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Building an award- winning Experimentation Program

Overview

Over the last decade, most digitally savvy organizations across all industries have deployed experimentation as a strategy to improve the performance of their digital platforms. Experimentation is more comprehensive than Conversion Rate Optimization (CRO) and focuses on much broader goals of the organization. While experimentation programs continue to be focused on driving incremental lift in core performance metrics like conversion rate, organizations are now deploying experimentation to solve bigger business challenges and change organizational culture in a meaningful way.

HBO Max's experimentation program won Optimizely's "Experimentation Program of the Year" award for it's achievements in 2021. Chartis is proud to support this award winning program globally. So what does it take to build a highly successful and award winning experimentation program? What sets successful programs apart from the ones that are never able to get beyond an isolated team doing some great work?

Right Foundation

The program needs management support/mandate, room to develop competencies and rigor, and a balance of strategy and execution. Successful programs **do not** focus on volume, speed and "big wins" on day one.
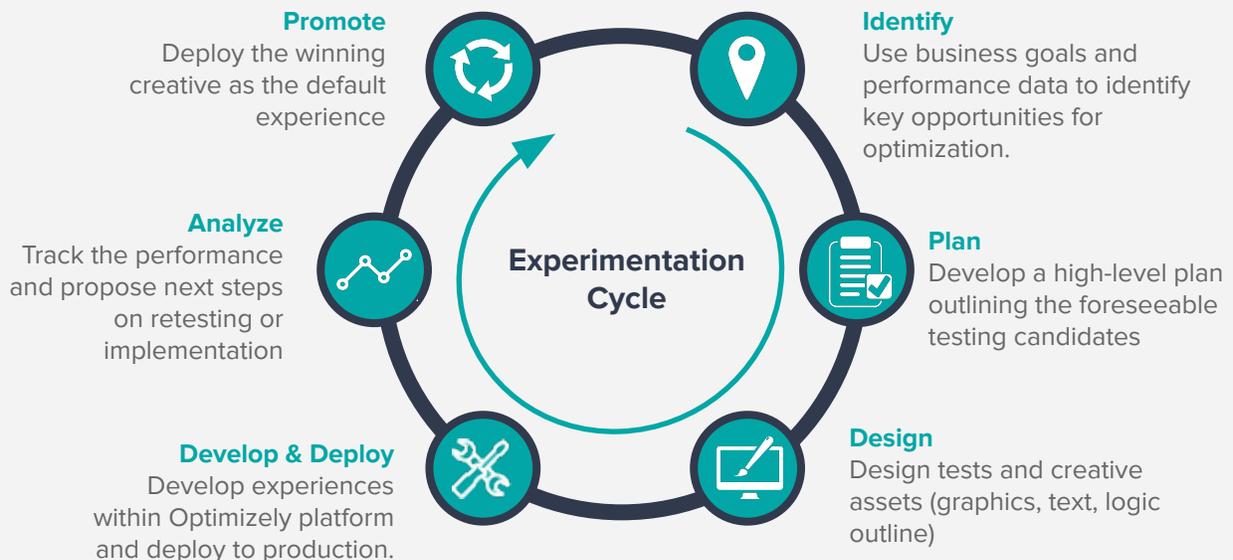
Sustainable Maturity Path

Experimentation can drive outsized returns but it needs to establish a clear maturity path for the program to ensure the right KPIs are associated with the program at the appropriate time.

Effective Scaling

As the program matures, the knowledge, competencies and willingness to drive the program should grow across relevant parts of the organization. That often results in the centralized team being stretched thin to meet the demand.

Experimentation Cycle

Promote
Deploy the winning creative as the default experience

Identify
Use business goals and performance data to identify key opportunities for optimization.

Analyze
Track the performance and propose next steps on retesting or implementation

Plan
Develop a high-level plan outlining the foreseeable testing candidates

Develop & Deploy
Develop experiences within Optimizely platform and deploy to production.

Design
Design tests and creative assets (graphics, text, logic outline)

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Set the right foundation

Start by defining the structure of the program and how it will evolve. For most organizations in the early stages of experimentation, a dedicated "*Centralized Experimentation Team*" team is the most effective way to start.

Setup: It is critical that the team is **empowered** and **resourced** to allow room for learning, defining and documenting the processes vs. being measured by the volume and velocity of testing right away. Aiming for high volume/velocity leads to shallow test hypothesis, simpler/obvious design choices (did someone say "button color"?) and the program risks losing the momentum and interest of the broader organization. That is why we advise clients to think of the program as "learning" or "experimentation" vs. conversion rate optimization. The program absolutely has to be geared towards driving ROI in the medium to long term but that can weigh the program down in its infancy.

Composition: The team composition needs to address all functional areas of the experimentation practice - **Experimentation strategy** (experimentation practices, models, processes), **Design** (visual and logical designing for tests), **Test Development** (knowledge of the testing platform of choice), **Analysis** (results data analysis) and **Program Management** (orchestration of all moving pieces).

Culture: Building an experimentation culture is a journey but the boils down to a few key elements:

- Management Buy-in - There has to be a clear leadership communication to the organization outlining the support and value of experimentation

- Communication - Execution team needs to communicate effectively on the learnings, value and excitement generated by the program. Lunch & Learns, Quarterly Recaps and newsletters tend to be an effective ways to ensure the broader audience is regularly made aware of the progress

- Failure Tolerance - Combination of both management buy-in and communication, the organization needs to embrace failure (controlled by definition) and allow the team to take some measured risks.

| IDEATE | IDEATE | IDEATE |
| REFINE & PRIORITIZE |
| REQUIREMENTS AND PLANNING |
| DEVELOPMENT, QA, AND LAUNCH |
| ANALYZE |
| SHARE |

Centralized execution team with input/ideation from functional teams across the organization.

Centralized team focused on experimentation should focus on building the structure, tool set, playbooks and processes for the experimentation program.
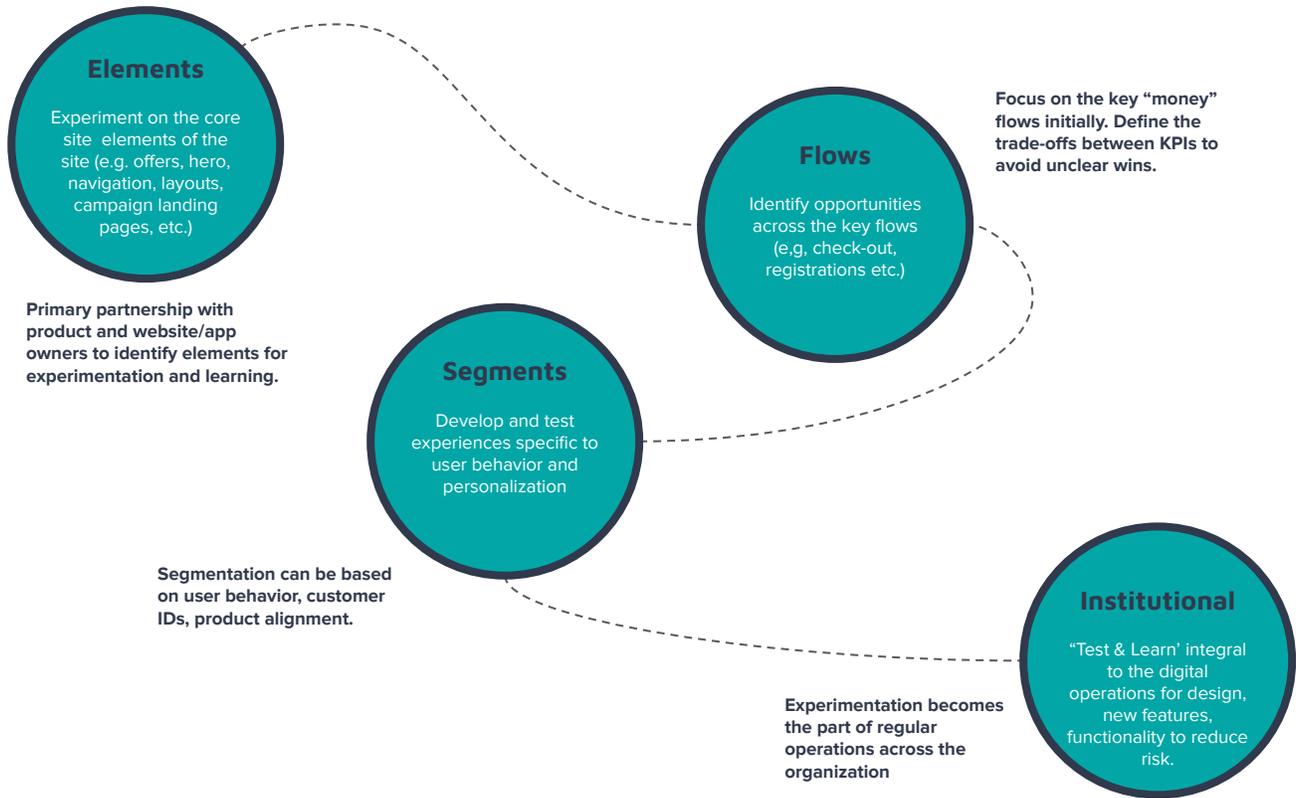
Functional (digital product, marketing, ecommerce etc.) should engage with the experimentation team to outline their objectives/challenges and work closely to develop a testing pipeline.

	Experimentation Team	Functional Teams
Identification/Ideation	●	●
Planning	●	
Design & Development	●	
Analysis	●	●
Evangelizing	●	

Roles and responsibilities across the experimentation cycles.

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Maturity Path

Once the initial program is setup, it is critical that the complexity is managed effectively otherwise the program can start to buckle under its own weight. It is helpful to categorize the tests into element, flow, segment or institutional learning buckets. When possible, a successful program should strike a balance of testing across these categories to ensure it is not being pulled in a specific direction for too long.

Elements
Experiment on the core site elements of the site (e.g. offers, hero, navigation, layouts, campaign landing pages, etc.)

Primary partnership with product and website/app owners to identify elements for experimentation and learning.

Flows
Identify opportunities across the key flows (e,g, check-out, registrations etc.)

Focus on the key "money" flows initially. Define the trade-offs between KPIs to avoid unclear wins.

Segments
Develop and test experiences specific to user behavior and personalization

Segmentation can be based on user behavior, customer IDs, product alignment.

Institutional
"Test & Learn' integral to the digital operations for design, new features, functionality to reduce risk.

Experimentation becomes the part of regular operations across the organization

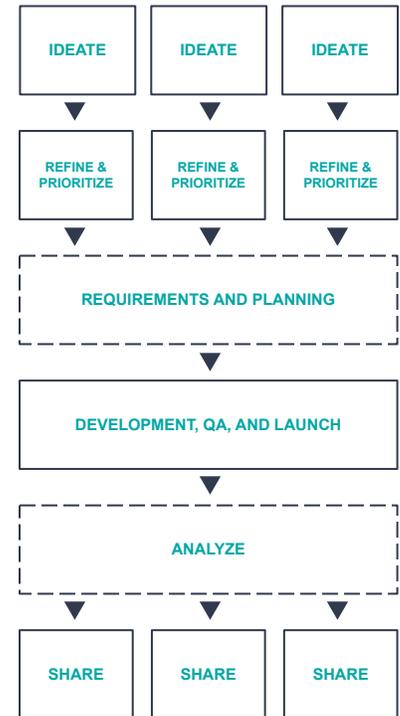|	ELEMENT FOCUSED	FLOW FOCUSED	SEGMENT FOCUSED	INSTITUTIONAL
DRIVERS	Develop initial understanding of core elements of the site (e.g. offers, hero, navigation, layouts, campaign landing pages, etc...)	Identify opportunities and develop hypothesis based on site performance across the funnel (e,g, cart initiation, payment info) or user segments.	Based on segment analysis, start to develop and test experiences specific to user behavior. Develop understanding of personalization impact	Integrate 'test & learn' into the standard digital operations for design, new features, functionality to reduce risk.
OBJECTIVES	Establish the program basics and processes. Raise awareness of experimentation by targeting visible areas	Improve user experience, test features (e.g. payment methods, etc) Drive deeper understanding of segment behavior	Evolve from randomized tests to targeted test experiences. Refine the test audience to maximize positive impact.	Institutionalize 'test & learn' processes for all digital enhancements (design, flows, segmentation, etc.) across all user stages.
OUTCOMES	Teams get a better understanding of variables on KPIs - CVR, AOV, etc. & improved performance.	Team starts to optimize the funnel for maximum performance to drive incremental revenue and LTV.	Site experiences (creative, messaging, flows, etc.) evolve from static to targeted, driving further improvements.	Program is data-driven in decision making for site/user experiences. Cross-department/functional approach to optimization.

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Effective Scaling

If executed effectively, as the program matures, the knowledge, competencies and willingness to drive the program should grow across relevant parts of the organization. That often results in the centralized team being stretched thin to meet the demand. Key factors in effectively scaling the program include:

Scaling the Structure: Centralized team can continue to be the test planning, design and execution with the functional teams taking on the responsibilities to groom and prioritize their pipelines. Allows the execution to keep pace with the demand.

Institutionalize the Tools & Process: As the program decentralizes, it is critical that the process and tools (plan and reporting templates, development/ticketing system, ideation input forms etc.).

Shared Data Definitions: Effective experimentation requires clean, reliable and standardized data for informing the tests and measuring the impact. A scaled program needs clear metric definitions and sources that are shared across the teams and stages. This can become a critical blocker for the program to reach true enterprise scale.

IDEATE	IDEATE	IDEATE
REFINE & PRIORITIZE	REFINE & PRIORITIZE	REFINE & PRIORITIZE
REQUIREMENTS AND PLANNING		
DEVELOPMENT, QA, AND LAUNCH		
ANALYZE		
SHARE	SHARE	SHARE

	STAGE I - INITIATE	STAGE II - STANDARDIZE	STAGE III - SCALE
PROCESS	Defined, Communicated and Documented	Enforced through templates and platforms	Understood, adopted and followed by all teams
DATA/ANALYSIS	Focused on the impact on key elements and flows	Focused on broader impact of testing on non-test areas and metrics	Shared across the experimentation and functional teams
TEAM	Centralized execution team with input from functions	Centralized execution team with higher collaboration/input from the functions	Hybrid structure with planning, prioritization shifting towards the functions. Experimentation team scales to add design, development and analyst resources
CULTURE	Communicates the desire to be data/evidence driven with higher failure tolerance. Clear leadership support	Collaborative in ideation and analysis of impact. Shared ownership of results.	Experimentation culture across the enterprise. Adopted for continuous improvement as well as new product development
TECHNOLOGY	Experimentation platform selected and integrated with platform analytics	Deeper integration with post-conversion systems (Revenue recognition, CRM, etc.)	Shared enterprise infrastructure for collaboration, ideation, planning, prioritization, execution, analysis and communication

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