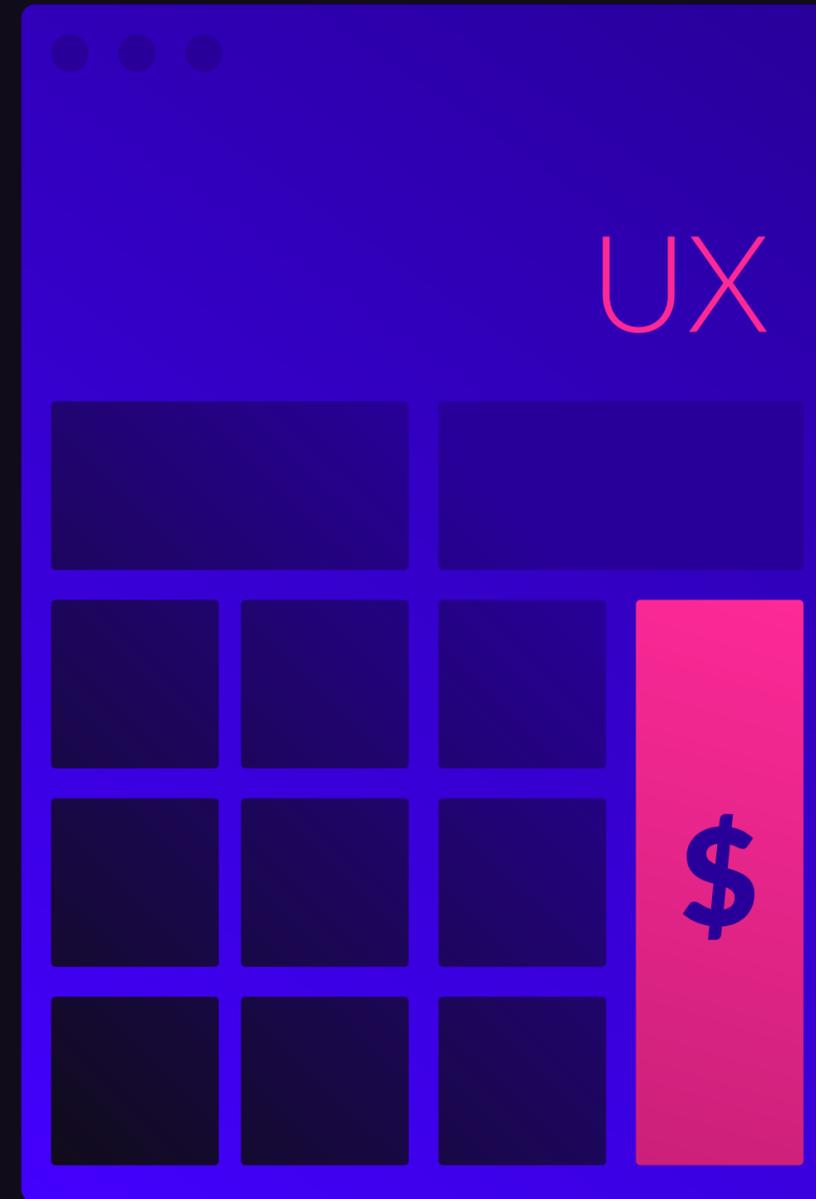


# Business Value of UX design

uxstudio



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# Introduction

In a world where customers have more options to choose from than ever, excellent customer experience becomes both a necessity and a differentiator. Given two or three products with similar functionality and price range, there is a chance that users will choose the one that provides the better experience.

Great customer experience can make the difference between a customer that stays for a long time and one that never comes back. And great customer experience starts with excellent user experience (UX).

What is more, the user experience field has seen a considerable growth in the last few years. That growth is still expected to keep up, with a 22% increase over the next 10 years.

Yet, from different conversations, we noticed that not everyone is fully convinced about the importance of UX and its design.

As a UX design agency, we decided to conduct a study to get a clear understanding on what is the perceived value of UX design for companies and across the product development cycle. We invited product managers, product owners and other product professionals to share their views and their experience.

This ebook contains the summary of our findings, which also prove the considerable positive impact of UX design.



# Methodology

To assess an abstract concept like the value of UX design, we needed to outline a few key aspects that can be quantified or rated. Thus, our survey evaluates the value of UX design by considering:

- How different companies approach UX design
- How beneficial it is to work with UX professionals at each product development stage
- The top benefits and the impact of UX design
- The ROI of UX design
- Challenges in working with UX professionals

Over 100 product professionals from all around the world have participated in this survey. More details about the respondents can be found in the Participants background chapter.

# What UX design means

Knowing how different companies coin the term 'UX design' is essential to understand the value of UX design for business.

UX design does not have an academic, widely accepted definition. Back in the 1980s, Don Norman, the one who introduced the term 'user experience', broadly defined it as a discipline that 'encompasses all aspects of the end-user's interaction with the company, its services, and its products.'

Nonetheless, a lot has changed since the 1980s.

To get an accurate, up-to-date view of how companies approach UX design, we asked the survey participants to tell us what they mean when they refer to UX design.

We noticed the following patterns across the answers we received.

- **Ease of use & simplicity**

For many survey respondents, user experience means first and foremost simplicity and ease of use. Here, there are two main approaches. The first one is about creating an easy to use, simple and intuitive product. The second revolves around removing any potential friction points that may get in the way for users when they're trying to complete a task or achieve a goal.

- **Understanding customer needs and pain points and solving them**

The second most popular approach for user experience is solving customer pain points. In this case, user experience means understanding customer needs and problems and coming up with a solution for these.

- **User focus & centrality**

For others, user experience means a sharp focus on the actual users of a product instead. In this category, user experience means going beyond technology, understanding the end users. It also means creating value, building meaningful products and helping users achieve their goals.

- **Aligning business and user needs**

A fourth theme approaches user experience as building a bridge between users and a company, aligning the needs of both parts.

- **Important, essential for customer and product success**

While it doesn't answer the question directly, some of the survey respondents said that for them user experience is an important element, essential for customer and product success.

A small subset of the answers also understand UX as a strategy to prioritize and to quickly validate ideas and potential solutions.



## **WHAT IS UX DESIGN?**

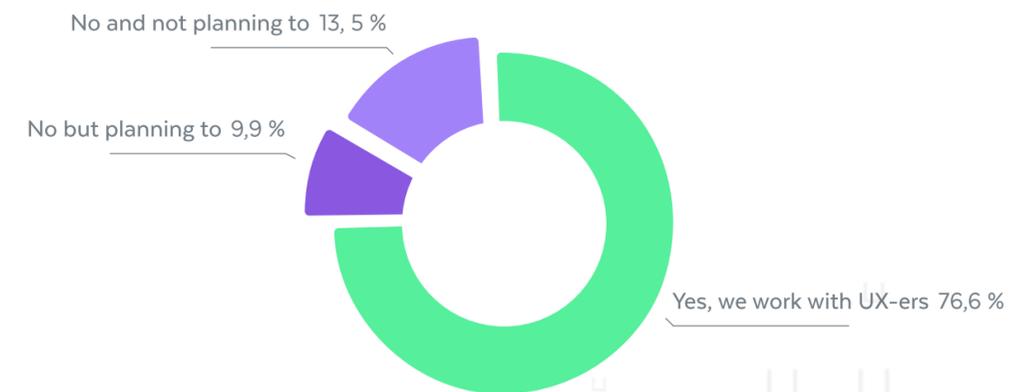
# The current state of UX design

Our survey data confirms the fast, high growth trend in the UX design industry.

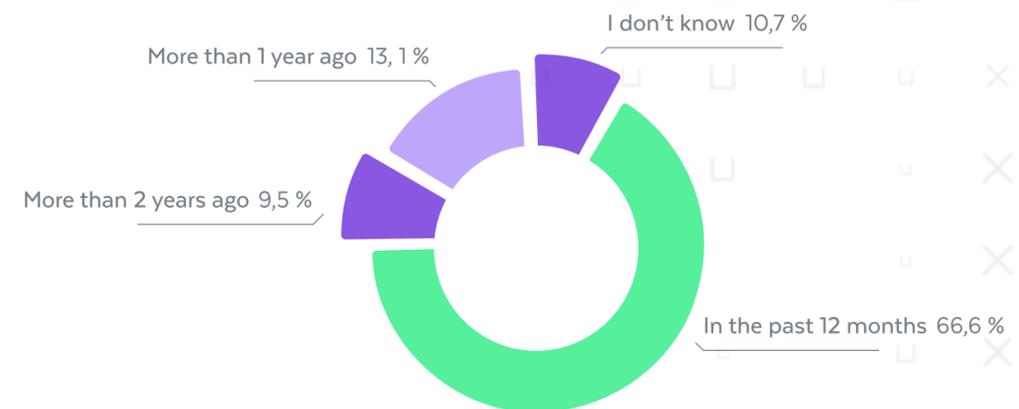
According to our survey data, UX design is currently present in most organizations: more than  $\frac{3}{4}$  of the respondents reported that they work with UX professionals. Additionally, more than half of the survey participants said that they hired UX professionals within the last 12 months (chart 2).

Considering these numbers, it would be fair to say that we are witnessing a boom for the UX design industry.

Do you work with UX professionals?



When did you last hire UX professionals?

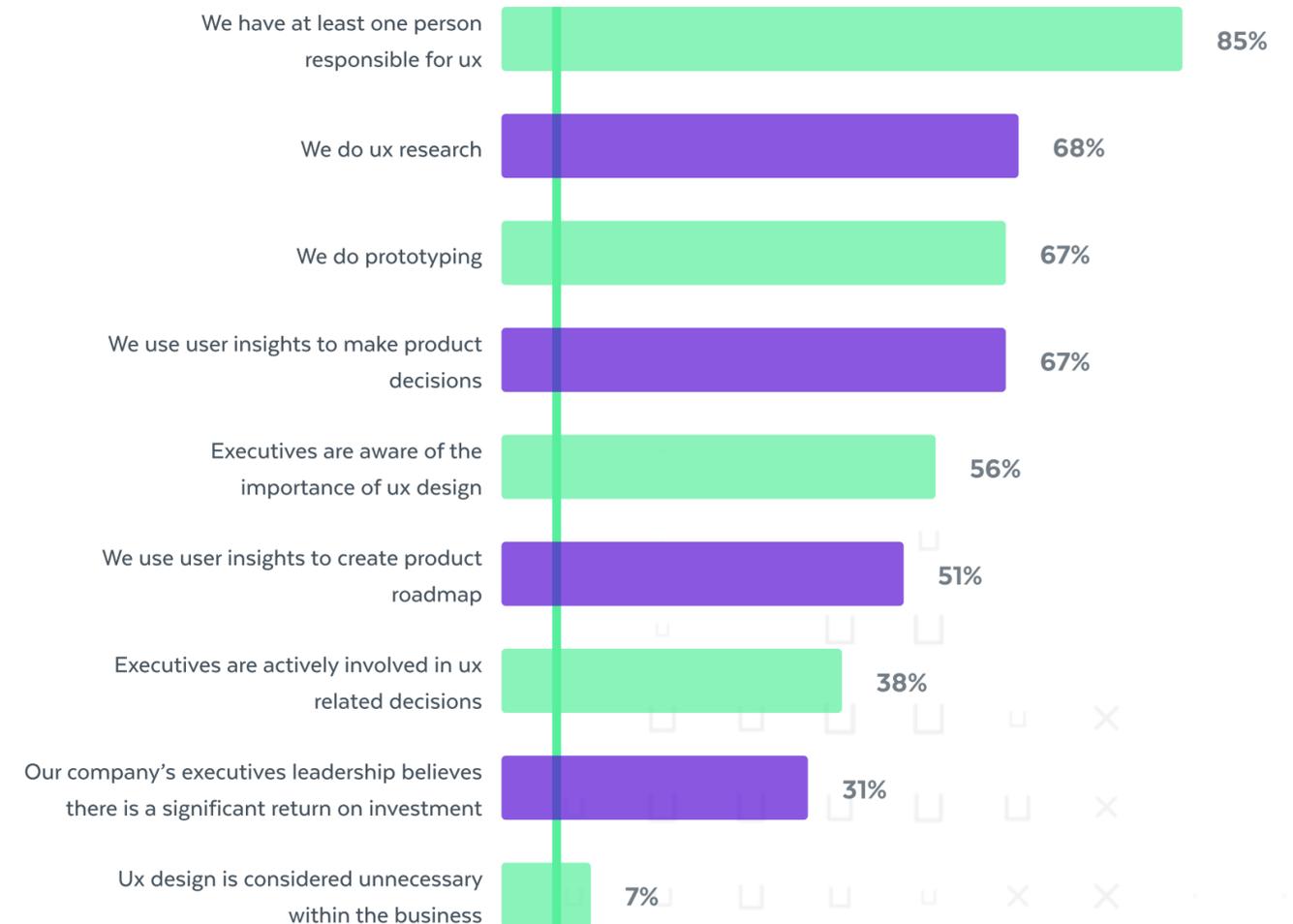


## Teams working with UX professionals

Once we understood how companies approach UX design, we moved further to learn more about the habits of the teams. We asked about research and prototyping, as well as about executive management's involvement and relationship with the UX design process.

Two important findings came up:

1. UX Research and user insights are gaining ground in how decisions are being made within companies. This is very important in data-driven product development as it confirms a real focus on users. Teams are slowly shifting the focus from sales and management requests to integrating user insights into the product development process. While there is definitely room for improvement, it's a good start.
2. While a little more than half of the executives are aware of the importance of UX design, they're not actively involved in UX related decisions. Additionally, a relatively small percentage of executives believe that UX design provides a valuable return on investment for their business. We believe that this can be tied to how UX design is currently being understood. If the approach is mostly concerned about making products simple and easy to use, the importance of creating value for end-users may be overlooked even though it can create benefits for the product and the company.



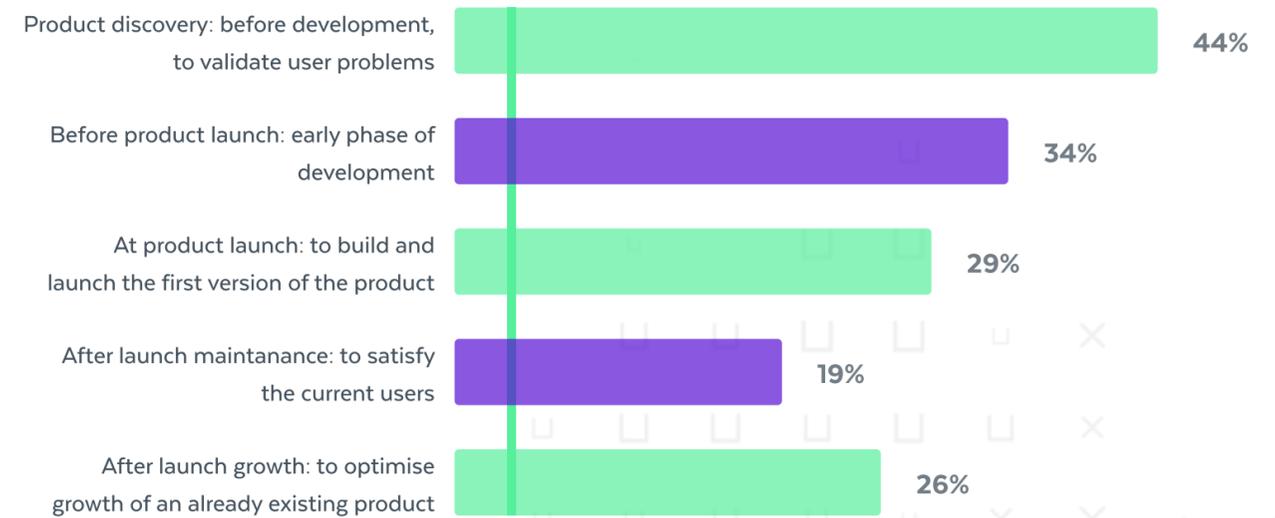
# The impact of UX design across product life cycle

In understanding the business value of UX design, a key aspect is seeing what stages of UX design are the most useful. This is fairly easy to assess, given that the product development cycle runs in clearly outlined stages, starting with discovery, followed by launch, maintenance, and growth.

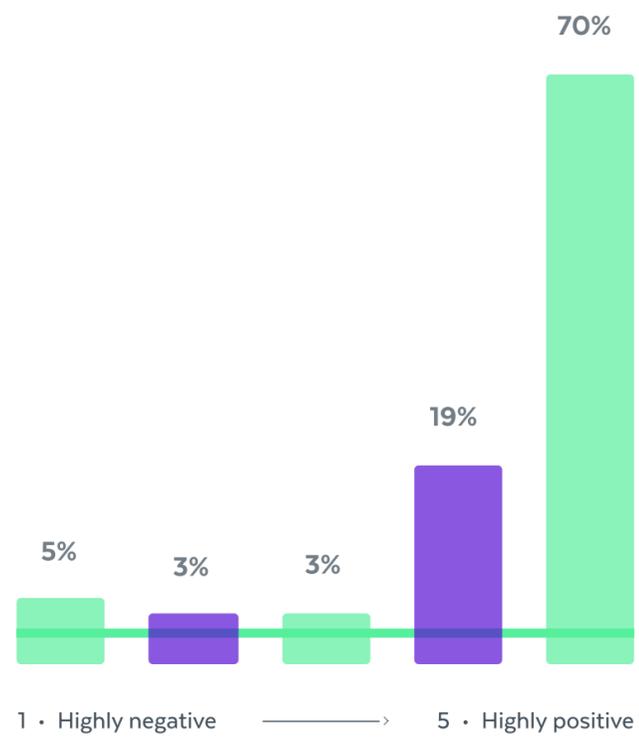
According to our survey, working with UX professionals is most beneficial in the product discovery stage and before product launch.

It is worthwhile to note that most survey participants reported that they worked with UX professionals in these stages. This can be explained by the fact that the UX workload is higher at first, when teams need to decide what problems to solve, a common look and feel and user journeys within the product.

When did you hire a UX team?

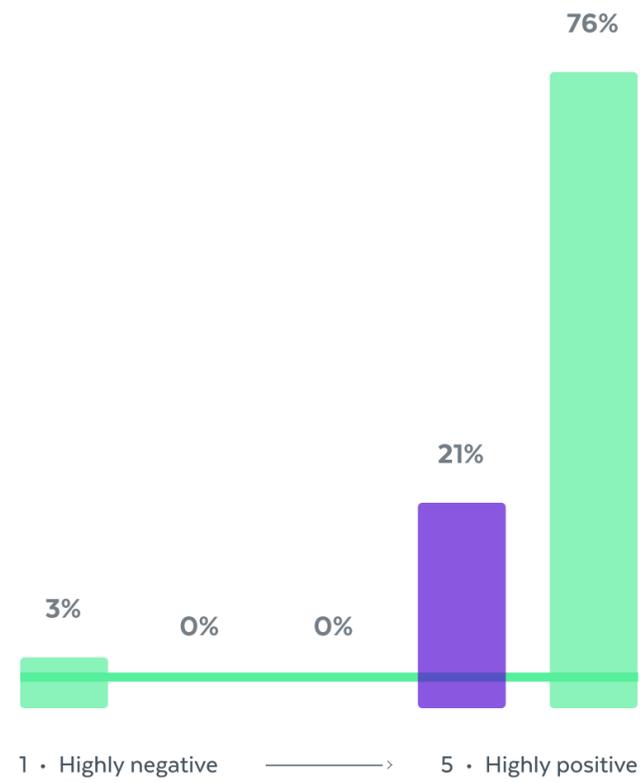


### Discovery stage



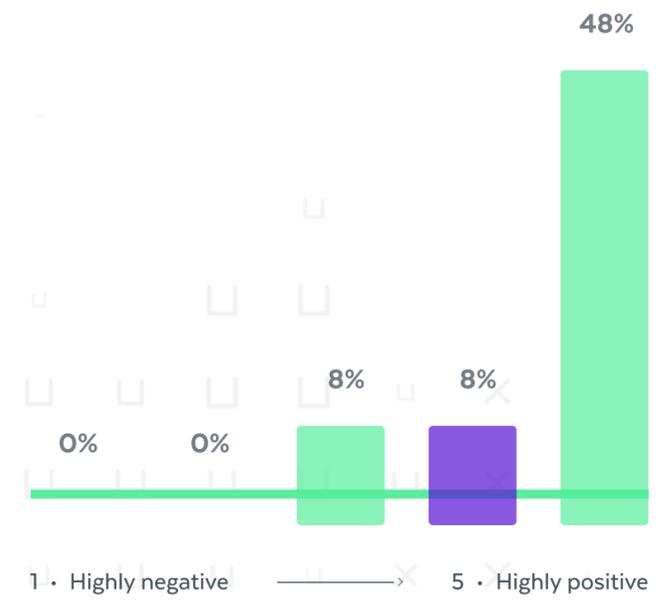
Average value discovery stage: 4.5

### Before product launch stage



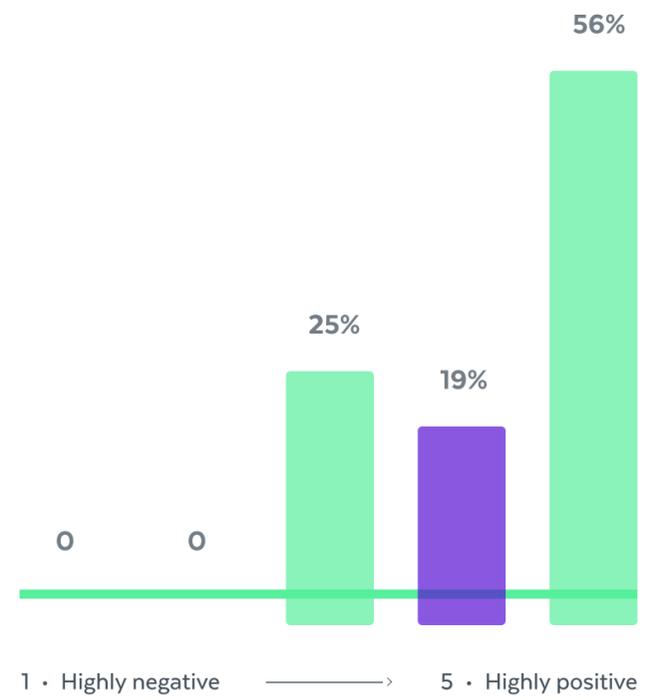
Average value before product launch stage: 4.7

### During product launch stage



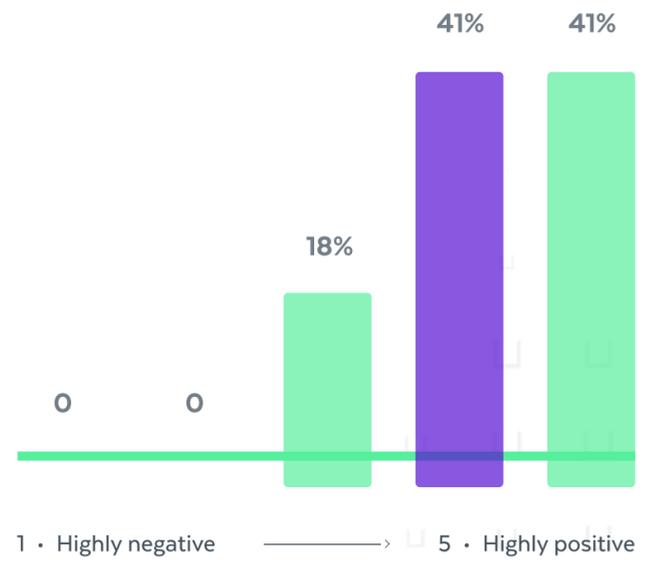
Average value during product launch stage: 4.6

Product maintenance stage



Average value after launch maintenance stage: 4,2

Product growth stage



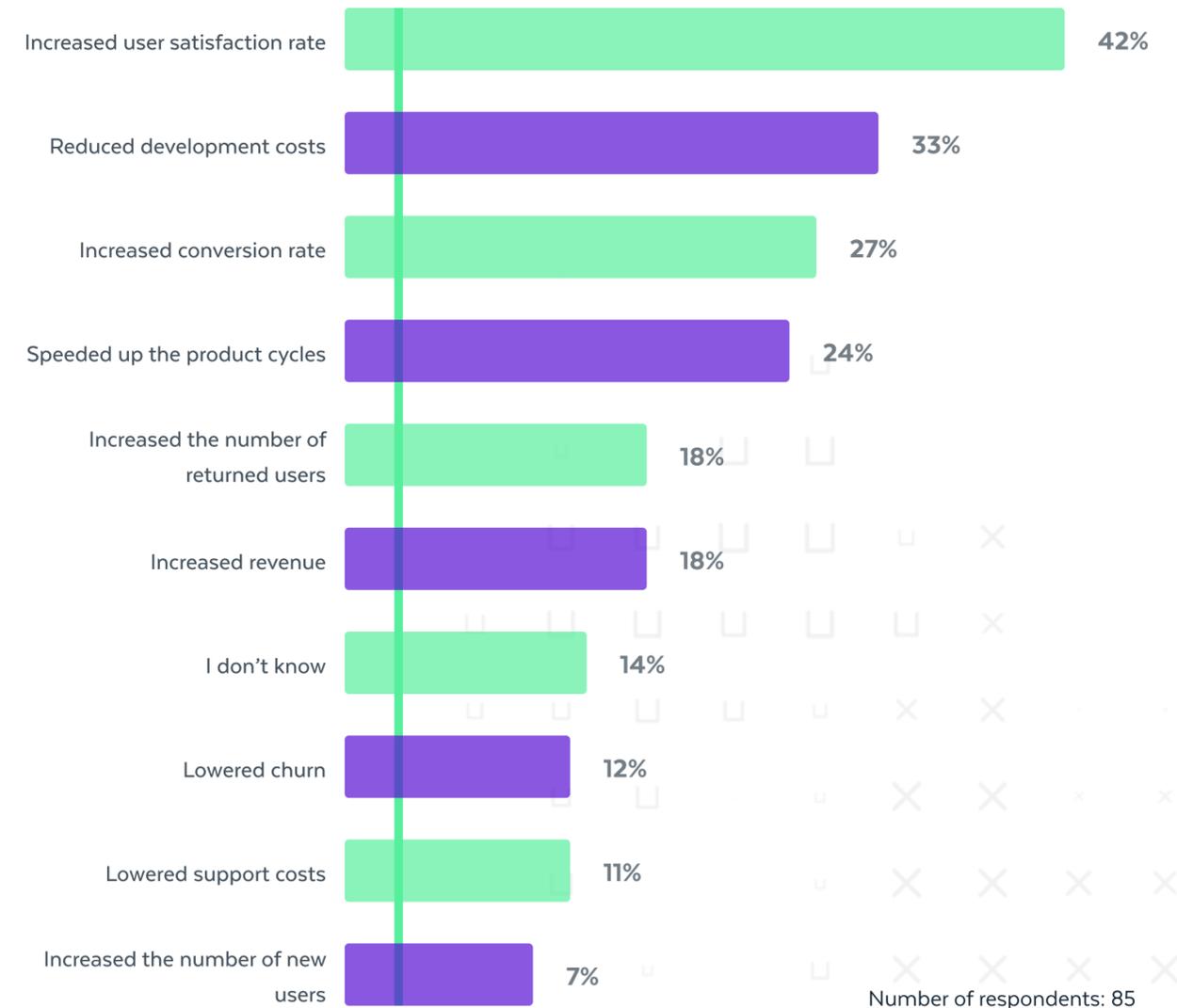
Average value growth stage: 4.2

# Top benefits of UX design

While working with UX professionals is beneficial at every stage of the product development lifecycle, what are the benefits? According to our survey, the top three benefits of having UX design on board are:

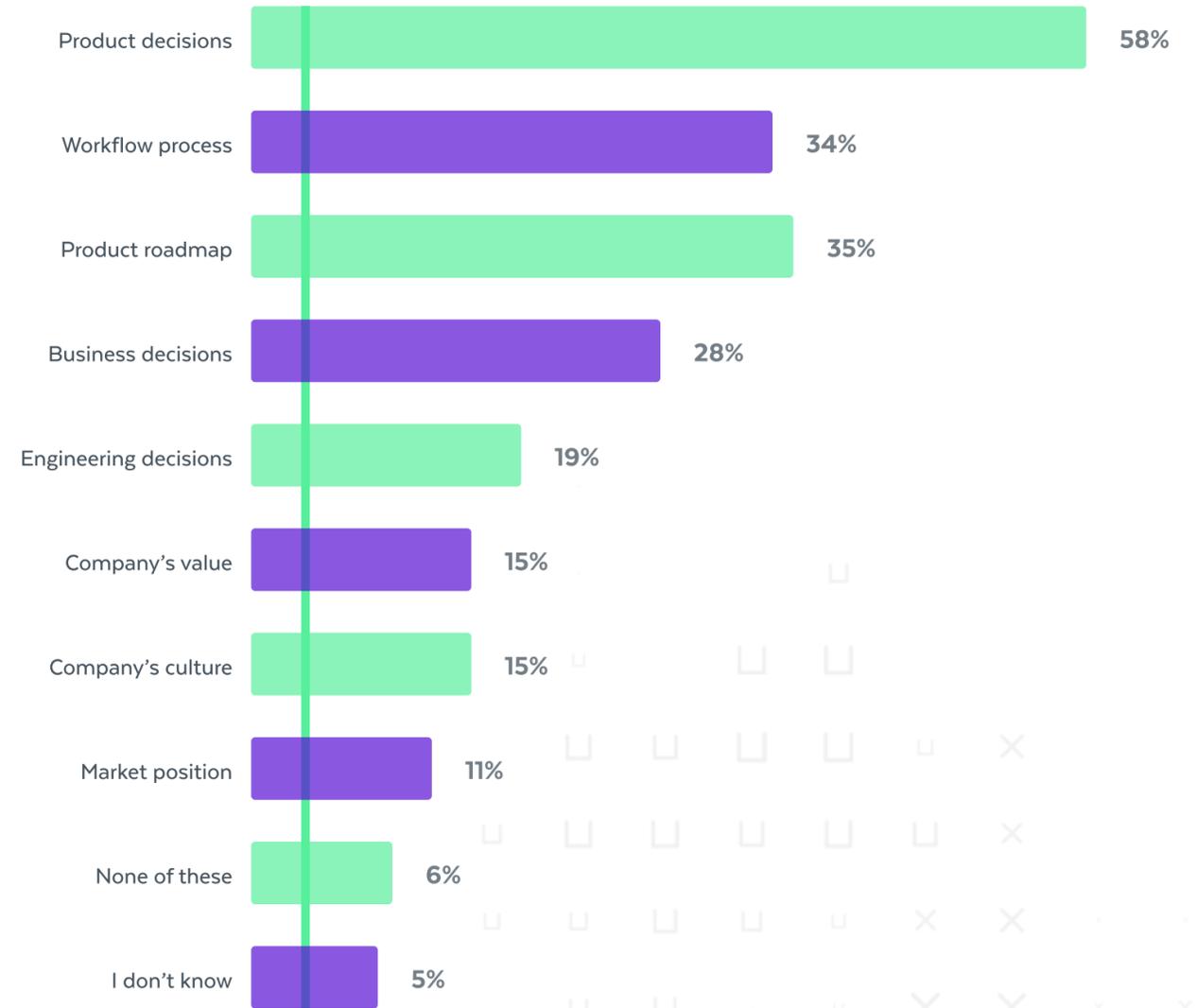
- Increasing user satisfaction rate
- Reducing development costs
- Increasing conversion rates

Moreover, the benefit list expands beyond those. Check out all the benefits mentioned in the survey below, ranked from most to least.



The impact of working with UX professionals extends beyond the benefits measured above. According to our survey participants, UX professionals have a positive impact in various areas, including business, product and workflow organisation.

We hypothesize that, by having a positive influence on how and what decisions regarding the product are made, such as the workflow process and the product roadmap, UX professionals contribute to and increased user satisfaction, lowered development costs, and rising conversion rates.

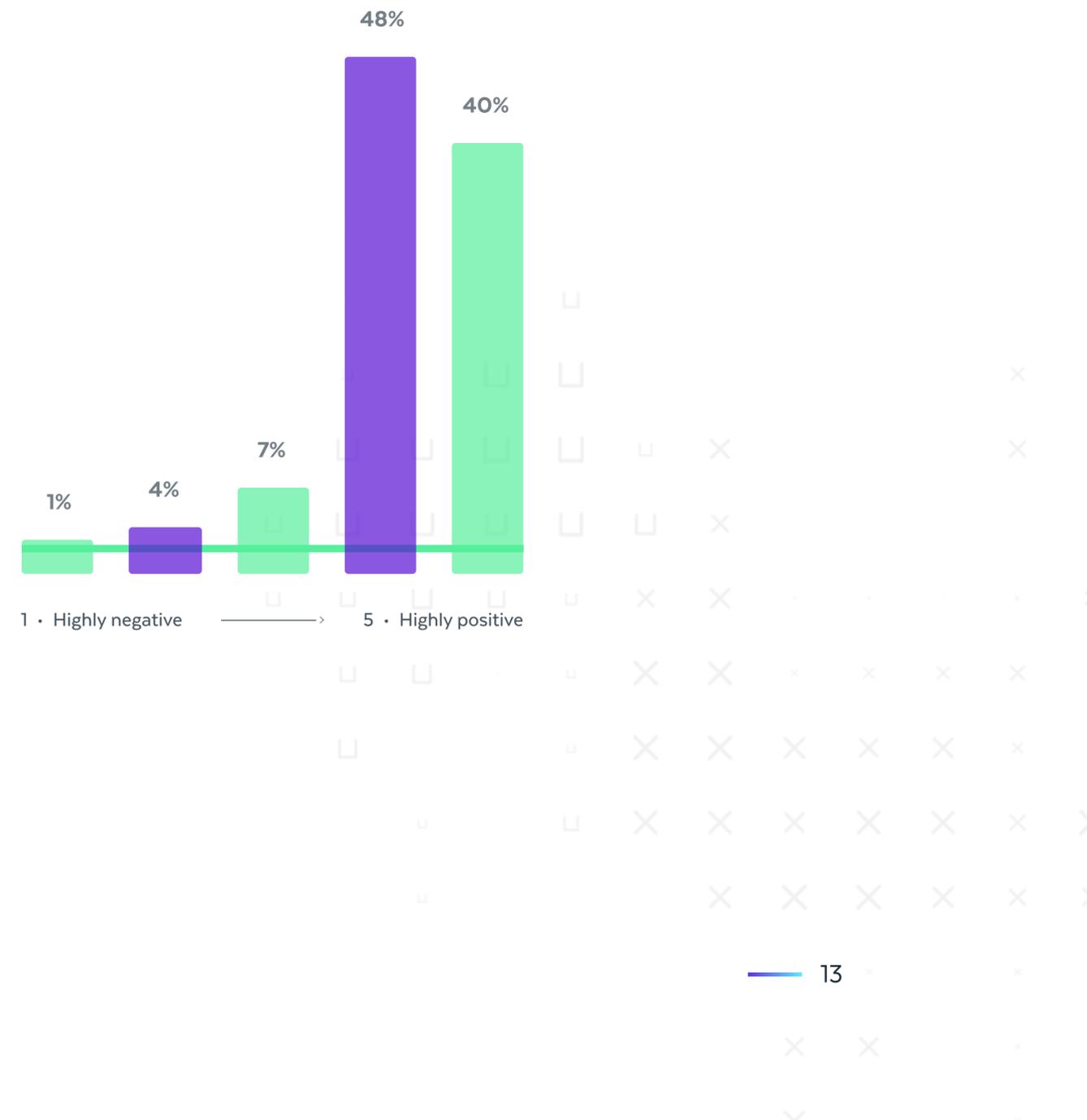


# The ROI of UX design

The return on investment (ROI) also contributes to the value of UX design. A positive return on investment automatically implies a high value of UX design. We asked the survey participants to rate the ROI on UX design on a scale from 1 to 5, 1 being highly negative and 5 being highly positive.

While there were answers for each of the values, overall, most survey answers tend to be closer to the highly positive spectrum.

On average, the ROI of UX design was 4.2.



# Measuring the value of UX design

In order to learn more about how companies approach the value of UX design, we asked the survey respondents what metrics they use.

According to the results, more than a quarter of the respondents said they are not measuring the value of UX design. They either do not have metrics defined, tracking installed or they are not sure how to measure the value of UX design.

For the ones that do measure UX design, the answers can be grouped as follows:

- **Features usage and engagement**

Tracking which features are used and how often. This also extends to tracking:

- Usability, along with System usability scale.
- Tasks metrics: how much time users spend on a specific task and what's the error or success rate.

- **Retention**

- Churn rates.
- Retention rates and returning users.

- **Conversions**

- Flows and funnels: how users move along a specific conversion funnel or a specific flow, for example onboarding.
- Leads, conversions and conversion rates: whether it's a phone call or another important action that users performed within the product.
- Sales and revenue.

- **Customer satisfaction**

- Customer satisfaction ratings.
- Net Promoter Score (NPS).

Besides customer satisfaction metrics, we did not get more accurate details about these metrics. For example, we did not get more explicit answers about what is counted as a conversion, whether it is a transaction or completing an action like registering for an account.

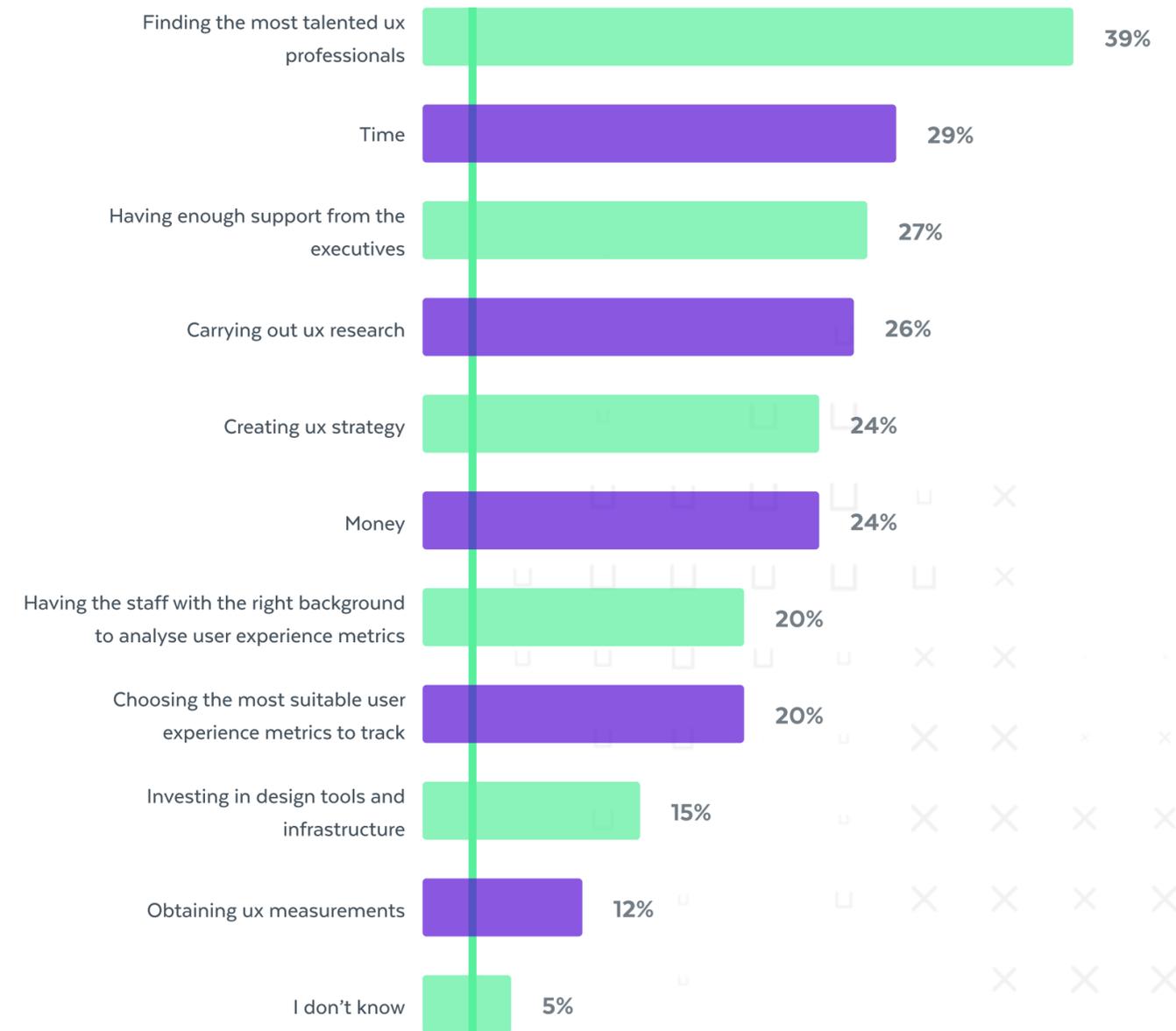
# Top challenges of UX design

An in-depth look at the value of UX design should also consider the challenges that teams and companies face. According to the survey, the top 3 challenges while working with UX professionals are related to:

1. Finding the right professionals for the job
2. Time
3. Support from executives and upper management.

These challenges were confirmed by those who recruited UX professionals in the past year - more information on that in the following chapter. Besides, the top three challenges also reflect one of the main findings of the survey regarding how executives and upper management relate to UX design.

Here are all the challenges listed in the survey, ranked according to how often these were mentioned.



## Recruitment of UX professionals

Given the high growth of the field (confirmed by the data at the beginning of this study), skilled UX professionals are in high demand. However, this does not mean that the process of recruiting and hiring UX professionals is necessarily a smooth one.

Here is a summary of the challenges participants mentioned most often in our survey.

- **Lack of skilled UX professionals.**

Quite a few of the survey participants have mentioned that it was hard to find the right person, with the right skills for the job. While they did receive applications for the position, a lot of these were not high-quality enough. Additionally, a lot of the candidates who applied came from a graphic design background and lacked the relevant UX design skills.

- **Evaluating candidates.**

Another challenge in hiring UX professionals the survey participants mentioned is assessing candidates' skills. Evaluating a candidate's UX design skills, portfolio and UX design maturity level was difficult for quite a few of the survey participants. Moreover, this was even harder in the context of differentiating between UX and UI skills as some of the candidates showed strong UI skills, however, strong UI skills do not imply strong UX skills as well.

- **Company and industry fit.**

Industry and company profile can also make it challenging to hire the right person for the job. As expected, different companies have different ways of working and different requirements as to how tech-savvy a UX professional should be. Some companies are inherently more tech-heavy by the nature of their business - like cyber-security for example. Additionally, the survey participants also mentioned that they were also looking for candidates with industry knowledge.

A few of the survey respondents also mentioned budget, along with the perceived value of UX inside their company as challenges in recruiting UX professionals.

Additionally, while the demand for UX professionals and their services is higher at the beginning of the product development cycle, the workload tends to decrease after launching a product. To justify the investment into UX design, companies need to integrate UX professionals better by involving them more in each stage of the product development cycle.

However, there were also respondents who were not involved in the hiring process.

# Expected benefits of introducing UX

After looking at how companies that work with UX professionals assess the value of UX design, we also wanted to see what companies that were looking to hire some type of UX service within the twelve months thought about it. According to the survey answers, these expected the following benefits upon starting the work with UX professionals.

- **Increased focus on user need**

Make an effort to switch the focus from technology to a more user-centric approach. There is a trend for companies to become more customer-oriented by focusing on customer problems and needs. By finding and solving the pain points of the users, companies expect to increase customer satisfaction and, consequently, sales.

- **Easy to use products**

Whether it is coming up with an entirely new product or optimizing an existing one, companies looking to hire UX professionals within twelve months expected increased ease of use for their products. Also, by this, respondents meant both improved functionality and better usability.

Additional benefits, like increased development speed and validation, along with improved processes, were mentioned too.

# Challenges in setting up UX design processes

The challenges of doing UX design and those mentioned in the recruitment process were met by companies looking to hire UX professionals as well.

However, the biggest issue revolves around cost and the expense of adding UX capabilities to an existing team. This is not so much from a budget perspective, but more an issue of understanding the value that UX professionals can bring to a business and the product development lifecycle.

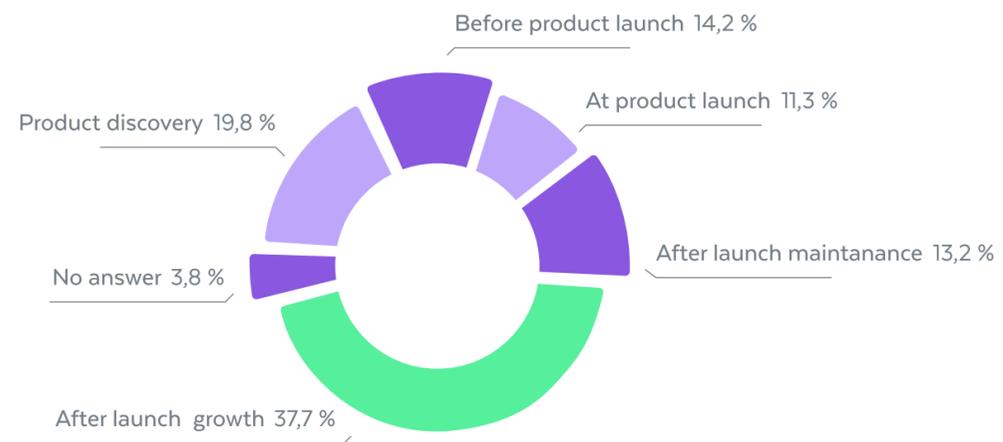
Another big concern was the difficulty of finding skilled UX professionals. This issue was mentioned especially in cases where product managers were already skilled at UX design and in cases where everyone in the team was responsible for the user experience. Additionally, the survey respondents mentioned that they were also concerned about company culture fit and integration.

Besides the previous points, managing and ensuring a steady workload was also a concern. While the need for UX design is more prominent at the beginning of the product development cycle, it decreases after launch and maintenance.

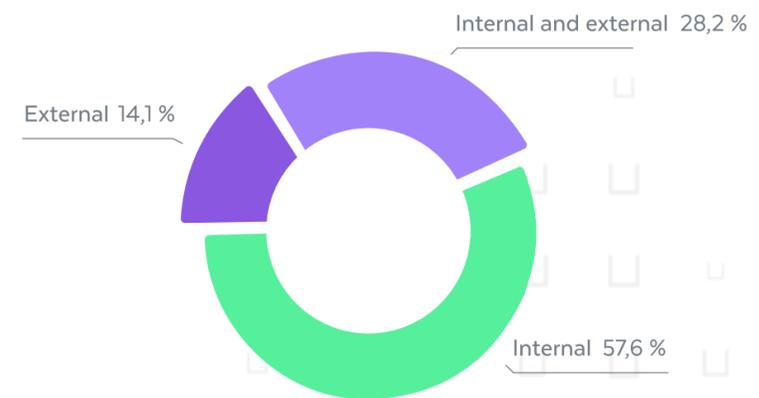


# Detailed answers

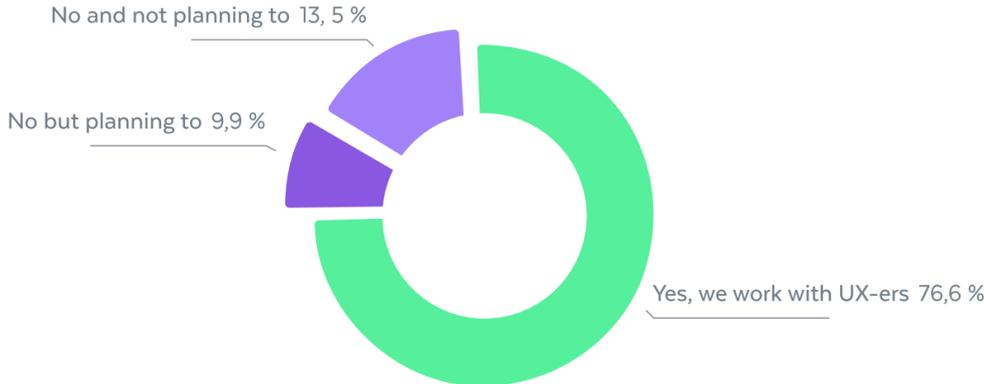
What product life cycle stage are you currently in?



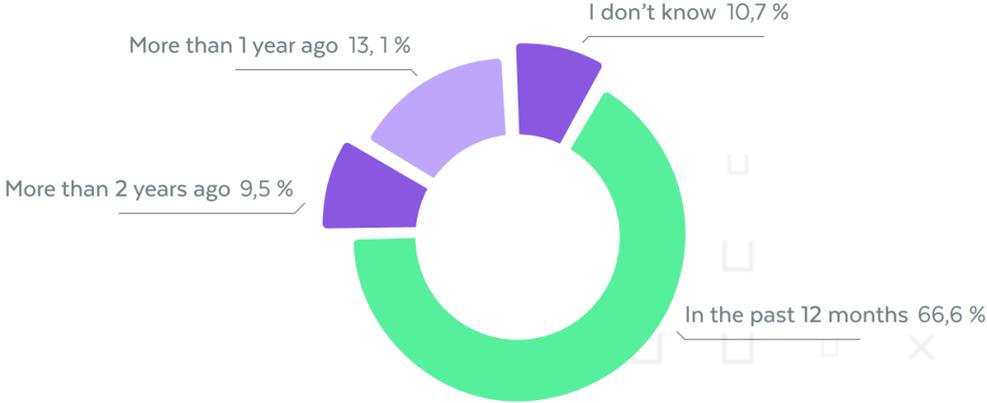
We work with ... UX professionals



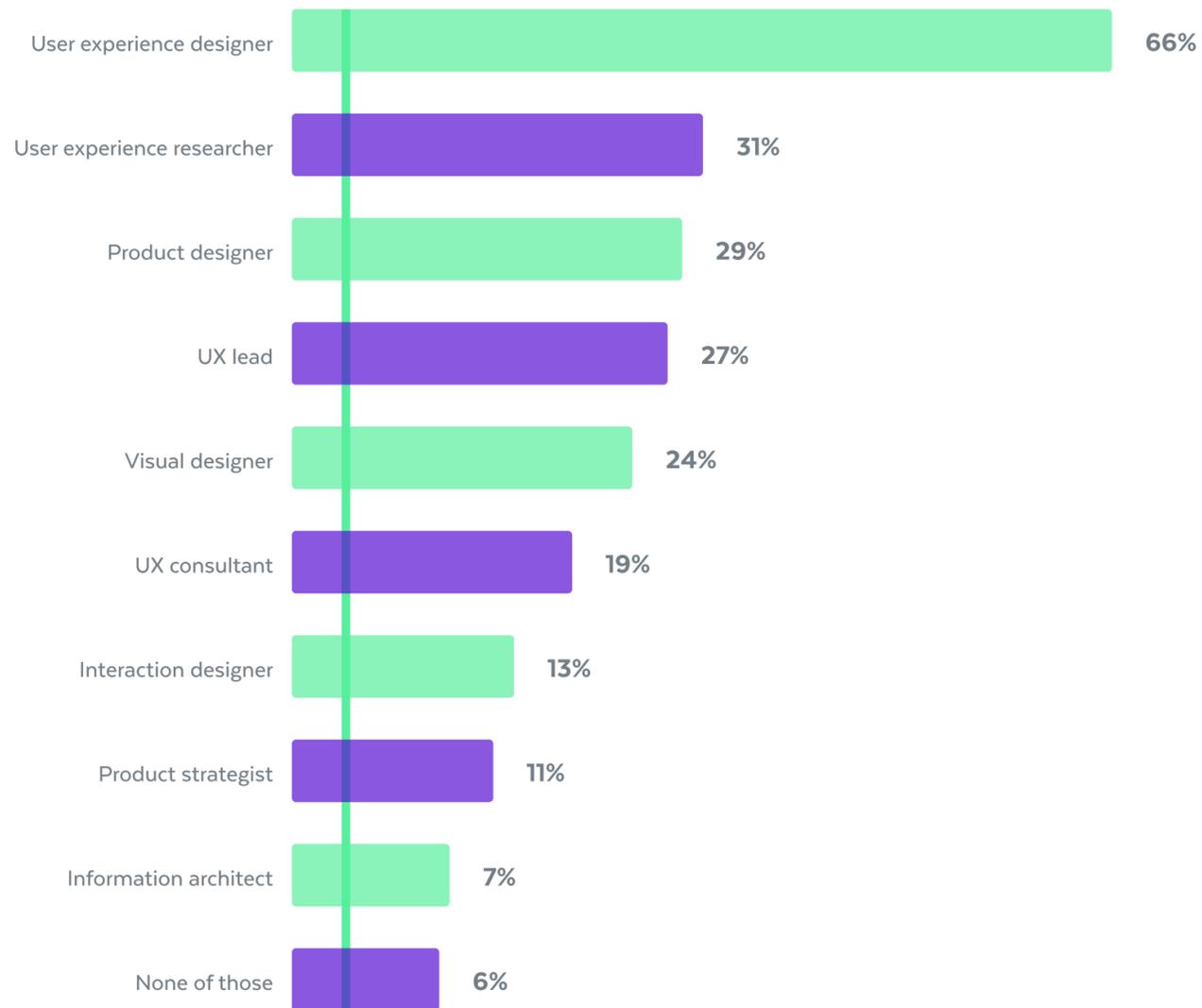
Regarding working with user experience professional(s), I can say that ...



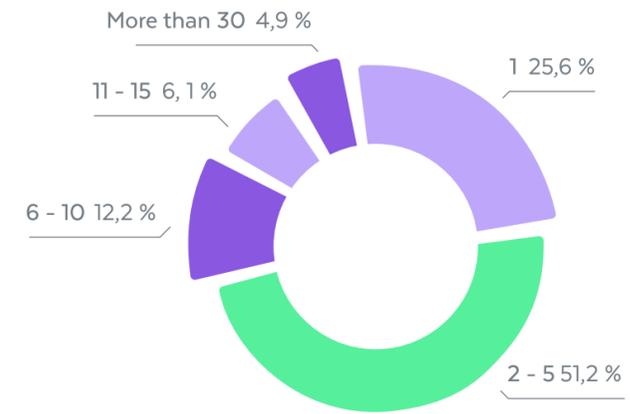
We hired UX professionals...



We hired UX professional(s) for the following position(s)



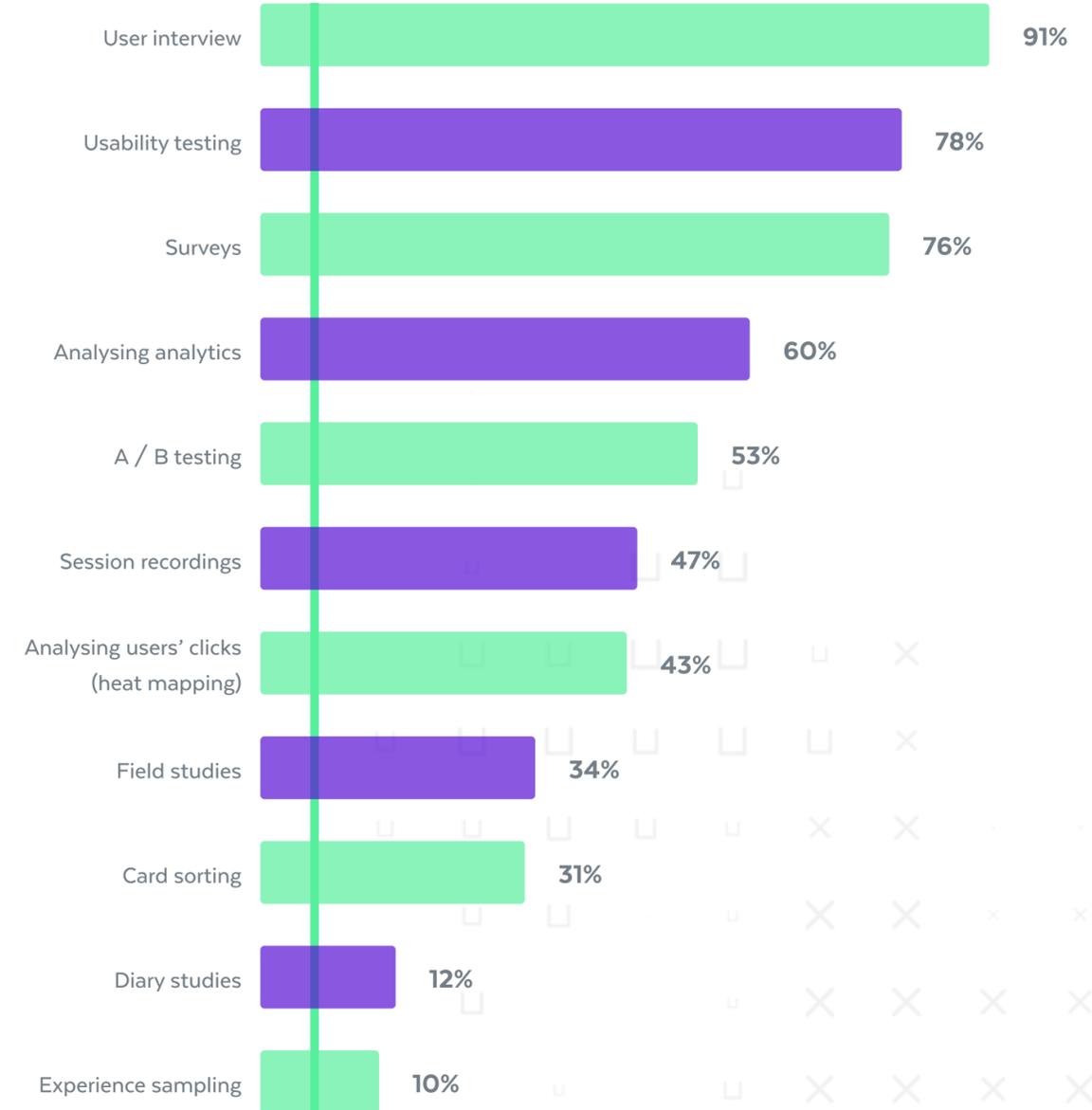
Currently the number of UX professional(s) we are working with is



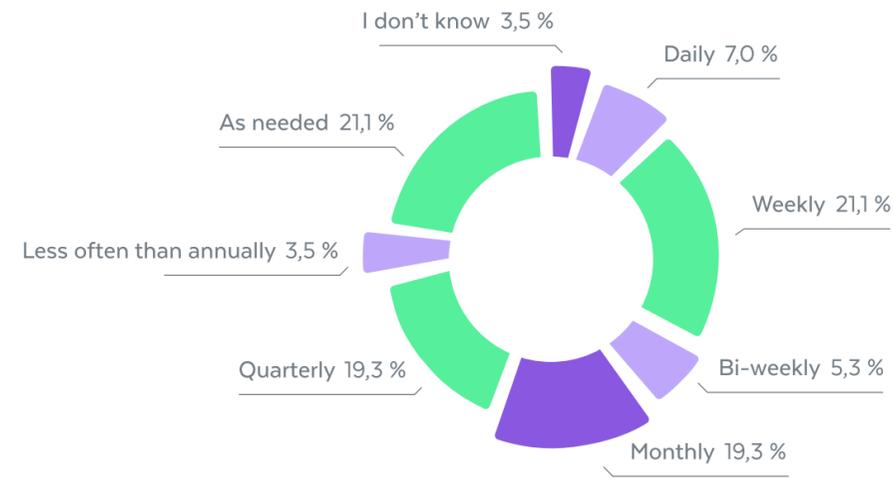
The following statements are true about us



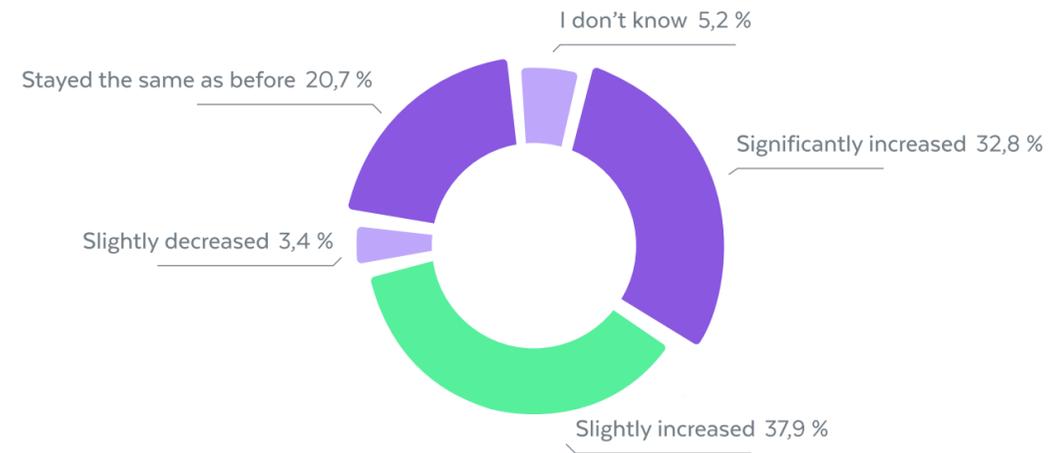
We use the following UX research techniques



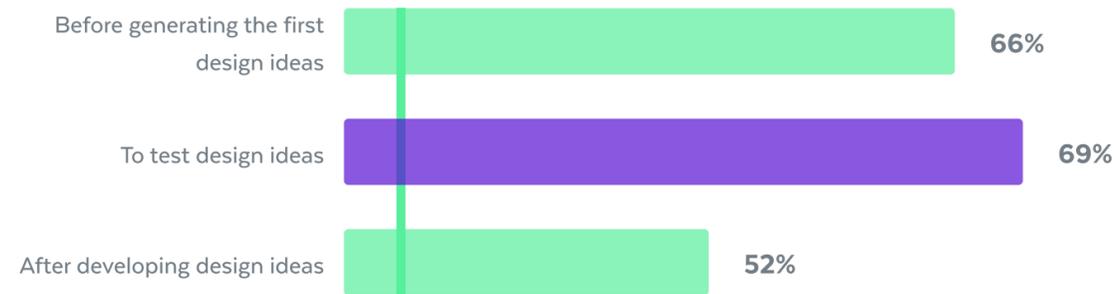
### We do user research:



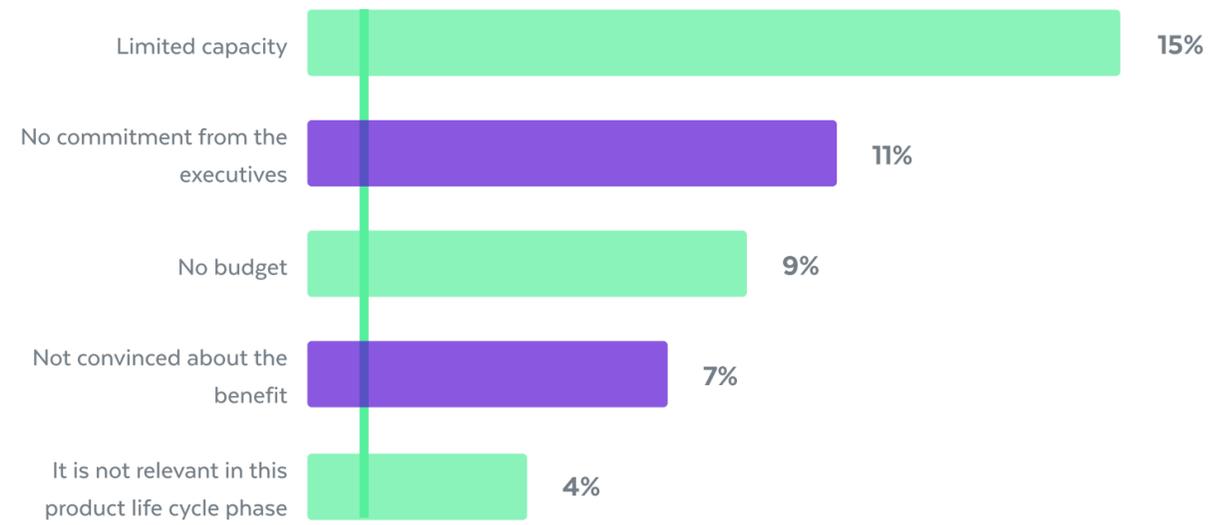
### In the last 12 months the demand for UX research at our company has ...



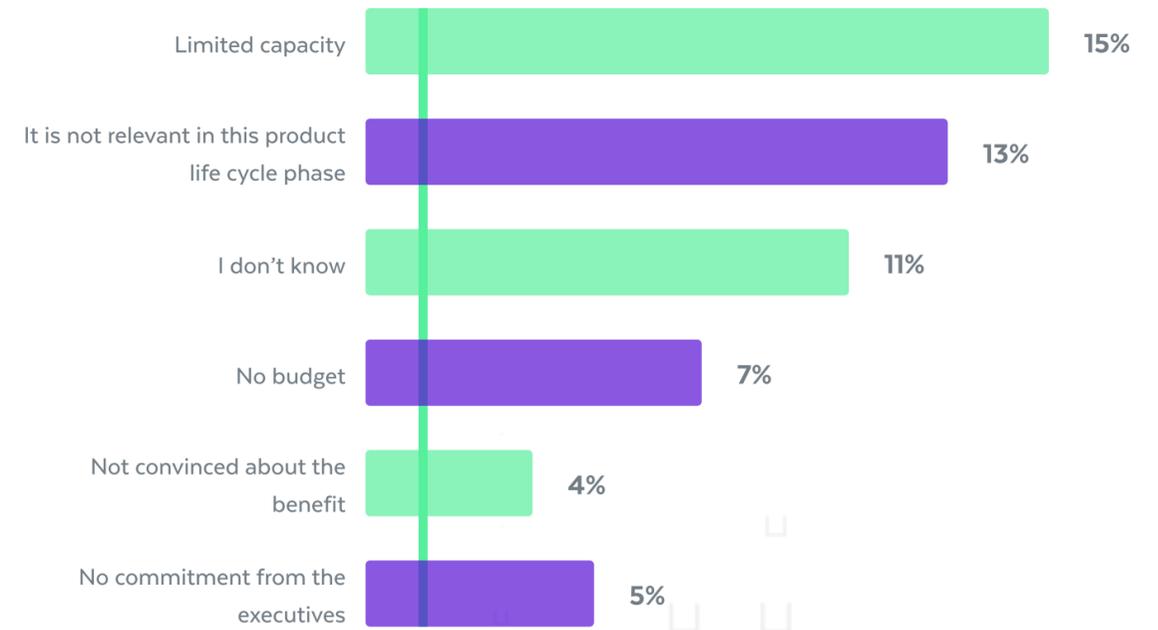
### We conduct user research



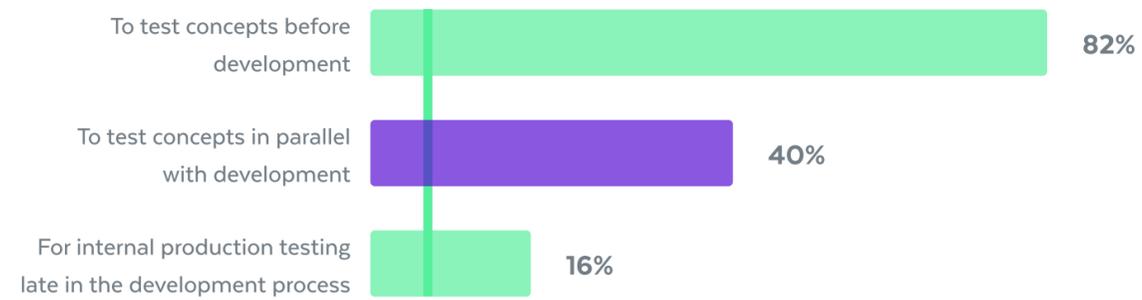
**We don't do UX research because of**



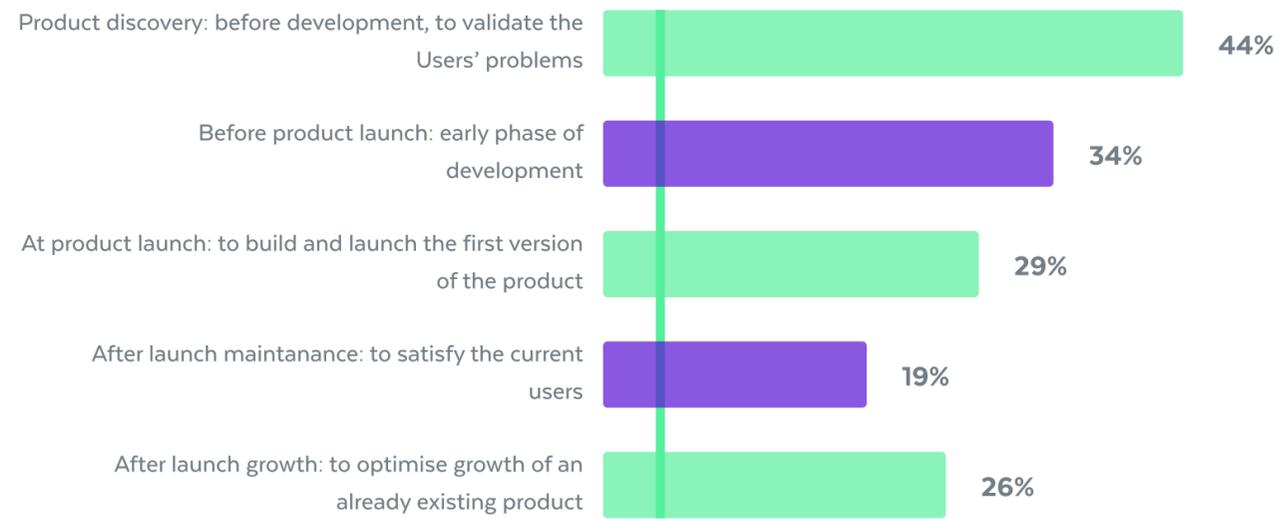
**We don't do prototyping because of**



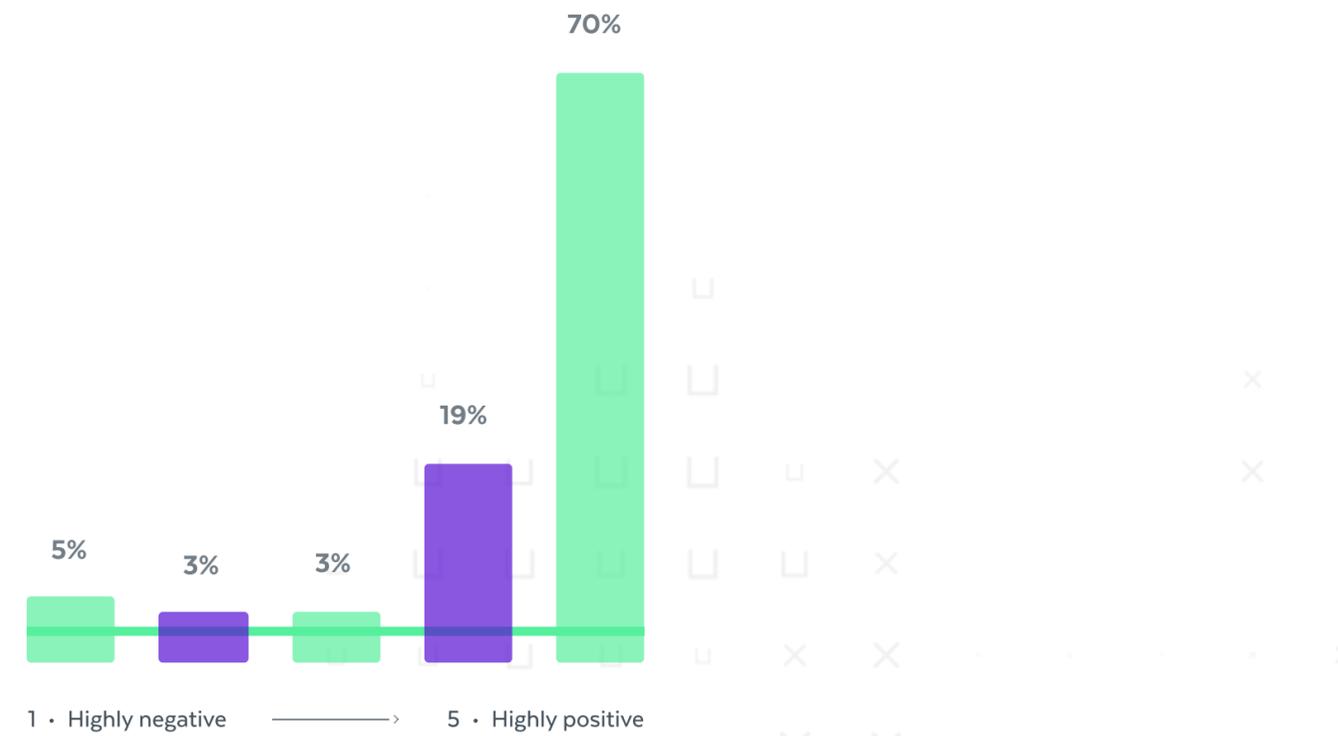
**We do prototyping**



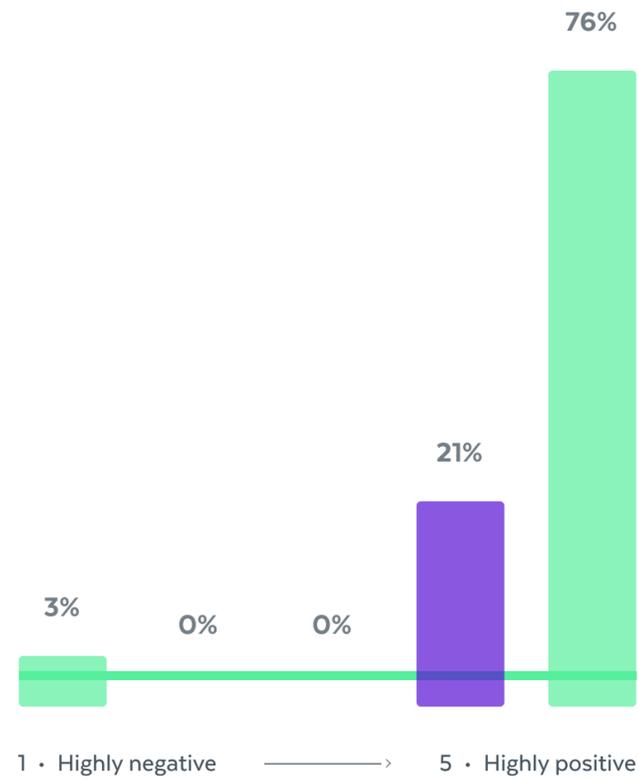
**We hired a UX team in the following stage of product lifecycle:**



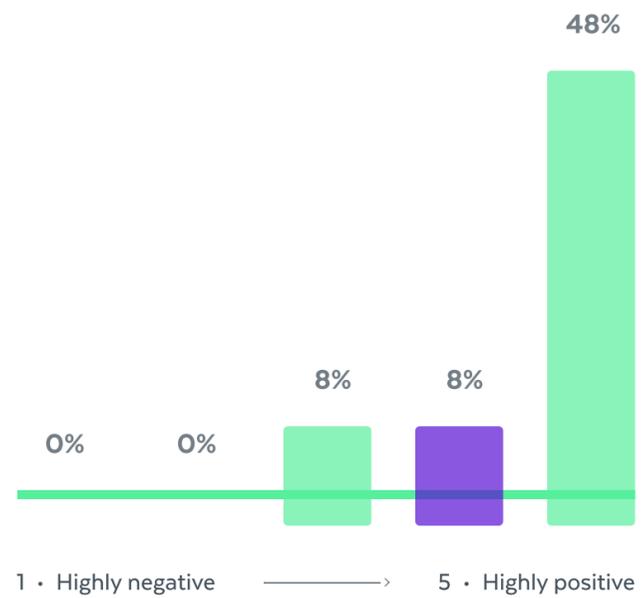
**How beneficial was it to work with UX professional(s) during product discovery phase (before development, to validate the users problems)**



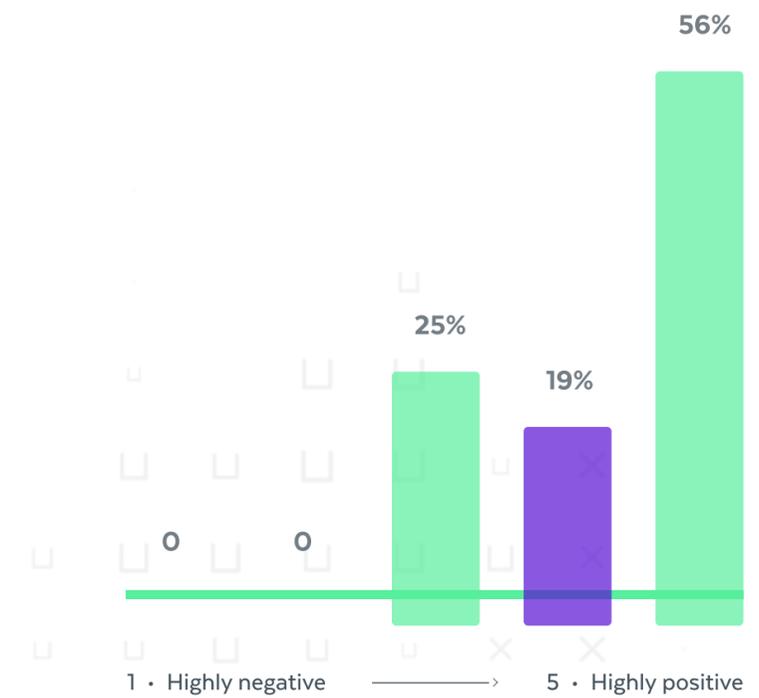
How beneficial was it to work with UX professional(s) before product launch phase (early phase of development)



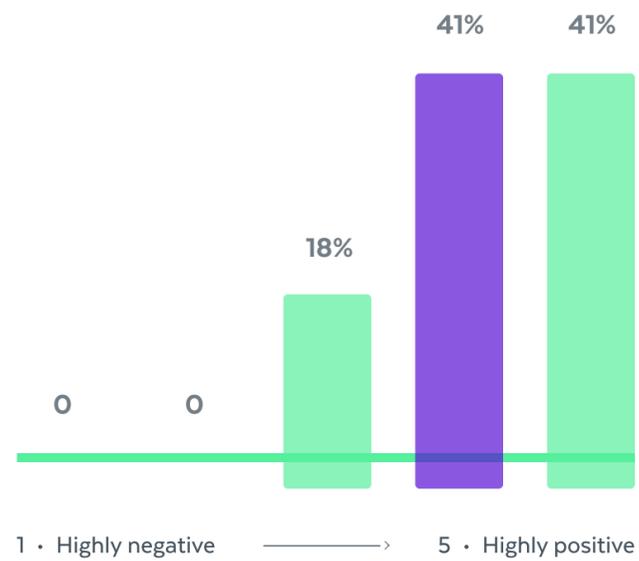
How beneficial was it to work with UX professional(s) at product launch phase (to build and launch the first version of the product)



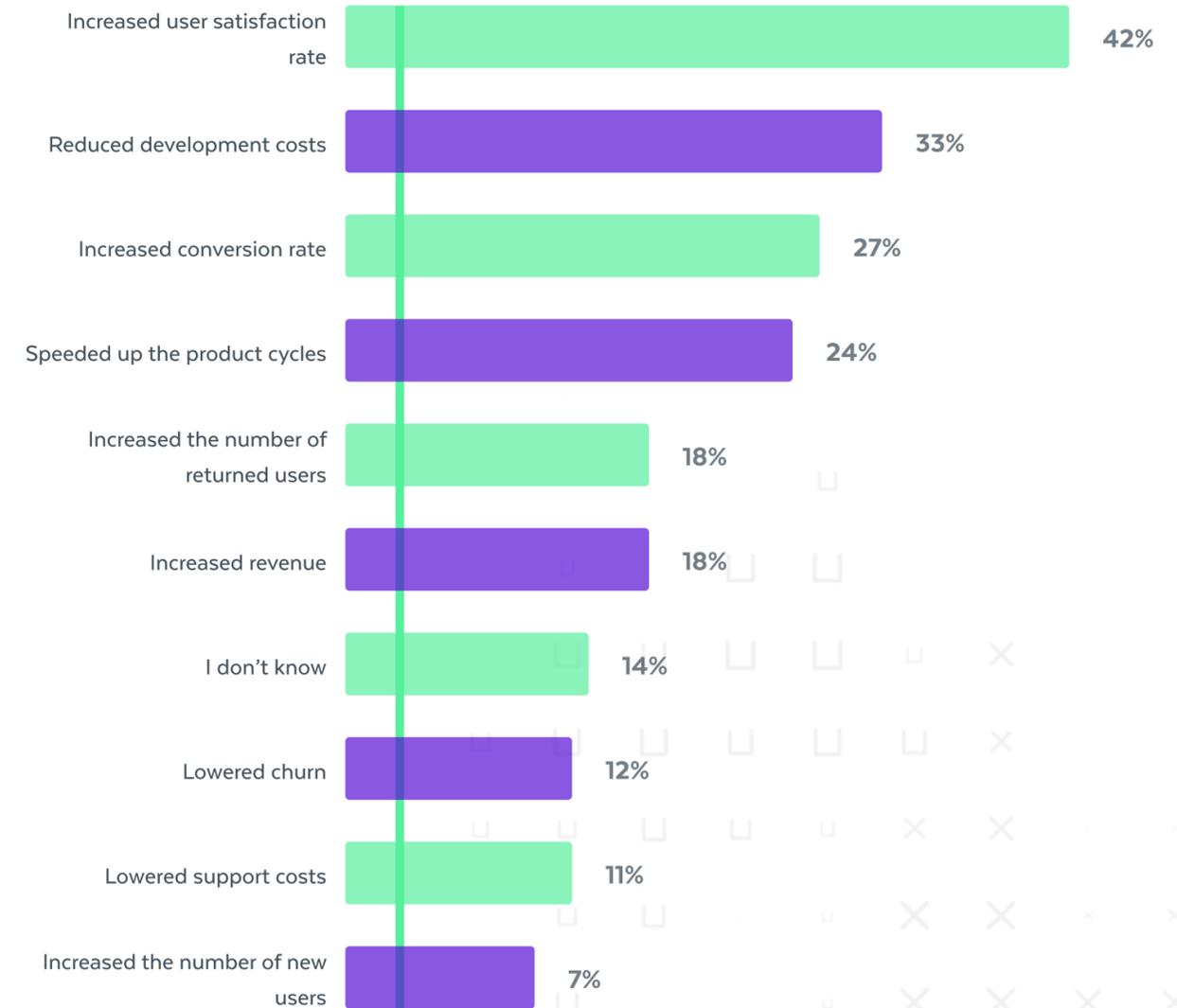
How beneficial was it to work with UX professional(s) during after launch maintenance phase (to satisfy the current users)



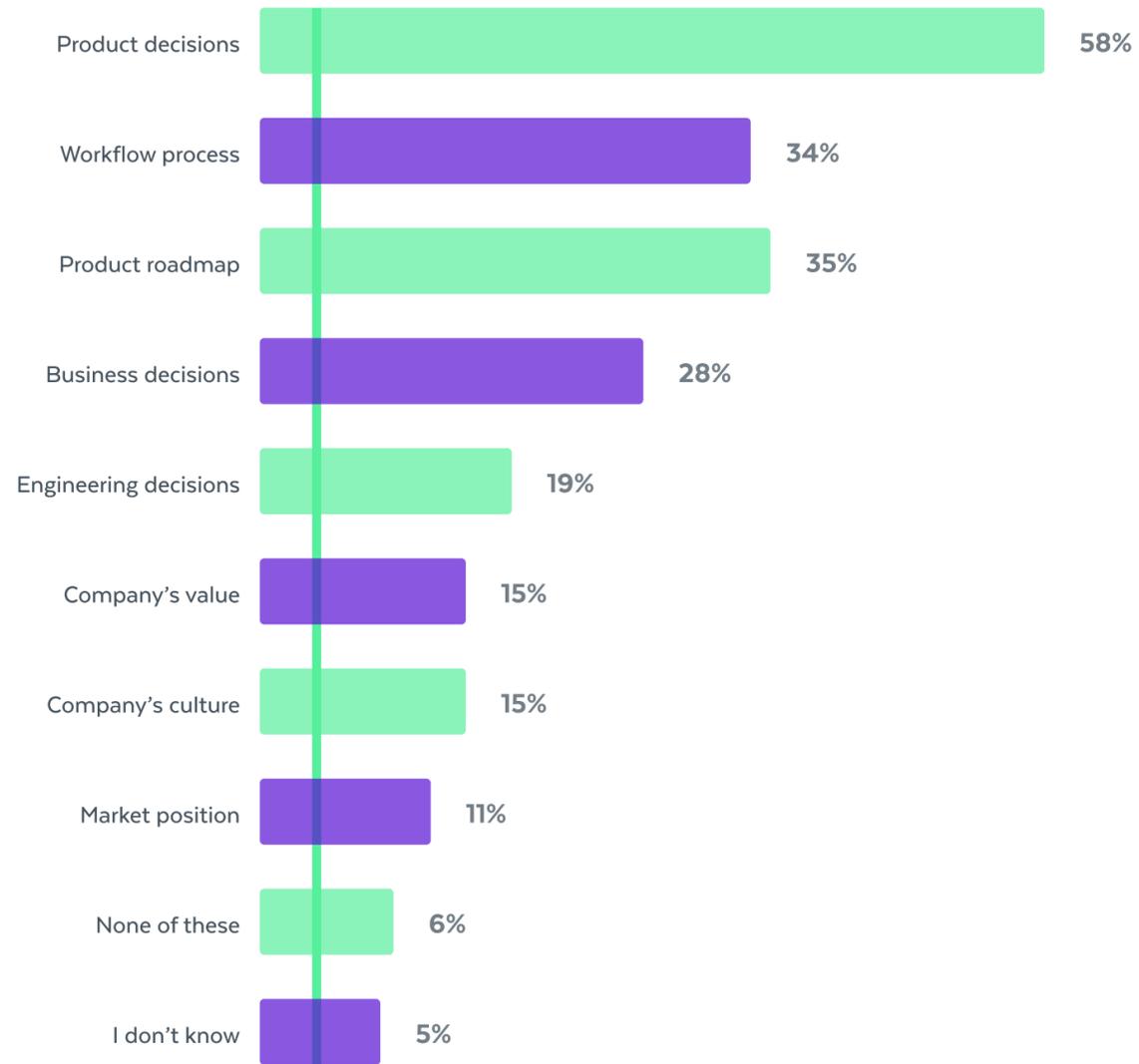
How beneficial was it to work with UX professional(s) during after launch growth phase (to optimise growth of an already existing product)



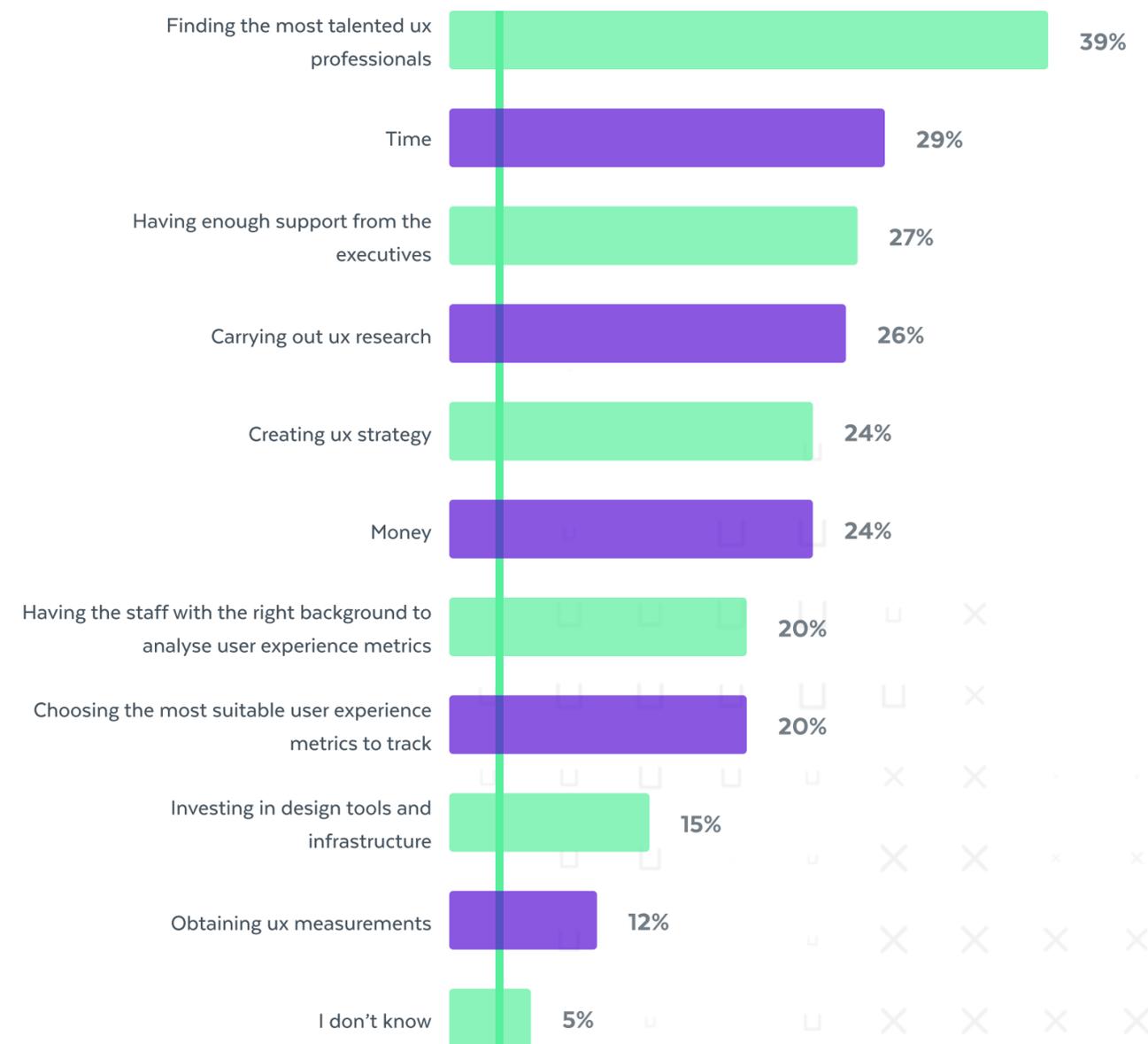
The top 3 benefits of having UX professional(s) onboard were



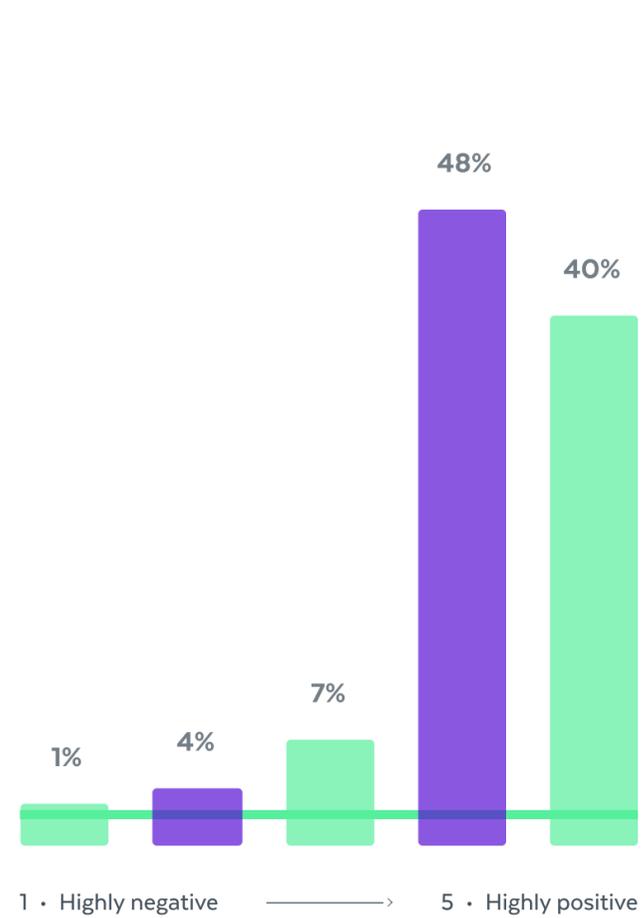
The UX professional(s) positively influenced our



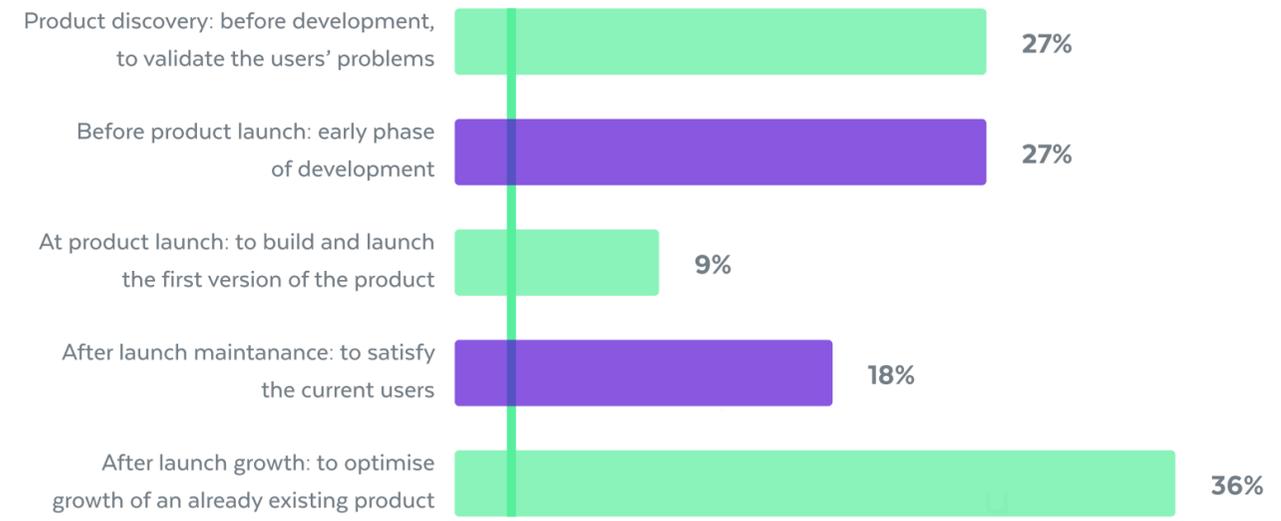
Our top 3 challenges related to UX are:



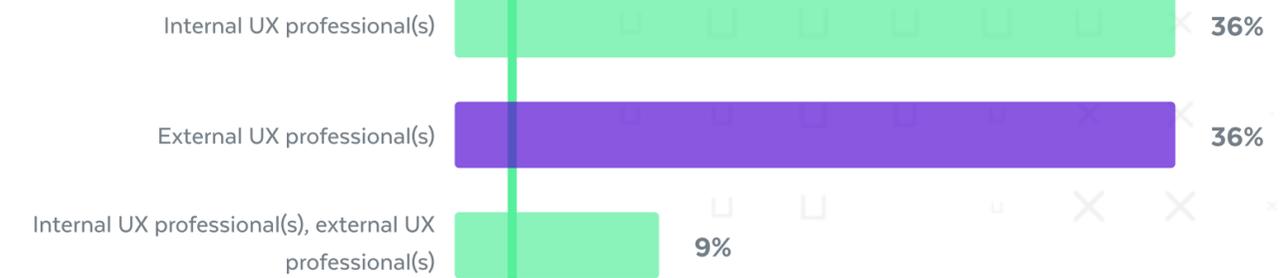
I think that the return on investment in UX design is



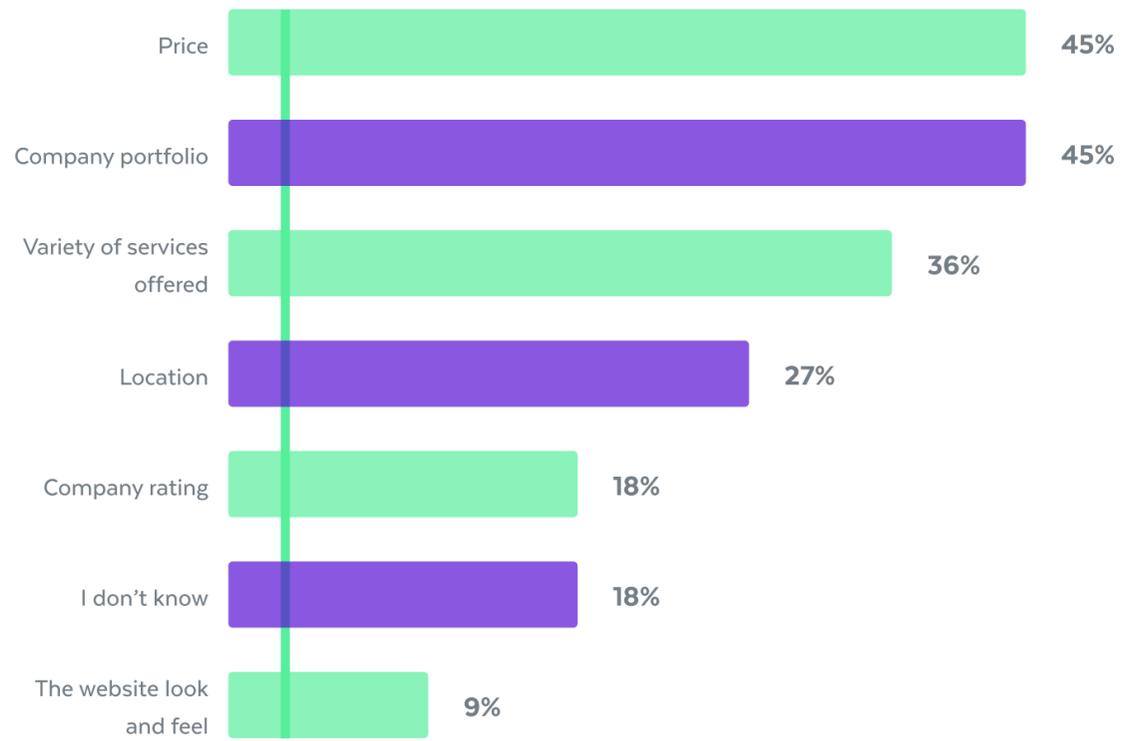
We plan to hire UX professional(s) in the following product lifecycle phase:



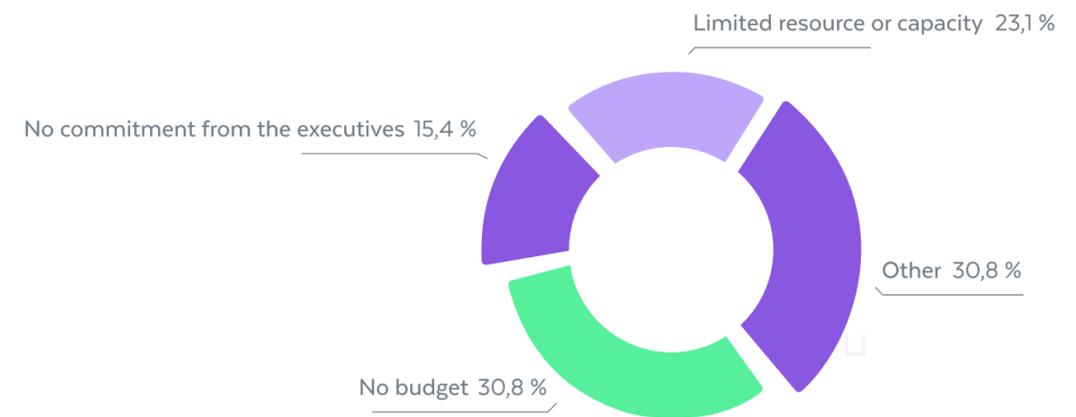
We want to hire an



The top 3 things that we consider when hiring UX professional(s)



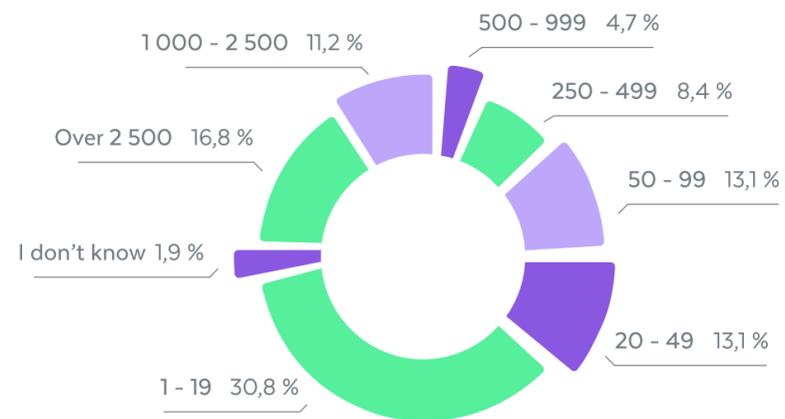
We don't plan to work with any UX professional(s) in the next 12 months because



# Survey participants background

The survey was filled out by product managers, product owners, and other product professionals working at companies of different fields across various industries from around the world. We wanted to get a diverse sample in order to get a well-rounded understanding of the value UX brings in different environments and across teams and businesses of various sizes. Here is a summary of the participants' background:

Company size



Countries



Number of responses:

- 29
- 9 - 11
- 1 - 6

# About UX Studio



Based in Budapest, our UX agency of 40 provides dedicated UX designers and researchers to companies all over the world.

UX studio works with startups and large enterprises, in a variety of sectors, from San Francisco to Berlin and Shanghai. We have successfully completed more than 250 UX projects and 34 corporate UX training.

We also provide a wide range of UX services, including design sprint facilitation, UX courses, expert UX audits and product management consulting.

We work on different projects for clients from all around the world. [Get in touch with us](#) to clarify how we can collaborate together.

## Our portfolio



You are welcome to review our former works by visiting our [Case studies](#) page.

This ebook was created by Laura Anca Sima-Sirban, Ágnes Orsolya Kiss, Hossein Raspberry and Martina Gyorffy.