Optimize Customer Experiences With Online Testing And Continuous Optimization

Benchmarks: The Digital Intelligence Playbook

by James McCormick
January 26, 2016

Why Read This Report

Online testing approaches are core to a continuous optimization strategy for delivering the best customer experiences possible by iteratively improving customer interactions. This report assesses the state of online testing and calls on customer insights (CI) professionals to boost the strategic value that practices can deliver using the four continuous optimization dimensions.

Key Takeaways

**Tactical Approaches Starve Online Testing Success**
Executive decision-makers and budget holders are unaware of the value that online testing approaches can bring to a competitive strategy.

**Reframe Online Testing Within A Continuous Optimization Strategy**
You must consider the number of customer interactions, digital interaction channels, customer life-cycle phases, and online testing techniques when making the strategic case for online testing.

**Enhance Your Online Testing Program Along The Continuous Optimization Dimensions**
Elevate the value that your online testing program delivers by making changes and investments that incrementally improve its state within each dimension.
Optimize Customer Experiences With Online Testing And Continuous Optimization

Benchmarks: The Digital Intelligence Playbook

by James McCormick
with Mary Pilecki, Emily Miller, and Merlina McGovern
January 26, 2016

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Notes & Resources

Forrester interviewed eight online testing platform vendors and surveyed 43 companies using online testing platforms. As part of Forrester’s Q3 2015 Global Online Testing Platform Customer Online Survey, we surveyed 123 decision-makers within end user firms of leading online testing platforms.

Related Research Documents

The Forrester Wave™: Online Testing Platforms, Q3 2015
Supercharge Analytics With Digital Intelligence
Transform Customer Experience With Continuous Optimization

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Online Testing Stumbles Without A Strategic Framework

Online testing techniques such as A/B/n and multivariate testing are analytics-driven methods for validating whether suggested modifications to a digital touchpoint (within websites, mobile apps, etc.) provide the optimal benefits for the business and its customers. As such, online testing is core to continuous optimization strategies that seek to leverage every digital customer interaction to boost customer understanding and experiences. Many testing programs that have started off as tactical projects or pilots have very quickly proven their value, and CI professionals are now seeking to develop these into larger programs serving multiple marketing, eCommerce, and customer experience stakeholders. But these programs lack the support and guidance of strategic approaches and are slow to scale because (see Figure 1):

› **Online testing lacks executive visibility.** Only 32% of respondents to Forrester’s Q3 2015 Global Online Testing Platform Customer Online Survey were executive level or higher. The rest of the respondents were departmental managers or individual contributors. Executive budget holders still do not appreciate the potential value that online testing can deliver to the business. Nicola Arnese, VP of eCommerce and digital at Alitalia, informed Forrester that convincing executives of the importance of online testing technologies is the biggest obstacle to growing and maturing their online testing program.

› **Online testing is starved of resources.** Within the same survey, only one-third of online testing practices employed multiple full-time resources. The remaining practices were managed by a single full-time employee, by part-time resources, or a mixture of both. The result? CI pros find that the biggest challenge to operating online testing applications is lack of staff. Engineering manager of Nordstrom’s analytics tech operations, Sean Halliburton, states that “the complexity of the testing process from test creation through to managing the content production process to support scalable testing demands a dedicated team of in-house online testing experts.”

› **Failure to integrate online testing with analytics leaves money on the table.** Whether it’s increasing average order value, boosting registrations, or generally improving digital customer conversion, it is clear that practices with some level of maturity with regard to data integration and digital analytics gain significant advantage with their online testing programs than those at a lower maturity level (see Figure 2). A lead digital optimization advisor within a large US insurance and financial services firm told Forrester that the firm is only applying basic web behavioral data for online testing. The firm has started a project to merge existing customer data with behavioral data within its online testing tool. The goal is to more effectively target tests and determine which customers respond best to which experiences.
FIGURE 1 The Lack Of A Strategic Vision For Online Testing Slows Investment

1-1 Online testing lacks executive visibility.

"Which role most closely describes your position?"

- Senior-most decision-maker in the company: 2%
- Senior-most decision-maker in the department: 13%
- Executive (e.g., VP, director; reporting to senior decision-maker): 17%
- Departmental manager reporting to an executive in the department: 45%
- Individual contributor: 23%

Base: 123 business users of online testing platforms

1-2 Online testing is starved of resources.

"How is the online testing program staffed at your firm?"

- Multiple full-time resources: 33%
- Multiple part-time resources: 23%
- A single part-time resource: 15%
- A single full-time resource: 14%
- A combination of part and full-time resources: 13%
- Other, please describe: 2%

Base: 120 business users of online testing platforms

Source: Forrester’s Q3 2015 Global Online Testing Platform Customer Online Survey
FIGURE 1 The Lack Of A Strategic Vision For Online Testing Slows Investment (Cont.)

CI pros find the biggest challenge to online testing applications is lack of staff.

“What challenges do you experience in operating your company’s A/B and/or multivariate testing application?”

- Lack of staff to manage the testing program and utilize testing applications: 39%
- Securing IT resources to deploy and manage test code on the website: 29%
- Prioritizing testing initiatives: 25%
- Developing test content (such as creative elements and/or promotions to serve as test variations): 21%
- Demonstrating return on investment: 16%
- Acting upon test results: 16%

Base: 114 business users of online testing platforms (multiple responses accepted)

Source: Forrester’s Q3 2015 Global Online Testing Platform Customer Online Survey
FIGURE 2 Mature Digital Analytics Practices Drive Greater Online Testing Advantages

2-1 Most business users of online testing platforms can improve the integration of data and digital analytics to optimize online testing programs.

“I feel that our existing digital analytics program is . . .”

- Not integrated at all: We lack a unified view of the customer across channels. 14%
- Somewhat integrated: We have a unified view of the customer across some of our digital interactive channels. 55%
- Integrated: We have a unified view of the customer across most/all of our digital interactive channels. 31%

Base: 123 business users of online testing platforms

2-2 Integrated digital analytics programs realized more testing benefits.

Benefits realized from online testing

- Increased registration (registrations/visits) (N = 27)
  - Integrated: 24%
  - Somewhat integrated: 26%
  - Not integrated: 6%
- Increased average order value (online revenue/orders) (N = 50)
  - Integrated: 51%
  - Somewhat integrated: 41%
  - Not integrated: 24%
- Increased conversion (orders/visits) (N = 107)
  - Integrated: 89%
  - Somewhat integrated: 91%
  - Not integrated: 82%

Base: 120 business users of online testing platforms

Source: Forrester’s Q3 2015 Global Online Testing Platform Customer Online Survey
Build An Online Testing Strategy Based On Continuous Optimization

Online testing is a core technique contributing to a continuous optimization capability, along with other data-driven optimization approaches such as behavioral targeting, programmatic buying, and product recommendations. Forrester has defined four key dimensions of a continuous optimization strategy. CI professionals should align their online testing programs with each continuous optimization dimension and consider (see Figure 3 and see Figure 4):

› **The proportion of digital interactions to which they apply online testing.** An online testing approach aligned with a continuous optimization strategy demands that CI professionals seek to apply online testing techniques to every digital interaction possible. The objective is to leverage every single opportunity available to learn about what experiences — delivered within digital interactions — best meet the customers’ and business’ needs.

› **The digital channels to which they apply online testing.** CI pros must consider extending their online testing program beyond fixed and mobile websites to mobile apps, offsite ad targeting, email, and more. Firms must be ready to test, learn, and ultimately optimize customer interactions within every digitally interactive channel.

› **The customer life-cycle phases to which they apply online testing.** Customers leverage channels to digitally interact with firms across the entire customer life cycle from when they are discovering brands; to exploring, buying, using, and seeking support for products; to then reengaging brands. At whatever stage customers digitally engage with us, CI professionals must be ready with online testing techniques to learn about the best way to meet their needs.

› **The online testing techniques they apply to digital interactions.** You must consider the available online testing techniques in your continuous optimization strategy such as A/B testing and multivariate testing, as well as the level of machine learning and automation applied in each. An online testing program that is able to support continuous optimization needs automation, integration, and multiple optimization techniques.
FIGURE 3 The Four Continuous Optimization Dimensions Of Online Testing

Direction of increasing maturity

Proportion of digital interactions to which online testing is applied

Dimensions of continuous optimization

Large majority
Majority
Minority
Small minority

Interaction

Customer life-cycle phases to which online testing is applied

Every digital interaction within every phase
Each phase
Multiple phases
Single phase

Every digital channel
Multiple isolated channels
Within a single isolated channel
Within channels

Digital channels to which online testing is applied

Online testing techniques applied to digital interactions

A/B testing
A/B and multivariate testing
Extensive use of automation
Extensive use of segmentation

Proportion of digital interactions to which online testing is applied

Large majority
Majority
Minority
Small minority

A/B testing
A/B and multivariate testing
Extensive use of automation
Extensive use of segmentation

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Dimensions of continuous optimization

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Within channels

Digital channels to which online testing is applied

Online testing techniques applied to digital interactions

A/B testing
A/B and multivariate testing
Extensive use of automation
Extensive use of segmentation
## FIGURE 4 Continuous Optimization And The Stages Of Online Testing Progression

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Progressive stages of maturity</th>
<th>Stage description</th>
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<tbody>
<tr>
<td>Proportion of digital interactions to which online testing techniques are applied</td>
<td>Small minority</td>
<td>Online testing techniques applied to 20% or fewer of the total digital customer interactions; including those within fixed web, mobile apps, digital advertising, email, etc.</td>
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<tr>
<td></td>
<td>Minority</td>
<td>Online testing techniques applied to between 21% and 50% of the total digital customer interactions; including those within fixed web, mobile apps, digital advertising, email, etc.</td>
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<td></td>
<td>Majority</td>
<td>Online testing techniques applied from 51% to 80% of the total digital customer interactions; including those within fixed web, mobile apps, digital advertising, email, etc.</td>
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<tr>
<td></td>
<td>Large majority</td>
<td>Online testing techniques applied to greater than 80% of the total digital customer interactions; including those within fixed web, mobile apps, digital advertising, email, etc.</td>
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<tr>
<td>Customer lifecycle phases to which online testing techniques are applied</td>
<td>Single phase</td>
<td>Online testing techniques are applied to only one of the six customer lifecycle phases.</td>
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<tr>
<td></td>
<td>Multiple phases</td>
<td>Online testing techniques are applied to more than one of the six customer lifecycle phases.</td>
</tr>
<tr>
<td></td>
<td>Every phase</td>
<td>Online testing techniques are applied partly to each of the six customer lifecycle phases.</td>
</tr>
<tr>
<td></td>
<td>Every digital interaction within every phase</td>
<td>Online testing techniques are applied at every opportunity to each of the six customer lifecycle phases. (i.e., wherever customer interactions are digitized within each customer lifecycle phase, online testing techniques are applied.)</td>
</tr>
<tr>
<td>Digital channels to which online testing techniques are applied</td>
<td>Within a single isolated channel</td>
<td>Online testing techniques are applied solely within a single digital channel, e.g., fixed web.</td>
</tr>
<tr>
<td></td>
<td>Multiple isolated channels</td>
<td>Online testing techniques are applied within more than one digital channel (e.g., fixed web and email) but using different techniques; and/or within separate projects and/or programs.</td>
</tr>
<tr>
<td></td>
<td>Across channels</td>
<td>Online testing techniques are applied across more than one digital channel and applied within a single coordinated program (e.g., the entire user journey from opening an email to click through to converting on the website).</td>
</tr>
<tr>
<td></td>
<td>Within every digital channel</td>
<td>Online testing techniques are applied across every digital channel and applied within a single coordinated program.</td>
</tr>
<tr>
<td>Types of online testing techniques applied</td>
<td>A/B testing</td>
<td>Only A/B testing or split testing techniques are used.</td>
</tr>
<tr>
<td></td>
<td>A/B and multivariate testing</td>
<td>A/B testing or split testing techniques are used together with some multivariate techniques.</td>
</tr>
<tr>
<td></td>
<td>Extensive use of segmentation</td>
<td>Extensive use of segmentation to target, analyze, and optimize online testing.</td>
</tr>
<tr>
<td></td>
<td>Extensive use of automation</td>
<td>Extensive use of automation to manage and scale testing; for example, the use of automation when generating test variants, executing tests, running tests, and/or applying the winning results of tests</td>
</tr>
</tbody>
</table>
Elevate Testing By Achieving Four Continuous Optimization Objectives

Using the four continuous optimization dimensions as a guide through which to assess the current state of online testing practices, after interviews with optimization leaders, Forrester found that most practices have many opportunities for improvement (see Figure 5). CI professionals are only testing a minority of the interactions that customers have with them; testing is very much focused on the website channel and the “explore” and “buy” part of the customer life cycle; and programs are very focused on A/B testing. CI pros must take advantage of this current state as even incremental improvements to their online testing programs will yield business benefits advantageous to the rest of the enterprise. For instance, the director of customer intelligence and analytics at Alaska Airlines, Brian Behunin, told Forrester that the recognition by business peers had generated the executive sponsorship necessary to double the size of their testing program every year since its inception. Upgrade your online testing program by advancing toward the four continuous optimization objectives of learning from every possible customer interaction, testing customer interactions across the entire customer life cycle, aligning with a customer-centric strategy, and deploying testing within every possible digital channel.
Figure 5: The current state of online testing shows many opportunities for improvement.

A minority (i.e., 30% or fewer) of customer interactions are included in online testing.

- **Opportunity for improvement**

- Large majority
- Majority
- Minority
- Small minority

Online testing is applied mostly to websites.

- Across channels
- Within every digital channel
- Within a single isolated channel
- Multiple isolated channels

Dimensions of continuous optimization:

- A/B testing
- A/B and multivariate testing
- Extensive use of automation
- Extensive use of segmentation

Online testing practices are mostly executing only A/B tests.

*Source: Forrester's Q3 2015 Global Online Testing Platform Customer Online Survey*
Objective 1: Learn From Every Possible Customer Interaction

Most CI professionals that Forrester interviewed for this report estimated that 30% or fewer digital customer interactions are used in some form of online testing. However, because they are unsure of the total number of daily digital customer interactions customers are having with their brands, their estimates could be way off the mark. The director of digital strategy of a globally recognized cosmetics brand stated that they measure the number of interactions on their main web properties. But he indicated that, because they do not assimilate a total count, including channels within sub-brands and within email, social, or mobile apps, they’re only able to guess that the percentage of overall interactions to which online testing is applied is around 20%. To increase the proportion of digital interactions to which you apply testing techniques:

› **Mature your digital analytics practice.** Most digital analytics practices are still very much focused on measuring customer interactions within fixed websites at the expense of measuring those within interactive channels such as mobile apps and mobile browsers. To garner an objective and complete view of the total customer digital interactions, firms must mature their digital analytics practices by instrumenting all digital interactive channels for measurement.

› **Audit the digital interactions your customers are having with your brand.** You should seek to integrate digital interaction data from all digital touchpoints to generate reports and dashboards that show the total customer interactions and in which channel they are occurring. CI professionals must then track changes in the proportion of digital customer interactions included within some form of testing. The objective of any continuous optimization strategy is to increase this proportion through increasing throughput of tests and widening the test scope to other channels and different parts of the customer life cycle.

› **Don’t try to test everything at once.** While simultaneous testing is the ultimate goal, prioritize which interactions are most important to your business and which you can easily test — and then start there. As you do so, refine the processes and learn the lessons that will allow you to scale testing to other digital touchpoints. This will also help you understand the full value of testing to the businesses you support and build a clear business case to raise the budget to expand your online testing practice.

Objective 2: Test Your Customer Interactions Across The Entire Customer Life Cycle

Over half of online testing practices are the responsibility of marketing and eCommerce professionals. It is therefore no surprise that CI professionals mostly apply online testing to site design, revenue, landing pages, and other activities that enhance and optimize customer interactions within the “explore” and “buy” phases of the life cycle (see Figure 6). Unfortunately, this leads to neglect for interactions in other parts of the customer life cycle such as “use,” “ask,” and “engage.” To expand test techniques across the entire customer life cycle:
› **Extend testing beyond traditional touchpoints.** While marketing and eCommerce activities are the biggest benefactors of online testing techniques, other areas of the business can benefit as well, for instance, when it comes to design and delivering value-add products and services. Groupon, the group coupon and deals firm, uses test-and-learn techniques to optimize the delivery of relevant coupons at the right time to benefit both the customers (i.e., consumers of coupons) and the merchants that fulfill the products and services.\(^8\)

› **Educate business users across the enterprise.** Atypical users such as operations teams and product support could really benefit from online testing approaches. The Royal Bank Of Scotland (RBS) has trained 50 journey managers, i.e., professionals responsible for different parts of the customer journey including mobile banking, marketing, etc., to manage much of the process for their own online tests.\(^9\)

› **Align with a corporate customer-centric strategy.** CI professionals who attempt to scale online testing by separately approaching different lines of business, trying to convince each to leverage testing for optimization, will struggle to scale testing within a reasonable time frame. Executive support must be elicited through a defined and overarching testing and optimization strategy. For example, Shop Direct, the UK’s largest online retailer, has garnered significant executive support for the investment and cultural changes needed to succeed with online testing, but only after the company made continuous optimization a key corporate strategy.\(^10\)
FIGURE 6 Online Testing Is Focused On The “Explore” And “Buy” Customer Life-Cycle Phases

“In which of the following areas do you currently use A/B and/or multivariate testing?”

- Site design: 89%
- Revenue: 82%
- Landing pages: 82%
- Onsite promotions and/or offers: 73%
- Multistep processes (checkout, booking, etc.): 69%
- Product placement and/or merchandising: 64%
- Forms (registrations, surveys, etc.): 62%
- Product cross-sell and/or upsell: 60%
- Site or commerce search results: 49%
- Email marketing: 33%
- Offsite display advertising: 21%

Source: Forrester’s Q3 2015 Global Online Testing Platform Customer Online Survey

Objective 3: Deploy Testing Within All Digital Channels

Almost all users of top online testing platforms carry out testing on their websites, and over three-quarters test on their mobile websites as well (see Figure 7). But when it comes to testing customer interactions elsewhere, such as within mobile apps and social channels, the majority of optimization programs have not even started. Most firms we interviewed had separate social, mobile, and email teams that had not considered the use of testing within these channels. Those that had considered testing were still evaluating approaches or were carrying out basic testing within separate social, mobile, and email tools. To deploy testing across all digital channels:

› Use flexible testing technologies to service multiple channels. Leading platforms can support testing across multiple web domains and within other digital channels such as apps, mobile push messaging, email, and social. To reduce the demand on expertise and resources needed to scale testing across multiple types of channels, CI professionals should try to minimize the number of testing technologies by procuring a single online testing platform. The platform must be flexible with the capability to deploy tests within multiple types of interactive digital channels.
› **Consolidate testing within centralized functions where possible.** Consolidating your tests brings two major benefits: It will help standardize testing across multiple interactive channels on a single set of best practices and testing processes, as well as maximize the use of scarce analytics and testing skills. The most successful testing practices are those where a central team manages and controls best practices and test quality while enabling business owners of different digital interactive channels — through extensive training and ongoing support — to control much of their own testing.

› **Employ digital channel technologies within the testing function.** Deploying testing within different digital channels requires specific technologies. Tests are implemented differently depending on the type of implementation (e.g., the Web, mobile responsive design, iOS, Android, Windows, email, etc.) and the tool. It is important that the test analyst has a technologist close at hand to understand how different configurations affect test targets and execution, as well as to help interpret the results.

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**FIGURE 7 Online Testing Is Still Very Web-Centric**

“On which of your firm’s digital properties do you perform testing?”

- Fixed Internet website(s) 98%
- Mobile Internet website(s) 78%
- Mobile application(s) 16%
- Other 4%
- Social 3%

Base: 120 business users of online testing platforms (multiple responses accepted)

Only **22%** of respondents are seeking to integrate online testing programs across digital channels such as search, email, and offsite display.

**61%** of firms have had an active online testing program for two or more years.

“Which topics represent the three greatest challenges that you seek to resolve with your online testing program?” Twenty-two percent of respondents answered: “Marketing integration with other online channels (such as search, email, and offsite display advertising).”

“How long has your firm had an active online testing program?”

Source: Forrester’s Q3 2015 Global Online Testing Platform Customer Online Survey
Objective 4: Leverage Multiple Testing Techniques

Currently testing practices are obsessing over a single technique — A/B testing. On average, firms run these tests five times more often than multivariate tests. And most testing practices do not apply segmentation. Also there is some ignorance around multivariate testing. Forrester has interviewed a number of CI professionals who claim to be implementing multivariate tests. It turns out, after some investigation, that many of them are confusing multivariate tests with A/B/n tests. On average, multivariate tests need more customer interactions to reach sufficient confidence levels than A/B/n tests. Many digital touchpoints simply do not have enough traffic to reach the required volume levels for multivariate tests within a reasonable time frame. When testing, employ multiple techniques and:

- **Apply segmentation to all programs for effective testing.** Unless you use segmentation to target tests or interpret results, you will not get the most from your online testing program. Online testing and optimization veteran Mark Simpson, who is the group vice president, business development, at Oracle, stated that “generally not using segmentation for test targeting at best leaves money on the table and at worst can lead you to incorrect and damaging conclusions about your most valued customers.”

- **Partner with lines of business to scale testing.** A testing team alone cannot hope to run the number of tests needed for an effective enterprise wide optimization practice. Marketing, eCommerce, product teams, and other parts of the business with ownership of customer digital interactions need to be active participants by managing and running much of the testing process themselves. A common operational method among successful testing practices is for the business teams responsible for specific customer journeys (e.g., online banking, registration, and/or email marketing) to run many of the tests themselves. These teams are backup, with education, testing templates, strategic guidance, and ongoing support coming from a centralized small team of testing and analytics experts.

- **Invest in dedicated testing resources.** While making the lines-of-business partners in testing is good practice, firms must invest in a small team of analysts, technologists, and project managers to support business users as they plan, build, and execute tests while interpreting their outcomes. From our interviews with leaders of successful practices, Forrester finds that the typical size of testing teams varies from five to 10 full-time staff comprised of data and testing analysts, project or program managers, and developers and product experts.
Online Testing Is A Competitive Imperative

CI professionals should not waste the opportunity they have now to gain the competitive edge while industry peers have testing and optimization programs that are still immature. It is time to accelerate the maturity and value of your online testing program and:

› **Invest in skills and expertise to build momentum.** Whatever your approach to running your online testing program, be it in-house, outsourced, or some hybrid of the two, an investment in skills and resources will be necessary to own, understand, manage, and push the case for online testing. Without a minimum level of investment in at least three to five dedicated testing staff, programs will not get past the first one or two A/B tests.

› **Build partnerships with consultancies and agencies to accelerate adoption.** When it comes to online testing, firms generally don’t have the resources to deliver a modern online program fast enough to provide an advantage while competitor practices are in a state of immaturity. Because of the rate of innovation in digital channels — and the analytics and optimization techniques required to support them — by the time you’ve built planned online testing capabilities, they will be out of date and behind what the competition can do.

› **Merge online testing and optimization with digital analytics.** CI professionals must consider optimization within a modern digital intelligence architecture consisting of multiple tools and technologies for data management and digital analytics that drive action. Optimization techniques such as online testing rely on an underlying data and analytics infrastructure to scale across the enterprise and to all digital customer interactions. CI professionals must integrate their online testing and digital analytics data such as segments, measurements, and key performance indicators (KPIs) and, where possible, merge their digital analytics and optimization teams.
Engage With An Analyst

Gain greater confidence in your decisions by working with Forrester thought leaders to apply our research to your specific business and technology initiatives.

**Analyst Inquiry**

Ask a question related to our research; a Forrester analyst will help you put it into practice and take the next step. Schedule a 30-minute phone session with the analyst or opt for a response via email.

Learn more about inquiry, including tips for getting the most out of your discussion.

**Analyst Advisory**

Put research into practice with in-depth analysis of your specific business and technology challenges. Engagements include custom advisory calls, strategy days, workshops, speeches, and webinars.

Learn about interactive advisory sessions and how we can support your initiatives.

Supplemental Material

**Survey Methodology**

Forrester fielded its Q3 2015 Global Online Testing Platform Customer Online Survey to 123 individuals who were current clients of the vendors included in The Forrester Wave™: Online Testing Platforms, Q3 2015. We asked each vendor to supply up to 15 customers. For quality assurance, we required all respondents to provide contact information and answer basic questions about their firms' revenues and budgets. Forrester fielded the survey between May and July 2015. Exact sample sizes are provided in this report on a question-by-question basis. Panels are not guaranteed to be representative of the population. Unless otherwise noted, statistical data is intended to be used for descriptive and not inferential purposes.

Forrester interviewed 22 firms and surveyed 42 firms on the state of their online testing and optimization between January and March 2015. We also asked about the value that continuous optimization approaches are currently providing and their intentions to mature such approaches to attain greater value. This research was intended to generate a qualitative understanding of the state of continuous optimization.
## Companies Interviewed For This Report

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<th>Companies Interviewed For This Report</th>
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<td>Adobe</td>
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<td>Avis Budget Group (Europe, the Middle East, and Africa [EMEA])</td>
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<td>Large global cosmetics brand</td>
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Endnotes

1 Online testing tools are part of a group of data-driven tools that helps CI professionals optimize customer interaction and experiences. See the “Transform Customer Experience With Continuous Optimization” Forrester report.

2 Thirty-three percent of survey respondents answered multiple full-time resources to the question, “How is the online testing program staffed at your firm?” Source: Forrester’s Q3 2015 Global Online Testing Platform Customer Online Survey.

3 There are many commonly used data-driven customer interaction optimization techniques available for firms to help them continually optimize customer interactions. These include paid search, programmatic buying, product recommendations, algorithmic and rules-based targeting, and segmentation. See the “Transform Customer Experience With Continuous Optimization” Forrester report.

4 Depending on where customers are in their life cycle of engagement with brands, they will tend to use different channels of interaction. For example, they will use reach channels such as online search to discover brands, depth channels such as websites to learn about and buy products and services, and email to maintain their relationships. See the “Mix Art and Science For Marketing Success” Forrester report.

Forrester’s updated customer life cycle provides a better model for modern marketing, as it places the customer at the center of the effort, which forces marketing to plan messages and actions based on the customer’s view of the brand, not the other way around. The customer life cycle involves the entire brand experience, from messaging to product usage and ongoing interactions, and incorporates the ongoing relationship firms must have with customers, making it the marketing vision that will drive success in the age of the customer. See the “The Customer Life Cycle: A Blueprint For Customer-Obsessed Enterprises” Forrester report.

5 Forrester interviewed 22 firms by phone and surveyed 42 firms on the state of their online testing and optimization between January and March 2015. We also asked about the value that continuous optimization approaches are currently providing and their intentions to mature such approaches to attain greater value. This research was intended to generate a qualitative understanding of the state of continuous optimization.

6 Fewer than 20% of firms we surveyed in Forrester’s Q3 2015 Global Online Testing Platform Customer Online Survey measured customer interactions within mobile browsers or apps using their primary digital measurement tool — i.e., their web analytics solution.

7 Fifty-six percent of survey respondents answered either marketing or eCommerce to the question, “What department in your firm is responsible for online testing?” Source: Forrester’s Q3 2015 Global Online Testing Platform Customer Online Survey.

8 Groupon knows its conversion rates depend on serving up the right deals among its growing inventory of 240,000 active offers to the right customer at the right time — and analytics is the intelligence that drives optimized customer experience with the core value-add services it provides. See the “Case Study: Groupon Differentiates On Mobile Analytics Expertise” Forrester report.

9 Forrester researched how successful programs have been set up to scale optimization practices, including online testing, across the customer life cycle. See the “Transform Customer Experience With Continuous Optimization” Forrester report.

10 Forrester researched how many firms have been set up to scale optimization practices, including online testing, across the customer life cycle. See the “Transform Customer Experience With Continuous Optimization” Forrester report.

11 Forrester evaluated seven of the top online testing platform technology providers. See the “The Forrester Wave™: Online Testing Platforms, Q3 2015” Forrester report.

12 While a spectrum of digital analytics organization exists, including those for optimization, Forrester finds that the best practice is to consolidate expertise where possible. See the “Compete With A Digital Intelligence Organization” Forrester report.
Respondents average 10 A/B tests and two multivariate tests monthly, with a maximum of 100 and 15, respectively. Source: Forrester’s Q3 2015 Global Online Testing Platform Customer Online Survey.

Sixty-four percent of respondents do not apply segmentation to a majority of their tests. Source: Forrester’s Q3 2015 Global Online Testing Platform Customer Online Survey.

Segmentation is an optimization technique that you must use in parallel with other optimization techniques such as online testing, behavioral targeting, and recommendations. For additional information, see the “Transform Customer Experience With Continuous Optimization” Forrester report.

While online testing is core to understanding which changes are most optimal to a customer interaction, optimization itself is a key digital intelligence component. Other components of a digital intelligence strategy to consider include the multiple data and analytics technologies used, the ownership of digital analytics functions, and the metrics and KPIs used and applied. See the “Supercharge Analytics With Digital Intelligence” Forrester report.
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