

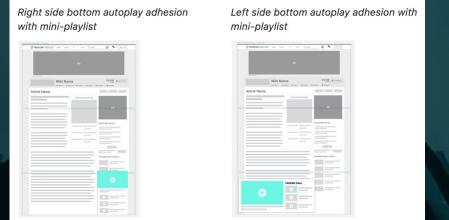
# Fantastic AB tests and how to run them



- Goal of AB testing
- Value of AB testing
- Planning the AB tests
- Issues of AB testing

## Goal of AB testing

In web analytics, A/B testing (bucket tests or split-run testing) is a controlled experiment with two variants, A and B.
(Wikipedia)



**Recommended videos** 

#### What can be tested?

- User interface change
- Back-end change
- New algorithm (e.g. recommendation algorithm)
- Different business model (e.g. priority of ad products)

Small changes are always easier to understand!

## Value of AB testing

- A/B testing is used to develop and identify better value propositions.
- When the variants run concurrently, only two things could explain a change in metrics:
  - The "feature(s)" (A vs. B)
  - Random chance
- Real web users and their actual interactions with your site.

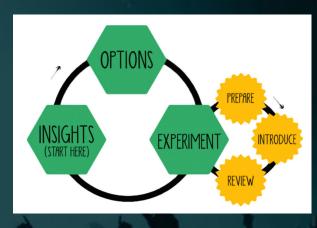
## Value of AB testing

#### Opportunity for better/faster development:

- Iterate rapidly
- Fail fast
- Pivot

#### We can learn:

- which tiny changes can have impact
- how much should we invest in this particular project



source

## Steps of AB testing

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- 1. Plan the experiment
- 2. Implement
- 3. Run
- 4. Analyze the data
- 5. Decision making



source

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#### 1. Plan

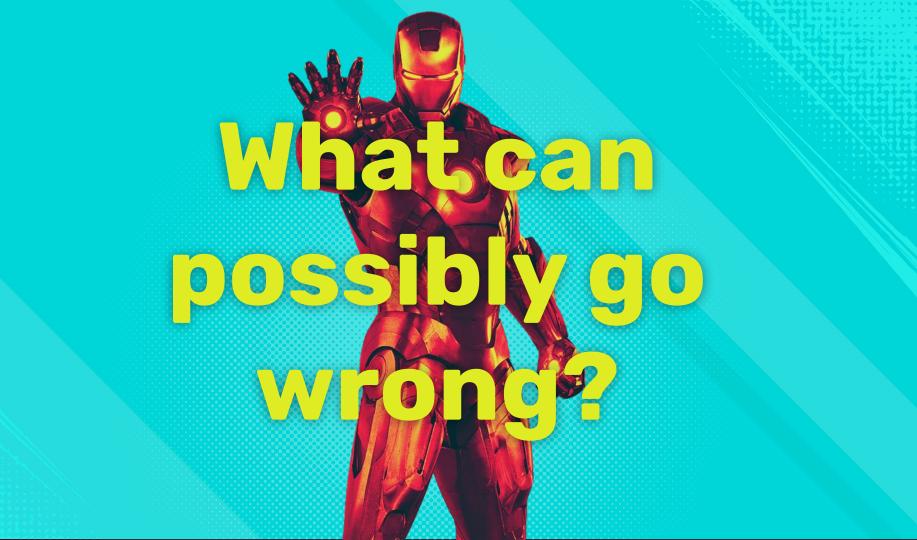
#### Theoretical/product planning

- Determine your goal
  - Business objectives (we want Fandom to be the page to visit to watch game-related videos)
  - Website goal (engage user to watch multiple videos)
  - Key performance indicator (KPI) (user video-content engagement)
  - One metric (videos watched/month/user)
- Define an idea how to reach the goal?
- Define the success how do we know whether we reached it?
  - Both positive and negative impacts

## 1. Plan

#### Technical/data planning

- Define target of the experiment
- Define time lapse
- Define group size



**Expecting life changing differences** - not all of our ideas will result in great outcome

- "Google ran approximately 12,000 randomized experiments in 2009, with [only] about 10 percent of these leading to business changes" was stated in <u>Uncontrolled</u> by Jim Manzi
- "80% of the time you/we are wrong about what a customer wants" was stated in <u>Experimentation and</u> <u>Testing: A Primer</u> by Avinash Kaushik

Failing to agree on a good Overall Evaluation Criterion (OEC)

- Was the test a success?
  - Yes, we increased number of users viewing multiple videos :-)
  - No, we decreased pageviews and revenue as users watch many videos on same pageview :-(

**Carryover effect** is when one experiment influence different following experiment.



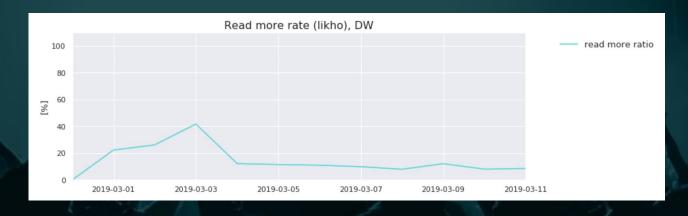
#### Example:

**Experiment 1:** Users were interested in video recommendations but recommendation algorithm was not perfect and users got discouraged

**Experiment 2:** video recommendation algorithm is improved but users are not eager to test it

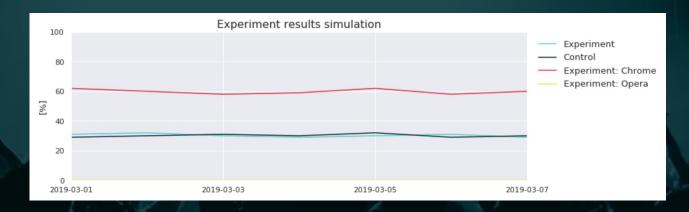
#### **Novelty effect**

Users react to the introduced change because it's new and different and not because it's engaging.



#### Heterogeneous treatment effect

Single segment can skew the average enough to invalidate results, e.g. users using distinct browser that experience JavaScript bug





# Solving issues of AB testing

**Understanding** that we think differently than our users

**Communication** during experiment planning (Engineers < Product > Analysts)

Good analytical team and automatization tools

**Doing** AB tests and **learning** from them





#### BTW we are hiring:

https://www.fandom.com/careers