



User Experience

As Corporate Imperative

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User Experience as Corporate Imperative

As IBM positioned itself in 1998 as an Internet leader, with a marketing campaign that helped e-commerce gain mainstream currency, a somewhat troubling reality emerged.

The company wasn't minding its own e-business.

On IBM's Web site, the most popular feature was the search function, "because people couldn't figure out how to navigate the site," said Carol Moore, IBM's vice president for Internet operations. The second most popular feature was the "help" button, because the search technology was so ineffective.

IBM's solution was a 10-week effort to redesign the site. As the redesign neared completion in February of 1999, IBM consciously held off on promoting the Web site, so it could gauge the effectiveness of the new design. The result: In the first week after the redesign, use of the "help" button decreased 84 percent, while sales increased 400 percent.

Excerpted from "Good Web Site Design Can Lead to Healthy Sales" by Bob Tedeschi, *The New York Times*

Okay, so you're not IBM—but dollars are dollars, no matter the size or reach of an organization. Whether you're undertaking a major overhaul or interested in a few targeted changes that'll reap significant returns, improving user experience is always a good investment.

If your Web site is an e-commerce destination, are you making it easy for your users to find and purchase your products? If your site is a products and services site, your users are evaluating what you have to offer and whether or not it's useful for them. Can you afford to have them leave in frustration? If your site is a corporate one, your users seek information about you; are they able to find it? If your Web-based product or application isn't usable, can you afford the increased cost of maintenance, user support, and customer support?

In each of these scenarios, you can assume that:

- Your users are unforgiving if they can't accomplish their goals
- You are being evaluated against your competitors

What Is User Experience?

User experience is the sum of all your users' interactions with your company, its services, and its products. Your Web site or application isn't the

only way your customers and clients interact with your company, but it is an important part of customer relationship management.

The term "user experience" has also come to mean something a bit more specific in today's Internet industry. Web professionals talk about user experience as a way to describe users' successes, failures, and thoughts about these events as they browse or complete tasks on the Web. So, for example, we might say that a particular site or application has a positive user experience or a negative user experience.

Simply put, your users will interact with your site or application; whether that experience is *positive* or *negative* is up to you.

Why Does It Matter?

When people have a positive user experience, they're likely to return to your site, increasing your revenue and giving you further exposure. When your application works well, that's good for business. On the other hand, negative user experience is expensive, often resulting in:

- Lost revenue
- Increased overhead
- Diminished customer loyalty
- Lost word-of-mouth advertising
- Damaged brand identity

If poor user experience were the exception rather than the rule, the side effects listed above might not be all that remarkable. Unfortunately, the opposite is true.

Research shows that users can't find the information they're seeking on a Web site approximately 60% of the time. Jakob Nielsen, Web usability expert, estimates that 90% of Web sites are poorly designed with respect to the user's perspective, and people spend only about 10% of their time on them. He goes on to say, "As soon as [users] discover that a site is filled with bloated graphics and little useful information, they go elsewhere. Worse, they're unlikely to return. If a site crashes their browser, they just don't go there again. If they can't find the product they want, they will go elsewhere—and they're apt to stick with the site they know works."

It's no surprise, then, that:

- 28% of Web site transactions result in consumer failure and frustration
- 35% of people who experience problems on a particular site leave that site for a competitor's site

Can you afford to have 35% of your customers leave your site? You paid good money to attract them in the first place. If site visitors are not able to fulfill whatever task they came to do, your advertising dollars are wasted.

Or, to take a "glass is half full" approach: Think about the implications of your site being the destination that benefits when frustrated customers leave difficult sites for your easy-to-use, straightforward, and informative site. Chances are, once these users find you, they'll become repeat customers.

You have a choice: You can increase profitability by either increasing the number of visitors or by increasing the conversion rate (the percentage of visitors that buy). While growing the number of visitors to your site may mean a sizeable increase in your advertising budget, increasing the percentage of users who make a purchase can be a lot easier.

However, today's Web sites are not taking advantage of this strategic approach. Research shows that:

- Many sites have a conversion rate of only 1% or 2%
- 27% of all Web transactions are abandoned at the payment screen
- 75% of shoppers abandon their shopping cart without making a purchase

If you have a Web application, user experience affects your return on investment (ROI). During development, 63% of such projects overrun their budgetary estimates, with the top four reasons all related to unforeseen usability problems. And after an application is on the market, 80% of maintenance is due to unmet or unforeseen user requirements; only 20% is due to bugs or reliability problems.

The Bottom Line Impact of User Experience

Forrester Research estimates that Fortune 1000 companies will invest between \$1.5 and \$2.1 million on Web site redesigns next year—all because of their failure to provide a positive user experience on previous site launches. Too often these redesigns offer only a visual face lift, with no real attention paid to improving user experience.

Meanwhile, some estimates show that up to \$20 billion per year is being left on the table because of the negative user experience of Web sites and Web applications.

It's clear that millions of dollars are being spent—and lost—due to the widespread lack of understanding about user experience and how it affects the bottom line.

Numerous studies have shown that negative user experience is correlated with lost revenue streams and positive user experience is correlated with decreased overhead expenses.

POOR USER EXPERIENCE REALLY ADDS UP

cost of a lost sale =
the value of an average sale

cost of a lost customer =
the expense required to acquire a new customer + the lost business during the time it took to replace the customer

Lost Revenue Streams

Only if your site is easy to use will people stick around long enough to find out how great your

services and products are. Nielsen sets the stage this way:

"The real difference between a person's behavior on the Web and in the physical world of real stores involves switching costs—how much it takes to switch from one vendor to another. In a physical store, the costs of switching are high. The person has driven to the store, entered the building, and walked deep into the interior. Even when faced with dwindling supplies, inattentive or rude salespeople, and lines at the checkout counter, the purchaser is apt to stick with it. The cost of leaving, going to another store, and then possibly encountering the same behavior is usually not worth the effort."

On the Internet, however, switching costs are very low—as the saying goes, "Your competitors are only a mouse-click away." Countless usability studies have established that people have a low tolerance for difficult-to-use site designs and slow-loading pages. When you combine the low cost of switching with peoples' impatience for poor user experience, the result is user attrition.

What is the expense of user attrition? When a customer becomes alienated or frustrated because of a bad experience, you risk losing not only that particular customer and the dollars she would have spent, but also the marketing dollars you have spent to gain that customer plus the lost business during the time it takes to replace her. And if your site is supplementing your physical store, research shows that when you lose a client online, you also stand to lose that client on the brick-and-mortar side. It's simply more cost effective to retain a satisfied customer than it is to acquire a new one.

Decreasing Overhead Costs

Web sites have come to serve a number of vital corporate functions, and can offer cost savings by:

- Offering pre-sales support, which decreases acquisition costs and results in a shorter sales cycle
- Reducing costs associated with the production and distribution of print collateral
- Providing common customer service needs, which decreases the number of service-desk calls

- Providing common tech support needs, which decreases the number of support-desk calls
- Offering transaction support
- Automating backend office processes (such as placing, processing, and tracking orders)

In sum, making your site or application useful, usable, and satisfying can significantly decrease your cost-per-customer numbers. And if your product's user experience is a good one, you've likely saved the costs of dealing with dissatisfied patrons.

Getting Started

To build long-standing, profitable relationships with your clients and customers, you need to ensure that the user experience of your site or application is positive

and that your users are satisfied with each interaction. A recent study found that, by improving the user experience of your e-commerce site, you could increase your current conversion rate by 40% and increase the

average order size by 10%. Or for your application, by incorporating usability engineering methods, you could reduce your product-development cycle by 33-50%.

Remember this mantra: User experience should be useful, usable, and satisfying.

As you assess, architect, and measure the real experiences of your users, you will craft better user experience...which leads to more value...which leads to increased profitability.

USERS WRESTLE WITH THESE PROBLEM AREAS

1. difficult site navigation
2. difficulty finding information
3. confusing home page
4. irrelevant or out-of-date content
5. slow download times for graphics, documents, and applications
6. multiple (or meaningless) clicks to complete an objective
7. poorly executed personalization components

Goals, Objectives, and Metrics

Before you can make strides toward creating a more positive user experience, you must assess the status quo. You may be familiar with the process of establishing goals, objectives, and metrics as part of your offline business practices; now is the time to hold your online efforts to the same high standards.

First, some definitions. A goal is something you plan to do in a future, definable period of time; a goal is stated in relatively general terms. An objective is a specified, measurable approach to accomplishing a goal. A metric is a method by which you'll know if your objective was met. Here's an example:

Goal: To encourage more users to register for annual sales promotion.

Objective: To increase number of users registered for annual sales promotion by 40%.

Metric: Percent of customers registered for annual sales promotion.

You probably have many goals, each goal may have multiple objectives, and each objective probably has at least one metric. If this sounds like a lot of work, don't let that dissuade you from sitting down and thinking through, exactly, what your site or application should accomplish. Taking the time to strategize in this way reduces your risk of making a bad investment; don't spend money on a redesign unless you're sure that redesign will address user experience.

Heuristic Evaluation

A heuristic evaluation is a usability engineering method that can be used to assess the user experience of your current site or application. Typically, three to five user experience specialists closely examine a product, uncovering problem areas and making recommendations for improvement. A thorough heuristic evaluation uncovers 85% of a site or application's usability problems and is therefore a very good way to get started on your mission to improve user experience.

Usability Studies

Usability studies record the actions, comments, and insights of a typical user working through task-

based scenarios with the help of a moderator. A typical study tests a site or application with multiple users, looking for trends in user feedback. These exercises can be an excellent way to evaluate your current product, and with the help of a Web professional, the results can be translated into a much-improved user experience.

Copywriting

Forrester Research found that 75% of consumers choose to return to a site because of its high-quality content. Many sites make the mistake of transferring their print material to the Web without making any adjustments for the medium. You wouldn't read your product catalog aloud to record a radio ad; likewise, realize that the Web is a unique medium and create your site's content with that in mind. In addition, it's rare to find marketing copy that is truly informative, detailed, and relevant, three attributes that users demand in online content. Cut out the "fluff," and give your users content they can really use. An experienced copywriter can consult with you on either of these issues to ensure that your content keeps users coming back.

Information Architecture

Forrester Research found that 66% of consumers choose to return to a site because of its ease-of-use. An information architect can look closely at and make recommendations about: your site or application's navigation and labeling, the arrangement of information, the accessibility of information, the hierarchical structure, and the number—and meaningfulness—of clicks needed to complete an objective. Improving the information architecture (i.e., the internal relationships between its pages) of your site or application ensures that users will have a more positive user experience each and every time they use it.

Interface Design

Interface design means more than making a site "look pretty." Make sure that your Web initiative includes a professional design team able to leverage experience and expertise to improve user experience. Composition and layout, images, fonts, type treatments, white space, color, and screen resolution all support the goal of clearly conveying information. On the backend, optimization of graphics and clean, elegant coding means quicker downloads for graphics, documents, and applications.

Information Design

Solid information design means making sure users have visual cues for understanding the information presented to them. Visual focal points, clear visual hierarchies, adherence to conventions, and clearly defined information areas all aid in the comprehension of content. In addition, making it clear what's "clickable," in a consistent way, is an important—but often overlooked—element of information design. Typically, information architects and interface designers work hand-in-hand to build positive user experience through information design.

Workflow

At some point in your job, maybe you have used—or even created—a flowchart. If so, then you already know a lot about workflow diagrams. Workflow diagrams look a lot like flowcharts—they're full of decision points, linear paths, and exit points. For certain high-impact and/or complex tasks, such as a sales automation tool, an end-to-end loan application, or a corporate-wide content

management system, a user experience specialist diagrams the workflow. Close examination of such workflows is widely warranted, and could lead to sizeable improvements in user experience.

Cross-platform Compatibility

The concept is basic: You want your application or site to work properly and effectively—no matter who's using it. While it's true there are only two main browsers to contend with (Internet Explorer and Netscape Navigator) and that Windows dominates the operating system market, your site or product must be designed to work on all systems your customers use. Again, experience counts. With knowledgeable developers on your team, you can be confident in your site or application's cross-browser compatibility.

HOW IT IS	HOW IT SHOULD BE
45% of users abandon Web sites with poor navigability, slow response times, and confusing content.	Allow your users to effectively interact with the site or application, giving them straightforward, predictable navigation and fast-loading pages. Satisfy your users' information needs with utility and clarity of content.
35% of users who experience problems on a particular site leave that site for a competitor's site.	Give your site a user experience that is useful, usable, and satisfying. Make your site so compelling that users will return to it or continue using it. In addition, gain new customers—those frustrated masses leaving difficult sites for usable ones.
52% of companies make no attempt to measure whether users are succeeding in finding what they want.	Evaluate your site or application; find out where and when your users are leaving, where they're getting lost, and where they're failing to complete tasks.

About hesketh.com/inc.

Specializing in distinctive B2B and corporate sites, vibrant online communities, and high impact applications, hesketh.com is a leading Web services firm that energizes the Information Technology sphere with its brand of design and development solutions. A hesketh.com design makes the most appropriate use of Internet technology, employs innovative information architecture, ensures cross-platform and cross-browser compatibility, and integrates corporate marketing strategies.

About the Author

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