



MarketDial

White Paper Series
Interpret Test Results

Maximizing the value of testing for your stakeholders

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Interpret Test Results

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How to interpret test results to drive business success

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“I know what we need to do. Testing will just slow us down.” This mindset is one of the most challenging for a marketing or research team to overcome within an organization. Retailers have to act fast, but they also have to act strategically.

Competitive market pressures demand that retailers be able to adapt and innovate quickly. But suboptimal initiatives can cause multi-million dollar loss. Data-driven decisions will reduce the probability of biased or miscalculated rollouts.

A unified methodology helps stakeholders compare results and allocate limited resources to initiatives with the highest potential for return on investment.



Imagine that ...

You have a specific budget to add equipment that will either make it easy to move stock around or detect stock loss. Which will deliver the best benefit, and why?

Plan for success before you begin to test



Think about what you want to achieve with your trial to ensure it is actionable. Have you determined ...

A specific lift percentage or hurdle rate?

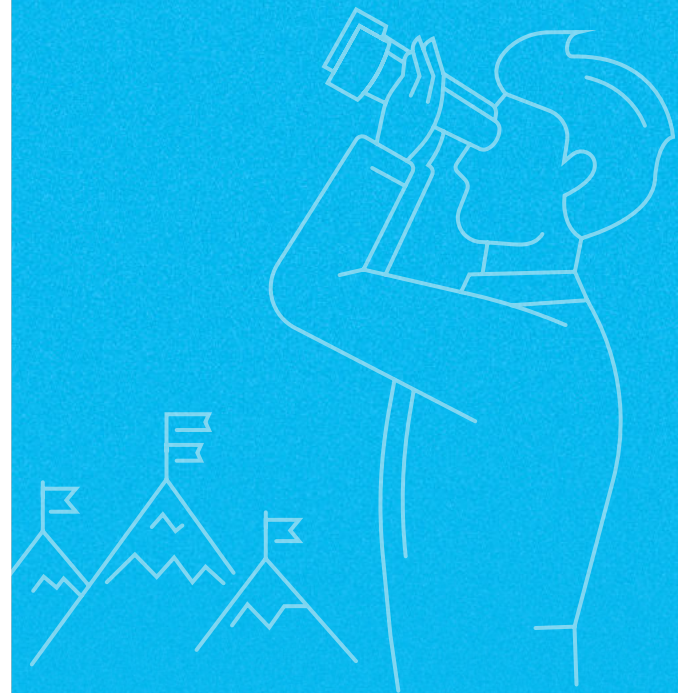
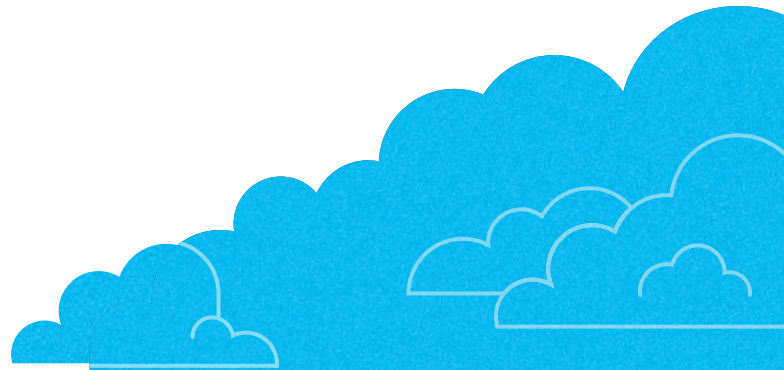


The minimum acceptable level of confidence to move forward?



The next actions if the results support your hypothesis?

Expectations and goals can vary—and sometimes conflict—among stakeholders. For example, finance stakeholders may care about hurdle rate; those focused on net promoter scores are more concerned with voice of the customer. There can be unintended consequences when a test is not balanced based on overall needs, such as cost savings to the detriment of customer satisfaction.



Organizations enjoy smoother, faster decision making when they have a framework in place to:

- ◇ Define the desired success
- ◇ Consider what levers (or tradeoffs) are appropriate for that outcome
- ◇ Determine specific next steps

Expect to read results holistically

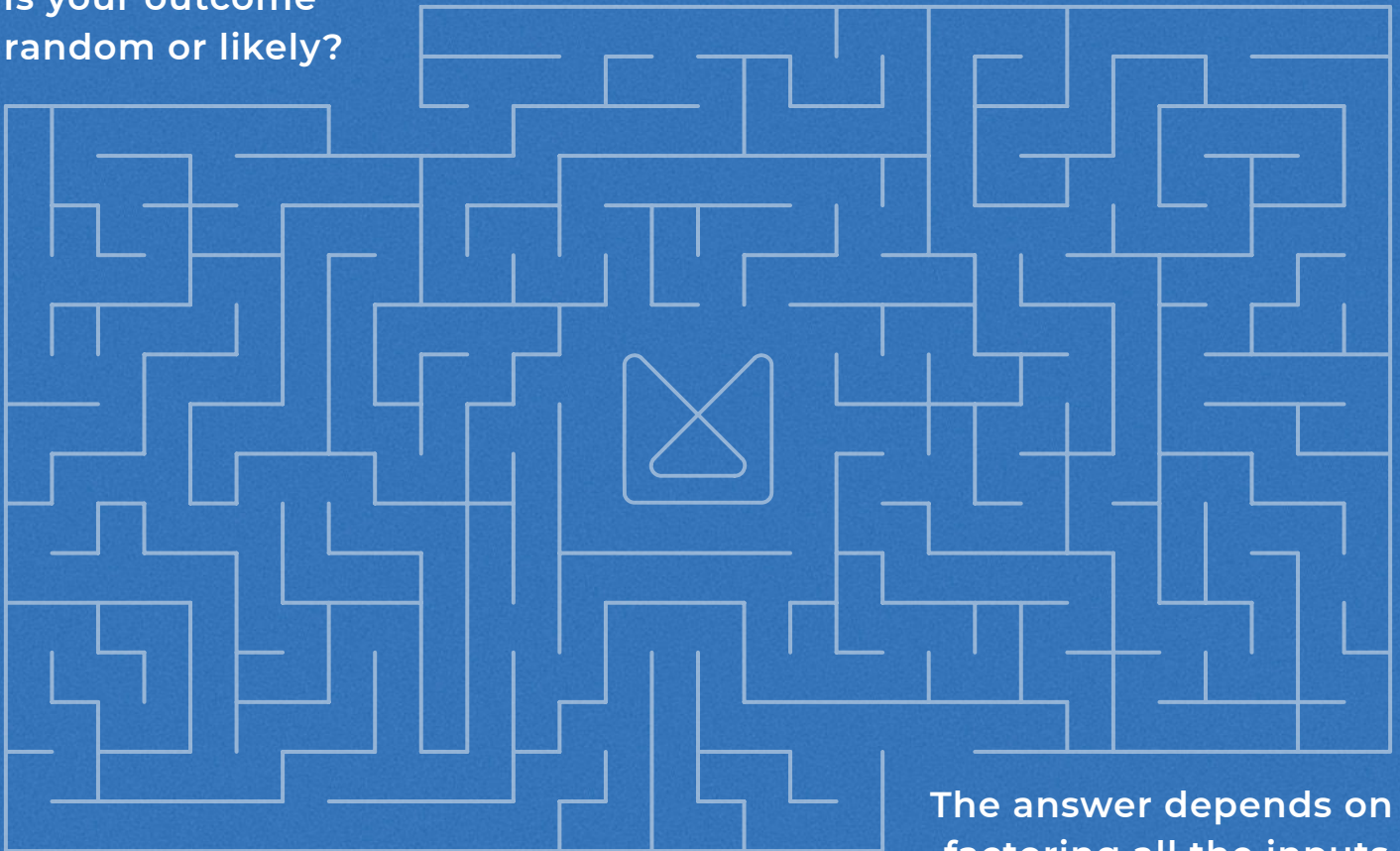
The trial output components need to be analyzed in conjunction with one another to get an accurate picture of what's possible. If you assume a positive outcome solely based on the lift without considering statistical confidence, you can end up with suspect rollout outcomes. This is particularly true when testing volatile metrics or products.

For example, you may be testing an area with higher household income. A move to a premium product offering over a budget item may deliver positive lift. But given the income differential, the confidence metric is low based on being able to sustain the lift across your footprint. It's essential to use representative samples and comparable control stores to confidently predict rollout outcome.

[Read Previous Article – Finding your optimal test parameters](#)



Is your outcome random or likely?



The answer depends on factoring all the inputs.

Consider how time will influence testing success

How frequently will a customer interact with your test concept? If you are only testing for a few weeks but customers may only experience a new layout once during that time, you may not get a definitive result.

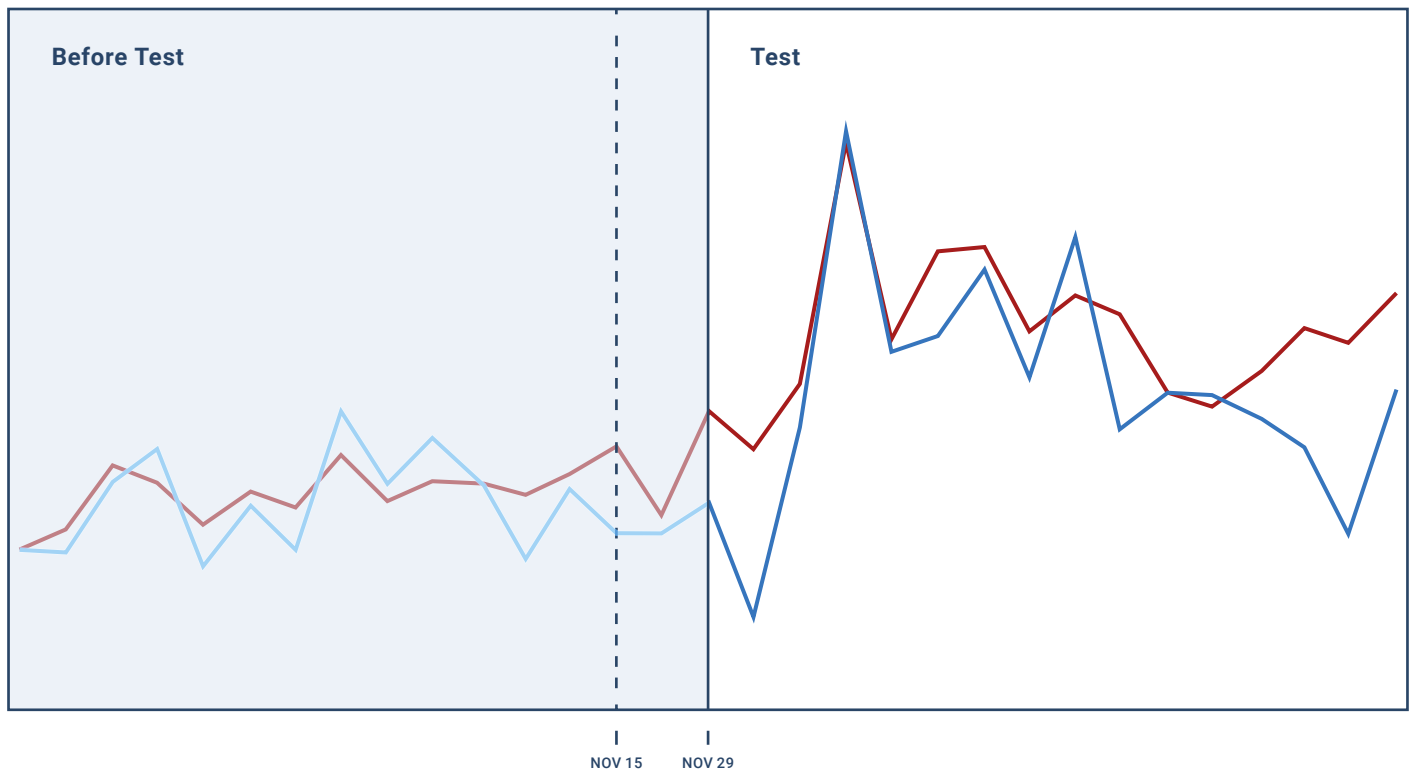
Results may indicate that you need to test more because your initiative will take longer to take their full effect on customers. Trend charts help identify whether you have allowed for enough time.

Comparison Trend

— Treatment

— Scale Control Values

- - Implementation



Connect the dots to your trial outcome and your rollout outcome

You've identified what you want to achieve, gathered stakeholders to understand their expectations, read the results holistically, and made sure you are allowing enough time to realize an

initiative's impact. When the test is over and the rollout is complete, pinpoint what worked and what didn't based on your predetermined thresholds. This will help fuel your future A/B experiments and even greater success.

Ground your hypothesis and use it to build your story



It's good to have a hypothesis of what you expect to see from a test. It's problematic to be reluctant to use a reliable testing process to confirm that hypothesis. For every experiment, create an actionable business case that will align your stakeholders. Then showcase that narrative through your planning, inputs and results. The MarketDial platform makes it easy to access scenario analysis tools and charts to illuminate and justify your strategy.

Why MarketDial

More than 100 leading companies and global brands rely on MarketDial to help create a culture of experimentation with intentionally easy A/B testing. MarketDial's simple interface makes asking, "What if?" the cost-effective protocol for intelligent action. [Learn how now](#)

About Zain Zawahreh, Client Success and Data Scientist, MarketDial

Zain has a Bachelor of Science in computer engineering, with both a Master of Business Administration and a Certified Public Accounting license. Born in Jordan, she is Australian—residing in Sydney since 2015. She has a keen understanding of what it takes to be commercially successful, having worked within seven different industries in four countries. Her experiences have led her to five continents, with South America and Antarctica to come. Two active boys keep her on the run—from beach to bush to parks. Her passion, when she can find time to do it, is fencing. She envisions doing more of that in the future, perhaps inspiring her kids to follow in her footsteps. Hard rock powers the soundtrack of her life; sci fi anime entertains her and, perhaps, provides insight for what's to come.