Executive Summary

UX Research Fall 2023
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([Link to website](#))

Product Diversification (Project 1)

Problem Statement:
To stay competitive in a crowded coffee market near ASU Tempe Campus, Steamy Brew Haven wants to expand offerings to include alcoholic beverages and extended hours.

Methods:
We assessed the market for alcoholic beverages, the cost and profit from expanding shop hours and scoped out the market saturation of alcohol-serving coffee shops in the region. Namely, we conducted:
- Customer and Employee Survey
- Competitor Analysis
- Alcohol Supplier Research

Findings:
1. Alcohol offers more profit per unit sold.
   - Alcohol offers a higher markup than coffee (>80%), with between 350-400% mark-up for beer and 300% for wine.
2. Expanded hours on selected days introduce more opportunity than risk.
   - 38% of surveyed customers indicate preferences for late-day study and socializing, with 75.5% expressing heightened likelihood of visiting during extended hours.
   - Suggested expanded hours arrived at from competitor analysis and insights from the customer survey.
3. Net positive ROI for expanded hours and alcohol beverages.
   - Estimated average profit per unit sold is $5.1 for beer and $6.5 for wine.
   - Initial costs include liquor license and training ($900) and labor costs for two additional employees at $13.85 an hour, with a recurring annual expense of $500 to renew liquor license.
   - Projected ROI is $3,000 a week, $158,600 annualized.

Conclusions:
Extended hours and inclusion of alcoholic beverage offerings offers high potential for growth and a net positive ROI given current market conditions and customer attitudes.

Website Conversion (Project 2)

Problem Statement:
Luminique Obsidian, an online jewelry store is facing a challenge as a significant number of customers add items to their shopping carts without completing purchases, prompting concerns about the overall conversion rate and potential revenue loss.

Methods:
We investigated individual motivations and uncovered customer pain points to create an optimized product selection and user experience with the online shop. To do so we
- Conducted one-on-one user interviews.
- Built three distinct personas representing customers.
- Created a wireframe of an optimized user interface.

Findings:
- Interview:
  - Customers prefer shorter browsing sessions and are interested in a spectrum of price points with versatility of the piece, trendiness, affordability and reviews informing purchases.
  - Customers like to be able to shortlist items to consider for future purchases.
  - Customers cited purchase process complexity, mobile site navigation issues, pricing concerns, and requested virtual try-ons and jewelry images on models.
- Wireframe:
  - Introduce a heart feature to allow users to "wishlist" items.
  - Keep search, heart, and cart features on the top right of the page.
  - Add new categories to the webpage for quicker item searches.
  - Include a sort and filter option on each product-type subpage.
  - For each product page include:
    - Payment in installments
    - Additional information (care for jewelry, story behind the jewelry)
    - Stylizing inspiration (as seen on instagram, stylizing video)
    - Feedback (filters, sort, photo-only)
  - Streamlined checkout (auto populate for returning customers, transparency in est. shipping and taxes).
- Personas:

Conclusions:
Conducting user interviews to address customer motivations and pain points and implementing a redesigned user interface, Luminique Obsidian can enhance the overall shopping experience and ultimately increase revenue.

Voice of the Customer (Project 3)

Problem Statement:
Rad Cosmetics is an online make-up store that offers a monthly membership, and is currently dealing with increased membership churn over the past three months that could be due to either customer dissatisfaction with membership cost and services or external factors such as inflation.

Methods:
- Survey Design
- A/B Testing
- Hypothesis Testing

Expected Insights:
- Survey:
    - Inform possible changes to membership types (e.g. discount on annual membership).
    - Determine if adjustments need to be made to products and services to improve customer satisfaction.
    - Understand makeup habits to tailor product and service offerings as well as marketing strategies.
    - Consider the impact of adjusting pricing of membership, products and services on membership churn.
    - Learn identity based experiences with services to ensure products are diverse & inclusive across the factors listed above.
- A/B Test:
    - **Proposal:**
        - Implement a tiered membership plan (basic and premium) so members can choose between different rates, services and products.
    - **Method:**
        - Comparison of membership retention rates and numbers of new membership enrollments between quarter before and quarter after implementing tiered membership
    - **Hypotheses:**
        - H1: Membership retention rates improve after implementing tiered membership
            - Planned test: test of independence
        - H2: Number of new member enrollments increase after implementing tiered membership
            - Planned test: independent t-test
    - Additional tests:
        - Impact on revenue (independent t-test)
        - Enrollment numbers between basic and premium tiers (chi-square test)

Conclusions:
Conducting a survey on existing, past and future members along with A/B tests, we expect to uncover the cause of membership churn at Rad Cosmetics and thereby increase revenue.