

A Forrester Total Economic Impact™  
Study Commissioned By UserZoom  
May 2018

# The Total Economic Impact™ Of UserZoom

Cost Savings And Business Benefits  
Enabled By UserZoom

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## ABOUT FORRESTER CONSULTING

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# Executive Summary

UserZoom provides comprehensive user research software, professional services, and participant sourcing for user experience (UX) researchers and product teams. UserZoom commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize with UserZoom. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of the UserZoom on their organizations.

Forrester interviewed four UserZoom customers to better understand the benefits, costs, and risks associated with this investment. These enterprises all recognized the importance of user research but faced major challenges conducting the quantity and scope of studies needed. Research in physical labs was very time-consuming and could not be run concurrently, while international studies and benchmarks required even more extensive planning, travel, and third-party costs. Designers and product managers wished to conduct research themselves but did not have adequate tools and support expertise to do so.

Interviewees turned to UserZoom's software to substantially improve researcher productivity, but productivity was not the only benefit as researchers also gained the ability to run quantitative studies, perform mixed method research, integrate research into short agile sprints, and reach more representative user segments. UserZoom therefore enabled not just more research, but better research — with the goal of better UX. Furthermore, UserZoom acted as a partner whose researchers were available as professional services to help customers implement best practices, provide expertise to fill in experience gaps, and either partially or fully run studies that customers desired but lacked capacity to conduct internally. This made it possible for non-researchers to conduct effective studies. With participant sourcing available in the tool, along with a strong pipeline of feature enhancements, customers pointed to UserZoom as a comprehensive software platform and invaluable partner to mature their research practices and support UX measurement.

## Key Findings

**Quantified benefits.** The interviewed organizations experienced the following risk-adjusted present value (PV) benefits:

- › **More than doubled the quantity of user experience studies while avoiding almost \$2M in labor and third-party costs.** UserZoom provided an alternative to in-person moderated usability tests (referred to in this report as lab studies) and enabled organizations to run international and benchmarking studies without major third-party costs and labor. A composite organization that Forrester designed for a three-year model (see Composite Organization section for more information) conducted 155 out of 228 total studies with UserZoom, ultimately avoiding 26,830 hours of internal labor and \$712K in third-party costs.
  - **Diverted 117 lab studies to UserZoom and increased researcher productivity by 80%, avoiding \$1.3M in excess labor.** Lab studies typically required 260 hours of labor while UserZoom studies required only 50 hours, significantly increasing the capacity of research teams.
  - **Avoided \$350K in costs for benchmarking research by bringing the research in-house with UserZoom.** The

## Key Benefits



Cost savings to run studies in UserZoom for lab, benchmarking, and international research:

**\$1,966,500**



Reduced labor to conduct studies in UserZoom instead of the lab:

**80% reduction**



Reduced participant sourcing costs and increased panel size:

**68% cost reduction including 4x more participants**



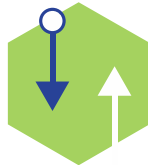
**ROI**  
**537%**



**Benefits PV**  
**\$2.3 million**



**NPV**  
**\$1.9 million**



**Payback**  
**<6 months**

composite organization benchmarked one product in Year 1 and Year 2, increasing to three products in Year 3. The organization replaced \$20K in third-party costs with just 50 hours of internal labor for each of the six annual benchmarks per product.

- **Slashed the cost to conduct international research, avoiding \$276K in expense across eight studies.** By replacing in-person remote research with online studies, researchers avoided extensive coordination and travel costs and time zone challenges, and they no longer needed to engage local third parties for participant sourcing and translation.

- › **Reduced participant sourcing costs by 68%, saving \$287K across 155 UserZoom studies.** UserZoom's participant credits were much cheaper than traditional incentives, so despite increasing average panel size 4x from 15 to 60 participants (and thus improving insight accuracy), the organization reduced costs from \$3,750 to \$1,200 per study.

**Unquantified benefits.** The interviewed organizations experienced the following benefits, which are not quantified for this study:

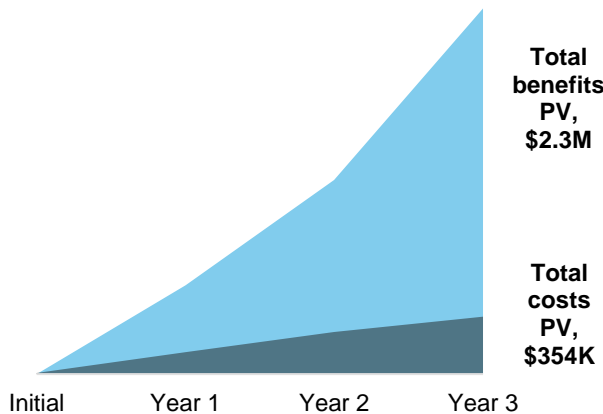
- › Gained the capability to incorporate user research into the agile development process for the first time.
- › Improved audience segmentation, broadened scope, and strengthened the statistical significance and confidence of research.
- › Demonstrated the value of user research to product teams and executives, helping to encourage adoption and additional investment.
- › Democratized user research by enabling designers and product managers to conduct their own studies.

**Costs.** The interviewed organizations experienced the following risk-adjusted PV costs:

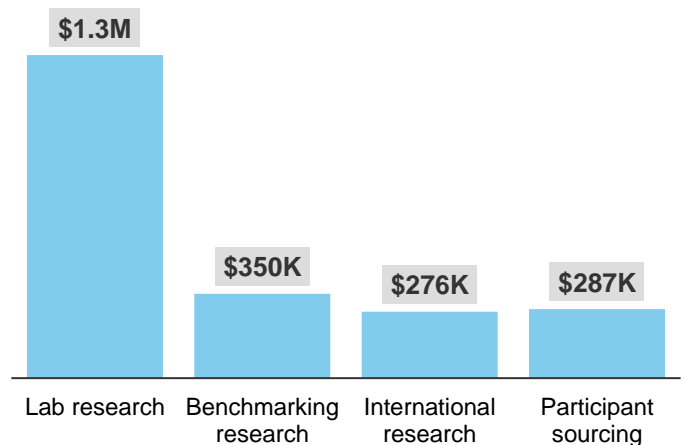
- › UserZoom license and professional services costs of \$330K based on the quantity, scope, and features of studies as modeled in this analysis.
- › Internal labor for scoping, implementation, training, and ongoing development valued at \$24K.

Forrester's interviews with four existing customers and subsequent financial analysis found that an organization based on these interviewed organizations experienced benefits of \$2,253,297 over three years versus costs of \$353,856, adding up to a net present value (NPV) of \$1,899,441 and an ROI of 537%.

### Financial Summary



### Benefits (Three-Year)



The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

## TEI Framework And Methodology

From the information provided in the interviews, Forrester has constructed a Total Economic Impact™ (TEI) framework for those organizations considering implementing UserZoom.

The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that UserZoom can have on an organization:



### **DUE DILIGENCE**

Interviewed UserZoom stakeholders and Forrester analysts to gather data relative to UserZoom.



### **CUSTOMER INTERVIEWS**

Interviewed four organizations using UserZoom to obtain data with respect to costs, benefits, and risks.



### **COMPOSITE ORGANIZATION**

Designed a composite organization based on characteristics of the interviewed organizations.



### **FINANCIAL MODEL FRAMEWORK**

Constructed a financial model representative of the interviews using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewed organizations.



### **CASE STUDY**

Employed four fundamental elements of TEI in modeling UserZoom's impact: benefits, costs, flexibility, and risks. Given the increasing sophistication that enterprises have regarding ROI analyses related to IT investments, Forrester's TEI methodology serves to provide a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

## DISCLOSURES

Readers should be aware of the following:

This study is commissioned by UserZoom and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.

Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in UserZoom.

UserZoom reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning of the study.

UserZoom provided the customer names for the interviews but did not participate in the interviews.

# The UserZoom Customer Journey

## BEFORE AND AFTER THE USERZOOM INVESTMENT

### Interviewed Organizations

For this study, Forrester conducted four interviews with UserZoom customers. Interviewed customers include the following:

COMPANY	INDUSTRY	REGION	SIZE	INTERVIEWEES
Cisco	Information technology	Global	\$49B revenue 74K employees	› UX research leader
<i>Anonymous</i>	Business services	USA	\$12B revenue 60K employees	› Senior director, UX research › Principal, UX strategy and research
<i>Anonymous</i>	Information technology	Global	\$1 to \$5B revenue 2K employees	› Head of consumer analytics
<i>Anonymous</i>	Insurance	USA	\$50 to \$75B revenue 50K employees	› User experience designer

### Key Challenges

The pace of business becomes more competitive by the year, and customers hold ever higher expectations. Delivering a great user experience, and by extension customer experience, is no longer “nice to have” but a “must-do” for all organizations. Business-to-consumer (B2C) companies may already understand this, but the pressure has increased on business-to-business (B2B) companies as well. The four companies interviewed for this study understood that user experience is essential to their long-term success, but they struggled with several key challenges:

- › **Lab research studies (primarily in-person moderated usability tests) were costly and extremely time-consuming.** Full-time researchers could only complete eight to 10 studies per year in the lab due to extensive time requirements for scheduling, conducting interviews, and manual analysis. Physical space was limiting and often prevented researchers from running multiple participants for the same study concurrently or even from running concurrent studies. Organizations could not afford to meet the demand for research, which would have required additional employees, expanded physical lab space, and expensive outsourcing of projects to third-party firms.
- › **User research was too slow to be integrated into the agile development process.** User research took months to complete and therefore could not be incorporated into a two- to four-week agile sprint. Product teams were completing substantial work without user experience testing, either leading to lower quality products or rework that increased expenses and delayed launch.
- › **International research was even more expensive and time-consuming.** Third parties were required to source local participants and conduct studies in alternative languages. Conducting these trips abroad required expensive travel and lodging and much more coordination than in a normal lab study. Sending researchers abroad took them out of the lab and stalled other onsite research projects. Meanwhile, other digital tools lacked the native-language capabilities needed for effective remote research in other languages.

“It takes triple the time to collect and analyze study data without UserZoom.”

*Principal, UX strategy and research, business services*



“I needed a tool that would allow me to conduct larger-scale research, do multiple of them, and do them quickly.”

*UX research leader, Cisco*



- › **Lab research lacked quantitative strength, limiting organizational acceptance and investment.** While moderated studies conducted in the lab provided very rich anecdotal information, with only 10 to 15 participants, their findings were not statistically significant. Executives often doubted or disregarded results due to the perceived lack of quantitative strength, and they were less likely to invest in the resources needed to support this research as a result.
- › **Manual analysis of research lacked the consistency and significance required to conduct benchmarking research.** To be able to benchmark, organizations needed to collect statistically significant data consistently across multiple studies and then store, tag, and analyze it in a capable central repository. Doing so was very difficult with manual, hand-written notes from in-person research.
- › **Sourcing quality participants was expensive and time-consuming, and specialized participants were difficult to recruit.** Local participants could not always provide an accurate representation of global users, especially for special requirements such as accessibility, language, or expertise. Sourcing, communicating, and scheduling with lab participants was time-intensive, and incentives costs for in-person studies commonly exceeded \$200 per participant.

“It’s less expensive to recruit participants with UserZoom than it is for the lab.”

*User experience designer,  
insurance*



## Solution Requirements

The interviewed organizations searched for a solution that could:

- › Provide a comprehensive platform with advanced capabilities such as user videos, click tracking, heat maps, surveys, and benchmarking.
- › Enable researchers to conduct concurrent studies with less effort and enable non-researchers to conduct studies.
- › Automate aspects of quantitative analysis and reporting with visual reports and dashboards, and reduce the time required for qualitative analysis with tagging and exporting of user video highlight reels.
- › Act as a partner that could provide flexible professional services to augment internal resources. Whether for outsourcing complete studies or just a single aspect, professional services could help researchers meet deadlines while controlling costs. Furthermore, professional services expertise could enable non-researchers such as designers and product managers to conduct studies with their support.
- › Provide remote user testing capability that did not require users to download extensive software or get specialized hardware.
- › Provide native-language testing throughout the prompts and directions to make international testing seamless and ensure accuracy.

“Our researchers could not handle the volume of research we need without UserZoom, so we would have to turn to expensive outsourcing deals to get the work done.”

*Head of consumer analytics,  
information technology*



## Key Results

The interviews revealed that without UserZoom, researchers could not have completed the quantity or breadth of research their organizations needed. The UserZoom investment led to several key results, including:

- › Increasing researcher efficiency by over 80%, reducing the labor required to complete a study from an average of 260 hours in the lab to only 50 hours in UserZoom. This enabled organizations to significantly increase the number of annual user research studies completed.
- › Enabling organizations to run benchmarking studies and integrate user research into short agile sprints.

“As a lonely research team of one, I needed UserZoom to scale the team.”

*UX research leader,  
Cisco*



- › Reducing cost of coordination, travel, and third-party resources for international and other forms of specialized research.
- › Reducing the labor and cost required for participant sourcing.
- › Raising the profile of UX teams with more studies, stronger data, and better ways to share results, ultimately helping product teams and executives to understand, value, and invest in user research.

## Composite Organization

Based on the interviews, Forrester constructed a TEI framework, a composite organization, and an aggregate financial analysis representative of the four companies that Forrester interviewed. The composite organization that Forrester synthesized from the customer interviews has the following characteristics:

- › The organization is a global, multibillion dollar technology enterprise.
- › It employed four user researchers and operated one physical lab for moderated testing before adopting UserZoom.
- › Leadership established a strategic imperative to increase the quantity, scope, and quality of user research, viewing customer obsession as essential to the company’s long-term success. Leaders considered research key to improve UX, and by extension, customer experience.
- › The organization adopted UserZoom to enable researchers to meet the increased demand for research, realizing that conducting this research in the lab would result in excessive costs.

The composite organization takes a staged approach to deployment:

- › The organization continues to value lab testing for certain studies, devoting three full-time equivalent (FTE) resources to lab testing throughout the entire length of the study. These three FTEs can conduct eight studies per person, per year, for a total of 24 lab studies per year.
- › One researcher adopts UserZoom in Year 1. This researcher receives training during this timeframe and conducts 33 studies in the solution along with one study in the lab.
- › This researcher conducts 10 more studies for a total of 44 studies in Year 2, and no longer conducts any lab studies. The amount of work slightly exceeds the researcher’s capacity; UserZoom’s professional services fill in the gaps.
- › The organization hires one more researcher in Year 3 for a total of two who are fully dedicated to conducting studies in UserZoom. These two FTEs ultimately conduct a total of 78 studies within UserZoom in Year 3 and cut back on usage of UserZoom’s professional services.

RESEARCH CAPACITY	YEAR 1	YEAR 2	YEAR 3
Number of studies in the lab	25	24	24
Number of studies in UserZoom	33	44	78
Total number of studies	58	68	102
Total number of researchers	4	4	5

“One of the reasons why we chose UserZoom is because it is a browser extension, as opposed to a full-blown application. This made the survey experience for the users much easier.”

*UX research leader,  
Cisco*



### Key assumptions

Global, multibillion dollar technology enterprise

Four researchers in Years 1 and 2, increasing to five researchers in Year 3

Conducts 24 studies in the lab annually

Eighty percent reduction in labor required per study with UserZoom

Conducts 33, 44, and 78 UserZoom studies in Years 1, 2, and 3



# Analysis Of Benefits

## QUANTIFIED BENEFIT DATA AS APPLIED TO THE COMPOSITE

### Total Benefits

REF.	BENEFIT	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Atr	Lab research	\$354,375	\$510,300	\$793,800	\$1,658,475	\$1,340,288
Btr	Benchmarking research	\$87,750	\$87,750	\$263,250	\$438,750	\$350,077
Ctr	International research	\$85,275	\$85,275	\$170,550	\$341,100	\$276,135
Dtr	Participant sourcing	\$75,735	\$100,980	\$179,010	\$355,725	\$286,797
	Total benefits (risk-adjusted)	\$603,135	\$784,305	\$1,406,610	\$2,794,050	\$2,253,297

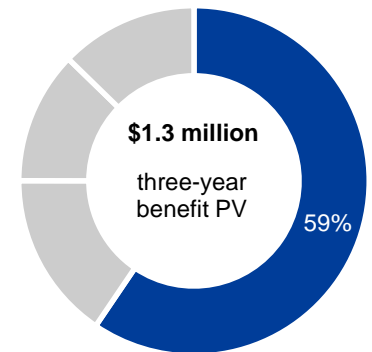
### Lab Research

Interviewees shared that they could not meet their organizational imperatives to conduct more research if relying on traditional lab research approaches such as in-person moderated usability tests without a major hiring initiative and investment in additional physical lab space. Lab research was very time-intensive; it required significant labor for participant sourcing, scheduling, conducting the moderated tests, manual data entry, manual analysis, and reporting. The physical lab itself was a limiting factor — one room could only be used for one study at a time, so to conduct concurrent studies, organizations would need multiple rooms with redundant technology resources. Participants themselves were a limitation with the physical lab, as researchers could only source local participants unless they paid even more to cover travel expenses.

Implementing UserZoom changed everything — the study ran itself once it was launched with no researcher intervention, analysis of data and qualitative content was dramatically easier, and reporting could be delivered with a fraction of the effort. Interviewees cited massive time savings as a result, completing an average study in about 50 hours versus easily 260 hours of labor for a study based in the lab.

- › The user experience designer at the insurance company interviewed for this study shared how UserZoom enabled the organization to overcome limitations of the physical lab: “The physicality of a lab limits how much research we can complete, because it only accommodates one study at a time. This requires two to three people to keep it up and running, and it can only recruit a local audience.” The interviewee continued, “Planning is a big challenge for testing in our lab because it is usually booked at least 60 to 90 days out and takes even longer to find and schedule participants.”
- › The head of consumer analytics at an information technology company shared: “UserZoom lets us take what we could have only done through a third party and do it ourselves for less cost and with a much shorter turnaround. It even helps to see responses as they come in, so if something stands out, we can react and make a recommendation instantly rather than waiting for the third party’s analytics team to go through everything and format a beautiful deck.”
- › For Cisco, UserZoom’s capabilities were essential to making the switch from lab research. While gaining quantitative capabilities was

The table above shows the total of all benefits across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total benefits to be a PV of \$2,253,297.



Lab research:  
59% of total benefits



**80% reduction**  
Hours of labor to conduct studies in UserZoom instead of the lab

important, the company did not want to sacrifice the qualitative, personal aspect to its research. Cisco's UX research leader explained, "The fact that the screen, video and audio capture is integrated into UserZoom was an immense benefit for my team," which allowed the team to recognize the benefits of both quantitative and qualitative research within the same studies.

UserZoom didn't just help make researchers more efficient; it helped them deliver studies with a broader scope and stronger statistical strength. Studies formerly limited to 10 or 15 participants due to the extensive labor required could now include anywhere from 30 to 200 responses. Greater quantitative strength combined with new capabilities, like click tracking and heat maps, ultimately enabled researchers not only to conduct more research, but to conduct better research.

Forrester has modeled the benefit to the composite organization of using UserZoom rather than lab testing using the following assumptions:

- › Completing a study in the lab would have taken an average of 260 hours (eight studies per researcher, per year). Each UserZoom study requires only 50 hours of labor, a reduction of over 80%.
- › Leadership sets a goal of 50 user research studies in Year 1, increasing to 60 in Year 2 and to 80 in Year 3. The organization's four researchers could only have completed 32 studies per year without UserZoom, or alternatively, significant additional hiring.
- › The organization continues to dedicate three researchers to lab research, completing a total of 24 lab studies annually.
- › UserZoom accounts for an increasing percentage from 50% to 70% of total studies and resulting in 25, 36, and 56 research studies conducted in UserZoom in years 1 through 3, respectively.
  - One researcher conducts studies in UserZoom in years 1 and 2, increasing to two researchers in Year 3.
  - This leaves the researchers with enough labor hours to complete additional benchmarking and international studies in years 1 and 3, as discussed in the next two benefit categories.
  - In Year 2, however, the single researcher working in UserZoom is slightly over-capacity when combined with international and benchmarking research. The organization hires UserZoom's professional services to accomplish the workload, as discussed in the costs section later in this study.
- › User experience researchers are paid a fully loaded salary of \$75 per hour, equivalent to an annual salary of \$120,000 burdened at 30% for benefits, insurance, and other costs of employment.

The impact of this benefit may vary for an organization based on a variety of impact risks, such as the following:

- › Actual number of studies completed annually.
- › Labor required per lab study and UserZoom study, which varies based upon the specific type of research and the study's complexity.
- › Number of researchers and an organization's reliance on third-party professional services or research conducted by internal non-researchers such as product managers and designers.
- › Average fully loaded salary of user experience researchers.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of \$1,340,288.

"UserZoom helps us establish and test against a quantitative baseline for time on task, number of clicks, and beyond. We don't need to have people sitting in the lab with stopwatches counting clicks because UserZoom does it automatically."

*User experience designer,  
insurance*



"Without UserZoom, it would require all our resources to run only a couple of studies per year, and we wouldn't be able to support any other projects because we would be inefficient. It would jeopardize our entire program."

*Sr. director, UX research,  
business services*



Impact risk is the risk that the business or technology needs of the organization may not be met by the investment, resulting in lower overall total benefits. The greater the uncertainty, the wider the potential range of outcomes for benefit estimates.

## Lab Research: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
A1	Number of studies needed per year	Assumption	50	60	80
A2	Hours of labor to complete a study in the lab		260	260	260
A3	Hours of labor to complete a study with UserZoom		50	50	50
A4	Hours of labor avoided by completing a study in UserZoom instead of the lab	A2-A3	210	210	210
A5	User experience researcher fully loaded hourly salary		\$75	\$75	\$75
A6	Cost savings to run a study in UserZoom instead of the lab	A4*A5	\$15,750	\$15,750	\$15,750
A7	Percentage of studies completed with UserZoom instead of the lab	Assumption	50%	60%	70%
A8	Number of studies completed with UserZoom instead of the lab	A1*A7	25	36	56
At	Lab research	A6*A8	\$393,750	\$567,000	\$882,000
	Risk adjustment	↓10%			
Atr	Lab research (risk-adjusted)		\$354,375	\$510,300	\$793,800

## Benchmarking Research

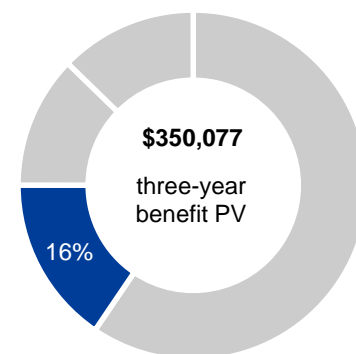
Organizations found significant value in conducting benchmarking research; however, it was extremely difficult and expensive to conduct prior to adopting UserZoom. To conduct a study on the same product at a regular frequency, companies turned to third-party vendors to outsource the entirety of benchmarking work. With UserZoom, however, benchmarking studies were no more complex than an average study and could be fit into researchers' workloads. In fact, once researchers set up a study, they could repeat it with significantly less time required as they could simply copy a prior study and run it again.

Forrester has modeled the benefit of using UserZoom rather than a third party to conduct benchmarking research using the following assumptions:

- › The organization benchmarks one product in Year 1 and in Year 2, increasing to three products in Year 3.
- › The organization runs benchmark studies every other month for each product.
- › The organization would need to turn to a third party to conduct benchmarking at an estimated cost of \$20,000 per benchmark.
- › Running a benchmark study in UserZoom takes the same amount of time (50 hours) as any other average study for internal researchers. These researchers now have enough bandwidth to take on these studies thanks to productivity improvements realized from UserZoom.
- › Researchers are paid a fully loaded salary of \$75 per hour.

The impact of this benefit may vary for an organization based on a variety of risks, such as the following:

- › Number of products being benchmarked.
- › Frequency of benchmarking studies (monthly, bimonthly, quarterly).



**Benchmarking research:  
16% of total benefits**

"UserZoom gave us a unique opportunity to use and evangelize a benchmark study. We take the temperature of a product or service and measure the delta over time for levels of usability, effectiveness, efficiency, and user satisfaction."

*Principal, UX strategy and research, business services*



- › Amount of initial and recurring labor to set up and repeat the study based upon the specific type of research and the study's complexity.
- › Availability of internal resources to conduct benchmark studies and the varying cost of third-party professional services if required.
- › Average fully loaded salary of user experience researchers.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of \$350,077.

### Benchmarking Research: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
B1	Number of benchmarking studies needed per year	Assumption	6	6	18
B2	Third-party cost to conduct benchmarking study		\$20,000	\$20,000	\$20,000
B3	Hours to conduct benchmarking study in UserZoom		50	50	50
B4	User experience researcher fully loaded hourly salary	A5	\$75	\$75	\$75
B5	Labor cost to conduct benchmarking study in UserZoom	B3*B4	\$3,750	\$3,750	\$3,750
B6	Cost savings to run a benchmarking study in UserZoom	B2-B5	\$16,250	\$16,250	\$16,250
Bt	Benchmarking research	B1*B6	\$97,500	\$97,500	\$292,500
	Risk adjustment	↓10%			
Btr	Benchmarking research (risk-adjusted)		\$87,750	\$87,750	\$263,250

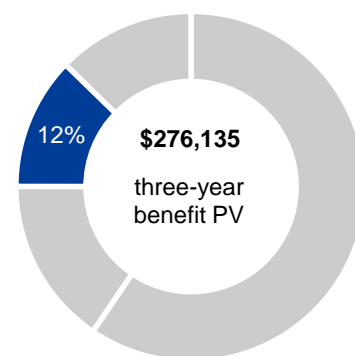
## International Research

Conducting research for international audiences was extremely complex and expensive for the interviewed organizations. These studies required extensive planning and coordination, costly tickets and hotels, and on-site third-party support to source, schedule, and translate for participants. Furthermore, international research took researchers out of the lab, thereby putting other studies temporarily on hold. UserZoom gave interviewees the capability to reach these audiences remotely, slashing the cost and effort required and ultimately enabling organizations to conduct more international studies than they did before.

The head of consumer analytics at one information technology company described how important UserZoom's international testing capabilities were: "We chose UserZoom because their global solution is better than any other we've seen. If we want to run an international study, we just select the language and the entire tool is translated from the user's perspective — the study, the system prompts, and the extension itself. Other tools often require clumsy directions with prompts still in English, which creates concern over the accuracy of the results themselves."

Forrester has modeled the benefit of running international studies in UserZoom using the following assumptions:

- › The organization conducts two international studies per year in Year 1 and in Year 2, increasing to four international studies in Year 3.
- › Conducting an international study abroad would require 560 hours of internal labor to plan for, conduct, and analyze each international study — twice as much work as for a standard study conducted in the lab.



**International research:  
12% of total benefits**

- › Conducting a study abroad would incur \$4,000 in travel and lodging costs and \$10,000 for third-party support to source and schedule participants and assist in running interviews in a foreign language.
- › Instead, the organization conducts all international studies remotely using UserZoom, eliminating travel and third-party costs.
- › Conducting an international study in UserZoom requires 75 hours of labor, 50% more than other UserZoom studies as setting up research in foreign languages and coordinating panels takes additional effort.
- › Researchers are paid a fully loaded salary of \$75 per hour.

The impact of this benefit may vary for an organization based on a variety of risks, such as the following:

- › Number of international studies conducted.
- › Locations of international studies, which cause significant cost variance; studies conducted near a corporate office or closer to the lab may have reduced travel and sourcing costs, while third-party costs may vary significantly due to the local economy.
- › Certain languages (if it differs at all), which may be more difficult to translate or may not be available in UserZoom.
- › Amount of initial and recurring labor to run each study based upon the specific type of research and the study's complexity.
- › Availability of internal resources to conduct international studies, or the cost of third-party professional services if required.
- › Average fully loaded salary of user experience researchers.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of \$276,135.

“UserZoom’s global solution is better than any other we’ve seen. . . . Other tools often require clumsy directions with prompts still in English, which creates concern over the accuracy of the results themselves.”

*Head of consumer analytics,  
information technology*



“Traveling into the field for testing is a very expensive proposition. Not only is it time-consuming and expensive; we also have to shut down our lab because we can’t be in two places at once.”

*User experience designer,  
insurance*



### International Research: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
C1	Number of international studies needed per year	Assumption	2	2	4
C2	User experience researcher fully loaded hourly salary	A5	\$75	\$75	\$75
C3	Labor hours required per remotely conducted study		520	520	520
C4	Labor cost per remotely conducted study	C2*C3	\$39,000	\$39,000	\$39,000
C5	Travel cost per remotely conducted study	Assumption	\$4,000	\$4,000	\$4,000
C6	Third-party support cost per remotely conducted study		\$10,000	\$10,000	\$10,000
C7	Cost per international study conducted abroad	C4+C5+C6	\$53,000	\$53,000	\$53,000
C8	Hours to conduct international study in UserZoom		75	75	75
C9	Cost per international study conducted with UserZoom	C2*C8	\$5,625	\$5,625	\$5,625
C10	Cost savings to run an international study in UserZoom	C7-C9	\$47,375	\$47,375	\$47,375
Ct	International research	C1*C10	\$94,750	\$94,750	\$189,500
	Risk adjustment	↓10%			
Ctr	International research (risk-adjusted)		\$85,275	\$85,275	\$170,550

## Participant Sourcing

Prior to UserZoom, interviewees identified that sourcing study participants for in-person testing was time-consuming and costly. Incentive costs of \$200 to \$300 per participant, combined with extensive labor to market to and coordinate with participants, added up to significant cost per study even with small panels. Organizations identified benefits by moving to UserZoom of flexibility to source panels from many sources and cost savings when utilizing UserZoom's panels directly:

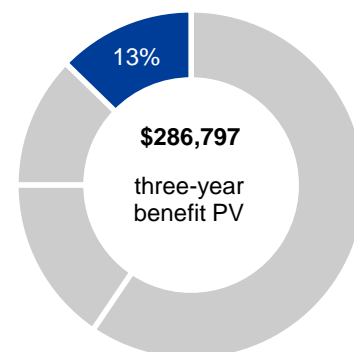
- › **Organizations enjoyed the flexibility of using UserZoom's panels or importing participant panels from other sources.** Organizations could use UserZoom's panels directly (for a per-participant cost), or for no additional charge, they could intercept users on their website, import their own panels, or import a panel sourced from a third party.
- › **Participant costs were lower with UserZoom's panels.** Though UserZoom did not charge a fee to import external panels, interviewees said that it was more expensive to source these panels externally — whether from third parties or when organizations conducted their own outreach and coordination.
  - With UserZoom, the organizations purchased participant credits at a cost range of \$20 to \$25 per credit.
  - The average participant was valued at one credit, with some participants requiring only half a credit each.
  - Some studies required respondents with highly specialized backgrounds, demographics, or accessibility needs. Those rarer respondents could cost between two and eight credits each; however, even without UserZoom, the cost to source these participants directly would also have been higher due to the difficulty reaching these users.

Forrester has modeled the cost savings from sourcing participants in UserZoom using the following assumptions:

- › For every study conducted in UserZoom, the composite organization exclusively utilizes UserZoom's panels.
- › The typical study before UserZoom studied 15 participants for 1 hour each, with an average incentive cost of \$250 per participant.
- › The typical UserZoom study has 60 participants who each devotes 15 minutes, equivalent to 4x more participants but identical total participation hours. Participants are assumed to be general population, requiring one credit each at a cost of \$20 per credit.
- › The total incentive cost per study therefore decreases by 68% from \$3,750 (legacy) to \$1,200 with UserZoom — even though the UserZoom studies also includes 4x more participants.
- › Time savings for sourcing and scheduling are not included in this calculation as they are already included by the labor reductions shown in the above three benefit categories.

The impact of this benefit may vary for an organization based on the average number of participants needed per study and their level of specialization, as a more selective panel will be more expensive. Some organizations may choose to use their own (or third-party) panels, which could be cheaper or costlier than those sourced directly in UserZoom.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of \$286,797.



### Participant sourcing: 13% of total benefits

"UserZoom's participant sourcing reduced the time to find participants from four to six weeks to only one to two weeks."

*Head of consumer analytics,  
information technology*



"It's less expensive to recruit participants with UserZoom than it is for the lab."

*User experience designer,  
insurance*



"With UserZoom's general population panel, we can get more participants faster and cheaper."

*UX research leader,  
Cisco*



## Participant Sourcing: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
D1	Total number of studies using UserZoom	A8+B1+C1	33	44	78
D2	Number of participants per study, prior state		15	15	15
D3	Average cost per participant, prior state	Assumption	\$250	\$250	\$250
D4	Participant cost per study, prior state	D2*D3	\$3,750	\$3,750	\$3,750
D5	Number of participants per study with UserZoom		60	60	60
D6	Average cost per participant with UserZoom		\$20	\$20	\$20
D7	Participant cost per study with UserZoom	D5*D6	\$1,200	\$1,200	\$1,200
D8	Cost savings to source participants for a UserZoom study	D4-D7	\$2,550	\$2,550	\$2,550
Dt	Participant sourcing	D1*D8	\$84,150	\$112,200	\$198,900
	Risk adjustment	↓10%			
Dtr	Participant sourcing (risk-adjusted)		\$75,735	\$100,980	\$179,010

## Unquantified Benefits

UserZoom’s customers also identified that they achieved several key benefits from the investment that could not be quantified in this study:

- › **Gained the capability to incorporate user research into the agile development process for the first time.** Lab research took months of labor to complete, and the lab had to be booked with participants well in advance. UserZoom studies, in contrast, could be launched, get the required response rate, and be analyzed within days. With the typical agile sprint lasting between two and four weeks, usability testing and user research could now be conducted fast enough to incorporate as a key step. By incorporating research, product teams hoped to design better releases, avoid delays, and reduce rework.

  - The US research leader at Cisco described how the company partnered with UserZoom’s professional services to rapidly run studies for agile projects: “UserZoom would go through our notes, build the study, and send it back to us. Once approved, they would release it, collect the data, analyze it, and give us an abbreviated read-out in the form of a one-pager. The whole process from the planning meeting to the one-pager took five days.”
  - For the insurance company, UserZoom was also essential to pairing agile development with research: “One benefit is that we can share read-only access to UserZoom reports with development and product management, which frees us up from manually preparing every single report. This is especially important for meeting the speed requirements of agile sprints.”
- › **Improved audience segmentation.** UserZoom lowered the wall for conducting accessibility studies or for reaching specialized respondents (a specific position or demographic, for example). Nuanced research led to better results and findings they could not have achieved previously.

“UserZoom built the study, launched it, collected the data, analyzed it, and presented it to our team all within five days.”

*UX research leader,  
Cisco*



“Usability testing by geography is essential because the experiences users have and the decisions they have to make can be very different depending [on] where they live.”

*Head of consumer analytics,  
information technology*



› **Increased the scope and statistical significance of research.**

Research conducted in UserZoom included enough participants to be statistically significant, whereas lab studies usually only reached 10 to 15 participants. Participants could be sourced worldwide or filtered to exact parameters rather than limited to the local area — enabling studies to reach respondents who were more representative of their actual user base.

- The UX designer at an interviewed insurance company shared the importance of automating data analysis: “The automation available with remote quantitative testing is very valuable. We need a tool like UserZoom because this is very difficult to do in the lab.”

› **Raised the profile of user research.** More research with a broader scope and increased significance led to increased acceptance of research findings by the organization at large. Live dashboards with instant results and compelling graphics increased buy-in for product managers and executives alike. Product teams were more likely to value the results and take the recommended actions. Ultimately, this led to increased investment in research and gave UX a stronger “seat at the table” in business strategy.

- UserZoom was essential for one interviewee in getting the user research team off the ground, by enabling the team to demonstrate enough success that the organization invested in more full-time resources: “Showing the value that UserZoom brought to the organization has helped me scale my team and influence the role of research in the organization.”
- UserZoom helped meet one interviewee’s needs for audio/video recordings, quotes, and statistical data: “As our organization has matured, it has demanded tangible artifacts to prove research outcomes. Without UserZoom, we would have to hire a firm to go out and get those tangible assets, which would cost a lot of money. It would be cost-prohibitive.”

› **Democratized user research by enabling designers and product managers to conduct their own studies.** Organizations could achieve significant scale and flexibility by expanding the pool of employees conducting research. While non-researchers were not as efficient and needed to be assisted to ensure they followed best practices, UserZoom’s templates and built-in processes helped researchers maintain quality while opening the pool. Further, conducting research themselves increased designer and product manager buy-in for the credibility and actionability of research findings.

- An interviewee at one company described creating standard templates to help non-researchers run valid studies: “UserZoom’s structure lets us create question templates and best practices to ensure that designers or product managers can run effective studies. Research is not entirely the responsibility of the user experience team. We spend a lot of time helping the organization understand the tools at their disposal and training them to use them to ultimately empower them to do their own research and usability testing. UserZoom has played a big role in making this possible.”
- UserZoom helped an organization increase buy-in to research results, as one interviewee described: “The responsibility of building a solution that your customers actually want and need belongs to the entire organization — the developers, the

“I secured the contract with UserZoom when I was a research team of one and my group didn’t have any research. When the group started seeing the research and results from UserZoom, and were able to take action based on the research, they wanted to do more and more.”

*UX research leader,  
Cisco*



“The responsibility of building a solution that your customers actually want and need belongs to the entire organization. . . . Research is more impactful when you are part of it, so by bringing the whole organization along the journey, it helps them understand why you started in one place and ended in another. It increases buy-in, creates better products, and builds knowledge.”

*Head of consumer analytics,  
information technology*





designers, the product leads, and beyond. It is the pulse of the organization. We know that research is more impactful when you are part of it, so by bringing the whole organization along the journey, it helps them understand why you started in one place and ended in another. It increases buy-in, creates better products, and builds knowledge. [Our researchers] couldn't do what we do without partners in design and product, so allowing them some level of input and control is important."

- › **Improved employee experience for researchers.** UserZoom significantly decreased administrative effort, allowing researchers to focus on more interesting and valuable tasks rather than the sludge of scheduling and manual data entry. More studies meant more insights, keeping employees engaged and interested. Researchers valued being able to use just one comprehensive tool, as the UX research leader for Cisco described, "Having all of the research capabilities within UserZoom and having the UserZoom self-service feature is of big value for our team."

## Flexibility

The value of flexibility is clearly unique to each customer, and the measure of its value varies from organization to organization. There are multiple scenarios in which customers may implement UserZoom and later realize additional uses and business opportunities, including:

- › **Leverage UserZoom's new moderated remote testing capabilities.** Interviewees identified that 20% to 40% of their research was still conducted in the lab, because they valued the personal interaction and two-way communication of moderated testing. Conducting this work remotely could help further reduce the number of studies conducted in the lab, enabling further cost savings.
- › **Install UserZoom's moderated testing capabilities as the technology backbone of the physical lab.** This technology could replace homegrown tools for video and data entry and could help add quantitative capabilities like heat maps and click tracking within the lab environment. The software could help reduce manual data entry and improve results simultaneously. This data would then be stored in the same environment as all remote testing, making it easier to cross-analyze and pull up historical records.
- › **Integrate with third-party platforms for enhanced analytics.** Pairing UserZoom results with another analytics platform could provide a more complete picture of product usage, leading to new and deeper insights across work streams. One interviewee shared, "We hope to integrate UserZoom with an external analytics software to create a filterable and actionable data repository for the organization."
- › **Accelerate participant sourcing with IntelliZoom.** Interviewees shared that in early testing of the IntelliZoom participant sourcing portal, they were able to source panels almost instantly. The portal eliminates the needs for back-and-forth emails with UserZoom to build the panel. This automated sourcing meant that the study could be launched instantly with a click of the button, rather than after several days of communication and waiting. Organizations hoped to see further cost savings, but more importantly, improve their agility to conduct research as fast as possible in even the shortest agile sprint.

Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in Appendix A).

Flexibility, as defined by TEI, represents an investment in additional capacity or capability that could be turned into business benefit for a future additional investment. This provides an organization with the "right" or the ability to engage in future initiatives but not the obligation to do so.

"One unique benefit of UserZoom is that we can use task analysis to understand how users traverse from entry point to resolution, then triangulate that data with external analytics to discover and monitor previously unknown conversion funnels."

*Principal, UX strategy and research, business services*



"We started using IntelliZoom for automatic participant recruiting. Not only did it save us going back and forth over email, it only took one to two days to get enough participants instead of one to two weeks."

*User experience designer, insurance*



# Analysis Of Costs

## QUANTIFIED COST DATA AS APPLIED TO THE COMPOSITE

### Total Costs

REF.	COST	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Etr	UserZoom license and professional services	\$0	\$128,700	\$146,300	\$122,100	\$397,100	\$329,645
Ftr	Internal labor	\$6,600	\$12,540	\$3,465	\$4,455	\$27,060	\$24,211
	Total costs (risk-adjusted)	\$6,600	\$141,240	\$149,765	\$126,555	\$424,160	\$353,856

### UserZoom License And Professional Services

UserZoom’s costs are driven by annual licensing fees, hours of professional services (researchers), and the number of participant credits. All four organizations interviewed for this study leveraged UserZoom’s professional services to run studies, complete specific tasks in a study, and to support them in training and running better studies. Interviewees enjoyed how flexible UserZoom’s researchers were and noted they were extremely capable and supportive.

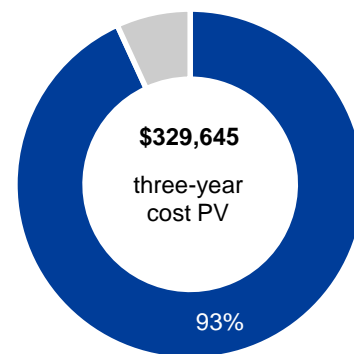
Forrester modeled this cost for the composite organization based on the following assumptions:

- › Licensing costs for the composite are based on four provisioned users in years 1 and 2, increasing to five in Year 3. The license includes advanced research functionality and allows for enough concurrent studies to accommodate the total quantity of studies conducted annually (33, 44, and 78 studies in years 1 through 3, respectively).
- › The composite organization values UserZoom’s professional services to support and augment the internal team. In Year 1, 180 hours are used for training, implementation, and best practices support, and miscellaneous project work as needed. This increases to 260 hours in Year 2 as the volume of work exceeds the labor hours available from internal researchers. By Year 3, the organization hires one more internal resource, which allows the organization to reduce the reliance on professional services to 120 hours.
- › In this analysis, the cost of participant sourcing is included as part of the fourth benefit category (see Participant Sourcing), which analyzes the reduced cost of sourcing as compared to the legacy state. Therefore, the cost of participant credits (\$39,600 in Year 1, \$52,800 in Year 2, and \$93,600 in Year 3) is not included within this category as it would effectively be double-counting the cost of credits.

Forrester recognizes that costs will vary for every organization, based upon the following risks:

- › The cost of UserZoom’s annual license will vary based upon the number of provisioned users, the number of concurrent studies needed, and access to some advanced features. *Note that the cost as modeled in this study includes full access to all advanced features.*
- › The size of the research team and the amount of work it is expected to deliver may vary. A team that is pushing its capacity limits will likely

The table above shows the total of all costs across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total costs to be a PV of \$353,856.



UserZoom license and professional services: **93%** of total costs

“UserZoom’s professional services were exceptional. They helped me with product onboarding and learning. I was able to hand off very specific research requests and have UserZoom’s professional services own, execute, and deliver on the findings.”

UX research leader,  
Cisco



turn to UserZoom to “outsource” certain studies or research activities to meet goals.

- › The level of knowledge and experience of those conducting research will affect the support needed. An organization that “democratizes” research with product managers and designers running studies will need more support from UserZoom’s expertise to build, run, and analyze studies effectively.
- › Complex research studies may require more labor or expertise to complete, increasing the need for UserZoom’s support.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of \$329,645.

Implementation risk is the risk that a proposed investment may deviate from the original or expected requirements, resulting in higher costs than anticipated. The greater the uncertainty, the wider the potential range of outcomes for cost estimates.

### UserZoom License And Professional Services: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
E1	Licensing costs		\$0	\$81,000	\$81,000	\$87,000
E2	Professional services costs		\$0	\$36,000	\$52,000	\$24,000
Et	UserZoom license and professional services	E1+E2	\$0	\$117,000	\$133,000	\$111,000
	Risk adjustment	↑10%				
Etr	UserZoom license and professional services (risk-adjusted)		\$0	\$128,700	\$146,300	\$122,100

## Internal labor

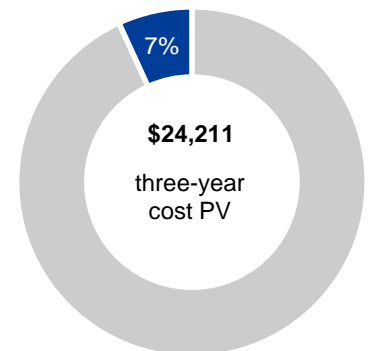
The organizations interviewed for this study required minor effort to implement UserZoom and train the researchers to use it. Most organizations started by using one or two types of studies, then gradually tested and deployed additional UserZoom capabilities throughout the first year. Furthermore, UserZoom’s software is offered via a software-as-a-service (SaaS) model that is constantly updated with new capabilities, offerings, and feature improvements. Researchers therefore devote a small amount of time to test and deploy these new features at their organizations as they are introduced.

Forrester modeled the value of this cost for the composite organization based on the following assumptions:

- › Initial proof of concept and implementation required 80 hours of labor.
- › One researcher devotes 104 hours in Year 1 to testing and rollout of the various capabilities and types of UserZoom studies. The researcher continues to devote 26 hours annually in years 2 and 3 while testing and deploy new UserZoom features.
- › Each user requires 12 hours of initial training, and then continues to devote 4 hours annually to continuing learning as new capabilities are launched and as the organization seeks to try new things.
- › All four researchers are trained during Year 1 to enable them to share the workload. In Year 3, one additional researcher is hired.
- › Researchers are paid a fully loaded salary of \$75 per hour.

The amount and cost of labor will vary based on the following risks:

- › Number of researchers utilizing UserZoom.
- › Specific types of studies and the complexity of those capabilities.



**Internal labor:  
7% of total costs**



**12 hours  
Initial training**

- › Number of non-researchers needing to be trained to run studies in UserZoom. Non-researchers require substantially more training than experienced researchers, as they need to understand the types of studies and how to run them alongside learning the software.
- › Average fully loaded salary of user experience researchers.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of \$24,211.

#### Internal Labor: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
F1	Hours for proof of concept and implementation		80			
F2	Hours for ongoing development and system administration			104	26	26
F3	Number of new users	Assumption		4	0	1
F4	Hours per new user			12	12	12
F5	Number of existing users	Assumption		0	4	4
F6	Hours per existing user			4	4	4
F7	Hours for training	$F3 * F4 + F5 * F6$		48	16	28
F8	Total hours of labor	$F1 + F2 + F7$	80	152	42	54
F9	Fully loaded hourly salary for user experience researcher	A5	\$75	\$75	\$75	\$75
Ft	Internal labor	$F8 * F9$	\$6,000	\$11,400	\$3,150	\$4,050
	Risk adjustment	↑10%				
Ftr	Internal labor (risk-adjusted)		\$6,600	\$12,540	\$3,465	\$4,455

# What's Next For UX Research?

## USERZOOM HELPED INTERVIEWEES TAKE THE NEXT STEP

Forrester's research has proven that "companies that improve user experience (UX) reap financial rewards," and that organizations "can generate meaningful and persuasive estimates of the benefits of improved UX for a project."<sup>1</sup>

User experience researchers are looking to the future and asking how to demonstrate the business impact resulting from their research. It's doable, too: They must first prove that product teams acted based on research findings, and then they must find ways to cut through the noise and track whether these product improvements moved the needle for the business's key performance indicators (KPIs). However, while KPIs are common in business, finance, product, sales, and marketing, user experience and customer experience teams are often nascent.

The user experience researchers interviewed for this study shared that without consistent, repeated quantitative user research, there had previously been little opportunity to even start down the path of measuring the impact of research. However, by adopting UserZoom, these interviewees saw an opportunity:

- › **UserZoom helps to develop and track KPIs.** UserZoom's capability to gather quantitative data, to run studies fast enough to fit into regular agile sprints, and to rerun and cross-analyze the results within a consistent framework has made it possible to create and track KPIs.
- › **UserZoom helps increase the quantity and quality of studies, with the goal of implementing more product improvements.** Increased quantity of studies combined with broader scopes should translate to more product improvements than organizations could have without UserZoom.

The interviewed researchers feel optimistic and are diligently working toward this future, despite the hurdles. Their message is clear, however: Interviewees feel that they could not even begin to go down this path without UserZoom.

## Taking Action

Even the most astounding research discoveries would be meaningless if they were ignored. Interviewees for this study shared that they found it difficult to determine if product teams redesigned their products based on findings, and when those changes took place. Further, the changes made by the product managers may not have successfully adhered to the research findings or may not have truly fixed the problems identified.

Once researchers begin to track actual product improvements made because of their research, they must select and benchmark KPIs for those specific products. Researchers identified a range of potential metrics, from clearer KPIs such as time on task to success rate, to noisier ones such as Net Promoter Score (NPS) or customer satisfaction (CSAT) that may be affected by a range of factors, which may be difficult to identify or measure.<sup>2</sup> Showing that research resulted in actions that moved the needle for these metrics can help UX teams gain credibility and even additional investment from executives.

At the end of the day, however, nothing is more powerful than the bottom

"UX is critical and is a 2018 goal to identify the metrics from user experience to provide data for the value of UX and the ROI to the total organization."

*UX research leader,  
Cisco*



"You need to look at the health of a product much like the economy, with both stable and volatile metrics that change over time depending on a variety of micro and macro factors."

*Principal, UX strategy and  
research, business services*



line. Researchers must therefore move beyond even these nonfinancial KPIs to capture metrics with true, measurable financial business impacts.

- › For an eCommerce site, researchers could demonstrate an increase in conversion rate or average order value. The incremental financial impact of a research-driven improvement would be calculated using the before and after of average order value and number of purchases.
- › A service, subscription, eCommerce, or SaaS product could experience increased customer retention (or reduced churn), enrichment, advocacy, or customer lifetime value.
- › Organizations may also look to customer support costs for clear business value. If an improvement led to more efficient and pleasurable use of a product, one might expect that fewer customers will need to reach out to customer support for assistance. Demonstrating a decrease in the number or length of calls would be an excellent way to prove the impact of research-driven improvements.
- › Organizations may also consider not just looking at customer-centric outcomes, but internal costs. If researchers can integrate research into the development process earlier and more often, product teams may be able to create better UX from the beginning, avoiding potentially significant rework in the future for redesign.

Measuring any financial impact based on research needs to consider the “noise” that may have in part caused the improved KPI. Changes in the economy, product changes launched at the same time not driven by UX research, changes to the competitive landscape, and even seasonal business fluctuations must all be considered carefully to estimate how much of the incremental improvement was due to the research-driven changes themselves. In measuring the ROI of these changes, organizations must be sure to count not just the research time and cost but also the incremental cost of developers, designers, and testers involved in launching the improvement.

Broadly, measuring customer experience requires understanding what success looks like from the customer’s point of view. To make this leap, organizations may consider building composite metrics that incorporate both the business perspective (such as conversion rate) alongside customer-focused metrics (such as customer effort). Establishing both types of metrics is an important precursor. These composites will not be one-size-fits-all; rather, each product and service may require a customized composite score to ensure the findings are meaningful.

## Learn More

Forrester has significant research regarding how and why to invest in user experience and customer experience (CX). To learn more, read Forrester research, and additional external research, on measuring the ROI of both UX and CX. The report, “The Six Steps For Justifying Better UX,” is an excellent resource and can walk researchers through the entire process. Readers will also find a variety of other Forrester research to be of value, such as the resources featured in Appendix B.

“A better experience can let users self-serve and be more efficient, and potentially reduces the number of times they need to reach out to our call center to talk to a representative.”

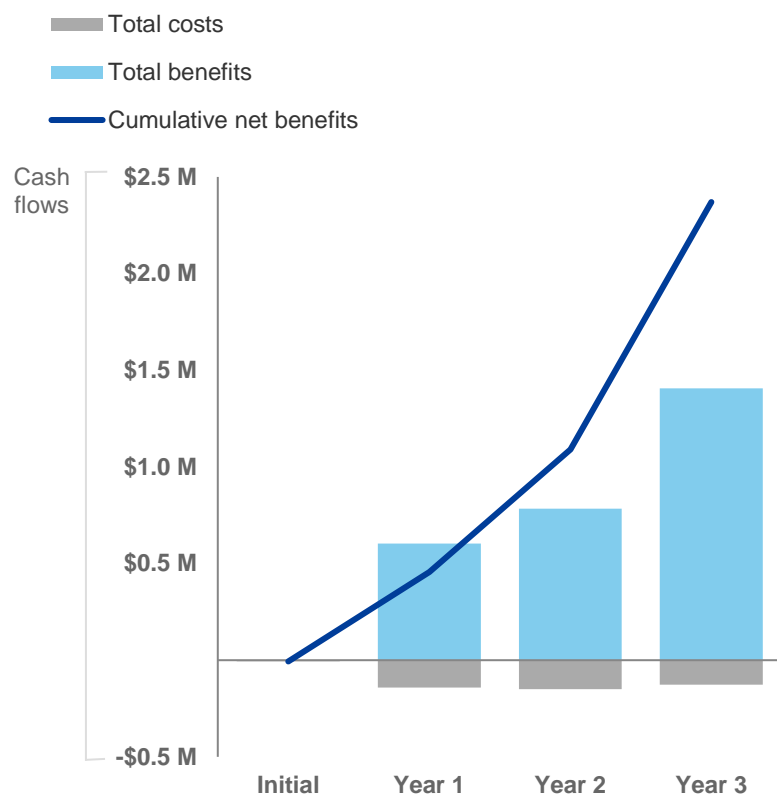
*Principal, UX strategy and research, business services*



# Financial Summary

## CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

### Cash Flow Chart (Risk-Adjusted)



The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.



These risk-adjusted ROI, NPV, and payback period values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

### Cash Flow Table (Risk-Adjusted)

	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Total costs	(\$6,600)	(\$141,240)	(\$149,765)	(\$126,555)	(\$424,160)	(\$353,856)
Total benefits	\$0	\$603,135	\$784,305	\$1,406,610	\$2,794,050	\$2,253,297
Net benefits	(\$6,600)	\$461,895	\$634,540	\$1,280,055	\$2,369,890	\$1,899,441
ROI						537%
Payback period						<6 months

# UserZoom: Overview

The following information is provided by UserZoom. Forrester has not validated any claims and does not endorse UserZoom or its offerings.

In this digital, consumer-driven world, the user experience you deliver through digital interfaces is fast becoming the primary way your customers and prospects interact with your brand. That means great UX is no longer a “nice-to-have” — it’s critical to the success and growth of your business. Testing your UX with users has traditionally been costly, slow, and unscalable . . . but what if you could understand your customers’ needs, wants, and expectations in a fast, flexible, and scalable way?

Enter UserZoom.

UserZoom’s software was built to enable businesses like yours to learn as much as possible about the people that matter most to them. Through its market-leading combination of software, services, and participant sourcing, UserZoom allows businesses to validate, test, benchmark, and optimize any digital user interface at any stage — from concept to launch. UserZoom offers access to the right users at the right time, either through the IntelliZoom participant sourcing engine or with your own users, delivering complete qualitative and quantitative UX insights in the form of user feedback videos, UX metrics, heat maps, survey responses, and more.

UserZoom partners with the best brands in the world to scale and automate their UX research independently of the size of their team, level of experience, or expertise. UserZoom is passionate about UX and is committed to providing the insights customers need to ensure they are ready to take on any disruption that might come their way.

Six of the world’s 10 largest public companies are UserZoom customers. Find out more at [userzoom.com](https://www.userzoom.com).

**UserZoom is the all-in-one solution for enterprises looking for the UX insights needed to create great experiences — and impact the bottom line.**



# Appendix A: Total Economic Impact

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

## Total Economic Impact Approach



**Benefits** represent the value delivered to the business by the product. The TEI methodology places equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization.



**Costs** consider all expenses necessary to deliver the proposed value, or benefits, of the product. The cost category within TEI captures incremental costs over the existing environment for ongoing costs associated with the solution.



**Flexibility** represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. Having the ability to capture that benefit has a PV that can be estimated.



**Risks** measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."

The initial investment column contains costs incurred at "time 0" or at the beginning of Year 1 that are not discounted. All other cash flows are discounted using the discount rate at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations in the summary tables are the sum of the initial investment and the discounted cash flows in each year. Sums and present value calculations of the Total Benefits, Total Costs, and Cash Flow tables may not exactly add up, as some rounding may occur.



### Present value (PV)

The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.



### Net present value (NPV)

The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made, unless other projects have higher NPVs.



### Return on investment (ROI)

A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.



### Discount rate

The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.



### Payback period

The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

## Appendix B: Supplemental Materials

“The Six Steps For Justifying Better UX,” Forrester Research, Inc., December 28, 2016

“The Forrester Digital UX Review,” Forrester Research Inc., May 10, 2017

“The ROI Of CX Transformation,” Forrester Research Inc., June 19, 2017

“Drive Business Growth With Great Customer Experience, 2017,” Forrester Research Inc., October 12, 2017

“Websites That Don’t Support Customers Waste Millions,” Forrester Research Inc., August 21, 2012

“How Much Will Your Web Site Metrics Improve?,” Forrester Research Inc., October 10, 2008

## Appendix C: Endnotes

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<sup>1</sup> Source: “The Six Steps For Justifying Better UX,” Forrester Research, Inc., December 28, 2016.

<sup>2</sup> Net Promoter and NPS are registered service marks, and Net Promoter Score is a service mark, of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld.