority

By John Suh and Ashish Tripathi

Objectives

- Understand A/B Testing
- Leverage A/B Testing for Design Thinking
- How do you use A/B Testing to prioritize

Everything you need to know

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Introductions…

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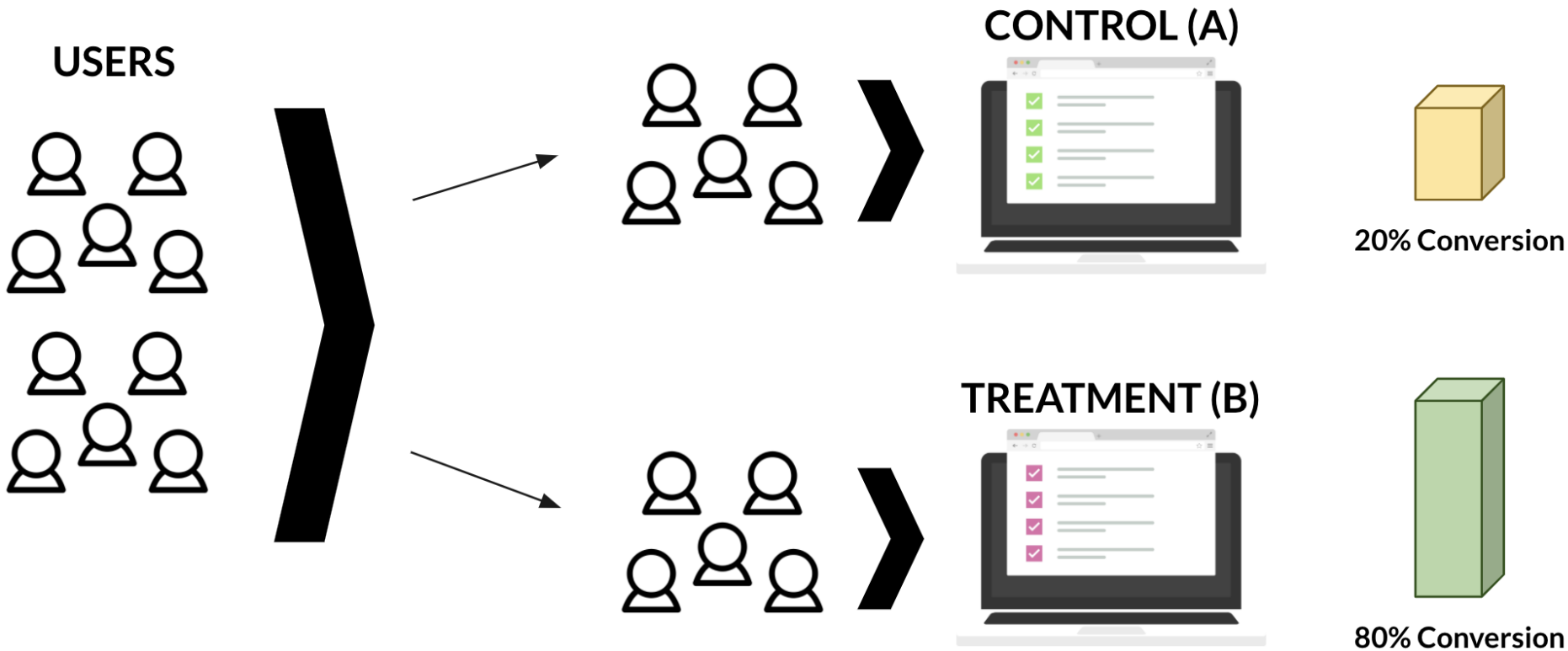
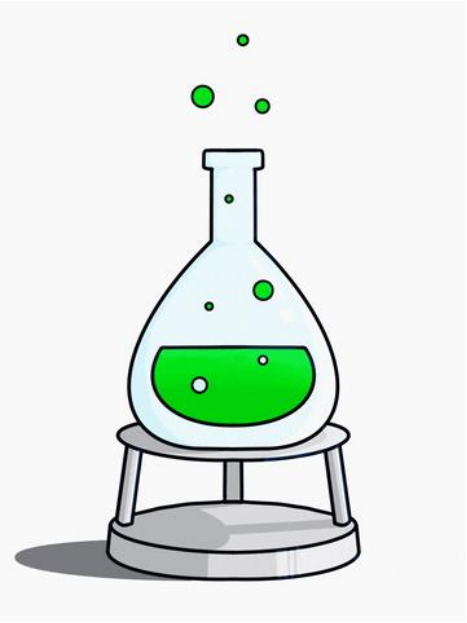
What is A/B testing?



Why do we test?

- Prove out real ROI on ideas and opinions
- Go fast and fail fast... but do it cheap
- Solving REAL customer pain points



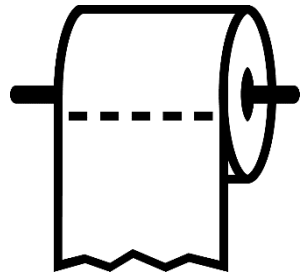
A/B Testing in Practice

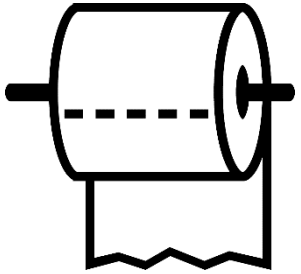
Research:
There is a debate about which way the toilet paper roll should be placed on the holder.

Problem:
Can we once and for all settle this debate?

Solution:
Send out a survey to everyone we know and finally settle this debate!

Hypothesis:
I believe that the majority of the people will say that the toilet paper roll flap should be on the front.

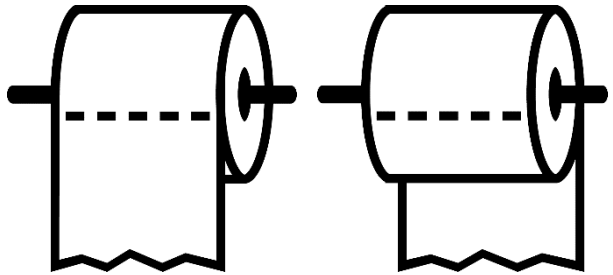




A/B testing in practice

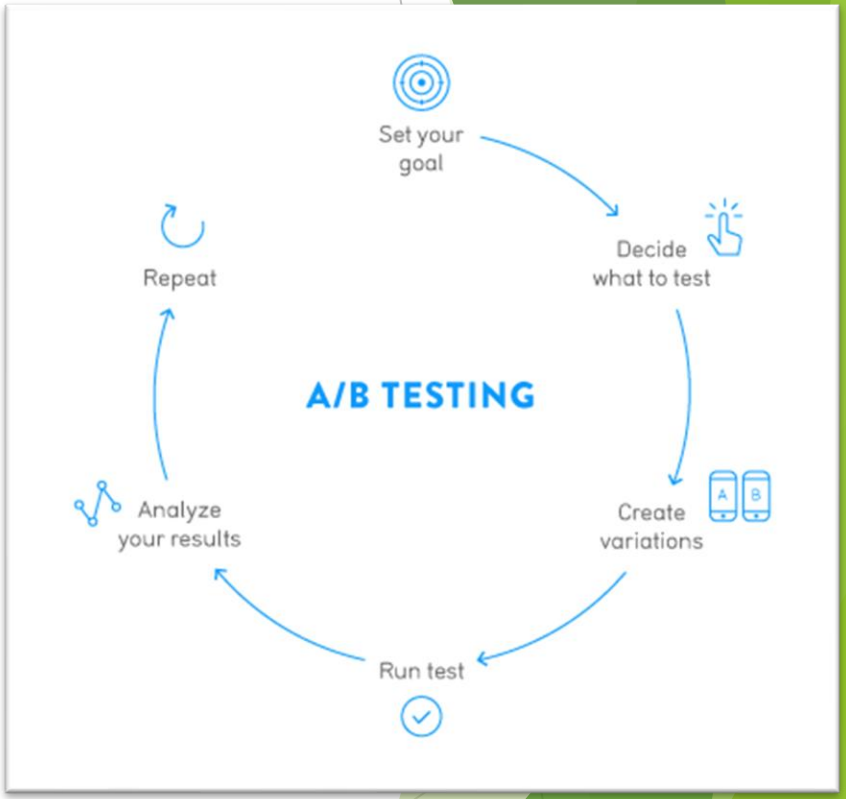
pollev.com/johnsuh303

Live Results



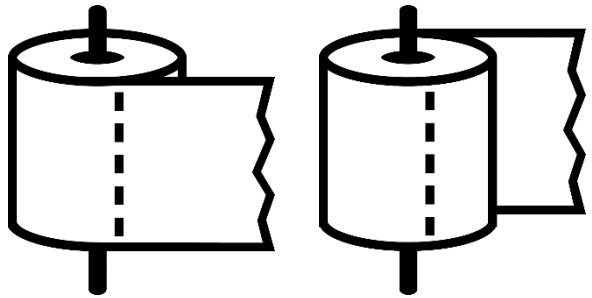
How do you test?

- ✓ **1.Research** – why and what should we test?
- ✓ **2.Problem** – define the problem we're trying to solve for
- ✓ **3.Solution** - how do we solve for the problem?
- ✓ **4.Hypothesis** - what do you think will happen?
- ✓ **5.Test** - build and test
- ✓ **6.Analyze** - analyze the results
- **7.Reiterate** - take the learnings and reiterate a new test
- **8.Report** - report out the results



Reiterate?

Maybe people mount their toilet paper vertically?



A/B Testing Marriage with Design Thinking

Empathize Research

- User Personas
- Use Cases
- Journey Map User Testing

Define Problem Hypothesis

- Challenges
- Research Needs
- Define Metrics

Ideate Solutions

- Testable Solutions
- A/B/C
- Mocks

Prototype (Run The Test)

- Cheap
- Quick
- Non-Intrusive

Test Analyze

- Review Metrics
- Analyze
- Reiterate

What Types of Problem

- Unknown Problem/Unknown Solution
- Known Problem/Unknown Solution
- Unknown Problem/Known Solution

360º View of Customer

- 1st Person (Imagine yourself as the customer)
- 2nd Person (Interviews)
- 3rd Person (Analytics)

Statistical Confidence

How likely it is that the difference between your control and treatment versions wasn't due to random chance?

- Do you have a big enough sample size to test?
- Do you have enough time to test?
- The bigger your impact the quicker you can get to statistical confidence.

Testing Calculator:

https://cxl.com/ab-test-calculator/

Statistical Confidence

Test duration

Test duration (days)	Percent of traffic in test	Additional days needed
30	100 %	0

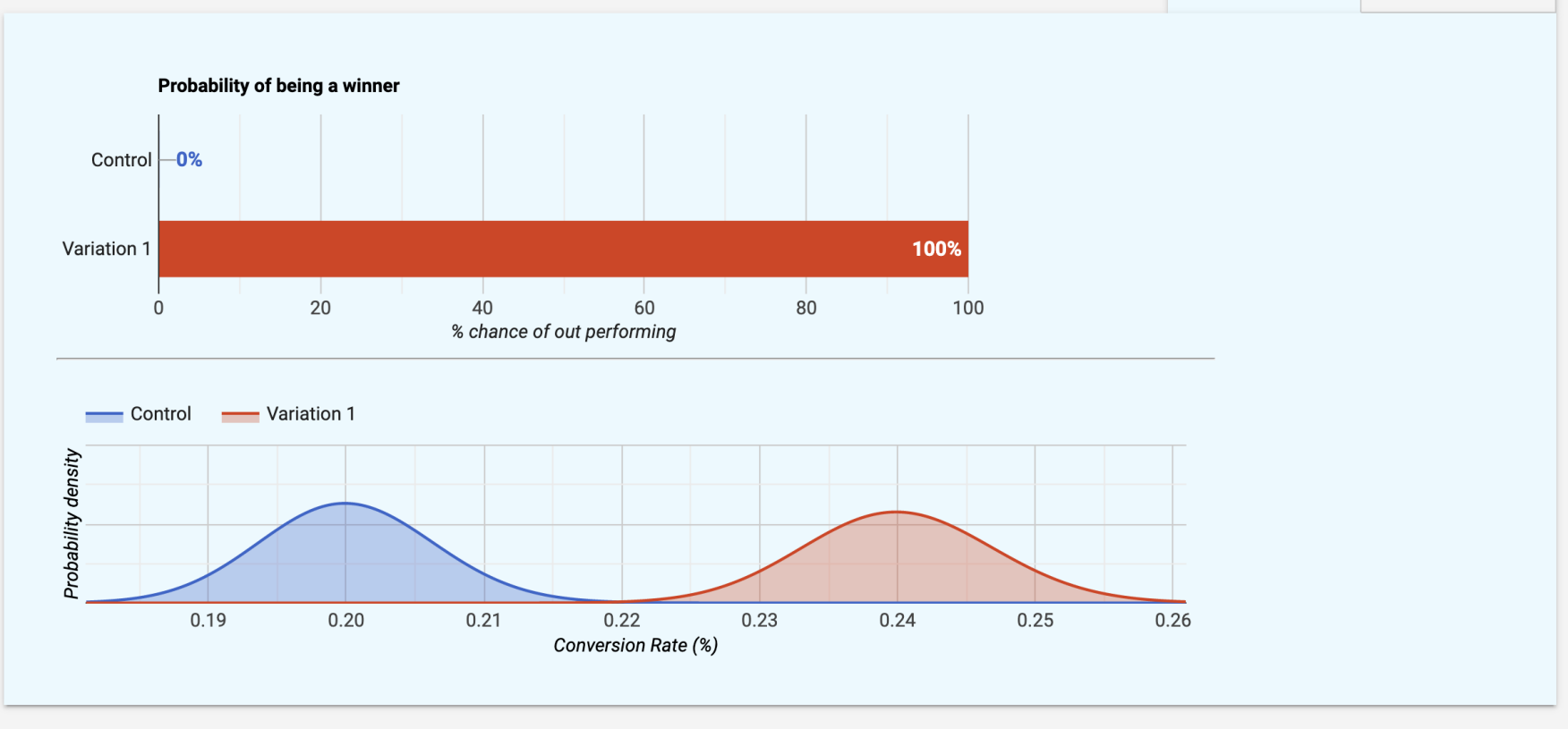
Control

Users or sessions	Conversions	Conversion rate
500000	1000	0.20%

Variation 1

Users or sessions	Conversions	Conversion rate	Lift	Extra transactions	Monthly monetary contribution
500000	1200	0.24%	20.00%	399	$399

Statistical Confidence



ROI Calculation

$$ROI = \frac{(Return\ of\ Investment)}{(Blended\ Rate\ of\ Dev\ Team)\ X\ (\#\ of\ Sprints)}$$

Key Metrics

Some of the common metrics we look at are:

- Revenue
- Purchase Conversion
- Micro Conversions
- Average Sale Value
- Engaged Visits
- Bounce Rate
- Sampling Rate

But we also look at some very specific metrics:

- Scroll rate
- Interactions/Taps/Clicks
- Next page flow
- Self-serve rate
- Test level of confidence
- Dev velocity
- Dev capacity

Questions?

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So, what did you learn?