A/B Testing Totalwatchrepair.com

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1. A/B Testing

1.1. Business Model

Totalwatchrepair.com is a company specializing in mail-order watch repairs. Their buisness is centered around providing servicing for high quality mechanical watches such as Rolex or Breitling. Customers have the opportunity to request free estimates and send in their watches via mail. The company then provides an initial assessment of repairs to be made. If the customer agrees to the proposal, all necessary services will be performed and the watch will then be sent back to the customer via mail. Amongst the services provided by totalwatchrepair.com are simple tasks such as crown- and crystal replacement as well as highly technical jobs such as a complete drive overhauls and restaurations.

The business model of totalwatchrepair.com relies upon receiving requests for watch repairs. The focus of their online-appearance should therefore lie on encouraging visitors to send a request to the company. Their secondary business is selling accessories, most notably replacement watch bands. Given these two sources of revenue, we propose improvements to the website which should eventually help increase revenue.

1.2. Increased Requests

As of now, the landing page has the following layout:

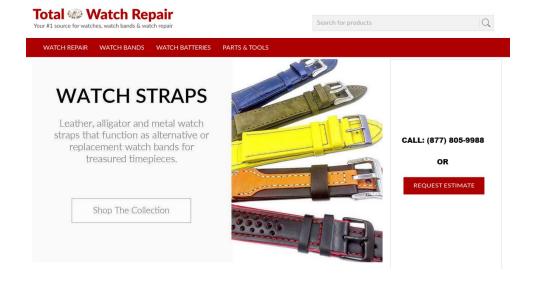
Figure 1: Current Landing Page



Visitors arriving on the page can click on the red Request Estimate button. However, without filling out the form, theyll receive an error message as shown in 1. Some customers may find this form to be daunting or are unwilling to make this initial commitment right away. Also, currently clicking on the red button without filling in the form results in an error message.

Proposal: Remove the form and just leave the request estimate button with the phone number. When the user clicks on Request Estimate she is being lead to the next page where the form can be filled out.

Figure 2: Proposed Landing Page



Hypothesis 1: The new page design will result in an improved form submission rate compared to the current design.

Ultimately, our goal is to improve the form submission rate, since this could potentially lead to more accepted offers and increased revenue. However, we would also like to track the click-through rate on our new button structuve compared to the original website. If we have succeeded in getting more customers to click through to the estimate page, yet they are still not submitting forms, this is valuable information as well - we can then potentially look at a second stage where we make alterations to the form submission page. Submission rate represents the percentage of visitors who enter the site and submit a completed form while click rate is simply the percentage of people who click the red button in either instance. We believe that for this website we can simply randomize the population that sees each form, in a 50/50 split. By focusing on form submissions, we are dealing with a statistics that likely has a very low current baseline rate for all visitors. Because of this we do not need an overly large sample to get a relatively powerful test. While we belive that a 5 percent significance level would be fine for this test, an argument could possibly be made for a smaller level since the cost of testing is relatively small and this is far from a time sensitive business where the length of testing time is a major concern. Further, we assume that the baseline conversion rate for form submissions is fairly low, presumably around 3 % based on contact form submission averages. We therefore probably do not need a large number of samples in order to have a good power. As a simple example, if we assume a Bernoulli distribution for submission and a null hypothesis probability of 0.03. So if we have a population of 500 the expected conversions would be 15, and at a significance level of 0.05 a change of at least 4 would be significant.

A potential bias with this testing structure could arise from the fact that the phone number is more exposed. Customers could now be inclined to call more, which would ultimately lead to a reduced number of filled forms. A potential remedy would be to monitor the phone calls in the pre-testing phase and then compare the number of calls. The null hypothesis in this case would be that the number of received phone requests doesnt change in the test phase compared to the pre-test phase.

1.3. Increased Shop Visits

Currently the button for shop the collection is somewhat transparent and not very readable or engaging. In order to generate sales, more customers should click on the Shop The Collection button. We propose a button that stands out more and fits the overall theme of the website:



Figure 3: New Shop Button

Hypothesis 2: The new red button has a higher click rate than the old transparent style.

Here we will track the click rate on the new button vs. the old style. The click rate represents the percentage of total visitors who click the Shop the Collection button in either instance. Again we believe that for this website we can simply randomize the population that sees each form, in a 50/50 split - though we would ideally run this test independently of Hypothesis 1s testing. Looking at click rates, which have a higher general baseline rate, means we need a greater number of samples to obtain a similar power to our first test. We believe that a 5% significance level is fine for this test, as in this case we would like the testing to be somewhat faster so we can continue to test other alternatives. Further, we would suggest running the test until we have a population size equivalent to a power level of around 80%, depending on our baseline click rate.