



LEARNINGS FROM EFF WEEK 2016

WHAT CAN A 'TEST AND LEARN' MINDSET TEACH US ABOUT MANAGING RISK?

In a marketing landscape where everything is constantly changing, what is a reasonable level of risk on brand investments? How can we breed a test-and-learn environment where failure is accepted as a natural part of the process?



EFF WEEK HEADLINES

#CULTURE

- Experimentation is central to the culture of some organisations especially digital disruptors such as Google, but for most it is counter-cultural.
- The best way of creating an innovation culture is via experimentation.
- Success demands small, fluid multi-disciplinary teams. Management must foster ideas and approaches that challenge the conventional way of thinking and then back them up in terms of testing them.
- And the more experimentation/ test and learn organisations do, the more it becomes part of their everyday way of doing business, the more innovative they become.
- A 'workaround' if all else fails is to split out the innovation business from the main business.

“Creative and data teams need to remember that they are strategic partners and sometimes the data has to lead.”

Lawrence Weber Karmarama

#BENEFITS

- Experimentation is the only way you will get causal links, everything else is correlation.
- Innovation, and the need for experimentation that goes with it, has become essential. Without it businesses become progressively less relevant. Do it or have it done to you, an added benefit is that you will confuse the competition.

#FAILURE

- The essence of an innovation/ experimentation. culture is one in which it is 'safe to fail'.
- You have to expect that more than two-thirds of tests will fail – if your failure rate isn't high you are not pushing innovation.
- You need to accept failure; it often produces more learnings than success.
- 'Safe to fail' experimentation empowers employees, harnessing their talent, creativity and enthusiasm.

“When I was at Expedia we accepted that two out of every three tests would fail”

Andrew Warner Monster Europe

#METHODOLOGY

- Use pace – rapid fire, especially in the tech world. Think sprint.
- It's generally most productive to focus innovations to test on the user/consumer experience
- Be ambitious. Google sets the bar high for success. They are fast to kill off products that don't meet their standards even if they reach reasonable scale. They call this 'sunsetting'. But they always extract maximum learnings from products they sunset and often re-purpose elements of them in future successes.
- The best experiments happen in the real world and focus on observable behavioural responses, not simply reported behaviour or intentions from market research.
- Beware focusing just on short-term response – it's important to think longer-term too. Evidence of brand impact, customer lifetime value, broader impact on people and society should be considered alongside short-term response measures.

“You need a dumping strategy for your experiments if they don't meet your goals, and also an amplification strategy for when they are very successful”

Alison Lomax Google



TEST AND LEARN

CONTENT AND RESOURCES

VIDEO - PANEL DISCUSSION

WHAT CAN A 'TEST AND LEARN' MINDSET TEACH US ABOUT MANAGING RISK?

Alison Lomax Head of Brand Solutions *Google UK* · **Andrew Warner** VP Marketing *Monster Europe* ·
Lawrence Weber Managing Partner – *Innovation Karmarama* & lead agency *Unilever Foundry*
41 minute watch

View at: <http://www.effectivenessweek.com/video-can-test-learn-mindset-teach-us-managing-risk/>

The panel share their experiences of embedding a test and learn culture within their companies, both in an agency and client setting.

BOOK

BEYOND ADVERTISING: CREATING VALUE THROUGH ALL CUSTOMER TOUCHPOINTS

Professor Yoram (Jerry) Wind and **Catharine Hays**, *The Wharton Future of Advertising Innovation Network*
Published by *Wiley*

An opportunity to learn from the world's leading Advertising Research project about the tools and frameworks to help business succeed in a connected digital world.



If you would like to get involved in the EffWorks initiative in this area please contact Janet Hull at the IPA:

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