



NUCLEUS  
RESEARCH

# GUIDEBOOK OPTIMIZELY

PROGRAM: MARKETING AUTOMATION  
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## THE BOTTOM LINE

**Nucleus found that Optimizely enables companies to reduce risk and improve the performance of their websites and mobile applications beyond basic testing.** On average, customers say they perform almost 10 times more experiments with Optimizely, increasing conversion rates, developer productivity, and cost savings.

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## THE SITUATION

Companies are turning to tools that help them understand and adapt to what resonates with their customers. There are plenty of basic A/B testing solutions on the market, and plenty of marketing and web management solutions (WMS) with built-in testing capabilities. However, many of these solutions are costly, time consuming, and can lead to skewed results. Optimizely's solution addresses these shortcomings, and equips employees across the organization with tools to test, personalize, and optimize websites and mobile applications while reducing risk.

## THE SOLUTION

Optimizely is a platform that enables experimentation through testing, personalization, and optimization. Marketers, product teams, and developers can test as many variations of their websites and mobile applications as they like without draining resources, and look at results without skewing data due to Optimizely's Stats Engine, which evaluates data as it is collected. Optimizely X, the vendor's new platform launched in September 2016, consists of six products: Web Experimentation, Web Personalization, Web Recommendations, Full Stack, Mobile, and Over-the-top TV (OTT).

The Optimizely X Web products are primarily for marketers and product development teams. Optimizely X Web enables customers to: run A/B, multivariate, and multi-page experiments with Web Experimentation, leverage browsing behavior, demographic information, and first and third party data to personalize and deliver targeted content to customers in real-time with Web Personalization, and add product recommendations to their websites that update per a visitor's behavior with Web Recommendations. Full Stack, Mobile, and OTT primarily serve developers and product teams. Developers can run experiments on algorithms,

pricing, redesigns, new architectures, and campaigns, and launch new features anywhere in the technology stack with Full Stack, run A/B testing on mobile apps with Mobile, and run experiments across Apple TV or Android TV apps with OTT (Nucleus Research, *r33 – Optimizely delivers more than traditional testing*, February 2017).

## WHY OPTIMIZEZY

Nucleus analyzed the experience of Optimizely customers to understand why they chose it over competing solutions. The customers with whom Nucleus spoke all use either the Optimizely Classic or Optimizely X Web Experimentation product, and several use Web Experimentation and Web Personalization, as well. Nucleus found that, ultimately, customers selected Optimizely due to its ease of use, customer service, and the Optimizely platform.

### EASE OF USE

Nucleus found that the most frequently cited reason for selecting Optimizely was its ease of use. Optimizely Web Experimentation caters to marketers, enabling them to run “clicks not code” experiments from a visual dashboard, reducing reliance on IT or third party consultants. When asked to score Optimizely on a scale from one to five – one being the lowest score and five being the highest – customers gave it an average score of 4.1 for usability.

***“We selected Optimizely because it enabled us to play around with different ideas, explore functionality on our own, and get more tests out more quickly.”***

One customer said, *“Prior to Optimizely, we were with a competitor and all of our experiments were run on their end by their client services team. We had little control over tests or room to experiment. We selected Optimizely because it enabled us to play around with different ideas, explore functionality on our own, and get more tests out more quickly.”*

### CUSTOMER SERVICE

The second most frequently cited reason customers chose Optimizely was its customer support services, which include Customer Success, Solutions Partners, and Technology Partners. Customers have access to Optimizely’s Customer Success Managers, who work with customers to develop a growth plan; Optimizely Support, which is a global team of engineers available to help customers deploy their solutions; and Optimizely’s Optiverse, which offers self-service education resources

and training programs. Optimizely also has a network of partners, including Solutions Partners to assist with strategy and execution, and Technology Partners to assist with integrations. Customers note that the vendor's personalized approach and attentiveness has major impact on their continued satisfaction with the vendor. Customers said:

- *"Optimizely's Customer Success team, account representatives, and Optiverse resources are really helpful, and they are always there when we need them."*
- *"When I call, they respond immediately. It's not because we're VIP; they are just staffed to provide a high level of service."*
- *"We needed a robust team to help us with our complex website. Optimizely connected us with Blue Acorn, an Optimizely Solutions partner, which is now our technical partner, creative partner, and strategic consultant. When we grew they gave us a full project manager. They set us up for success from the beginning."*

## PLATFORM

Customers said the breadth and depth of the Optimizely platform was another reason they chose it. Customers frequently mentioned how Optimizely's Stats Engine improved their analytic and reporting capabilities. When asked to score Optimizely on a scale from one to five – one being the lowest score and five being the highest – customers gave it an average score of 4.6 for functionality.

***"Optimizely makes it easy for us to make quick changes to our site. Optimizely's analytics platform is robust, with great dashboards to help us understand and measure the performance of our activities and set goals."***

One customer said, *"Optimizely makes it easy for us to make quick changes to our site. Optimizely's analytics platform is robust, with great dashboards to help us understand and measure the performance of our activities and set goals. Whenever we work with their consulting services, they help us strategize, and make the most of the tools."*

## KEY BENEFITS

Nucleus spoke with Optimizely customers to determine the top benefits they have experienced since implementing it. Implementation durations ranged from just under one year to three years. Benefits included increased number of experiments,

improved performance of digital properties, reduced risk, increased employee productivity, cost savings, and increased revenue.

## INCREASED NUMBER OF EXPERIMENTS

Customers with whom Nucleus spoke say Optimizely increased the number of experiments they were able to run because it enabled marketers to do more on their own, freeing up developers to focus on higher impact projects and experiments. Customers say they increased the volume of experiments between 200 to 1700 percent – nearly 10 times the number of experiments, on average.

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One customer said, *"We have run some tests just because we can. We can set them up really quickly and easily, so we do not have to place as much emphasis on diligently thinking through test ideas to determine where we should allocate resources. Some of our most impressive results have come from tests we never would have run."*

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## IMPROVED PERFORMANCE OF WEB AND MOBILE PROPERTIES

All of the customers with whom Nucleus spoke experienced improved performance of their Web and mobile properties due to Optimizely. One customer cited an experiment performed on one of their e-mail lead forms, wherein they changed the language of a button from "check availability" to "request best price." This change led to a 30 percent increase in conversion. On average, Optimizely increased conversion rates of Web and mobile properties by 34 percent.

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## MITIGATED RISK

Optimizely's platform enables customers to run experiments without wasting time or money, mitigating much of the financial risk associated with experimentation. Prior to Optimizely, some customers were not testing, and either risked losing money or risked falling behind in terms of innovation. One such customer lost money prior to Optimizely due to lack of sufficient testing. *"We went to market and*



*realized one month later that it was a bad decision. For us, the biggest benefit of Optimizely is mitigating this risk of wasted time and money."*

Other customers, who were with a competitor to Optimizely or a home-grown solution, found testing and experimentation to be time consuming and expensive, so they prioritized low risk projects. This also hindered innovation. One customer said, *"We weren't risk takers – we were hesitant to try new things out of fear of losing business, and that became a huge disadvantage. With Optimizely, we can take those risks. Experiments are very fast and controllable. After our positive experience, we spread this 'testing culture' across our company."*

Optimizely also reduces risks with its traffic allocation capabilities. If customers wish to experiment with a riskier variation, they can run the test on a certain percentage of their traffic, or on a specific segment. One customer said, *"When we have a risky test, we mitigate risk by running it on less of our traffic. If it is a design test, we might run it through 100 percent of our traffic to get to a conclusion as quickly as possible, but if the test affects pricing, for example, we might reduce risk by throttling it down to 20 percent of our traffic."*

## INCREASED DEVELOPER PRODUCTIVITY

Optimizely increased the productivity of employees responsible for website development, who are most commonly developers and other members of the IT department. One customer explained, *"We have one team that developed our website, and before Optimizely, they were maxed out. Optimizely equipped us with the tools to run most experiments on our own while developers were at capacity."* By reducing the number of front-end experiments they must run – such as changing the design of buttons and webpage layouts – Optimizely increases the productivity of IT staff. Optimizely reduced the amount of time it takes developers to test by an average of 48 percent.

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This also enabled developers to focus on more value-added aspects of their role, increasing output. On average, customers cited an over 450 percent increase in the number of webpages developers and other IT employees were able to develop.

## COST SAVINGS

Optimizely led to direct and indirect cost savings for the customers with whom Nucleus spoke by reducing licensing costs and enabling companies to avoid hiring

additional employees. One company reduced licensing costs by 40 percent by switching to Optimizely from one of its competitors.

Other companies could avoid hiring additional employees. For example, one company with whom Nucleus spoke said that to achieve the same output they do today, they would need to hire at least four more developers, leading to an annual savings of approximately \$340,000 in avoided salaries.

## INCREASED REVENUE

All of the customers with whom Nucleus spoke perceive Optimizely to have had a positive impact on their bottom line. Some customers have been able to quantify the direct impact Optimizely has had on revenue. One retail company, for example, experienced a \$200,000 boost in revenue due to one experiment it ran in 2016.

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The experiment entailed changing their site from defaulting to “new products” when customers performed a search but did not specify, to a combination of both “new” and “used products.” While the company had traditionally gained more advertising revenue on the new products page, the simple change was more accommodating to customers, who by and large came to their e-commerce site searching for used products. Changing the default to better suit their needs increased the volume of traffic to the site, significantly increasing advertising revenue.

## CONCLUSION

For the customers with whom Nucleus spoke, we found that Optimizely improved the performance of their digital properties, increased the productivity of their employees, cut costs, and improved their bottom line. Optimizely also inspires risk taking and experimentation which can lead to unanticipated, positive results. Optimizely is responsive to its customers, frequently incorporating new functionality to meet their needs, and all customers say they would purchase Optimizely again.