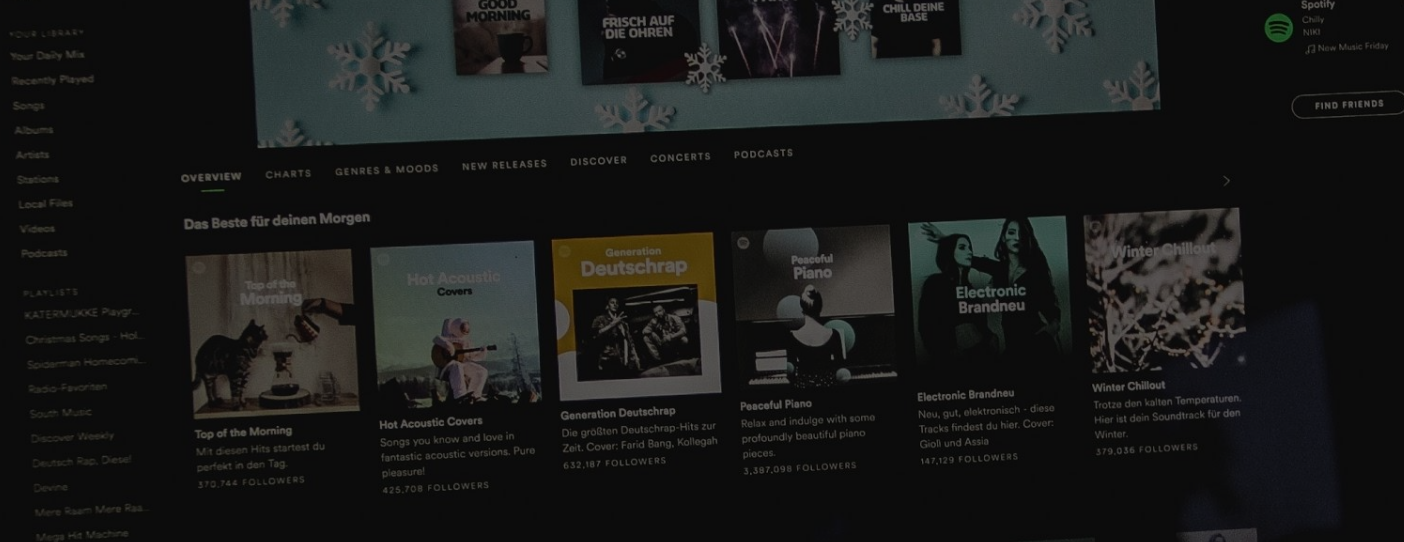


Running a high-velocity testing engine at Spotify

Conversion Jam, Oslo, Oct 10, 2019



This is Spotify.



232M

Monthly active users

108M

Premium users

79

Markets

Our team formed back in 2016

- Own experimentation
- “CRO projects”
- Help Research & Development (R&D)
to prioritize their experimentation efforts





There are many people doing
AB-testing/growth at Spotify.
We only focus on the web.





CRO HEAVEN!



What would you say that you do here?

Reality check.

- **R&D** “Ehh.. Your team should not exist”
- **Business** “We are losing touch with R&D”

What now?

1. **Achieve autonomy**

- build our own experiments

2. **Gain people's trust**

- and don't cause R&D “extra work”


3. **Become an (internal) authority**

- and get the stakeholders on board



How to achieve
autonomy?

Achieve autonomy by assembling an awesome task force

- 
- A still from a television show featuring two men in suits. The man on the left, wearing glasses and a light blue shirt, has a wide-eyed, open-mouthed expression of surprise. The man on the right, wearing a blue suit and a red tie, is also smiling broadly with his mouth open, holding a cigar in his right hand. They appear to be in a celebratory or surprised moment.
- Development, design, analysis
“embedded” in the core team
 - Build a network of talented people
e.g. copywriters, translators, regional managers etc.
 - All parties should have a data-driven mindset



Achieve **autonomy** by minimizing dependencies

- Tooling
- Data gathering



**How to gain
people's **trust**?**

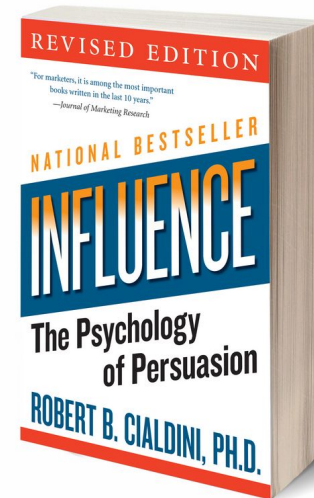
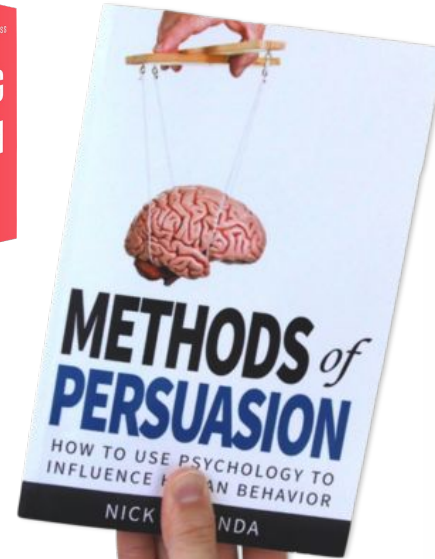
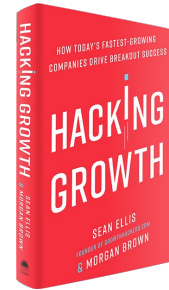
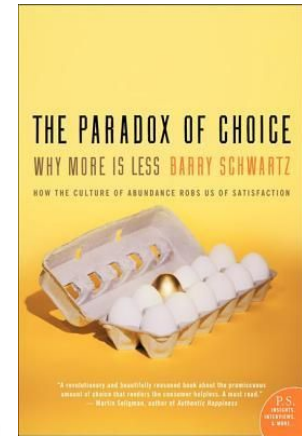
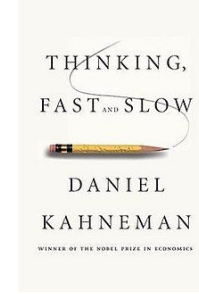
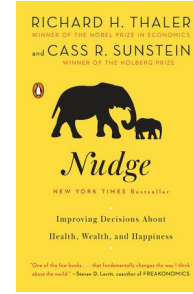
Gaining **trust** by establishing a QA process.

Our QA process is for a big part about
informing people all along the way

Gain trust by using well
established principles

Apply the principles to your business

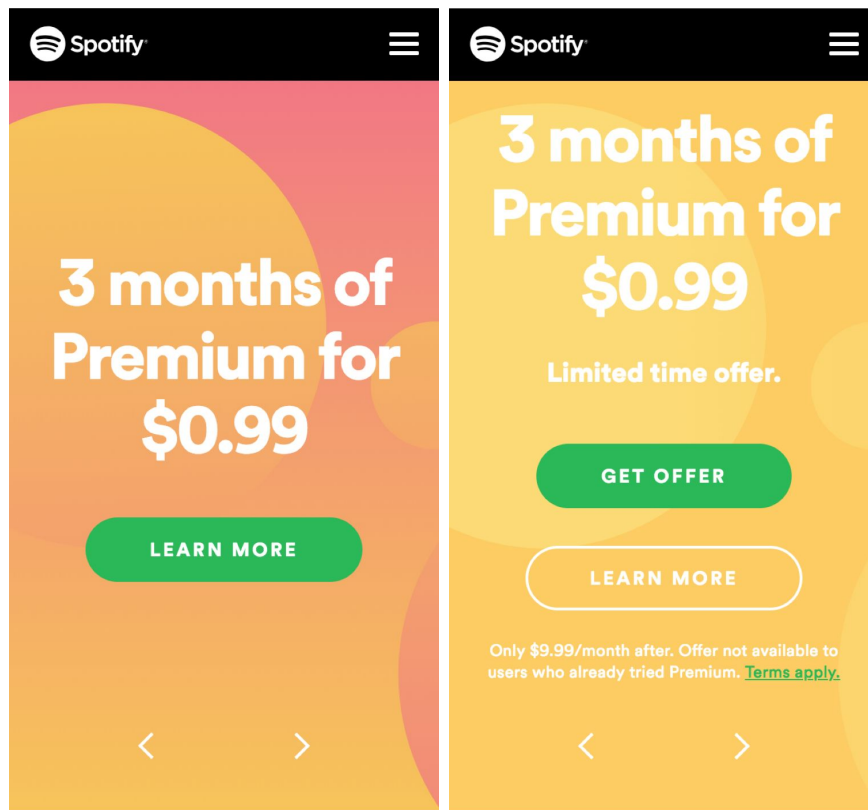
bit.ly/simons-book-tips-cjam2019



The “choice effect”

Hobson's+1 Choice Effect¹

- This is was our home page
- “Common CRO knowledge” that is good to have one CTA
- “Take it or leave it”

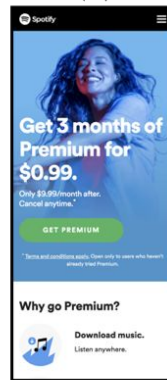
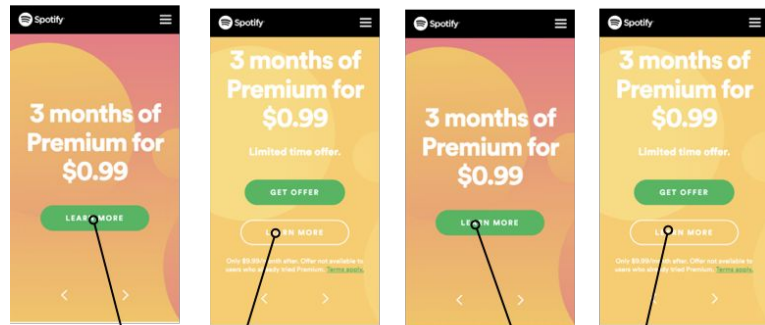


¹ <http://www.wheelofpersuasion.com/technique/hobsons1-effect/>

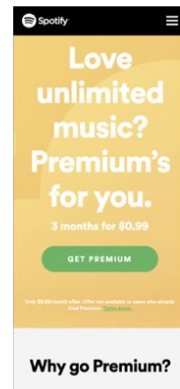
The “choice effect”

Hobson’s+1 Choice Effect

And since we have the traffic to do more than variant, let’s throw in some more variants



Landing
Page A



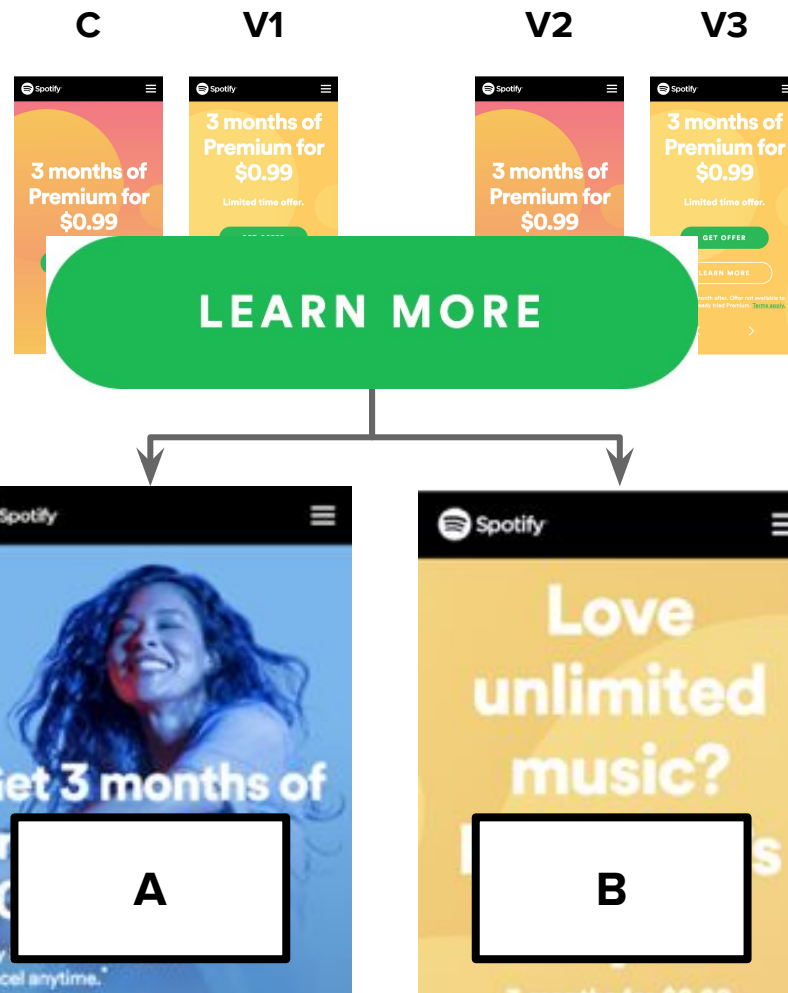
Landing
Page B

The “choice effect”

Hobson's+1 Choice Effect

And since we have the traffic to do more than variant, let's throw in some more variants.

At the time, we had two different landing pages featuring the same offer

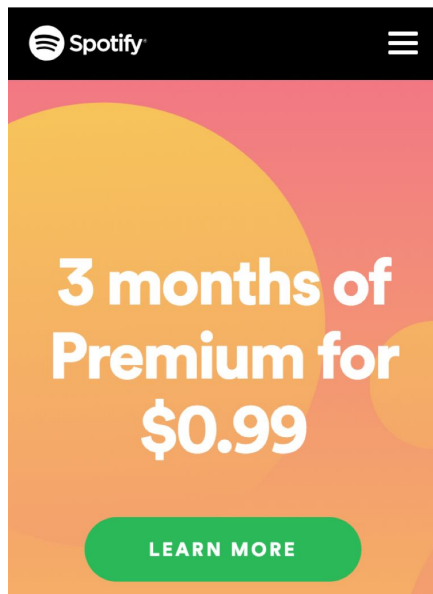


The “choice effect”

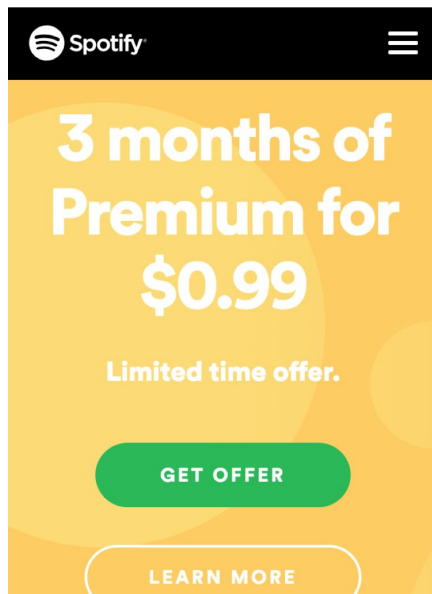
EXP-245

– The results

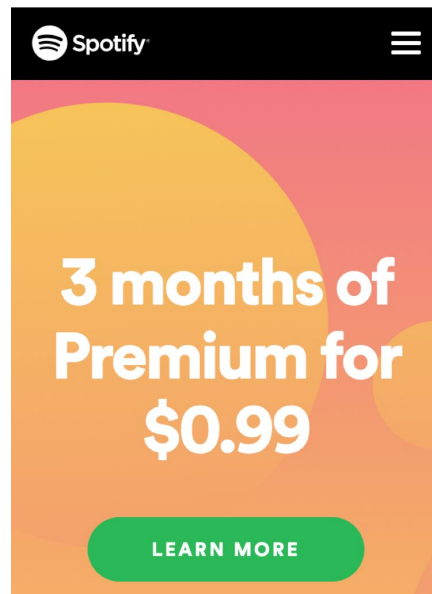
Control (A)



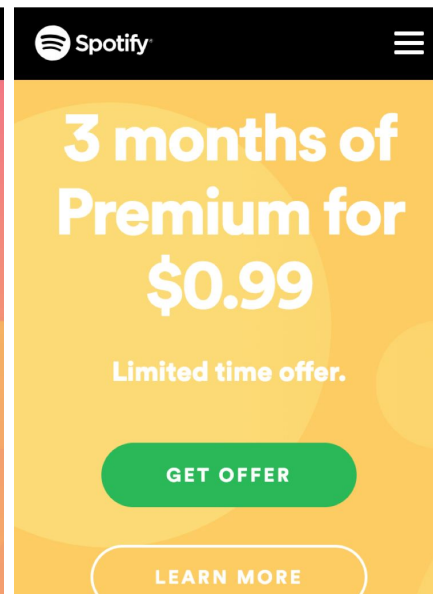
Variant 1 (A)



Variant 2 (B)



Variant 3 (B)



Placeholder for Slido
Questions and answers in the speaker notes

slido

Join at
slido.com
#cjam19also

Case 1 (Homepage + Landing page): Which variant had the best conversion rate?

The “choice effect” EXP-245

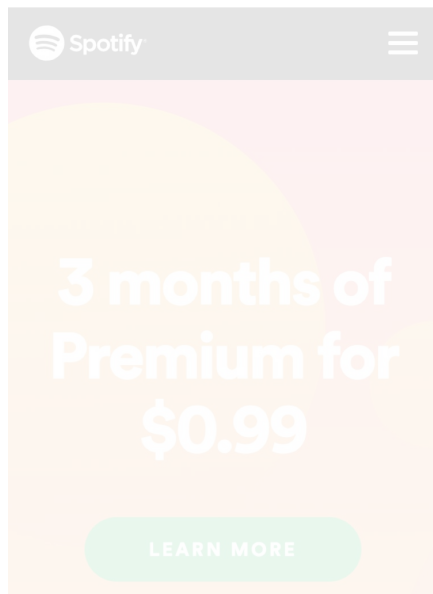
– The results

Sorry that we can't share more
detailed numbers with you

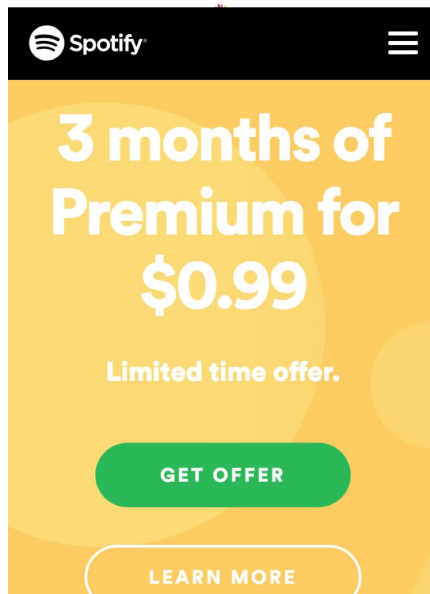
>3% increase in conversion rate



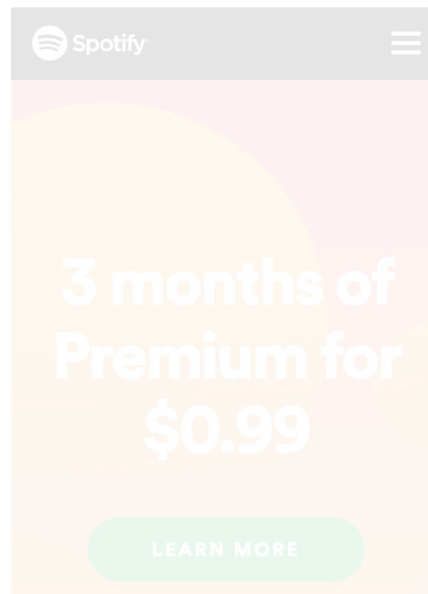
Control (A)



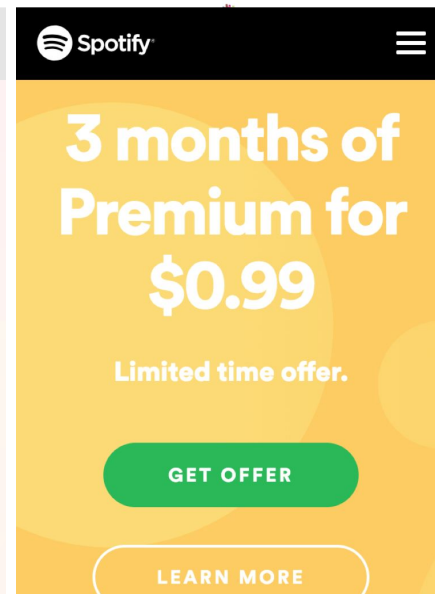
Variant 1 (A)



Variant 2 (B)



Variant 3 (B)





How to become
an authority?

Become an authority by being successful.

“If you want to increase your success rate, double your failure rate”

Thomas J. Watson

Former Chairman and CEO of IBM



**What does that
mean in practice?**

We need to run a st-ton of
successful experiments**

Fail fast

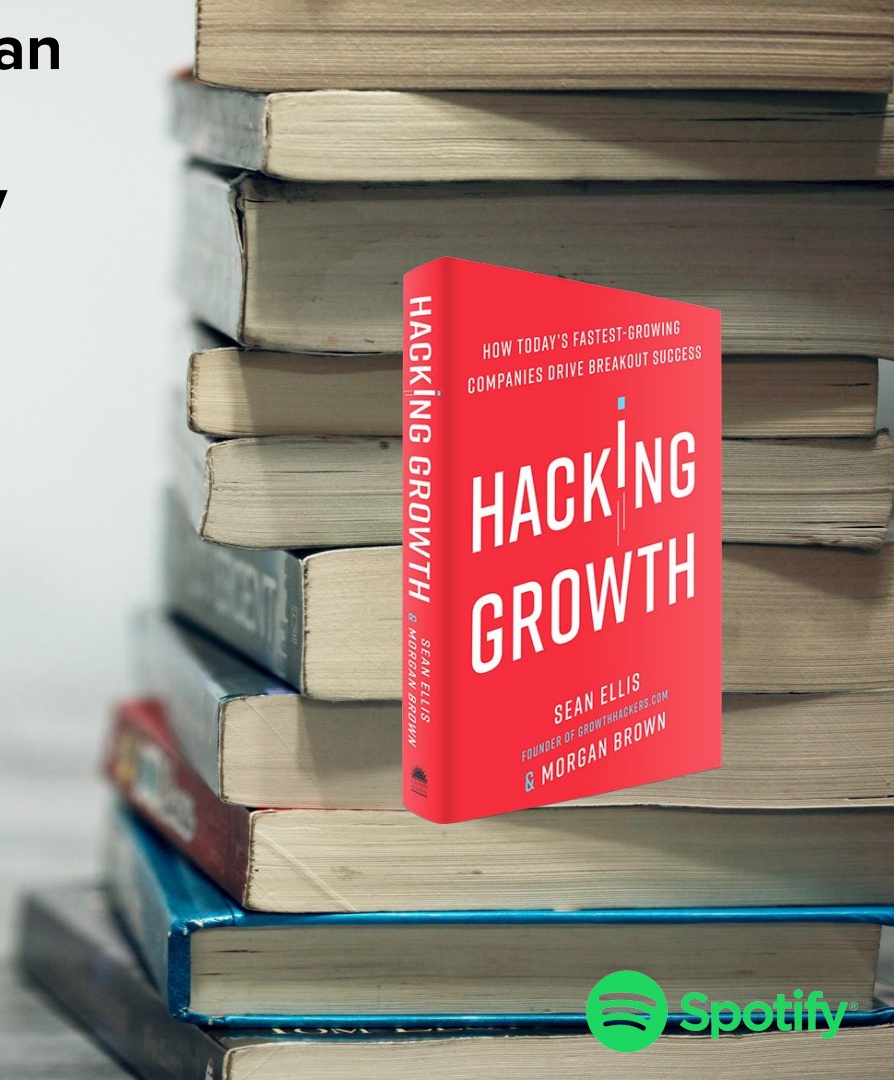


Repeat

We need to apply some sort of an optimization framework in order to increase the velocity to a “st-ton”**

There are a lot of different ones out there. Pick one.

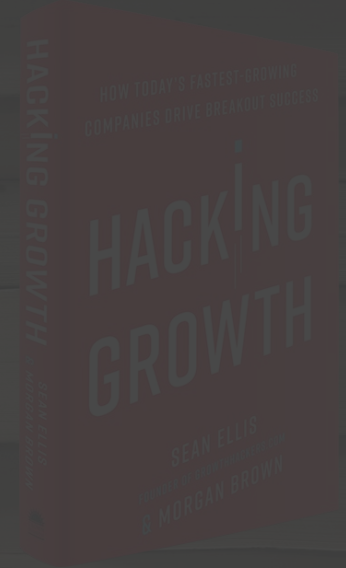
If you have trouble of picking one, this is what we are using. 🙌



We need to apply some sort of an optimization framework

There are a ton of different ones out there. Pick one.

If you have trouble of picking one, this is what we are using



Credit: Hacking Growth



How to run a successful experiments?

You need to prioritize.

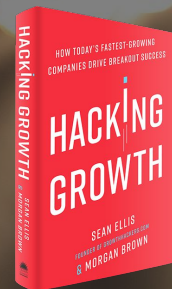


We use the **ICE** Method

Impact

Confidence

Ease



We use the **ICE** Method

Impact

- Move the needle
- Change the user's behaviour

Confidence

- Be based on data
- And preferably be based on a well established principle

Ease

- The idea needs to be realistic
- It doesn't need to be perfect, it needs to be a "minimum viable experiment"

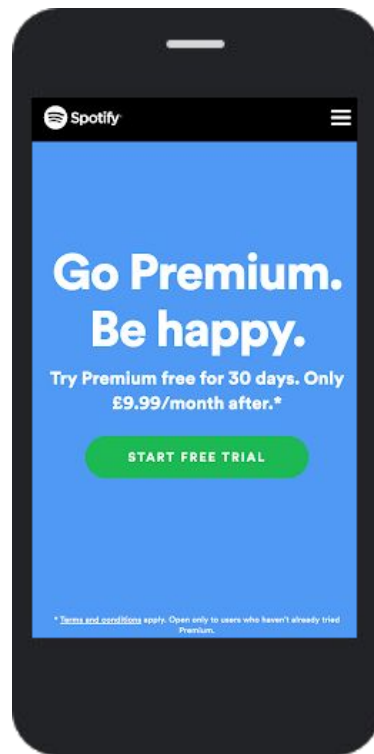


**Before you begin.
While you are doing it.**

Get your data right.

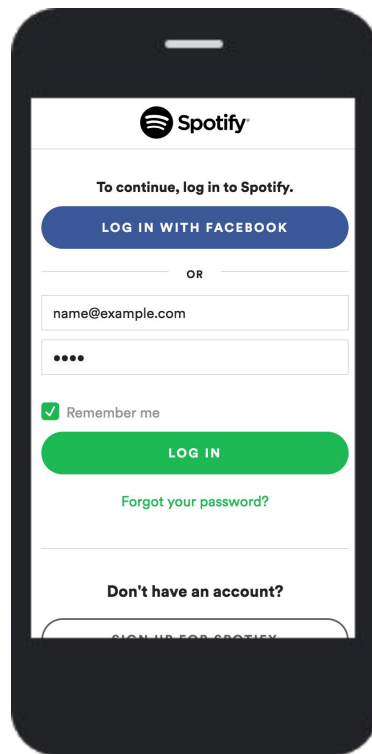
A typical conversion funnel

Step 1 - The landing page



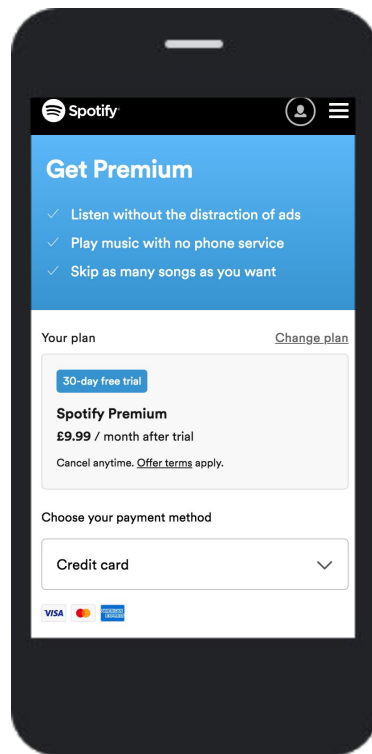
A typical conversion funnel

Step 2 - Login / Sign Up



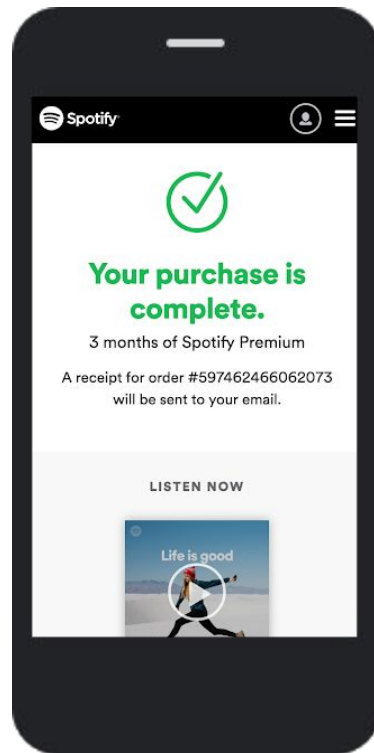
A typical conversion funnel

Step 3 - Checkout



A typical conversion funnel

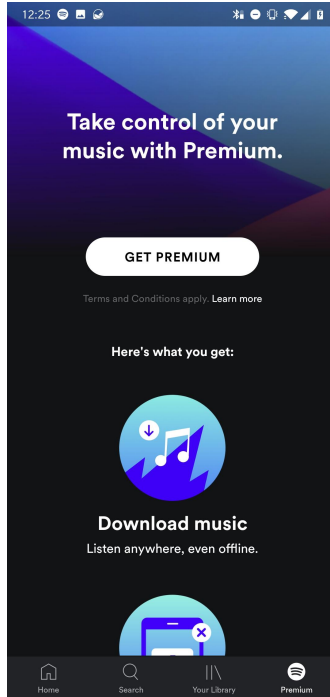
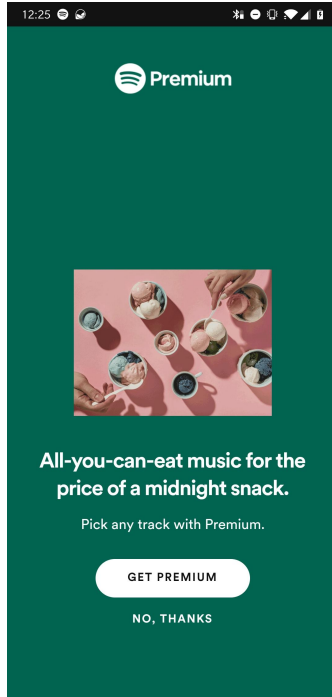
Step 4 - Order confirmation



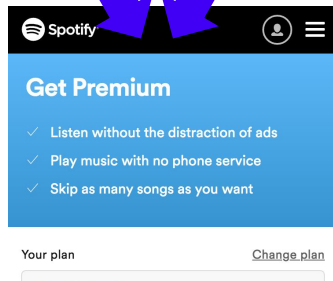
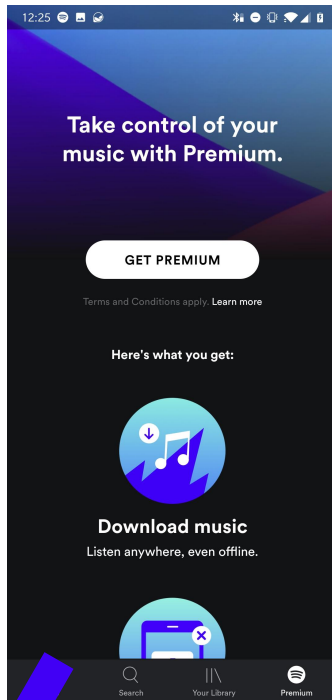
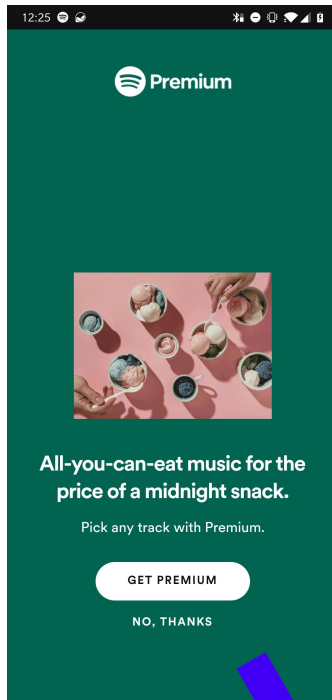


Understand your data

**This is only our 4th
most important funnel**



Another path



Another path

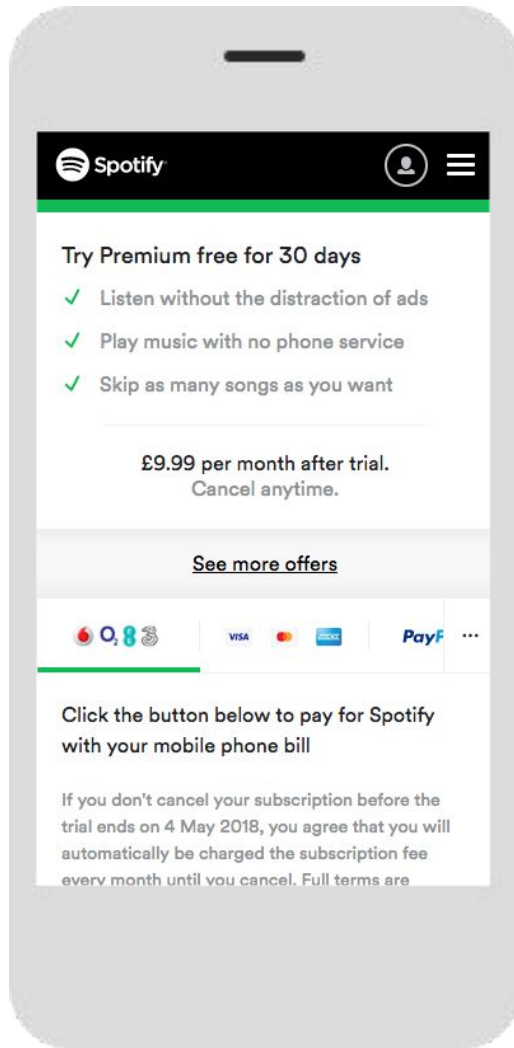
Straight to checkout



Default option

Control / Variant 0

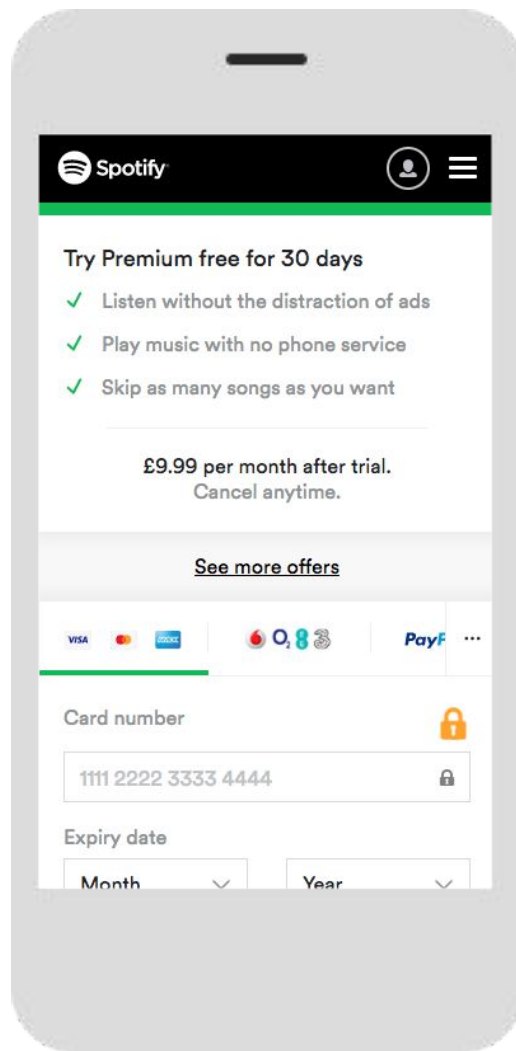
- Carrier billing option as default payment method



Default option

Variant 1

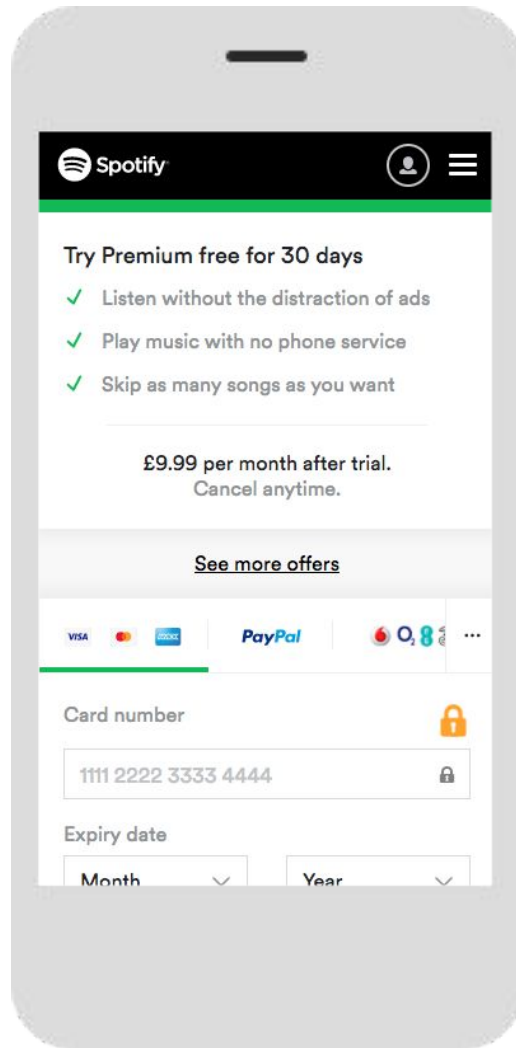
- Credit/debit card as default and carrier billing as the second option



Default option

Variant 2

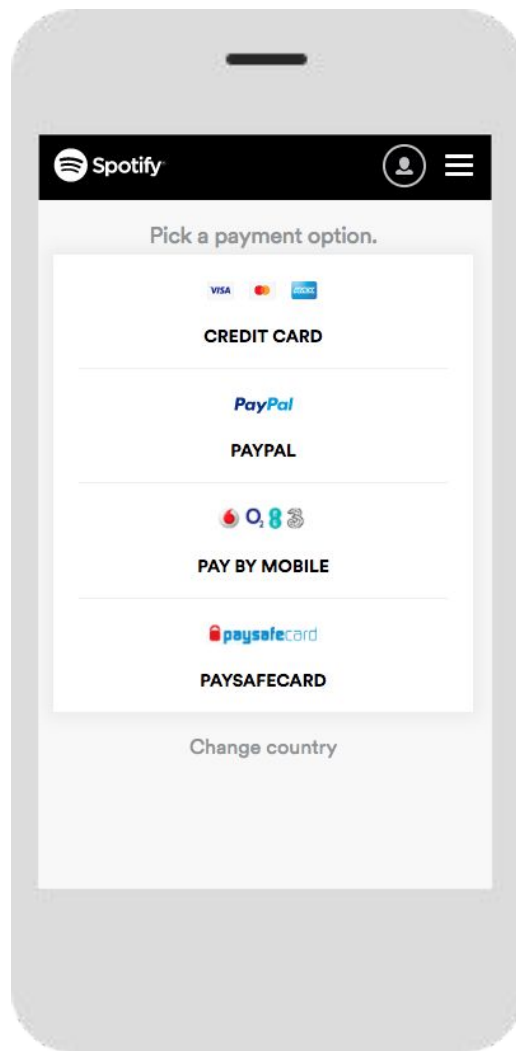
- Credit/debit card as default and carrier billing as the third option



Default option

Variant 3

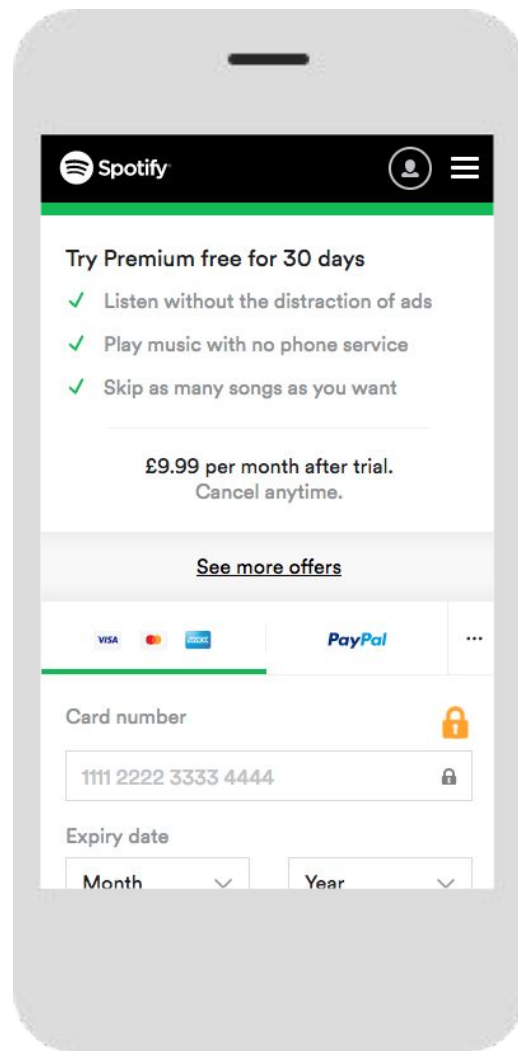
- Credit/debit card as default and carrier billing as the third option (hidden behind the ...)



Default option

Variant 4

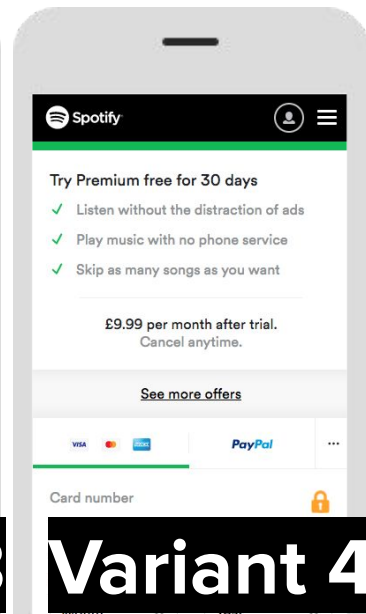
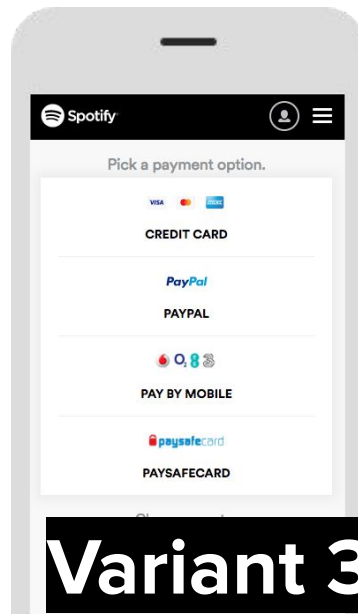
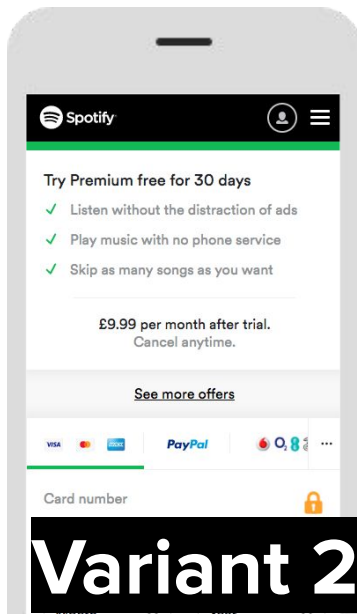
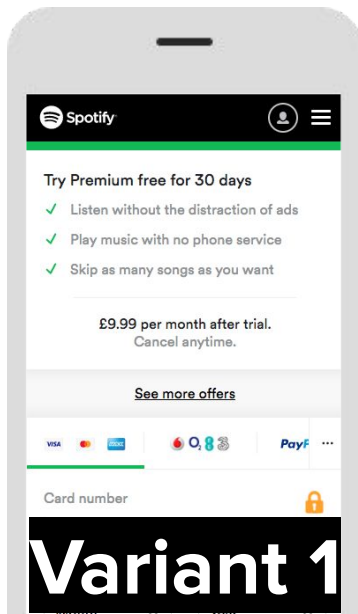
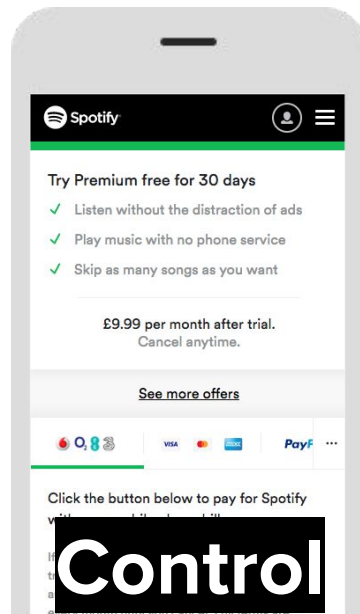
- Credit/debit card as default and carrier billing completely removed



Default option

EXP-191

– The results



Placeholder for Slido
Questions and answers in the speaker notes

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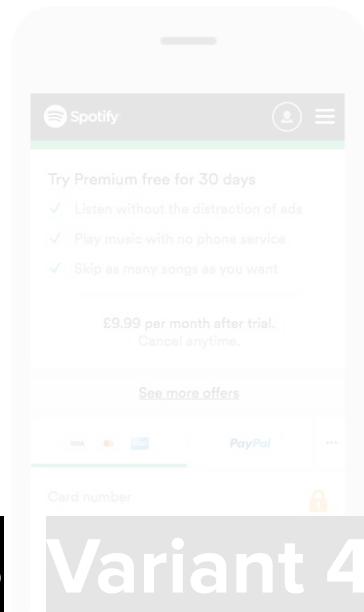
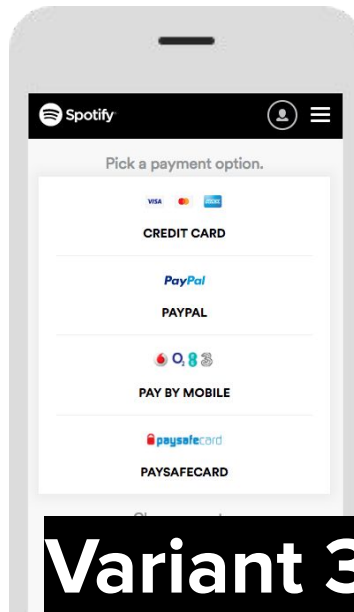
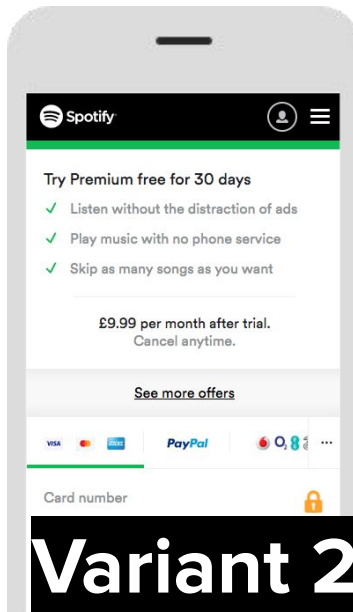
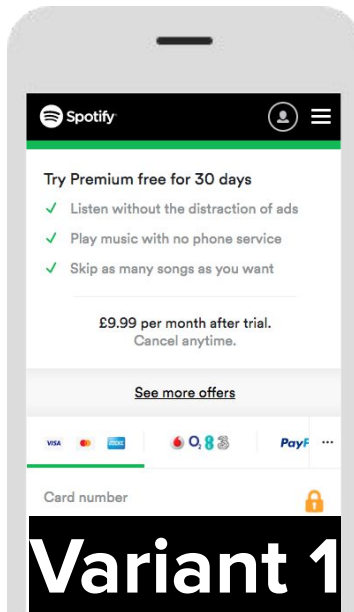
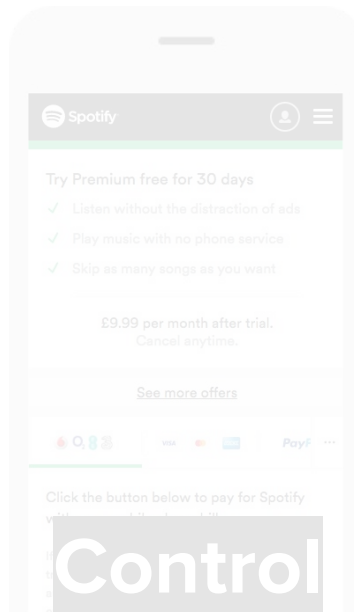
Case 2 (Checkout): Which variant
had the best conversion rate?

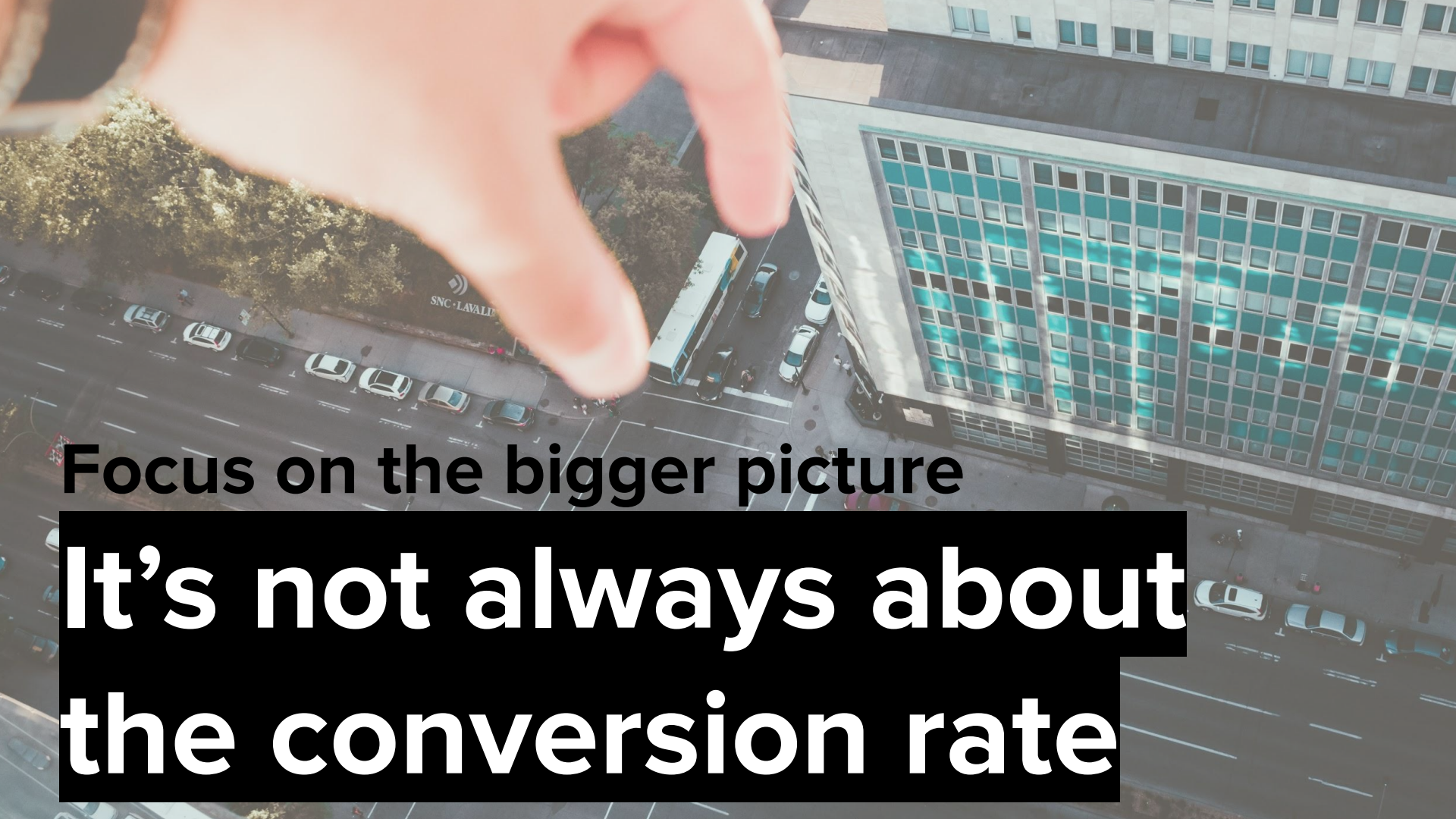
Default option EXP-191

– The results

No change in conversion rate

Double digit increase in life time value (LTV)





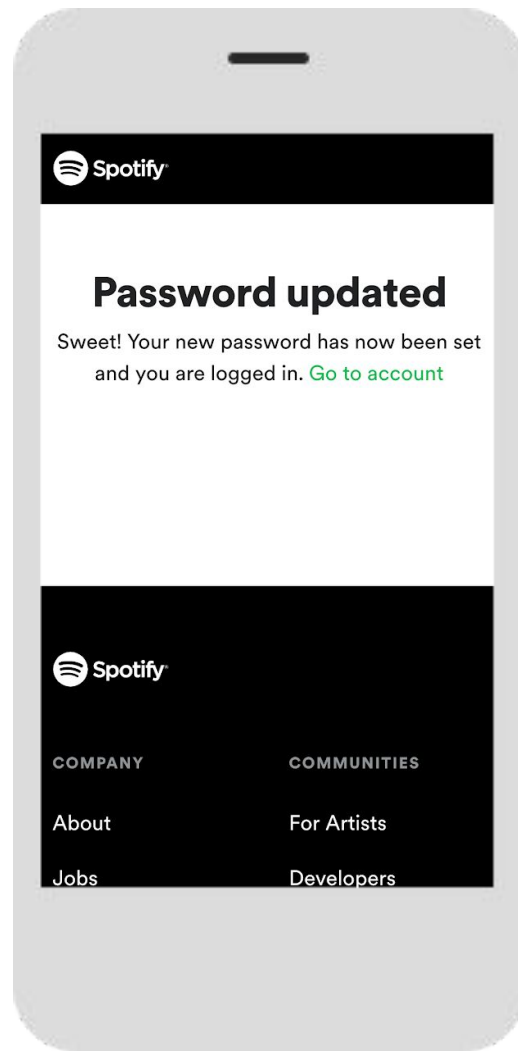
Focus on the bigger picture

**It's not always about
the conversion rate**

“Hacking growth” by finding new opportunities

Control / Variant 0

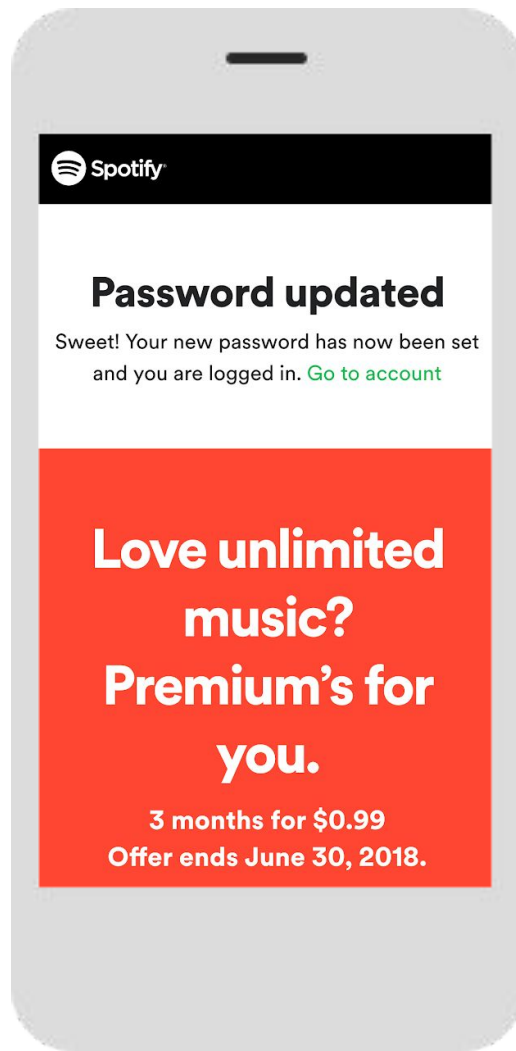
- Password reset page
- One of the top 10 pages at spotify.com



“Hacking growth” by finding new opportunities

Variant 1

- >10% more users found the special offer when we upsold them here than in control
- Attributed tens of thousands of new subscribers to this experiment
- Then we did the same thing on the email confirmation page



A photograph of a library interior. Rows of metal bookshelves filled with books stretch into the background. Several warm-toned, Edison-style light bulbs hang from the ceiling, creating a soft, ambient glow. The perspective is from within the aisles, looking down the length of the library.

After the experiment

Document what you do



After the experiment

Share your learnings

A close-up shot of the Joker character, played by Joaquin Phoenix, in a prison setting. He is wearing his signature white face paint, dark eye makeup, and a red, smeared smile. He has curly brown hair and is looking directly at the camera with a menacing expression. He is wearing a blue and white striped shirt. His hands are raised, with fingers spread, in a gesture of defiance or madness. The background consists of vertical metal bars, suggesting he is in a jail cell. The lighting is dim and has a greenish-blue tint.

How did it work out for us?

16

1 experiment
Getting the data right
Tooling
Recruiting

617

21 experiments

>9M users

~33% win rate

618

>**160** exp

(+139)

>**177M** users

(+169m)

~**45%** win rate

(+12pp)

619

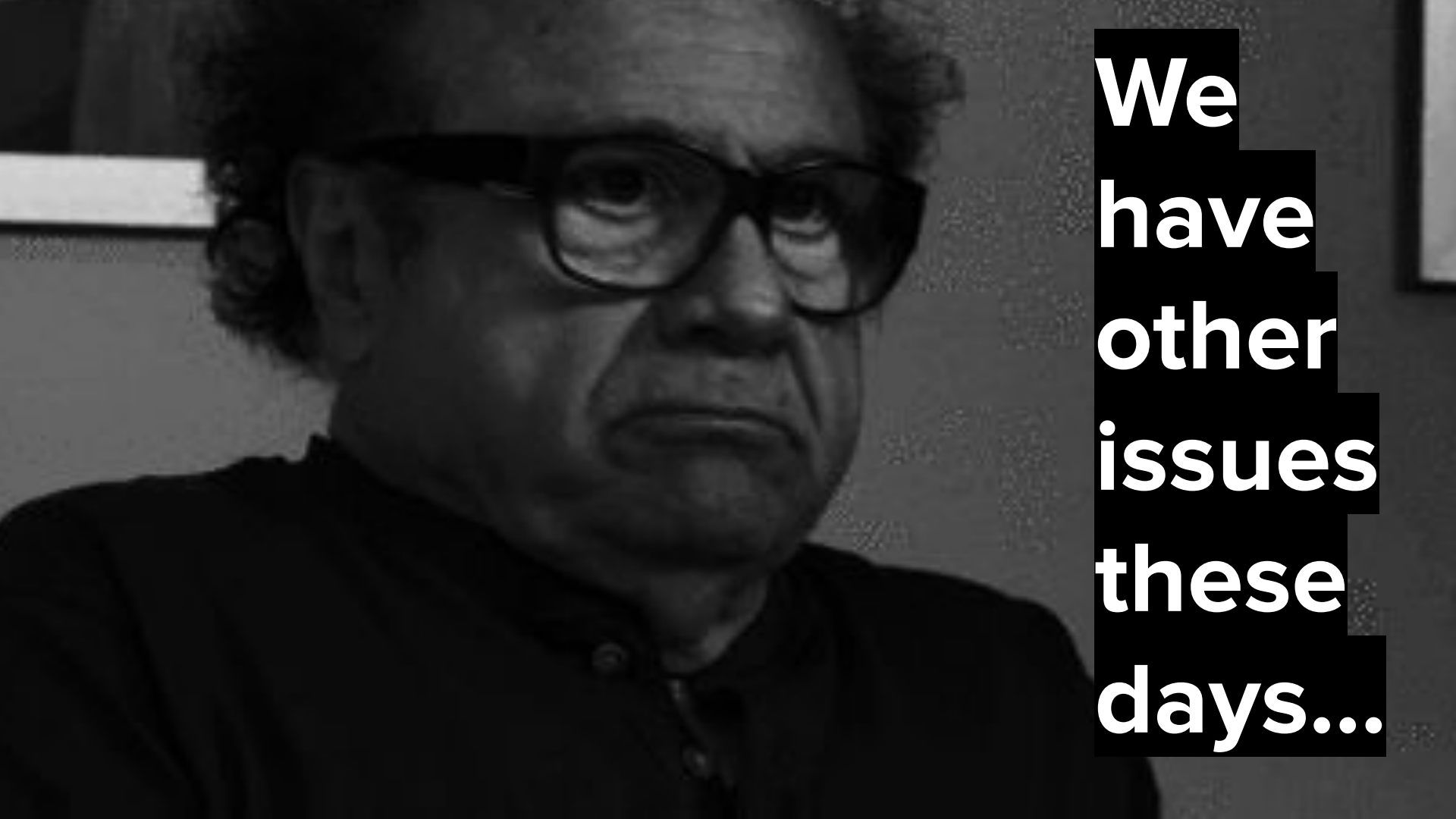
>**100** exp

>**250M** users

~**45%** win rate

**We have become
an internal authority for
experimentation.**

- R&D asks us to do experimentation for & with them
- We are involved in every major new initiative on the web
- The design team sees us as an equal partner



**We
have
other
issues
these
days...**



**We are hiring :)
joost@spotify.com**

Quick recap

Achieve autonomy

Get independent by creating your own team

Get your data right!

Gain people's trust

Have good QA process & inform

Use well established principles

Become an authority

Experiment at scale to fail fast to become successful

Use local/domain knowledge





Thank you.

Get in touch?

simond@spotify.com

joost@spotify.com



