



# The ROI of UX Design

**Fresh Consulting**

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# Illustrating the Value of **User Experience Design**

In today's competitive digital landscape, User Experience Matters. UX was once a luxury and added expense. Now, good UX is key to success and innovation.

Without UX, you run the risk of diminishing sales, diminishing efficiency, increasing training and development costs, and being surpassed by competitors.



10x to 100x ROI – “Every dollar invested in ease of use returns \$10 to \$100.”  
([Justifying Cost-Justifying Usability](#))



BREASTCANCER.ORG

117% increase in traffic on Discussion Boards one year after launching a new system. 41% increase in new user registrations. 53% decrease in time taken to complete the registration process. 80% decrease in weekly help desk requests. 69% decrease in yearly help desk costs.  
([Usability ROI Case Study](#))



Modeled the traveler's experience to inform a new website design. The resulting website increased online ticketing by over 200%. ([Cost Justifying Usability](#))

## ANTHROPOLOGIE

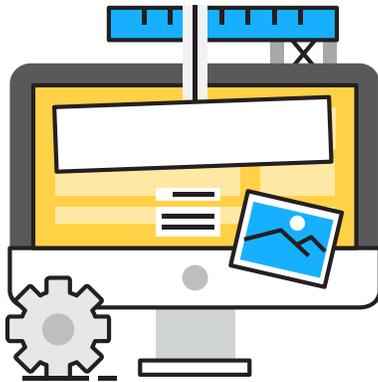
24% increase in conversion rate by implementing a new, easy-to-use checkout system.  
([UX Mag](#))

## Illustrating the Value of User Experience Design (continued)

Researchers at [Usability.gov](https://usability.gov) estimate that 15% of IT projects are abandoned and at least 50% of a programmer's time during the project is spent doing rework that is avoidable.

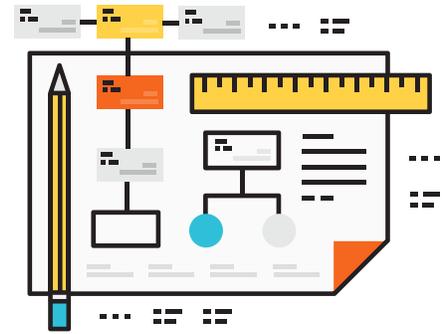
Bottom line? UX matters.

### Poor UX Carries Negative Consequences and Diminishes Value



- ✗ Decreased Sales
- ✗ Dissatisfied Customers
- ✗ Poor Ratings and Reviews
- ✗ Negative Impact on Brand
- ✗ Increased Need for Training

### Good UX Leads to Better Products and More Value



- ✓ Increased Sales
- ✓ Increased Customer Satisfaction/Loyalty
- ✓ Better Reviews and Word of Mouth
- ✓ Positive Impressions
- ✓ Decreased Training, Support, Errors

How do you calculate whether UX is worth the investment for your company? In this paper, we'll discuss:

1. How to combine science and aesthetics to create good UX
2. Quantitative calculators you can use to measure the value of investing in UX
3. Qualitative returns you can expect

## The Importance of Aesthetics

A carefully crafted interface – informed by research and validated by data – might improve a user’s workflow, but without the right blend of aesthetics to bring the interface to life, users are less likely to be drawn into the experience.

When it comes to creating compelling user experiences, the value of high-end aesthetics cannot be understated.

Engagement is key, and that’s where visuals help. Aesthetics are often an integral part of a UX solution.

### USERS ASSOCIATE HIGH-END DESIGN WITH CREDIBILITY

“The data showed that the average consumer paid far more attention to the superficial aspects of a site, such as visual cues, than to its content [ . . . ] Nearly half of all consumers (or 46.1%) in the study assessed the credibility of sites based in part on the appeal of the overall visual design of a site, including layout, typography, font size and color schemes.” – [How Do People Evaluate a Web Site’s Credibility?](#)

### STYLE AND FUNCTIONALITY ARE INTERTWINED

“The more we learn about people, and how our brains process information, the more we learn the truth of that phrase: form and function aren’t separate items. If we believe that style somehow exists independent of functionality, that we can treat aesthetics and function as two separate pieces, then we ignore the evidence that beauty is much more than decoration. Our brains can’t help but agree.” – [In Defense of Eye Candy](#)

### AESTHETICS SHOW THAT YOU CARE

“Good design speaks. Good design tells your visitors that you care about your product. Good design at the front-end suggests that everything is in order at the back-end, whether or not that is the case. Good design is what separates the best from the ‘good-enough.’” – [The Value of Good Design](#)

## The Necessity of Science

If you operate purely on design intuition, you miss out on the opportunity to inform your designs with a scientific understanding of what users want and what will drive their behavior.

By establishing concrete metrics and benchmarks, you can also develop a plan for improving your website or application iteratively over time.

We recommend using research, analytics, and testing to inform the design process and validate that your design will accomplish your objectives.



**Research** – It's crucial to know who users are and what challenges they face. Research data allows you to make informed design decisions.



**Analysis** – Creating benchmarks and understanding competitors is key. Data yielded through analysis shapes design decisions.



**Testing** – Testing allows you to watch users interact with a product and contrast their usage patterns against your user stories and design goals.

For these reasons, among many others, the importance of science is clear. Visual flair goes a long way toward capturing a user's interest and driving engagement, but science allows designers to validate that design decisions meet goals and objectives, not just visual taste.

Use the ROI calculators on the following pages to find the value of your investment in UX. Note that the calculators work with Adobe Reader or in browser.

# Calculating the ROI of Increased Conversion and Retention

Company Goals Conversion and Retention

Desired Outcomes

## Conversion and Retention Calculators

### Calculating the Value of Increased Conversion

**Summary:** To find the value of increased conversions, use the first calculator to establish your current conversion rate. If known, use the second calculator to find the annual value of conversion.

# of conversions		# of potential users		<b>Current Conversion Rate (%)</b>
<input type="text"/>	/	<input type="text"/>	x 100	= <input type="text"/>
# of potential users/year		Expected Decreased Churn Rate (%)		<b>Annual Value (\$)</b>
<input type="text"/>	x	<input type="text"/>	x <input type="text"/>	= <input type="text"/>

### Calculating the Value of Decreased Churn Rate

**Summary:** To find the value of decreased churn rate, use the first calculator to establish your current churn rate. If known, use the second calculator to find the annual value of decreased churn.

# of users that leave/ year		# of users		<b>Churn Rate (%)</b>
<input type="text"/>	/	<input type="text"/>	x 100	= <input type="text"/>
# of users		Expected Decreased Churn Rate (%)		<b>Annual Value (\$)</b>
<input type="text"/>	x	<input type="text"/>	x <input type="text"/>	= <input type="text"/>

# Calculating the ROI of Increased Efficiency

**Company Goals for Efficiency**

**Desired Outcomes**

## Efficiency and Productivity Calculators

### Calculating the Cost of Errors

Example: (2 errors/week) x (60 mins) x (\$30/hour) x (100 employees) = \$6,0000/week or \$300,000/year

$$\begin{matrix} \text{\# of errors} & \text{avg. repair time} & \text{avg. hourly} & \text{\# of employee} & \text{Cost Savings (\$)} \\ & & \text{employee cost} & & \\ \boxed{\text{ / }} & \times \boxed{\text{ / }} & \times \boxed{\text{ / }} & \times \boxed{\text{ / }} & = \boxed{\text{ / }} \end{matrix}$$

### Calculating Efficiency Savings

Example: (1 hr/week) x (\$30/hr) x (1000 employees) = \$30,000/ week or \$15,000,000/year

$$\begin{matrix} \text{time saved} & \text{avg. hourly} & \text{employees} & \text{Cost Savings (\$)} \\ & \text{employee cost} & & \\ \boxed{\text{ / }} & \times \boxed{\text{ / }} & \times \boxed{\text{ / }} & = \boxed{\text{ / }} \end{matrix}$$

### Calculating Productivity Savings

Information Needed:

- The # of users
- The average # of hours/day that a user operates the application
- The loaded cost per year (salary + benefits + overhead, such as computers/office space)
- The estimated productivity savings of better UX, expressed as a % (10 = 10%)

Example: Assume you have a 1,000 users who use the system 6 hours a day. The loaded cost per user is \$80,000, and you're anticipating a conservative 5% productivity improvement.

$$\begin{matrix} \text{\# of hours of} & \text{\# of users} & \text{loaded cost} & \text{\% of productivity} & \text{Cost Savings (\$)} \\ \text{usage/day} & & & \text{improvement} & \\ \left( \boxed{\text{ / }} / 8 \right) & \times \boxed{\text{ / }} & \times \boxed{\text{ / }} & \times \boxed{\text{ / }} & = \boxed{\text{ / }} \end{matrix}$$

# Calculating the ROI of Decreased Maintenance and Training

## Company Goals for Maintenance and Training

## Desired Outcomes

## Development and Training Cost Calculators

### Calculating the Cost of Development & Maintenance

Example: (20 changes) x (8 hrs each) x (\$40/hour) = \$6,400 if fixed early or \$25,600 if changed late

# of changes	avg. hrs/change	hourly cost of developer	=	<b>Cost Savings (\$)</b>
<input style="width: 100px; height: 25px;" type="text"/>	x	<input style="width: 100px; height: 25px;" type="text"/>	x	<input style="width: 100px; height: 25px;" type="text"/>
				Fixed Early
				<input style="width: 100px; height: 25px;" type="text"/>
				x 4 Fixed Late

### Calculating the ROI of Decreased Training

To calculate the savings of decreased training, you need:

- The # of new users/year
- The same annual loaded cost per year
- The # of days of training saved

# of new users/year	loaded cost/year	<b>Value #1</b>
( <input style="width: 100px; height: 25px;" type="text"/> )	x ( <input style="width: 100px; height: 25px;" type="text"/> )	= <input style="width: 100px; height: 25px;" type="text"/>
# of training days saved	work days per year	<b>Value #2</b>
( <input style="width: 100px; height: 25px;" type="text"/> )	x ( <input style="width: 100px; height: 25px;" type="text"/> )	= <input style="width: 100px; height: 25px;" type="text"/>
<b>Value #1</b>	<b>Value #2</b>	<b>Annual savings from decreased training (\$)</b>
<input style="width: 100px; height: 25px;" type="text"/>	/ ( <input style="width: 100px; height: 25px;" type="text"/> )	= <input style="width: 100px; height: 25px;" type="text"/>

*Note: Cutting training times in half isn't uncommon. In some cases, formal training is eliminated.*

*Training-time reduction can be one of the best indicators of the success of a UX design.*

## Three Qualitative Benefits

Consider how improved UX makes users, across the spectrum, happier with your product. Consider products that succeed versus products that fail. Often, the key differentiator is which product “feels” the best (design) and “works” the best (usability).

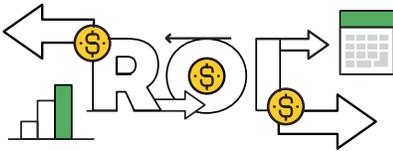
Regardless of industry, platform, or user type, well-designed user experiences are a key differentiator. Three qualitative benefits of UX among many others, are:



### Higher User Satisfaction

Eventual quantitative benefits:

- Higher conversion
- Decreased churn and bounce rate
- More patience



### Enhanced Credibility

Eventual quantitative benefits:

- More interest
- Brand trust, lower bounce
- Decreased churn and bounce rate



### Increased Customer Loyalty

Eventual quantitative benefits:

- Positive perception
- Better word of mouth
- Long term retention

## What Value Can an Investment in UX Bring To You?

A high level of user satisfaction will lead to sustainable business and growth. You can achieve this through creating high-quality products – maximizing your reputation by investing in UX.

Bottom line, good UX leads to

- **Improved Performance** – products that work better (*see development and training cost calculators*)
- **Increased Exposure** – delightful products, word of mouth marketing (*see conversion and retention calculators*)
- **Improved Credibility** – more interest, brand trust, lower bounce (*see conversion and retention calculators*)

- **Long-Term Decreases in Design and Dev Costs** – initial investment saves time/money (*see development and training cost calculators*)

- **Increased Sales** – Improved conversion and adoption rates (*see conversion and retention calculators*)

- **Decrease in Training and Errors** – Greater productivity and efficiency for users (*see efficiency and productivity calculators*)

We recommend investing in UX – both science and aesthetics – to create products that delight users.

Calculating the ROI of UX is a good place to start in convincing your stakeholders that it's worthwhile.

**Drop us a line if you're interested in talking more. We'd love to collaborate.**

[Contact Us](#) | [connect@freshconsulting.com](mailto:connect@freshconsulting.com) | 425.516.7597

Interested in reading more about our approach to UX design? Check out the following resources:

[A Holistic Approach to Websites](#)  
[UX Principles for Websites](#)  
[UX Principles for Web Apps](#)  
[Designing Scientifically Fresh Experiences](#)

### Sources:

[UX By Design – Is UX Investment Worth It?](#)  
[Why User Experience is the Best ROI Strategy](#)  
[How Do People Evaluate a Web Site's Credibility?](#)  
[In Defense of Eye Candy](#)  
[The Value of Good Design](#)