

A long, covered walkway with a blue-tinted sky and a repeating arch structure. The walkway is paved with light-colored bricks and has a metal railing on the left side. The structure is composed of dark blue metal arches supported by a central vertical beam. The sky is a clear, light blue, and the overall scene is brightly lit.

Market based experimentation

Market-based experimentation

Market tests to evaluate combinations of potential messages and media using statistical experimental designs to identify the best combinations.

What business problem does it solve?

How best to use combinations of messages, strap lines, images and media to maximise marketing outcomes when there are a large number of possible combinations? How do we decide what to test and how to evaluate the components of the tests?



How does it work?

Elements of an advert are split into attributes with options (similar to conjoint) and shortcut statistical methods such as orthogonal designs are used to create test patterns. Ads are run live in short bursts and analysed for the best combinations.

Types and versions

A-B testing is the simplest form of experimental design. With more options, designs become more complex and techniques like fractional factorial orthogonal designs are required.

Challenges

The management of short-burst advertising and linking responses to specific executions requires careful attention to reduce overlap and mis-allocation in larger designs. Elements need defining as a whole set for optimal experimental designs.

Potential business impact	★★★★★
Sophistication	★★★★
Use in forecasting	★★★★★★
Ease of design	★★★★
Expertise required	★★★★★