

Small Business

AnswerLab asks the tough questions

Founders Dan Clifford and Amy Buckner try to keep up with new web site technology. "We often work with demanding clients who often push the envelope," says Clifford.



Web site research company digs into user experience

BY ELIZABETH RAUBER
San Francisco Business Times

Despite the recession, AnswerLab is building its business.

The San Francisco-based research firm, which focuses on user experience for web sites, software and mobile applications, has added four employees in the last year, boosting its total to 14.

The firm more than doubled revenue to \$2.5 million in 2008 from \$1.2 million in 2006.

Founded in 2004 by Amy Buckner and Dan Clifford, AnswerLab specializes in conducting research to understand user segments and needs, improve user experience and assess a product's online success. Its methods range

SNAPSHOT: AnswerLab

Location: San Francisco.
What it does: Conducts user research to improve web sites, software and mobile applications.
Founders: Dan Clifford and Amy Buckner.
2008 revenue: \$2.5 million.
2007 revenue: \$1.6 million.
2006 revenue: \$1.2 million.
Founded: 2004.
Employees: 14.
Web site: www.answerlab.com

from one-on-one interviews and observation studies to online surveys that track answers as well as page views.

Part of the secret is seeing the site through the users' eyes: Clifford said that engineers sometimes find it difficult to believe that a company interface is difficult to use.

Clients include General Motors, Wells Fargo and PayPal.

Working as a small firm with big clients can be tough. "We often work with demanding clients who often push the envelope in terms of providing the latest and greatest (technology)," said Clifford. "We are stretched to adapt quickly and sometimes switch research methods partway through."

AnswerLab has adapted to use different research methods in its work, an asset given that sometimes the company only sees a product it's evaluating the day before the study begins.

Buckner and Clifford founded the company after working together between 2001 and 2004 at Vividence, a software company that helped companies assess user experiences. Clifford said he and Buckner came up with the idea for AnswerLab after they "saw rapid growth in web and mobile usage, (which) drove the need to understand and better connect with users."

Starting the company was risky, he said, since "we were (only) two people where there are multimillion-dollar market research companies, so there is always a risk that companies aren't as interested in working with small firms." But the risk paid off, he added, saying AnswerLab's clients "really value the focus we have that is solely on user experience."

One such client is General Motors. Although the automotive company's bankruptcy was hard on AnswerLab, GM has now resumed its significant business with the research firm. AnswerLab was able to weather the fallout from its large client's bankruptcy by diversifying its client base in the lead-up to the recession.

While most research companies only report data, without providing any actionable suggestions, Clifford said, AnswerLab's services allow companies to make better business decisions.

One client that has benefited from AnswerLab's efficient research and data analysis is PayPal, the online payment company that processes around \$2,000 per second. Kuldeep Kelkar, PayPal's senior manager for user experience research, said that his customer experience team handles most research in the three on-campus labs and in customer's homes.

"From time to time, we need to augment (our) team, and so we've been working with AnswerLab for about two years," Kelkar said, "I love working with the folks at AnswerLab, they are very fast and up to speed, we don't have to explain things. It's much faster than outsourcing to (another) vendor."

The small firm expects to continue to grow over the next few years.

"We intend to grow in a few areas — mobile applications usages, building service and exploring new research technologies to better understand users' experience with mobile applications. And, we're doing more international research in both traditional and emerging markets, including Japan, France, Brazil, Indonesia and India," said Clifford.

Clifford and Buckner aim for moderated growth to maintain quality. The company has been able to hire people in the last year in part because many of AnswerLab's competitors have been laying staff off, but normally, finding quality staff who do great research is a major growth constraint, according to Clifford.