

FORRESTER®

# The Total Economic Impact™ Of Salesforce Marketing Cloud

Cost Savings And Business Benefits  
Enabled By Marketing Cloud

**JANUARY 2023**

# Table Of Contents

Consulting Team: Courtenay O'Connor  
Veronica Iles  
Nahida Nisa

<b>Executive Summary</b> .....	<b>1</b>
<b>The Salesforce Marketing Cloud Customer Journey</b> .....	<b>6</b>
Key Challenges .....	6
Why Salesforce? .....	8
Composite Organization .....	9
<b>Analysis Of Benefits</b> .....	<b>10</b>
Incremental Profit From Improved Customer Engagement .....	10
Incremental Profit From Improved Email Journeys .....	13
Incremental Profit From Improved Website Engagement .....	16
Marketing Spend Efficiency From Business Process Automation And Optimization .....	18
Efficiencies In Email Marketing Campaigns .....	20
Unquantified Benefits .....	23
Unquantified Benefits For A B2B Organization .....	25
Flexibility .....	27
<b>Analysis Of Costs</b> .....	<b>28</b>
Salesforce Subscription, Fees, And Consulting .....	28
Deployment And Change Management .....	30
Ongoing Administration .....	32
<b>Financial Summary</b> .....	<b>33</b>
<b>Appendix A: Total Economic Impact</b> .....	<b>34</b>
<b>Appendix B: Endnotes</b> .....	<b>35</b>



## ABOUT FORRESTER CONSULTING

Forrester provides independent and objective research-based consulting to help leaders deliver key transformation outcomes. Fueled by our customer-obsessed research, Forrester's seasoned consultants partner with leaders to execute on their priorities using a unique engagement model that tailors to diverse needs and ensures lasting impact. For more information, visit [forrester.com/consulting](https://forrester.com/consulting).

© Forrester Research, Inc. All rights reserved. Unauthorized reproduction is strictly prohibited. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change. Forrester®, Technographics®, Forrester Wave, and Total Economic Impact are trademarks of Forrester Research, Inc. All other trademarks are the property of their respective companies. For additional information, go to [forrester.com](https://forrester.com).

## Executive Summary

Today's customers look for and buy experiences, not simply products. Digital technology like Salesforce Marketing Cloud offers marketers a toolkit to engage customers with new and enhanced experiences and helps marketing and sales organizations improve alignment to acquire and engage loyal customers, build seamless digital experiences, and transform the customer journey.

[Salesforce Marketing Cloud](#) offers a set of marketing tools to enhance customer experience at scale. Marketing Cloud consists of a suite of unified applications that meet business needs towards designing, delivering, and optimizing customer journeys and campaigns, including:

- Customer Data Platform.
- Personalization.
- Engagement.
- Account Engagement.
- Intelligence.
- Loyalty Management.

By conferring operational efficiencies and boosting marketing effectiveness, the marketing platform can help business- and consumer-facing organizations efficiently grow revenues, reduce costs, and drive customer value.

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 Marketing Cloud.<sup>1</sup> The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Salesforce Marketing Cloud on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed five representatives with experience using Marketing

### KEY STATISTICS



Return on investment (ROI)

**299%**



Net present value (NPV)

**\$8.08M**

Cloud. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single [composite organization](#), a global organization with \$500 million in annual revenues and \$20 million in digital marketing spend.

Prior to using Marketing Cloud, these interviewees noted how their organizations' marketing and sales/commerce functions and technology solutions were both siloed and highly distributed. This led to tensions with disparate marketing teams delivering inconsistent customer experiences and duplicating rote processes. Legacy environment pain points included operational inefficiencies and limited insights into campaign results, which contributed to wasted media spend. These limitations constrained interviewees' organizations' ability to enter new markets and effectively deliver a consistent and engaging customer experience.

After the investment in Marketing Cloud, the interviewees gained the ability to capture, analyze, and act on higher quality insights more quickly. This improved the efficiency and effectiveness of marketing campaigns and enabled marketers to create more targeted digital experiences for engaged customers. Interviewees further reported consolidated and automated efforts to design, launch, and report on digital marketing campaigns. Marketing Cloud also helped interviewees' organizations enhance their abilities to segment and activate customer data. Additional key results from the investment include improved alignment with marketing and sales/commerce, increased incremental revenues from improved customer journeys, and a better brand experience.

## KEY FINDINGS

**Quantified benefits.** Three-year, risk-adjusted present value (PV) quantified benefits for the composite organization include:

- **A 50% increase in engaged customers from improved relevancy of marketing efforts.** The investment in Marketing Cloud provides a single view of the customer, delivers faster time to value than prior marketing tools, and enables the composite to tap into new markets. By the end of the three-year period, the composite organization gains a more comprehensive view of the customer, grows its base of loyal and engaged customers, and better targets its marketing efforts, which increases incremental profit by \$1.5 million.
- **Improved email personalization resulting in a 250% increase in email subscribers, 60% lift in email conversion rate, and 35% growth in average order value.** Marketing Cloud-powered email personalization helps the composite organization communicate at the right frequency with personalized elements that boost brand consistency and better tools. This facilitates upselling, cross selling, and growing the overall value of the engagement. By leveraging email marketing more effectively, the composite drives an additional \$1.7 million in profit from improved email communications.
- **Better digital experiences leading to a 60% increase in incremental website visitors converting to a purchase and 35% increase in average order value.** Compared to the prior environment, Marketing Cloud components on the composite organization's website enhanced site engagement and conversion, resulting in business growth of \$2.1 million from improved website engagement.
- **A 10% reduction in media waste data prep automation with ad performance optimization.** Marketing Cloud helps drive significant marketing spend efficiencies by increasing the operational efficiency and cost effectiveness of digital ad spend. Fueled by growth in incremental revenues, the composite organization grows ad spend by \$90 million over the three-year period, with savings totaling \$5.1 million.
- **A 60% percent time savings on building and running marketing campaigns and 90%-time savings on marketers' campaign reporting efforts.** Marketing Cloud helped streamline the process to launch and evaluate successful marketing campaigns, from parsing and segmenting quality customer lists to reporting on campaign success. At the end of the three-year period, this results in \$410,000 of avoided labor.

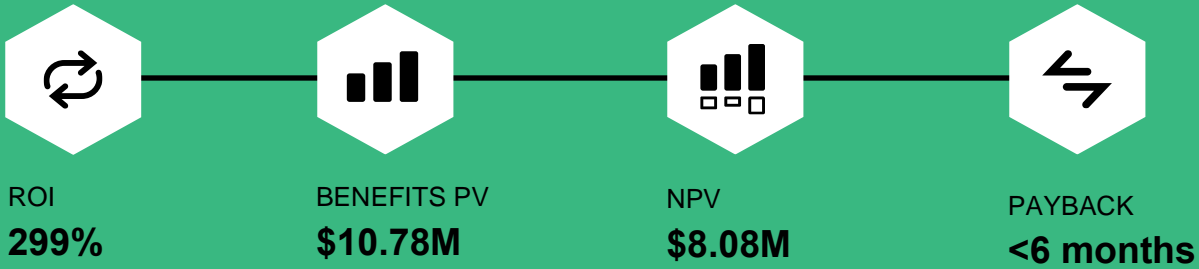
**Unquantified benefits.** Benefits that provide value for the composite organization but are not quantified in this study include:

- Positive impacts on employee experience.
- Improved growth mindset and focus on innovation.
- Enablement support from Salesforce and partner ecosystem.

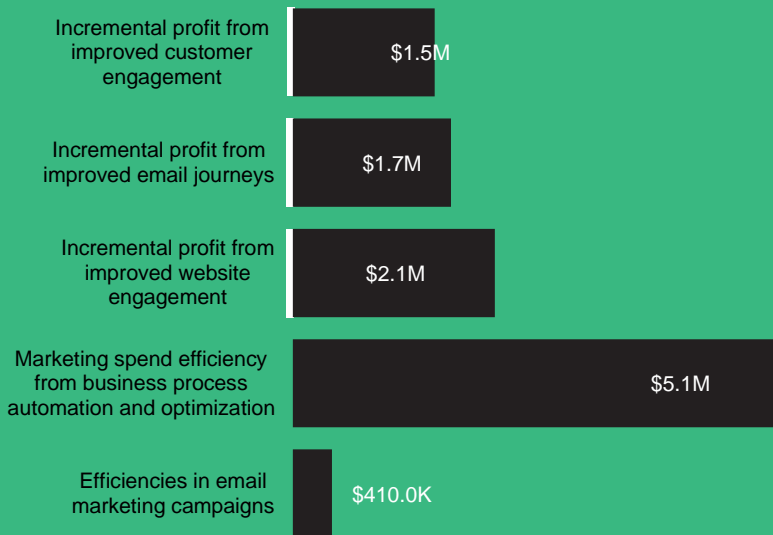
**Costs.** Three-year, risk-adjusted PV costs for the composite organization include:

- **Salesforce subscription, fees, and consulting totaling \$2.3 million over three years.** Fees paid to Salesforce include the Marketing Cloud subscription, add-on product licenses, and professional services.
- **Deployment and change management totaling \$185,000 over three years.** Internal labor to implement Salesforce include efforts from both business and technical resources. Other cost components include training and change management efforts.
- **Ongoing administration totaling \$246,000 over three years.** One Salesforce administrator manages the product internally.

**Results.** The representative interviews and financial analysis found that a composite organization experiences benefits of \$10.78M over three years versus costs of \$2.70M, adding up to a net present value (NPV) of \$8.08M and an ROI of 299%.



### Benefits (Three-Year)



With Marketing Cloud, the composite organization drives more than \$5 million in increased incremental revenue across channels.

“Marketing Cloud is driving better engagement rates, higher email open rates, and better click-through rates with an app push. Ultimately, we see better conversion, fewer unsubscribes, more loyalty, and [higher] frequency.”

— President of digital experiences, retail

## 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 Marketing Cloud.

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 Marketing Cloud can have on an organization.

### 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 study to determine the appropriateness of an investment in Marketing Cloud.

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



### DUE DILIGENCE

Interviewed Salesforce stakeholders and Forrester analysts to gather data relative to Marketing Cloud.



### INTERVIEWS

Interviewed five representatives at organizations using Marketing Cloud to obtain data with respect to costs, benefits, and risks.



### COMPOSITE ORGANIZATION

Designed a composite organization based on characteristics of the interviewees' 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 interviewees.



### 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 Salesforce Marketing Cloud Customer Journey

## Drivers leading to the Marketing Cloud investment

Interviews			
Role	Industry	Region	Annual Revenue
Director of marketing operations	Digital marketing provider	United States headquarters, national reach	\$142 million
Vice president of digital experiences	Retail (convenience store)	United States headquarters, national reach	\$10 billion
Director of product marketing	Finance	United States headquarters, global reach	\$24.5 billion
Chief marketing officer	Healthcare and Life Sciences (HLS)	United States headquarters, national reach	\$350 million
Marketing manager	Retail	United States headquarters, North America reach	\$260 million

### KEY CHALLENGES

Before Marketing Cloud, interviewees described multiple siloed marketing technology environments mired with inefficient processes and expenses, which hindered revenue opportunities from marketing activities. The interviewees consistently noted how their organizations struggled with marketing challenges:

#### Limited understanding of the customer in their prior marketing technology environments.

- **Data silos created multiple, incomplete views of the customer.** Efforts to better understand customers through a single view were blocked due to departmental silos. The chief marketing officer and their team at the HLS organization noted the incumbent technology was not compliant with their organization's patient system of record, which made it impossible to effectively use patient information to segment marketing experiences. They further explained: "We grew by acquisition and inherited a lot of different platforms. The practices that we acquired were siloed into their own different populations, which

proved to be problematic because they caused duplicate records."

- **Marketers could not create insights from scattered customer data.** The marketing manager in the retail industry shared their frustrations with the inability to capitalize on the customer data their organization had gathered in a siloed capacity. They said: "For years and years and years, all of our data would sit in each individual store on a computer. To be able to gather that data and learn from it was very challenging."
- **Challenges persisted in properly parsing, validating, and segmenting customer data, particularly in marketing organizations with multiple geographies, business units, or products.** Legacy tools did not provide the analytical capabilities needed to make use of customer data. The marketing manager in the retail industry shared: "We did not have any type of tool or solution prior to Marketing Cloud. Before, it was on our franchisees to slice and dice their own data and then create an email and send it out."



The chief marketing officer and their team at the HLS company shared the difficulties the organization had updating patient lists and keeping them separate by location. This posed several issues, such as patient records often being siloed across locations, preventing patients from being able to manage or globally opt out of communications, and deliverability metrics issues that stemmed from the opt-out issues.

### Inefficient marketing processes and insufficient technologies.

- **Legacy tools fell short of marketing automation goals.** The director of marketing operations at the digital marketing provider shared one of their organization’s biggest hurdles to growth, saying: “Marketing automation is there to help speed, to lead, and to nurture folks from showing interest to an opportunity as fast as possible. [Our legacy tool] wasn’t able to achieve any of that.”
- **Manual efforts drove up total cost of ownership for legacy technology stack.** The director of product marketing at the finance company described their organization’s prior environment’s total cost of ownership for building a robust customer data model, saying, “The tools were good at providing the library of APIs to ingest the data, but the level of resource commitment that was required after purchasing was significantly higher in the prior environment than in Marketing Cloud.”
- **Opaque results from marketing efforts resulted in media waste.** Of their organization’s prior marketing technology environment, the director of product marketing at the finance company shared: “The marketing happened in regions, so each region had their own dashboard. It was very hard to get a global view of marketing campaigns.”

The director of product marketing at the finance company shared: “A lot of the heavy lifting was on our team to understand the different metrics — they needed someone in an SME [subject matter expert] capacity to build the definitions and build out the reports.” The organization looked to Marketing Cloud to automate this.

- **Legacy marketing tools lacked compliance requirements.** For the chief marketing officer and their team at the HLS organization, HIPAA compliance was a primary concern, as was the ability to connect to an on-premises server. They shared: “In addition to [the legacy tool] being not HIPAA compliant, it didn’t have the technology readily available for us to connect to all our electronic medical records.”
- **Misalignment existed between marketing and sales/revenue functions.** Two major departments for business success struggled with holistic measurement and intercommunication. The director of marketing operations at the digital marketing provider shared: “The connection between what was happening on the marketing side and on the revenue side weren’t really being tied together or even being measured prior to Marketing Cloud.”

**“There was no way that we would ever have been able to automate any of our emails with the way we had our [legacy] technology set up.”**

*Chief marketing officer, HLS*

## WHY SALESFORCE?

Decision-making committees at the interviewees' organizations evaluated marketing solutions and selected Marketing Cloud for the following reasons:

- **Ease of integration and compatibility with broader Salesforce platform.** Many of the organizations already had pieces of, or were in the process of implementing, the Salesforce platform for use cases like sales, commerce, and/or service across the organization, which helped narrow down the choices for a marketing solution. The chief marketing officer at the HLS company described their organization's catalyst for selecting Marketing Cloud: "In a large part it was an organizational shift towards digital transformation. We were onboarding Salesforce and [the legacy marketing] platform was just not compatible. We are a Salesforce house at this point."
- **Robust and evolving compliance capabilities.** Salesforce's continuous improvements and enhancements to the platform were especially important for highly-regulated industries that needed to keep up with changing compliance mandates. The chief marketing officer at the HLS company cited the need for an email marketing solution that was HIPAA compliant and interoperable with Salesforce. Marketing Cloud also was important to help organizations adhere to GDPR requirements.

Additional features and functionalities of Marketing Cloud that were considered in the decision-making process included:

- The ability to effectively unify customer data and break down data silos across the organization.
- The ability to easily parse, segment, and validate customer data.
- The ease of integration within the mar tech stack.
- The automation of criteria-based user journeys.
- The brand reputation of Salesforce and existing investment/relationships.

**“What seemed cheap did not turn out to be cheap at all. Our prior solution required a larger of commitment of resources to provide the same functionality as Marketing Cloud.”**

*Director of product marketing,  
finance*

**“The biggest driver was getting a solution that worked really seamlessly with [our existing] Salesforce CRM and Sales Cloud.”**

*Chief marketing officer, HLS*

## COMPOSITE ORGANIZATION

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

**Description of composite.** The North America-based enterprise generates annual revenues of \$500 million and has 1,250 employees (FTEs). The composite organization has a strong brand, global reach, and a large customer base.

It has digital marketing organizations across eight business units. The organization has a previous investment in Salesforce CRM.

In the prior environment, the composite organization dedicated 4% of annual revenues, or \$20 million, to digital marketing spend. Before Marketing Cloud, it generated monthly marketing campaigns that required duplicative efforts across digital marketing business units.

These marketing efforts reached 500,000 customers annually. The composite organization also received 10 million unique site visitors annually. The average order value (AOV) of a purchase is \$50. The organization has a 10% operating margin.

**Deployment characteristics.** The composite organization uses a system integrator to deploy the full Marketing Cloud Platform. It phases the deployment across product marketing business units. As part of this phased deployment, it ramps usage to all 150 users by Year 2.

### Key Assumptions

- \$500 million annual revenues
- 1,250 employees
- 150 Salesforce Marketing Cloud users
- 8 marketing business units

# 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 profit from improved customer engagement	\$398,438	\$637,500	\$796,875	\$1,832,813	\$1,487,779
Btr	Incremental profit from improved email journeys	\$179,297	\$669,375	\$1,255,079	\$2,103,751	\$1,659,159
Ctr	Incremental profit from improved website engagement	\$232,422	\$1,095,704	\$1,333,438	\$2,661,563	\$2,118,664
Dtr	Marketing spend efficiency from business process automation and optimization	\$1,209,375	\$2,055,375	\$3,072,657	\$6,337,407	\$5,106,621
Etr	Efficiencies in email marketing campaigns	\$164,851	\$164,851	\$164,851	\$494,554	\$409,961
Total benefits (risk-adjusted)		\$2,184,383	\$4,622,805	\$6,622,899	\$13,430,087	\$10,782,184

## INCREMENTAL PROFIT FROM IMPROVED CUSTOMER ENGAGEMENT

**Evidence and data.** Leveraging enterprise and consumer data can deliver more compelling customer engagement. Serving as a waypoint for data, a customer data platform centralizes customer information from multiple sources and makes it available to systems of insight and engagement.<sup>2</sup>

After adopting Marketing Cloud, interviewees reported higher levels of engagement from new and existing customers while growing their operations into new markets. Interviewees shared the following stories of success related to customer engagement:

- **Unifying more customer data points enabled better targeting, segmenting, and contextualization.** The president of digital experiences in the retail industry shared: “[Before Salesforce] we had little customer data, only about 300,000 records in our database. Today

we have over 11 million records in our database. As we grew and matured, we needed to unify the customer data. We began tracking behavior from in-store to online and responses to social cases and tied all of that data into one customer ID.” The single view of the customer across touch points was vital for the organization to take advantage of the data. They continued: “We built and then enriched first-party data, which allows retailers like us to build one-on-one relationships with our customers. Our communications are relevant and contextual and, therefore, [customers] engage more with us.”

- **A single view of the customer enabled more personalization and the creation of a loyalty program.** The president of digital experiences in the retail industry shared how leveraging Marketing Cloud boosted monthly active users, which represented 50% of all monthly engaged customers. Their organization built a single view of the customer, and from that was able to gain

insights to further develop customer-centric projects like a loyalty program. Within two years of the investment, the interviewee shared that the program had surpassed 5 million members, representing 35% of all customers.

**Modeling and assumptions.** Based on the interviewees' experiences, Forrester assumes the following about the composite organization:

- The composite engaged 500,000 customers annually via email campaigns in its prior environment.
- After the Marketing Cloud investment, the composite organization measures an increase in number of engaged customers by 25%, 40%, and 50% in Years 1, 2, and 3, respectively, compared to the prior environment.
- In the prior environment, the average order value AOV was \$50. A customer engaged via email campaigns conducted 1.5 annual purchases on average, resulting in a \$75 value per customer engaged via email campaigns.
- The composite organization's operating margin is 10%.
- Forrester considers 50% of the value of this benefit a direct result of the Salesforce investment. This estimate accounts for other changes that take place during the three years under analysis, including macroeconomic factors and other investments in technology, people, and process.

**Risks.** Forrester recognizes that these results may not be representative of all experiences. The following factors may impact this benefit:

- The number of engaged customers in the legacy environment, if any, and the frequency and purchasing value of a customer engaged via email before and after the investment in Marketing Cloud.

- Actual consumer behaviors and trends around purchasing frequency, basket size, and customer lifetime value.

**Results.** To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$1.5 million.

**“With really good technology, we’re making magic happen. We are able to move much faster. In the last 12 months, we moved with scale into four new markets and added 225 stores.**

**Having these technology capabilities allows us to understand very quickly who our guests are and interact with them.”**

*President of digital experiences, retail*

<b>Incremental Profit From Improved Customer Engagement</b>					
<b>Ref.</b>	<b>Metric</b>	<b>Source</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
A1	Number of customers engaged via email campaigns in prior environment	Composite	500,000	500,000	500,000
A2	Growth in customer engagement with Marketing Cloud	Interviews	25%	40%	50%
A3	Incremental customers engaged with Marketing Cloud	A1*A2	125,000	200,000	250,000
A4	Average order value in prior environment	Composite	\$50	\$50	\$50
A5	Number of annual purchases by a customer engaged via email campaigns	Composite	1.5	1.5	1.5
A6	Value of a customer engaged via email campaigns in prior environment	A4*A5	\$75	\$75	\$75
A7	Increased incremental revenue with Marketing Cloud	A3*A6	\$9,375,000	\$15,000,000	\$18,750,000
A8	Operating margin	Composite	10%	10%	10%
A9	Attribution to Marketing Cloud	Forrester Assumption	50%	50%	50%
At	Incremental profit from improved customer engagement	A7*A8*A9	\$468,750	\$750,000	\$937,500
	Risk adjustment	↓15%			
Atr	Incremental profit from improved customer engagement (risk-adjusted)		\$398,438	\$637,500	\$796,875
<b>Three-year total: \$1,832,813</b>			<b>Three-year present value: \$1,487,779</b>		

## INCREMENTAL PROFIT FROM IMPROVED EMAIL JOURNEYS

**Evidence and data.** Email persists as one of the most important communication channels for marketing. Personalized customer engagement that effectively engage customers build more value with brands. Forrester defines personalization as an experience that uses customer data and understanding to frame, guide, extend, and enhance interactions based on that person's history, preferences, context, and intent.<sup>3</sup>

As interviewees expanded their customer engagement efforts with new customers and expanded loyalty programs and communication across new channels as described in Benefit A, Marketing Cloud helped them build more relevant and engaging email experiences. Examples shared by interviewees included:

- **Increased personalization of communication, driving value from advanced segmentation.** The president of digital experiences in the retail industry described how Marketing Cloud enabled marketers to strategically improve email journeys for customers. They explained: "In the past, we would have sent an email promotion to our entire database. Now, we've segmented customers into many iterations by leveraging the unified data of customers, so [emails are] very relevant for each interaction. We're stretching their behavior just a tad bit, driving higher average order value by upselling very relevant uses."
- **Streamlined processes that increased frequency of specific campaigns and impacted retention.** The chief marketing officer at the HLS company described the importance of regular, relevant communication for their patient retention goals. Staying top-of-mind with patients was paramount, especially because up to 80% of revenue came from existing patients and the cost to acquire a new patient was eight-fold greater than that to retain an established patient.

Marketing Cloud enhanced the chief marketing officer's organization's ability to communicate with established patients effectively. They said: "Because we've been able to streamline our emails, we get to send more out now versus once a month [in the previous environment]. We're now doing biweekly educational emails to stay in front of these patients. Then, from a data standpoint with Marketing Cloud, we are connecting with analytics so we can measure the return on the emails financially."

- **Automations that provided greater consistency and content quality, improved email experiences, and delivered better next-best actions.** The marketing manager in the retail industry described helpful ways in which Marketing Cloud helped marketers segment and automate criteria-based journeys. The automations, combined with quality content, helped their franchise organization execute more consistent and effective email experiences. They described the process and impacts: "That was a big game changer from franchisees just trying to send email campaigns on their own [to] having us send them on their behalf so they can spend time focusing on other things."

The marketing manager in the retail industry continued to report significant revenue impacts from near real-time product recommendations and messages like automated abandoned cart emails. They stated: "If someone clicks on an abandoned cart email, their order value has always been higher than just someone who's shopping directly on the site without personalization." Specifically, they shared that personalized emails as part of journeys saw a 9% conversion rate on emails with near real-time product recommendations, compared to up to 5% for traditional emails outside of a personalized journey, and a \$123 to \$136 AOV, depending on the journey, up from the \$100 e-commerce average."

**Modeling and assumptions.** Based on the interviewees' experiences, Forrester assumes the following about the composite organization:

- In the prior environment, the composite organization's annual email campaign revenue was \$37.5 million.
- With Marketing Cloud-powered personalization, the composite organization:
  - Increases the number of email subscribers by 150%, 200%, and 250% in Years 1, 2, and 3, respectively.
  - Increases the email conversion rate with Marketing Cloud-powered email personalization by 30%, 50%, and 60% in Years 1, 2, and 3, respectively.
  - Increases the average order value for personalized emails by 20%, 30%, and 35% in Years 1, 2, and 3, respectively.
- The composite organization's operating margin is 10%.
- Forrester considers 50% of the value of this benefit a direct result of the Salesforce investment. This estimate accounts for other changes that take place during the three years under analysis, including macroeconomic factors and other investments in technology, people, and process.

**Risks.** Forrester recognizes that these results may not be representative of all experiences. The following factors may impact this benefit:

- The size of the legacy environment email campaign revenue, state of legacy communications, and the value of a customer journeys after the investment in Marketing Cloud.
- Actual consumer behaviors and trends around purchasing frequency, basket size, and customer lifetime value.

**Results.** To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$1.7 million.

**“Each of the personalized campaigns has definitely been driving sales. We’ve not only seen higher average order value with Engagement, but the click-through rate of some e-mails is 18%, which is really high for an e-mail. They also came in with a higher AOV than with the e-commerce site.”**

*Marketing manager, retail*



Incremental Profit From Improved Email Journeys					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Email campaign revenue in prior environment	A1*A6	\$37,500,000	\$37,500,000	\$37,500,000
B2	Increased incremental revenue from new subscribers with Marketing Cloud	A7	\$9,375,000	\$15,000,000	\$18,750,000
B3	Increase in subscriber emails with Marketing Cloud- powered personalization	Interviews	150%	200%	250%
B4	Increase in email conversion rate with Marketing Cloud-powered email personalization	Interviews	30%	50%	60%
B5	Increase in average order value for personalized emails	Interviews	20%	30%	35%
B6	Incremental email campaign revenue with Marketing Cloud	(B1+B2) *B3*B4*B5	\$4,218,750	\$15,750,000	\$29,531,250
B7	Operating margin	Composite	10%	10%	10%
B8	Attribution to Marketing Cloud	Forrester Assumption	50%	50%	50%
Bt	Incremental profit from improved email journeys	B6*B7*B8	\$210,938	\$787,500	\$1,476,563
	Risk adjustment	↓15%			
Btr	Incremental profit from improved email journeys (risk-adjusted)		\$179,297	\$669,375	\$1,255,079
<b>Three-year total: \$2,103,751</b>			<b>Three-year present value: \$1,659,159</b>		

## INCREMENTAL PROFIT FROM IMPROVED WEBSITE ENGAGEMENT

**Evidence and data.** Website visits serve as an inflection point on the customer journey. Unique visits serve as a strong indicator of effective customer engagement at points throughout the customer journey as noted in Benefits A and B. Successful marketing efforts across channels brought customers to websites. Marketing Cloud significantly enhanced customer behavior at the point of transition from interested to engaged. Interviewees shared the following examples of Marketing Cloud's impact on website engagement:

- **Increase in website conversions.** The chief marketing officer at the HLS company shared their goals to convert website visits to online appointment requests. In the prior environment, the team averaged 290 goal conversions monthly. With Marketing Cloud, the monthly goal conversions rose to an average of 1,500, reaching as many as 2,100 online appointment requests in some months. In addition, estimated revenue from goal conversions also grew significantly. They reported: "Marketing Cloud definitely increased our capability to reach out to our patients and engage with them. We went from about \$45,000 in estimated monthly revenue to \$2.9 million. It definitely helped increase our requested appointment value."
- Personalized recommendations improved website experience, which increased conversion value and decreased abandonment. According to the marketing manager in the retail industry, Marketing Cloud facilitated higher quality customer engagement and built stronger customer value than what was possible with the prior environment. For example, they shared how their organization launched personalized cart recommendations with Marketing Cloud. They stated: "Those who clicked into the experience have a 30% higher average order value than those who don't."

**Modeling and assumptions.** Based on the interviewees' experiences, Forrester assumes the following about the composite organization:

- In the prior environment, the composite organization averaged 10 million unique site visitors annually, converted 2.5% of all website visitors to make a purchase, and had an AOV of \$50.
- After deploying Marketing Cloud, the composite organization:
  - Increased the site conversion rate by 25%, 45%, and 60% in Years 1, 2, and 3, respectively.
  - Increased average order value for website visitors by 15%, 25%, and 35% in Years 1, 2, and 3, respectively.
- The composite organization's operating margin is 10%.
- Forrester considers 50% of the value of this benefit a direct result of the Salesforce investment. This estimate accounts for other changes that take place during the three years under analysis, including macroeconomic factors and other investments in technology, people, and process.

**"We have seen a per-user revenue increase in the last couple of months of about 40% for some experiences. Cart abandonment experiences have a conversion rate of 60% while the exit intent pop-up journey has a 24% conversion rate."**

*Marketing manager, retail*

**Risks.** Forrester recognizes that these results may not be representative of all experiences. The following factors may impact this benefit:

- The number and value of unique website visitors after the investment in Marketing Cloud.
- Actual consumer behaviors and trends around purchasing frequency, basket size, and customer lifetime value.

**Results.** To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$2.1 million.

Incremental Profit From Improved Website Engagement					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Average number of unique site visitors in prior environment	Composite	10,000,000	10,000,000	10,000,000
C2	Website conversion rate in prior environment	Composite	2.5%	2.5%	2.5%
C3	Increase in site conversion rate with Marketing Cloud	Interviews	25%	45%	60%
C4	Incremental number of website visitors converting to purchase with Marketing Cloud	$C1 * C2 * C3$	62,500	362,500	400,000
C5	Average order value in the prior environment	Composite	\$50	\$50	\$50
C6	Increase in average order value with Marketing Cloud for website visitors	Interviews	15%	25%	35%
C7	Incremental revenue with Marketing Cloud	$C1 * C2 * C5 * C6 + C4 * C5 * (1 + C6)$	\$5,468,750	\$25,781,250	\$31,375,000
C8	Operating margin	Composite	10%	10%	10%
C9	Attribution to Marketing Cloud	Composite	50%	50%	50%
Ct	Incremental profit from improved website engagement	$C7 * C8 * C9$	\$273,438	\$1,289,063	\$1,568,750
	Risk adjustment	↓15%			
Ctr	Incremental profit from improved website engagement (risk-adjusted)		\$232,422	\$1,095,704	\$1,333,438
<b>Three-year total: \$2,661,563</b>			<b>Three-year present value: \$2,118,664</b>		

## MARKETING SPEND EFFICIENCY FROM BUSINESS PROCESS AUTOMATION AND OPTIMIZATION

**Evidence and data.** Budget waste occurs when organizations lack the necessary transparency and speed to measure and optimize the true cost and business impact of their advertising and marketing efforts. Marketers waste time, effort, and money and reap suboptimal marketing ROI by investing in campaigns and journeys without accurate measurement. On the other hand, marketing intelligence capabilities that automate data integration, reporting, insights, and analytics help marketing teams cut wasteful spending and allocate budget to the campaigns, platforms, channels, content, and segments that most efficiently drive business outcomes, such as leads, sales, transactions, and sign-ups.

Interviewees using Marketing Cloud reported significant process efficiencies and insight-driven reductions in media waste. Marketing Cloud helped interviewees' organizations achieve significant marketing spend efficiencies by driving the effectiveness of their digital ad spend, increasing marketing ROI, and earning a larger share of future budgets based on the optimized performance. Interviewees shared the following examples:

- **Measurement capabilities helped marketers decrease media waste.** The director of marketing operations at the digital marketing organization explained how automations enabled by Marketing Cloud empowered the team. They said: "Marketing Cloud has been a real game changer for us on the analytics side. We have the ability to paint a better picture of our marketing performance and we're getting better at predicting future performance using their tools."
- **Better insights enabled a focus on strategy over administrative tasks.** The director of product marketing at the finance company explained how Marketing Cloud reduced the level

of administration involved in media buying while improving insights into performance. They said: "[Marketing Cloud] has a data model all ready for digital media buying, which I find easy. That means less importance is placed on us knowing all the data elements from more than one hundred APIs."

**Modeling and assumptions.** Based on the interviewees' experiences, Forrester assumes the following about the composite organization:

- The composite devotes four percent of its annual revenues to digital marketing spend. In the prior environment, this averaged around \$20 million annually. However, with the increased incremental revenue impact noted in Benefits A, B, and C, the composite grows this spend to \$34 million, \$51 million, and \$68 million in Years 1, 2, and 3, respectively.
- With Marketing Cloud, the composite organization decreases media waste by 8%, 9%, and 10% in Years 1, 2, and 3, respectively, compared to the prior environment.
- Forrester considers 50% of this benefit a direct result of the Salesforce investment. This estimate accounts for other changes that take place during the three years under analysis, including macroeconomic factors and other investments in technology, people, and process.

**“With Marketing Cloud, we can see what is happening in almost real time. That prevents us from making knee-jerk decisions with our ad spend.”**

*Director of marketing operations,  
digital marketing*

**Risks.** Forrester recognizes that these results may not be representative of all experiences. The following factors may impact this benefit:

- The marketing channels an organization invests in. Drivers of value include how easy a channel is to measure and attribute to marketing and unit costs related to media, data, and other digital advertising unit costs. Marketers should consider added costs in a way that will optimize conversion revenue for their organization.
- The amount of additional incremental revenue gained with the Marketing Cloud investment will have a direct impact on marketing spend and related savings growth.

- Additional impacts may include an organization’s amount of excess marketing spend and any other concurrent efforts to drive marketing spend efficiency.

**Results.** To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$5.1 million

**Up to 10%**  
Reduction in media waste over three years



**“Marketing Cloud has improved the time it takes to bring our insights to market. We are able to better attribute our spend and have delivered \$50 million in ad spend efficiencies. The adoption has been significant.”**

*Director of product marketing, finance*

Marketing Spend Efficiency From Business Process Automation And Optimization					
Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Annual digital marketing spend	Composite	\$33,593,750	\$50,750,000	\$68,281,250
D2	Percent decrease in media waste with Marketing Cloud	Interviews	8%	9%	10%
D3	Attribution to Marketing Cloud	Composite	50%	50%	50%
Dt	Marketing spend efficiency from business process automation and optimization	D1*D2*D3	\$1,343,750	\$2,283,750	\$3,414,063
	Risk adjustment	↓10%			
Dtr	Marketing spend efficiency from business process automation and optimization (risk-adjusted)		\$1,209,375	\$2,055,375	\$3,072,657
<b>Three-year total: \$6,337,407</b>			<b>Three-year present value: \$5,106,621</b>		

## EFFICIENCIES IN EMAIL MARKETING CAMPAIGNS

**Evidence and data.** Before Marketing Cloud, interviewees described marketing functions that were separate across regions, franchises, and markets. Lacking a single view of the customer, they relied on poor-quality customer lists that required too much time for marketers to parse, clean, and segment.

Processes to build out assets and activate campaigns also led to inefficiencies and inaccuracies, as marketers relied on individuals in each market to customize campaign templates.

As a result, marketing efforts were often limited to email because teams lacked the resources to effectively support additional channels. Furthermore, a lack of coordination in organizations' prior marketing environments contributed to excessive and often duplicative ad hoc requests for individualized campaign evaluations.

Marketing Cloud helped interviewees streamline the process to launch and evaluate successful marketing campaigns. Compared to their prior environments, interviewees reported saving time parsing and segmenting quality customer lists. Interviewees shared the following examples:

- **Marketing Cloud automated key aspects of the campaign build and activation phases.** The chief marketing officer at the HLS company noted how their team was mired by inefficient processes while executing marketing campaigns. Because the organization had grown by a series of acquisitions, some patients ended up on multiple lists for different locations without an automated way to deduplicate them. The distributed organizational structure further led to inefficiencies when building out campaigns. They shared: "Instead of creating one email, we'd have to create a hundred of the same email that varied by location. The transition to Marketing Cloud really benefited us. We were able to create and consolidate all of our patients onto one list,

segment them out by location, and then create only one email versus a hundred. That freed up someone else's time to do other things or we can do more campaigns."

- **With Marketing Cloud, interviewees expanded into new channels to augment the reach of their marketing programs and better align with customer preferences.** In their prior environments, most interviewees reported that email was the only channel leveraged for customer outreach. With Marketing Cloud, however, their organizations were able to expand into new channels, which enriched campaign quality while mitigating the additional efforts to take on the new channels. The marketing manager in the retail industry shared: "We did a two-month campaign with 21 different assets, seven emails, seven social posts, and website posts for each of our more than 200 franchisee individual websites. Because each of the stores is independently owned and operated, these campaigns are creating additional incremental sales without them having to do anything laborious. We're just putting these things in place for them."
- **Marketing Cloud democratized post-campaign insights with a global console for stakeholders across organizations.** The director of product marketing at the finance company described difficulties when pulling information from multiple data sources before Marketing Cloud. This hindered top-line visibility across different markets. Data democratization with Marketing Cloud mitigated the number of ad hoc requests made for various report iterations. Improvements in the user interface helped the director of product marketing's finance company achieve time savings of 75% while building campaign performance analyses. They experienced further time savings by reducing the number of ad hoc reporting requests their team fielded compared to the prior marketing

environment. They said: “With Marketing Cloud, the taxonomy is in place, and we have visibility into all accounts where the media is running. We are able to visualize and share the data much faster. Another thing that really helped was having a regional workspace and a global workspace. We can monitor activity in a particular region, but we can also see how a particular campaign fares at a global level.”

**Modeling and assumptions.** Based on the interviewees’ experiences, Forrester assumes the following about the composite organization:

- The composite organization has product marketing functions distributed across eight business units that each participate in the monthly email campaigns.
- In prior environment, each marketing campaign required 60 hours to build and run and 40 hours for post-campaign analysis and reporting.
- With Marketing Cloud, the composite organization sees time savings of 60% when building and running marketing campaigns and 90% on post-campaign reporting activities.
- The fully burdened hourly rate of a marketer is \$53.
- Forrester assumes a productivity recapture for each end user of 50% as not all regained hours may be used productively.

**Risks** Forrester recognizes that these results may not be representative of all experiences. The following factors may impact this benefit:

- The level of inefficiency in the prior environment.
- The number of markets, channels, and the frequency of communication campaigns.
- Organizational readiness and how quickly an organization can progress through Marketing Cloud’s learning and adoption curves.

**Results.** To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$410,000.

**“Marketing Cloud really helps you pivot and do things more quickly. It is just a great overall tool to streamline the processes that we were struggling with.”**

*Chief marketing officer, HLS*

Hours saved on email marketing campaigns over three years

**20,736**

Efficiencies In Email Marketing Campaigns					
Ref.	Metric	Source	Year 1	Year 2	Year 3
E1	Number of markets/business units in marketing organization	Composite	8	8	8
E2	Number of campaigns before Marketing cloud	Composite	12	12	12
E3	Hours to build and run marketing campaigns in prior environment	Composite	60	60	60
E4	Hours for post campaign reporting in prior environment	Composite	40	40	40
E5	Percent time saved to build and run marketing campaigns with Marketing Cloud	Interviews	60%	60%	60%
E6	Percent time saved on post campaign reporting with Marketing Cloud	Interviews	90%	90%	90%
E7	Number of hours saved with Marketing Cloud	$(E1 \cdot E2 \cdot E3 \cdot E5) + (E1 \cdot E2 \cdot E4 \cdot E6)$	6,912	6,912	6,912
E8	Fully burdened hourly rate of a marketer	Composite	\$53	\$53	\$53
E9	Productivity recapture rate	Forrester Assumption	50%	50%	50%
Et	Efficiencies in email marketing campaigns	$E7 \cdot E8 \cdot E9$	\$183,168	\$183,168	\$183,168
	Risk adjustment	↓10%			
Etr	Efficiencies in email marketing campaigns (risk-adjusted)		\$164,851	\$164,851	\$164,851
<b>Three-year total: \$494,554</b>			<b>Three-year present value: \$409,961</b>		



## UNQUANTIFIED BENEFITS

Interviewees mentioned the following additional benefits that their organizations experienced but were not quantified for this study:

- **Positive impacts on employee experience.**

Interviewees noted several ways in which Marketing Cloud helped improve employee experience, including:

- **Upskilling team members.** Interviewees considered the Salesforce skillset and fluency a valuable strength for their marketers to develop. In particular, the Trailblazer Community was mentioned as an important resource in maximizing the investment in Marketing Cloud. The marketing manager in the retail industry shared, “The Trailblazer Community support system has really been a great benefit for me.”
- **Collaborative digital work environment:** The chief marketing officer and their team at the HLS company welcomed the increased ability to collaborate with Marketing Cloud. They shared, “It’s nice that everything is digital and online, which is beneficial because we have implemented a hybrid work model.”
- **Ease of use:** The marketing manager in the retail industry came from a franchised organization in which the individual store resources have little to no marketing capacity. They shared: “One of the biggest benefits of using Marketing Cloud is that it is pretty user friendly for a nontechnical person to be able to follow the instructions.”

## Leveraging The Intelligence Of Einstein

Brands that successfully harness the power of AI can not only create a unique customer experience (CX) in the moment but can also identify and be prepared to deliver the next best action.

Three of the five interviewees specifically mentioned the value of having the Salesforce solution’s artificial intelligence capability, Einstein, integrated throughout their marketing technology (martech) stack:

- The marketing manager in the retail industry shared: “Through Einstein Analytics, we found that subscribers became saturated with the sends at the end of the journey. We have decreased the number of sends by two for a key journey campaign.”
- The director of marketing operations at the digital marketing provider reported: “We onboarded Einstein Behavior Score for scoring and grading. It’s helpful because you’re not guessing at a behavior score with the methodology, it’s using AI to come up with a 0 to 100 score. The score is recalculated as time goes on, and we’re able to service that to our reps. We also make marketing decisions based on the score.”
- The president of digital experiences in the retail industry noted: “We’re leaning into Salesforce to get more out of our martech stack. We’re leveraging Einstein AI to do better work within the platform. Then we further integrate Marketing Cloud into other solutions.”

- **Improved growth mindset and focus on innovation.** Marketing Cloud's comprehensive, agile toolkit lifted constraints that hampered innovation in the interviewees' organizations' prior environment. The marketing manager in the retail industry described the new mindset that Marketing Cloud inspired and said: "Being a customer of Marketing Cloud has allowed us to think about everything from a different perspective, one of higher scalability. No longer limited by software tools that we used in the past, these products will allow us to move on to that next level of scalability within our marketing. You can feel very comfortable achieving that when you're using Salesforce."
- **Enablement support from Salesforce and partner ecosystem.** Several interviewees described robust discovery sessions led by Salesforce implementation partners. The director of product marketing at the finance company found these to be a helpful investment in customer success from Salesforce. They also appreciated the high level of support the customer success manager and Salesforce architect offered.

**"The biggest benefit in my position has been the Trailblazer Community. Being a part of these amazing user groups, bouncing ideas off people who are in the same place as you, in the same industry as you, is just super awesome."**

*Marketing manager, retail*

## UNQUANTIFIED BENEFITS FOR A B2B ORGANIZATION

Interviewees from organizations that operate in a business-to-business (B2B) model mentioned additional B2B benefits that their organizations experienced but were not quantified for the B2C composite organization.

The director of marketing operations at the digital marketing provider reported significant B2B benefits with Marketing Cloud. While describing their organization's use of Marketing Cloud for account-based marketing, they shared: "Marketing Cloud is the central nervous system of everything that we're doing. We set up automations based on a defined list of key accounts and have nurture programs set up for specific companies as well as dynamic content that delivers personalized experiences to those folks when they're hitting a landing page or when an engaged template is sent out to them. The strategy is to define key accounts with sales, develop plans of action to generate leads, and [determine] where we're going to find those folks. Then we bring them into the system to deliver really personalized one-to-one experiences."

Results from the Marketing Cloud investment for B2B organizations included:

- Improved connection with sales. The director of marketing operations stated, "The visibility that we get from these platforms helps me have a better conversation with sales."
- A 125% growth in leads compared to a year prior.
- A 15% to 40% increase in revenue from marketing sourced leads.
- A 20% overall revenue growth.
- A 105% growth in revenue from one product through marketing influence.

## Customer Journey: Director of marketing operations, digital marketing

B2B marketers depend on technology to collect data, generate insights, target audiences, and deliver relevant interactions. According to Forrester's 2021 report "Research Overview: Mastering B2B Marketing Technology," as digital marketing becomes more complex, B2B organizations turning to automation are creating dynamic, customer-driven systems of insight and engagement that help buyers achieve their business goals.

The director of marketing operations at the digital marketing provider described how their organization harnessed B2B benefits with Marketing Cloud Account Engagement. Key automations included:

- Lead assignments.
- Customer communications by lifecycle.
- Sales communications, alerts, and tasks.
- Reporting processes.

With Salesforce Account Engagement, the ease of automation meant that the director of marketing operations at the digital marketing provider reported faster time to value.

They shared:

"Of all the automation systems out there, Salesforce is hands down the fastest in terms of getting rules and automations set up and connecting to Salesforce.

It really helps you connect with sales. It helps to get better work, to make better campaigns, to make better iterations, and you're able to do it pretty quickly.

There's really no better B2B marketing automation system."

Of this impact, the director of marketing operations at the digital marketing provider stated: “It is a testament to how we can grow our business using marketing. Each year, we’re having this stellar growth curve on marketing-attributed revenue. That’s in large part due to how efficiently we are able to nurture our leads and develop our account-based marketing.”

**B2B Benefit Framework.** A B2B organization with an average deal size of \$15,000 and 500,000 leads in a prior marketing environment could see up to \$1.25 million in improved revenue from marketing qualified leads.

This potential benefit depends on the total number of leads processed in the prior environment, the extent of alignment with marketing and sales, and the conversion rate of engaged leads to sales wins.

Please note, this benefit framework is for informational purpose only; it does not supersede any benefits quantified for the B2C-facing composite organization.

**“We’re selling more and bringing in higher quality leads. We can drive a better revenue model with Marketing Cloud”**

*Director of marketing operations, digital marketing*

**B2B: Improved Revenue from MQL with Marketing Cloud Automations and Analytics\***

Ref.	Metric	Source	Year 1	Year 2	Year 3
1	Marketing qualified leads (MQL) in prior environment	Composite	500,000	500,000	500,000
2	Increase in MQL with Marketing Cloud	Interviews	10%	15%	30%
3	Conversion of MQL to SQL	Composite	10%	10%	10%
4	Increased incremental MQL to SQL conversion with Marketing Cloud	1*2*3	5,000	7,500	15,000
5	SQL conversion to sales wins	Composite	15%	15%	15%
6	Average deal size	Composite	\$30,000	\$30,000	\$30,000
7	Percent increase in average deal size from MQL with Marketing Cloud	Interviews	15%	25%	35%
8	Increased incremental revenue from MQLs with Marketing Cloud	4*5*6*7	\$3,375,000	\$8,437,500	\$23,625,000
9	Operating margin	Composite	10%	10%	10%
10	Attribution to Marketing Cloud	Composite	50%	50%	50%
Total	Improved revenue from MQL with Marketing Cloud automations and analytics	8*9*10	\$168,750	\$421,875	\$1,181,250

**\*NOT INCLUDED IN ROI CALCULATION**

## FLEXIBILITY

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

- **Further expansion into the Salesforce ecosystem.** The chief marketing officer at the HLS company shared how expanding the Marketing Cloud toolkit will help decrease the organization's reliance on its business insights team to query all its emails. They stated: "We're trying to move away from that and implement the Marketing Cloud Customer Data Platform. We're also going to implement Marketing Cloud Personalization and Advertising (within Engagement). We feel like those would be the missing pieces to fully take advantage of all the potential that Marketing Cloud could provide."
- **Expansion of use cases.** Interviewees discussed different use cases of Marketing Cloud into which they wished to expand. The chief marketing officer at the HLS company discussed potentially using Marketing Cloud for internal corporate communications and to recruit HLS providers to grow the practice.
- The director of marketing operations in the retail industry shared: "There are some other areas that we want to further integrate with Marketing Cloud, such as our loyalty program and our website. We could take segments from Marketing Cloud and personalize on our web and mobile app. We want to get more out of artificial intelligence and machine learning, and then further integrate it to our other experiences."

- The marketing manager in the retail industry said "We really learn about the new [Salesforce] products and tools. Within the last five years, we have been moving into some of the newer technologies like Engagement and Personalization. We'll be excited to get the Customer Data Platform, where we can pull all of this legacy data from the data warehouse and our e-commerce site and pull that all together with the POS data. Then we will really be able to start targeting."

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

**“Marketing Cloud will allow us to deploy all of our marketing activities at scale. My favorite part is that there are really no technology limitations when it comes to Salesforce. It’s the most robust platform I’ve ever used. The sky is the limit — it’s never impossible with Salesforce.”**

*Chief marketing officer, HLS*

# 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
Ftr	Salesforce subscription, fees, and consulting	\$99,000	\$664,950	\$994,950	\$994,950	\$2,753,850	\$2,273,293
Gtr	Deployment and change management	\$128,547	\$17,250	\$25,875	\$25,875	\$197,547	\$185,053
Htr	Ongoing administration	\$0	\$99,000	\$99,000	\$99,000	\$297,000	\$246,198
	Total costs (risk-adjusted)	\$227,547	\$781,200	\$1,119,825	\$1,119,825	\$3,248,397	\$2,704,544

## SALESFORCE SUBSCRIPTION, FEES, AND CONSULTING

**Evidence and data.** The organizations incurred external costs in the following categories as part of the Marketing Cloud investment:

- **Marketing Cloud subscription.** Salesforce subscriptions are tailored to each organization's product consumption and, in most cases, are based on a combination of seats and consumption volume.
- **App Exchange add-on product licenses.** The cost items from Salesforce ISVs are purchased through the AppExchange marketplace. The organizations utilized a mix of both free and paid applications to extend their Salesforce solutions.
- **Implementation/consulting fees.** Professional services from system integration partners and directly from Salesforce provided interviewees' organizations with additional support. Interviewees cited varying levels of professional services costs around implementation assistance.

**Modeling and assumptions.** Based on the interviewees' experiences, Forrester assumes the following about the composite organization:

- The composite incurs subscription costs for the entire Marketing Cloud. These costs ramp with full implementation to all product marketing units by Year 2.
- The composite also purchases add-on products through the AppExchange marketplace to support its Salesforce environment.
- The composite engages professional services consulting to help guide Salesforce implementation and architecture design.
- Pricing will vary. Contact Salesforce for additional details.

**Risks.** Forrester recognizes that these results may not be representative of all experiences. The following factors may impact this cost:

- Subscription costs will vary depending on several factors, including volume of customer profiles and engagements, number of seats, existing Salesforce footprint, discounts negotiated, and terms of contract.

- Add-on costs will vary depending on the needs of an organization and availability of AppExchange tools.
- Professional services fees will vary widely depending on the needs of an organization, existing internal skill sets, and the scope of consulting engagement. Some customers chose to engage a systems integrator (SI) for the initial implementation. Organizations with an existing relationship with a professional services firm may incorporate new consulting engagements into an existing consulting contract. Additionally, some companies may choose to self-implement.

**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 \$2.3 million.

Salesforce Subscription, Fees, And Consulting						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Number of Marketing Cloud users	Composite	0	100	150	150
F2	Marketing Cloud subscription	Composite	\$0	\$600,000	\$900,000	\$900,000
F3	App Exchange add-on product licenses	Composite		\$4,500	\$4,500	\$4,500
F4	System integrator fees	Composite	\$90,000			
Ft	Salesforce subscription, fees, and consulting	F2+F3+F4	\$90,000	\$604,500	\$904,500	\$904,500
	Risk adjustment	↑10%				
Ftr	Salesforce subscription, fees, and consulting (risk-adjusted)		\$99,000	\$664,950	\$994,950	\$994,950
<b>Three-year total: \$2,753,850</b>			<b>Three-year present value: \$2,273,293</b>			

## DEPLOYMENT AND CHANGE MANAGEMENT

**Evidence and data.** The organizations incurred internal costs related to deployment labor, training, and change management costs as part of the Marketing Cloud investment. Interviewees described their experiences as follows:

- The director of product marketing at the finance company described their organization's data model implementation period: "We did not do one big global deployment; we went region by region. It required at least three 2-hour discovery sessions involving 10 to 12 resources from internal agencies and the regional marketers. Inputs were taken to build the data model and meet the reporting needs for that particular region. It was then built out and the data from the channel for the historical 24 months was loaded. That was then followed by trainings and go-live."
- While the director of marketing operations at the digital marketing provider managed the change management efforts internally, their organization bought Salesforce professional services to implement Marketing Cloud Intelligence. While this also required a series of discovery sessions to collect stakeholder requirements, the time to value was quick. They said: "We were able to get the feature enhancements deployed and start using them out of the box within just a couple of weeks, which is a big deal when you're onboarding any new piece of any system. It was pretty fast."
- The director of marketing operations at the digital marketing provider described adoption efforts at their organization. They said: "All the change management was done by my team. But the information covering what needs to be built, stakeholder requirements, etc., those were collected by data in discovery sessions."

- The chief marketing officer at the HLS company described an initial push requiring over one hundred hours of technical implementation to set up Marketing Cloud Journeys.
- The marketing manager in the retail industry described their organization's positive experience using different partners for ongoing support, to help with automation, and to troubleshoot support issues. They shared: "As far as partnering with a company to do implementation, we've had really good success with that, especially with Personalization."

**Modeling and assumptions.** Based on the interviewees' experiences, Forrester assumes the following about the composite organization:

- The initial deployment period is nine weeks. During that period, internal labor costs related to deployment include:
  - Project oversight from a fully dedicated project manager that equals 360 hours. The fully burdened hourly rate for a project manager is \$58.
  - Migration effort from five marketers fully dedicated to deployment for the nine-week period that totals 1,800 hours. The average fully burdened marketer hourly rate is \$43.
  - Business and IT effort that equals 270 hours, or 1.5 resources fully dedicated to deployment during the initial period. The average fully burdened hourly rate of business and IT deployment resources is \$50.
- Once deployed, the composite organization phases its marketer training and change management efforts. These efforts total \$150, and the composite ramps them to all 150 users by Year 2.



**Risks.** Forrester recognizes that these results may not be representative of all experiences. The impact of this cost will vary depending on:

- The number of Salesforce products implemented, road map, and timing of implementations and deployment approach (e.g., agile vs. waterfall).
- Small and medium-size businesses with simpler deployments can take significant advantage of Salesforce’s out-of-the-box presets, simplifying implementation requirements and shortening implementation timelines. Consider the consumption volume of unified customer profiles, engagements, users, and analytics data required to support your solution and consult with your Salesforce account team regarding selecting the right editions for your needs.

- Organizations deploying Salesforce across multiple geographies will have a longer implementation as global stakeholder alignment takes longer and there are different global buyer journeys.

**Results.** To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV of \$185,000.

Deployment And Change Management						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	Number of project manager hours dedicated to deployment	Interviews	360			
G2	Fully burdened project manager hourly rate	Composite	\$58			
G3	Number of marketer hours dedicated to deployment	Interviews	1,800			
G4	Average fully burdened marketer hourly rate	Composite	\$43			
G5	Number of business and IT hours dedicated to deployment	Interviews	270			
G6	Average burdened hourly cost of business and IT deployment resources	Composite	\$50			
G7	Subtotal: deployment internal labor costs	$(G1 \times G2) + (G3 \times G4) + (G5 \times G6)$	\$111,780	\$0	\$0	\$0
G8	Training and change management costs	\$150 per user	\$0	\$15,000	\$22,500	\$22,500
Gt	Deployment and change management	G7+G8	\$111,780	\$15,000	\$22,500	\$22,500
	Risk adjustment	↑15%				
Gtr	Deployment and change management (risk-adjusted)		\$128,547	\$17,250	\$25,875	\$25,875
<b>Three-year total: \$197,547</b>			<b>Three-year present value: \$185,053</b>			

### ONGOING ADMINISTRATION

**Evidence and data.** The organizations incurred the following internal product administration costs as part of the Marketing Cloud investment:

- The marketing manager in the retail industry dedicated one FTE as Salesforce administrator.
- The chief marketing officer at the HLS company estimated that Marketing Cloud required approximately 10 hours a month of ongoing maintenance, plus another 6 hours a month dedicated to cleaning up data. Their team also pointed to the quick time to value achieved with Marketing Cloud. They shared: “Once we got it set up, the numbers speak for itself. It’s just on an automated process now, so that’s one solution that we don’t really have to maintain other than just checking in on the data every so often, making sure it’s working efficiently.”

**Modeling and assumptions.** The composite organization fully dedicates one resource as Salesforce administrator for Marketing Cloud. The fully burdened salary of the Salesforce administrator is \$90,000

**Risks.** Forrester recognizes that these results may not be representative of all experiences. The impact of this cost will vary depending on:

- The number of Salesforce products implemented, road map, and timing of implementations and deployment approach (agile vs. waterfall).
- Organizations deploying Salesforce across multiple geographies will have a longer implementation as global stakeholder alignment takes longer and there are different global buyer journeys.

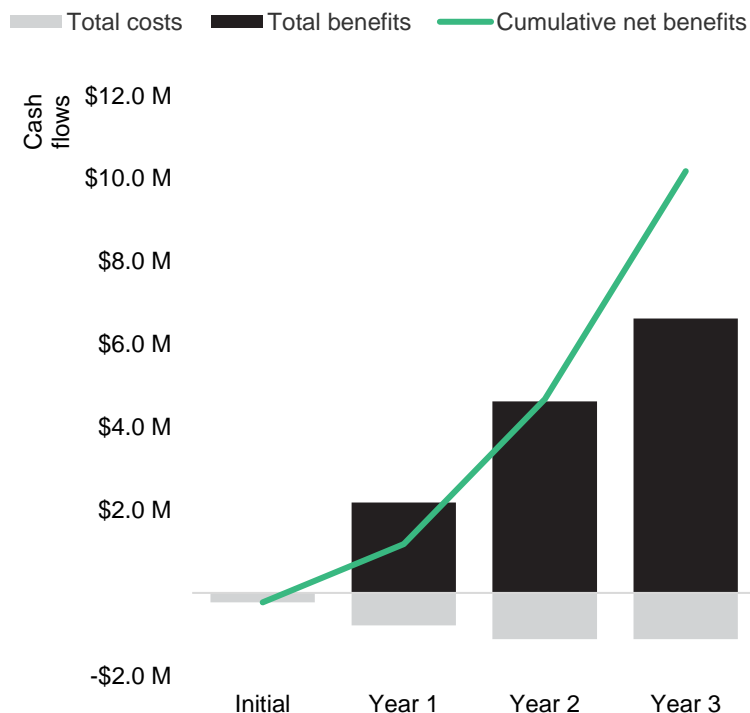
**Results.** To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$246,000.

Ongoing Administration						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
H1	Salesforce administrator FTE	Composite		1	1	1
H2	Average burdened salary of resources	Composite		\$90,000	\$90,000	\$90,000
Ht	Ongoing administration	H1*H2	\$0	\$90,000	\$90,000	\$90,000
	Risk adjustment	↑10%				
Htr	Ongoing administration (risk-adjusted)		\$0	\$99,000	\$99,000	\$99,000
<b>Three-year total: \$297,000</b>			<b>Three-year present value: \$246,198</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 Analysis (Risk-Adjusted Estimates)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	(\$227,547)	(\$781,200)	(\$1,119,825)	(\$1,119,825)	(\$3,248,397)	(\$2,704,544)
Total benefits	\$0	\$2,184,383	\$4,622,805	\$6,622,899	\$13,430,087	\$10,782,184
Net benefits	(\$227,547)	\$1,403,183	\$3,502,980	\$5,503,074	\$10,181,690	\$8,077,640
ROI						299%
Payback period (months)						<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: Endnotes

---

<sup>1</sup> 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.

<sup>2</sup> Source: "The Capabilities CDPs Need To Deliver Value For B2C Marketers," Forrester Research, Inc., January 16, 2020.

<sup>3</sup> Source: "Research Overview: Personalization," Forrester Research, Inc., August 2, 2021.

FORRESTER®