The definition of a marketable product has forever changed.

If At First You Don't Succeed, You're Doomed

★ How Product Usability Shaped by Expert Research is the Key to User Experiences that Drive Loyalty

If you think your product will succeed simply because it delivers reliable functionality that addresses a market need, think again. The definition of a marketable product has forever changed. In today's world, a user's perception of your product's design and their experience with that product are what determine ultimate success.

Whether you attribute it to the intersection of "luxury for the masses" and the consumerization of IT or some other cultural shift, today's buyers now expect well-designed products and experiences

in the everyday. Even *technology* professionals (e.g., IT Directors and CIOs) now demand a much higher level of design, even in what were previously considered "mundane" tools such as dashboards, management consoles, and apps.

And users quickly form impressions and draw conclusions about a product's worth and usability based on the design and experience. Why? Because, through their initial impressions and interactions with products, humans instinctively associate certain values with them.

00:00:00:50

Hours   Minutes   Seconds   **Milliseconds**

Consider that within about **50 milliseconds,** users decide whether or not they like a website, and whether they'll stay or leave.[1]

Users want comfort, satisfaction, and ease in both their personal and work lives. If the product they are using delivers on those and results in a positive experience, the user trusts both the product and the brand. Conversely, if the product fails to deliver, the user is left with feelings of doubt and unease. And all of this happens in – literally – a split second.

First Impressions

Consider that within about 50 milliseconds, users decide whether or not they like a website, and whether they'll stay or leave.[1] British researchers discovered that website visitors form their first impressions based on the look and feel – and gave much more credence to design than content in their initial assessment – and that this in turn influences their trust of the site.[2]

Whether you call them knee-jerk reactions or gut instinct, these first impressions also influence the perception of products. In a world where peer reviews are trumping marketing claims, masses of people can quickly learn about both positive and negative experiences with a product. This viral effect can influence both the consideration and experience of that product. Research shows that when users approach a product with negative expectations, they are less satisfied with the product. On the other hand, when their expectations are high, they tend to be more satisfied with their experience of the product.[3]

Experience is Being Redefined

Complicating matters for companies seeking to satisfy buyer expectations is the evolution of how experience is defined. For technology-related products, user experience (UX) was once the key factor. However, the concept of experience has grown to include the customer experience, which encompasses many elements – and can seem to defy definition.

Even as early as 2008, those focused on user experience were grappling with the notion of "experience," exploring its nuances and how it had grown to encompass far more than just what users expected as they interacted with software.[4]

Harley Manning, Vice President, Research Director serving Customer Experience Professionals for Forrester, defines customer experience as "How customers perceive their interactions with your company."[5]

It's no wonder most companies struggle to get a handle on the concept of experience. Yet even as they struggle to arrive at a clear definition of experience, most businesses understand that providing the best design and experience possible is critical to differentiation in their markets. The problem becomes: how can we create or deliver the best of something that we can't clearly define?

---

[1]   Behaviour & Information Technology, Attention web designers: You have 50 milliseconds to make a good first impression!, Volume 25, Issue 2, 2006
[2]   Conference: Proceedings of the 2004 Conference on Human Factors in Computing Systems, CHI 2004, Vienna, Austria, April 24 - 29, 2004, Trust and Mistrust of Online Health Sites
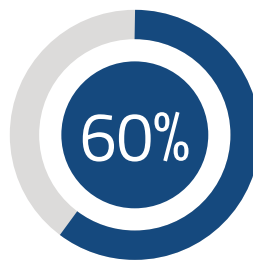[3]   Helsinki Institute for Information Technology HIIT, Aalto University and University of Helsinki, Too good to be bad: Favorable product expectations boost subjective usability ratings, 27 April 2011
[4]   UX Matters, Defining Experience: Clarity Amidst the Jargon, April 12, 2008
[5]   Forrester, Harley Manning's Blog, Customer Experience Defined, November 23, 2010

That said, as nebulous as the concept of experience may seem, your company needs to get its arms around it: revenues are at stake. As e-commerce and marketing guru Jeffrey Rayport articulated, "…we're dealing with a world now that is so competitive that we have to think about engagement on multiple levels and…it is a new form of engagement that really is the ultimate goal." He suggests that if customer engagement used to be a left-brain activity - a judgment of value leading to a purchase decision; a careful weighing of features, functions, performance and price – it is now right-brain engagement. "It's engagement with the heart. It's engagement that involves emotion. Without emotional regard, powerful emotional regard, I don't think brands will have a future."[6]

In fact, research by Accenture surveyed the real threats and potential costs of failing to satisfy user expectations. For its "2015 B2B Customer Experience" report, Accenture surveyed 1,350 B2B sales and customer service executives across 10 countries. Sixty-six percent of respondents feel that new entrants are providing better customer

60%

60% of respondents feel that new entrants are providing better customer experiences in today's age of digital disruption.

experiences in today's age of digital disruption. As Robert Wollan, senior managing director, Accenture Strategy, summed up: "With consumer-like expectations and a substantial threat from new entrants, B2B companies must be ready to design and execute a transformed customer experience…"

The good news is that the companies that "get it" and deliver on demanding expectations are rewarded in the form of initial and follow-on sales. One study found that every dollar spent on UX can yield from $2 to $100 dollars in return. The study pointed to a specific scenario:

CUSTOMER EXPERIENCE DRIVES SALES
In a transaction–based business, sales are driven by good customer experience.

ANNUAL REVENUE INCREASE PER CUSTOMER

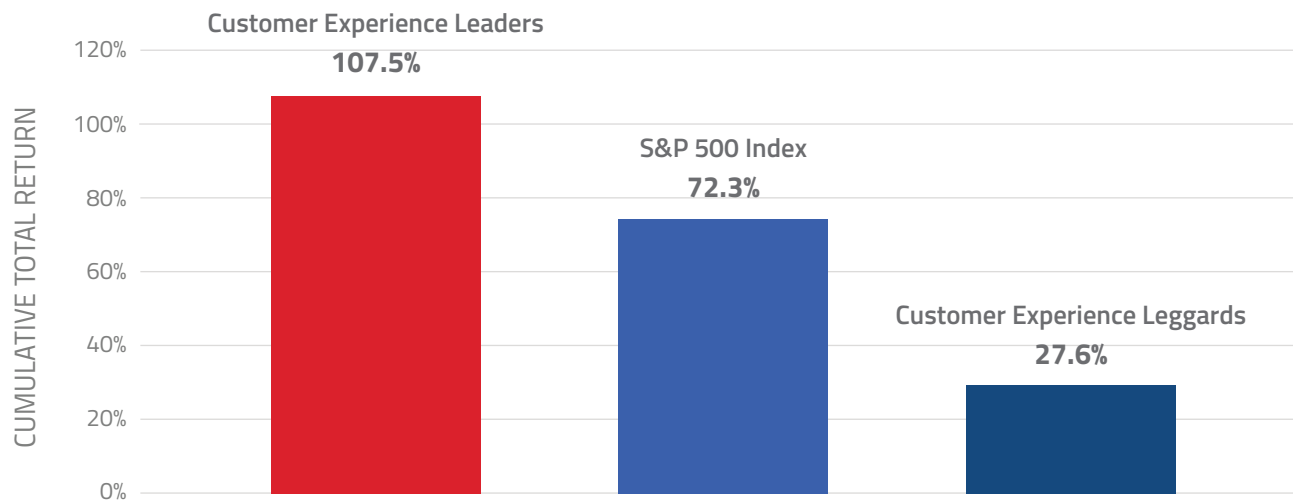| Customer Experience Score	Annual Revenue Increase
1–3	1.0x
4–6	1.3x
7	1.5x
8	1.8x
9	1.9x
10	2.4x

CUSTOMER EXPERIENCE SCORE

Source: Medallia Analysis (HBR.ORG)

6   FleishmanHillard TRUE, MOVING FROM ENGAGEMENT TO A REAL MARRIAGE OF BRAND AND CUSTOMER, Issue 12, Winter 2015

CUSTOMER EXPERIENCE LEADERS OUTPERFORM THE MARKET

8-year stock performance of customer experience leaders vs. Laggards vs. S&P 500 (2007–1014)

Customer Experience Leaders
107.5%

S&P 500 Index
72.3%

Customer Experience Leggards
27.6%

CUMULATIVE TOTAL RETURN

120%
100%
80%
60%
40%
20%
0%

© 2015 Watermark Consulting. watermarkconsulting.net/CX-ROI

"$20,700 spent on usability resulted in a $47,700 return on the first day the improvements we implemented and $68,000 spent on usability on another system resulted in $6,800,000 return in the first year."[7]

Companies reap similar rewards when they deliver a good customer experience: they see a tremendous rise in revenues.[8,9]

Where Companies Go Astray

To improve the user and customer experience, design new products, and fix issues with existing ones, companies need to call upon customer feedback as the driving force. It's easy for product managers to falsely feel they have a firm grip on this issue with so much customer feedback at their fingertips. Companies can now ingest a seemingly endless stream of data gathered from social networks, internal tracking, customer reviews, loyalty programs, partner recommendations and

more. While it would appear to be a boon to any business, access to so much data can be paralyzing, eliciting the veritable "like trying to find a needle in a haystack" idiom. Moreover, it's difficult to validate that the data is legitimate and trustworthy.

As a result, product managers often find themselves in between a rock and a hard place. The realities of Agile design approaches and the desire to accelerate time to market are triggering compressed development cycles. But pinpointing the key design elements and tweaks that can drive a memorable and gratifying user experience can take time – especially when the investigator isn't sure what to look for or where. Moreover, many product managers view the feedback through a subjective lens. Whether due to internal "political" pressure from higher-ups or the inability to step back from the product they helped birth, these professionals find it challenging to truly analyze the issues at hand in an objective manner.

---

7   http://www.uxteam.com/blog/every-dollar-invested-in-ease-of-use-returns-10-to-100-dollars/

8   Harvard Business Review, The Value of Customer Experience, Quantified, August 1, 2014

9   Watermark Consulting, THE 2015 CUSTOMER EXPERIENCE ROI STUDY: Demonstrating the business value of a great customer experience…

CUSTOMER EXPERIENCE LEADERS OUTPERFORM THE MARKET

8-year stock performance of customer experience leaders vs. Laggards vs. S&P 500 (2007–1014)

CUMULATIVE TOTAL RETURN (y-axis: 0% to 120%)

Customer Experience Leaders — 107.5%
S&P 500 Index — 72.3%
Customer Experience Leggards — 27.6%

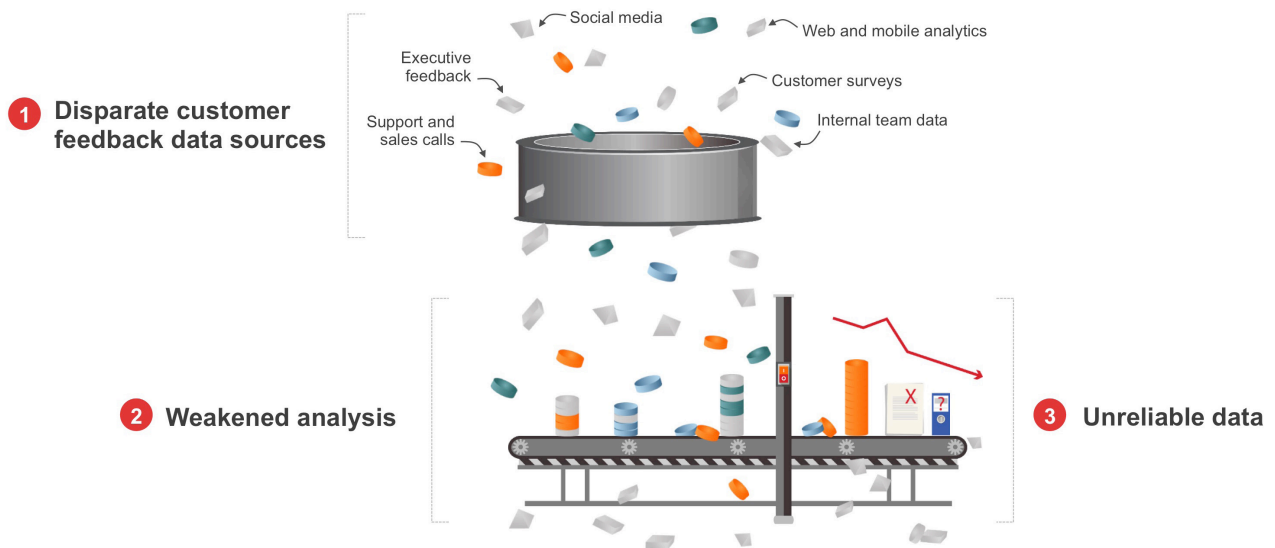

CUMULATIVE TOTAL RETURN

Customer Experience Leaders — 107.5%

S&P 500 Index — 72.3%

Customer Experience Leggards — 27.6%

(Y-axis: 0%, 20%, 40%, 60%, 80%, 100%, 120%)

© 2015 Watermark Consulting. watermarkconsulting.net/CX-ROI

"$20,700 spent on usability resulted in a $47,700 return on the first day the improvements we implemented and $68,000 spent on usability on another system resulted in $6,800,000 return in the first year."[7]

Companies reap similar rewards when they deliver a good customer experience: they see a tremendous rise in revenues.[8,9]

Where Companies Go Astray

To improve the user and customer experience, design new products, and fix issues with existing ones, companies need to call upon customer feedback as the driving force. It's easy for product managers to falsely feel they have a firm grip on this issue with so much customer feedback at their fingertips. Companies can now ingest a seemingly endless stream of data gathered from social networks, internal tracking, customer reviews, loyalty programs, partner recommendations and

more. While it would appear to be a boon to any business, access to so much data can be paralyzing, eliciting the veritable "like trying to find a needle in a haystack" idiom. Moreover, it's difficult to validate that the data is legitimate and trustworthy.

As a result, product managers often find themselves in between a rock and a hard place. The realities of Agile design approaches and the desire to accelerate time to market are triggering compressed development cycles. But pinpointing the key design elements and tweaks that can drive a memorable and gratifying user experience can take time – especially when the investigator isn't sure what to look for or where. Moreover, many product managers view the feedback through a subjective lens. Whether due to internal "political" pressure from higher-ups or the inability to step back from the product they helped birth, these professionals find it challenging to truly analyze the issues at hand in an objective manner.

---

7   http://www.uxteam.com/blog/every-dollar-invested-in-ease-of-use-returns-10-to-100-dollars/

8   Harvard Business Review, The Value of Customer Experience, Quantified, August 1, 2014

9   Watermark Consulting, THE 2015 CUSTOMER EXPERIENCE ROI STUDY: Demonstrating the business value of a great customer experience…

THE CHALLENGE

The need for improved UX/CX drives the need for reliable customer input.

1 **Disparate customer feedback data sources**

- Social media
- Executive feedback
- Support and sales calls
- Web and mobile analytics
- Customer surveys
- Internal team data

2 **Weakened analysis**

3 **Unreliable data**

Feeling pressured to surface the golden nuggets that will drive the next – and improved – iteration of their products, but lacking the time to do so, many product owners turn to online survey tools or "off-the-shelf" research and analytical software. Or they rely heavily on their design firm to provide insights – entities that are prone to the same biases as the product managers themselves.

Without a dependable and objective methodology, companies use unreliable data, leading to non-actionable insights. This translates into a poor user and customer experience as product designs or tweaks fail to address critical needs and wants.

Employ a Proven, Agile Approach to Testing and Research

What if you could…

- Have confidence in the customer feedback you were using to drive business decisions?
- Conduct defendable, reliable customer research?
- Expand your team's bandwidth and focus on more strategic efforts?

With a stream of actionable insights tied directly to your timeline and budget considerations, your

world would be a better place. You can get that by employing a methodological, unbiased process to determine what will trigger the most rewarding engagement with your product. In the majority of cases, the most effective approach is to engage a third party that specializes in product usability and user experience research. By harnessing a research facility, the right user, a proven methodology, and the expertise of highly qualified and trained

3 challenges to understanding how to deliver a better experience

1 **Disparate customer feedback data sources.** Including social media, executive feedback, sales and support calls, web and mobile analytics, customer surveys, internal team data

2 **Weakened analysis.** Lack of time and resources, biased or insufficient data, competing "insights" and priorities, obscured root causes (the "why?").

3 **Unreliable data** leads to non-actionable insights and poor user and customer experience.

A SYSTEMATIC APPROACH TO RESEARCH

Human Interfaces offers defendable and reliably actionable insights for improved experiences.

1 Identify the questions and issues

2 Customize a controlled approach

4 Deliver actionable insights

LAUNCH · RESEARCH · DEFINE · EVALUATE · DESIGN · VALIDATE

3

Analyze the data

personnel, you can access data-driven insights that drive intuitive design. This leads to engaging experiences that translate into greater product success and profitability.

For over 15 years, Human Interfaces has employed a variety of innovative research methods to better understand its clients' users and how they interact with their products. This leading firm[10] calls upon core competencies in unbiased research steeped in science; critical and objective evaluation; and deep design expertise to create customized research solutions that best meet its clients' objectives. With a focus on helping clients define and design usable products, Human Interfaces guides companies to understand the goals, expectations and interactions of the products' end users. Because Human Interfaces' trained researchers spend the requisite time upfront to define the research requirements, they can more efficiently zero in on the data that matters, accelerating the entire research process. The result for clients including Bose, Comcast, Dell, Microsoft, Rackspace is a flexible approach to creating customer-focused, user-friendly experiences that drive loyalty. ★

4 critical steps to user research

1 **Identify** the most meaningful research questions and the appropriate methods to answer them.

2 **Customize data collection through a controlled approach** that meets the research, budget, and schedule goals.

3 **Analyze data** and extract meaningful insights.

4 **Deliver actionable data-driven insights** that increases product usage and profit through engaged users, improved brand perception, customer loyalty and satisfaction.

Don't let company politics derail success

Internal tensions (such as between product owners and the c-suite) pose gravitational pull on critical decisions. The best way to defuse that is to call upon unbiased, objective data presented by a third party.

10 Recognized as a Top 20 Researcher in 2015 by Survey Magazine