

A Forrester Total Economic Impact™ Study  
Commissioned By Salesforce  
September 2017

# The Total Economic Impact™ Of Salesforce Email Studio

Cost Savings And Business Benefits Enabled By  
The Salesforce Email Studio For Marketing  
Cloud

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September 2017

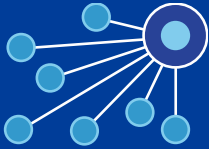
## ABOUT FORRESTER CONSULTING

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# Executive Summary

## Key Benefits



Increased incremental revenue due to improving average order value:

**\$2.0 million**



Increase in incremental revenue from improved email conversion rate:

**\$761,000**



“Without a doubt, we would have to hire and dedicate a lot more marketing, IT, and creative resources to match the power of Salesforce Email Studio. The data integration and automation capabilities have helped us quickly get more value from our email marketing channel.”

— *Director of CRM, home services company*

Salesforce Email Studio, an email marketing solution offered as part of the Salesforce Marketing Cloud, allows organizations to easily create, manage, and deliver personalized emails at scale to their prospects and customers. Salesforce Email Studio includes advanced email tactics that leverage predictive intelligence, out-of-the-box creative templates, and segmentation features to help marketers improve the impact and value of each email. Salesforce commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Salesforce Email Studio. The purpose of this study is to provide readers with a framework to evaluate the potential impact of Salesforce Email Studio on their organizations.

Salesforce Email Studio provides marketers with drag-and-drop tools to filter lists and target customers, automation tools to preschedule email drops based on customer life cycles, and reporting tools to develop customized reporting and dashboards. The intuitive, easy-to-use platform that can easily integrate with other Salesforce Clouds helps organizations deliver dynamic and relevant messages and offers to their customers that lead to higher customer engagement and action. Interviewed organizations realized improved email conversion rates, increased average order value, and higher marketing productivity from their investments in Salesforce Email Studio.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four customers with multiple years of experience using Salesforce Email Studio. To reflect the total economic impact that Salesforce Email Studio could have on an organization, Forrester developed a composite organization based on benefits and cost data gathered from the customer interviews. The composite organization is representative of the companies that Forrester interviewed and is used to present the aggregate financial analysis in this study.

## Key Findings

**Quantified benefits.** The following risk-adjusted quantified benefits are representative of those experienced by the organizations interviewed and reflect the financial analysis associated with the composite organization. All values are reported in three-year present value (PV):

- › **A 5% increase in average order value (AOV), resulting in increased incremental revenue of \$2.0 million.** Customers interviewed for this study noted an increase in the AOV per email conversion driven by having the ability to target customers through personalized dynamic messaging across their customer journey. This includes onboarding new customers, cross-selling and upselling customers, and connecting with customers who may have abandoned their shopping carts.
- › **A 50% improvement in email conversion rate, resulting in increased incremental revenue of over \$761,000.** In addition to increasing AOV, the Salesforce Email Studio helped customers drive an increase in their email conversion rate by deploying targeted campaigns, improving the timing of marketing efforts, delivering customized content, and being viewed as more relevant in the customers' eyes overall.



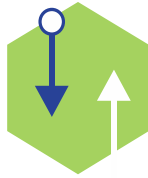
**ROI**  
**221%**



**Benefits PV**  
**\$3.9 million**



**NPV**  
**\$2.7 million**



**Payback**  
**< 1 year**



**40% productivity improvement related to email marketing tasks**

“Salesforce is the industry. They constantly introduce innovative features and help provide our marketers with the necessary tools to successfully engage with all of our customers.”

Email manager,  
health/wellness



› **A 40% improvement in resource productivity across marketing, creative, IT, and engineering full-time equivalents (FTEs).**

Interviewed customers also noted that automation and segmentation tools, integration of customer data, and reporting capabilities drove efficiencies and productivity gains for internal resources responsible for developing, tracking, and managing email marketing campaigns.

**Unquantified benefits.** The interviewed organizations experienced additional benefits that were not quantified for this study due to lack of data. However, tracking the appropriate metrics would allow quantification of these additional benefits:

- › Improved ability to leverage analytics to discover new opportunities and innovate faster.
- › Ability to leverage predictive content to deliver stronger and value-added messaging to customers.
- › Shortened length of developing and launching campaigns and offers.
- › Ability to effortlessly optimize emails across any device and channel for consistent customer experience
- › Ability to conduct A/B testing easily to test out messaging and offers to optimize email campaigns and manage through detailed performance reporting.
- › Improved reporting functions and dashboards that make insights available for faster business decisions.
- › Reduced errors due to sending out emails without proper approvals with sophisticated policies.

**Costs.** The following risk-adjusted costs are representative of those experienced by the companies interviewed and reflect the financial analysis associated with the composite organization. All values are reported in three-year PV:

- › **License fees, totaling approximately \$959,000.** This includes the initial setup costs and the annually recurring license fees for using the Salesforce Email Studio.
- › **Ongoing costs, totaling approximately \$240,000.** The ongoing costs were modeled as two incremental internal staff spending 30% of their time to support Salesforce Email Studio. In addition, on an ongoing basis the composite organization allocates training dollars for its marketing teams to learn new email features and functionalities provided by Salesforce Email Studio such as Content Builder and Journey Mapping.

Forrester’s interviews with four existing customers and subsequent financial analysis found that an organization based on these interviewed organizations experienced benefits of \$3.9 million over three years versus costs of \$1.2 million, adding up to a net present value (NPV) of about \$2.7 million and an ROI of 221%.

The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

## TEI Framework And Methodology

From the information provided in the interviews, Forrester has constructed a Total Economic Impact™ (TEI) framework for those organizations considering implementing Salesforce Email Studio.

The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that Salesforce Email Studio can have on an organization:



### **DUE DILIGENCE**

Interviewed Salesforce Email Studio stakeholders and Forrester analysts to gather data relative to Salesforce Email Studio.



### **CUSTOMER INTERVIEWS**

Interviewed four organizations using Salesforce Email Studio to obtain data with respect to costs, benefits, and risks.



### **COMPOSITE ORGANIZATION**

Designed a composite organization based on characteristics of the interviewed organizations.



### **FINANCIAL MODEL FRAMEWORK**

Constructed a financial model representative of the interviews using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewed organizations.



### **CASE STUDY**

Employed four fundamental elements of TEI in modeling Salesforce Email Studio's impact: benefits, costs, flexibility, and risks. Given the increasing sophistication that enterprises have regarding ROI analyses related to IT investments, Forrester's TEI methodology serves to provide a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

## DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Salesforce and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.

Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in Salesforce Email Studio.

Salesforce reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning of the study.

Salesforce Email Studio provided the client names for the interviews but did not participate in the interviews.

# The Salesforce Email Studio Customer Journey

## BEFORE AND AFTER THE SALESFORCE EMAIL STUDIO INVESTMENT

### Interviewed Organizations

For this study, Forrester interviewed four customers using Salesforce Email Studio. Interviewed customers include the following:

Industry	Headquarters	Annual Revenue	Annual Emails to Customers/Prospects	Email Marketing and Technical Resources
Education services	United States	\$100 million	85 million	12
Home services	United States	\$400 million	100 million	15
Retail	United States	\$75 million	75 million	10
Health/wellness	United States	N/A	120 million	7

### Composite Organization

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an associated ROI analysis that illustrates the areas financially affected. The composite organization is representative of the four companies that Forrester interviewed and is used to present the aggregate financial analysis in the next section. The composite organization that Forrester synthesized from interviews has the following characteristics:

**Description of composite.** The composite organization is an international organization based in North America with \$100 million in annual revenue. The organization on average sends 8 million emails per month across multiple countries totaling approximately 96 million emails a year. Prior to implementing Salesforce Email Studio, the composite organization utilized traditional email systems to deploy and manage email campaigns. The composite organization has an average order value (AOV) of \$100 from each conversion and was looking for a more efficient way to drive business value from its email campaigns.

**Deployment characteristics.** Within one month, the composite organization implemented Salesforce Email Studio into its environment with minimal internal support requirements. The composite organization hired an external services firm to help with integration, and, before go-live, Salesforce trained the entire marketing team on the Email Studio platform.



#### Key assumptions

\$100 million in revenue

8 million emails sent per month

96 million emails sent per year

\$100 AOV of email conversion

## Key Challenges

Prior to its investment in Salesforce Email Studio, the composite organization had a traditional email provider and faced the following challenges:

- › Minimal tools for segmentation and personalization.
- › Increased burden on internal technical resources to write structured query language (SQL) queries to determine target email lists.
- › Inefficient and reduced visibility into email performance metrics to inform business decisions.
- › High degree of manual workflow and coordination between internal marketing, creative, and technical teams to deploy email marketing campaigns.
- › Inefficient and partial data exchange between systems to understand customer profiles and customer journey.
- › Lack of automation tools to trigger email campaigns based on customer life cycles.

## Solution Requirements

The composite organization searched for an email marketing solution that could:

- › Create dynamic content and segmentation lists using data pulled from multiple sources.
- › Drive personalization and improve customer engagement with scale across customer segments and geographic markets.
- › Analyze customer context and segmentation in real time to ensure targeted and relevant communications.
- › Apply predictive recommendations to optimize content and personalization.
- › Provide a user-friendly user interface (UI) that marketers could easily adopt and use to deploy email campaigns.
- › Improve marketing team productivity by providing tools to actively manage multiple campaigns to align with business objectives.
- › Increase visibility and reporting capabilities to more effectively track and optimize email campaigns.

## Key Results

Key quantified results from the Salesforce Email Studio investment for the composite organization include:

- › Increased incremental revenue due to an increased AOV.
- › Increased incremental revenue from an improved email conversion rate.
- › Improved productivity of internal resources across marketing, creative, engineering, and IT to support development and deployment of email campaigns.

“I have very specific monthly sales metrics that I need to meet, and we have a database of 9 million subscribers. We needed an email tool that could handle our size and be able to scale with our company.”

Email manager, health/wellness



“The Salesforce Email Studio is very easy to use and provides us with the flexibility and sophistication needed to engage and deliver value to our customers. We can now easily incorporate customer data and behavior to help us better target and connect with millions of our customers without putting a burden on our systems and resources.”

CRM manager, education services company



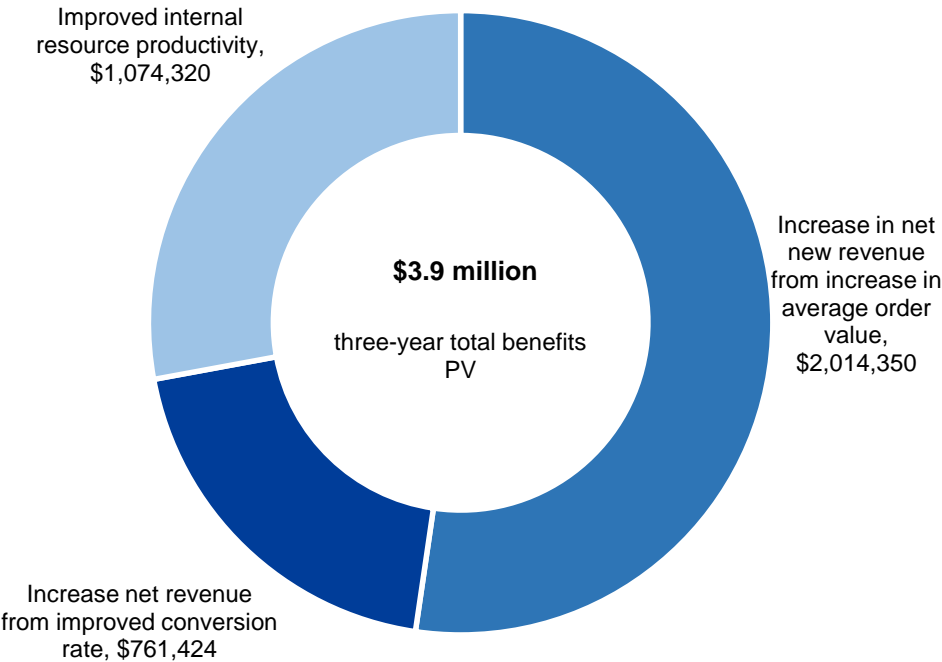
# Financial Analysis

## QUANTIFIED BENEFIT AND COST DATA AS APPLIED TO THE COMPOSITE

### Total Benefits

REF.	BENEFIT	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Atr	Increase in incremental revenue due to increase in AOV	\$810,000	\$810,000	\$810,000	\$2,430,000	\$2,014,350
Btr	Increase in incremental revenue from improved email conversion rate	\$306,180	\$306,180	\$306,180	\$918,540	\$761,424
Ctr	Improved email marketing team productivity	\$432,000	\$432,000	\$432,000	\$1,296,000	\$1,074,320
<b>Total benefits (risk-adjusted)</b>		<b>\$1,548,180</b>	<b>\$1,548,180</b>	<b>\$1,548,180</b>	<b>\$4,644,540</b>	<b>\$3,850,095</b>

The table above shows the total of all benefits across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total benefits to have a PV of approximately \$3.9 million





## Increase In Incremental Revenue Due To Increase In AOV

The interviewed organizations revealed that one of the goals in implementing Salesforce Email Studio was to be able to create dynamic customer profiles and segments using data pulled from multiple sources to deliver personalized emails at scale. For the composite organization, Salesforce Email Studio helped develop customer journeys and a consolidated single view of its customers to more efficiently drive success of its email campaigns.

Customers interviewed for this study noted that an increase in personalization and effectively targeting the right customers with the right message at the right time resulted in an increase in the AOV per email conversion from their investment in the Salesforce Email Studio. The AOV gains were mainly driven by improved personalization, automation, and the ability to send emails out at scale.

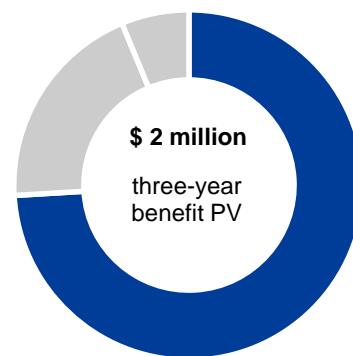
For the composite organization, Forrester assumes:

- › The average number of monthly orders is 20,000.
- › There was a 5% increase in AOV after implementing Salesforce Email Studio.
- › AOV prior to Salesforce Email Studio was \$150/email conversion.
- › Gross margin percentage of 50% is applied to the incremental increase in AOV.

The increase in incremental revenue and AOV can be influenced by:

- › Variability in the number of annual orders.
- › Variability in the base AOV prior to implementing the Salesforce Email Studio.

To account for this, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of approximately \$2 million.



Increase in incremental revenue due to increase in AOV:  
**52% of total benefits**

## Increase In Incremental Revenue Due To Increase In AOV: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
A1	Average monthly email orders	Customer interviews	20,000	20,000	20,000
A2	Number of months	Customer interviews	12	12	12
A3	Average order value — prior to Salesforce Email Studio	Customer interviews	\$150	\$150	\$150
A4	Percentage improvement in average order value — after Salesforce Email Studio	Customer interviews	5%	5%	5%
A5	Incremental gross margin	Customer interviews	50%	50%	50%
At	Increase in incremental revenue due to increase in AOV (risk-adjusted)	$A1 \cdot A2 \cdot A3 \cdot A4 \cdot A5$	\$900,000	\$900,000	\$900,000
	Risk adjustment	↓10%			
<b>Atr</b>	<b>Increase in incremental revenue due to increase in AOV (risk-adjusted)</b>		<b>\$810,000</b>	<b>\$810,000</b>	<b>\$810,000</b>

## Increase In Incremental Revenue From Improved Email Conversion Rate

In addition to increasing AOV, Salesforce Email Studio helped interviewed organizations drive an increase in their email conversion rate by deploying targeted campaigns, improving the timing of marketing efforts, delivering customized content, and being viewed as more relevant in the customers' eyes overall. These improvements resulted in additional incremental revenue.

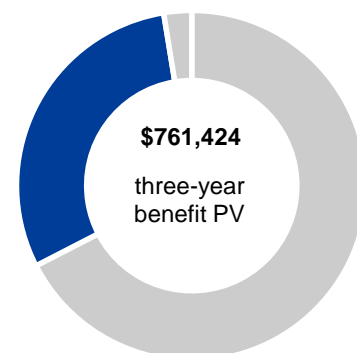
For the composite organization, Forrester assumes:

- › Ninety-six million emails are sent on an annual basis.
- › There was a 15% open rate for emails prior to the Salesforce Email Studio.
- › Of those opened emails, there was a 3% click-through rate prior to Salesforce Email Studio.
- › Of those click throughs, there was a 2% conversion rate prior to Salesforce Email Studio.
- › The email success rate had an overall improvement of 50%.

Increase in incremental revenue due to improved email conversion rate can be influenced by:

- › Variability in annual emails sent as part of marketing campaigns.
- › Variability in email conversion rate improvement.

To account for this, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of \$761,424.



Increase in incremental revenue from improved email conversion rate:  
**20% of total benefits**

## Increase In Incremental Revenue From Improved Email Conversion Rate: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
B1	Number of monthly emails sent	Customer interviews	8,000,000	8,000,000	8,000,000
B2	Number of months	Customer interviews	12	12	12
B3	Number of yearly emails	B1*B2	96,000,000	96,000,000	96,000,000
B4	Open rate — prior to Salesforce Email Studio	Customer interviews	15%	15%	15%
B5	Click-through rate — prior to Salesforce Email Studio	Customer interviews	3%	3%	3%
B6	Conversion rate — prior to Salesforce Email Studio	Customer interviews	2%	2%	2%
B7	Average order value — after Salesforce Email Studio	Customer interviews	\$157.50	\$157.50	\$157.50
B8	Improvement in email conversion rates	Customer interviews	50%	50%	50%
B9	Gross margin	Customer interviews	50%	50%	50%
Bt	Increase in incremental revenue from improved email conversion rate	$B3*B4*B5*B6*B7*B8*B9$	\$340,200	\$340,200	\$340,200
	Risk adjustment	↓10%			
<b>Btr</b>	<b>Increase in incremental revenue from improved email conversion rates (risk-adjusted)</b>		<b>\$306,180</b>	<b>\$306,180</b>	<b>\$306,180</b>

## Improved Email Marketing Team Productivity

Interviewed organizations also noted that a key benefit of the Salesforce Email Studio is the productivity gains across marketing, creative, IT, and engineering teams required to develop and deploy email campaigns. Prior to Salesforce Email Studio, there were no available creative templates, and the process required many iterations of work between marketing and creative resources to develop an email template.

Additionally, engineering resources would work to help pull in customer data across multiple systems, and IT resources would be tasked with writing many SQL queries and scripts to develop and test campaign lists. With Salesforce Email Studio, many of these features and tasks are built into the tool, allowing for these resources to scale and manage more campaigns. In addition, the organization can now automate many email campaigns as a result of Salesforce Email Studio, allowing organizations to quickly engage with customers based on their life cycle.

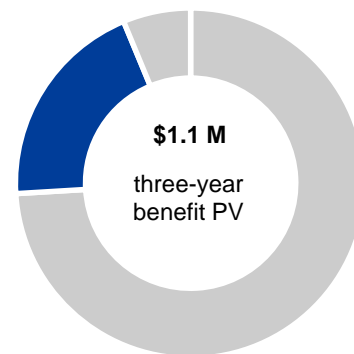
For the composite organization, Forrester assumes:

- › Fifteen FTEs across marketing, creative, IT, and engineering teams are responsible for managing email campaigns.
- › Annual full-time burden rate of each FTE averages \$60,000/year.
- › There was a 40% improvement in productivity from using the Salesforce Email Studio.

Cost savings due to system consolidation can be influenced by:

- › Variability in existing email solutions prior to implementing the Salesforce Email Studio.
- › Variability in productivity gains getting translated into bottom-line savings for an organization.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of approximately \$1.1 million.



Improved email marketing team productivity: **28%** of total benefits

### Improved Email Marketing Team Productivity: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
C1	Number of email/CRM marketing FTEs (marketing, creative, IT, and engineering)	Customer interviews	15	15	15
C2	Average annual burden per FTE	Customer interviews	\$80,000	\$80,000	\$80,000
C3	Productivity increase of FTE due to automation, templates, and integration capabilities of Salesforce Email Studio	Customer interviews	40%	40%	40%
Ct	Improved email marketing team productivity	C1*C2*C3	\$480,000	\$480,000	\$480,000
	Risk adjustment	↓10%			
<b>Ctr</b>	<b>Improved email marketing team productivity (risk-adjusted)</b>		<b>\$432,000</b>	<b>\$432,000</b>	<b>\$432,000</b>

## Unquantified Benefits

Customers cited many unquantified benefits of the Salesforce Email Studio, including:

- › Shortened length of developing and launching campaigns and offers.
- › Improved ability to leverage analytics to discover new opportunities and innovate faster.
- › Ability to leverage predictive content to deliver stronger and value-added messaging to customers.
- › Ability to effortlessly optimize emails across any device and channel for consistent customer experience
- › Ability to conduct A/B testing easily to test out messaging and offers to optimize email campaigns and manage through detailed performance reporting.

- › Improved reporting functions and dashboards that make insights available for faster business decisions.
- › Reduced errors due to sending out emails without proper approvals with sophisticated policies.

## Flexibility

The value of flexibility is clearly unique to each client, and the measure of its value varies from organization to organization. There are multiple scenarios in which a client might choose to implement Salesforce Email Studio and later realize additional uses and business opportunities. In the study, interviewed organizations realized many benefits from the integration of Salesforce Email Studio that were not quantified. In addition, organizations can realize benefits from:

**The integration with other Salesforce Clouds.** Customers interviewed for this study were already using or planning to use other Salesforce Clouds for marketing and sales purposes. Those that add this product to their suite of Salesforce Clouds benefit from the integrations with Salesforce and can pull in data across to develop stronger customer profiles.

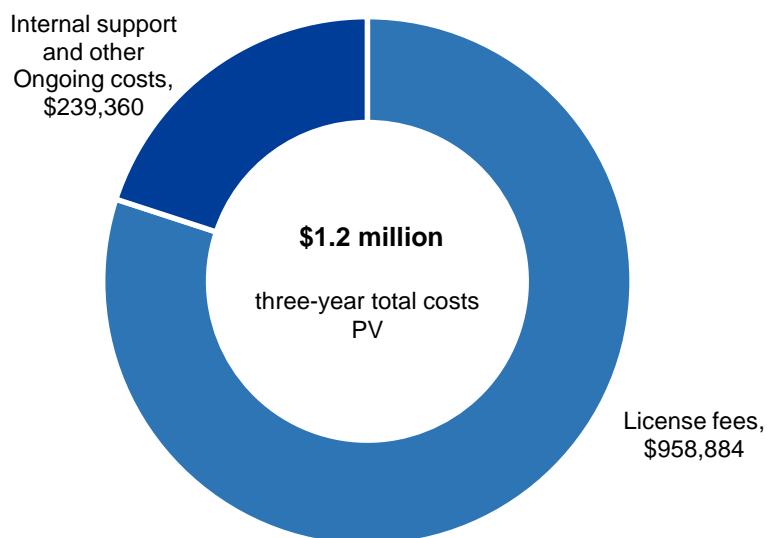
Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in Appendix A).

Flexibility, as defined by TEI, represents an investment in additional capacity or capability that could be turned into business benefit for a future additional investment. This provides an organization with the "right" or the ability to engage in future initiatives but not the obligation to do so.

## Total Costs

REF.	COST	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Dtr	License fees	\$275,000	\$275,000	\$275,000	\$275,000	\$1,100,000	\$958,884
Etr	Internal support and other ongoing costs	\$0	\$96,250	\$96,250	\$96,250	\$288,750	\$239,360
	<b>Total costs (risk-adjusted)</b>	<b>\$275,000</b>	<b>\$371,250</b>	<b>\$371,250</b>	<b>\$371,250</b>	<b>\$1,388,750</b>	<b>\$1,198,244</b>

The table above shows the total of all costs across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total costs to have a PV of approximately \$1.2 million.



## License Fees

The license fees for the composite organization are based on the number of annual emails the composite organization sends.

The license cost also includes the initial setup and integration costs, as well as internal training provided to the composite organization's email marketing team. The entire implementation of Salesforce Email Studio was completed in one month.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of \$958,884.

## License Fees: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
D1	Initial setup fee for Salesforce Email Studio	Customer interviews	\$250,000	\$0	\$0	\$0
D2	Annual license fee for Salesforce Email Studio	Customer interviews		\$250,000	\$250,000	\$250,000
Dt	License fees	D1+D2	\$250,000	\$250,000	\$250,000	\$250,000
	Risk adjustment	↑10%				
<b>Dtr</b>	<b>License fees (risk-adjusted)</b>		<b>\$275,000</b>	<b>\$275,000</b>	<b>\$275,000</b>	<b>\$275,000</b>

## Internal Support And Other Ongoing Costs

Interviewed organizations identified several ongoing costs associated with the use of Salesforce Email Studio solutions. For the composite organization, these ongoing costs were modeled as:

- › Two internal FTEs spending 30% of their time to support Salesforce Email Studio.
- › Ten percent of annual license costs spent on training to learn new Salesforce Email Studio features such as Content Builder and Journey Mapping.

These costs may vary due to the scope required for Salesforce Email Studio support and maintenance for other organizations and their specific implementation.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted total PV of \$239,360.



**2 FTEs**  
spend 30% of their time  
on ongoing management  
of Salesforce Email Studio

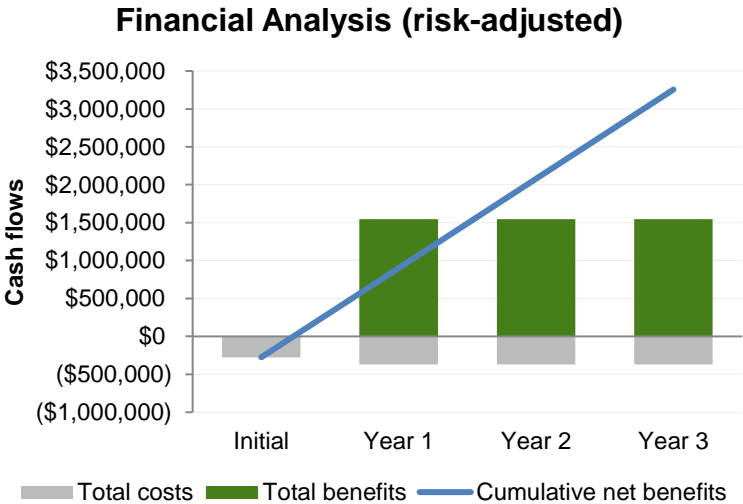
## Internal Support And Other Ongoing Costs: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
E1	Number of internal FTEs required to support	Customer interviews		2	2	2
E2	Average annual salary	Customer interviews		\$100,000	\$100,000	\$100,000
E3	Percentage of time supporting Salesforce Email Studio	Customer interviews		30%	30%	30%
E4	Training costs (Content Builder, Journey Mapping, etc.)	10% of annual license cost		\$27,500	\$27,500	\$27,500
Et	Internal support and other ongoing costs	$(E1 * E2 * E3) + E4$	\$0	\$87,500	\$87,500	\$87,500
	Risk adjustment	↑10%				
<b>Etr</b>	<b>Internal support and other ongoing costs (risk-adjusted)</b>		<b>\$0</b>	<b>\$96,250</b>	<b>\$96,250</b>	<b>\$96,250</b>

# Financial Summary

## CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

### Cash Flow Chart (Risk-Adjusted)



The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.



These risk-adjusted ROI, NPV, and payback period values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

### Cash Flow Table (Risk-Adjusted)

	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Total costs	(\$275,000)	(\$371,250)	(\$371,250)	(\$371,250)	(\$1,388,750)	(\$1,198,244)
Total benefits	\$0	\$1,548,180	\$1,548,180	\$1,548,180	\$4,644,540	\$3,850,095
Net benefits	(\$275,000)	\$1,176,930	\$1,176,930	\$1,176,930	\$3,255,790	\$2,651,851
ROI						221%
Payback period						< 1 year



# Salesforce Email Studio: Overview

The following information is provided by Salesforce. Forrester has not validated any claims and does not endorse Salesforce or its offerings.

Salesforce Marketing Cloud is the world's #1 digital marketing platform, allowing marketers to deliver connected, intelligent, personalized, and real-time brand experiences across all channels and throughout the consumer journey at scale. With Marketing Cloud Einstein, marketers can tap into the power of artificial intelligence in order to discover and predict the channel, content, and audience for any marketing message. Leading brands such as Dunkin' Donuts and Nestlé Waters turn to Marketing Cloud to improve consumer engagement and move their business forward.

Part of Marketing Cloud, Email Studio is the world's leading email marketing solution, used by more email marketers than any other email provider. In 2016, Salesforce sent more than 500 billion messages, including nearly 2.7 billion on Cyber Monday. Email Studio allows marketers to build relevant, timely, and delightful email campaigns across any device and channel, delivering personalized experiences to consumers at scale. With Email Studio, marketers can find a trusted place in the consumer's inbox using drag-and-drop tools for content creation, audience targeting, and more.

Email Studio is trusted by today's biggest brands for its security, flexibility, availability, scalability, and innovation. Integrated with the Salesforce Customer Success Platform, the global leader in CRM, Email Studio includes data-driven campaign management, automation tools, content management, and artificial intelligence with the power of Einstein. Leveraging data from any source within the Salesforce Ecosystem, Email Studio allows for easy integration with online and offline data to trigger personalized email messages across the entire consumer journey from marketing to sales, service, and beyond.

# Appendix A: Total Economic Impact

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

## Total Economic Impact Approach



**Benefits** represent the value delivered to the business by the product. The TEI methodology places equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization.



**Costs** consider all expenses necessary to deliver the proposed value, or benefits, of the product. The cost category within TEI captures incremental costs over the existing environment for ongoing costs associated with the solution.



**Flexibility** represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. Having the ability to capture that benefit has a PV that can be estimated.



**Risks** measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."

The initial investment column contains costs incurred at "time 0" or at the beginning of Year 1 that are not discounted. All other cash flows are discounted using the discount rate at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations in the summary tables are the sum of the initial investment and the discounted cash flows in each year. Sums and present value calculations of the Total Benefits, Total Costs, and Cash Flow tables may not exactly add up, as some rounding may occur.



### PRESENT VALUE (PV)

The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.



### NET PRESENT VALUE (NPV)

The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made, unless other projects have higher NPVs.



### RETURN ON INVESTMENT (ROI)

A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.



### DISCOUNT RATE

The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.



### PAYBACK PERIOD

The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.