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Entrepreneurship & Startup › Market Research & Customer Discovery › Validation & Experimentation

A/B testing basics

A/B Testing: The Key to Data-Driven Decisions!

DEFINITION

A/B testing is a method of comparing two versions of a webpage or product to determine which one performs better. It helps businesses make informed decisions based on user behavior and preferences.

KEY CONCEPTS

Control Group

The group that experiences the original version of the product or webpage.

Variant Group

The group that experiences the modified version, allowing for performance comparison.

Conversion Rate

The percentage of users who complete a desired action, such as making a purchase.

Statistical Significance

A measure that indicates whether the results of the test are likely due to chance.

Hypothesis Testing

The process of making predictions about the outcome of the A/B test before it begins.

EXAMPLES

→ Testing two different headlines on a landing page to see which attracts more clicks.

→ Comparing two email subject lines to determine which one has a higher open rate.

→ Evaluating two versions of a product page layout to find out which leads to more sales.

MEMORY TIPS

★ Think 'A' for 'Alternative' and 'B' for 'Better' to remember the two versions.

★ Use the acronym 'CVC' - Control, Variant, Conversion - to recall the key elements.

★ Visualize a split screen to remember that A/B testing compares two sides.

COMMON MISTAKES

✗ Not running the test long enough to gather sufficient data.

✗ Changing multiple variables at once, making it hard to identify the cause of results.

✗ Ignoring the importance of statistical significance in interpreting results.

QUICK RECAP

A/B testing is essential for making data-driven decisions by comparing two versions of a product. Remember to focus on control and variant groups, and ensure your results are statistically significant for reliable insights.