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5 experimentation strategies for the new normal

Adjusting your experimentation strategy in response to COVID-19

The business world is still trying to understand the impact of the COVID-19 global pandemic—and it hasn't been easy navigating through it.

We survived a pandemic, government-mandated restrictions, worldwide lockdowns, and a sweeping crisis that triggered dramatic shifts in shopper behavior. Many companies were wholly unprepared, while others were able to pivot quickly and deliver unexpected value to their customers.

Uncertainty is likely to be the status quo for the foreseeable future.

The ability to shift and continually deliver what customers want will be critical as businesses work to thrive in the new normal. **This is where experimentation-driven organizations will continue to lead the way.**

These organizations are focused on iteration. On testing and learning in a cycle of continuous improvement. This allows them to stay close to their customers and encourages organizational humility and flexibility. If an experience isn't resonating with customers, the response is to quickly test and validate a new evidence-based idea and change that experience.

Iteration: An intentional experimentation strategy

Effective experimentation, however, requires an intentional strategy.

Running a few ad hoc A/B tests will not get you the results you're looking for. And–just as iteration is crucial when it comes to your digital experience–iteration is also crucial when it comes to your experimentation strategy.

Whether you are just getting started with experimentation or are a sophisticated testing organization, you should stop and evaluate your approach to testing in the midst of the unknown. Ask the following questions:

- Do we understand the shifts that have occurred in shopper behavior to this point?
- Do we have a way to monitor future shifts in shopper behavior?
- Are our experimentation efforts focused on the right areas for this moment?
- Are our teams able to share insights efficiently and stay aligned?
- Are our internal processes sluggish?

Keep reading for five ways your experimentation strategy should change right now.

1. Establish how shopper behavior has changed to this point

You've heard all the terms. From "digital transformation" to "pivoting your business"—all the buzzwords have gone from aspirational ideas to a necessary reality for companies everywhere.

People are taking to their screens and keyboards to do both non-essential and essential shopping, rather than venturing to physical locations. They are grocery shopping online, they are purchasing healthcare and hygiene products online, they are ordering dinner to go online, they are buying clothes and furniture online.

This shift is not just impacting retail. [42% of consumers are using digital channels to engage in activities more often than they did before the pandemic.](#)

People are going digital to:

- Do their jobs and collaborate with their teammates
- Stay on top of their fitness routines
- Consume media
- Learn and gain new skills
- And much more

It's important to note that the behaviors detailed above were driven by external circumstances—e.g. people couldn't leave their homes, or stores weren't open—but also by shoppers' emotional states and contexts.

Understanding the behavioral science behind why your shoppers do what they do will help you stay proactive when it comes to anticipating changes in behavior. Emotion is a key determinant in how your shoppers' current behaviors will continue to evolve.

For example, in a state of crisis, people are less rational, and cognitive biases are often amplified. Stress triggers our survival instinct. This activates a fear response, which is governed by the limbic system. The limbic system is powerful and when we're really stressed out, it can shut off our more rational cerebral cortex entirely.

In times of crisis, our rational brains get hijacked and we slide down Maslow's hierarchy of needs. We are more reactive, more emotional, and more focused on trying to reclaim control over the future. Because our logical brains have taken a backseat, we need extra guidance even in simple situations.
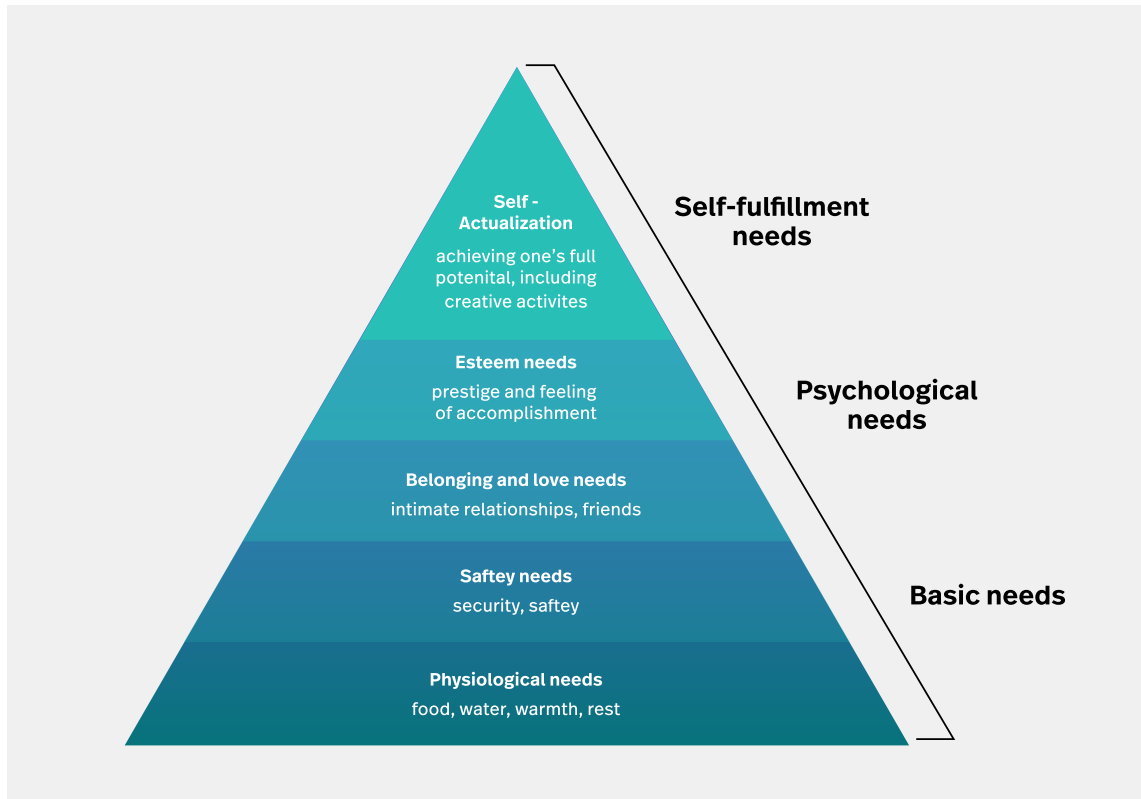
We need more reassurance that our choices will benefit us, that we won't regret them. And we need more guarantees that if we do make a choice, we can unmake it in the future.

> " One of the most difficult things to do in a business is to change buyers' habits. It's suddenly become much, much easier...What we know now is that after a major life change event, people are more likely to make changes to their habits. This is a newly discovered cognitive bias called the *Habit Discontinuity Hypothesis.* "

Chris Goward
EXPERIMENTATION THOUGHT LEADER

As the initial shock of the pandemic subsides, your existing customer research is almost certainly out of date. You must prioritize ongoing customer research to ensure you're addressing your shoppers' most pressing needs (and assuaging their biggest fears) today and in the future.

You have probably already observed changes in your existing customers' behavior. Since restrictions are lifted and life has returned to some form of normal, your customers will likely continue to operate in a state of heightened caution. Teams need to stay close to customers, keeping a near-constant pulse on how their needs are changing.

Your business may also be garnering interest from entirely new groups of shoppers as more people take to digital. If you are an online grocery delivery app, for example, you've probably seen a massive spike in demand from new users. Do you know these new users as well as you know your existing users?

Keep in mind that these new customers may be digital laggards; they may have different motivations and objections than your existing base. How are you ensuring you will retain their business post-pandemic? At a minimum, an influx of new users puts a greater focus on optimizing the usability of your digital customer experience.

Recommendation:

Now and at regular documented intervals in the future, take the time to refresh your customer insights.

- Run onsite surveys to understand potential objections at each stage of the funnel. Conduct a thorough UX analysis to identify where digitally immature customers may get stuck.

- Supplement qualitative research with a best-in-class Digital Experience Intelligence solution like FullStory to understand the full scope of shopper behavior in the wild, evaluate the impact of areas of friction, measure performance, and pinpoint opportunities for optimization.

2. Track product demand and be prepared to change your product strategy

The way people shop has changed in response to the pandemic. And in many cases, people are also spending money on entirely different products.

Take Canon, for example. They are a leading manufacturer of imaging and optical products (like cameras, lenses, accessories). The company has historically prioritized cameras within its e-commerce experience. But after the lockdown, many families had taken up homeschooling, which led to a spike in demand for other Canon products–namely printers and ink. That's the power of the pivot.

Product teams across industries have faced similar, unexpected changes in demand. Many countries have loosened restrictions, which will likely spur more change.

Businesses need to be able to quickly adapt to capitalize on increased demand for unexpected products and to maintain stock for those in-demand products.

Businesses should also focus on optimizing new product development. **How can you innovate and position to meet customer needs that didn't exist before?**

Imagine a local bakery that had to shutter its doors due to COVID-19. This bakery continued to allow people to order online and pick up in person. On top of that, it was able to quickly expand its online catalog from coffee beans, fresh bread, and pastries to include pickled vegetables, bulk grains, and salads.

Today, this bakery offers fresh produce and other grocery items, baked goods, dry bulk goods, alcoholic beverages–locals can do almost all of their grocery shopping via their online store.

In this example, the bakery was able to take advantage of its existing supply chain and quickly expand its offerings.

Recommendation:

Test your offerings. What are people searching for on your website and within your mobile app? How can you highlight these products? Pay particular attention to your site search queries.

Analyze what customers are looking for and how this changes over time. As you observe spikes in demand for certain products or product categories, you should test ways to surface those offerings. Test to reduce friction and send shoppers to the products they're looking for as quickly as possible.

- First, make what your customers want right now readily available. The Canon digital team, for example, should test highlighting printers and ink offerings—and possibly "homeschooling" as a product category—throughout their e-commerce experience and in their advertising.

- Second, leverage ongoing customer research to identify emerging product opportunities. Is there something shoppers are searching for that you don't carry, that you could carry?

- Third, run a [painted door test](#). In a painted door test, you offer a product or feature before it is available and track engagement with that offering. For example, you could A/B test potential products on your website, then track "Add to cart" clicks to gauge demand.

This yields insights that allow a business to make an informed decision about whether or not to invest in developing a new product (as well as how to position it).

3. Adapt your experimentation program risk profile in response to current conditions

In business, you know that there is risk in everything you do–or don't do.

This holds true when it comes to your experimentation program. There is an inherent risk in every test your organization runs. It's essential to understand and re-evaluate the [risk profile](#) of your experimentation program and the individual experiments you're running.

Some experiments have inherently low-risk iterations on previous winning experiments, for example.

- **Low risk**–Let's say an apparel retailer offers three sizing options for sleeve length on its shirts. They just tested highlighting one size as "most popular" on their ecommerce experience and saw an increase in conversions. A follow-up experiment could be to expand the sizing options out. This is a low-risk iteration on a winning idea.

- **Moderate risk**–Other experiments carry moderate risks like testing out a new concept for the first time. For example, a charity tests adding a donation target to a specific landing page along with a progress bar that shows how close they are to achieving their goal. This test includes new copy and introduces a new element. It could drive more donations, but it could also be a distraction.

- **High risk**–Some experiments are high risk, like when you test a disruptive idea that could impact the whole business positively or negatively–for example, a SaaS company testing an entirely new pricing model (volume-based vs. feature-based).

It is important to maintain a balanced risk profile when it comes to your experimentation program. If you are wholly focused on running many iterative tests, you are not exploring new concepts that could lead to huge improvements. But if you over-index on innovative or radical experiments, you will miss opportunities to iterate on winning ideas and extract maximum value from those ideas.

4. Reinvigorate experimentation efforts and investment (and overtake your competitors)

Because of the uncertainty created by the COVID-19 pandemic, businesses across sectors have been focused on reducing costs–whether or not profits were heavily impacted. Many businesses will likely maintain lower operational costs until they see a return to stable customer spending.

But there is a risk of staying low for too long. And there is an advantage for those businesses that start reinvesting first: Acquiring traffic (and customers) while it's still relatively inexpensive, optimizing their customer experience to reduce cost-per-acquisition, and increasing their market share as a result.

Take the opportunity to ask: Where can we shine and outperform our competitors in terms of customer experience and expectations?

It's helpful to consider this analogy from Bain & Company, comparing a recession to a racecar driver approaching a sharp bend in the track:

The best drivers apply the brakes just ahead of the curve (they take out excess costs), turn hard toward the apex of the curve (identify the shortlist of projects that will form the next business model), and accelerate hard out of the curve (spend and hire before markets have rebounded).

Recommendation:

Now's a unique opportunity to make calculated investments.

- If you can, hire the talent that wouldn't normally be available.
- Invest in traffic while it's cheaper than ever (even if just to build your CRM).
- And invest in your experimentation program to optimize your customer experience while your competitors are falling behind.

5. Evaluate your existing toolset and make adjustments to accelerate your digital transformation

As we've discussed, this pandemic has accelerated a shift to digital—across industries—that no one could've predicted.

Which begs the question: How are you monitoring and improving your company's increasingly important digital experience?

Experimentation is a major piece of this puzzle but impactful experimentation requires both a strategic approach and the right technology stack. Despite an urgent re-focusing on digital, 79% of organizations pursuing digitization indicate that they are still in the early stages of their technology transformation.

Evaluating, choosing, and/or changing the platforms you use to power digital optimization is often a time-consuming battle. You may be facing internal politics, competing priorities, and doubting stakeholders.

Depending on past initiatives, you may be up against skepticism about usefulness, added value, and future adoption. But if your website or app traffic has quieted due to the pandemic, now is precisely the right time to push to make foundational technology changes and modernize your stack.

You'll want to consider several things when evaluating your digital experience tech stack like:

- How mature are we in terms of technology that powers the digital experience?
- Do we have a clean, reliable customer data pipeline?
- Are we still struggling to control the flow of foundational information?
- Do we have visibility into what shoppers are actually doing on our site or app?

Traditional analytics platforms can show you what is happening (e.g. a high percentage of people are dropping out of your funnel on the cart page) but they don't reveal the root cause behind the drop-off. This is where digital experience analytics become critical and will allow you to develop the most impactful experiment hypothesis.

Are we able to easily share data and insights between teams to ensure we can move quickly from the issue or opportunity detection to improved experience delivery?

Your ability to move fast is often a result of individual teams having access to the information they need when they need it. If increased agility is a goal, you should source platforms that are easy to use, search, and customize for technical and non-technical teams alike.

Do we have technical specialists who can dedicate lots of time to platform implementation and event instrumentation or do we need easy set-up? If your goal is to reduce time to actionable insights, you'll want to consider platforms that take days (not weeks) to implement and that can automatically collect, organize, and store all of your digital experience data without continuous event instrumentation.

There are other questions to consider when you are assessing your technology stack and determining next steps.

For example, it may take more effort to implement a new A/B testing platform if you are running live experiments consistently or are serving winning variations to 100% of your audience.

These considerations will vary depending on your baseline and digital maturity. Internal conversations and, in some cases, a third-party consultant can be useful to help you clarify your current state as well as your short-term and long-term objectives.

Recommendation:

Set yourself up for the digital future and be sure you're not falling behind.

- Check your toolset, evaluate alternatives and consider negotiating better rates or changing to a better provider. Much of this technology is cutting edge and the markets for things like customer data platforms, digital experience analytics, product analytics, optimization platforms, and more are constantly evolving.

- Benchmark your digital maturity and clarify your objectives.

Key takeaways and actions

Businesses that were prioritizing digital experimentation were growing faster than their counterparts, prior to the pandemic. Because the pandemic has only accelerated society's reliance on digital channels, your experimentation program and efforts to optimize your digital experience are more important than ever now.

Right now, the world is repairing from a crisis.

While certain countries are approaching
a return to some kind of normalcy, the road ahead is full of unknowns. To survive (and even thrive) in this foreign territory, you must adjust your experimentation strategy to ensure you are staying on top of constantly shifting circumstances.

Key takeaways moving forward:

Research
Refresh your customer research now and at regular documented intervals in the future, using both quantitative and qualitative methods to make sure you are prioritizing your customers' most pressing needs.

Evaluate
Track current product demand–and test ways to ensure what your customers want right now is readily available–and identify and validate emerging product opportunities.

Test
Dial up or dial down your experimentation program risk tolerance depending on how this crisis is impacting your sales.

Invest
Make calculated investments where you can: Hire the best talent, acquire traffic, invest in technology to power your digitization.

Suit up
Benchmark your digital tech maturity, audit your existing toolset, evaluate alternatives and then consider negotiating better rates or changing to a provider that allows you to modernize.

About Fullstory

FullStory offers a Digital Experience Intelligence (DXI) platform that helps brands understand their users' digital experiences to eliminate friction and capitalize on what's successful.

The platform proactively surfaces actionable insights from billions of data points, helping thousands of companies, including Fortune 100 companies and the world's most innovative consumer brands, make evidence-based digital improvements that reduce costs and reclaim revenue. For more information, visit **www.fullstory.com**.

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