CONVERSION **MACHINE**

MODULE 5

Testing

VIDEO 3 Worksheet

Planning Tests

Planning Tests

Hey everyone and welcome.

In this lesson you are going to learn how to plan and execute your first test using Optimizely.

The most common question I get asked is...

How much traffic and how many conversions do I need to run a test?

This questions is directly related to statistical significance as we learned in the last video.

To validate our tests we use a measurement referred to as Confidence Level.

This is a percentage. Most tests work with a confidence level of 95%.

NB: This is not the default setting in Optimizely and needs updating.

This means there is a 5% chance that this change or improved conversion rate is random or by chance.

To be sure the results of your tests are reliable you need to make sure your sample size is large enough.

Here is a step by step process for planning and setting up your first test.

Planning Tests

Step 1: Calculate your sample size and conversion rate difference

You can use this calculator (http://www.testsignificance.com/) to get an idea of how much traffic and how many conversions you will need to get a significant winning test results.

If you place your current conversion rate for the targeted Google Analytics goal in the 'Current Conversion Rate' field, then set the desired 'Confidence Level' to '95%'.

Now click 'Calculate'

This data is based on an A/B test, with a 50/50 split of traffic between the control and the variation.

That means half the traffic goes to the original version and half to the new version you are testing.

Scroll down the data and look at the 'Total Participants' numbers.

This is the number of unique page views you will need in a given time period.

'B Conversion Rate' is conversion rate your winning variation will roughly need to have to significantly beat the control.

Therefore if your control has a current conversion rate of 5% and your variation has a conversion rate of 7%.

Then you would require 2,162 total participants and 1,081 participants per variation to have a valid sample size.

Planning Tests

Step 2: Setup the test in optimizely & Step 3: Integrate with Google Analytics

See video on lesson page

What if my tests always lose?

With analytical testing the most important thing to focus on is customer learning.

If the tests allows you to validate something about your customer and iterate on your customer theory.

Then the test was a huge success.

Regardless of the winning variation.