Between the Gates, Vol. 4: Beta Test Basics

Practical tips for beta test design and management

by Noel Sobelman

What value can beta testing provide in a company's new product development process? How should test programs be designed and managed to maximize strategic business value? How far along should a beta product be before being sent to customers?

Most would agree that the primary purpose of this test (a customer-conducted test of a pre-release product in user environments with real-life workloads) is to learn about end-user acceptance of the product. However, beta testing can be much more strategic, and has the potential to deliver business value throughout the product development process. Leading companies include market message evaluation, customer support readiness assessment, pricing strategy confirmation, product packaging and out-of-box experience assessment, and set-up instruction clarity as part of their beta test objectives.

How can you better define and maximize the value of your beta tests?

Understand the Purpose

The purpose of beta testing falls into three major categories. Companies should understand which category or categories are most important to them as a starting point, and which category to expand into.

Product function:

Does the product do what it was designed to do? While most firms do extensive alpha testing (i.e., in-house testing), they recognize that the demands put on the product by external users cannot always be anticipated or realistically simulated in-house. In addition to a basic functional check, data can be obtained on customer-desired refinements. Even if launch pressures restrict late stage changes to minor design modifications or “bug” fixing, more significant improvements should be passed on for incorporation into the next generation of the product.

Product support/marketing:

Are we ready to support and promote the product with sales channel training, end user documentation, marketing, and other support elements? Beta testing should be used to ensure that all customer support processes are in place and the call center is ready to receive customer calls prior to full-scale production.

Data from beta testing can also help to determine or confirm the product’s optimal market positioning, target market selection, and even introductory pricing. This is particularly important when serving multiple market segments or sub-segments. Beta testing with a diverse set of users in different regions can provide market data specific to targeted segments.

Sales promotion:

Have we gained feedback that will improve channel and customer relationships and help us promote the new product? A successful beta test reduces uncertainty about the new product and has the potential to increase publicity. Positive beta test results with key opinion leaders can provide influential testimonials. Using a prestigious company as a beta tester is a good way to legitimize the product. This is especially important for new, complex products.
Tips for Maximizing the Potential Business Value of Beta Tests

Freeze product design prior to beta.

Other market research methods provide a better and timelier input into the design phase of development. For example, early prototype testing is useful for new-to-market, disruptive products. Less disruptive products can have their requirements’ definitions validated via less costly means, such as surveys or focus groups. Most practitioners agree that beta testing should be done only after detailed alpha testing is complete. Rushing a beta product with too many bugs or design deficiencies can cause problems with customer relationships and create negative publicity.

Identify the full set of possible benefits from your beta test.

Product Managers should explicitly set out the purpose of a beta program during test planning. These purposes may not be the same for every test site and, therefore, will influence decisions on the number and type of sites, data collection approach, and information dissemination to development team members.

Recognize market segmentation and make beta testing a close approximation to real-world experience.

If all potential users will use the product the same way, it is easier to understand and replicate the use in-house. This means that the basic functioning check can be done through alpha testing while beta testing serves a marketing or commercialization purpose. Testing for a full range of applications may require a large number of sites in different market segments.

Grow the number of beta sites over time, beginning with sophisticated customers where a good relationship exists.

Beta testing with too few sites means that feedback data may not be representative of the entire set of product applications. Testing with a large number of sites increases the burden of managing information flow (and risks customer relationships if the product turns out to have more bugs than anticipated). Some companies manage beta site activity using a team headed by marketing and also including engineering, documentation, and customer support functional representatives. This group sits between customers and developers to act as a buffer, prioritizing fixes so developers can stay focused. In most situations, however, it is not recommended to have a filter between the design team and customers. Rather, it is better to begin with a small number of beta testers, growing the number over time as uncertainty is reduced.

Ideal early testers are those who place a high value on receiving the new product early, have good relationships with your company, use the product in a non-critical application, and are technically sophisticated. These characteristics mean that the test site will be more willing and able to find bugs and report them quickly. Best of all, even if an issue affects a key component of their business, the customer relationship will not be destroyed.

Keep testers engaged and actively monitor beta product performance.

The relationship with testers needs to be such that the sites will take the initiative to immediately report bugs. Some companies have achieved this by compensating beta test sites for their contribution. Successful companies make weekly contact with testers to understand ongoing status. Regular contact helps customer relationships and can quickly indicate whether the test should be terminated or expanded. A formal beta test report is useful for testimonials and passing on next-generation product enhancement requests.

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For the past 25 years Noel has worked extensively in the areas of innovation strategy, product development, portfolio management, product commercialization, and the software systems that enable innovation. His industry background includes experience with high technology, life sciences, consumer packaged goods, industrial, and renewable energy companies. He is a frequent speaker, researcher, and writer on innovation effectiveness, disruptive innovation, and time-to-market reduction.