


ROI of UX

How to Prove that Better UX is Better for Business



ENNATE

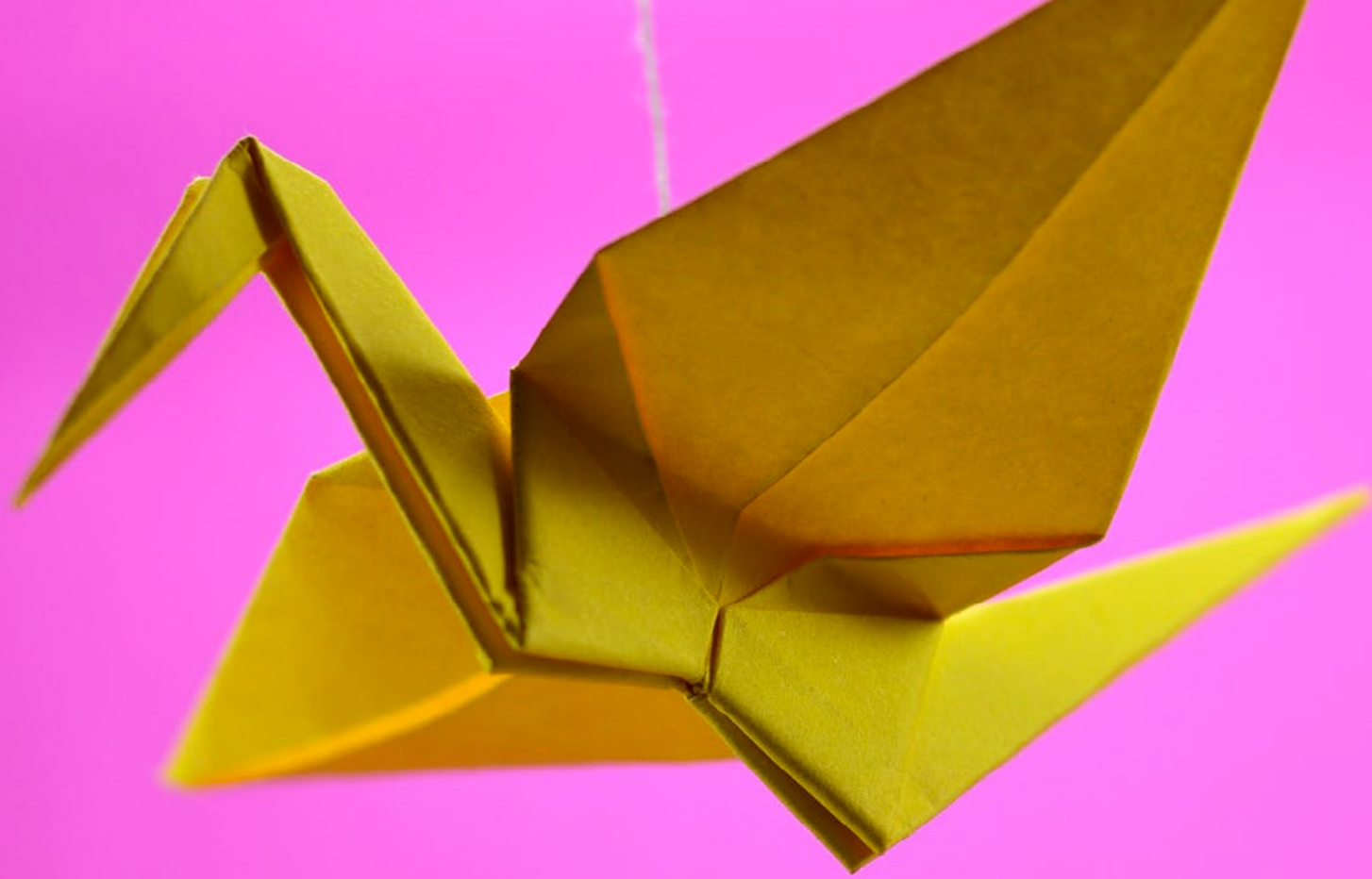


User Experience (UX) design is a large part of every digital platform. How you interact with the apps on your phone, the kiosk in McDonald's, or the software on your laptop, digital design is everywhere and has a huge impact on your day-to-day life. If we drill in and focus on the user experience of software solutions, their aesthetic, functionality, and usability have a direct impact on your company's success and bottom line.

Excellent UX starts with understanding the needs of your users and your business goals, and combines the two into an optimal experience that makes everyone happy.

A focus on UX will not only generate more revenue for your company, but reduce costs, and help you better understand your customers.

- **UX design research helps you better understand your customers**
- **The ROI on UX is real and measurable, so get started**
- **You can drive brand loyalty and retention with UX**



“The first step in exceeding your customer’s expectations is to know those expectations.”

—Roy H. Williams

Exceed Your Customer's Expectations

Gone are the days where the only significant role of the customer was to purchase your product. In the past, companies targeted their customers with mass-marketing tools designed to persuade them to buy. Now, in the digital age, the relationship between a business and its customers has changed dramatically.

The UX toolbox has tried and true methods and frameworks for developing a real understanding of what motivates your customers and users. To understand your target audience, you need to conduct not only the right research, but combine it with the cultural factors that make your company and product unique to get the right actionable results.

Understanding the "Why" (thanks Simon) requires setting research objectives. With any science experiment, you need to set a hypothesis, and then validate or discredit it through your methodologies. These research methodologies should be occurring internally with staff, directly with current customers, and if possible, with your prospects and potential customers as well. Your research should include attitudinal and behavioral, qualitative and quantitative formats that is then combined with strategy, financial, and competitive reports to gain insight into your marketplace.



Research Methodologies:

- Interviews
- Design Sprints
- Heuristic Audits and Evaluations
- Surveys
- Focus Groups
- Prototypes
- Observation
- Card Sorts
- Usability Tests
- A/B Testing
- Review System Analytics
- Review company materials, goals, KPIs, and C-Suite objectives

A well versed UX team knows how to bring together best practices from multiple methodologies, and synthesize them into actionable items to improve your platform. Blending the different techniques will help to provide the correct insights and clarity to the problems your customers and team is facing.

Once you have conducted your research, the next action item is expressing the data you have obtained in a way that is not only useful but can provide guidance to other team members. Data visualization, customer journey mapping, empathy mapping, creating personas, and prototyping are all incredibly powerful ways to show that you have a deep understanding of your customer experience. These artifacts can then be used to continuously validate and refine your software, creating actionable items for your product, development, and marketing teams.

“60% of customers are willing to pay more for a better experience.”

—Eric Von Hippel, MIT institute of Management Sciences



Every Dollar Invested in UX Brings 100 Dollars in Return

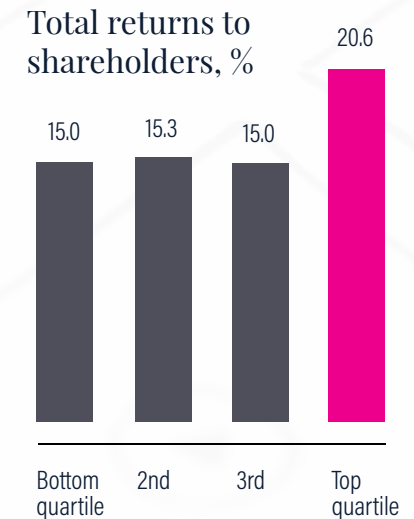
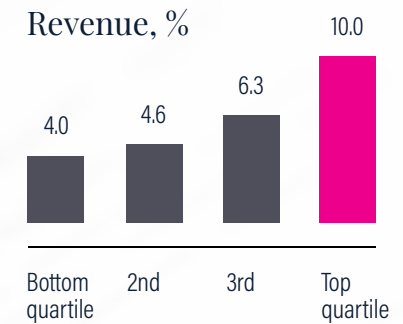
The McKinsey Design Index (MDI) tracked the design practices over 300 publicly traded companies. They collected over two million data points which resulted in correlating the design actions which increased revenue and return to shareholders. The companies with top-quartile MDI scores outperformed the industry-benchmark growth as much as two to one!

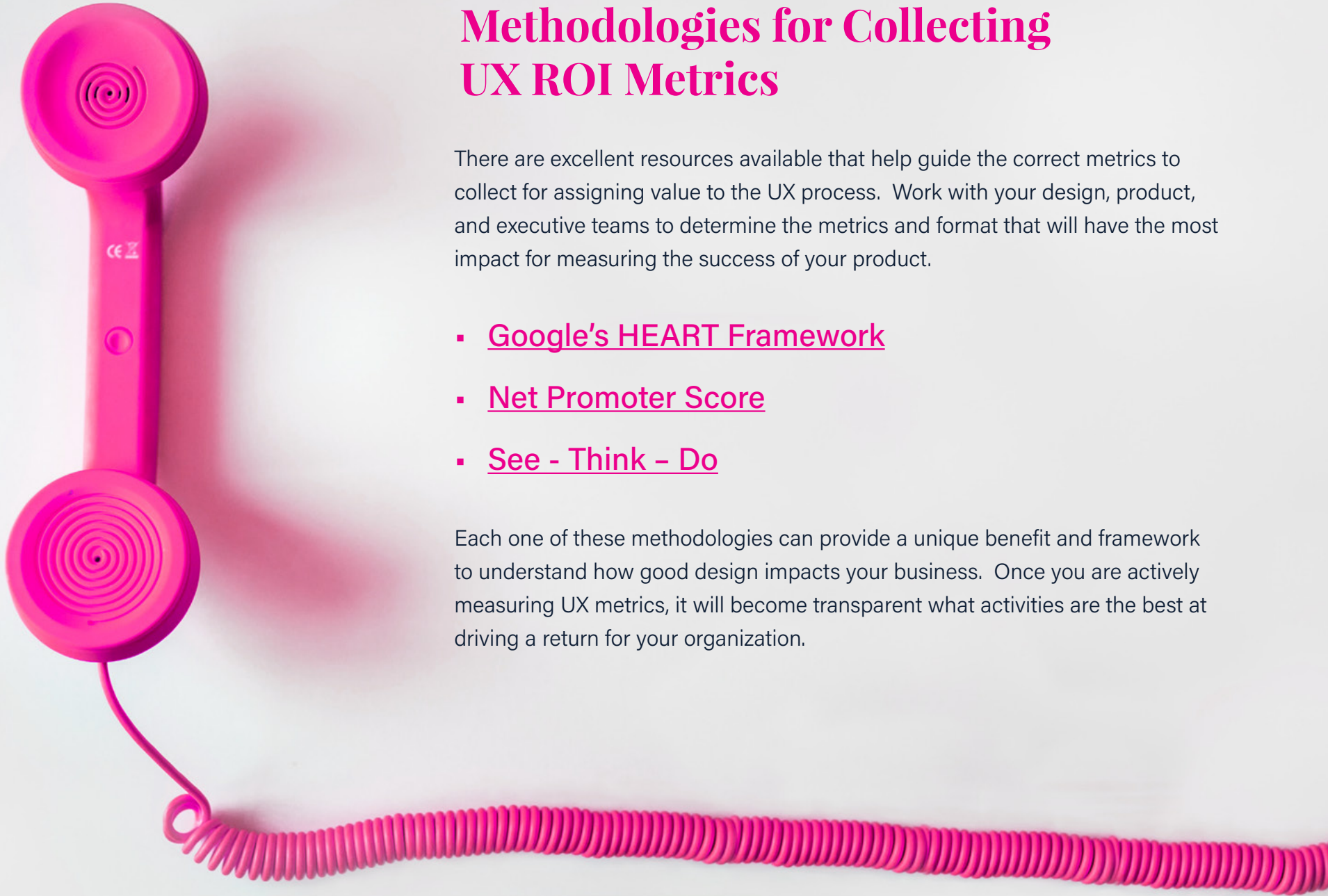
There was not only a high correlation between a high MDI score and business performance, these results were consistent across multiple industries including medical technology, consumer goods, and retail banking. The four ways they valued design for this study are:

- **Analytical Leadership** - Measuring and driving design performance with the same rigor as revenues and costs.
- **Cross-functional Talent** - Make user-centric design everyone's responsibility, not a siloed function.
- **Continuous Iteration** - De-risk development by continually listening, testing, and iterating with end-users.
- **User Experience** - Breaking down internal walls between physical, digital, and service design.

Their research showed that over 40% of companies surveyed are not talking to their users during product development. **17% of all respondents said that their largest design weakness is not employing design metrics as part of the analytical leadership of their company.**

MDI Returns





Methodologies for Collecting UX ROI Metrics

There are excellent resources available that help guide the correct metrics to collect for assigning value to the UX process. Work with your design, product, and executive teams to determine the metrics and format that will have the most impact for measuring the success of your product.

- [Google's HEART Framework](#)
- [Net Promoter Score](#)
- [See - Think - Do](#)

Each one of these methodologies can provide a unique benefit and framework to understand how good design impacts your business. Once you are actively measuring UX metrics, it will become transparent what activities are the best at driving a return for your organization.



“If you think good design is expensive, you should look at the cost of bad design.”

—Dr. Ralf Speth, CEO, Jaguar Land Rover

Reduce Development time by up to 50%

The financial burdens of a poor user experience are both incremental and cumulative. Over the long haul, it costs more money if a company underfunds or ignores UX. These technical and UX debts build up and become real financial debt at each stage in the development and product lifecycle.

When developing software, the most constrained and costly resource is typically the engineering department. **Fixing a bad workflow in a production environment costs 10x more than it would to fix during the design phase of a project!!** [1] It is incredibly important to get as close to the correct user experience with the first build out to help mitigate revamping a poor user experience down the line.

Creating a framework for design systems, components, and workflows based on proven UX patterns also speeds current development process because the team will not have to recreate and recode the same elements multiple times. This creates a consistency in your application that your users not only desire but appreciate.

A well-designed thoughtful user experience within your application will also have a dramatic effect with onboarding and support costs. With easy to use software your organization will spend less resources bringing in new clients, allowing less employees to handle more accounts. This lower barrier to entry of your platform will also increase engagement with end users and lock them into your workflows and feature sets faster. Intuitive and consistent software also reduces ongoing support costs, bugs, and unhappy customers.



“Design is more than a feeling: it is a CEO level priority for growth and long-term performance.”

—McKinsey, The Business Value of Design





The Experience Economy

Increasing Retention & Brand Loyalty

Think about your bank, or all banks, they do the same things. Checking, savings, loans, and credit cards. When every bank in the industry is offering the same services, the differentiator is user experience. Great UX teams break down the barriers between digital and physical products, in person interactions and service design.

Millennials prioritize experiences over things, and this trend heavily applies to the user experience of the products that they interact with [2]. People want personalization, and connection in an experience-based economy. The most successful applications give users a reason to come back every day. Creating the right first impression with an amazing onboarding process and creating feedback loops for continuous engagement are the steps to keeping customers active and loyal to your product. The best modern products incorporate these key elements:

- **Easy onboarding**
- **Personalization**
- **Incentivized platform**
- **Two-way communication**

High quality applications with proper functionality will have a dramatic effect on your Net Promoter Score, and the best shortcut to success is to have a delightful user experience. This goes deeper than interaction and benefits and can be measured though many types of application functionality. Balancing this with the right UX is your linchpin to success.

The Bottom Line:

Better User Experience is Better for Business

- Every dollar invested in UX brings 100 dollars in return
- Reduce development time by up to 50%
- 90% reduction in support costs after usability testing and improvements.

<https://www.experiencedynamics.com/blog/2014/07/making-strong-business-case-roi-ux-infographic>

Ennate can help develop your UX strategy.

To learn more, please contact us at hello@ennate.io



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