THE EVOLUTION OF A/B TESTING

@Nicole_Mintiens
Data Analysis & Insights Manager
@GetG5

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41 Shades of Blue

The Evolution of A/B Testing

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$200 MILLION
The Evolution of A/B Testing

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Advertising and Marketing

- Improved ROI = Good
Advertising and Marketing

- Improved ROI = Good
- Wasted Resources = Bad
Advertising and Marketing

• Improved ROI = Good
• Wasted Resources = Bad
Advertising and Marketing

- Improved ROI = Good
- Wasted Resources = Bad
- Marketing = Complex
Advertising and Marketing

- Improved ROI = Good
- Wasted Resources = Bad
- Marketing = Complex
- Facts > Opinion
WHY SPEND TIME TESTING?

• $92 traffic / $1 optimization

Source: Econsultancy & Redeye Conversion Rate Optimization Report 2014
WHY SPEND TIME TESTING?

- $92 traffic / $1 optimization
- 87% run 1-5 tests/month

Source: Econsultancy & Redeye Conversion Rate Optimization Report 2014
WHY SPEND TIME TESTING?

- $92 traffic/$1 optimization
- 87% run 1-5 tests/month
  - Best brands run hundreds per month

Source: Econsultancy & Redeye Conversion Rate Optimization Report 2014
A/B TESTING FACTS

- Improves conversion rate
A/B TESTING FACTS

- Improves conversion rate
- Enhances effectiveness
A/ B TESTING FACTS

• Improves conversion rate
• Enhances effectiveness
• Optimizes ROI
A/ B TESTING FACTS

- Improves conversion rate
- Enhances effectiveness
- Optimizes ROI

So… YOU should test!
MISCONCEPTIONS

• Hurt conversion rate
MISCONCEPTIONS

• Hurt conversion rate
• Reduce effectiveness
MISCONCEPTIONS

• Hurt conversion rate
• Reduce effectiveness
• Waste resources
MISCONCEPTIONS

- Hurt conversion rate
- Reduce effectiveness
- Waste resources
- Damage ROI
TESTING IS NOT OPTIMIZATION
TESTING IS NOT OPTIMIZATION

...but it plays a role.
DON’T JUST TEST, OPTIMIZE

• Avoid mistakes
DON’T JUST TEST, OPTIMIZE.

- Avoid mistakes
- Increase effectiveness
DON’T JUST TEST, OPTIMIZE

• Avoid mistakes
• Increase effectiveness
• Improve ROI
I’LL BE YOUR GUIDE

• 7+ years optimizing multifamily
  – PPC, SMM, SEO & CRO

Know Your Marketing RO

Data-driven real estate marketing that works.

The G5 Marketing Cloud delivers new customers at the lowest cost through tailored lead generation strategies, website designs that convert, and analytics that empower—all on one platform.
A/B TESTING BASICS

• Statistical hypothesis-based experimentation between variations of a control.
A/ B TESTING BASICS

• Statistical hypothesis-based experimentation between variations of a control.

• Goal:
  – Isolate differences that maximize an outcome
  • i.e. conversion
CONVERSION DEFINITION

Action YOU want the user to take.

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A wins!
A/ B TESTING HISTORY

• 2000
  – Google runs first test to find optimum number of SERP results.
A/B TESTING HISTORY

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• 2008
  – A/B tests raise additional $60 million for Obama campaign.
A/ B TESTING HISTORY

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• 2010
  - Obama campaign’s Director of Analytics founds Optimizely.
A/B TESTING HISTORY

- **2000**
  - Google runs first test to find optimum number of SERP results.
- **2008**
  - A/B tests raise additional $60 million for Obama campaign.
- **2010**
  - Obama campaign’s Director of Analytics founds Optimizely.
- **2011**
  - Google has run over 7,000 A/B tests
MULTIFAMILY AVG CONVERSION RATE

Source: 2016 G5 Multifamily Google Analytics Data
MULTIFAMILY AVG CONVERSION RATE

Source: 2016 G5 Multifamily Google Analytics Data

~2%
ECOMMERCE AVG CONVERSION RATE

~3%
Amazon Prime members convert 74% of the time

BY STEFANY ZAROBAN | Director of Research

Source: https://www.internetretailer.com/2015/06/25/amazon-prime-members-convert-74-time
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AMAZON’S TECHNOLOGY

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Source: Builtwith.com

Omniture SiteCatalyst
Omniture SiteCatalyst Usage Statistics - Download list of all Omniture SiteCatalyst websites
Omniture SiteCatalyst provides your website with actionable, real-time intelligence regarding online strategies and marketing initiatives.

Facebook Domain Insights
Facebook Domain Insights Usage Statistics - Download list of all Facebook Domain Insights websites
This website contains tracking information that allows admins to see Facebook insights out of Facebook to this domain.

Omniture Adobe Test and Target
Omniture Adobe Test and Target Usage Statistics - Download list of all Omniture Adobe Test and Target websites
Test & Target - Adobe Target Advanced gives marketers the necessary capabilities to continually make their online content and offers more relevant to their customers yielding greater conversion.

Twitter Analytics
Twitter Analytics Usage Statistics - Download list of all Twitter Analytics websites
A tool that helps website owners understand how much traffic they receive from Twitter and the effectiveness of Twitter integrations on their sites. Includes Twitter Conversion Tracking.

Source: Builtwith.com
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Amazon's Technology

Source: Builtwith.com

Omniture SiteCatalyst
Omniture SiteCatalyst Usage Statistics - Download list of all Omniture SiteCatalyst websites
Omniture SiteCatalyst provides your website with actionable, real-time intelligence regarding online strategies and marketing initiatives.

Facebook Domain Insights
Facebook Domain Insights Usage Statistics - Download list of all Facebook Domain Insights websites
This website contains tracking information that allows admins to see Facebook insights out of Facebook to this domain.

Omniture Adobe Test and Target
Omniture Adobe Test and Target Usage Statistics - Download list of all Omniture Adobe Test and Target websites
Test & Target - Adobe Target Advanced gives marketers the necessary capabilities to continually make their online content and offers more relevant to their customers yielding greater conversion.

Twitter Analytics
Twitter Analytics Usage Statistics - Download list of all Twitter Analytics websites
A tool that helps website owners understand how much traffic they receive from Twitter and the effectiveness of Twitter integrations on their sites. Includes Twitter Conversion Tracking.

Source: Builtwith.com
SOFTWARE ADVANCEMENTS

• Marketing automation
SOFTWARE ADVANCEMENTS

- Marketing automation
- Easy to install
SOFTWARE ADVANCEMENTS

• Marketing automation
• Easy to install
• WYSIWYG editors
WHAT A/B TESTING CAN DO

• Validate hypotheses
WHAT A/B TESTING CAN DO

- Validate hypotheses
- Inform choices
WHAT A/B TESTING CAN DO

• Validate hypotheses
• Inform choices
• Insight for iteration
WHAT A/B TESTING CAN’T DO

• Determine YOUR Problem

Thanks, Boss!
WHAT A/B TESTING CAN’T DO

• Determine YOUR
  – Problem
  – User’s needs/wants

The Evolution of A/B Testing

Thanks, Boss!
WHAT A/B TESTING CAN’T DO

• Determine YOUR
  – Problem
  – User’s needs/wants
• Improve traffic
  – Quality

Thanks, Boss!
WHAT A/B TESTING CAN’T DO

• Determine YOUR Problem
  – User’s needs/wants
• Improve traffic
  – Quality
  – Volume

Thanks, Boss!

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Testing will waste your time without:
• Enough traffic
Testing will waste your time without:

- Enough traffic
- Enough research
Testing will waste your time without:

- Enough traffic
- Enough research
- Technical resources
THEN HOW DO YOU IMPROVE?!
A PROCESS to improve performance informed by INSIGHT and defined by GOALS.
A PROCESS to improve performance informed by INSIGHT and defined by GOALS.
ALWAYS ROOM FOR IMPROVEMENT

• Customer acquisition cost
ALWAYS ROOM FOR IMPROVEMENT

- Customer acquisition cost
- Return on investment
ALWAYS ROOM FOR IMPROVEMENT

- Customer acquisition cost
- Return on investment
- Customer understanding

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ALWAYS ROOM FOR IMPROVEMENT

- Customer acquisition cost
- Return on investment
- Customer understanding
- Google’s perception
GOALS & TRACKING

Customer Conversion Funnel

- Aware
  - Create brand awareness through interesting content
- Consider
  - Give users full information to allow them to fully consider your products
- Convert
  - Make the checkout process as quick and easy as possible
- Become Loyal
  - Create loyalty through close customer relationships
- Advocate
  - Help your customers advocate your brand through social media

Source: http://borsen.dk/opinion/blogs/view/17/4159/den_svaereste_marketingdisciplin.html
YOUR IDEAL RESIDENTS

I only rent the most affordable apartments.

Value

Prospects

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YOUR IDEAL RESIDENTS

I only rent the most affordable apartments.

I'll rent near my tech coworkers regardless of price.

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“The effectiveness of any lead generation campaign comes down to your hook.”

Mike King
@PullRank
Founder iPullRank
Consultant to Fortune/INC500 brands.
What makes your property unique?
VOICE OF CUSTOMER RESEARCH

• What makes your property unique?

• Why you and not the competition?
VOICE OF CUSTOMER RESEARCH

• What makes your property unique?

• Why you and not the competition?
UNIQUE VALUE PROPOSITION (UVP):

Above-the-fold EXPERIENCE that communicates WHAT you do and WHY it’s UNIQUE.
Optimize the clarity of your designs by measuring people’s first impressions.

Original (A)
UVP: FIVE SECOND TEST

Optimize the clarity of your designs by measuring people’s first impressions.

Original (A)

Variation (B)

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UVP: FIVE SECOND TEST

Optimize the clarity of your designs by measuring people’s first impressions.

Original (A)

Variation (B)

Luxurious Del Ray Beach
Studio, 1, 2, & 3 Bedroom Apartments

567%
CUSTOMER SEGMENTATION

Selfie Sarah

Goals
- Graduate college
- Discover her life passion
- Have an active social life

Frustrations
- Slow or spotty Internet
- Her parents having a say in her housing
- Difficulty finding a place that meets her social & school needs

Personality
- Introvert
- Analytical
- Passive
- Extrovert
- Creative
- Liberal

Motivations
- Incentive
- Fear
- Achievement
- Growth
- Power
- Social

Preferred Channels
- Traditional Ads
- Online & Social Media
- Referral
- Guerrilla Efforts & PR

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CUSTOMER SEGMENTATION

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Preferred Channels
- Traditional Ads
- Online & Social Media
- Referral
- Guerrilla Efforts & PR

User Persona Creator: https://xtensio.com/user-persona/
98% of first-time visitors will NEVER RETURN to your site.

- HubSpot 2014, How to Decrease Your Bounce Rate
LARGEST LEAKS

Image source: https://s-media-cache-ak0.pinimg.com/564x/7e/c9/f9/7ec9f92ab4e7819c76011e432e760ece.jpg

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LARGEST LEAKS

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Image source: https://s-media-cache-ak0.pinimg.com/564x/7e/c9/f9/7ec9f92ab4e7819c76011e432e760ece.jpg
ANALYZE ENGAGEMENT PATTERNS
Heatmaps

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ANALYZE ENGAGEMENT PATTERNS

Heatmaps

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ANALYZE PERCEPTIONS

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Deliver Relevance - Match then exceed user expectations.
ANALYSIS FRAMEWORK

G5 D-LITE

Deliver Relevance - Match then exceed user expectations.

Lower Friction - Reduce user anxiety. Simplify their process.

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ANALYSIS FRAMEWORK

G5 D-LITE

Deliver Relevance - Match then exceed user expectations.

Lower Friction - Reduce user anxiety. Simplify their process.

Improve Clarity - Ensure messaging is clear, concise & valued.

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ANALYSIS FRAMEWORK

G5 D-LITE

**Deliver Relevance** - Match then exceed user expectations.

**Lower Friction** - Reduce user anxiety. Simplify their process.

**Improve Clarity** - Ensure messaging is clear, concise & valued.

**Trigger Action** - Motivate conversion. Remove distraction.

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ANALYSIS FRAMEWORK

G5 D-LITE

D - Deliver Relevance - Match then exceed user expectations.
L - Lower Friction - Reduce user anxiety. Simplify their process.
I - Improve Clarity - Ensure messaging is clear, concise & valued.
T - Trigger Action - Motivate conversion. Remove distraction.
E - Experiment - Learn, test and optimize for your users.

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A solid test hypothesis is an INFORMED SOLUTION to a real problem - not an arbitrary guess.

Michael Aagaard
@ContentVerve
International Speaker and Senior CRO @Unbounce
HYPOTHESIS TEMPLATE

If [cause], then [effect], because [rationale].

Source: https://help.optimizely.com/Ideate_and_Hypothesize/Design_a_hypothesis_that_drives_your_business_goals

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Wait… do you even have enough traffic?
Gives you CONFIDENCE that the changes you make to your website ACTUALLY have a positive IMPACT.

https://www.optimizely.com/optimization-glossary/statistical-significance/
MULTIFAMILY AVG SESSIONS/ DAY

Source: 2016 G5 Multifamily Google Analytics Data
MULTIFAMILY AVG SESSIONS/ DAY

Source: 2016 G5 Multifamily Google Analytics Data

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TEST DURATION CALCULATOR

---

Existing Conversion Rate(%): 2
Expected Improvement in Conversion Rate(%): 20
Number of Variations in Test: 2
Average number of daily visitors: 67
Statistical Confidence: 90%

Number of Visitors: 51450

Source: https://www.convert.com/tools/ab-test-duration-calculator/

Image source: http://www.vintag.es/2016/09/the-good-old-days-12-crazy-vintage-ads.html
TEST DURATION CALCULATOR

Source: https://www.convert.com/tools/ab-test-duration-calculator/

Image source: http://www.vintag.es/2016/09/the-good-old-days-12-crazy-vintage-ads.html
LOW TRAFFIC OPTIMIZATION

Most small things make a small impact. You have to take bigger risks to get bigger rewards.

Source: http://unbounce.com/landing-pages/i-dont-have-enough-traffic-to-ab-test-my-landing-pages/
A/B Testing Usage

Statistics for websites using A/B Testing technologies

- Optimizely 62%
- Adobe Target 4%
- Visual Website Optimizer 9%
- Mixpanel
- Google Website Optimizer
- Maxymiser
- Monetate
- Kissmetrics
- Other 4%

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A/B TESTING TOOLS

A/B Testing Usage
Statistics for websites using A/B Testing technologies

Meet The New Google Analytics 360 Suite
BUILD VARIATIONS

Use technical resources to ensure proper setup and tracking
BUILD VARIATIONS

Use technical resources to ensure proper setup and tracking
The Evolution of A/B Testing

LAUNCH TEST

Original (A)

Variation (B)
The Evolution of A/B Testing

Original (A)

Variation (B)

LAUNCH TEST
MEASURE RESULTS

A

CONTROL

B

VARIATION

Image source: https://www.optimizely.com/ab-testing/
The goal of a test is not to get a lift, but rather to get a learning.

Dr. Flint McGlaughlin
MD, MECLABS Group

Image source: https://www.optimizely.com/ab-testing/
DRAW INSIGHTS AND ITERATE

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DRAW INSIGHTS AND ITERATE

Your properties aren't 1-size fits all and your strategy shouldn't be either.
MOST IMPORTANTLY

Research and user feedback is VITAL.
THERE IS NO BEST COLOR
INDUSTRY BENCHMARKS

• Contextless data
INDUSTRY BENCHMARKS

- Contextless data
- Weak conclusions
INDUSTRY BENCHMARKS

- Contextless data
- Weak conclusions
- Blind duplication
INDUSTRY BENCHMARKS

- Contextless data
- Weak conclusions
- Blind duplication
- Tactics over strategy
USE STRATEGY, NOT JUST TACTICS

• Avoid risks

"Imagination is more important than knowledge"
—Albert Einstein
USE STRATEGY, NOT JUST TACTICS

• Avoid risks
• Use data effectively

“Imagination is more important than knowledge”
—Albert Einstein
USE STRATEGY, NOT JUST TACTICS

• Avoid risks
• Use data effectively
• Discover solutions to YOUR problems

“Imagination is more important than knowledge”
—Albert Einstein
FREEMIUM (OR CLOSE) RESOURCES

• Research:
  - Personas
  - Tracking
  - Heatmapping
  - Test Duration Calculator

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FREEMIUM (OR CLOSE) RESOURCES

• Research:
  – Personas Xtersio
  – Tracking Google Analytics
  – Heatmapping hotjar
  – Test Duration Calculator convert

• Analysis Tools:
  G5 D-LITE CRO Framework

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FREEMIUM (OR CLOSE) RESOURCES

- **Research:**
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  - Test Duration Calculator

- **Analysis Tools:**
  - G5 D-LITE CRO Framework

- **Hypotheses:**
  - If [cause], then [effect], because [rationale]
FREEMIUM (OR CLOSE) RESOURCES

- **Research:**
  - Personas
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  - Heatmapping
  - Test Duration Calculator

- **Hypotheses:**
  - If [cause], then [effect], because [rationale]

- **Analysis Tools:**
  - G5 D-LITE CRO Framework

- **Testing:**
  - UsabilityHub
  - Google AdWords
  - UserTesting
  - Optimizely
  - Google Optimize 360

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“CRO IS LEARNING WHY YOUR USERS aren’t converting and FIXING IT.”
DON’T JUST TEST, OPTIMIZE.

GET THESE SLIDES:
https://goo.gl/WUtpe5

THANKS!