



Clever ways to Split Test Images to Grow Your Etsy Sales

THRIVE BY DESIGN WITH TRACY MATTHEWS

What Whatify is about is figuring out what you should do it's organizing the data to make recommendations that will tell you how to increase your views and sales.

You're listening to Thrive-By-Design business marketing and lifestyle strategies for your jewelry brand to flourish and thrive. Let's get started.

Tracy: Welcome to the Thrive-By-Design Podcast, Episode 107. Hey there, it's Tracy Matthews. I'm your host today of the Thrive-By-Design Podcast, also the Chief Visionary Officer over at Flourish and Thrive Academy. You know what? I'm a totally creative person, but I totally geek out on left brained business stuff and analytics and metrics. Today you guys are in for a really special treat because I have a Yale professor on the show today. Get ready, get excited because we are going to talk about clever ways to split test images to grow your Etsy sales.

For all of you out there who are trying to get more impact and exposure with Etsy, today episode is for you. I'm really excited to share what my guest today, Jason (1.15 unclear), has to say about how just tweaking your images a little bit and testing images against each other can increase your traffic and ultimately increase your sales in you Etsy shop. I know a lot of you are concerned about this because Etsy is changing algorithms, a lot of the old ways of getting exposure on Etsy have kind of started to tank, as this new algorithm has come into place. I'm really excited about this, especially because as you know at Flourish and Thrive we support all sorts of jewelry designers and we also help you with your growth, but I'm always on a mission to bring Etsy experts on here, for those of you who are still selling on Etsy, in addition to or in lieu of your main branded domain website.

So this is going to be an awesome show. We're going to talk all about clever ways to split test images to grow your Etsy sales. Let me tell you a little bit about Jason (2.06 unclear). Jason is a Yale professor, as I mentioned, and he's an economist by trade who wants to help everyone from doctors to Etsy sellers. He's helping them make better decisions using science instead of guesswork, which is super exciting. Jason is an Associate Professor of Economics at the Yale





School of Management. He holds a PhD in economics from MIT, and an AB from Harvard University. The dude is a smart guy. Let's just put it that way.

Alright you guys, are you excited to dive in? Let's jump right into the episode.

I have a special guest today on Thrive-By-Design, and I'm really excited for this conversation because this is something that we've been doing in marketing for a while, and we're going to talk all about split testing with Jason (2.53 unclear) of Whatify. Jason, thank you so much for being here today.

Jason: Thank you Tracy. It's a pleasure to be here. [3:00]

Tracy: I am so excited to talk about this topic because in our pre-conversations we were talking about split testing images for Etsy and how that can really help you improve your conversions and increase your sales and really understand what's working because you have data behind it.

Jason: Yep, absolutely. When I think about split testing I think of it as really doing two things. First there's the thing that you said. The idea of having data, just getting some kind of feedback so that you can see what's better. The second piece of it is not just having that data, but having a way of organizing the data. So, not just having a bunch of numbers, but actually being able to extract answers from those numbers.

Tracy: I am so excited because we're going to dive deep in this today. So let's start this, but before we do, I don't want to go straight into split testing. I want to hear a little bit more about you so that our listeners can get a little bit of an idea about your background and how you came to being so fascinated with split testing and launching Whatify.

Jason: Sure. I guess my background is I'm a professor of economics, and I guess my intellectual journey has been that I've always been interested in how people make decisions and specifically in the idea that when people make decisions we're really only using a tiny fraction of the information that exists in the world and also that it's hard for us to know, even when we have all the information, how to appropriately process that information. So, one example of that might be when you try to decide what foods to eat. First, different people put in different amounts of effort to try to figure out what research is out there about what's healthy and what's not healthy. Even if you know that, actually operationalizing





that information can be difficult because you might say, suppose you're trying to decide what to get for lunch.

You can either buy a cheeseburger, which is unhealthy but cheap, or you can buy sushi, which is more expensive, maybe it tastes equally good, but you know it's healthier and more expensive. Then the question is probably you know a cheeseburger is unhealthy, but how unhealthy is it. Is it \$10 unhealthy? Is it \$100 unhealthy? Is it \$1,000 unhealthy and that's the kind of thing that I've been interested in. Trying to think about quantitatively whether people are making decisions that integrates all the available information in an optimal way. First, how you can tell if they're doing that and second, how you can change things so that they can do a better job of doing that.

Tracy: So cool. My mind does not work this way at all, so I love talking about this stuff because I always learn something new even though I talk about marketing and split testing and how to get people to buy all day long. It's so interesting to hear different perspectives of how we can really grow our product based businesses and our jewelry businesses in particular with just one thing so simple as like testing an image and analyzing data like that, like the cheeseburger/sushi scenario. [6:00]

Jason: Yeah.

Tracy: Super cool. Awesome. So you're a professor of economics. Are you still a professor of economics or have you moved on from that?

Jason: Yes, that's correct. My full time job is still being a professor.

Tracy: That's so cool. Tell us why you wanted to kind of move in to doing more with split testing and why you're passionate about it. I'd love to hear a little bit more about that.

Jason: Yeah absolutely. I see this in some ways just an outgrowth of the other research I've been doing about how to help people make better decisions. I think one of the huge things that split testing helps with is the non-obvious point that just trying different things is not enough. You might think that if you want to choose what image is best for your Etsy shop or sort of any other decision, what you need to do is just have image A, you have image B and you're just going to try one and try the other and see what works.





First of all doing that is probably a lot better than just guessing. Try them and see what works. It's a huge step forward. The problem is that it can very easily go wrong, and the way it can go wrong is to say suppose that I took the first image, I have an image of a necklace. I have one image which is just a necklace and another is the necklace on a person's neck and I want to see which is better, which will sell. Suppose I try the necklace on a person's neck on Saturday, and I try the one that's just a necklace on Tuesday. I might see that the one with just a necklace sells a lot more. It sells 15 percent more, but it might have nothing to do with the image. It might just be oh, I always have more sales on Tuesday than I do on Saturday.

Tracy: Exactly.

Jason: That's the problem that split testing solves. Just for your listeners, split testing is the same as A/B testing. It's the same thing as a randomized experiment. These terms are used interchangeably to describe these things.

Tracy: A randomized experiment. I love that. It's like so scientific which is so cool.

Jason: Yeah, it's exactly what you're saying. This is the same exact technique that is used by scientists, by academics, by everyone when they actually want to figure out the truth.

Tracy: So, would this be like the same as doing a medical case study where you're giving someone a placebo drug, as opposed to a real drug to see results or is that different?

Jason: So, a placebo introduces slightly different issues, but they're interrelated with this set of issues. They're very closely related, but it's certainly what is done in medical trials. You have the same problem in medical trials as the Tuesday/Saturday example I just described. So formally it's called the problem of selection bias, which is the problem that suppose I just try different things. I don't do any kind of formal experiment. Then what will happen is look I want to see oh in which patients will Warfarin lower their risk of having a stroke. [9:00] I could look at the patients who got Warfarin and compare them to the patients who didn't get Warfarin, but the problem is if you do that you might say oh my goodness the patients who got Warfarin are even more likely to have a stroke than the ones who didn't .





It's not because Warfarin is causing them to have a stroke. It's because the whole reason they got Warfarin in the first place is because you suspected that they might have a stroke. If you want to estimate the effect of Warfarin, then right. So it's like you can't just say, oh let's compare the people who—let's look in the past and see who got it and who didn't get it. Let's try both and see. You have to try both in a very systematic way. What split testing does, what a randomized experiment does is to say the way that we're going to decide who gets A and who gets B is we're going to flip a coin. What that does is to guarantee that everything else is held equal.

It guarantees that you don't have the problem that oh, I tried one image on Saturday and one on Tuesday, because over time all that stuff is going to cancel out. Over time we're going to try the image in equal number of times on Saturday and Tuesday. Over time you're going to give Warfarin to patients who are equally predisposed to a stroke if they didn't have Warfarin.

Tracy: Okay, got it. So, if we're bringing this back to marketing, when I think of analytics and metrics and testing and all this stuff, you test images, but you also test headlines, but there's not a lot of things out there that are really easy to do. Not easy to do, but you need something out there to help you. Tracking these things runs a lot deeper than, like you said, just guessing. How does this affect the images you use, and how important is it to split test images so designers can get an idea of some of the missed opportunities they might be having if they are doing this?

Jason: That's a great question. When you're deciding whether there's a lot of value in any kind of experimentation like this the key questions is how much uncertainty is that. If you already know the answer, then okay. You don't need to do any experiment because you know look it's better for me to have a picture of my product than to have a white screen. Normally, what we've found at Etsy though is it's not like that. It's not like picture one is a picture of your product and picture two was blank or something like that. It's like you uploaded multiple pictures. They're all a reasonable representation of your product.

You might say, but it's pretty clear that this one is the most—in the situation I described earlier where it's like you have a necklace and then you have a necklace on a person's neck. It might seem obvious. You might think oh, yeah that's really the primary image should be the picture of just the necklace





because that's what really shows the product most directly. More than it might seem obvious to someone else. They might say, no, the primary image should be the one on the person's neck. (11.52 unclear) think about how good this will look once you're wearing that. It turns out, and I've now looked at [12:00] thousands and thousands of these images, and compared our results to sort of what one might intuitively assess, it is really really hard to just know based on sort prior principles what kind of image is better.

It's not just me. I don't have a lot of artistic talent, but other people on the Whatify team do. It's the same for them. They pick out the image they think is nicer. They pick out the image they think is better, but that's not necessarily the one that actually generates more views and sales.

Tracy: This is so interesting. I'm going to tell you why in a second.

Jason: We just don't know a lot about the answer to that problem.

Tracy: I think it's so interesting is this. Etsy is such a different beast compared to a website or other types of marketing. We know for PR that you want everything on a white background. We know for websites typically white background images create a more cohesive look on a website and improve the user experience of a website, but Etsy I've found so different because we've had designers in the past say, oh my products sell better with the white background images, but then also people have said my sales started tanking when I started doing things that were just on a white background. The ones that were all stylized and you could hardly see the products sold better. It's so fascinating.

Jason: Yeah, let me clear. I'm not specifically saying that oh, when I said a white background I was trying to use sort of like the example.

Tracy: Oh, no I got that.

Jason: So, it might be sometimes a white background is better and sometimes it's not. That's why it's so important to test each listing individually. If you just go on these sort of general principles, they can help a little bit. It's like oh an image with a white background might on average be .001 percent better than one without a white background. In fact, one thing we're planning at Whatify over the next couple of months we're going to have a series of blog posts. We haven't launched this yet but we're planning to soon and sort of talk about, sort of test





some of the wisdom that's out there about what kind of images are better, and sort of see what on average is better.

What I was just saying is it's important to go beyond just that average as well because. A white background might be better on average, but it might be for many kinds of images a white background is not better. That's what Whatify figures out. For every single listing you have it figures out what image is best and how much it will increase your stats.

Tracy: Oh my gosh this is so cool. You kind of covered it a little bit, but I want to hear a little more about some of the results that you've seen in split testing images, in particular on Etsy. How it's increasing sales and conversions for the people that you're working with.

Jason: Yeah absolutely. Our headline number is that we have about a 10 percent increase in traffic if you follow what we recommend, rather than the alternative image. The key point I want to make about that is that 10 percent number is not BS. That is a real number, compared to virtually any other number you see [15:00] from anyone else where they're kind of making it up. They don't really know for sure. We have run tens of thousands of scientific experiments that cause us to get that number. It's like I would bet my life that if you use the images that Whatify recommends, rather than the alternatives, that on average they will increase your sales.

It's not debatable. It's completely proven as much as any empirical scientific claim can be proven. When I say an average of 10 percent, let me clarify that a little bit more. Some shops might get more than a 10 percent increase. Some shops might get less than a 10 percent increase. What we are now offering the way our service currently works is you try Whatify for a month. So, it's completely free. You don't have to enter your credit card or anything like that. We show you our recommendations for some images and then if you like, you can subscribe and we'll give you the rest of the recommendations and we'll do ongoing testing. You can test additional listings and everything else.

What will happen is every month that you are subscribed we will send you an update that says this month we have increased traffic to your shop by 2.1 percent. Now 2.1 percent might not sound like a big deal. It's like okay, it's only 2 percent, whatever, but if you are subscribed to Whatify for 2 years and every





month for those 2 years we're increasing your traffic by 2 percent. At the end of those 2 years you've made thousands of dollars potentially that would have been forgone had you not subscribed to Whatify. You can kind of figure it as exercising. You're eating healthy or something like that where even a small benefit after a month add up to an enormous difference over time. Of course for some shops we see an enormous benefit even after just one month.

Tracy: I want to ask you a question. It's helping search. How exactly does it help the search piece so people can find designers and get them listed on the front page, does it pick up in a different way? Do you want to explain that a little bit more?

Jason: My first answer is we don't know for sure. What we know for sure from these experiments is just that for one of a thousand possible reasons. If you use image B rather than image A, your traffic will be 10 percent larger. Now we are very interested in the question that you posed in exactly why it is that some images work better and what difference they make. So we're trying to figure out more about that. We think it must partly be sort of whether people (17.36 unclear) you showing up in the search results. Do people click on that image? It might partly be that for whatever reason using some images if more people click on it, then it leads you to end up showing higher in the search results. There's a variety of different factors and all we know for sure is that we can increase your traffic, and we're trying to find out more about what those mechanism might be.

Tracy: Okay cool. I hope the next step for this is to increase the conversions. [18:00]

Jason: Yeah, absolutely.

Tracy: That would be amazing.

Jason: So you mean sales essentially.

Tracy: Yeah.

Jason: In fact we are just in the process of analyzing that now. We think that if we increase traffic by 10 percent, we must be increasing sales by some similar amount. It's hard to imagine, oh you have this 10 percent increase in traffic and you're not getting any increase in sales. So, probably by the time this podcast airs we will in fact have completely solid evidence where it's just a matter of us collecting more data in total because sales, it turns out on Etsy, you get about a hundred views for every sale. What that means is if you thought that that





proportion was always the same, which is a big assumption that I'll talk about in a moment.

If you thought that it was always 100 views per one sale, then you would say if you currently get 1,000 views in a month for your shop. So 1,000 views would be 10 sales. If you increase that by a 10 percent increase in views, it would be 1,100 views which would translate into 11 sales. It would also be a 10 percent increase in sales. Now we don't know for sure if it works one for one like that. So, that's something that we are actually in the process of testing as we sort of collect more data. We have enough data that instead of just asking are we increasing the traffic that your images get, we can ask are we increasing the sales that your images get.

Most likely by the time the podcast airs we'll have validated that and probably have language on our website that says we're increasing traffic and sales by 10 percent.

Tracy: I can't wait. I can't wait to hear about how it goes. It's going to be awesome. I want to hear a little bit more about, I mean, this is a little bit backwards. We're kind of approaching it (19.48 unclear). Why do you—kind of journey. You're an economics professor. You clearly have a really amazing position. What got you inspired to jump in to helping Etsy sellers?

Jason: I'll start a long way back, which is how I sort of thought about the idea of Whatify. When I was in graduate school, which was some number of years ago, I saw a seminar which was actually by a physician at Mass General Hospital. What he did in that seminar was say, we were trying to figure out how at Mass General Hospital we could improve quality of care and simultaneously lower costs. We looked at the research literature, and we saw a hundred different things we could do.

What we decided to do was to run a hundred different experiments. We made a list of all the things we could do. Then for every single one we did an experiment where we said, some days we're going to do things XY and on other days we're going to do things Y way or for some doctors we're going to say, hey we'll send you a reminder every day where we're targeting this goal in terms of readmission rate or something like that. [21:00] For other doctors we'll have a





small incentive where we say, oh by the way if you remember to send your report on time, we'll give you \$50.

Based on about 100 experiments, they figured out what worked. They said oh, 37 of these we found that one option was much better than the other one. Now we've implemented those 37 things and collectively. That has led to an enormous change. I saw his presentation and was like, many everyone in the world should be doing this all the time. It's kind of ridiculous that it's considered the exception that oh there was this one really innovative manager who decided to do 100 experiments to actually figure out what worked when in fact everyone should be doing this. So basically that's what Whatify is about and where we're starting with Etsy. Right now we're exclusively dedicated to Etsy for a couple of reasons.

First of all we just like Etsy. Everyone involved in this has bought stuff on Etsy. Not me personally, but others have sold stuff on Etsy who are designers themselves who have created things and sold them on Etsy.

Tracy: We'll keep you to the analytics.

Jason: Exactly. I can't design anything. First, we like Etsy. Second, we felt that this for a variety of reason was a setting where we thought that maybe testing had a lot of value to add where, as I said, there's a lot of uncertainty in what image is best or what photo is best. So, we thought we could really help people a lot by doing that. Then there were a number of technical reasons having to do with automating the process of doing these experiments on Etsy that have turned out to be a very natural setting for that.

Tracy: With all the analytics changes this is an amazing way to get your images in front of more people.

Jason: Yeah, absolutely. So, the way that we contrast this with other analytic services, I sort of mentioned the idea earlier, the idea that you can have a bunch of numbers. There can be an analytic service that tells you every number about your shop, every number for every listing, how many views and sales you currently have and what that's been historically, anything that you can possibly want to know. But just having those numbers doesn't tell you what you should do. It doesn't tell you if I do X rather than Y, will that give my shop more sales.





What Whatify is about is figuring out what you should do. It's organizing the data to make recommendations that will tell you how to increase your views and sales.

Tracy: Okay amazing. I love that. I'm just taking notes. I love this kind of stuff so I love taking notes. My mind will never be the kind of mind that's going to figure out how to do it, but I love learning about it. I'm so passionate about it.

Jason: I was just going to say, it's very good that there are different people with different minds that are good at different things because that's what makes the world go round.

Tracy: Exactly, A and B, to balance things out. Whatify sounds awesome. Can you tell us a little bit about how it works when someone signs up?

Jason: Yeah, absolutely. The basic idea is to try to make everything as [24:00] automatic as possible so that the whole process of signing up, of using Whatify, of getting results and implementing those results takes just a couple of minutes total of the user's time. What happens is you sign up and first you select which of your products you want to test. We encourage you to test all of them because typically it's the case that for every product by running an experiment we can figure out which image is better. Then what happens is once you select the products you want to test, you start the experiment and the experiment will run automatically.

We'll send you an email update after two weeks, but every four hours for the next four weeks we will randomly switch which of your first two images for each listing is the one that appears as the primary product photo. Then we'll automatically collect how many views, how many sales you get during that period so that we'll be able to analyze the results. Then after a month, or if you're a subscriber every month, we'll then get together. We'll analyze the results and we'll say okay we'll figure out which image is best for that listing. How many views, and ultimately how many sales it will generate and then we send you an email where you can click and you can see all those results. You can see for every listing which image is best and how many views and sales that generates. Then it's up to you how to proceed. So, we provide some functionality where if you want, you can automatically implement all of our recommendations.





Tracy: Oh can you just click a button or something and it will change.

Jason: Yeah exactly. You don't have to go in and say okay I'm going to manually go to every one and figure one, Whatify recommended or anything like that. If you want, you click one button. In fact what we're planning to provide in the subscription service, if you really want, you can just have us automatically we do some ongoing testing, and whenever we figure out which image is best we can just do it totally automatically. If you want, you can opt to review it. We won't switch anything without getting your permission first.

Tracy: Wow, that's so cool. So is it a team member doing it or is it just automated?

Jason: It's automated. This is what our developers have been working hard on for the past year is basically building this so that you just have to make your choices about what you want to implement and then we implement it for you. What we're trying to do with Whatify is to make it so this technology is as easy as possible. It's not just saying oh, if you lack the analytical skill, maybe you can use this, but even if you had the analytical skill, you don't have the time. You don't want it to be like oh, you have to spend hours and hours to do this experience. The idea is the whole process should just take a couple—

Tracy: Okay amazing. I love that.

Jason: Alright, excellent.

Tracy: You created something a little bit special for our audience. I'd love to hear a little bit more about that.

Jason: First of all if you're interested in trying Whatify, the website is www.whatify.com. [27:00]

Tracy: We'll have a link in the show notes so that you guys can go there real easily.

Jason: Okay excellent. And then we also are creating a coupon code for all of your listeners, which I think we decided it would be FLOURISHANDTHRIVE is the coupon code. The way that Whatify works currently, as I mentioned earlier, you don't need a credit card. It's free to try for a month. So after that month if you then want to subscribe to Whatify, you enter your credit card information and





at that point we'll also have a place where you can enter your coupon code, and if you enter that coupon code, then we'll give you 20 percent off.

Tracy: Amazing, and is that just for the first month or on going?

Jason: So, that's going to be 20 percent off the subscription for the first 6 months of that subscription.

Tracy: Okay, amazing. Twenty percent off your subscription for six months. I love this. This is amazing. I am so excited for this episode to go live, so that we can get some of our designers testing it. It's going to be so fun. I'm really excited to see the results.

Jason: Yeah we are super excited too because we feel like we have built this product that we think can help people a lot, and we really want people to try it. I should also add that of course we are a start up. We're very early stage. So we feel like it's working pretty well right now. We've been testing it for months and months, but we always welcome feedback. So if you do something, even if it seems to be working well, but there's something that you're not satisfied with, please you can send me an email. If you go on the Whatify website, we have contact information for all of us. So, send us an email. Let us know if there's something we can improve, or especially if something goes wrong. If there's anything that happens like that, please let us know right away and we'll try to fix it as soon as we can.

Tracy: Okay, amazing. We'll have all these links on the show notes. We're going to have the offer also listed out there so that you can use discount code flourishandthrive. I have to ask one final question, and I'm going to put you on the spot here. I know that you're just launching this with Etsy, but when is this going to be available for other platforms like Shopify?

Jason: We're certainly planning to do that. I mean, as I said, right now we're 100 percent focused on Etsy, but hopefully if everything goes well with Etsy, then in the next couple of months we'll be able to raise more money from investors, hire more developers and then help us make this available for other platforms. Shopify is actually the next major one that we're looking at.

Tracy: We're excited for all of it.





Jason: It might be a couple of months, but of course the future is uncertain so who knows what it will bring.

Tracy: Yes, which is exciting. The future is uncertain, which it's going to be amazing things.

Jason: Unless you A/B test then you know for sure.

Tracy: Yes and when you A/B test you know for sure, that is for sure. Thank you so much for being here today Jason. This has been awesome. I'm just so fascinated by all of this. I'm excited to share it with the Thrive-By-Design community. Thank you.

Jason: Yeah, thank you. This was a lot of fun.

Tracy: Thank you so much for listening to the show today. I totally geeked out on this episode today when we were doing the preshow stuff and the post show stuff and having this conversation. I love talking about how split testing can really improve your marketing, how it can improve your sales. Whatify is a really amazing solution for you to not only increase traffic, but eventually sales and conversions on your Etsy shop.

To check out that very special offer that Jason spoke about here's the deal. We're just going to send you straight to the Whatify website. You're going to go to www.whatify.com. Then you're going to sign up for a free trial. You don't have to give them a credit card or anything to test this out. What they're going to do is give you some random sampling of images that you have, give you results on what's working better. They want you to test it. They're going to give you some data behind that. Then if you decide to move on with the subscription, enter the code flourishandthrive, all lower case in the coupon code, and you'll get 20 percent off of their subscription for 6 months so you can start seeing measured growth over a long period time because as you've heard us say, success is not an overnight thing. It takes testing, it takes time, it takes trying out different things to increase your sales and continue to grow and then expand on what's working.

I just love what Whatify is doing. Alright, make sure you check it out, especially if you have an Etsy shop, obviously. Thanks so much for listening to the show today. Until next time, this is Tracy Matthews signing off.

