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The State Of Evidence-Based Experience Design

Technology Adoption And Organizational Maturity Help Leverage Data And Insights

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ABOUT FORRESTER CONSULTING

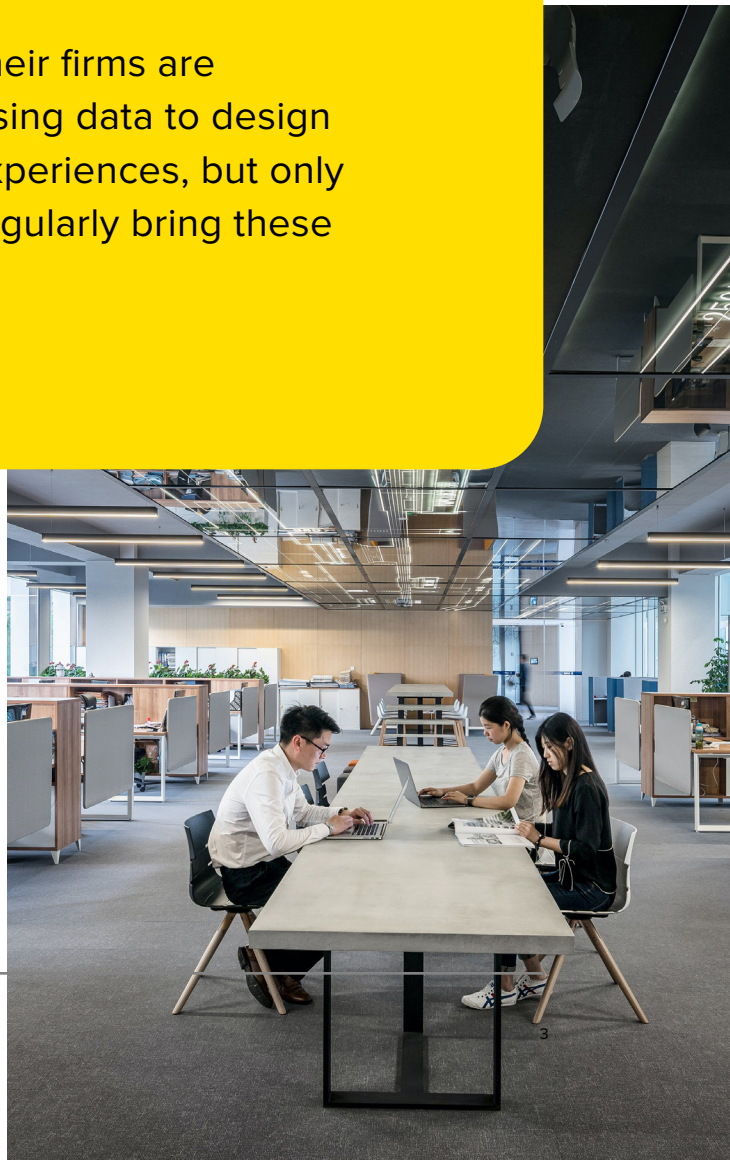
Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit forrester.com/consulting.

Executive Summary

The smart use of qualitative and quantitative data as an input to the design process offers a powerful way to profitably improve customer, employee, product, and brand experiences. But how can organizations build the right technological foundation and develop the organizational maturity needed to maximize data usage and insights?

Qualtrics commissioned Forrester Consulting to explore the current state, challenges, and benefits of evidence-based experience design in global enterprises. We conducted a survey of 417 decision-makers and influencers involved with the design, research, and/or insights related to customer experience (CX). Respondents came from companies in North America, Europe, the Middle East, and Asia Pacific, and represent a variety of industries and company sizes.

of respondents said their firms are highly committed to using data to design improved customer experiences, but only 42% said their firms regularly bring these solutions to market.



Key Findings

Experience design maturity is low. Most survey respondents (75%) said that creating evidence-based experiences is important to their businesses — but execution lags commitment. Evidence-based design is most common in the early stages of the process but wanes during execution. Only 42% of respondents said their firms regularly deploy data-driven market solutions and over half monitor them.

The limited use of analytic tools and siloed work pose major challenges. Roughly half of respondents reported their firms' use feedback tools to gather customer data. Low advanced data and analytics technology use means many firms struggle to turn data into timely design decisions. Organizational and process siloes further inhibit evidence-based design adoption.

Despite these challenges, firms see business benefits. Faster decision-making (54%), improved customer satisfaction (47%), increased customer retention (42%), and differentiated products (39%) are the most frequently reported benefits of experience design efforts.

Better technology and organizational support are needed. Only 53% of respondents considered better evidence-based design a top priority. Better communication of benefits is key to elevating the practice's importance. Achieving design goals requires restructuring teams and investment in usability testing and other advanced analytics.

Firms Are At The Beginning Of Their Experience Design Journey

To create excellent customer, employee, product, and brand experiences, an organization must do more than just find and fix existing problems; it must also continuously identify, design, and deliver innovative experiences that capture the hearts and minds of people who engage with it. This set of practices is known as experience design. To succeed, these design decisions must be based on research and insights.

53%

of respondents noted their firms consider improving evidence-based design a top priority.

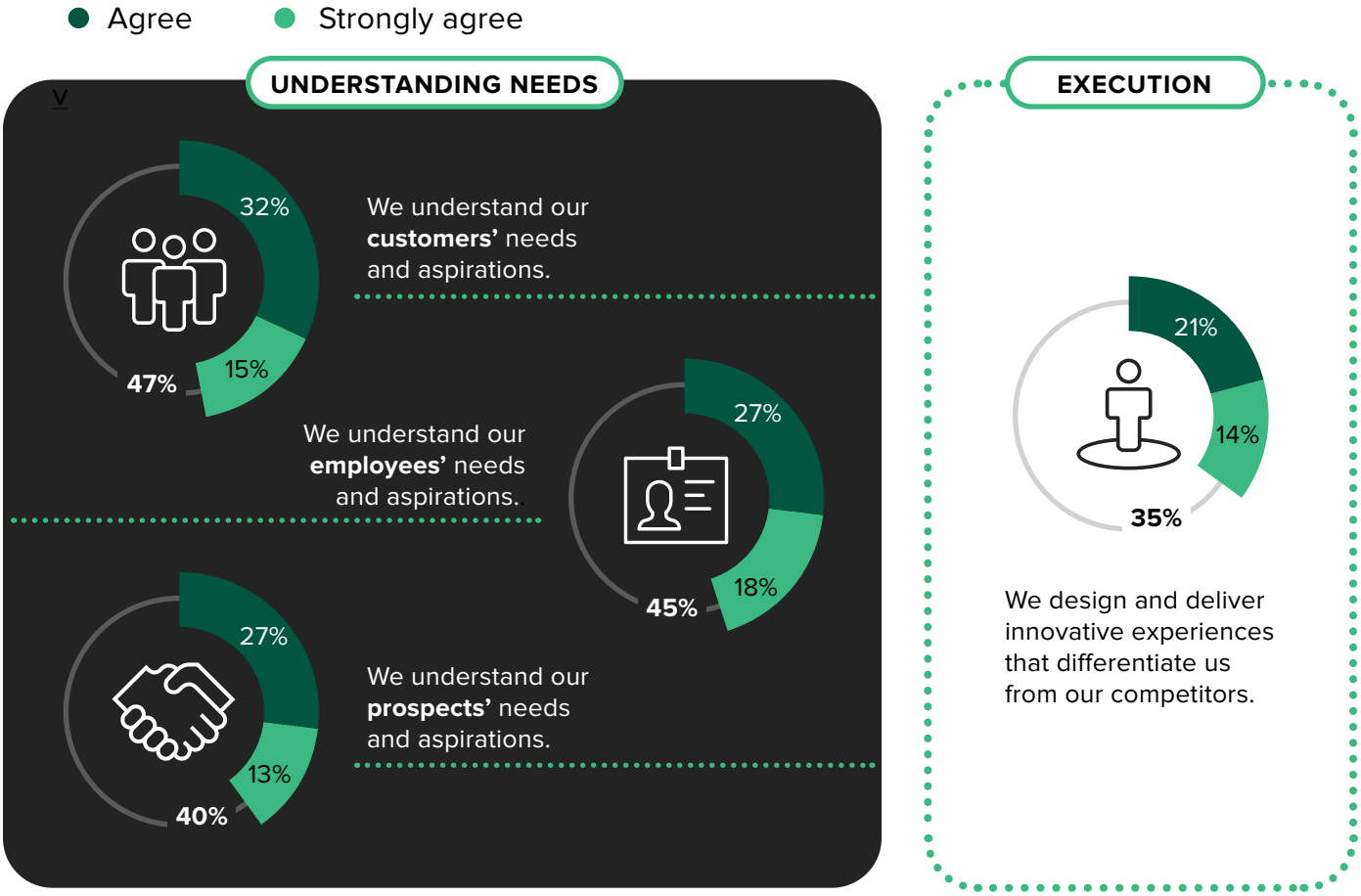
Our survey of experience design and research professionals found that most see data as critical to drive innovation but have yet to translate their organizations' commitment into action. We found:

Fewer than half of respondents said they understand the needs and aspirations of customers, employees, and prospects.

- **Many claim to prioritize data-driven innovation.** Seventy-five percent of survey respondents said that using qualitative and quantitative data to innovate and improve experiences is either a "High priority" or "Critical priority." This bodes well as improving CX and improving innovation, which were respondents' top two business priorities over the coming year, require evidence-based decision-making. As a result, over half of respondents identified evidence-based decision-making as a current top business priority, a percentage that should rise as firms realize more business benefits from the practice.
- **Action lags strategy.** Commitment to using data to understand and improve the quality of customer, product, and employee experiences is high, but the ability to deliver dwindles where the rubber meets the road. Fewer than half of surveyed design and research professionals believed they understand the needs and aspiration of customers, employees, and prospects. And only about one-third said their firms design and deliver innovative experiences that differentiate them from the competition (see Figure 1).

Figure 1

"How much do you agree with the following statements about your organization?"



Base: 417 manager level and higher experience design and research and insights professionals at global enterprises
Source: A commissioned study conducted by Forrester Consulting on behalf of Qualtrics, August 2021

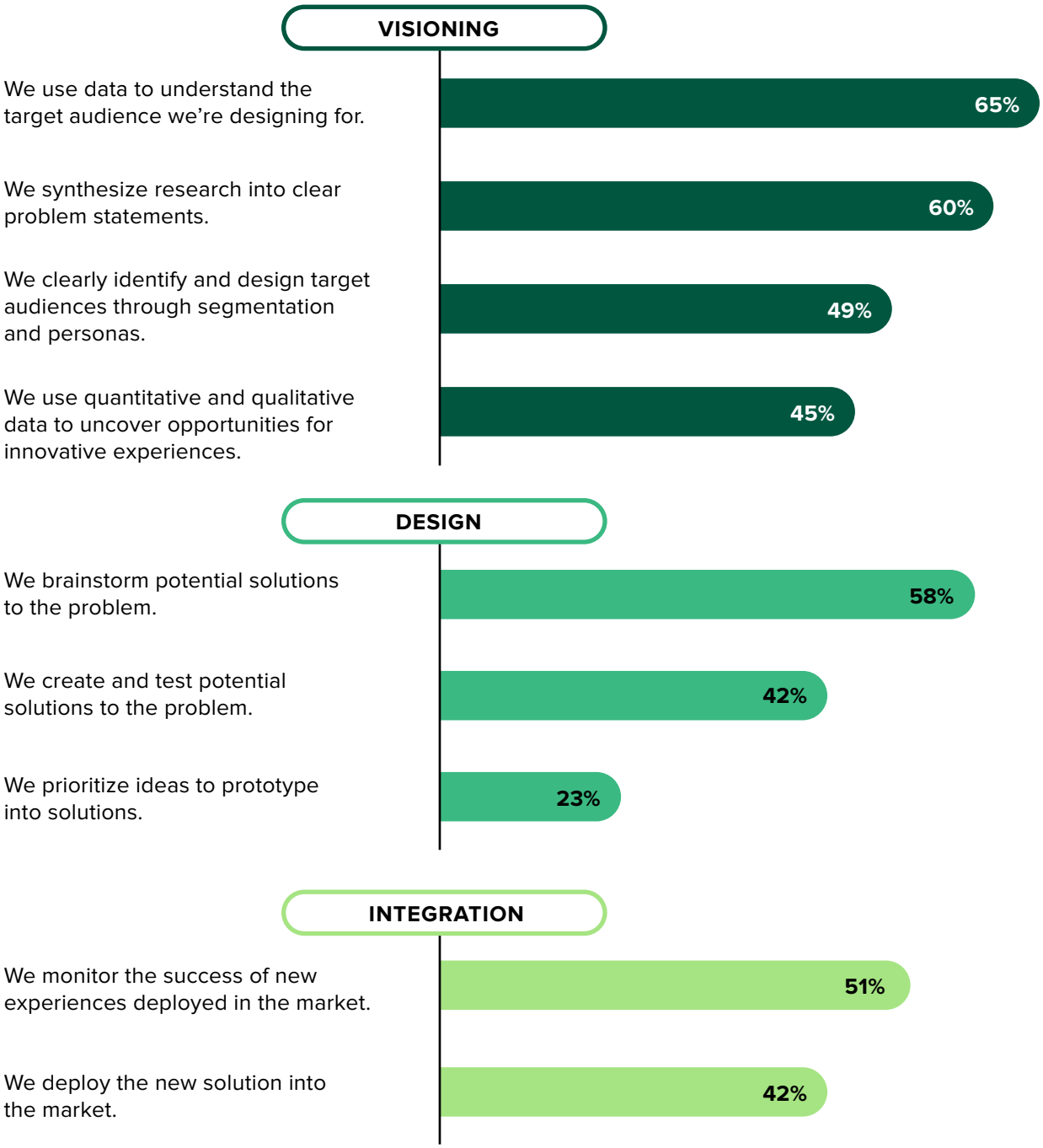
EXPERIENCE DESIGN PRACTICE IS IMMATURE AT MOST FIRMS

This gap between prioritization and action becomes clearer when examining the steps in the experience design process. Typically, experience design is a staged process with three key phases: 1) visioning, which is the problem space where teams must discover and define the issue; 2) design, which is the solution space where teams must create and evaluate their proposed solution to the initial issue; and 3) integration, which is the implementation space where teams must develop and monitor the solution as it is introduced and used in market. But not all these requisite steps are performed with the same level of regularity across the enterprise (see Figure 2). We found:

Figure 2

“How frequently does your organization carry out each of the following core activities of experience design?”

(Showing “Frequently” and “Always”)



Base: 417 manager level and higher experience design and research and insights professionals at global enterprises
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Only 45%

of respondents said they “Frequently” or “Always” use quantitative and qualitative data to uncover opportunities for innovative experiences.

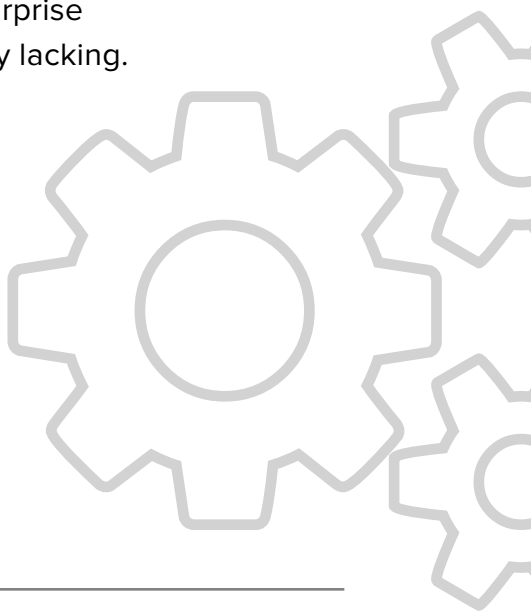
- **Visioning is performed most consistently.** Firms are most comfortable at the beginning of the design process. Sixty percent of surveyed decision-makers said their organizations synthesize research into clear problem statements. Sixty-five percent noted their organizations use data to understand their target audience most or all the time. But the creation of these target audiences may not always be based on data. Fewer than half “Frequently” or “Always” identified target design audiences through segmentation and personas. The area that needs the most improvement here is important for firms seeking to improve their innovation efforts: Only 45% of respondents noted their firms “Frequently” or “Always” use quantitative and qualitative data to uncover opportunities for innovative experiences.
- **Prioritization is lacking.** At this stage in the process, firms seem most comfortable with brainstorming potential solutions to problems (58%) as well as creating and testing potential solutions (42%). Unfortunately, only 23% of respondents noted their firms regularly prioritize ideas to prototype into a solution. This is a major problem. Failure to prioritize means that multiple prototypes could be in process at once. This distributes valuable financial and human resources across too many initiatives, disrupting the process and making the integration phase needlessly complicated.
- **Integration work is uneven.** Not every experience design idea or solution makes it to deployment. Fewer than half of respondents (42%) said that their firms “Frequently” or “Always” deploy their new solutions into the market. This highlights the importance of using various types of data to generate multiple ideas to find solutions that work. Monitoring solutions after deployment is also critical, but for 49% of respondents, it was something their firms do on occasion or, for small percentage

of respondents, not at all. Once a new experience or solution is in the market, is it very important that organizations closely monitor its performance to ensure the experience is producing the desired effect with the target audience over time.

FIRMS LACK THE RIGHT SOLUTIONS

To practice experience design at scale, an organization needs both a widespread commitment to evidence-based decision-making as well as technologies to bridge data silos, share relevant insights across the organization, and drive action at every level. Fifty-five percent of design and research professionals said their firms deliberately and strategically invest in enabling technologies to support innovative experiences. But a closer look reveals that current tools leave critical gaps. We found:

- **Basic feedback tools can only take you so far.** Design and research professionals invested most in customer feedback tools (51%) to help design experiences (see Figure 3). While feedback is certainly important, other tools for design needs, like information architecture evaluation, usability testing, and journey analytics, are also critical to experience design because they provide the framework for supporting the integration/deployment phase of experience design, which many companies struggle with. Unfortunately, very few organizations currently make use of tools that go beyond basic customer feedback.
- **Use of data- and analytics-forward capabilities is low.** Because so few firms have the necessary technology in place to effectively use research and insights to design better experiences, it's no surprise that much needed advanced analytical capabilities are widely lacking.

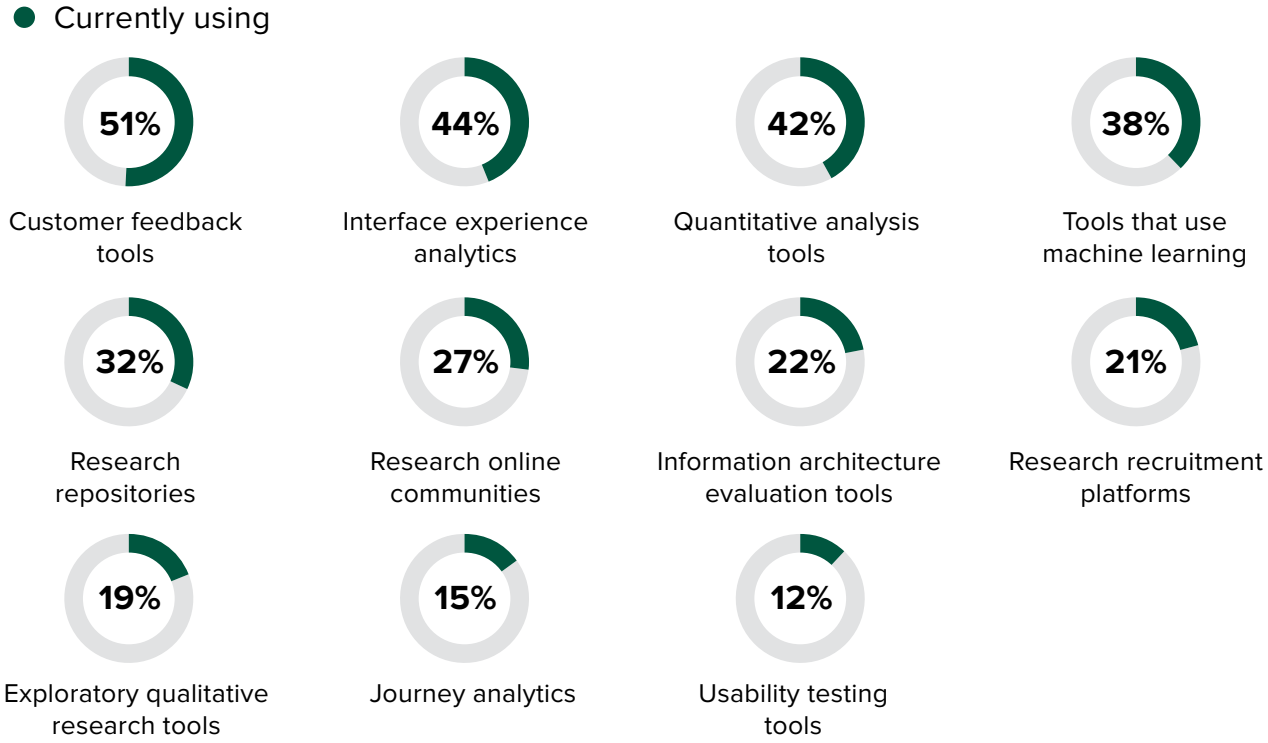


55% of respondents said their firms strategically invest in enabling technologies that support innovative experiences. A closer look revealed critical gaps.

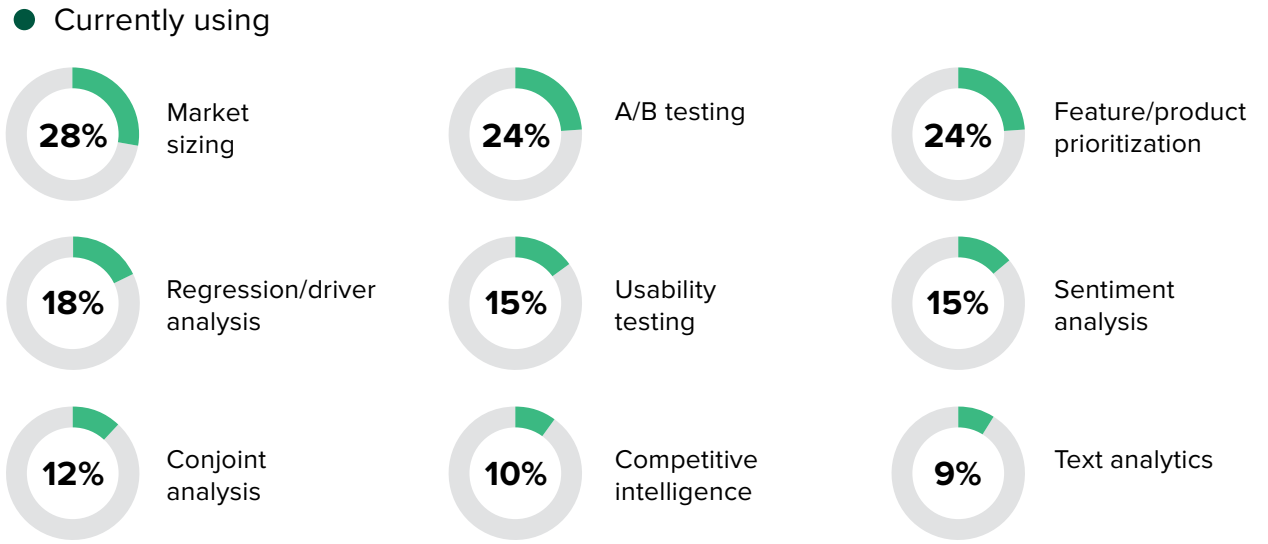
Shockingly, only **15%** of respondents noted their firms do usability testing.

Figure 3

“What technologies are you currently using to help your organization use research and insights to design experiences?”



“Which of the following capabilities are you currently using to help your organization use research and insights to design experiences?”



Base: 417 manager level and higher experience design and research and insights professionals at global enterprises
Source: A commissioned study conducted by Forrester Consulting on behalf of Qualtrics, August 2021

of respondents said their firms fill gaps in skills and technology with outsourcing, often for data analysis that uncovers opportunity for innovation.

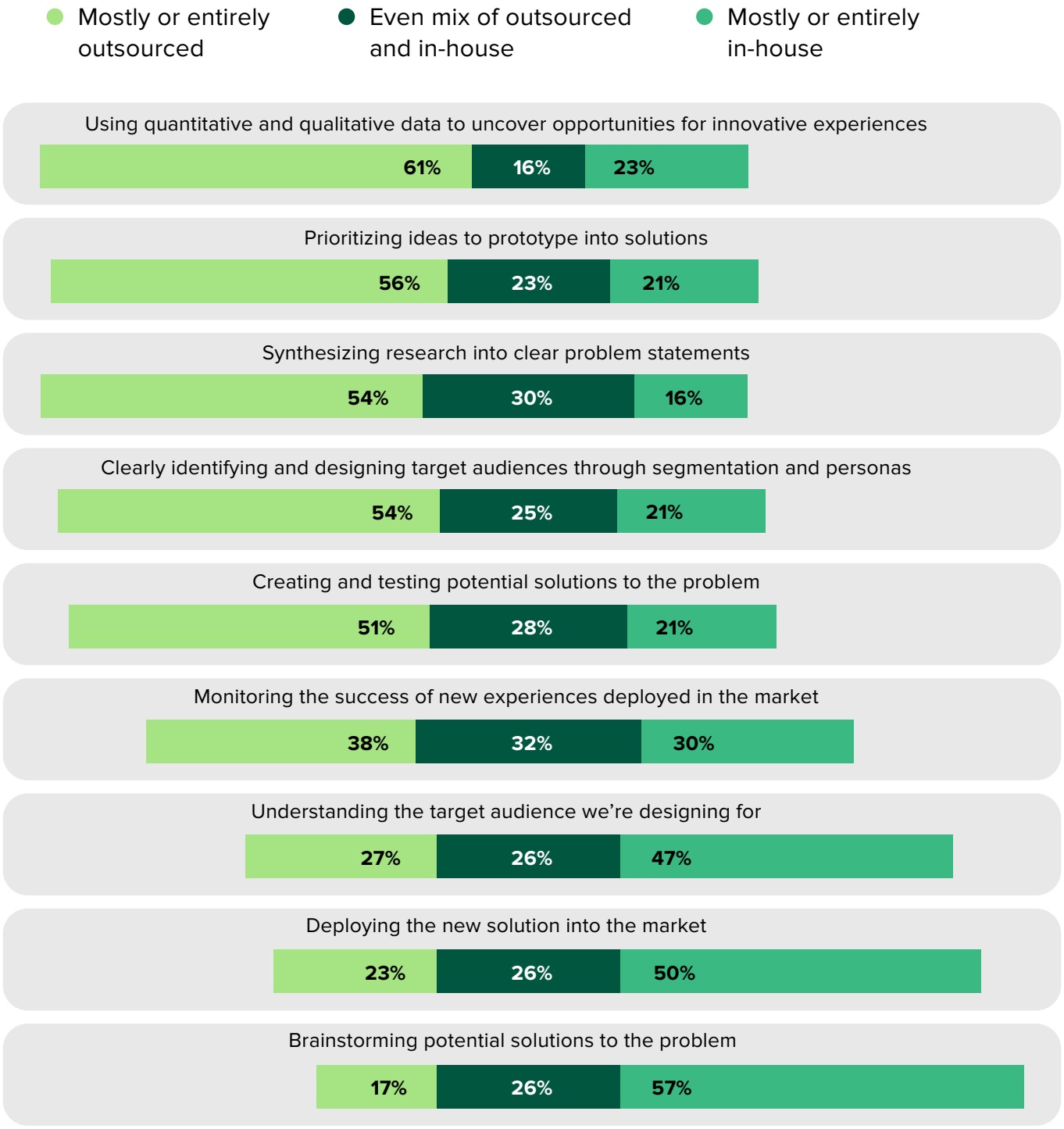
Fewer than 20% of respondents said their firms are employing regression/driver analysis, sentiment analysis, and conjoint analysis. And, shockingly, only 15% do usability testing. This shows a lack of understanding of the nature of design and the importance of exposing designed experiences to real user interaction. Simply relying on survey feedback is not sufficient to optimize great experiences. Clearly, there's a need for more education on the topic.

- **Outsourcing fills gaps in technology and skills.** Today, 75% of respondents noted their organizations hire out parts of their experience design or market research work to outside partners. Tasks like brainstorming, which requires a high degree of organizational knowledge, trust, and relatively little technology, are usually kept in house. More tactical tasks like using qualitative and quantitative data to uncover opportunities for innovative experiences tend to be outsourced (see Figure 4).

While outside perspective can be helpful in certain circumstances, in this case, reliance on outsourcing appears to stem more from gaps in in-house capabilities. If firms invest in the right technology and onboard the right skills, keeping more of this work in house could streamline processes, as brainstormed solutions can be easily validated and quickly iterated upon by customers to improve the pace of innovation.

Figure 4

“How do you carry out each of the following core experience design activities?”



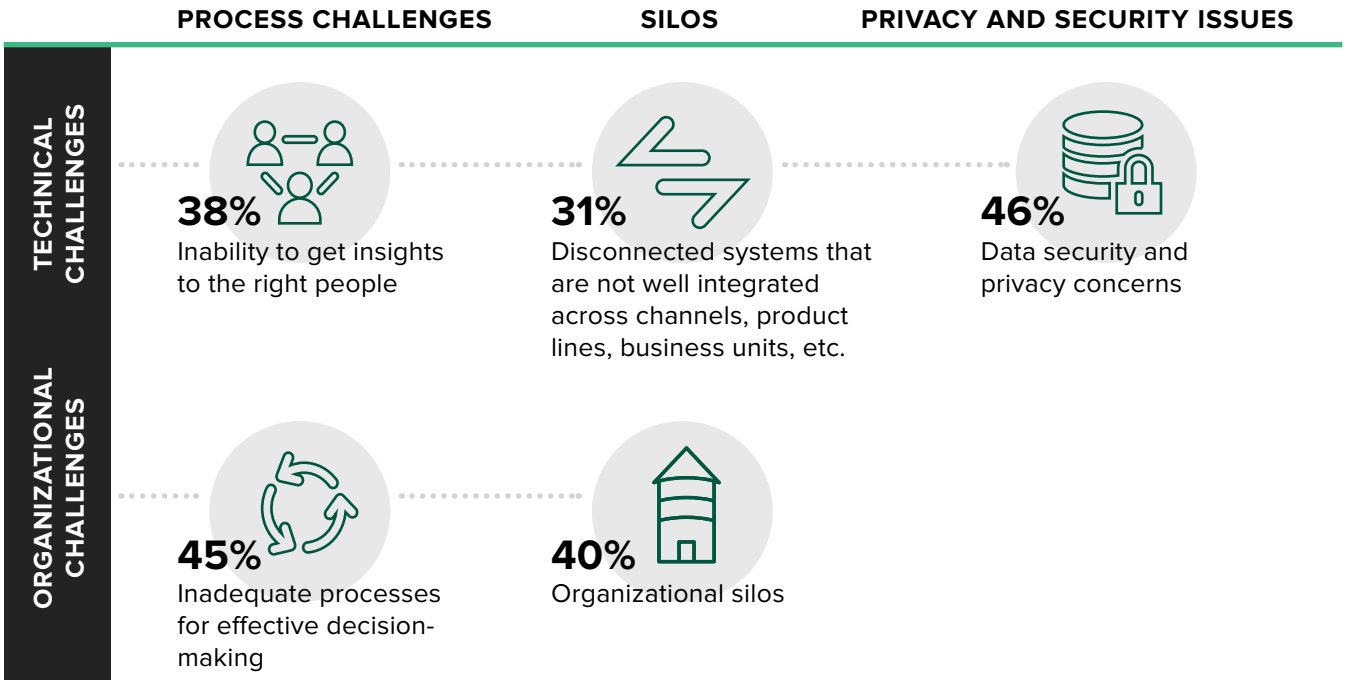
Base: 273 to 304 manager level and higher experience design and research and insights professionals at global enterprise who outsource any experience design or market research work and carry out core activities of experience design
Source: A commissioned study conducted by Forrester Consulting on behalf of Qualtrics, August 2021

Technological And Organizational Gaps Delay Experience Design Progress

Organizations are making do with what they have, but it's causing a host of issues. While many claim their technology is effective at enabling data-fueled decisions, most research and design professionals still struggle to execute. Impairments include both technical and organizational challenges, notably a lack of effective processes, proper analytic capabilities, and organizational silos that prohibit a culture of evidence-based decision-making (see Figure 5). Our survey reveals:

Figure 5

Technical And Organizational Challenges Impair Data-Driven Decision-Making



Base: 417 manager level and higher experience design and research and insights professionals at global enterprises
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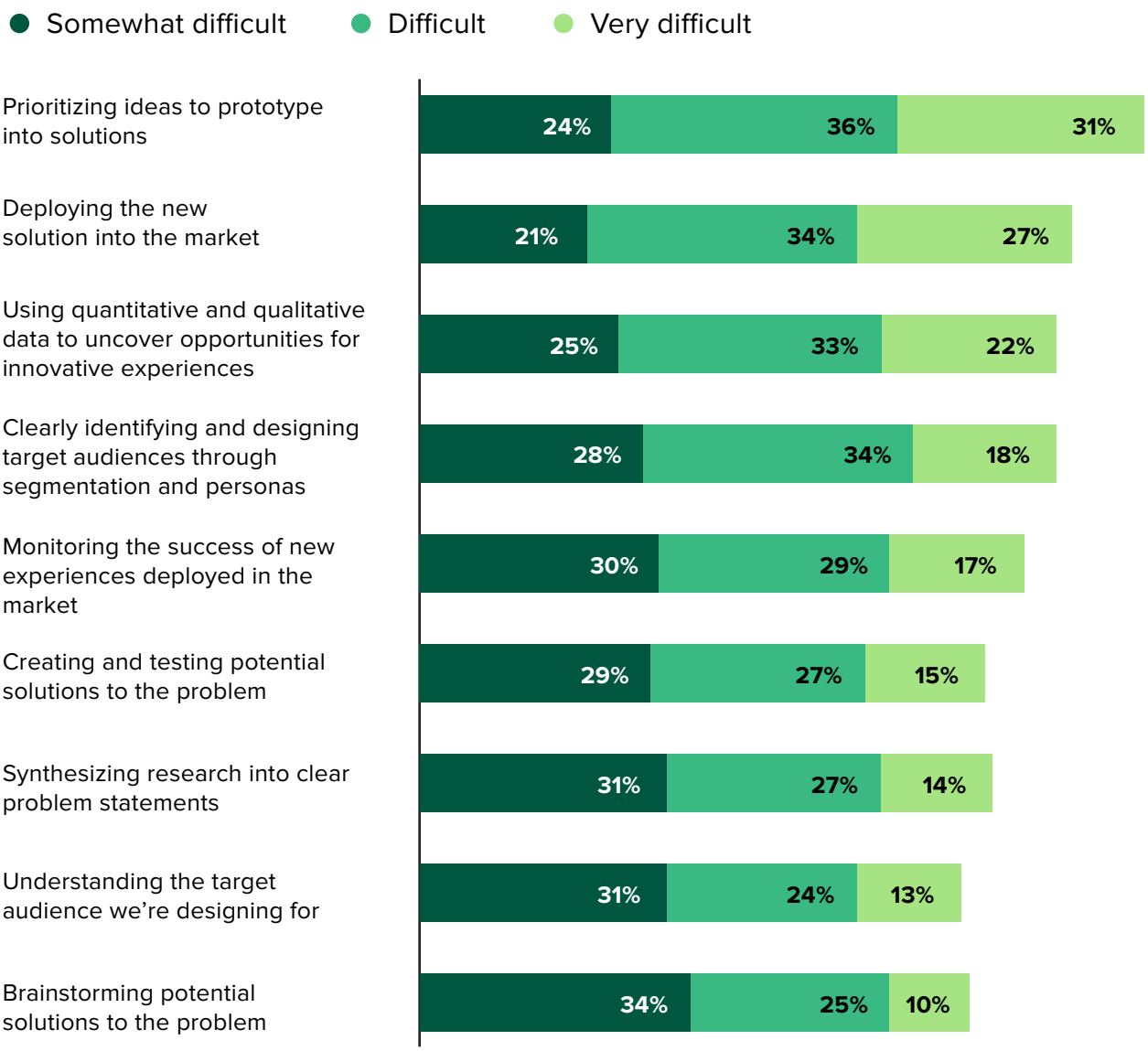
- **The core activities of experience design are challenging.** More than two-thirds of design and research decision-makers admitted some difficulty with all the steps of the experience design process. Why? Again, technology (or lack thereof) is a main culprit. The feedback tools firms rely on can't synthesize collected data into insights. Forty-eight percent of respondents cited that inability as the top technical barrier to effectively using evidence to design innovative experiences.
- **Process challenges hold firms back.** Inefficient processes, combined with inadequate technology, create major challenges for design and research professionals. Forty-five percent of decision-makers said inadequate processes for effective decision-making keeps their firms from evidence-based innovation, while 38% admitted their firms struggle with technical inability to get insights to the right people.
- **Silos hamper progress.** Organizational and technical siloes also cause trouble. Survey respondents struggled with disconnected systems that are poorly integrated across channels, product lines, and business units, as well as organizational silos that only exacerbate existing process issues. Current technology doesn't help in this area, as 55% of decision-makers said their firms cannot provide a single view of all experience evidence with their current research and insights technologies.
- **Latency slows down innovation.** More than one-third of respondents noted their firms struggle with delays when turning data into insights to design innovative experience. Some 57% of respondents reported that the research and insights technologies their firms use to design experiences lack real-time data and insights.
- **Outsourcing poses its own set of challenges.** Though many firms look to outsourcing to plug holes in their current experience design method, doing so can introduce even more challenges. Fifty-two percent of respondents whose firms outsource said that projects are sometimes abandoned, while 45% struggled with a lack of control over important work.

Until business leaders realize that their organizations need both the proper processes and the right technology, data-driven decision-making won't be a central focus, making it increasingly difficult to achieve critical business goals in bringing new experiences to market and driving innovation with effective experience design (see Figure 6).

Figure 6

"How difficult is it for your organization to successfully carry out each of the following core activities of experience design?"



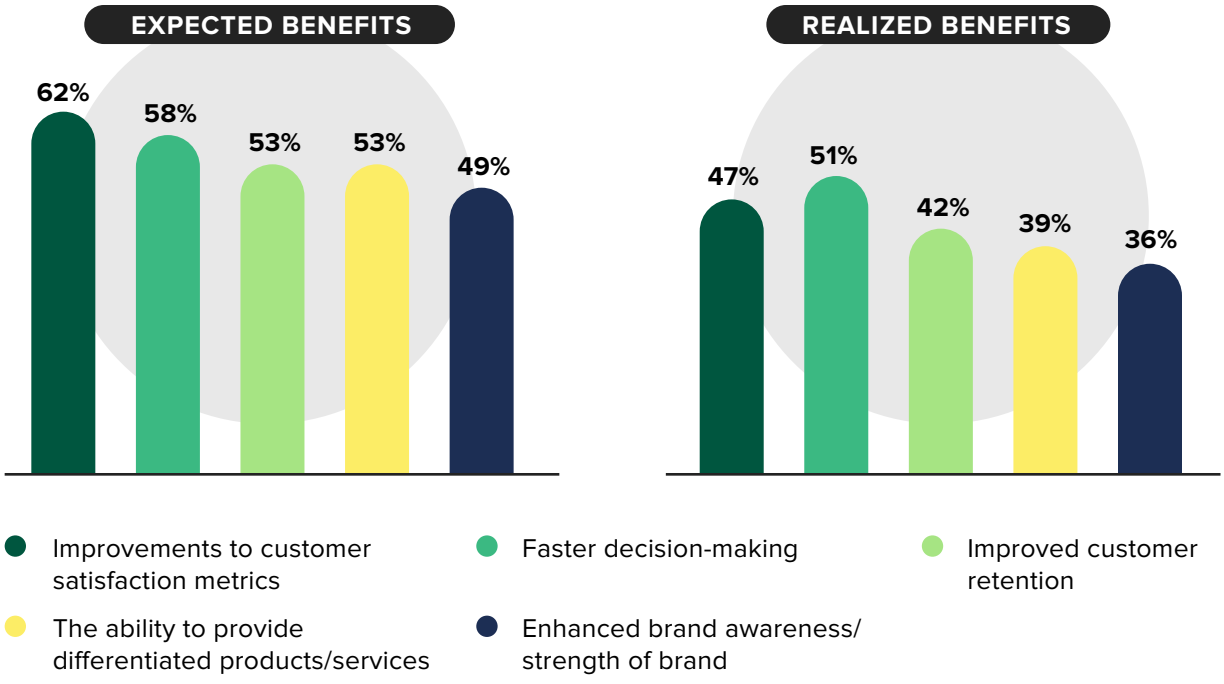
Base: 417 manager level and higher experience design and research and insights professionals at global enterprises
Source: A commissioned study conducted by Forrester Consulting on behalf of Qualtrics, August 2021

Experience Design Drives Business Benefits

Using research and insights to design more innovative experiences is a powerful driver of business outcomes. Even though most firms are relatively early in their experience design journey, there are still plenty of benefits available (see Figure 7). And respondents said their firms expect even more business benefits as evidence-based design efforts mature and improve, including:

Figure 7

The Expected Benefits Align With Realized Benefits



Base: 417 manager level and higher experience design and research and insights professionals at global enterprises
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Improvement to customer satisfaction is one of the top experienced **(47%)** and expected **(62%)** business benefits.

- **Agility and differentiation.** More than half of decision-makers have seen faster decision-making from their design efforts to date, and these numbers are expected to rise as proficiency grows. This agility leads to increased productivity, higher-quality experiences, and more innovation. And this translates to competitive differentiation. Fifty-three percent of survey respondents expect their firms' ability to provide differentiated products and services will improve as they mature their experience design practice.

58%

of respondents said it would be most helpful to adopt better analytics tools to gain a fuller view of the customer journey.

- **Better customer and brand outcomes.** Improvements to customer satisfaction is one of the top experienced (47%) and expected (62%) business benefits from this work. Higher customer satisfaction also leads to better retention, improved acquisition, and stronger brand perception. All these benefits are particularly noteworthy because improved CX was a top business goal for firms. Without properly designed experiences, that goal will prove difficult to achieve.

Effectively mastering evidence-based experience design and spreading this discipline throughout the organization requires solutions and processes that can break down silos, spread insights to the entire organization, and drive evidence-based action at every level. To do so, firms need:

- **The right tools.** Design and research decision-makers are aware of the shortcomings in their current experience design tech stack. Even though adoption of critical tools is low now, respondents noted their firms see the value in solutions like usability testing tools and journey analytics (see Figure 8). Firms know they need to invest in tooling beyond simple feedback technology. Fifty-eight percent of respondents said it would be most helpful to adopt better analytics tools to gain a fuller view of the experience journey. We didn't observe an urgency for future investment in these areas. Still, between one-fifth and one-third of surveyed respondents said their firms plan to implement the more advanced and necessary tools in the next 12 months (see Figure 9).

Figure 8

“How valuable would each of the following technologies be to your experience design work?”

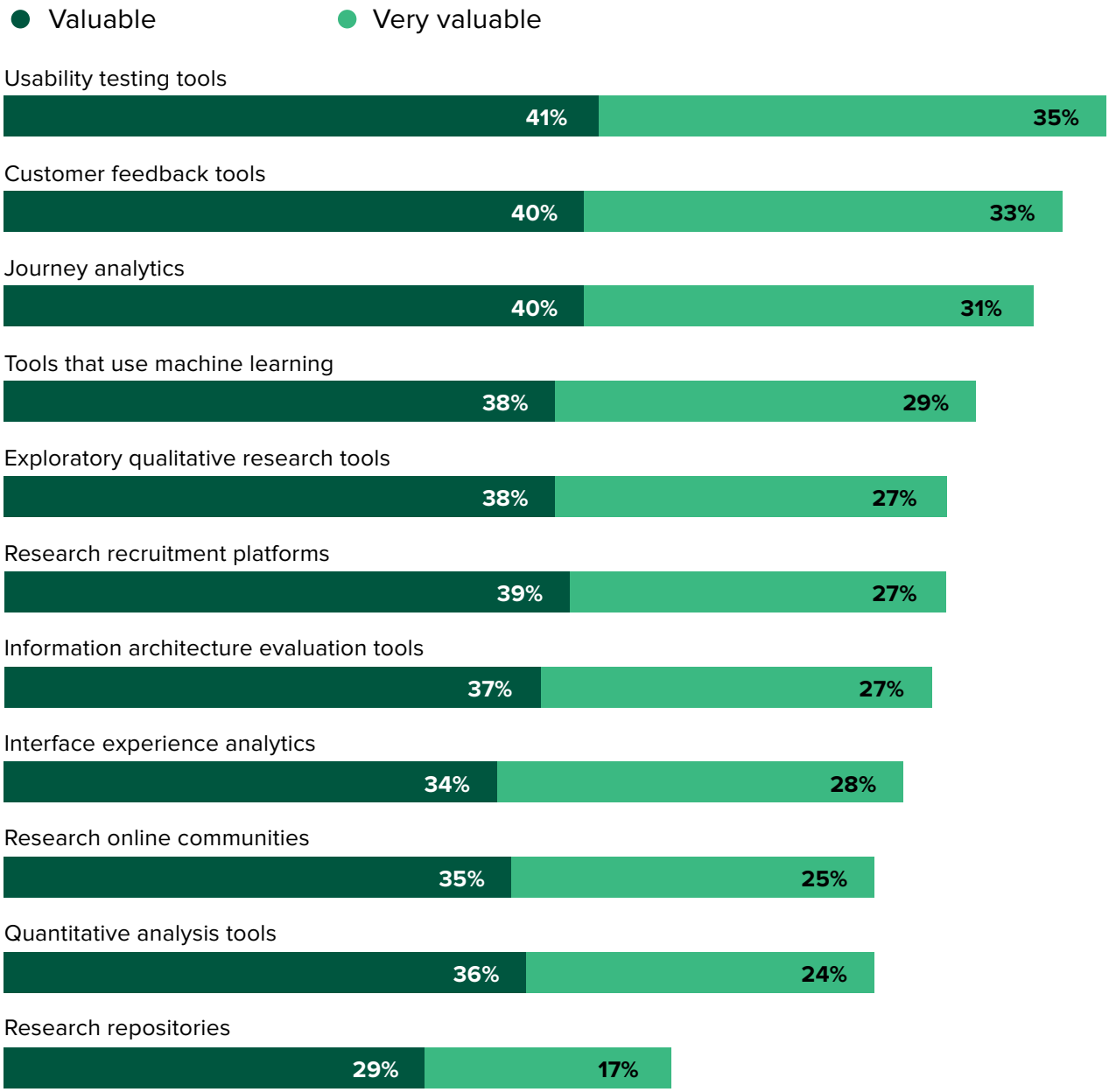

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Figure 9

“What technologies are you currently using to help your organization use research and insights to design experiences?”

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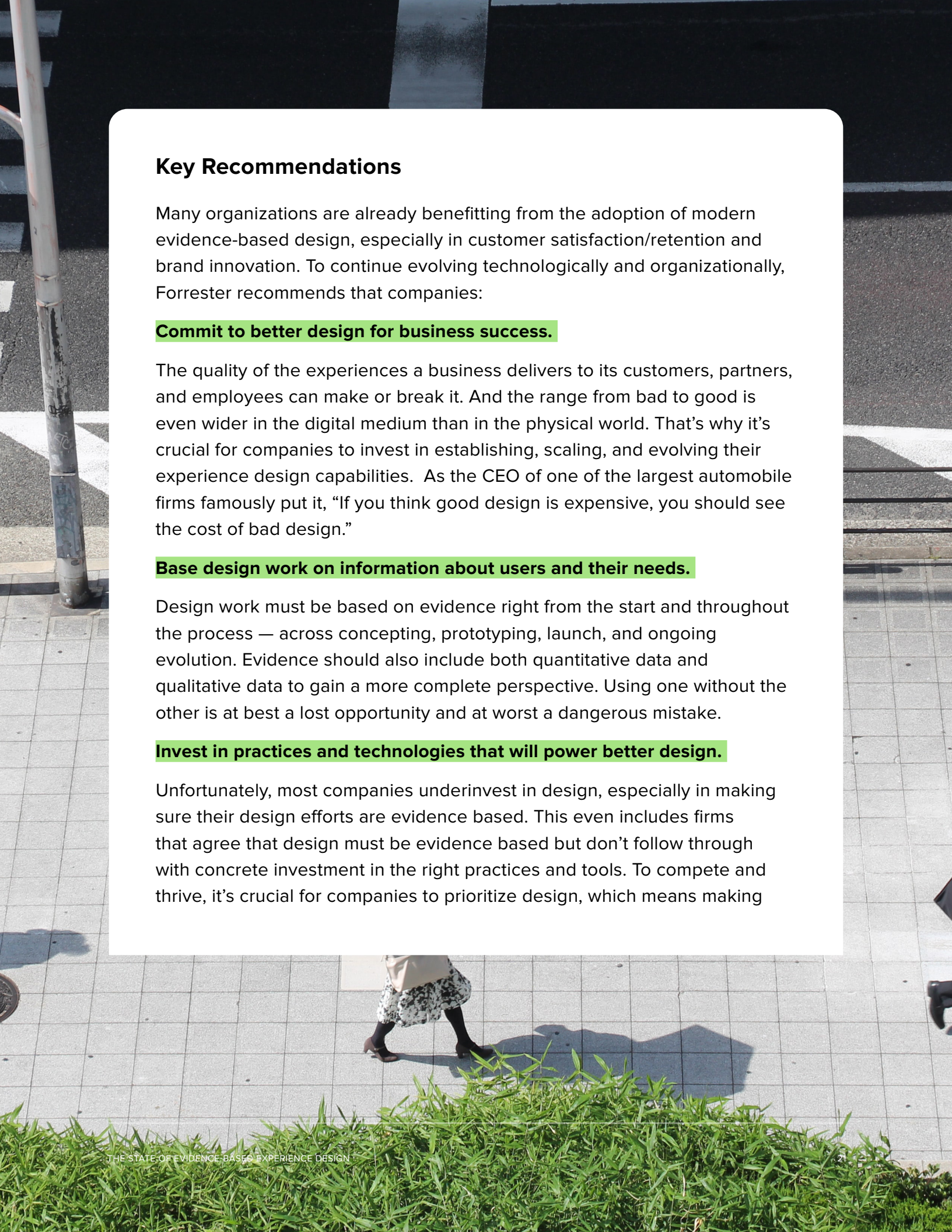
- **Better organizational support.** The ability to properly evangelize evidence-based decision-making would be transformational for firms. Sixty-three percent of decision-makers surveyed said that better communication and socialization of evidence-based decision-making across the enterprise will prove most helpful in improving experience design work. Structuring teams in a way that breaks down harmful silos, and tying management and employee compensation to experience goals and metrics will also help firms create an organizational structure that supports excellent experience design.

Organizations should use the data in this study to help make the business case for implementing these tools if they want to achieve their business goals.

If research and design teams can overcome these technological and organizational issues, the need to outsource so much of this critical work could dwindle. Thirty-five percent of survey respondents thought it valuable to bring all experience design work in-house. But ultimately, that will require enterprisewide commitment to using research and insights to identify, design, and deliver innovative experiences.



Key Recommendations

Many organizations are already benefitting from the adoption of modern evidence-based design, especially in customer satisfaction/retention and brand innovation. To continue evolving technologically and organizationally, Forrester recommends that companies:

Commit to better design for business success.

The quality of the experiences a business delivers to its customers, partners, and employees can make or break it. And the range from bad to good is even wider in the digital medium than in the physical world. That's why it's crucial for companies to invest in establishing, scaling, and evolving their experience design capabilities. As the CEO of one of the largest automobile firms famously put it, "If you think good design is expensive, you should see the cost of bad design."

Base design work on information about users and their needs.

Design work must be based on evidence right from the start and throughout the process — across concepting, prototyping, launch, and ongoing evolution. Evidence should also include both quantitative data and qualitative data to gain a more complete perspective. Using one without the other is at best a lost opportunity and at worst a dangerous mistake.

Invest in practices and technologies that will power better design.

Unfortunately, most companies underinvest in design, especially in making sure their design efforts are evidence based. This even includes firms that agree that design must be evidence based but don't follow through with concrete investment in the right practices and tools. To compete and thrive, it's crucial for companies to prioritize design, which means making

two specific operational changes. First, it means adopting, learning, and executing on a proven design framework. Second, it means equipping skilled employees with the technologies and organizational support they need to design well, especially by basing their design decisions across organizational silos on solid evidence about the needs of their users, whether the users are customers, partners, or employees.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 417 diverse industry respondents in North America, EMEA, and APAC to evaluate the current state of evidence-based experience design. Survey participants included decision-makers and influencers in research and experience design. Questions provided to the participants asked about current and planned activities, investments, challenges, and business benefits. The study began in July 2021 and was completed in August 2021.

Appendix B: Demographics

REGIONS	
NA	**49%**
EMEA	**26%**
APAC	**24%**

TOP 5 INDUSTRIES	
Healthcare	**11%**
Consumer product goods and/or manufacturing	**11%**
Technology and/or technology services	**11%**
Retail	**10%**
Telecommunications services	**9%**

DEPARTMENT	
Operations	**48%**
Customer insights	**21%**
Research	**16%**
Product	**16%**

COMPANY SIZE	
I influence decisions related to my organization.	**37%**
I am part of a team making decisions for my organization.	**21%**
I am the final decision-maker for my organization.	**42%**

Note: Percentages may not total 100 because of rounding.

RESPONDENT LEVEL	
C-level	**7%**
VP	**17%**
Director	**29%**
Manager	**48%**

COMPANY SIZE	
>$5B	**1%**
$1B to $5B	**17%**
$500M to $999M	**41%**
$400M to $499M	**24%**
$300M to $399M	**13%**
$200M to $299M	**2%**
$100M to $199M	**2%**

TOP 5 AREAS OF RESPONSIBILITY	
Research operations	**43%**
Budget management	**39%**
Design operations	**32%**
Customer insights	**32%**
Market research	**27%**

LEVEL OF EXPERIENCE DESIGN RESPONSIBILITY	
Somewhat involved	**53%**
Very involved	**43%**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