FORRESTER®

The Total Economic Impact™ Of Acquia CDP

Cost Savings And Business Benefits Enabled By Acquia CDP

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Executive Summary

In the age of the customer, businesses strive to focus on what their customers value most. What an organization knows — and how well it uses that knowledge — fuels business competitiveness and growth. To keep up with empowered customers and nimble competitors, businesses must change how they provision and manage customer data. Forward-thinking organizations embrace customer data platforms to improve agility, increase efficiency, and fuel digital transformation.

Acquia CDP is a customer data platform that increases revenue and profitability for organizations. It does so with a unified view of the customer, democratized analytical insights, machine learning (ML), advanced segmentation, and data activation across marketing and customer engagement channels. Acquia CDP increases operational efficiency and boosts revenue through a wide range of metrics such as increasing return on ad spend, boosting conversion, lifting loyalty and retention, and maximizing lifetime value.

Acquia commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Acquia CDP.[1] The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Acquia CDP on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four customers with experience using Acquia CDP. For the purposes of this study, Forrester aggregated the experiences of the interviewed customers and combined the results into a single composite organization.

Prior to using Acquia CDP, the customers used a variety of disconnected in-house and external solutions for customer data management. These previous environments yielded limited success, leaving customers with pain points and frustrations throughout their journey. They also stifled the

KEY STATISTICS

Return on investment (ROI)
589%

Net present value (NPV)
$8.2 million

organizations' ability to convert insights into action due to disjointed systems and data silos. The legacy solutions also offered limited analytics capabilities to apply customer data to improve the digital experience, and overly complex and slow SQL queries resulted in missed opportunities for the businesses.

After the investment in Acquia CDP, customers found that their marketing and customer-facing teams were more agile, responsive, and efficient. Insights into accurate, unified data enabled smarter strategic spending and business decisions, while personalized campaigns drove higher conversion rates. The customers also noticed that their call center teams delivered better customer service and ad spending yielded greater returns. According to the interviewees, Acquia CDP enabled swift and smart decision making to capture opportunities, gain competitive advantages, and manage risks. With the digital insights at the core of their business decision making possess, they gained a significant competitive advantage over their peers.

> "Acquia CDP has helped us manage the data for millions of customers, perform cohort analysis, and analyze customer behavior, shopping preferences, location preferences, and store preferences. It has helped us segment and build targeted campaigns."
>
> *CRM and retail analysis manager, electronic and home appliance company*

KEY FINDINGS

Quantified benefits. The composite organization experienced the following risk-adjusted present value (PV) quantified benefits include:

- **Incremental revenue from personalized email campaigns, resulting in more than $2 million in benefits over three years.** By resolving customer identities across different data sources and merging all data into a single repository, the composite organization builds successful and focused campaigns. Acquia CDP elevates personalized communication with customers, leading to an increase in email campaign engagement by 133% yearly for the composite.

- **A personalized call center experience that doubled the sales conversion rate, resulting in $306,906 in benefits over three years.** One interviewee's organization offered the more relevant products and upsold services to each customer while on support calls, utilizing the unified customer profiles that Acquia CDP created. These profiles included purchase history, product affinities, loyalty membership metrics, and more, all feeding into the customers call center platform. Leveraging Acquia CDP's machine learning model to drive product recommendations, this particular organization

achieved higher sales conversion through outbound campaigns.

- **New customer acquisition from improved ad targeting, resulting in more than $1.5 million in benefits over three years.** Implementing Acquia CDP has enabled the interviewees' organizations to increase their return on ad spending and reduce the cost per acquisition through more targeted, relevant ad campaigns. Presenting targeted ads to the right customer segments, along with improved lookalike modeling to target customers more likely to have higher lifetime values, resulted in a 15% year-on-year increase of new customers. Additionally, the marketing teams could run these campaigns

> "Acquia CDP 360 Profile API enabled call center agents to approach customers with customized conversations. Since, all the data points — from the customer's name and demographics to their products and service history — were all reflected on the dashboard and in the call script, agents could propose a combination of products with a high likelihood of increasing conversion rates and ROI."
>
> *CRM and retail analysis manager, electronic and home appliance company*

quickly and efficiently without relying on IT or external teams to perform the audience segmentation.

- **Greater customer retention, customer satisfaction, and loyalty, resulting in nearly $4.5 million in benefits over three years.** With the help of Acquia CDP, the composite organization develops a comprehensive

understanding of customers' preferences for targeted outreach. Customers who are intelligently engaged with relevant cross- and upsell offers, messaging, and content have a higher lifetime value (LTV) and are more loyal to the brand. Higher overall customer LTV also increases other KPIs, such as conversion rates and revenue per campaign, no matter which channels are leveraged in a given campaign. The composite organization saw an increase of repeat purchases by 20%.

- **Real-time reporting, accurate analytics, and efficiency gains from Acquia CDP, resulting in $786,941 in benefits over three years.** The composite organization realizes data analyst time savings and productivity gains with the flexible, self-service access to key business metrics, customer analytics (including cohort analysis), dashboards and reports, and ad-hoc analysis – all made easy for non-technical marketers and other audiences. Marketers can use this unified source of truth for data to make smarter spending decisions, drive business initiatives, and measure results. The solution's analytical capabilities help marketers and other teams become more efficient as it reduces the need for external teams to pull reports, segments, or other data on behalf of marketers. Without Acquia CDP, the composite organization would have needed to both add up to two FTEs, to perform these types of analytical functions on behalf of the marketing team in order to produce reports with the manually driven legacy environment, and to match the reporting/visualization capabilities of Acquia CDP. Acquia CDP generates usable and accurate analytics that improves the composite organization's resource efficiency by up to 50% over three years.

- **Cost savings from the discontinuation of legacy tools resulting in $212,988 in benefits over three years.** With the investment in Acquia CDP, the composite organization discontinues legacy software licenses and support contracts for tools used to manage customer data. The composite organization estimates these tools cost the organization $150,000 each year. It discontinues and realizes these savings beginning in Year 2.

Unquantified benefits. Additional benefits that interviewed customers experienced but were not able to quantify include:

- **Enhanced business agility during challenging times.** Interviewees appreciated that Acquia CDP enabled seamless business transformation, particularly when the recent global pandemic disrupted day-to-day operations. The global head of loyalty and licensing for a confectionary production company said: "We wanted to protect our employees and consumers during the [COVID-19] pandemic and, therefore, proactively closed physical stores. Acquia CDP served as a key pillar for our company's digital transformation that resulted in: 1) converting store buyers to online shoppers; 2) reengaging new buyers; 3) designing marketing outreach campaigns; 4) supporting the reopening of stores."

- **Improved efficiencies in data-driven decision-making.** Implementing Acquia CDP facilitated data exploration and inspired many teams across the interviewees' organizations to ask — and get answers to — critical business questions that they previously could not access. This created a culture of data curiosity as more and more users gained access to the platform. Instead of filing IT tickets and waiting for other teams to provide reports, teams could get answers to their questions within minutes. This has enabled marketing teams in the composite organization to use insights for more targeted marketing and social campaigns, which are fully data driven. Procurement teams also use that enhanced customer data to identify potential business opportunities and better inform purchase

decisions, including strategic decisions like where to open stores or how to optimize merchandising strategies.

- **Alignment and support of corporate digital strategy.** The implementation of Acquia supports corporate strategies around digital development and marketplace coverage. For instance, the increased visibility gained into the business via in-depth analysis was easy for business teams to use for improved marketing and e-commerce campaigns, alongside their partners' websites and tools. This helped one of the interviewees' organizations to assess the usage and value of these partnerships, enabling more strategic growth of their ecosystem to bring more value to their customers and to ultimately drive better business outcomes.

- **Increased collaboration with consistent data.** Acquia CDP lets marketing, CX professionals, regional managers, call center business units, and other teams collaborate in real time using a consistent data set. This has streamlined business reporting and KPIs across multiple areas of the business, ensuring consistency in results no matter which team is leveraging the data. Alignment around a single source of truth helps organizations understand the health of the business, prioritize initiatives, and accurately measure growth. Unified, consistent data across business units improves business agility, accelerates decision-making and profitability.

Costs. The composite organization experiences implementation costs and annual license fees as highlighted below. Risk-adjusted PV costs include:

- **Acquia CDP license and professional services costs of $988,161 over three years.** Acquia CDP deployment includes license and professional services costs. Acquia CDP license costs for the composite organization are $300,000 per year. The composite organization
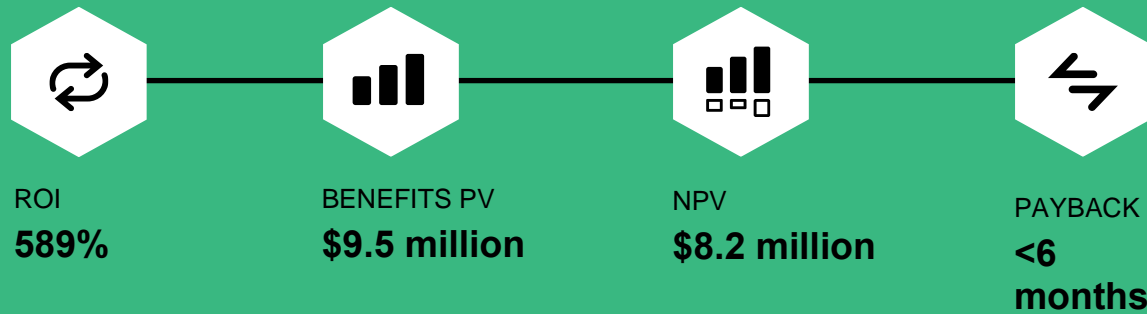
uses $125,000 as up-front platform deployment and professional services fees.

To ensure customer success and quick time to value with maximum ROI, implementation and professional services are included at the start of the Acquia CDP partnership. This includes installation, post-installation support, configuration setup, analysis and modeling, and testing.

- **Planning, ongoing management, and resource costs of $395,818.** Acquia CDP deployment is straightforward, and the required resource time is minimal. Successful deployments require resource hours at project feasibility and an implementation/testing stage over a few weeks. Once the solution is up and running, the composite organization dedicates the time of two FTEs to oversee, manage, and monitor the Acquia CDP deployment for Year 1 and Year 2. For Year 3, the organization needs only 1 FTE's time to oversee, manage, monitor Acquia CDP deployment. These requirements may vary depending on the size of the organization, the organization's use cases, and its digital maturity.

Annual license and implementation costs will vary depending on the size and scope of implementation. Readers are encouraged to reach out to Acquia for a more tailored quote based on specific requirements and planned business outcomes.

The customer interviews and financial analysis found that a composite organization experiences benefits of $9,535,627 over three years versus costs of $1,383,979, adding up to a net present value (NPV) of $8,151,648 and an ROI of 589%.

ROI
589%

BENEFITS PV
$9.5 million

NPV
$8.2 million

PAYBACK
<6 months

Financial Summary

Payback period:
<6 months

Total benefits PV, $9.5M

Total costs PV, $1.4M

Initial · Year 1 · Year 2 · Year 3
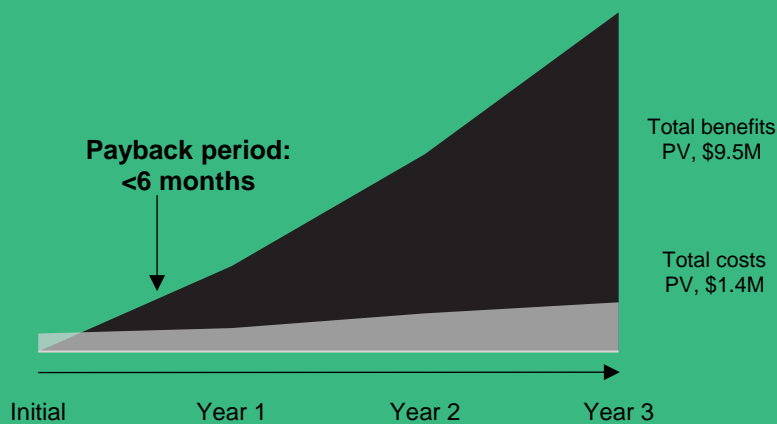
The financial results for a composite organization with profit margin of 10% are shown here. To see how these financial results appears for companies with 15% profit margin, please refer to Appendix B.

"With Acquia CDP, transparency and reporting became available instantly to everyone in management, whereas before it would take days or even weeks to produce any type of insight."

— Global head of loyalty and licensing, confectionary production company

TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in Acquia CDP.

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 Acquia CDP can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Acquia 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 study to determine the appropriateness of an investment in the Acquia CDP.

Acquia 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.

Acquia provided the customer names for the interviews but did not participate in the interviews.

DUE DILIGENCE
Interviewed Acquia stakeholders and Forrester analysts to gather data relative to Acquia CDP.

CUSTOMER INTERVIEWS
Interviewed four decision-makers at organizations using Acquia CDP 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 the investment impact: benefits, costs, flexibility, and risks. Given the increasing sophistication of ROI analyses related to IT investments, Forrester's TEI methodology provides a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

The Acquia CDP Customer Journey

Drivers leading to the Acquia CDP investment

Interviewed Organizations			
Industry	**Region**	**Interviewee**	**Size**
Electronic and home appliance	Global	CRM and retail analysis manager	Revenue: $4 billion Employees: 20,000
Retail	North America	Senior vice president	Revenue: $2.5 billion Employees: 9,000
Retail	North America	Vice president, marketing operations	Revenue: $2.4 billion Employees: 2,500
Confectionary production	Global	Global head of loyalty and licensing	Revenue: $500 million Employees: 5,000

KEY CHALLENGES

As firms strive to deliver more personalized customer experiences, investing in unified customer profiles and leveraging them to their full potential are critical requirements to stay competitive. However, the interviewees' organizations struggled with common challenges that drove them to investigate in new technology options. Key challenges included:

- **Difficulties in understanding customers and transforming customer data into actionable insights.** Interviewees had trouble understanding who their customers were, including identifying key segments like one-time buyers, customers likely to churn, and high-value customers. Duplicates and inaccuracies cluttered customer databases and data was scattered across different systems, compounding the issue. It was critical for interviewees' organizations to evolve their customer identification capabilities to meet customer needs. They would not be able to achieve long-term goals if they continue to use legacy platforms.

- **An inability to generate holistic and actionable insights.** Legacy technology environments were a source of pain when it came to gaining insights across business units or across channels. For example, understanding which customers are likely to engage with a

brand across email, website, and social activity was impossible with legacy systems. Marketers were unable to segment customers to drive personalize experience. This friction contributed to an increase in customer dropout rate, negatively impacting conversion rates and business outcomes.

Other issues that stifled organizations include:

- Inconsistent customer data with limited insights that created poor corporate strategy.

- An inability to segment and target customers effectively in marketing campaigns.

> **"Before Acquia CDP, we lacked insights about customers, purchase history, and key insights about them. It was extremely difficult to understand the data, and only technical users with SQL knowledge could access the platform. For all other teams, data was black box and reporting was unclear."**
>
> *Global head of loyalty and licensing, confectionary production company*

- Limited analytics capabilities to collect and use customer data for an improved digital experience. Overly complex and slow SQL query logs resulted in missed opportunities for the businesses.

- Lack of automation to unify customer touch points across all platforms.

SOLUTION REQUIREMENTS

The interviewees' organizations searched for a solution that could:

- Improve the customer experience and deliver a unified view of customer.

- Resolve identities across different data sources.

- Provide actionable insights to align back to marketing campaigns and ROI.

- Build granular lists of customer cohorts and analyze cohorts at various levels, including A/B tests within and across segments.

- Gain insights into how customer lists and audiences change over time.

- Understand the true ROI of marketing campaigns across online and offline channels.

- Integrate all data in a single repository while providing the flexibility to add/plug more in the future if necessary.

- Enrich, clean, and connect customer data for better decision-making.

- Reduce internal maintenance and management efforts.

- Deliver data insights fast.

After a request for proposal (RFP) and business case process evaluating multiple vendors, the interviewees' organizations chose Acquia CDP and chose to take a phased approach to deployment.

> **"Acquia CDP helped us manage and connect data from numerous touchpoints across thousands of stores running worldwide along with our e-commerce platform."**
>
> *CRM and retail analysis manager, electronic and home appliance company*

COMPOSITE ORGANIZATION

Based on the interviews, Forrester constructed a TEI framework, a composite company, and a 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 has the following characteristics:

Description of composite. The global, multibillion-dollar business-to-consumer organization provides sales, customer support, and service/warranty support for its consumer products in high volume. The organization has a strong brand, global operations, a large customer base of about 2 million customers, and a strong online and offline presence. The average order value (AOV) of its products is $100, and it has a profit margin of 10%. It also operates multiple stores across different countries with a total of 10,000 employees.

Key assumptions
- **$2 million customers**
- **10,000 employees**
- **$100 AOV**
- **10% profit margin**

Analysis Of Benefits

Quantified benefit data as applied to the composite

Total Benefits

Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Incremental revenue from personalized email campaigns	$450,000	$734,184	$1,617,448	$2,801,632	$2,231,067
Btr	Incremental revenue from personalized call center experiences	$90,000	$122,364	$164,991	$377,355	$306,906
Ctr	Incremental revenue due to more effective advertising and acquisition campaigns	$540,000	$611,820	$693,192	$1,845,012	$1,517,351
Dtr	Incremental revenue due to higher customer retention and loyalty rates	$1,350,000	$1,835,460	$2,310,858	$5,496,318	$4,480,364
Etr	Reporting and resource productivity efficiency	$213,570	$370,429	$381,527	$965,526	$786,941
Ftr	Opex savings from discontinuing legacy tools	$0	$135,000	$135,000	$270,000	$212,998
	Total benefits (risk-adjusted)	$2,643,570	$3,809,257	$5,303,016	$11,755,844	$9,535,627

INCREMENTAL REVENUE FROM PERSONALIZED EMAIL CAMPAIGNS

Evidence and data. Incorrect data can limit personalized outbound marketing campaigns, making it difficult to segment and target audiences effectively. Using a unified, cleansed, deduped customer database in Acquia CDP allows marketers to deliver 1:1 personalized experiences in email, providing relevant messaging, creative, offers, and discounts tailored to each individual. With Acquia CDP, the composite organization builds successful, personalized email campaigns and increases email campaign engagement by 133% per year.

Modeling and assumptions. For the composite organization, Forrester assumes that:

- The organization sends out a total of 100 million emails annually.

- The email engagement rate with Acquia CDP increases more than double from 3% to 7%.

> **"Acquia CDP intelligently streamlined email marketing for my company. We successfully ran multiple seasonal and holiday email campaigns for our customers. It is now possible to send emails quickly with flexibility and minimal effort."**
>
> *Global head of loyalty and licensing, confectionary production company*

- The average order value is $100.

- The profit margin is 10%.

Risks. The incremental revenue from personalized email campaigns will vary with:

- The total number of emails an organization sends out per year.

- The click-through rate, which might vary for email campaign engagement.

- The average order value, which might vary across organization.

- The average profit margin.
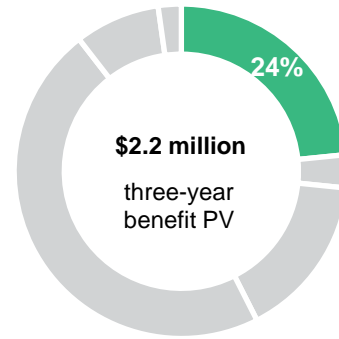
Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $2,231,067.

24%

$2.2 million
three-year
benefit PV

Incremental revenue from personalized email campaigns: 24% of total benefits

Ref.	Metric	Source	Year 1	Year 2	Year 3
**Incremental Revenue From Personalized Email Campaigns**
A1	Total emails sent annually	Composite	100,000,000	110,000,000	121,000,000
A2	Percent of emails personalized	Composite	25%	30%	50%
A3	Average click-through rate before Acquia CDP	Benchmark	3%	3%	3%
A4	Average click-through rate with Acquia CDP	Composite	7%	7%	7%
A5	Average purchase conversion rate	Year 1: Composite Year 2 and Year 3: Assumption (incl. YoY increase)	5%	6%	7%
A6	Email-based purchase conversion before Acquia CDP	A1*A2*A3*A5	37,500	59,400	127,050
A7	Email-based purchase conversion with Acquia CDP	A1*A2*A4*A5	87,500	138,600	296,450
A8	Increase in email purchases enabled by Acquia CDP	A7-A6	50,000	79,200	169,400
A9	Average order value	Year 1: Composite Year 2 and Year 3: Assumption (incl. 3% YoY increase)	$100.00	$103.00	$106.09
A10	Profit margin	Assumption	10%	10%	10%
At	Incremental revenue from personalized email campaigns	A8*A9*A10	$500,000	$815,760	$1,797,165
	Risk adjustment	↓10%			
Atr	Incremental revenue from personalized email campaigns (risk-adjusted)		$450,000	$734,184	$1,617,448
\multicolumn{3}{c}{**Three-year total: $2,801,632**}	\multicolumn{3}{c}{**Three-year present value: $2,231,067**}

INCREMENTAL REVENUE FROM PERSONALIZED CALL CENTER EXPERIENCES

By feeding Acquia CDP's unified customer profile into the company's call center platform, representatives could tailor conversations in real time to the person with whom they were speaking. This included providing relevant up-sell offers and offering personalized support information.

Through Acquia CDP's machine learning-driven product recommendations, agents doubled sales conversion rates through their outbound callout campaign to customers.

Modeling and assumptions. For the composite organization, Forrester assumes that:

- The model estimates 500,000 customers connect through the call center annually with a 20% increase in call volumes for Year 2 and Year 3.

- The average order value is $100.

- The profit margin is 10%.

Risks. The incremental revenue from personalized call center experiences will vary with:

- The total number of customers connected through the call center for the outbound campaign per year.

- The average sales conversion rate for each year.

- The average order value.

- The average profit margin.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $306,906.

$306,906
three-year benefit PV

3%
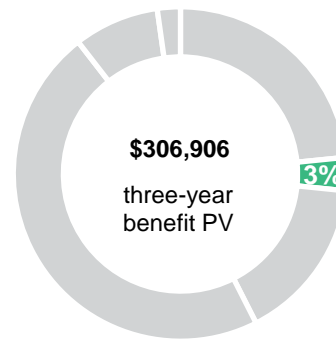
Incremental revenue from personalized call center experiences: 3% of total benefits

Incremental Revenue From Personalized Call Center Experiences					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Number of customers connected through the call center (annual)	Composite	500,000	600,000	720,000
B2	Sales conversion improvements achieved through outbound call center with Acquia CDP	Composite	2.0%	2.2%	2.4%
B3	Average order value	A9	$100.00	$103.00	$106.09
B4	Profit margin	Assumption	10%	10%	10%
Bt	Incremental revenue from personalized call center experiences	B1*B2*B3*B4	$100,000	$135,960	$183,324
	Risk adjustment	↓10%			
Btr	Incremental revenue from personalized call center experiences (risk-adjusted)		$90,000	$122,364	$164,991
	Three-year total: $377,355		**Three-year present value: $306,906**		

INCREMENTAL REVENUE DUE TO MORE EFFECTIVE ADVERTISING AND ACQUISITION CAMPAIGNS

Implementing Acquia CDP has helped interviewees' organizations use data for smarter ad targeting, increasing loyalty, enhancing customer engagement, and acquiring new customers with high LTV. Acquia CDP improved the results of digital advertising for interviewees organization. It allowed the organizations to perform lookalike modeling on high value customers for acquisition campaigns, increasing return on ad spend. Acquia CDP also suppresses offline buyers from display retargeting campaigns, saving costs and increasing return. Using advanced customer segmentation for hyper targeted campaigns increased the effectiveness of these ads. For the composite organization, the Acquia CDP solution leads to a 15% year-on-year increase of new customers.

Modeling and assumptions. For the composite organization, Forrester assumes that:

- The average number of customer profiles for Year 1 is $2 million. This number grows on average by 10% year-on-year.

- The average annual conversion rate for new customers is estimated at 20%.

- The average order value is $100.

- The profit margin is 10%.

**Risks.** The incremental revenue from customer acquisition will vary with:

- The average number of customer profiles per year.

> **"Acquia CDP enabled data accuracy, flexibility, and resulted in more effective ad personalization. Targeted campaigns resulted in higher customer acquisitions, improved customer loyalty, and retention. We have been able to develop innovative, highly relevant campaigns that deliver a more relevant experience."**
>
> *Vice president marketing operations, retail company*

- The average order value.

- The average profit margin.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $1,517,351

$1.5 million
three-year
benefit PV

16%
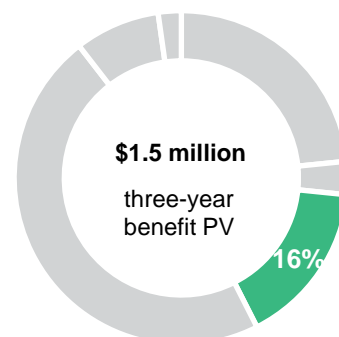
Incremental revenue due to more effective advertising and acquisition campaigns: 16% of total benefits

Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Unique customer profile growth to Acquia (year-on-year)	Composite	15%	15%	15%
C2	Average number of customer profiles	Year 1: Interviews Year 2 and Year 3: Assumption (incl. 10% YoY increase)	2,000,000	2,200,000	2,420,000
C3	Average number of customer profiles attributed to Acquia	C1*C2	300,000	330,000	363,000
C4	Annual conversion rates for new customer profiles	Interviews	20%	20%	20%
C5	Net-new customers acquired due to Acquia CDP (annually)	C3*C4	60,000	66,000	72,600
C6	Average order value per customer	A9	$100.00	$103.00	$106.09
C7	Average profit margin	Assumption	10%	10%	10%
Ct	Incremental revenue due to more effective advertising and marketing campaigns	C5*C6*C7	$600,000	$679,800	$770,213
	Risk adjustment	↓10%			
Ctr	Incremental revenue due to more effective advertising and marketing campaigns (risk-adjusted)		$540,000	$611,820	$693,192

Three-year total: $1,845,012 — **Three-year present value: $1,517,351**

INCREMENTAL REVENUE DUE TO HIGHER CUSTOMER RETENTION AND LOYALTY RATES

With the help of Acquia CDP, the composite organization develops a comprehensive understanding of customers preferences for targeted outreach. Moreover, Acquia CDP can identify what experiences will cause customers to become more loyal. The composite organization realizes an increase of up to 20% aligned to customer retention and loyalty programs for repeat purchases due to Acquia CDP.

Modeling and assumptions. For the composite organization, Forrester assumes that:

- The average number of customer profiles for Year 1 is $2 million and this number grows by 10% year-on-year.

- The average repurchase order value of $50 for Year 1 with a year-on-year increase of 3% for subsequent years.

- The profit margin is 10%.

Risks. The incremental revenue from customer retention will vary with:

- The average number of customer profiles per year.
- The average repurchase order value per customer.
- The average profit margin.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $4,480,364.

$4.5 million

three-year benefit PV

47%
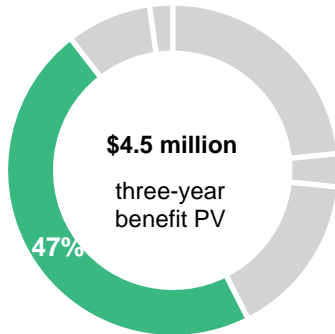
> **"Executive team members are very satisfied with our investment in Acquia CDP. There have been instant benefits — data quality and identity resolution across business improved drastically. Prior issues related with reporting and accessing marketing performance has been resolved seamlessly."**
>
> *Senior vice president, retail company*

Incremental revenue due to higher customer retention and loyalty rates: 47% of total benefits

	Incremental Revenue Due To Higher Customer Retention And Loyalty Rates				
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
D1	Average number of customer profiles	C2	2,000,000	2,200,000	2,420,000
D2	Average repeat purchase rate with Acquia	Composite	15%	18%	20%
D3	Total customers retained annually	D1*D2	300,000	396,000	484,000
D4	Average repurchase value per customer	A9*50%	$50.00	$51.50	$53.05
D5	Average profit margin	Assumption	10%	10%	10%
Dt	Incremental revenue due to higher customer retention and loyalty rates	D3*D4*D5	$1,500,000	$2,039,400	$2,567,620
	Risk adjustment	↓10%			
Dtr	Incremental revenue due to higher customer retention and loyalty rates (risk-adjusted)		$1,350,000	$1,835,460	$2,310,858
	Three-year total: $5,496,318		**Three-year present value: $4,480,364**		

REPORTING AND RESOURCE PRODUCTIVITY EFFICIENCY

The implementation of Acquia CDP results in labor and time savings for the composite organization in the following areas:

- It is faster and easier for marketers to directly access data, ask questions of the data, and get immediate insights without relying on technical teams to get this data for them.

- Technical teams no longer field requests from marketing to pull lists and analyze data on marketing's behalf, saving time.

- Technical teams can easily access data within their own systems and conduct their own queries of unified CDP data, analyze CDP data combined with other data sets, and create their own models.

Modeling and assumptions. Without Acquia CDP, the composite organization needs to add up to two FTEs to produce reports in the manually driven legacy environment and match the reporting/visualization capabilities of Acquia CDP.

Acquia CDP helps improve the composite organization's resource efficiency by up to 50% over three years.

Risks. The average cost of the resource could vary, so there's some uncertainty as to the benefit amount.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $786,941.

$786,941
three-year
benefit PV
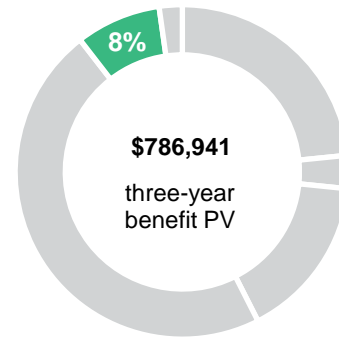
Reporting and resource productivity efficiency: 8% of total benefits

|	**Reporting And Resource Productivity Efficiency**				
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
E1	FTEs saved on reporting	Composite	1.5	2.0	2.0
E2	Average fully loaded cost of per FTE (annual)	Year 1: Industry average Year 2 and Year 3: $E2_{py}$*3% YoY growth	$75,000.00	$77,250.00	$79,567.50
E3	Saving on reporting	E1*E2	$112,500	$154,500	$159,135
E4	FTEs required for data analysis	Composite	8	8	8
E5	Efficiency enabled by Acquia	Composite	25%	50%	50%
E6	Total working hours (annual)	8 hours*260 days	2,080	2,080	2,080
E7	Average hourly cost per data analyst	Year 1: Industry average Year 2 and Year 3: $E7_{py}$*3% YoY growth	$60.00	$61.80	$63.65
E8	Productivity conversion	Assumption	50%	50%	50%
E9	Resource productivity efficiency	E4*E5*E6*E7*E8	$124,800	$257,088	$264,784
Et	Reporting and resource productivity efficiency	E3+E9	$237,300	$411,588	$423,919
	Risk adjustment	↓10%			
Etr	Reporting and resource productivity efficiency (risk-adjusted)		$213,570	$370,429	$381,527
	Three-year total: $965,526		**Three-year present value: $786,941**		

OPEX SAVINGS FROM DISCONTINUING LEGACY TOOLS

With the investment in Acquia CDP, the composite organization discontinues software licenses and support contracts for the legacy data management tools it previously used to manage customer data.

Modeling and assumptions. After the first year, when all the data and integrations with Acquia are in place, the organization discontinues the use of its legacy tools. It is estimated to save the organization $150,000 in Year 2 and Year 3.

Risks. Opex savings from discontinued tools could vary based on following factors:

- The number and types of legacy tools that are discontinued.

- The contract terms and agreements of legacy tools that are discontinued.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $212,998.

2%

$212,998
three-year
benefit PV
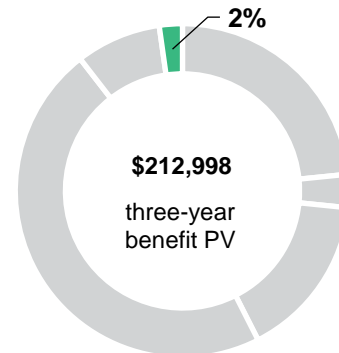
Opex savings from discontinuing legacy tools: 2% of total benefits

Opex Savings From Discontinuing Legacy Tools					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
F1	Opex savings related to discontinuing of legacy data management tools	Composite	$0	$150,000	$150,000
Ft	Opex savings from discontinuing legacy tools	F1	$0	$150,000	$150,000
	Risk adjustment	↓10%			
Ftr	Opex savings from discontinuing legacy tools (risk-adjusted)		$0	$135,000	$135,000
	Three-year total: $270,000			**Three-year present value: $212,998**	

UNQUANTIFIED BENEFITS

Additional benefits that interviewed customers experienced but were not able to quantify include:

- **Enhanced business agility during challenging times.** Interviewees appreciated that Acquia CDP enabled seamless business transformation, particularly when the recent global pandemic disrupted day-to-day operations. The global head of loyalty and licensing for a confectionary production company said: "We wanted to protect our employees and consumers during the [COVID-19] pandemic and, therefore, proactively closed physical stores. Acquia CDP served as a key pillar for our company's digital transformation that resulted in: 1) converting store buyers to online shoppers; 2) reengaging new buyers; 3) designing marketing outreach campaigns; 4) supporting the reopening of stores."

- **Improved efficiencies in data-driven decision-making.** Implementing Acquia CDP facilitated data exploration and inspired many teams across the interviewees' organizations to ask — and get answers to — critical business questions that they previously could not access. This created a culture of data curiosity as more and more users gained access to the platform. Instead of filing IT tickets and waiting for other teams to provide reports, teams could get answers to their questions within minutes. This has enabled marketing teams in the composite organization to use insights for more targeted marketing and social campaigns, which are fully data driven. Procurement teams also use that enhanced customer data to identify potential business opportunities and better inform purchase decisions, including strategic decisions like where to open stores or how to optimize merchandising strategies.

- **Alignment and support of corporate digital strategy.** The implementation of Acquia supports corporate strategies around digital development

and marketplace coverage. For instance, the increased visibility gained into the business via in-depth analysis was easy for business teams to use for improved marketing and e-commerce campaigns, alongside their partners' websites and tools. This helped one of the interviewees' organizations to assess the usage and value of these partnerships, enabling more strategic growth of their ecosystem to bring more value to their customers and to ultimately drive better business outcomes.

- **Increased collaboration with consistent data.** Acquia CDP lets marketing, CX professionals, regional managers, call center business units, and other teams collaborate in real time using a consistent data set. This has streamlined business reporting and KPIs across multiple areas of the business, ensuring consistency in results no matter which team is leveraging the data. Alignment around a single source of truth helps organizations understand the health of the business, prioritize initiatives, and accurately measure growth. Unified, consistent data across business units improves business agility, accelerates decision-making and profitability.

FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement Acquia CDP and later realize additional uses and business opportunities:

- As companies evolve and change, Acquia CDP's foundation of data intelligence help brands navigate these changes with agility and flexibility. One interviewee said: "We have successfully migrated from offline to online business during pandemic. We can directly impact the business in a better way."

- Interviewees cited the importance of Acquia CDP's configurability to support the unique needs of their business without requiring technical resources and a lengthy development timeline.

- One interviewee planned to extend the capabilities of Acquia CDP deployment to explore new merger and acquisition, which would allow the organization to ensure its virtualized environment complies with the Payment Card Industry (PCI) and other security policies the organization must follow.

- Interviewees often cited the natural progression to advancing to Acquia CDP automation and machine learning model. This would allow them to automate the marketing campaigns and drive greater efficiencies.

- With Acquia CDP, retailers can seamlessly integrate customer data so it can easily be scaled and replicated across new stores. This helps organizations save most of their time and effort in customer identity management.

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

Analysis Of Costs

Quantified cost data as applied to the composite

Total Costs							
Ref.	**Cost**	**Initial**	**Year 1**	**Year 2**	**Year 3**	**Total**	**Present Value**
Gtr	Licensing and professional services costs	$467,500	$0	$330,000	$330,000	$1,127,500	$988,161
Htr	Planning, ongoing management, and resource costs	$39,600	$165,011	$169,953	$87,516	$462,079	$395,818
	Total costs (risk-adjusted)	$507,100	$165,011	$499,953	$417,516	$1,589,579	$1,383,979

LICENSING AND PROFESSIONAL SERVICES COSTS

Acquia CDP deployment includes license and professional services costs. The composite organization incurred license costs for Acquia CDP of $300,000 per year and uses $125,000 as upfront platform deployment and professional services fees.

A professional service partner cost is included at the start of Acquia CDP deployment, since the organizations need help through the implementation journey. This includes installation, post-installation support, configuration setup, analysis and modeling, and testing.

Please note that costs are based on high-level estimates and do not constitute a quote. For a more detailed business case, please request a tailored quote directly from Acquia.

Risks. Implementation costs will vary depending on:

- The complexity of deployment.
- The size and scope of implementation.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $988,161.

$988,161

three-year cost PV

71%
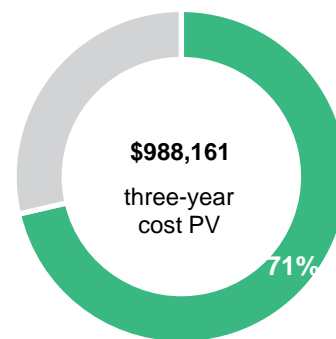
Licensing and professional services costs: 71% of total costs

Licensing And Professional Services Costs

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	License costs	Composite	$300,000	$0	$300,000	$300,000
G2	Professional services for implementation and integration	Composite	$125,000	$0	$0	$0
Gt	Licensing and professional services costs	G1+G2	$425,000	$0	$300,000	$300,000
	Risk adjustment	↑10%				
Gtr	Licensing and professional services costs (risk-adjusted)		$467,500	$0	$330,000	$330,000
	Three-year total: $1,127,500			Three-year present value: $988,161		

PLANNING, ONGOING MANAGEMENT, AND RESOURCE COSTS

For the composite organization, Acquia deployment is straightforward, and the required resource time is minimal. Successful deployments require resource hours towards project feasibility and an implementation/testing stage over a few weeks. Specific due diligence and implementation tasks include:

- Spending time with Acquia to understand how Acquia CDP improves profitability, customer lifetime value, customer retention, and loyalty, along with how to accelerate time to acquire new customers and more.

- Working with Acquia on requirements, platform setup, network and environment integration, configuration, testing, and customization.

Once the solution is up and running, the composite organization dedicates the time of two FTEs to overseeing, managing, and monitoring Acquia CDP deployment for Year 1 and Year 2. For Year 3, the organization needs only 1 FTE time to oversee, manage, monitor Acquia CDP deployment.

Risks. Costs might will vary depending on:

- The resource salary/costs.

- The complexity of deployment.

- The size and scope of implementation.

29%

$395,818
three-year
cost PV
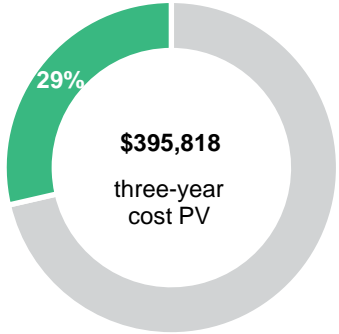
**Planning, ongoing management, and resource costs: 29% of total costs**

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of $395,818.

Planning, Ongoing Management, And Resource Costs

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
H1	FTEs required for planning, testing, and implementations	Composite	8	0	0	0
H2	FTEs required for ongoing management, support, and administration	Composite	0	2	2	1
H3	Hours spent	Composite	75	2,080	2,080	2,080
H4	Average hourly cost of FTE	Initial and Y1: Industry average. Y2, and Y3: $H4_{py}$*3% YoY growth	$60.00	$36.06	$37.14	$38.25
Ht	Planning, ongoing management, and resource costs	(H1*H3*H4)+(H2*H3*H4)	$36,000	$150,010	$154,502	$79,560
	Risk adjustment	↑10%				
Htr	Planning, ongoing management, and resource costs (risk-adjusted)		$39,600	$165,011	$169,953	$87,516
Three-year total: $462,079			**Three-year present value: $395,818**			

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

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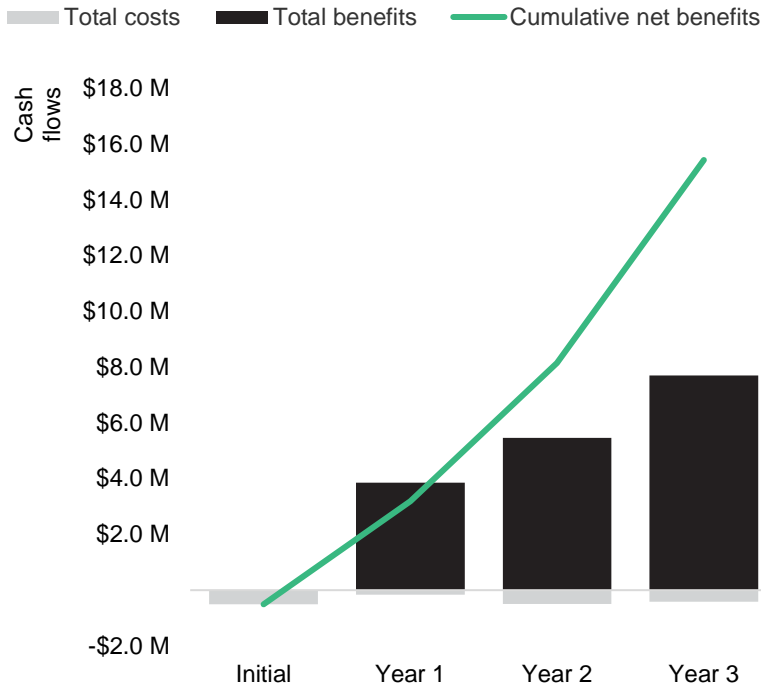
The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

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 Analysis (Risk-Adjusted Estimates)						
	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	($507,100)	($165,011)	($499,953)	($417,516)	($1,589,579)	($1,383,979)
Total benefits	$0	$2,643,570	$3,809,257	$5,303,016	$11,755,844	$9,535,627
Net benefits	($507,100)	$2,478,559	$3,309,305	$4,885,500	$10,166,264	$8,151,648
ROI						589%
Payback						<6

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.

Appendix B: Scaling Benefits By Organization Profit Margin

The values and benefits calculated in this study are based on the analysis of the composite organization, which reflects the Acquia CDP customers who were interviewed for this study. Forrester recognizes the variability that the Acquia CDP can have per organizations' profit margin, especially with the business and customer intelligence yielded from the solution.

Interviewees for this study were from different industries that ranged from electronic manufacturing/appliance stores, apparel/accessories retail, and confectionary production/retail. In the table below, you can find the financial analysis and the value Acquia CDP brings to companies with a profit margin of 15%. For further analysis based on your business environment, customers are requested to seek consultation with Acquia.
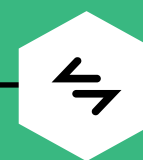
ROI
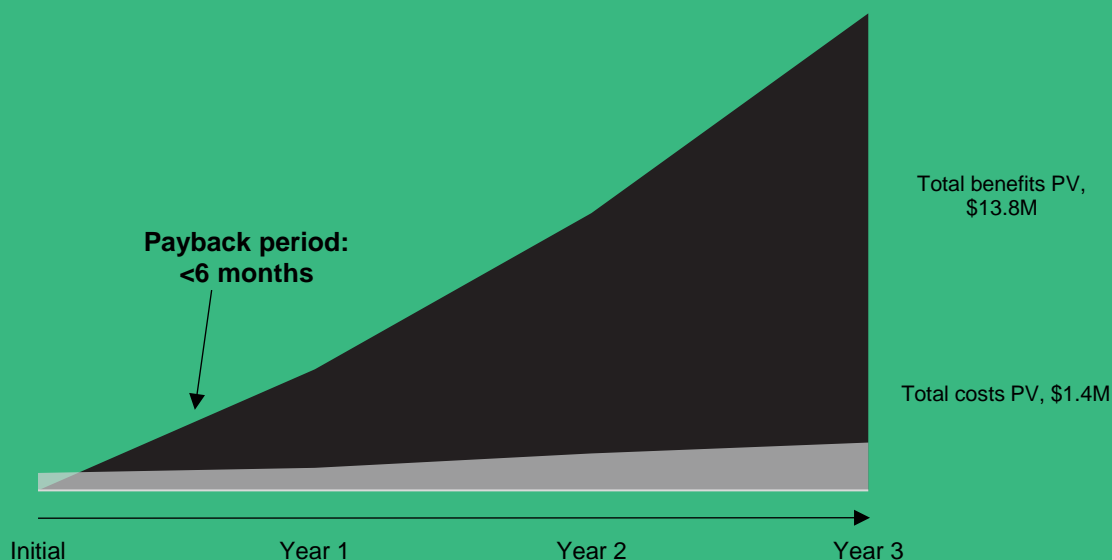**897%**

BENEFITS PV
$13.8 million

NPV
12.4 million

PAYBACK
<6 months

Financial Summary

Payback period:
<6 months

Total benefits PV,
$13.8M

Total costs PV, $1.4M

Initial   Year 1   Year 2   Year 3

Appendix C: Supplemental Material

Related Forrester Research

"Illuminate The Customer Experience With Customer Insights," Forrester Research, Inc., May 6, 2021.

"Cast A Wide Behavioral Data Net To Fuel AI-Powered B2B Marketing," Forrester Research, Inc., March 30, 2021.

Appendix D: Endnotes

[1] 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

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