

**QUICK HIT GUIDE** 

# How To Set Up A Successful A/B Test for Connected TV.

Follow these eight steps for actionable results from your A/B testing.

A/B testing is a strategy in which marketers compare two or more variations of a specific component of their campaign. When done intentionally, A/B testing provides data-backed insights to inform more effective creative designs, audience strategies, and other campaign improvements that marketers can make to enhance the performance of their Connected TV campaigns.

Looking to set up your own A/B test? Follow the checklist below to get started. We'll dive more into the specifics of each step in this guide.

- 1. Define your objective and success metric
- 2. State your hypothesis
- 3. Select one variable to test at a time
- 4. Note the baseline performance of your success metric
- 5. Activate a control group and at least one exposed group
- 6. Set an estimated timeframe based on your sales cycle
- Set a budget for meaningful results
- 8. Analyze your results



## **Step 1: Define Your Objective and Success Metric**

Before you start your A/B test, ask yourself, "What measurable goal am I trying to achieve with my Connected TV campaign?" Are you trying to increase your site traffic? Deliver more conversions? Or something else? Clearly define the success metrics that matter most. This will help you design a clear test and focus your analysis later on. For example, if your goal is increasing conversions, then you'll likely want to use conversion rate as the core metric that defines success in your test.







### **Step 2: State Your Hypothesis**

After outlining your objective and success metrics, it's time to state a testable hypothesis. (Yes, A/B testing very much tracks with the scientific method!) For example, you may start with the question, "Will I get a higher conversion rate when I run a CTV ad with an end card that features the call-to-action 'Buy Now'?" From there, you'll turn your question into a testable hypothesis, such as "My conversion rate will be higher when I run a CTV ad with an end card that features a Buy Now call-to-action." Document that hypothesis.



Start every hypothesis with a question you want answered, and then use it as the base for your testing.

After your test, you'll return to your hypothesis. Were you right or wrong? This question will give you immediately actionable insights that you can use to improve future campaign strategies.

#### WE KNOW THE IMPORTANCE OF TESTING FIRSTHAND

To see how to best reach B2B marketers through Connected TV, MNTN put our own platform to the test. We ran an A/B test of two ads: one that featured our Chief Creative Officer, Ryan Reynolds, on camera directly addressing the targeted audience of marketers, and the other only using his voice-over. Click the link below to see which one performed better — the results may surprise you!

**Check it Out** 



#### **Step 3: Select One Variable To Test at a Time**

When figuring out your hypothesis, you might find yourself struggling to choose just one prediction. But throwing multiple variables and predictions against the wall will never give you the accurate, actionable data you need. So ask yourself: "What do I need to learn most urgently?"

After seeing the earlier example, you might be thinking about a new call-to-action (CTA) for your CTV ad's end card and want to figure out if it encourages your audience to convert more often than the one you currently have going. At the same time, you may also have an idea for a new target audience and want to learn if they're more likely to make a purchase after viewing your television ad than your current target audience. Though there are multiple variables you may want to test, it's important that you only test **one variable at a time** and keep all other variables consistent.



Testing multiple variables at once is one of the most common mistakes in A/B testing. If you mash all the buttons on a control panel simultaneously, you'll never learn which button does which thing. When in doubt, remember: specificity makes your results more actionable.

### **Step 4: Note the Baseline Performance of Your Success Metric**

Take a look at your historical data and write down the average performance you've seen for your test's core success metric — the "<a href="how it started">how it started</a>" to your test's "how it's going." This is your baseline performance — we'll be using it later to help understand how many households your test should reach in order to achieve statistical significance.





# Step 5: Activate a Control Group and at Least One Exposed Group

Remember how you're only testing one variable at a time? Put another way, you're only testing one change at a time. To understand the impact of your change during the course of your test, you'll need to activate one "control" group that follows your existing guidelines and at least one "exposed" group with a single variable change.

Following the example from earlier, let's say you want to test the impact of a "Buy Now" call-to-action in the end card of your CTV ad. Let's also say that historically you've been running an "Available Now" call-to-action in the end card of your CTV ad.

For this test, we recommend that you run the "Available Now" end card as your control group (or your "A") and the "Buy Now" end card as your exposed group (or your "B"). If you'd also like to test another end card CTA variation — maybe a "Supplies Won't Last" or an "Act Now" — you can add that to your test as a second exposed group (or "C" in an A/B/C test).







**B**: Exposed Group



### **Step 6: Set an Estimated Timeframe Based on Your Sales Cycle**

To gather an actionable amount of data — what data people may refer to as "statistically significant" — you'll want to run your test for a long enough period.

Consider your sales cycle when setting the duration for your A/B test. For instance, if your customer typically takes 10 days to convert after seeing your television ad, you'll want to run your test for at least 10 days (if not more) to allow enough time for conversions to occur.

However, for the most reliable results we suggest conducting tests spanning a minimum of 14 days to ensure a sufficient collection of data. If your sales cycle extends beyond 14 days, then adjust accordingly.

### Step 7: Set a Budget for Meaningful Results

Allocate a budget that allows you to produce enough results to consider your results worthwhile. Consider the average cost of achieving your objective (e.g. conversions) and the volume of those results you would need to confidently identify your most effective strategy.



#### Set a Budget for Meaningful Results

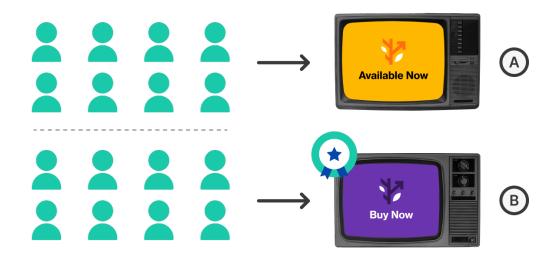
We recommend testing groups of 15-second ads or groups of 30-second ads. This will ensure that any changes in ad slot availability won't impact your results, making them more conclusive.

#### **Split Your Audience**

When A/B testing creatives, you'll need to ensure that:

- A. Both your A and B groups come from the same audience segment, to keep that variable consistent.
- B. No viewer or household is shown both the A and B versions of your ad creatives, to ensure that sequential messaging has no impact on ad performance

With MNTN's A/B Testing feature, you can automatically split your audience to ensure each viewer or household will only see one creative group throughout the lifetime of your test campaign.



#### **Step 8: Analyze Your Results**

Return to your hypothesis. Were you correct or not? In the example above, did swapping in a "Buy Now" call-to-action result in a higher conversion rate than your control ad's original "Available Now" CTA? If so, great! We recommend shifting your budget into that creative design and moving forward with more "Buy Now" CTAs. If not, that's also a good learning opportunity. Now, you can confidently shift budget away from that creative and know not to move forward with that CTA in the future.

# **Test Your Way to Success**

Now that you've finished one test, it's time to apply those learnings and start the process over for the next one! A consistent, calculated approach to testing and learning is the key to continuously improving your performance. To learn more about how you can get started with A/B testing on Connected TV, click the link below and connect with one of our MNTN experts. Happy testing!

**Check it Out** 

