5 ESSENTIAL STEPS TO A/B TEST THE RIGHT WAY
A short guide to optimizing your website, emails, and digital marketing
However, that’s usually easier said than done. Things come up, life happens, and the next thing you know, you’re already onto your next marketing campaign without having spent the time to analyze the results of the last one.

That’s where A/B testing comes into play. An A/B test is when you test different variables in a marketing campaign, such as different copy, segment, time sent, promotion value, or images. Each version is served to a random sample of users, and then the results compared to each other to better optimize the marketing campaign.

A/B testing, at its most basic, is a way to compare two versions of something to figure out which performs better. 

—Harvard Business Review

The advantages of a well-optimized campaign are two-fold: the first is that you make more money, as these campaigns generally convert better — and also have lower associated costs paid out to any third-party platform. The second is that your marketing gets better with each iteration, eventually becoming more relevant to the target audience. Since you are testing assumptions, you’re able to narrow focus and provide a stronger match between promotion, creative, and segment.

Sold? Good. It’s actually not as complicated as it may sound on the surface. If you follow these five essential steps to A/B testing the right way, you’ll find yourself in an envious position for a hotel marketer: an optimized revenue-generating machine that is both effective at garnering bookings and efficient with the capital invested. A win-win for sure!
Step 1:

Identify opportunities for improvement

Like all good marketing, it all starts with a plan. Proper A/B testing can get quite complicated; without a detailed plan, you may lose your way or get frustrated. Taking the time upfront to map out your tests will preserve sanity and increase the odds of success. The plan starts with defining what you’re measuring and ends with sample size.

Measurement

Before jumping into an A/B testing scenario, the first step is to step back. Ask yourself: do you need to do an A/B test for this promotion? Is it the right approach or is it unnecessarily complicating things?

The answer is yes if you’d like to compare a certain activity or item and see if changing it could change your conversion rate. It’s really this conversion focus that matters most, because it gives you the concrete outcome to measure against. Figures such as gross revenue can be a bit too soft to judge if the change had a direct impact, as shifts in revenue have other indirect reasons that you often can’t control.

A few examples of useful things to test:

- Promotion value
- Image
- Copy, such as headline, description, or Call to Action
- Position, size or copy on your “Book Now” button
- Prominence, position, or contents of guest reviews as promotional tools
Now that you've decided to go ahead with an A/B test, it's time to consider sample size. You need to be sure that you run the test long enough so that the results can be meaningful. Without statistically relevant results, the test won't tell you much. Look for pages that make up at least 50% of your traffic, if not more. For emails, you should have at least 1,000 subscribers, which gives you significant-enough sample size to split into two testable designs.

To make your plan, sift through your data to find potential testing targets:

- High-traffic webpages with low conversion rates
- Pages within your booking flow with especially high drop-off rates
- Email marketing promotions
- Digital marketing advertising on platforms like Google and Facebook

You'll want to prioritize significant sample sizes that give you enough data to make reasonable conclusions around your hypothesis. For instance, changing the placement of your “Book now” button on your homepage will lead to increased conversions. Once you have chosen a few areas for potential improvement, then it's time to design some A/B tests.

When planning tests, look for higher-traffic areas on your website with low conversion rates or pages with especially high drop-off rates. These are the top targets for optimizing with A/B tests.
Step 2:  
Determine what you want to test  

There are a few key things to consider when designing effective A/B tests. The first is your overall objective, and the second is which variables to alter within each test.

When it comes to A/B testing, it’s best to work with only one objective at a time. Testing multiple goals within the same campaign will muddy results and eliminate clarity. For example, don’t optimize for open rate AND conversion rate in a single test. This doesn’t mean that you can’t have multiple phases of an A/B testing campaign that evolves to include different objectives. Just stay focused and you’ll be much better off.

Next, determine what you want to test. This is different from the objective of the test, as your higher-level goal influences which variable to change in each iteration.

For example, if the objective is to get more people to click through from your email newsletter to your website, then what you want to test may be several things: the size, color, placement, and text of the call-to-action button, the email copy, the subject line, the promotion itself, or perhaps the segment that the promotion is being sent to.

Each of those things would make up a separate test, all with the objective of increasing click-throughs or conversion rates.

<table>
<thead>
<tr>
<th>OBJECTIVES</th>
<th>VARIABLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email subscription sign-ups</td>
<td>Call-to-action: size, color, placement, copy text</td>
</tr>
<tr>
<td>Conversion rate on ancillary up-sells</td>
<td>Images and multimedia</td>
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<tr>
<td>Conversion rate on bookings</td>
<td>Promotion value</td>
</tr>
<tr>
<td>Email open rates</td>
<td>Order of elements on webpage</td>
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<tr>
<td>Click-through-rate on emails or digital ads</td>
<td>Components of booking flow</td>
</tr>
<tr>
<td>Conversion rate on digital ads</td>
<td>Landing page content</td>
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<tr>
<td>Improve email open rates</td>
<td>Day of the week/time of day</td>
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<tr>
<td></td>
<td>Subject line</td>
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</table>
Once you’ve selected the objective and identified variables, you’ll put them together by brainstorming ideas for A/B tests. Don’t hold back; come up with as many ideas as possible. Then take this master list and prioritize according to the expected impact and the difficulty to implement. The sweet spot is easy-to-implement ideas with large potential impact.

There are two approaches to designing the tests: single variable and multi-variate. In single variable tests, A is the control and B is the option your testing. There’s only one thing being tested at a time. In multivariate testing, there are actually multiple groups of variables changed within each test.

While changing multiple variables is definitely more complex, the reasoning is strong. How do you know if your subscribers are more inclined to click on a blue button with 14pt font that says “Book now” versus a red button in 12pt that says “Learn more?” If you do a series of single variable tests, those combinations may never actually be the winners. The red button might have beat out the blue button, but you’ll never know that blue was preferable in that combination since it was never tested.

Complicated, yes. But worthwhile, because you’ll get more from the same effort if you can measurably improve your conversion rates. When planning your tests, it’s up to you to decide which variables (either single or a combination) that you want to test. We recommend using a spreadsheet or a project management tool to track each of your tasks over time. This will keep you organized over time and be useful as a centralized dashboard to share with colleagues.

Design your tests

DON'T FORGET TO CHECK EACH DESIGN TO BE SURE THAT IT WORKS AND HASN'T BROKEN ANYTHING. A LITTLE QUALITY ASSURANCE GOES A LONG WAY
Step 4:

Start your test – and measure performance

Once you’ve finalized a sufficient number of variations, it’s time to start your test. When you set up your test, make sure to serve each variation to a random sample. This is absolutely critical, as it’s the randomization that maintains objectivity. Otherwise, the tests risk becoming polluted with bias, assumptions, or unexpected consumer preferences, says Harvard Business Review:

“In real life, there are lots of things that influence whether someone clicks. For example, it may be that those on a mobile device are more likely to click on a certain size button, while those on desktop are drawn to a different size. This is where randomization can help – by randomizing which users are in which group, you minimize the chances that other factors, like mobile versus desktop, will drive your results on average.”

Randomize your tests, and then launch them in batches. This may mean that you have to run a series of concurrent experiments (such as testing three different button colors against a control), or you may want to run them back-to-back (such as testing only one different color at a time) and use performance to evolve the tests over time.

You’ll also need to ask yourself: how long should I run each test? The answer depends on the existing sample size: the more times you can show the options to a customer, the more accurate the results will be. A short test with few interactions often is not enough to make any concrete decisions. Your expected sample size of user interactions should define how long you run each test for; there’s no single answer for all tests. Let the proportion of interactions guide you.

To decide on the length of a test, use a tool like ExperimentCalculator.com, which will give you an idea of how long to run a test for a website based on traffic. For emails, look to your email marketing tool to help you set up, manage, and track the performance of these tests. And if you’re email marketing tool doesn’t support A/B testing, it might be time to evaluate a new tool with this value-enhancing feature.
This final step is arguably the most important – after all, what’s the point of investing in A/B testing if you don’t analyze the results to input into your next round of marketing? This is where you review your hypothesis to see what the test revealed and use that information to inform your next hypothesis.

When analyzing the results, you’re looking for a significant statistical difference between the control and the variable you changed.

If the change is not statistically significant, then the change was not better than the original. Generally, the smaller the sample size, the greater the difference necessary to know with confidence that the change worked. This is called the “statistical significance,” which means that, for example, a 90% significance level means that you can be 90% confident that the results are accurate.

The higher the better, as you want to be confident in choosing winners and losers of your A/B tests.

When analyzing performance, consider “blocking” similar cohorts together. This can be helpful to avoid any issues with sample sizes that don’t quite compare similar behaviors; for example, grouping mobile users with desktop users, who may behave differently.

Blocking increases accuracy by grouping “like for like” and allowing for more useful comparisons. Note that blocking is done after the test, rather than before, to avoid skewing the results.
A cautionary word regarding SEO
For any testing involving your website, there are a few considerations to make regarding preserving your search engine standing:

1. Run tests only as long as necessary.
Google may penalize sites that seem to be serving an A/B variation to a significant portion of traffic.

2. Use temporary redirects.
These 302 redirects show search engines that the redirect is only for a test. Otherwise, the search engine may reindex the page as a permanent change.

3. Use rel="canonical."
Split testing is usually run with multiple URLs; One for each variation. Be sure to use the rel="canonical" attribute to connect those variations to the original version, so search engine spiders don’t get confused by multiple versions of the same page.

Don’t go it alone
The truth is that proper A/B testing takes time – a finite resource that most of us never have enough of! Then, once you add in some multi-variate testing, it can get quite complicated at scale.

Thankfully, there’s software out there that will help you achieve the objective of proper analysis. Look for data-driven digital marketing, CRM and interactive website design solutions that optimize content and then utilize robust data-driven analytics to further optimize your key assets based on performance. With those tools, you can incrementally improve your website flow, emails, and digital marketing. This idea of continuous improvement means that you’re always getting better at matching your design, copy, and layout with your guests’ expectations. There’s nothing better than making more money with your existing demand. You just have to get started!

If you’d like more information on ways to improve your hotel marketing strategy, contact us today at info@cendyn.com.

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