dscout

The Business Case *for* Investing in Quality UX Research

Jump to:

The impact of **UX research and design** has long been discussed.

$1 = $100

"" On average, every dollar invested in **UX brings 100 dollars** in return. That's an **ROI of a whopping 9,900%.**

**Forbes** via **FORRESTER®**

Good UX is Good for Business

Yet many organizations still struggle to define the direct influence of UX insights on company-wide initiatives.

Undeniably, research is not just a "nice to have" —it's imperative to business success.

But running research to check a box won't cut it anymore.

The quality of that research is more important than ever to ensure customer retention, cut development costs, and pave the way for long-term market relevance.

But what are the consequences of cutting corners? What if you use insights from the wrong participants? How much does that *really* cost?
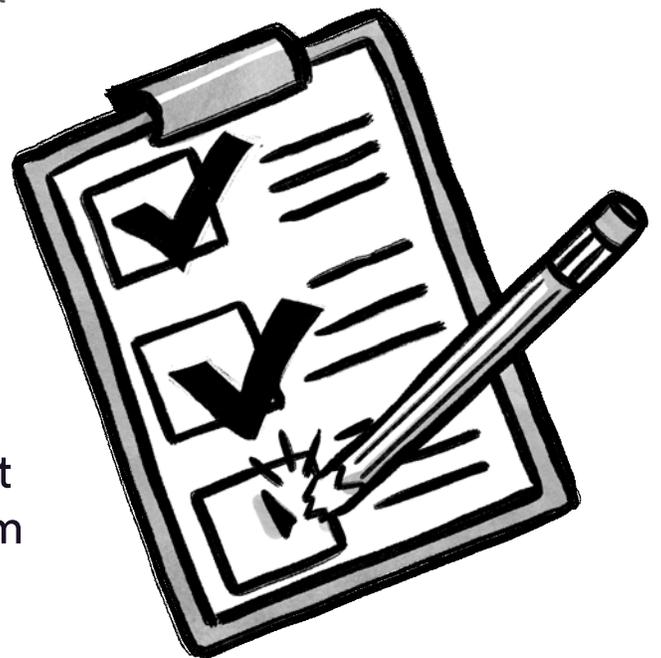
At Dscout, we surveyed ~140 folks across research, design, and product, and gathered data from teams at Forrester, PWC, IBM, and more to uncover the financial repercussions of poor or misleading insights.

From our survey

87%

of participants said that poor-quality UX research **wastes time and resources on ineffective solutions.**

The impact of ineffective solutions varies by organization, but there are clear costs in areas like…

✓ **Customer churn** due to unmet needs or frustrating experiences.

✓ **Rework** across design, engineering, and marketing teams.

✓ **Increased customer support tickets** driven by avoidable product issues.

Those are just the tip of the iceberg. Throughout the report, we'll break down the hidden costs of poor UX research and highlight why investing in quality matters.

SETTING THE SCENE

Why UX research matters **so much.**

UX research is often seen as an expensive box to check in the product development process. Finding the right participants, conducting the research, analyzing data, and applying insights takes time—but that investment pays off.

If you're only using UX research to validate assumptions or bypassing the process altogether, that's where things get expensive.

While UX is essential for countless reasons, in today's economic climate, three stand out as the most critical for companies to invest in...

1 Rising user **expectations**

Time is money, and that's especially true for your users. Users expect seamless, intuitive experiences across platforms, and they have little patience for poor experiences.

With everything at their fingertips, a majority of your users won't give you time to fix product mistakes. They **will** leave you for a competitor if their expectations are not met.
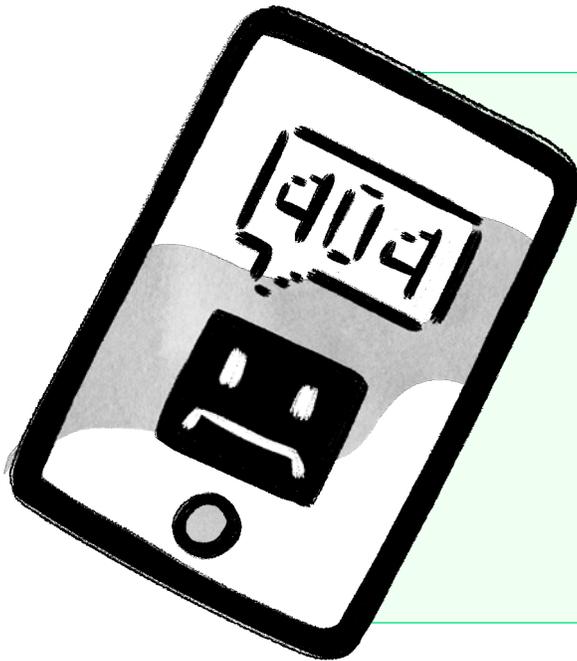
In the U.S.

59%

of consumers will walk away after several bad experiences, and 17% will after just one bad experience.

PWC

Prioritizing user research isn't just about improving experiences—it's about keeping your users and staying competitive.

2 # Failure is **expensive**

Ignoring user needs can lead to product failure, high churn rates, and costly rework. Poor usability, confusing navigation, and unmet expectations translate into lost revenue and frustrated customers.
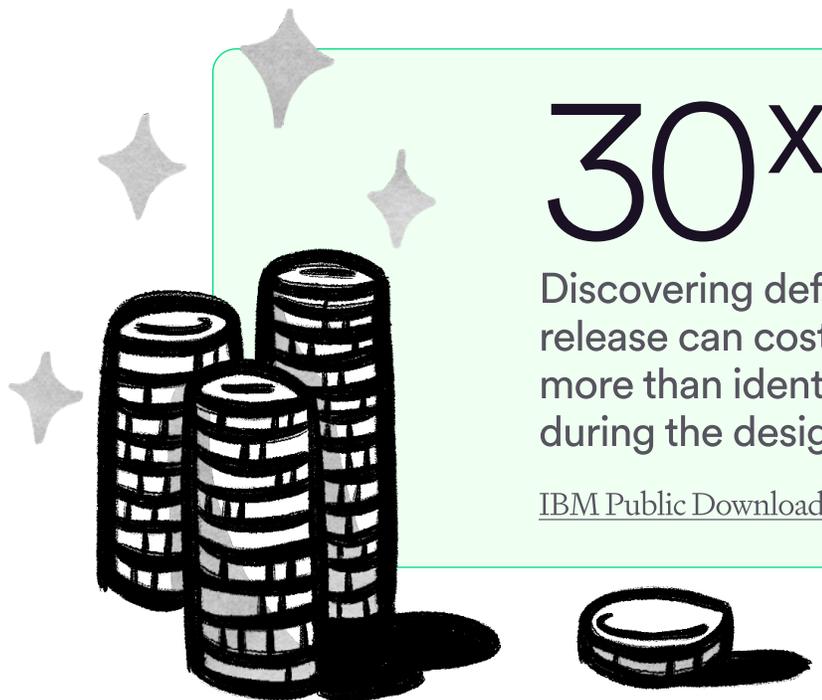
30ˣ

Discovering defects after release can cost up to 30x more than identifying them during the design phase.

IBM Public Downloads

200%

A well-designed site can have up to a 200% higher visit-to-order conversion rate than a poorly designed site.

Forrester

If **investing** in user research feels **costly**, the **price** of building a product that customers won't use is far **greater**.

dscout

3 Evolving **technology**

As AI becomes a standard feature across industries, user-friendly AI experiences will differentiate market leaders.

UX research ensures that companies deliver innovations that customers will actually benefit from.

""

Launching AI projects without thorough user research significantly increases the risk of failure.

Studies have shown that over

80%

of AI projects **fail,** a rate twice as high as that for non-AI IT projects.

Avoiding the Anti-Patterns of AI | RAND

""

A primary reason for this high failure rate is the misalignment between AI solutions and actual user needs. Without proper user research, organizations may develop AI applications that don't effectively address real-world problems, leading to wasted resources and unmet objectives.

Additionally, the lack of user involvement can cause resistance to adopting new AI technologies. A report by McKinsey & Company indicates that 70% of digital transformation efforts fail due to low user adoption and resistance to change.

Overcoming the High Failure Rate of Generative AI Projects | insentra

It's very easy for companies to just build a product and say, "It's amazing!" when it's all the same LLM in the background, and they don't have the right guide rails in place. Without proper user research and model training,

GenAI tools are not only unpredictable for the user, but *can* also be unsafe.
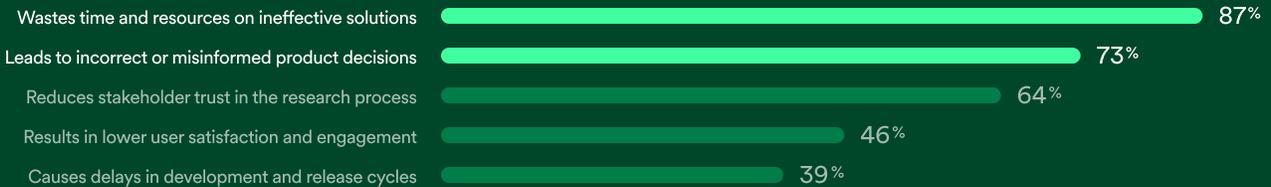
The business imperative *for* quality UX research

It's not just that UX research in general is important; the quality of the research is **critical to business success**.

We surveyed ~140 folks across research, design, and product to uncover the impact of quality UX research.

While their perspectives on what exactly defines quality varied, one thing held true: **low-quality research has a cost**.

The impact of poor-quality UX research on a project or product:

Wastes time and resources on ineffective solutions	87%
Leads to incorrect or misinformed product decisions	73%
Reduces stakeholder trust in the research process	64%
Results in lower user satisfaction and engagement	46%
Causes delays in development and release cycles	39%

Financial repercussions of conducting poor-quality UX research:

Missed business opportunities due to flawed insights	70%
Lost revenue from reduced user adoption or satisfaction	68%
Increased development costs due to rework or redesign	68%
Cost of delayed product launches	42%
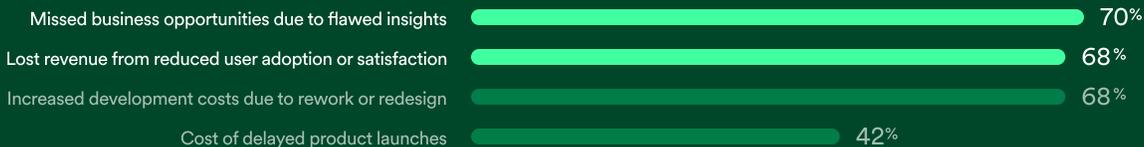
How research quality directly affects the business…

⚠ Reduce risk *and* avoid potential disaster

73%

of participants said that low-quality UX research leads to **incorrect or misinformed product decisions.**

When UX research falls short, the consequences extend beyond product decisions—it directly impacts customer experience and business costs.

Poorly designed interfaces and confusing workflows drive more users to seek support (or walk away from the product altogether).

Poor products drive up ticket volume and put a strain on support teams.

For example…

On average, companies spend

$5–$25

per support ticket.

Phone or live chat can be more ($12–$50+), especially in high COL geographies.

If your company receives an average of 20,000 support tickets per month, reducing that number by 10% could save the organization approximately $30k per month ($15 x 2,000) or $360k annually.

HDI (Help Desk Institute) Support Center Practices & - Salary Reports – typical cost/ticket data.
Zendesk Benchmark Data – average cost per interaction across industries.
Gartner Customer Service and Support Research – enterprise support benchmarks.

That is just the average cost of support tickets. Those expenses don't include the costs associated with…

✓ **Churn:** When your customers have a frustrating experience, they may abandon the product entirely, leading to lost revenue and higher customer acquisition costs.

✓ **Customer Acquisition Costs (CAC):** Poor UX can drive up CAC as companies must spend more on marketing and incentives to compensate for user dissatisfaction and make up for churned customers.

✓ **Lower conversion rates:** Confusing UX can lead to lost sales or drop-offs in key user flows, such as checkout or onboarding.

✓ **Support team burnout:** The strain of high ticket volumes overwhelm support teams, leading to higher turnover, increased time spent recruiting, and increased training costs.

✓ **Brand reputation damage:** Negative experiences lead to poor reviews and word-of-mouth, making it harder to attract and retain customers.

✓ **Legal and compliance issues:** Bad UX can lead to accessibility violations or regulatory non-compliance, which could result in fines or lawsuits.

Investing in high-quality UX research is essential to building high-quality products. Releasing a product that is not properly researched or tested prior may save you time initially, but can lead to disaster for both the user and your bottom line.

↓ Reduce development costs

87%

of participants said low-quality UX research **wastes time and resources on ineffective solutions.**

With poor UX driving poor products, not only are time and resources wasted on the initial launch—you have to do it all again (and hopefully get it right the second time).

For example…

A Fortune 500 company typically spends

$75ᵏ–$150ᵏ

per two-week sprint for an 8–10 person team.

If 20% of a $100k sprint is wasted on rework, that's $20k in unnecessary costs. Reducing that waste to 10% saves $10k per sprint.

With 20 sprints per year, that translates to $200,000 in annual savings—simply by cutting rework in half.

Glassdoor Salary Aggregates – median salaries for software engineers, product managers, designers, QA, etc. in major US metros.
Scrum Alliance / Scrum.org Insights – guidelines on team composition and cost structures.
Forrester TEI Reports – industry benchmarks for software development costs.

Depending on the size of the issue, you're also looking at reworks across…

✓ **UX research:** Conducting new studies to uncover what went wrong, how to fix it, or identify what is the correct product, service, or feature to build.

✓ **Design iterations:** Redesigning flows, interfaces, and interactions to improve usability.

✓ **Development rework:** Engineering teams rebuilding or modifying features that didn't meet user needs.

✓ **Customer support adjustments:** Updating help documentation and retraining support teams on new workflows.

✓ **Marketing and communication:** Repositioning or reintroducing features to customers after fixing issues.

✓ **Change management:** Helping internal teams and stakeholders adapt to product updates or pivots.

It pays to get it right the first time.

Taking the extra time to run quality UX research saves significant time down the line, fixing the issues that proper research could have identified in the first place.

Ensure a **stronger** product-market fit

70%

of participants said low-quality UX research causes **missed business opportunities** due to flawed insights.

Building a bad product isn't the only consequence of poor UX, you could very well build the completely **wrong product.**

Potential customers may see that your competitor offers a much-needed feature that wasn't even on your team's radar.

Instead, you could spend time and resources on building a product or feature that is just a nice-to-have for a prospect.

For example…
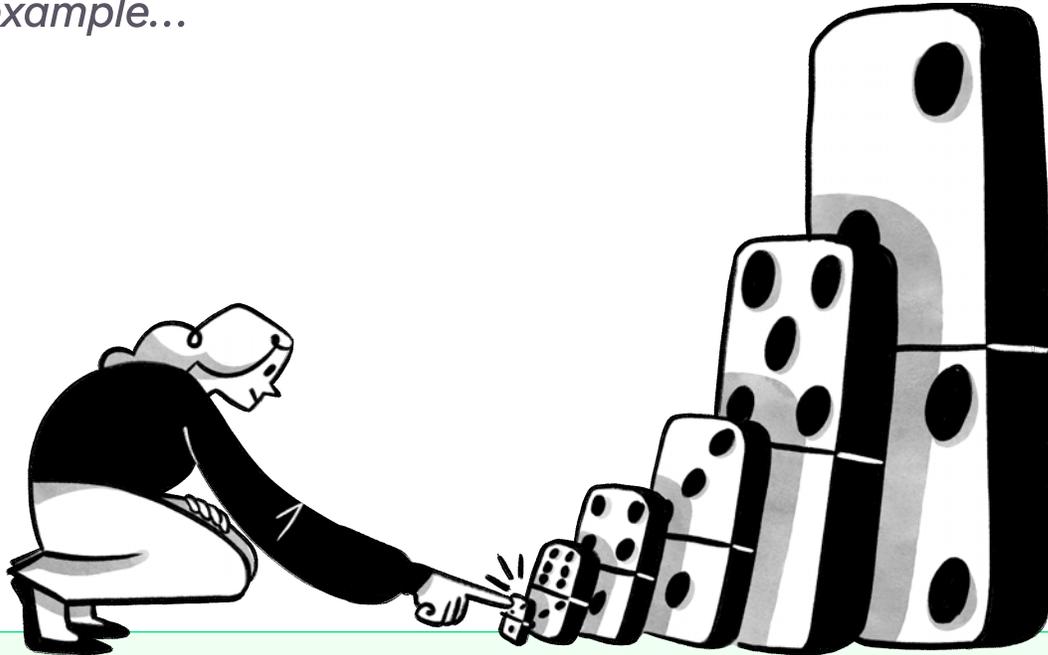
1% = $1M+

A 1% improvement in high-volume funnels (millions of monthly visitors) can easily yield $1M+ in additional revenue.

1 million visits/month × 1% new conversions
= 10,000 added conversions

At $100 AOV (average order value), that's
$1M in incremental revenue

Google Analytics E-commerce Benchmarks – average funnel performance.
Forrester or Bain Consulting Studies – Typical enterprise conversion lifts from user-centric redesigns.
Baymard Institute Research – E-commerce UX insights and average checkout funnel data.

Other ways that quality UX research can ensure a stronger product-market fit…

✓ **Identify unmet customer needs:** With in-depth research, uncover pain points and gaps in the market.

✓ **Reduce feature bloat:** Instead of adding unnecessary features, prioritize what actually drives adoption and retention.

✓ **Optimize pricing and packaging:** Understanding user behavior and value perception enables businesses to structure pricing and feature tiers more effectively.

✓ **Improve onboarding and activation:** A frictionless first-time user experience increases engagement and long-term retention.

✓ **Enhance differentiation from competitors:** Deep insights reveal where the competition falls short, allowing teams to design features that set their product apart.

✓ **Inform product positioning and messaging:** Research ensures marketing teams speak to real user needs, leading to higher conversion rates.

Quality UX research helps ensure that you're investing time and resources in offerings that can edge out the competition, address a gap in the market, and bring joy to your users.

Boost customer satisfaction and loyalty.

68%

of participants said low-quality UX research leads to lost revenue from user adoption and satisfaction.

Meeting user expectations is the bare minimum.

To hold onto customers, you must continue innovating and exceed their expectations.

Without continual innovation to keep up with evolving expectations, customers will churn.

The value of retention is exponential, but looking at one example of the cost of churn…

- **Consumer SaaS:** Users generate $30–$100 per month
- **B2B SaaS:** Seats generate $1K–$5K per month
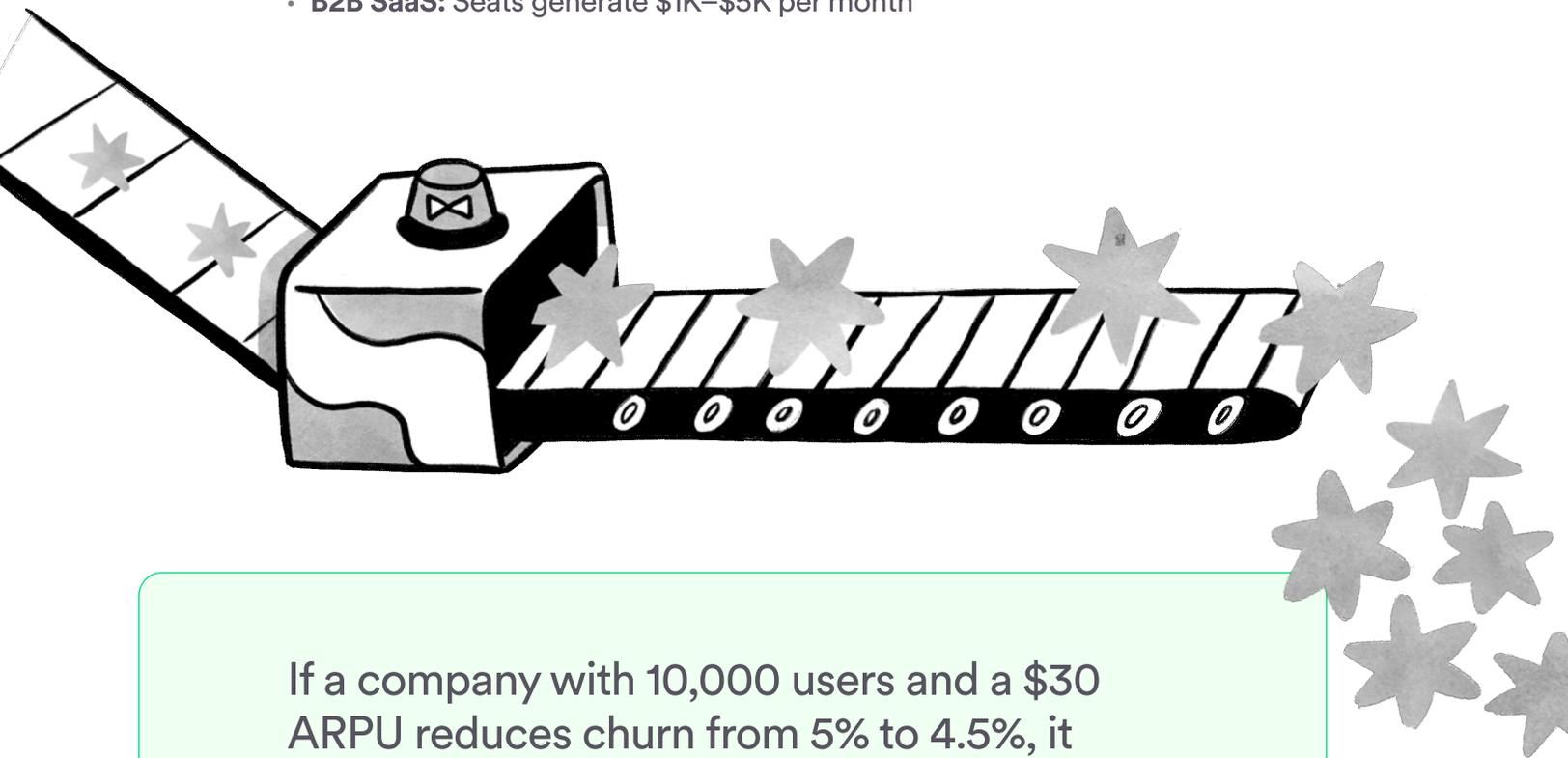
If a company with 10,000 users and a $30 ARPU reduces churn from 5% to 4.5%, it retains 50 more users per month, leading to:

- **$1,500** in additional monthly revenue
- **$18,000** in additional annual revenue

Google Analytics E-commerce Benchmarks – average funnel performance.
Forrester or Bain Consulting Studies – Typical enterprise conversion lifts from user-centric redesigns.
Baymard Institute Research – E-commerce UX insights and average checkout funnel data.

Churn cost is one example. Other ways that quality UX research can boost customer satisfaction and loyalty…

✓ **Boost retention and lifetime value (LTV):** When products are intuitive and meet core user needs, customers stay longer and generate more revenue over time.

✓ **Drive word-of-mouth growth:** Satisfied users become advocates, leading to higher organic referrals and a lower cost of acquisition (CAC).

✓ **Increase competitive advantage:** Companies that consistently listen to user feedback and refine their products stay ahead of competitors.

Investing in quality UX research not only helps you retain your customers, but also helps you upsell them and expand your market share.

The challenges *of* conducting **quality** research

The benefits of investing in high-quality UX research are clear.

So why are companies still using poor or misleading insights?

In the same People Nerds survey, we asked ~140 participants across research, design, and product to identify the biggest barriers to conducting high-quality UX research.

Constraints to planning and conducting high-quality UX research:

Category	Percentage
Limited time for research	66%
Difficulty recruiting the right participants	57%
Insufficient budget or resources	51%
Lack of stakeholder support or buy-in	35%
Limited understanding of UX research within organization	32%

Here is what they said...

1 Limited **time** *for* research

In fast-paced product environments, research often takes a backseat to tight deadlines and rapid iteration cycles. The pressure to deliver insights quickly can lead to compromised methodologies or misinterpreted data.

66%

of participants said **time was one of their biggest constraints** when conducting high-quality UX research.

When teams are pressured to deliver insights quickly, they may:

✓ **Rely on surface-level data** instead of deep, meaningful user understanding.

✓ **Skip key research steps,** leading to incomplete or biased findings.

✓ **Make assumptions** instead of validating with users, increasing the risk of misaligned product decisions.

While proper UX research requires an initial time investment the cost of using poor insights—and the time spent building and fixing flawed products—ends up being even greater.

2 # Finding and recruiting *the* right participants

Whether you've recruited five or 500 participants, if they're not the target audience, your insights are irrelevant. Even if you do find the right people, you may run into participants who are disengaged or even absent.

57%

of participants said that **finding the right participants was one of their biggest constraints** to conducting high-quality UX research.

To highlight a few recruitment obstacles…

✅ **Narrow or hard-to-reach audiences:** Some user groups—especially professionals in niche industries—are difficult to source.

✅ **Time-consuming screening processes:** Sometimes participants aren't who they say they are (or not even human!). Ensuring participants truly match the target audience requires careful vetting.

✅ **High drop-off rates:** Participants may cancel, no-show, or disengage, delaying research timelines.

✅ **Bias and unrepresentative samples:** If recruitment isn't handled carefully, studies may rely on convenience samples rather than diverse, accurate user perspectives.

Launching a study and finding engaged, diverse participants who match your target audience isn't easy—but it's key to generating insights that actually move your product in the right direction.

3 Insufficient budget or resources

Conducting high-quality research is an investment. There is a lot of research to be done across departments and phases of product development. Oftentimes, companies fail to allocate enough budget or resources to meet the demand.

51%

of participants said that **insufficient budget or resources** was one of their biggest constraints to conducting high-quality UX research.

A few ways that budget constraints impact research quality…

✓ **Limited access to research tools and platforms:** Without the right software for participant recruitment, data analysis, or usability testing, teams may rely on manual processes or incomplete insights.

✓ **Small sample sizes:** Budget limitations can force teams to have a smaller incentive pot and conduct research with fewer participants, leading to less representative findings and a higher risk of bias.

✓ **Fewer dedicated researchers:** Many teams operate with understaffed research functions, leading to overburdened teams and rushed insights.

✓ **Cheaper, inadequate methods:** When budgets are tight, teams may rely on cheaper but lower-quality methodologies (e.g., convenience sampling, quick polls) instead of in-depth, high-impact studies.

Without adequate resources, teams risk producing insights that are incomplete, unrepresentative, or rushed—leading to poor or unneeded products.

Investing in research isn't just a cost; it's a strategic move that ensures better decision-making, stronger user experiences, and ultimately, more successful products.

Companies that see the value *of* **quality** UX research

Leading, human-centered organizations invest in quality UX research.

To highlight a few...

CASE STUDIES

Researchers at Google DeepMind are pushing the boundaries of AI innovation and shaping the future of technology with groundbreaking discoveries.

"

Google researchers created some of the foundations of modern AI technology. Things like the Transformer, Google DeepMind—we have several historic breakthroughs in AI. One thing I think everybody agrees with is that right now, we have an abundance of uncertainty.

Now, the way I like to think of uncertainty is that it's another word for research questions, right? And the best people to solve research questions are people who specialize in research.

Ricardo Prada, Ph.D
Director and Principal UX Researcher

Google DeepMind

CASE STUDIES

Headspace leveraged a variety of research methods while building their first customer-facing GenAI tool. Research allowed them to build a safe, helpful tool for their users.

"99

Users are saying they feel validated and seen. They are calling out some of the humanistic abilities of Ebb. They say that it's kind, intelligent, and sometimes funny.

Some even said that they wished more people in their lives would be like Ebb. Overall we've gotten a lot of positive feedback so far.

[With upfront risks of GenAI] So far, we haven't seen any negative effects in subscriptions or even engagement/retention metrics since launch.

Priyanka Marawar
Design Lead

headspace®

CASE STUDIES

KEEN gets in-depth with their customers and injects customer insights across the entire organization.

Every team can do their work with a deep understanding of the user.

""

There's been a significant shift in how we talk about the fan (customer) and the importance of fan insights in the go-to-market process and in the brief writing process. We can get in-depth with fans (customers) and showing images of what's aspirational to them, their influencers, etc. that's all embedded into that.

All of our product briefs for kickoff tie back to the insights that we learned from our research.

Whether we're looking at our performance or lifestyle categories—it's all tied back to that. That's where I see the impact, our teams are really injecting that they're using it.

Aura Nelson
Director of Fan Insights

How to **invest** in high quality research

Great research doesn't happen by chance—it happens by design.

By prioritizing skilled teams, quality participants, and the right methodologies/tools, companies can ensure their research drives meaningful, user-centered products.

To properly invest in quality research…

Build a skilled research team

While other teams can conduct research, in-depth, robust studies should be done by the professionals. To ensure your entire company is on the right track, hire dedicated researchers and provide ongoing training.

In addition, encourage cross-functional collaboration between UX, product, and marketing teams to ensure the teams are aligned and building the right products/services.

Equip non-researchers with research skills

Research needs to be done across the entire design and product development process. It's critical to educate designers, PMs, and other teams on how to conduct effective studies.

Lean on UXRs to provide guidance on choosing the right methodologies and framing research questions, and encourage these teams to continue learning and evolving their research skillsets.

Recruit the right participants

Don't settle for a study filled with the wrong participants. Take the time to properly screen recruits, pull a diverse sample, and make sure that the insights you're collecting are from the people you actually need to hear from.

During the project, offer a positive research experience to encourage authentic responses and start building a panel of quality participants.

Choose the right research tools

Provide the research tools that your team needs to succeed. Invest in end-to-end platforms that streamline recruiting, analysis, and reporting.

Make sure the tools you select support a variety of research methodologies for both evaluative and exploratory studies so your team can run a range of studies before and after product launch.

Partner with Dscout *for* **better** UX research

Enable your entire organization to run high-quality research every time.

We ran a separate study with ~150 Dscout customers to learn how our platform has enabled their team to run in-depth studies, recruit quality participants, save time, and save money by investing in fewer tools.

Dscout helps teams...

Recruit high-quality participants *for* more reliable insights

+60%

Over 60% of Dscout customers said **they saw higher-quality participants/ responses** and had more control over participant selection.

By recruiting with Dscout, customers…

☑ **Leverage our Scout panel:** Recruit from our panel of over 100,000 Scouts (Dscout vetted participants).

☑ **Work with engaged participants:** Experience fewer no-shows, see higher completion rates, and capture more expressive responses from participants.

☑ **Bring participants:** Invite external participants into the platform and manage your own panels for any recurring research or long-term studies.

❝❞

As you can imagine, just getting nurses and doctors is difficult, but then narrowing that down to people who travel is a very niche population.

To our surprise, there are travel healthcare providers on Dscout, but Dscout's also been great at helping us bring our own participants.

Christine Maldonado, Ph.D
Lead UX Researcher

Aya Healthcare

Conduct end-to-end research efficiently, *from* planning to analysis

+60%

Over 60% of Dscout customers said **they'd need 2-3 tools to replicate the same work.**

Dscout allows customers to…

✓ **Streamline the entire research workflow in one platform:** From participant recruitment and study design to data collection, synthesis, and reporting, Dscout eliminates the need to juggle multiple tools, saving time and effort.

✓ **Capture rich, in-context insights with flexible methodologies:** Whether it's diary studies, live interviews, or quick surveys, Dscout enables you to gather qualitative and quantitative data efficiently, ensuring a deeper understanding of user behaviors and attitudes.

✓ **Analyze and share findings faster with built-in tools:** Features like automatic transcription, sentiment analysis, and highlight reels make it easy to uncover key insights and create compelling reports—all within the same platform.

"

Dscout has given us the platform to drive more effective ways of working, from easily engaging with customers to capturing powerful and emotive feedback through video. Which is incredibly powerful for building empathy, trust, and open positive discussion on how to improve our designs.

Ashton Snook
Head of Design and Research | **vodafone**

Scale research across teams while maintaining **high standards**

+70%

Over 70% of customers were **extremely or very confident** Dscout could support them as they scale.

Dscout evolves with our customers by offering…

✅ **Adaptable solutions for growing teams and projects:** Whether you're a small research team or a large enterprise, Dscout scales with your needs. Flexible plans, participant management, and study options ensure that as your research expands, your tools keep pace.

✅ **Seamless collaboration across teams and stakeholders:** With built-in tagging, shared workspaces, and intuitive reporting features, Dscout makes it easy to involve cross-functional teams, ensuring insights are accessible and actionable at every stage of growth.

✅ **Continuous innovation to meet growing research needs:** Dscout regularly enhances its platform with new features, integrations, and methodologies, empowering teams to stay ahead of industry trends and conduct impactful research at scale.

"

As our UX practice (specifically in qualitative research) continued to grow, and that maturity model scaled, we needed a true partnership rather than just a tool.

Breanne Abo
Senior Manager of Research

Discovery
EDUCATION™

Ready to invest in **high-quality** research?

Learn how Dscout can help you efficiently build the right products.

Schedule a meeting with our team to see our platform in action.

Schedule Now