

THE ULTIMATE GUIDE TO

A/B &
Multivariate Testing:
Marketing Emails



The Opportunity

Testing is an optimization service that will enable a brand to ...

1.

Make informed decisions based on science and data.

2.

Produce consistent & systematic improvement.

3.

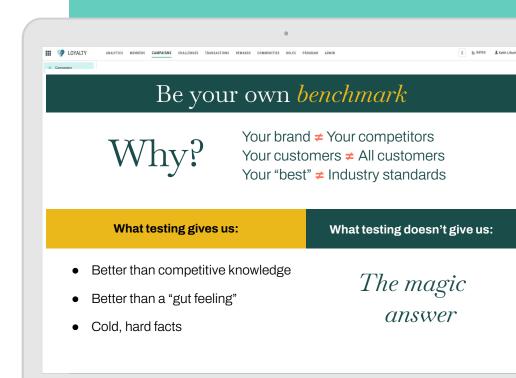
Enable actionable processes.



Why Test?

Testing answers the question why?

- Pre-testing analysis shows what should be tested by raising questions.
- Testing provides a systematic and scientific approach to answering these questions.



Why Test?

01 Testing is the process in which we can find actionable learnings by asking (and answering) questions.

By using structured design and evaluation, we can learn what does and doesn't work with a certain level of confidence.

02 Testing can help us optimize creative, content, frequency, acquisition.

But testing **cannot optimize** these things automatically.



Testing cannot tell you the best time to send emails, but it can tell you if one time is better than another



Most Tested Areas



Time of Day

Consider the time of day your audience might be most receptive



Day of Week

Consider the day of week your audience might be most receptive



Frequency

Consider the email cadence for individual subscribers & whether it is causing them to disengage or unsub



Subject Line

Consider subject line tactics that will drive the subscriber to open the email



Content / Creative

Consider the way the email looks, how it is laid out and what tactics might ultimately stimulate click engagement



Offer

Consider
different offer
types and
what may
appeal most
to your
audience





Where to Start



Automoto

KNOWN KNOWNS

Things we know, we know

Campaign engagement metrics



KNOWN UNKNOWNS

Things we know, we don't know

Next best action/product



UNKNOWN KNOWNS

Things we think we know, but haven't measured

Customers are more likely to respond on a Wednesday



Test

UNKNOWN UNKNOWNS

Things we're not even aware we don't know



Explore



Testing Marketing Loop











Timeline

Planning

Testing

Completed

Action Items

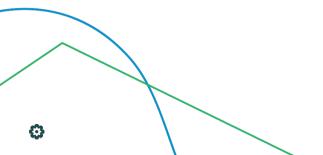
Define the chronology of your testing plan

Define testing strategies and tactics

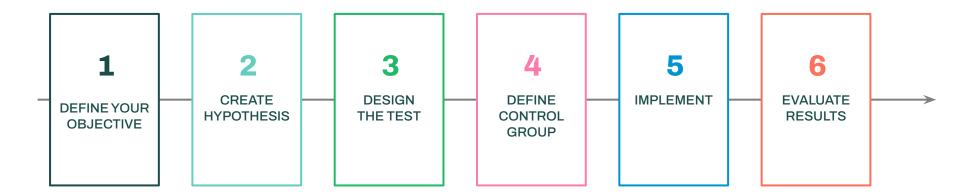
Execution of testing plan

Conclusion of testing plan

Analysis of results to define what to do next



Defining a Testing Plan





Considering Your Objective



Grow MyDatabase

Grow your list by acquiring new subscribers from multiple sources



Improve Engagement

Optimize the performance of communication to encourage increased engagement



Increase Conversions

Increase desirable actions such as revenue or website visits depending on the objective



Enhance Cross-channel Communication

Seamlessly communicate with customers across multiple touchpoints



Improve Customer Experience

Consider a customer's holistic experience with a brand & variety of touchpoints involved



Gain Deeper Customer Insight

Understand the customer better through implicit & explicit data



Retain Customers

Retain & win back customers and strengthen their loyalty

Define Objective

Create Hypothesis

Design Test

Define Control Group

Implement

Defining Objective



Identify your areas of weakness (using your average monthly performance and benchmark stats)

- Open rate
- Click rate
- ✓ Conversion rate
- ✓ AOV
- ✓ Etc.



Turn this into a (SMART) goal

- ✓ Increase open rate by 2% in the next 3 months
- ✓ Increase AOV to \$50 by December 2021

Define Objective Create Hypothesis

Design Test

Define Control Group

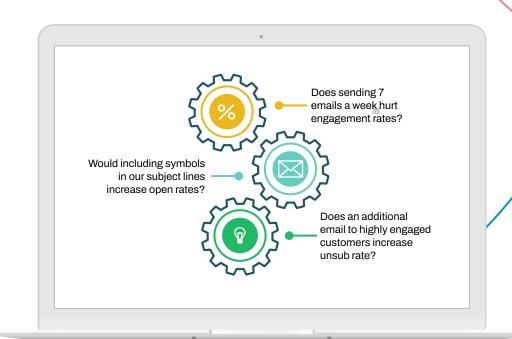
Implement

Creating the Hypothesis

01 What question are we trying to answer?

Establishing the question that needs answered dictates the rest of the test design

This is the *most vital* part of testing



Define Objective Create Hypothesis

Design Test

Define Control Group

Implement



Designing the Test Type

02 Deciding the type of test to run



A/B

Testing the variance of one variable, all else being equal



Multivariate

Testing simultaneous combination and outcomes to determine the appropriate combination of test variables

Define Objective Create Hypothesis

Design Test

Define Control Group

Implement



Designing the Test Sample Size Panel Type* **Test Deployed Test Group Control Group** Complete XXX 1 XXX Appropriate sample size can be collected in two ways: 1 XXX/4 XXX/4 Complete panels – the required sample size is included in every deployment. 2 XXX/4 XXX/4 3 XXX/4 XXX/4 **Additive** Additive panels - multiple deployments are needed to reach the required sample size. XXX/4 XXX/4 XXX XXX Total

^{*}A panel is the test group. There is usually a minimum of 2 panels.





Designing the Test Duration

Select the correct duration

- A test needs to reach only the required sample size to meet the needs for "statistical significance"
 - → So a one-time test can be run
- But Marigold recommends running a multiple deployment test
 - → One-time tests only give us information about that single time
 - → Testing over multiple days mitigates randomness and the effects of a single moment
 - → Multiple testing days allow for a variety of test evaluations and help to **confirm the results**

Define Objective Create Hypothesis

Design Test

Define Control Group

Implement

Defining the Control Group



What are the control group options?

What are the centrer group options

(50% receive version A, 50% receive version B)

- ✓ Subject line A = Welcome to Bobbi Brown, Jalna
- ✓ Subject line B = Welcome to Bobbi Brown

A/B/C test

(33% receive version A, 33% receive version B, 33% receive version C)

- ✓ Version A = Sent at 10 a.m.
- ✓ Version B = Sent at 12 a.m.
- ✓ Version C = Sent at 2 p.m,

Random sample (10/90 rule)

(Big enough audience, more controlled, less risky)

- ✓ Version A = The default version (90%)
- ✓ Version B = The tested version (10%)

Define Objective

A/B test

Create Hypothesis

Design Test

Define Control Group

Implement



Implementation

At this stage, you should know:

- What you are testing
- How you are testing
- Your control group

The easiest part - Run the test!







Evaluating the Results



Did the test answer the initial question? (Hypothesis)



Our Strategic Services Group can evaluate any test – A/B or multivariate



Generally, we evaluate tests with 95% confidence



There is a one in twenty chance that the observed outcome of the test is incorrect



Our goal is to evaluate the test for accuracy and for **strategic value**

Define Objective Create Hypothesis

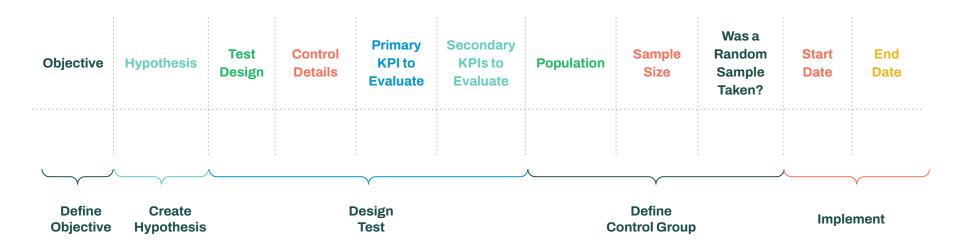
Design Test

Define Control Group

Implement

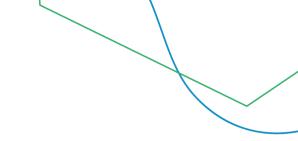


Testing Repository Part 1





Testing Repository Part 2





Evaluate

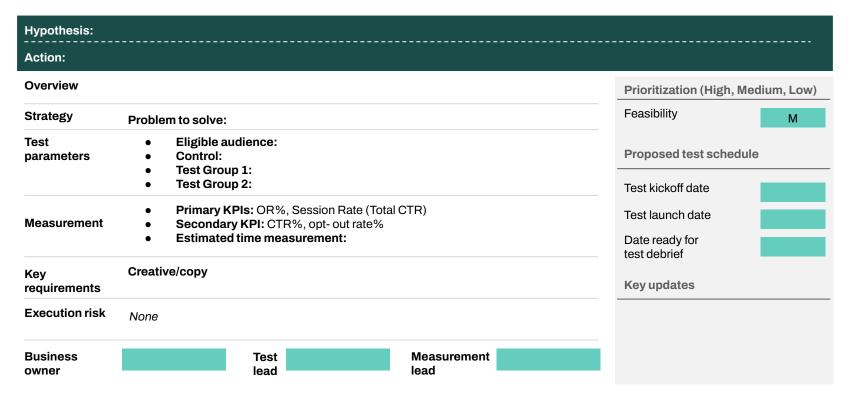


Testing Repository Chart

What did we do?											What did we learn?			
Obective	Hypothesis	Test Design	Control Details	Primary KPI to evaluate	Secondary KPIs to evaluate	Population	Sample Size	Was a random sample taken?	Start Date	End Date	Analysis	Learnings	Can we extend learnings to other programs? Why?	Potentially confouding variable(s)

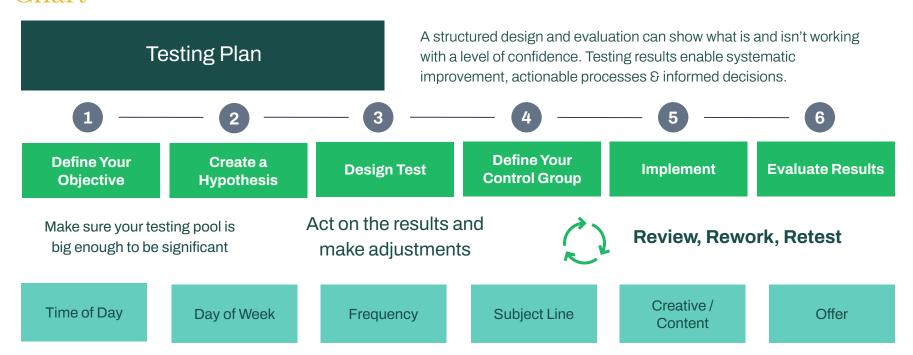


Test Brief Client Example





Testing Repository Chart





What Is

Successful Testing?

1

First and foremost, put simply, if there is **no control**, there is **no test.**

2

In order to conduct a successful test, you need to answer two critical questions:

- What are you trying to achieve?
- How are you planning to achieve it?

3

Answer to the first question enables you to define your **metric(s)** of success.

4

Answer to the second question would point to the **factor(s)** you should be testing.



The Rules for Testing

Mind your bias!

Keep **everything** else constant

(Testing personalization in subject line? Keep the same time and day of send!) Test enough **times**

(At least 4 times!)

Test on a **big enough audience**

(>1000 contacts, otherwise not statistically significant)

Consider context!

(Pay week, Christmas, Black Friday, Valentine's Day, etc.)

Choose a **random sample** across all segments

(Unless testing on a segment such as lapsed)

Test the same thing again in **12 months** (Things change)

Implement the winning theme in **future campaigns**



What Should I

Test?

1

New lifecycle communications

2

Creative and copy optimizations of current campaigns

- Animation / Video
- Imagery
- Hero / banner placement
- Subjects / pre-headers / friendly froms
- CTA treatment

3

Personalization

- Data (demographic, transaction, web behavior, look-alike models)
- Time of day
- Day of week

4

Segmentation

- Propensity based
- Engagement behavior
- Loyalty treatment
- Frequency
- Offer amount and frequency
- Incremental sends for VIP, statements, loyalty touchpoints and more

5

Offer type

- Urgency
- VIP
- Product line
- Benefits



Where *relationships* take root

Because our team of strategists are experts in your industry, we can provide insights into what's working, what's not, and what's changing, helping you maximize your ROI every step of the way.

Great marketing isn't just about conversion, but true connection. Learn why 40,000 businesses around the world trust Marigold to be the firm foundation they need to help relationships take root. It's time to start building real relationships with your customers. With Marigold Experiences for Enterprise, you can build thriving customer relationships that deepen at every touchpoint to drive revenue and customer lifetime value.

Start building lasting customer relationships at MeetMarigold.com



Emma