

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



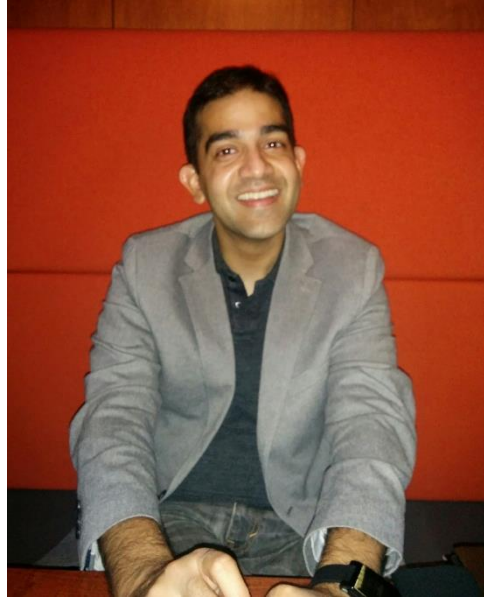
Everything you need to know
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Introductions...



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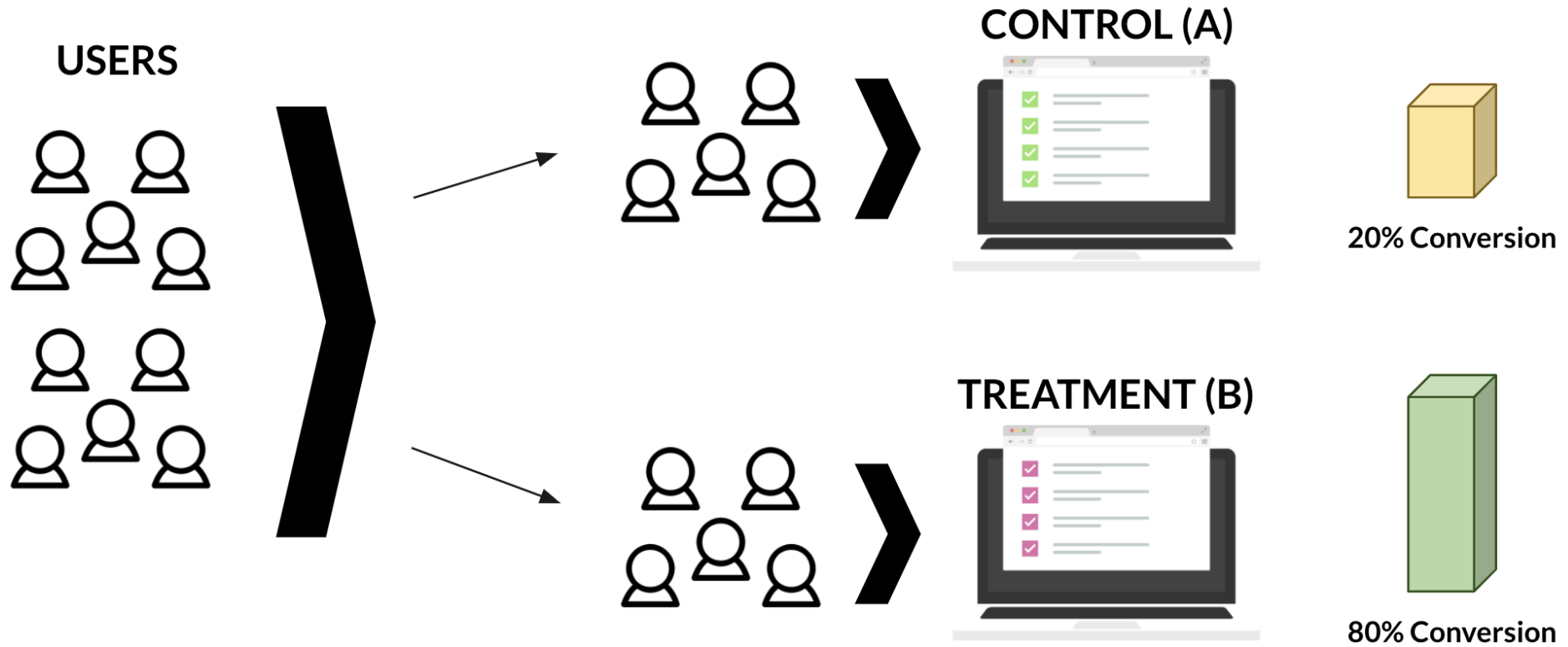
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AB Testing

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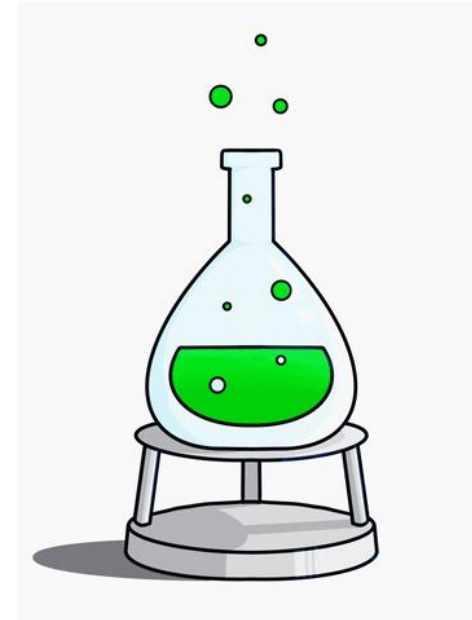
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What is A/B testing?



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:

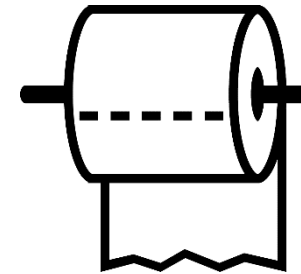
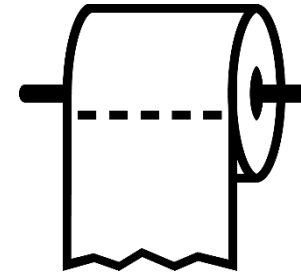
Can we once and for all settle this debate?

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.

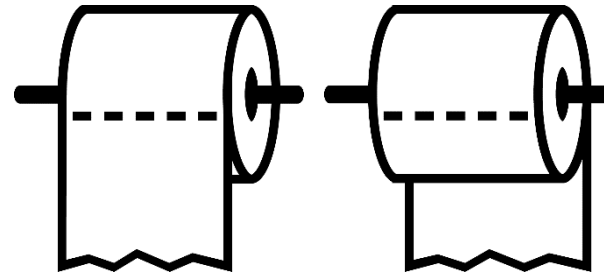


A/B testing in practice

pollev.com/johnsuh303



[Live Results](#)



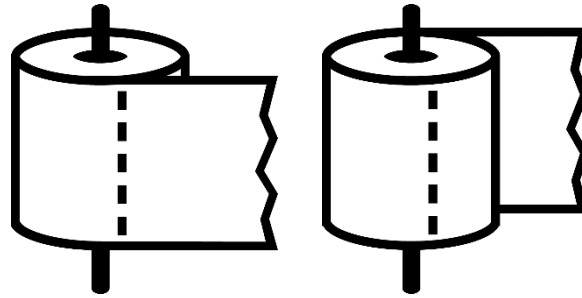
How do you test?

- ✓ **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

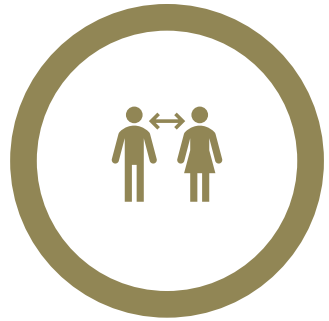


Reiterate?

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

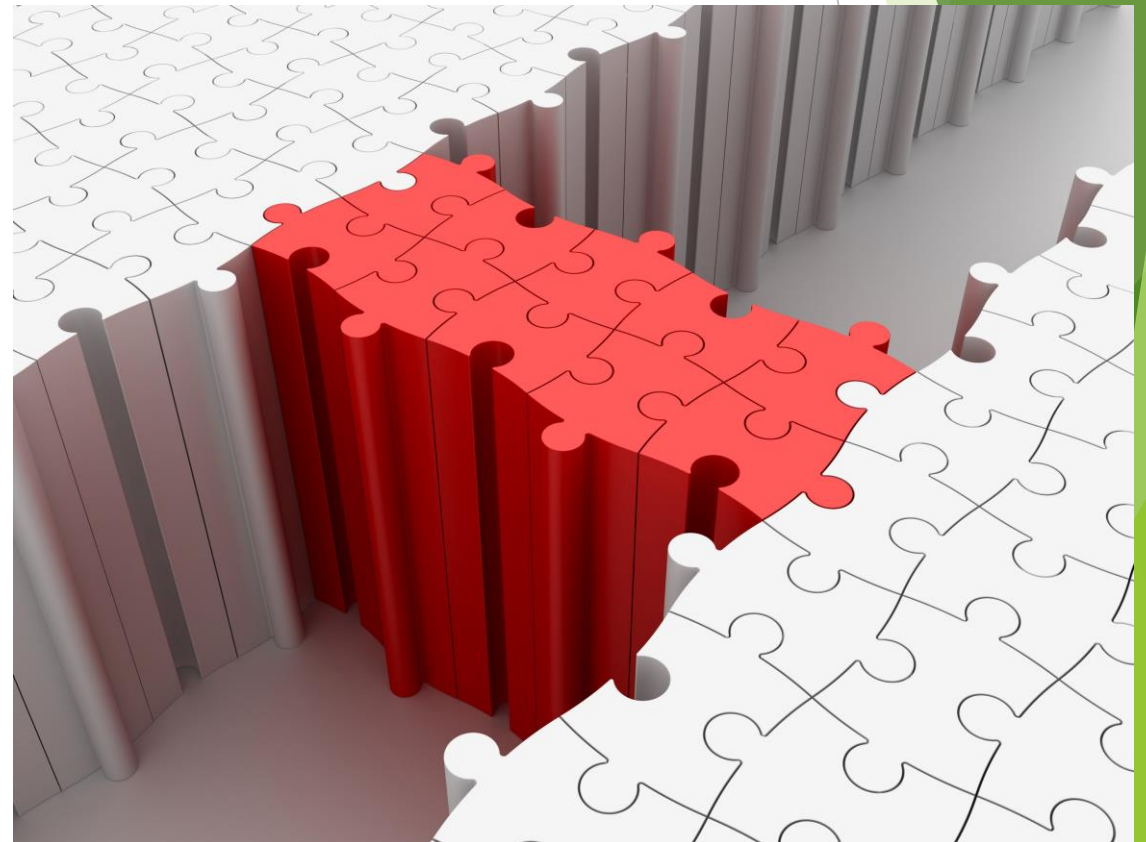


**Test
Analyze**

- > Review
Metrics
- > Analyze
- > Reiterate

What Types of Problem

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



360° 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 ⓘ

0

Control

Users or sessions

Conversions

Conversion rate

0.20%

Variation 1

Users or sessions

Conversions

Conversion rate

0.24%

Lift

20.00%

Extra transactions ⓘ

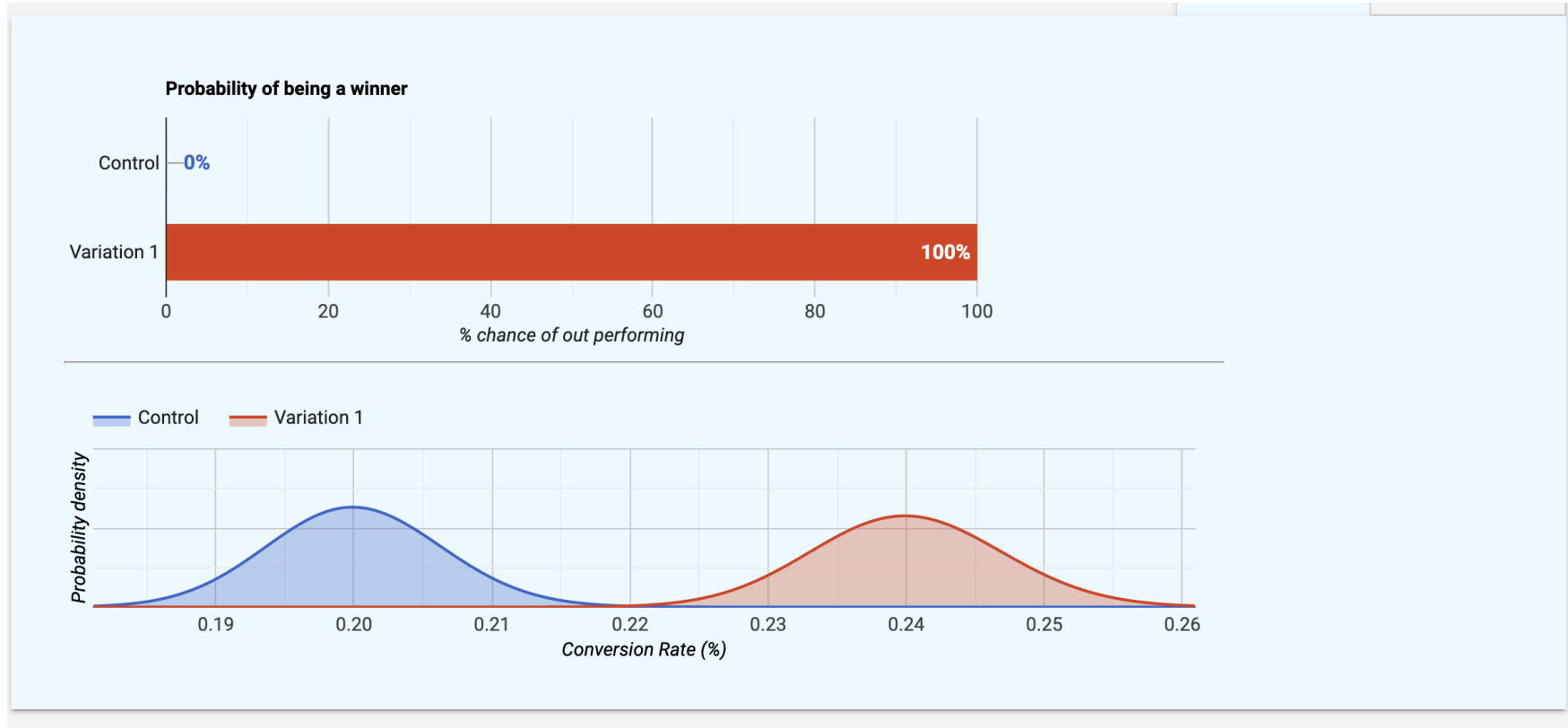
399

Monthly monetary contribution ⓘ

\$399

×

Statistical Confidence



ROI Calculation

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

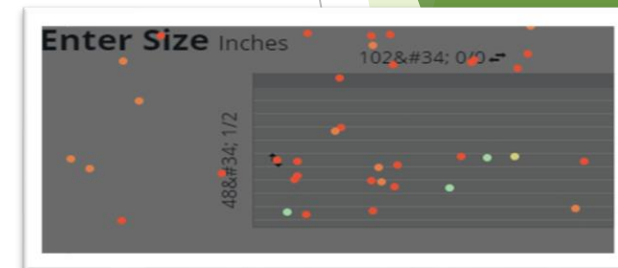
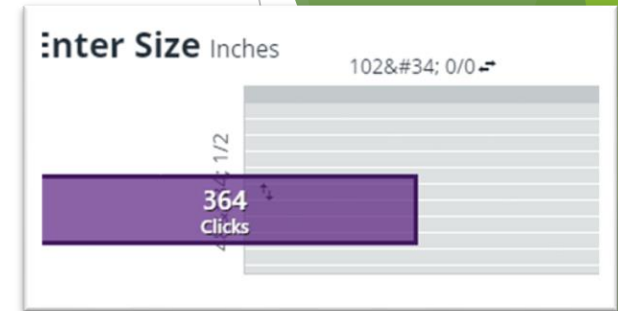
Key Metrics

Some of the common metrics we look at are:

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

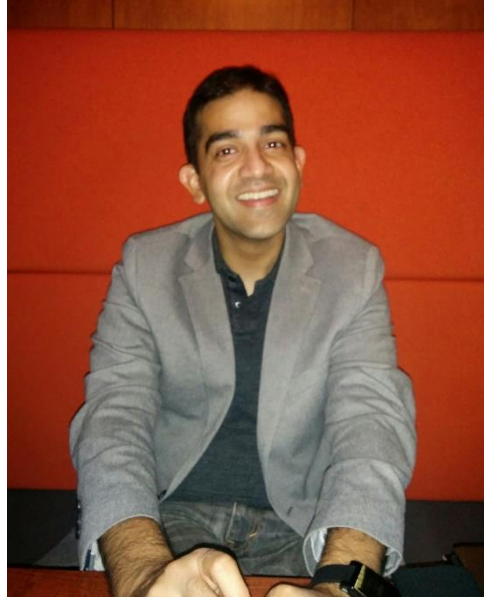
But we also look at some very specific metrics:

- 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?

