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SAMPLE: Multivariate Testing

Buyer's Guide

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SAMPLE: Multivariate Testing Buyer's Guide



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1. Introduction

Econsultancy's buyer's guides are the ideal starting place for anybody researching new suppliers in digital market sectors. They contain **in-depth vendor profiles**; to help you quickly evaluate suppliers and service providers, as well as **market analysis** to help you put things into perspective. Vendors are selected for the report based on a combination of factors, *not limited to but including*:

- **Analysis of capabilities** (services / products)
- **Clients**
- **Experience** (qualifications / trade bodies / case studies)
- **Expertise** (by sector / topic)
- **UK and/or USA status** (occasional exceptions are made)
- **Ability to take on and fulfill new projects**
- **Recommendations from trusted sources** (or anecdotal evidence to the contrary)
- **Google visibility**
- **Business model** (a high proportion of turnover should be related to these services)
- **Company Web site**

Econsultancy does not explicitly recommend any of the suppliers featured in these guides, principally because it is impossible for us to work with all of them to form a first-hand opinion. But we do believe - based on an intensive and careful selection process - that the chosen vendors represent quality.

Buyer's Guides are updated on an annual basis, so the information contained within is recent and thus valid. Send any questions or comments to Econsultancy's Research Director Linus Gregoriadis (linus@econsultancy.com).

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1.1. About Econsultancy

Econsultancy is a [digital publishing and training group](#) used by more than 200,000 Internet professionals every month.

The company publishes [practical and time-saving research](#) to help marketers make better decisions about the digital environment, build business cases, find the best suppliers, look smart in meetings and accelerate their careers.

Econsultancy has offices in New York and London, and hosts more than [100 events](#) every year in the US and UK. Many of the world's most famous brands use Econsultancy to [educate and train](#) their staff.

Some of Econsultancy's members include: Google, Yahoo, Dell, BBC, BT, Shell, Vodafone, Virgin Atlantic, Barclays, Deloitte, T-Mobile and Estée Lauder.

[Join Econsultancy](#) today to learn what's happening in digital marketing – and what works.

Call us to find out more on +1 212 699 3626 (New York) or +44 (0)20 7269 1450 (London). You can also [contact us online](#).

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User Experience Buyer's Guide

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Usability and User Experience: A Beginner's Guide

<http://econsultancy.com/reports/usability-and-user-experience-a-beginner-s-guide>

Multichannel Customer Experience Report

<http://econsultancy.com/reports/multichannel-customer-experience-report>

Customer Engagement Report

<http://econsultancy.com/reports/customer-engagement-report>



1.2. Acknowledgements

Our thanks go out to all the vendors and agencies who contributed profiles and additional insights for this report.

We would also like to thank the following client-side contributors:

- **Craig Sullivan**, Customer Experience Manager (eBusiness Group), Belron
- **Depesh Mandalia**, Senior Marketing Manager – Personalisation & MVT, Tesco
- **Emilija Vilkyte**, Head of Digital Revenue Optimisation, The Telegraph
- **Matthew Curry**, Head of Ecommerce, Lovehoney
- **Sandra White**, Head of Optimisation, The Financial Times

2. Executive Summary

The focus of this report is **multivariate testing**, including a discussion of market trends and detailed profiles submitted by 12 leading vendors.

Even though online testing is not a new concept, adoption of effective optimization technology and processes by marketers has been relatively slow.

However, spending on MVT solutions has been increasing rapidly in the last few months, mainly fuelled by the significant growth of e-commerce and improved testing tools. A large proportion of companies have started to understand the benefits of testing and senior management buy-in has generally become less of a concern.

The multivariate testing market hasn't reached the maturity stage yet and still represents an emerging area for the majority of marketers, but there are plenty of new exciting opportunities that vendors can tap into.

Many companies are planning to test across multiple channels and integrate their MVT solutions with other systems such as web analytics, web content management and CRM. Segmentation and targeting also are increasingly sought after features, enabling organizations to differentiate between various categories of visitors and identify which segments convert better.

Trends covered in this guide include:

- The testing market is going from strength to strength, as companies are investing more resources and planning to integrate testing into their optimization efforts.
- Self-service solutions are giving the market impetus, with a significant proportion of organizations demanding tools that remove the complexity from optimization efforts.
- Self-learning technology is used to differentiate tools, while segmentation and targeting are gradually becoming a natural addition to any MVT solution.
- A knowledgeable, experienced human interface is needed to complement testing technology.
- Enlightened marketers are cultivating a culture of on-going testing by setting aside a portion of their budgets for testing and involving more business units.

The *Supplier Marketplace and Profiles* section (*Section 10*) contains profiles of the following MVT providers: Accenture Interactive, Adobe Systems, Amadesa, Autonomy, GlobalMaxer, Google, HiConversion, Maxymiser, Monetate, SiteSpect, Vertster, Visual Website Optimizer, Webtrends.

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3. The Market

While online testing is nothing new, the proliferation of digital channels has enabled it to evolve from a confusing and therefore untapped area into a discipline in its own right.

Despite the fact that online testing is an essential component of an effective marketing optimization strategy, adoption by marketers has been much slower than expected.

3.1. What is multivariate testing?

Multivariate (MVT) testing or multi-variable testing is the process through which the performance of more than one component of a website can be evaluated in a live environment. The aim is to experiment with different combinations of factors on a web page in order to establish the most effective way of driving users to carry out a specific action.

The difference between A/B testing and multivariate testing

The core differentiator between A/B and multivariate tests is that MVT enables you to test multiple elements simultaneously.

3.1.1. Types of multivariate tests

At a high level, there are two types of multivariate tests that you need to know about:

Full factorial testing

A full factorial multivariate test is the most widely known method, running...

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3.2. Market trends

3.2.1. Testing market goes from strength to strength

Interest in conversion optimization has intensified in the last few months and online testing vendors have been reaping the benefits. The landscape we see today was shaped by a flurry of acquisitions in recent years:

- As part of its strategy to deliver a comprehensive optimization solution for online businesses, **Omniture** acquired...

What the experts say

“Businesses are realizing that MVT testing can no longer be considered a point solution, but rather as an integral component of a marketing platform. Businesses are looking for more than content creation, delivery and optimization. Rather, they want an end-to-end solution that enables them to deliver personalization across multiple channels. Businesses will continue to invest in MVT capabilities, but more so to those that are part of a closed-loop platform that enables marketers to leverage benefits across all customer touch points.”

Sample quote

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3.2.2. Self-service solutions give market impetus

As discussed above, the online testing market is growing at a fast pace as more organizations are beginning to realize the importance of investing in good testing technology and are actively looking to develop conversion rate improvement projects. This is mainly due to the fact that they increasingly understand the benefits of prioritizing the improvement of conversion rates for existing traffic rather than trying to attract additional traffic that converts less.

Driven by market demand, multivariate testing vendors often focus on ...

3.2.3. Vendors differentiate tools with self-learning technology

According to Stephen Pavlovich, Director of **Conversion Factory**, testing tools are becoming more differentiated as vendors target either companies with basic testing requirements or those with more advanced requirements:

“We’re seeing more of a separation between the simple and advanced tools. More tools are targeting either end of this spectrum, rather than the whole market.”

3.2.4. Companies need skill sets to complement technology

Any successful testing programme requires at least four skill sets which can be rarely found in a department or even company – a project manager with a good knowledge of both marketing and statistics, a copywriter, an IT consultant and an analyst.

A knowledgeable, experienced...

3.2.5. Enlightened marketers cultivate culture of on-going testing

To fully benefit from MVT and execute a successful strategy, testing needs to become a part of every company’s marketing culture, not just a one-off experiment. Audiences are constantly shifting and their behavior is changing every day, so testing should be an ongoing process, part of a complete optimization cycle.

While most organizations find it difficult to...

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3.3. Return on investment

The potential return on investment and benefits of multivariate testing technology can be summarized as follows:

- **Save time and benefit from more robust results than A/B testing.**
 - Depending on the MVT solution you use, your traffic volume and the number of elements you are testing, you may save a lot of time compared to A/B testing.
 - Although more sophisticated software and analysis is required and traffic requirements are high...

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4. Strengths, Weaknesses, Opportunities and Threats (SWOT)

This section contains a 'SWOT' analysis of the multivariate testing market from the perspective of vendors. It also serves as a summary of some of the points made above.

4.1. Strengths

- **Growing awareness of conversion rate optimization and interest in testing.**
 - In contrast to the weak sales of traditional retailers in 2010, e-commerce sales reached more than \$200 billion in the US¹ and around £60 billion in the UK². This is a clear indicator of how strong consumer confidence is in the online retail channel and the extent of benefits companies can reap.
- **Technology makes testing easier.**
 - As multivariate testing moves further upstream, marketers demand simple, easy to understand solutions with enough features to get them started.

4.2. Weaknesses

- **Companies are slow in building a testing culture.**
 - Some organizations still think of testing as a one-off experiment and a tactic that can boost their revenue quickly, instead of integrating it into their marketing processes and overall business strategy.

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5. Costs and Pricing Models

There are different costs that you need to take into consideration before carrying out any multivariate tests. Internal costs such as effort, time, potential expense associated with more complex tests and creative (whether you have in-house resources to deal with this or you need to outsource) can be easily overlooked when you've just started to get your feet wet.

One of the first steps is to...

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6. Tips and Pitfalls

6.1. Introduction

In order to identify the right multivariate testing technology and get the best fit for your organization, you need to understand that different providers offer different types of solutions and their technology and expertise varies a lot.

The detailed company profiles and market positioning charts included in this guide will help you find the right fit. This section contains some key questions and considerations that you need to keep in mind – and some pitfalls to avoid.

6.2. How to find the right MVT technology

This section acts as a checklist, but should also draw your attention to some pitfalls to avoid.

Before you start looking for a suitable MVT vendor, you need to have...

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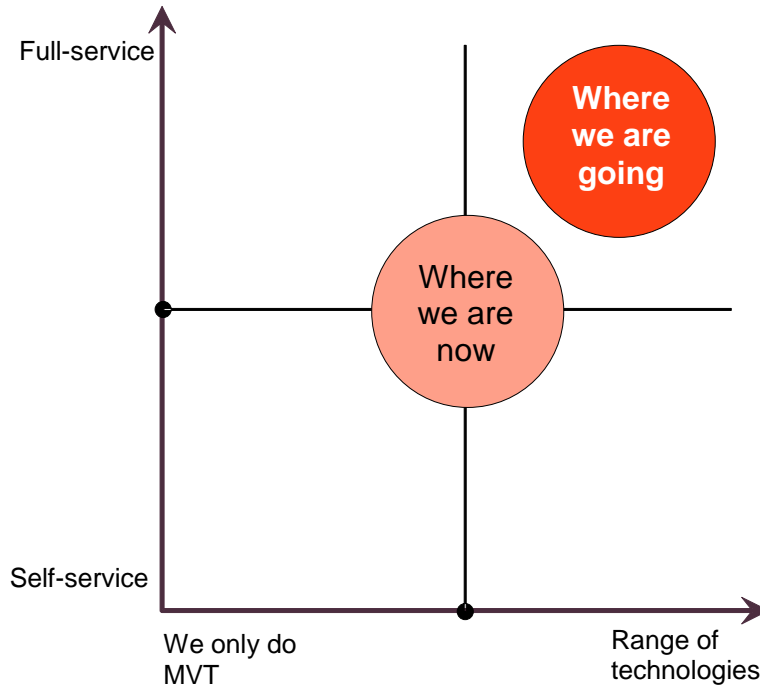


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7. Market Positioning Charts

7.1. Explanation for Chart 1: Business model



The **vertical** axis charts to what extent the company provides a full-service solution, as opposed to a self-service one.

The **horizontal** axis charts the extent to which the supplier is focused purely on multivariate testing as opposed to offering a portfolio of technologies which includes multivariate testing.

For example, a vendor positioned in the bottom right quadrant will offer a portfolio of technologies including multivariate testing and will be more geared towards offering a self-service solution.

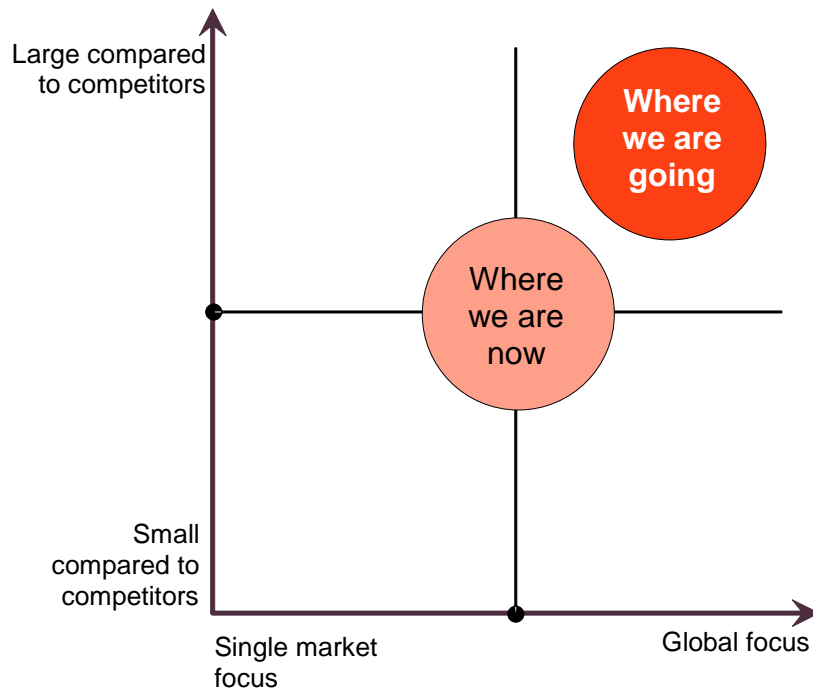
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7.2. Explanation for Chart 2: Type of company



The **vertical** axis charts the size of the company compared to its competitors.

The **horizontal** axis charts the extent to which the vendor is geared towards a specific market, as opposed to being a more global player.

For example, a vendor positioned in the bottom right quadrant will be small compared to its competitors and have a global focus.

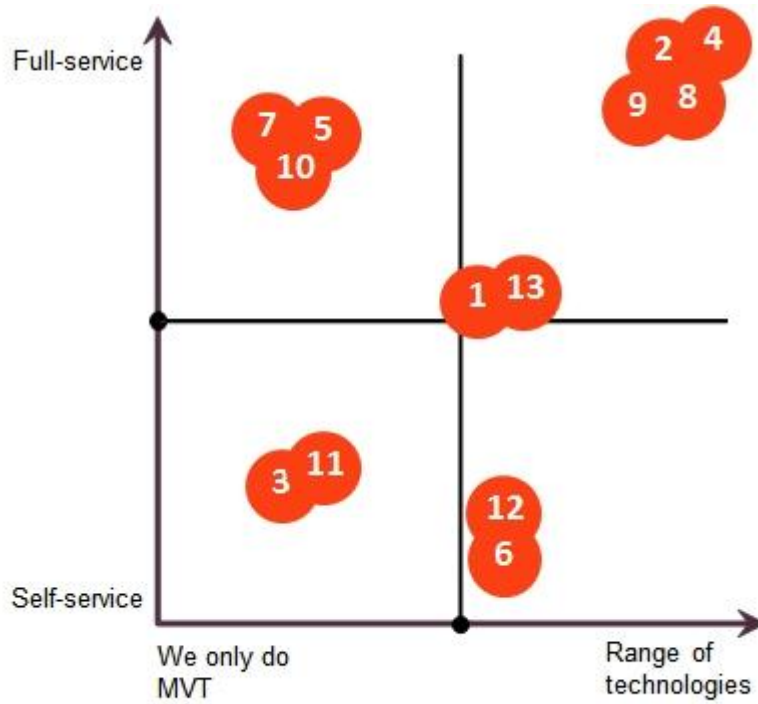
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7.3. Market positioning overview: Business model



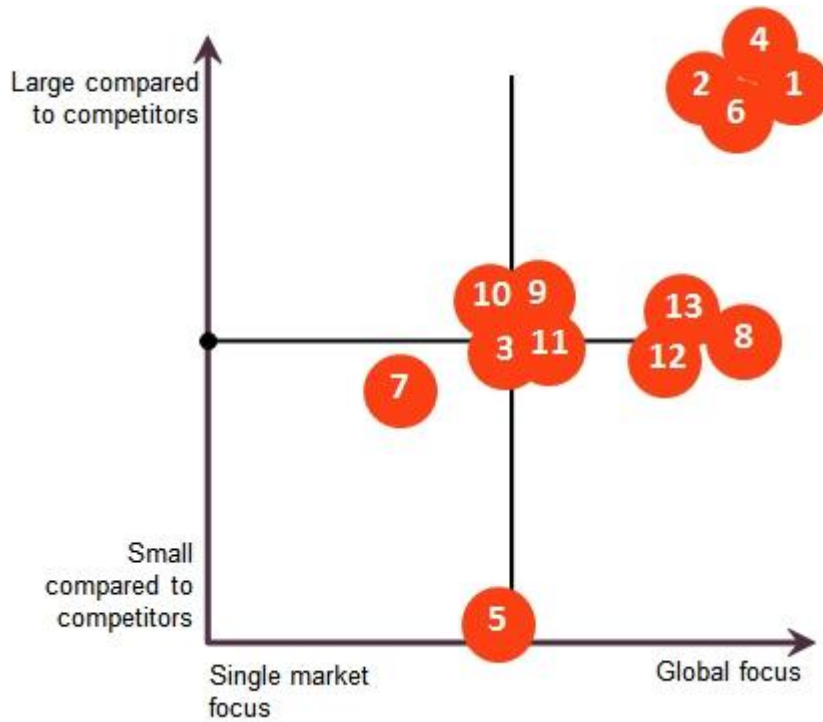
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7.4. Market positioning overview: Type of company



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8. Supplier Matrix

An at-a-glance overview of who's doing what...

Supplier matrix: a fast guide to services	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample
Service Model													
Full-service solution	●	●	●	●	●		●	●	●	●	●		●
Self-service solution	●	●	●	●	●	●	●	●	●		●	●	●
Hosted	●	●	●	●	●	●	●	●	●	●	●	●	
Other Services													
Segment targeting (rules)													
Recommendation engine (automated model)													
Behavioral targeting (automated model)													
Type of Testing Methodology / Technology													
A/B Testing by URL													
A/B Testing using multiple content variants													
MVT – Full factorial													
MVT – Fractional factorial/Taguchi Method													
Ability to cull poor content as test proceeds													
Engine Type													
Client-side (generic JavaScript tag across all pages)													
Client-side (single JavaScript tag per page)													
Client-side (code embedded in each page)													
Server-side													
Inspection proxy													
Interface													
Is HTML knowledge needed to define tests?													
Live preview of variations													



Supplier matrix: a fast guide to services	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample	Sample
Test Segmentation Methods													
Is the system able to limit tests to specific audience segments?													
Inbound search keywords													
Referring URL													
Landing page URL													
Query string parameter													
Cookie parameter													
Visitor type													
Time returning													
Visit Metrics (Time/duration)													
On-site search keywords													
By device (e.g. iPad)													
Integration													
Web analytics													
CRM data													
E-commerce platform													
CMS													
Types of Reporting													
Ability to report against multiple goals													
E-commerce conversion													
Page goal conversion													
Bounce rate													
Revenue per page generation													
Revenue per visitor													
Gross profit / gross margin													
Average order value													
Custom event conversions													
Are reports available online?													



9. Specialist Conversion Optimization Agencies

Below is a list of agencies specializing in conversion optimization and the implementation of MVT technology.

Sample	<URL>
	<Company description>
	Contact details

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10. Supplier Marketplace and Profiles

10.1. Sample

Company name

URL

Company Proposition

<Sample>

Brief Company History

<Sample>

USP – What sets you apart from competitors?

<Sample>

Case study and/or testimonials

<Sample>

Company logo

COMPANY OWNERSHIP

<Sample>

CLIENTS

<Sample>

OFFICE LOCATIONS

<Sample>

HEAD OFFICE ADDRESS

<Sample>

CONTACT

<Sample>

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Service Model	
Full-service solution	
Self-service solution	
Hosted	
Other (please specify)	
Other Services	
Segment targeting (rules)	
Recommendation engine (automated model)	
Behavioral targeting (automated model)	
Other related services (please specify)	
Type of Testing Methodology / Technology	
A/B Testing by URL	
A/B Testing using multiple content variants	
MVT - full factorial	
MVT - Fractional factorial/Taguchi Method	
Ability to cull poor content as test proceeds	
Other (please specify)	
Engine Type	
Client-side (generic JavaScript tag across all pages)	

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Client-side (single JavaScript tag per page)	
Client-side (code embedded in each page)	
Server-side	
Inspection proxy	
Other (please specify)	
Interface	
Is HTML knowledge needed to define tests?	
Live preview of variations	
Test Segmentation Methods	
Is the system able to limit tests to specific audience segments?	
Inbound search keywords	
Referring URL	
Landing page URL	
Query string parameter	
Cookie parameter	
Visitor type	
Time returning	
Visit Metrics (Time/duration)	
On-site search keywords	
By device (e.g. iPad)	
Other (please specify)	

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Integration

Web analytics

CRM data

E-commerce platform

CMS

Other (Please specify)

Types of Reporting

Ability to report against multiple goals

E-commerce conversion

Page goal conversion

Bounce rate

Revenue per page generation

Revenue per visitor

Gross profit / gross margin

Average order value

Custom event conversions

Are reports available online?

Other (please specify)

Pricing

Subscription model based on server calls (please specify typical amount or range)

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Subscription model based on flat licence fee (please specify typical amount or range)	
Performance-based pricing (please specify typical amount or range)	
Set-up fee (please specify typical amount or range)	
Fee per number of 'seats' (please specify typical amount or range)	
Consultant daily rate (please specify typical amount or range)	
Other (please specify)	
Service	
Dedicated consultant / account manager	
Telephone support desk	
Other (please specify)	
Number of staff specifically dedicated to the support of MVT customers (by geography)	
Please give details of how you charge (or don't charge) for support	
Additional Supporting Information	
Any other relevant information	

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Sample – Market Positioning Charts

Chart 1: Business Model

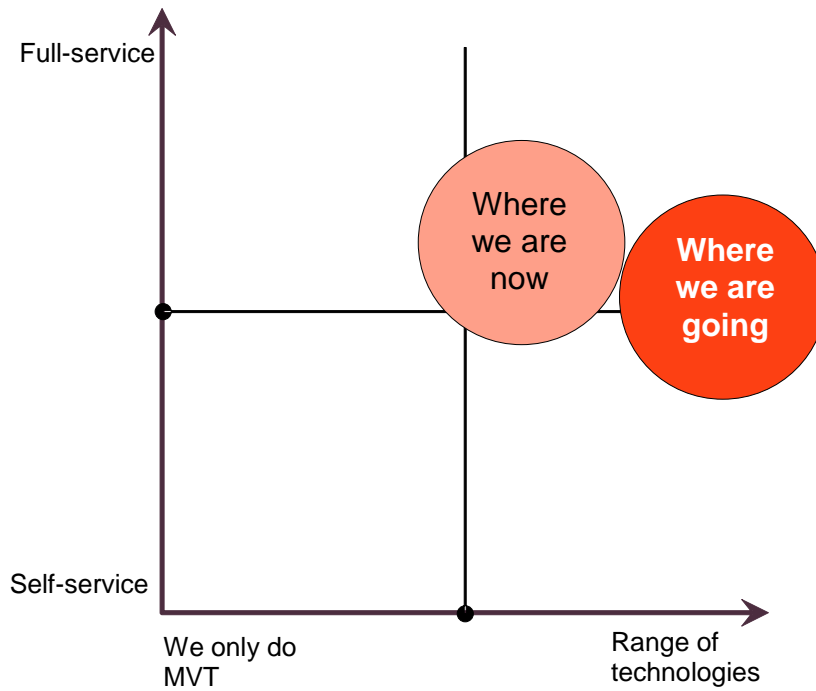


Chart 2: Type of Company

