

Leveraging UX Insights to Influence Product Strategy

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Many UX researchers and analysts aspire to influencing not only design implementation, but also product strategy. However, it is rather difficult to effect this kind of influence because user research insights tend to center on design and fail to speak to a company's overall strategy for a product. In this article, I'll describe how you can influence strategy through a well-defined approach to user research, illustrating this approach by describing my first-hand experience with it. I'll also discuss how any UX professional intending to add business value can leverage this approach in influencing product strategy.

The Situation We Face

Through my personal experiences doing Web research and conversations with fellow UX professionals, I know many of us would love to utilize user research insights to influence not just the design, but also the business strategy behind the design requirements, and we are constantly struggling with how to achieve this. On the one hand, top management often makes decisions about business strategies without taking users' needs and feedback into consideration and, thus, fail to speak to user experience, a key driver for a company's profitability. User research can fill this gap and help guide business decisions. On the other hand, despite our best efforts, User Experience, as a profession, still has a long way to go before we'll consistently be able to deliver strategic influence.

To clearly set the context of this discussion, when I say *business strategy*, I mean business strategy as it relates to specific products that we work on, or in other words, *product strategy*. Within the context of the IT industry in which many of us work, this typically means Web strategy, software strategy, or mobile strategy. Thus, I do not mean strategies relating to other aspects of business such as mergers and acquisitions, corporate finance, or human resources. What often prevents us from having a strategic influence on product development? How can we achieve such influence through a well-defined approach to user research. The reason I'll focus more on user research instead of other aspects of User Experience such as interaction design is because research findings that are based on user feedback offer a unique advantage in influencing decision making: they bring objective analysis to bear. However, all UX professionals can leverage this approach to step up their business impact.

Let's look at a situation a UX professional might encounter: A big part of the challenge lies in an organization's existing product-development process. Typically, when a business engages a UX team to take on a design project, the product strategy is already in place, and Product Management gives the UX team a set of business requirements they've derived from the business strategy and asks User Experience to turn them into designs. A user researcher then evaluates the usability and visual appeal of their design and suggest design improvements. However, such activities do not address the following business questions: Does this product support users' needs and drive business results? How should we prioritize the business requirements our design must meet? How does the Web fit into the larger business context? While all of these are important strategic questions that ultimately determine the direction for a product, most organizations have no process in place that would let the UX professionals on a product team have much say here. But, just like everything else in the world, there are two sides to the story. Although many executives and product managers might view us as tactical, but not strategic partners, it's also true that many of us are content to stay within the realm of UI design and usability and lack the will or the skills to influence product strategy.

Four Steps Toward Influencing Product Strategy

Based on my extensive experience conducting and managing product strategy research at eBay and BlackRock—two very large companies with complex product strategies and decision-making processes—I'll outline four steps that can help user researchers deliver high-impact influence on product strategy:

- 1) Clearly understand that product strategy is not the same thing as design strategy.
- 2) Develop a deep understanding of how User Experience can support business success.
- 3) Plan your research to target product-strategy questions rather than design-implementation questions.
- 4) Focus on synthesizing and communicating high-level strategic insights rather than detailed usability recommendations. Let me go through these steps one by one.

Step 1: Knowing the Difference Between Product Strategy and Design Strategy

In trying to understand why product teams often fail to view UX professionals as core players in determining product strategy, the first thing that comes to my mind is that we often misunderstand what product strategy really is. Within our UX circle, we talk about *strategy* all the time, but it's likely that what we really mean is not *product strategy*, but *design strategy*. Design strategy focuses on providing a framework for developing design solutions that support a given product strategy. On the other hand, product strategy addresses the business model, roadmap, and prioritization of business requirements for a product. If we are not clear about what *product strategy* means, our UX insights will invariably fail to hit the target. To help you better understand the subtle differences between these two types of strategy, I'll list some examples of what each of them focuses on:

design strategy—information architecture, navigation frameworks, site redesign approaches, page layout frameworks, approaches to the design of Web advertising, the overall tone of content writing, the visual identity of a Web site, and the interaction model for a Web tool

product strategy—identifying a profitable business model; determining business and UX opportunities for digital solutions such as Web tools, mobile offerings, and Web marketing; the prioritization of features; and the roadmap for product launches

Step 2: Understanding How User Experience Fits into the Larger Business Context

This step is about developing a deep understanding of how the business operates and how User Experience could support the business. Simply saying “a better user experience leads to a better bottom line” without clarifying exactly how User Experience can help achieve that doesn't count. The relationship between user experience and business success is complicated, and UX thought leaders must really understand that for a business to view them as trusted advisors on business issues. For instance, if we are working on improving a home page design, we need to understand not only how to improve the discoverability of a site's content and the ease of its navigation system, but also what kinds of user behaviors could drive business success. Let's look at a couple of examples. For an ecommerce site like Amazon.com, one business goal for the home page is to get users to look at and buy merchandise they weren't thinking about shopping for before visiting the site's home page. On the other hand, for a Web site like Ford.com, the home page's business goal is not so much about directly driving a purchase as it is about raising awareness of the company's product lineup. Only when we have armed ourselves with these kinds of business insights can we effectively speak to product strategy.

Step 3: Designing Our User Research to Focus on Strategic Questions

Once we clearly understand what product strategy is and develop a deep appreciation of how User Experience can support business, we are ready to conduct our research. To begin with, we should design our research to target strategic questions and resist the temptation to turn the research into a typical design study. Let me illustrate by describing a study that I led, whose intent was to inform the 401(k) Eeb strategy for a large asset management site. In addressing a topic like this, a typical approach would be to create some wireframe concepts for the Web site, then take the concepts to users for evaluation. If we were working on design solutions, this would be sufficient. However, at that point, the company was still figuring out what Web business model would best support the 401(k) business, so we needed to conduct a product strategy research rather than a design study to inform that decision.

In taking on this project, I partnered with a research agency. When we kicked off the project, we had already identified the target users, who were financial advisors specializing in managing 401(k) investments for investors. Our business goal was to leverage the Web site to sell financial products to those financial advisors. Through extensive interviews with stakeholders, we developed a solid understanding of the business situation, then followed up by performing a competitive analysis of industry trends for 401(k) Web sites. Based on insights from the data we gathered, we identified some research questions that would be important in determining the right strategy. Here is a small sample of the questions:

- Do we want to create a separate Web site for this group of advisors? If so, how would this Web site interact with the main company Web site?
- What are the key Web opportunities—for example, Web tools, Web marketing, having advisors to talk to salespeople via the Web—that we should pursue as a business?
- What are the information and analytical needs of those advisors, and what Web solutions could fill the gap?

As you can see, none of these questions is about design. They were business questions we needed to answer before we could determine design requirements. In fact, depending on their answers, we might not even need to do any Web design work. In answering these strategic questions, we did not create any designs or storyboards in order to get user feedback. Instead, during our one-on-one contextual interviews with 401(k) advisors, we focused on asking the advisors about their investment processes and how the Web fits into those processes. We had them demonstrate their experience by walking us through their processes. We asked probing questions about the financial Web sites they visited regularly to learn about their online information and analytical needs, as well as about the offline resources they used to get a comprehensive picture. We also asked probing questions about their general investment practice to create persona-like snapshots that would help us contextualize our research findings. We assessed the business opportunities various Web proposals presented by getting the advisors' reaction to them. (It would have been even better if we could have conducted an ethnographic study to better understand the advisors' work environment. Unfortunately, for reasons of compliance, we weren't able to do that.)

Step 4: Synthesizing and Communicating Strategic Insights

The last step is to synthesize and communicate your insights in a way that supports strategic conversations. This means a researcher should align the insights with the strategic questions and bring out the business meaning behind user comments. I cannot stress the importance of this enough, because it's very easy for UX researchers to habitually slip back into making design-centric recommendations rather than strategic product recommendations. In this case, based on user responses, we proposed a 401(k) Web business model and assessed the business value of various Web solutions. Here are a few sample findings, modified to safeguard confidential information:

- The 401(k) Web presence should support three key initiatives: enabling sales conversations, providing a Web marketing platform, and enabling financial advisors' self-directed information seeking.
- Instead of integrating content into the main company Web site, the company should develop a separate Web site for the 401(k) business.
- A portfolio proposal tool might be valuable for the self-directed use case, but would not be valuable in supporting Web marketing, so the company should integrate the portfolio tool with the proposed 401(k) Web site.

All of these findings speak at the level of the business model, product features, and feature prioritization. They do *not* directly address design implementation. These findings could readily be incorporated into any strategic vision for the 401(k) Web presence. In fact, the company's business leaders quickly adopted these findings as the foundation for their 401(k) Web strategy. The design that will implement this strategy will be under way in the near future.

Challenges and Opportunities

Now that I've explained these steps, they might not seem like much or may be counterintuitive, but they are indeed hard for UX professionals to execute. This is because, while we excel at user experience and design, many of us have a natural tendency to stay within our discipline and don't spontaneously think of business strategy. Coming from a hardcore usability and psychological research background, it took me a while to achieve strategic thinking, and I'm still working on improving my ability to do that through ongoing, conscious effort. As UX professionals, when we express an inspirational product idea, we tend to be too design centered in tone. When we think of user research, we tend to gravitate toward evaluating usability, design patterns, and visual appeal. Because we're accustomed to representing the voice of users, we sometimes even take it too far and play an antagonist role *against* business—as if, by definition, it's not possible to integrate user needs with business needs. However, great products like iPhone, Amazon.com, and Netflix are all the outcome of creatively combining business and user perspectives. To truly influence business through a UX perspective and develop successful products, it is critical that we seamlessly integrate a business perspective with a solid understanding of user needs and design best practices. But achieving this could still be a long journey ahead.

While this article has focused on using formal UX research to influence product strategy, any UX professional intending to drive business value could leverage the ideas I've presented here—in particular, step 1, 2, and 4. For example, when a visual designer works on a Web promotion design, instead of jumping right into design and beautifying the appearance of the promotions, she could step back a bit and try to understand how Web promotions impact the business, then come up with innovative ideas for using the visual design to drive business success. After analyzing the business situation, the designer might choose to use visual design to highlight the brand instead of the content the company is promoting, because there might be more business value in elevating general brand awareness than in promoting a specific idea or product.

Let's take interaction design as another example: If a company asked an interaction designer to make its Web site experience easy to use, instead of jumping right into applying typical user-interface design principles to improve usability such as simplicity and preventing error, the designer who wants to influence product strategy could ask this question: What is the site's business objective? If it's all about providing the highest customer satisfaction to ensure a positive impression of the brand, the designer should, by all means, optimize usability to improve task completion. But if the business model is based on Web advertising—for example, on a news site like time.com—intelligently integrating ads with users' workflows while still allowing them to complete tasks is more important than achieving optimal usability, which would typically mean no ads at all. By having a conversation with business leaders and product managers about such

strategic points, a designer can determine the design approach that best aligns with the business model, while still achieving a high degree of usability.

These are but two examples of the countless opportunities strategic thinking provides. The key to success is thinking not in terms of user experience and design alone, but understanding how to achieve synergy between user experience and business success, then providing solutions that, while based on our expertise in user experience, support of this synergy. Consistently delivering high-impact insights like these can elevate our discipline's business impact and help our User Experience organization become a true business influencer.