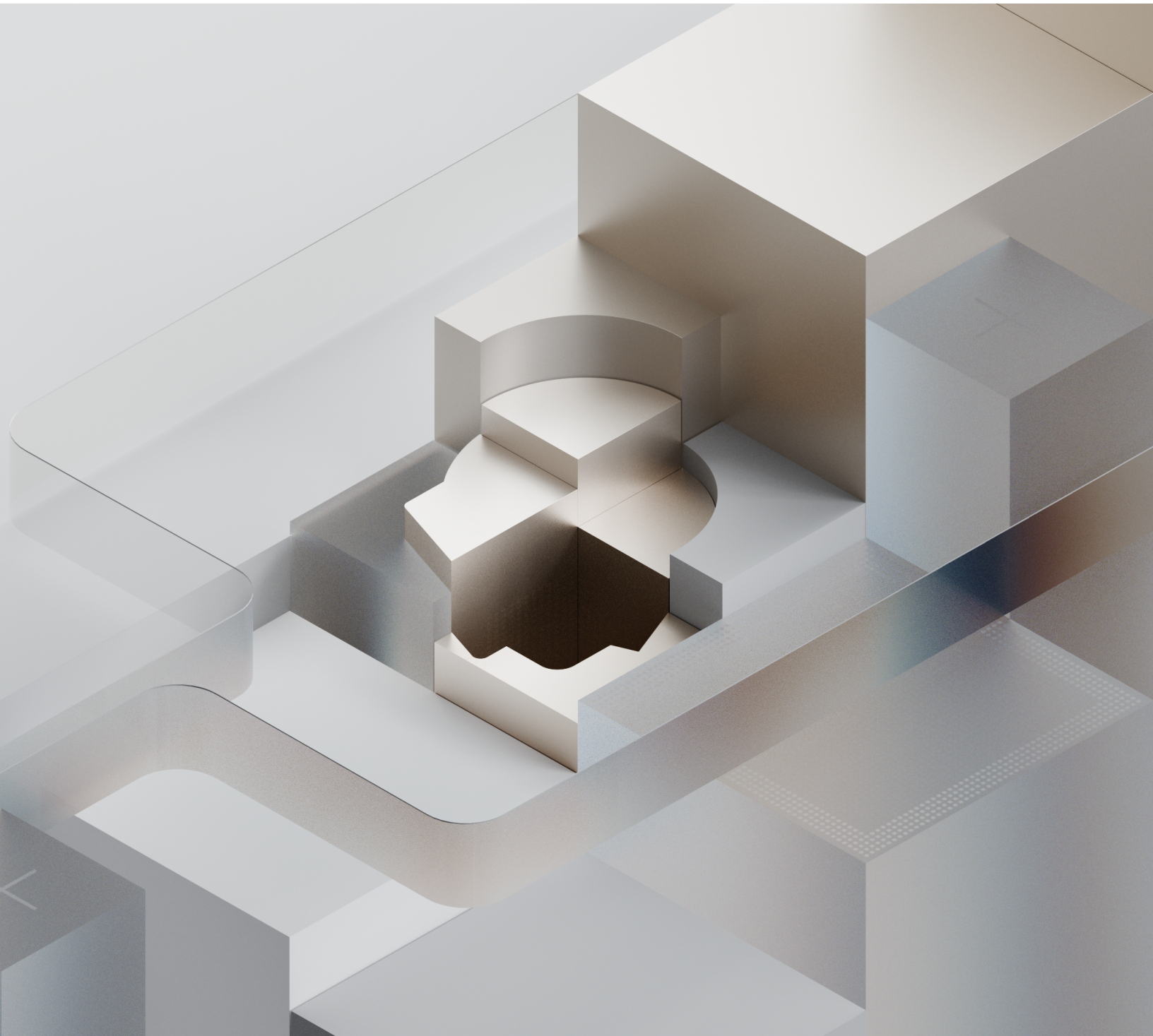


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THE PUBLISHER'S GUIDE TO A/B TESTING

Boosting conversions with incremental improvement



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**Identifying KPIs to focus on during A/B testing**

For marketers, A/B testing is an increasingly vital part of their brands' optimization efforts. Its methodology has helped countless organizations understand how audiences are engaging with their digital properties and how they can improve the user experience.

**Setting up and running A/B tests to optimize publishing platforms**

For subscriptions, A/B testing is the process of evaluating ideas and hypotheses to improve KPIs, whether it's increasing subscribers, memberships, readership or another brand goal. In a publishing context, the tester shows an improved offer to one segment of the audience and the current offer to another group. This can involve testing membership options, pricing, subscription models or call-to-action formats.

**Understanding the statistics and metrics used in A/B testing****Identifying A/B testing partners and resources**

In 2022, more and more publishers are relying on testing to reach their goals. They're taking the findings from these tests and using them to improve campaigns — those in flight and those slated for the next round of messaging. Paid content businesses require constant improvement through optimization, including frequent fine-tuning to keep up with shifting consumer preferences and behaviors. Implementing even incremental changes can impact the bottom line for a publisher, which is why testing those changes is so important.

As Alexander Kreybig, director of strategic services at Piano, said in an interview with Digiday, the incremental change A/B testing offers is one of the biggest drivers of publisher growth.

"Growth is achieved by changes — in setup, in pricing, UX, etc.," he said. "But every change represents a risk. A/B testing mitigates the risk and enables you to test that change and see if it brings statistically conclusive results."

Precision A/B testing can transform campaigns; missing the opportunity to leverage these tests leaves revenue on the table. In this guide, Digiday and Piano present tactics for publishers to employ successful A/B tests and grow their audiences through incremental improvement.

## Identifying KPIs to focus on during A/B testing

Before conducting an A/B test, publishers must consider which factors are most pertinent to their overarching goals. These include the hypothesis, winning criteria (i.e., the main KPI or combination of KPIs), number of conversions per test branch and duration of each test.

"Some publishers are predominantly interested in growing the number of active subscribers or having monthly new subscriptions as high as possible," said Kreybig. "But different publishers have different strategic goals."

Successful brands and publishers are not limiting their testing — any variable, no matter how small, can impact the reader's experience.

To guide these tests, marketers are designing hypotheses with strategic KPIs in mind. For example, if the main KPI is the number of new subscriptions, the publisher may not want to increase the price because it could lead to fewer new subscriptions, even if the revenue increases.

With so many variables and KPIs in the marketing mix, publishers are relying on A/B tests to calculate winning conditions. However, because there are usually multiple factors leading to success, publishers must balance the measurement of each KPI to ensure it is connected to the variables involved.

Still, there will always be a top priority goal. It's often a battle between conversions or active subscriptions and revenue, with conversion rate, micro-conversions and micro-conversion rate thrown in the mix.

"The most important thing is to keep those priority KPIs in mind," said Kreybig. "You also need to know the methodology and have a sample size big enough. We usually recommend 100 conversions per test, per test branch, and at least two weeks of running it because some results tend to fluctuate at the beginning."

## Tactics and Insights



Publishers should ideally have at least 100 conversions per test, per test branch, and run the test for at least two weeks to control for potential early fluctuation.



Brands and publishers shouldn't limit their testing — even the smallest variables can impact the user's experience.

## Setting up and running A/B tests to optimize publishing platforms

Timing is key when it comes to A/B testing. If publishers test without a set time to stop testing and draw conclusions, they could miss opportunities to take action on the results. It is imperative to understand when it's time to end the test, optimize the campaign based on the result, and move to the next test.

However, as Kreybig noted, these steps can take different forms depending on the publisher's maturity.

"It truly depends on the maturity of the organization and their strategic decisions," he said. "Test what is happening now and if you have a large enough sample size, you can make an accurate projection into the future."

Less seasoned publishers may choose short-term KPIs such as the number of new conversions, active subscribers or revenue changes, while more mature publishers often prioritize long-term goals that reflect sustainability and growth.

And then there's the challenge of testing multiple variables or elements within the same A/B test. Multiple variables from one test can be difficult enough, but many A/B tests running together can disrupt campaigns.

"Imagine you test the price and at the same time the variant has a different price and color, and then you get better results," said Kreybig. "Did you get the results because of the price change or the color change? There are plenty of examples like this where you don't understand the results at the end."

Running multiple tests may be unavoidable, but successful publishers are choosing to limit the variables in each experiment. One need only focus on a single variable at a time: the original testing variable and its variation.

"People are sometimes too complicated," Kreybig said. "Think simply. Test a single thing — what you truly think will make a difference. Not five, one."

## Tactics and Insights



Publishers need to know when it's time to end their tests, optimize the campaign based on the result and move to the next iteration.



Simplicity is key — publishers should focus on a single variable to get the clearest results.

## A/B testing in action

A/B testing has been pivotal for publishers working with Piano to increase their readership, drive new subscribers and optimize their platforms.

### Setting up and running A/B tests to optimize publishing platforms

After seeing a spike in online subscriptions at the onset of the coronavirus pandemic, Italy's most-read newspaper Corriere della Sera wanted to sustain this growth as demand normalized in 2021. Working with Piano, the paper underwent extensive research and A/B testing to grow its subscriber base.

Audience research showed many users preferred an annual subscription option over the monthly plan, leading Corriere della Sera to shift the offering. In addition, A/B tests found that the current paywall wasn't increasing conversions. So, Piano helped the paper set up a dynamic paywall based on its Likelihood to Subscribe (LtS) machine learning model to provide personalized offers to users with the highest propensity to subscribe.

Through these efforts, Corriere della Sera was able to reach **384K digital subscribers**.

### Developing a subscriber base by optimizing paid offerings

The leading Spanish digital publication El Confidencial (EC) was one of the first in its space to lean heavily into subscription products. To continually improve these offerings and grow its base, EC worked with Piano to deploy A/B tests to optimize each part of its subscription program.

Working with Piano's A/B testing and propensity modeling features, EC tested various offers to see which resonated most with users. It identified the most effective ways to feature premium articles on its homepage, more engaging call-to-action buttons and even revenue benefits of discounted prices. After employing these tests, the publication increased subscriptions by **60%**.

### Growing a paid membership program

Inc42, India's largest tech media platform, was looking for a way to turn more of its 1.5 million monthly users into highly engaged consumers. After launching a paid membership program, the company used Piano's A/B testing capabilities to draw insights from the user experience preferences of its audience, analyzing content, channels and pricing. The tests revealed events and reports, context-led communications via Facebook and email, landing pages with membership information and communicating future price increases improved conversion rates.

Through A/B testing, Inc42 increased its average monthly sales volume by 100% and saw a **43% increase in customer retention rate**.

## Understanding the statistics and metrics used in A/B testing

There are many different statistical approaches to A/B testing. Publishers must identify the methodologies that align with their objectives.

“There are multiple competing algorithms,” said Kreybig. “We use the Bayesian approach to A/B testing. The other often used methodology is called frequentist, which is a little bit more complicated.”

Bayesian A/B testing models use collected data to evaluate probabilities, and while the approach has its advantages, there's no single “right” way to conduct A/B tests. The only requirement is that the tester chooses a testing methodology. However, not all organizations are well-versed in statistical algorithms, especially as they relate to A/B testing.

Fortunately, publishers aren't required to know the ins and outs of testing methodologies with modern A/B testing platforms. They simply need to identify the metrics that can reflect growth. They should also be able to draw meaningful insights from the test report by aligning the findings with their KPIs, i.e. connecting a page display experiment to a goal of increasing reading time.

A/B tests can also offer publishers insight on how to improve the content recommendations they're showing to users — from widgets to whole pages, testing formats, content selection algorithms, placements, etc. Not every article will perform well across an expanding array of devices, platforms and channels, so publishers need tools and tests to measure which formats are engaging audiences.

## Tactics and Insights



Publishers should identify the statistical testing approach that aligns with their objectives.



Publishers aren't required to know the ins and outs of testing methodologies, but they should identify the metrics that can reflect growth toward optimization goals.



A/B testing platforms can offer content recommendations to help publishers provide the best formats for their audiences.

## Identifying A/B testing partners and resources

Publishers will likely need tools, technologies and a partnership to implement successful (and continuous) A/B tests. These solutions can help publishers analyze, customize and develop testing plans for the long run. They can also provide resources to fuel current and future projects.

According to Kreybig, publishers should look for professionals with previous A/B testing experience. Professionals with years of experience performing and evaluating hundreds of A/B tests help ensure the testing period runs as smoothly as possible. They know how to evaluate the results, offer creative suggestions as to what to test, fine-tune the A/B testing methodology and compare the publisher's performance with industry benchmarks.

"You need someone who's tested a lot," he said. "It's similar to driving a car for the first year, you are extra careful. But after driving a car daily, for 10 years, it's a very different thing. You are still careful, but you know much more about what to expect."

Many brands may not have the budget to hire an experienced A/B testing partner or employ a high-end solution. In these situations, publishers can ask a professional to perform an audit and identify areas that should be prioritized. These priorities often vary between publishers, so a partner who can make context-based decisions is key.

Kreybig also recommends publishers look for large partners or technology solutions that have industry benchmark data available. This can help them track performance throughout the testing process.

"When publishers are looking at their performance, many are asking themselves if [the numbers] are good or bad," he said. "But they have no place to check because nobody's publishing it. When you have a large enough partner who has a few hundred sites, that partner can help you understand your results in a broader context."

## Tactics and Insights



Publishers should seek out professionals with extensive experience in A/B testing to draw the deepest insights and utilize benchmark data.



If there are budgetary constraints, publishers can work with partners to conduct audits to identify areas of potential improvement that are likely to make the most impact.



Piano empowers organizations to understand and influence customer behavior. By unifying customer data, analyzing behavior metrics and creating personalized customer journeys, Piano helps brands launch campaigns and products faster, strengthen customer engagement and drive personalization at scale from a single platform. Headquartered in Amsterdam with offices across the Americas, Europe and Asia Pacific, Piano serves a global client base, including Air France, the BBC, CBS, IBM, Kirin Holdings, Jaguar Land Rover, Nielsen, The Wall Street Journal and more. Piano has been recognized as one of the fastest-growing, most innovative technology companies in the world by World Economic Forum, Inc., Deloitte, American City Business Journals and more.

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