WebSphere® Commerce V6.0 feature pack 4

Marketing experimentation

This presentation covers the marketing experimentation feature added to the marketing tool in WebSphere Commerce V6 feature pack 4.
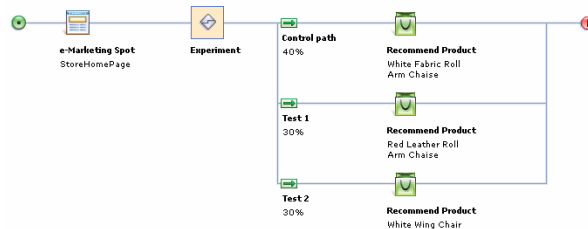
Agenda

- Terminology review

- Experiment attributes

- Types of experiments

- Specifying a winning experiment

Marketing experimentation

This presentation will begin by reviewing marketing experimentation terminology. It then moves on to experiment attributes, types of experiments and how to specify a winning experiment in Management Center.

Experiment terms

- Test element
- Control test element
- Path
- Branch
- Display ratio
- Session

Marketing experiments, sometimes referred to as A/B testing, are used to test alternate site content as a means to determine the effectiveness of one marketing strategy versus another. This slide summarizes the terminology associated with experiments that will be used throughout this presentation.

A test element is one of a set of alternative strategies. It is made up of one or more campaign elements (triggers, targets and actions). The control test element is the first test element. It often represents an existing marketing activity with the additional test elements representing the alternate strategies being considered.

A path is a set of one or more campaign elements (triggers, targets and actions). A branch is a decision point within a marketing activity flow that has two or more associated paths. Based on the decision made by the branch, the shopper will proceed along the selected path. The display ratio is a percentage used by the branch to determine the ratio of shoppers that will proceed down a given path and see a given test element

Finally, session is the length of time used to correlate if the content displayed in an eMarketing spot influenced a shopper's purchase. For example, if a purchase contains products that were displayed to the shopper by an experiment within the current session, it is considered that the purchase was influenced by the experiment.

WCS6004_MarketingExperimentation.ppt

Experiments as branches

- Random
  - ▶ Percentage based
  - ▶ Recommended for spot and content tests

- Evaluation-based
  - ▶ Test based
  - ▶ Recommended for segment and Web activity tests

In Accelerator, marketing experiments are created as a separate entity. With Management Center, marketing experiments are represented as a branch in a marketing Web activity. This allows you to make use of the drag-and-drop activity builder to create experiments or add experimental paths to an existing activity. The experiment icon, seen in the screen capture, is included in the activity builder palette.

Two branching types are supported: random branches and evaluation-based branches. In a random branch, each path is given a percentage that determines the weighting of how many shoppers will go down a particular path. Each shopper is randomly assigned to one of the branches based on the ratios provided. Random branches are used exclusively in experiments created with Accelerator. In Management Center, random branches are recommended for spot and content tests. Evaluation-based branches are new in Management Center. In this branch type, each path is evaluated in the sequence provided. The first path that successfully passes all the targets is the path upon which the shopper will proceed. Evaluation-based branches are recommended for Segment and Web activity tests.

Experiment attributes

Experiment

General Properties   Paths   Statistics

*Name ⓘ [   ]

Branch type ⓘ [Random path   ▼]

Frequency of element ⓘ [No change - Customer always see ... ▼]
changes for each customer

Maximum number of ⓘ [▲▼]
customers

Start date ⓘ [YYYY/MM/DD 📅] [HH:MM AM/PM 🕐]

End date ⓘ [YYYY/MM/DD 📅] [HH:MM AM/PM 🕐]

Session length (seconds) ⓘ [▲▼]

Status ⓘ ⦿ Running
         ○ Suspended

The experiment attributes are displayed in the property panel of the activity builder. The attributes name, scope, maximum number of shoppers, start/end date and status map directly to the attributes of experiments created with Accelerator. Two new attributes have been added in Management Center. Branch type specifies whether a random or evaluation-based branch should be used to determine which test element a shopper sees. Session length specifies the length of time used to determine if the content displayed in an eMarketing spot influenced a shopper's purchase. Also, for experiments with a session scope, it represents the length of time for which the shopper will proceed along the same test element. Session length is an optional attribute, and it overrides the default configuration setting.

For coremetrics integration, experiment name and path name attributes are used to identify the experiment and elements in coremetrics reports.
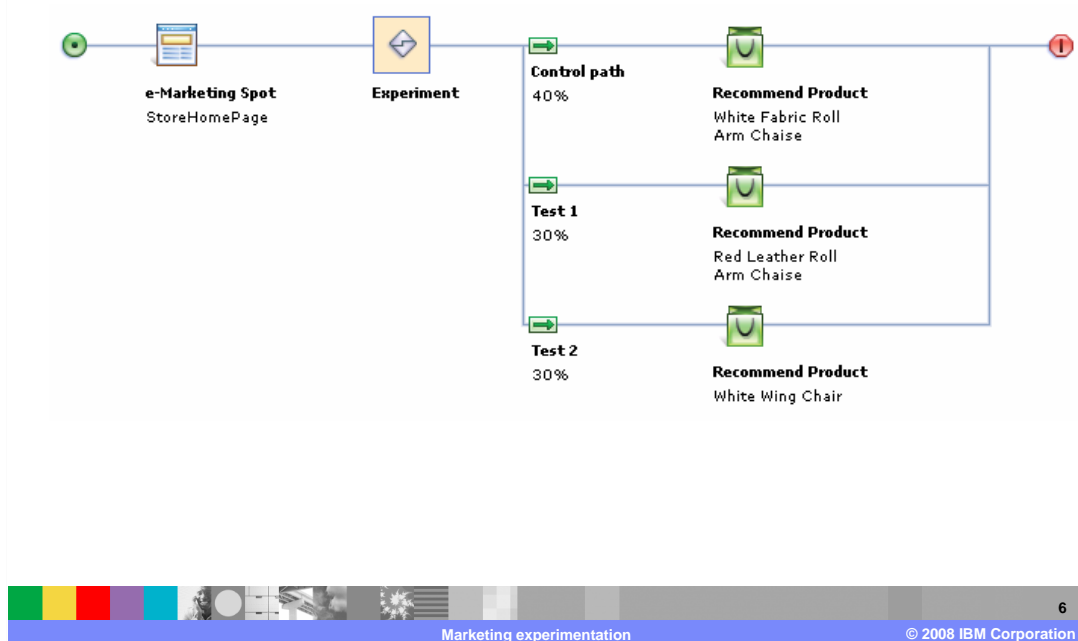
The next four slides show examples of how to create experiments similar to the ones provided in Accelerator in addition to examples using the evaluation-based branch. Since Management Center does not have predefined experiment types, you are free to combine elements in a variety of ways to create new experiment types.

This slide shows an example of a content test. This test type determines which content provides the best return in an eMarketing spot. A traditional random branch is used in this experiment.
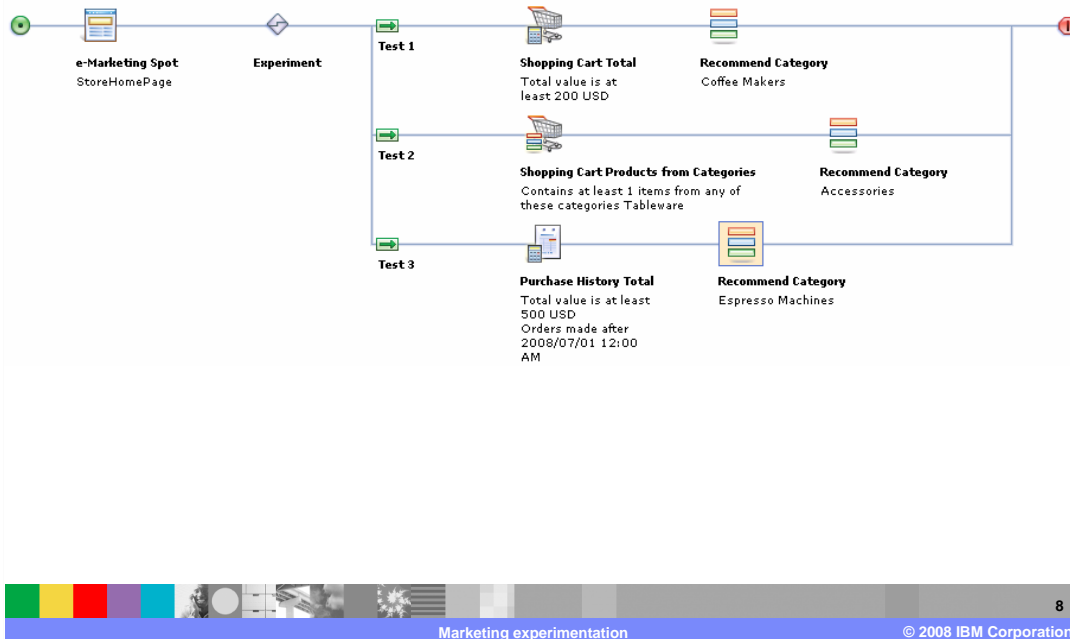
Spot test

This slide shows an example of a spot test used to determine which eMarketing spot location provides the best return for the content displayed. Random branch types are also recommended for spot tests.

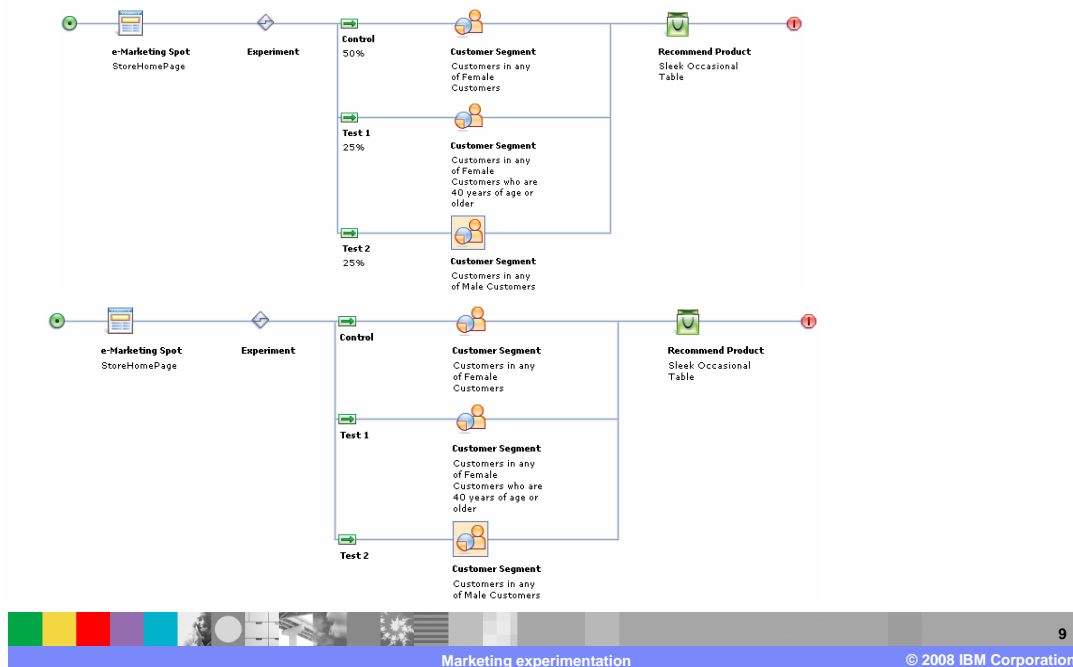# Web activity test

On this slide you see an example of a Web activity test. This test type determines which Web activity performs better in an eMarketing spot. The new evaluation-based branch is demonstrated here. The first condition to be true for the shopper determines the recommendation they will see.
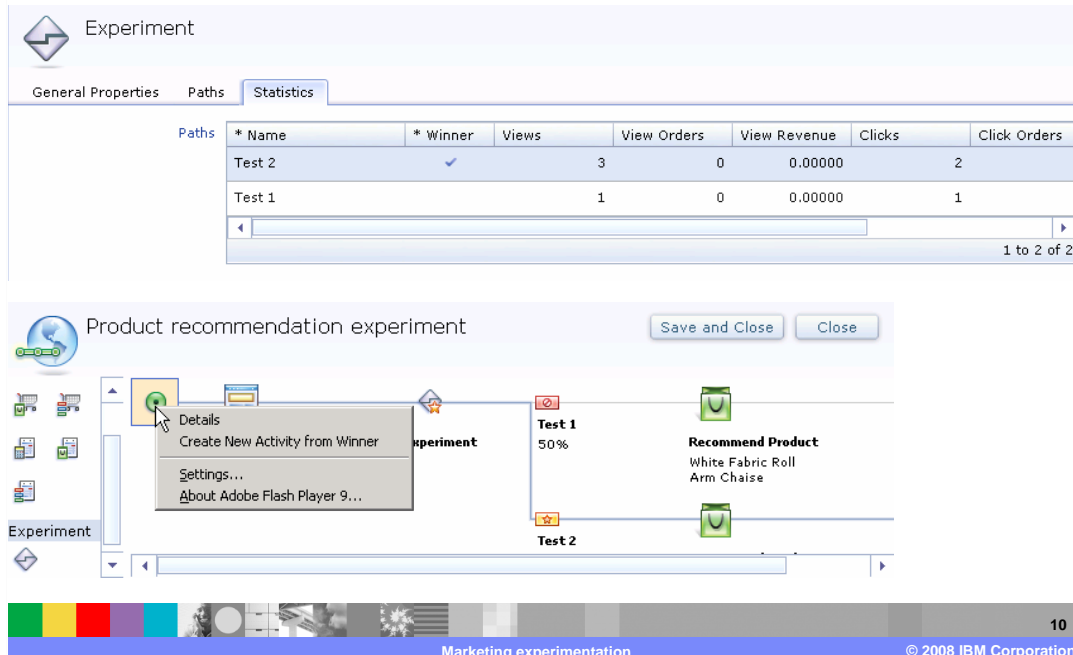
Segment test

Finally, this slide shows two examples of a segment test used to test which segment responds best to the displayed content. In the first example, each shopper is randomly assigned to one of the paths, and then they might see the product or not, depending on the evaluation of the target. This is equivalent to the Accelerator definition of a segment test.

The second example uses an evaluation-based branch which provides more useful business value for a segment experiment than the random branch. Each shopper proceeds along the first path on which they pass the target.

Selecting the winning experiment

You can determine the most effective experiment path by viewing the experiment's statistics tab shown here on the top half of the screen. To specify a winning path, check off the path that produced the best results. Once a winning path is selected, you can create a new version of the activity that uses the winning path for all users. You create the new version of the activity by selecting "Create Activity from winner" on the activity. The current activity is set as a previous version, and a new activity is created with the experiment branch and test element paths removed, and only the selected winning test element path remains. Once you activate the new activity, it is available for all shoppers who qualify.

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Summary

- Experiment represented as a branch

- New branch type

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There are two important differences to take note of between marketing experiments in Accelerator and Management Center. The first is that experiments in Management Center are represented as a branch in a Web activity and are created using the Web activity builder introduced in feature pack 3. This provides greater flexibility when setting up an experiment. The second change is the addition of a new type of branch. The evaluation-based branch provides a more intuitive approach to certain types of tests, in particular segment and Web activity testing.

References

- Enabling marketing tool and storefront changes
  http://publib.boulder.ibm.com/infocenter/wchelp/v6r0m0/index.jsp?topic=/com.ibm.commerce.management-center.doc/tasks/tsbenable.htm

- Marketing experiments
  http://publib.boulder.ibm.com/infocenter/wchelp/v6r0m0/index.jsp?topic=/com.ibm.commerce.management-center.doc/concepts/csbexpoverview.htm

- Experiment statistics collection and calculation
  http://publib.boulder.ibm.com/infocenter/wchelp/v6r0m0/index.jsp?topic=/com.ibm.commerce.management-center.doc/concepts/csbstatscalc.htm

Here are some additional references that might be helpful as you work with marketing experiments.

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