

FORRESTER®

The Total Economic Impact™ Of Simon Data

Cost Savings And Business Benefits
Enabled By Simon Data

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Executive Summary

Improving the experience of their customers is a high or critical priority for many organizations, and it relies on improving the quality of customer data and the effectiveness of marketing.¹ Traditional marketing campaigns must evolve to deliver personalized content via the right channel and at the right time. Simon Data enables organizations to better serve their customers through making actionable data available in a single place, assisting with segmentation, and personalization.

Simon Data is an enterprise customer data platform (CDP) that empowers brands to deliver data-driven, personalized customer experiences across channels.

Simon Data commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying [Simon Data](#).² The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Simon Data on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed five decision-makers at companies with experience using Simon Data. 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 Simon Data, the organizations leveraged customer data from multiple sources, but the information remained siloed and underutilized. Organizations struggled to apply that data to guide marketing campaigns. To better serve customers, marketers made attempts at manually segmenting their audiences and delivering relevant and personalized content, but the legacy tools slowed and limited their progress and required more marketing and technical resources.

After the investment in Simon Data, marketers at the interviewed organization were empowered to

KEY STATISTICS



Return on investment (ROI)

591%



Net present value (NPV)

\$6.21M

become self-reliant in their segmentation and personalization efforts to deliver the right messages to their customers across channels. Personalized content performed substantially better, driving revenue growth. At the same time, because of automation provided by Simon Data, marketing and engineering teams required 50% to 70% less work to execute campaigns. Key results from the investment

“Simon is the only vendor I’ve ever worked with where the entire organization just has this mindset of whatever we want to communicate to customers, we have the ability to do it. It’s like blue-sky thinking for us. We never feel like there’s a limitation to what we can achieve.”

Senior manager, retention and customer strategy, pet food

include incremental revenue from existing customers, increased return on ad spend (ROAS) in select channels, unlocked innovation for marketers, and cross-team collaboration around customer data.

KEY FINDINGS

Quantified benefits. Risk-adjusted present value (PV) quantified benefits include:

- **Incremental profit from applying improved personalization to email of \$4.8 million.** All interviewed organizations use Simon Data to serve their customers better via advanced segmentation to personalize email content and cadence to better meet consumer needs. Organizations saw positive results across metrics, including open rates, click-through rates (CTRs), and conversion rates, and ultimately generated higher revenue from their campaigns.

Email conversion rate increase with Simon Data

30%



- **Increased digital ROAS by 15% with improved targeting.** Before Simon Data, organizations spent digital ad dollars inefficiently by reaching existing customers instead of new ones or by imprecisely defining look-alike audiences. Improved segmentation and targeting enabled by Simon Data drives more efficient paid advertising spend and generates an additional \$1.7 million over three years.
- **Incremental revenue improved customer engagement totaling \$159,000.** Several interviewees apply Simon Data segmentation on their websites to ensure personalization and

consistency across customer touchpoints, which results in incremental revenue.

- **Improved productivity for marketers and support roles of \$563,000.** With Simon Data, interviewed companies reduce marketing-related work for engineers, saving 70% of their time after three years. Empowering marketers to be self-reliant paid organizations back with substantial productivity gains after three years, compared to their previous solutions.

Unquantified benefits. Benefits that are not quantified for this study include:

- **Easy-to-deploy, cross-channel experiments help marketers innovate.** With Simon Data's experimentation framework readily available to marketers with no involvement from engineers, marketers can quickly and continuously test new approaches and improve on their KPIs over time at low risk and low cost.
- **A single source of truth enables cross-team collaboration.** A single vision of customer data enhances collaboration between marketing, product, insights, and CRM teams and enables cross-functional work to build new customer journeys across their different touchpoints.
- **Easy and fast data ingestion unlocks greater flexibility and more use cases.** The speed and simplicity of ingesting new data sources is a key feature to the interviewed organizations. Previous solutions often required multiple hours of engineering time for ingesting and orchestrating data, a burden that Simon Data eliminates.

Costs. Risk-adjusted PV costs include:

- **Simon Data platform fees totaling \$966,000 over three years.** Simon Data subscription costs were based primarily on the customer database size, channels, features used, and the level of support.

- **Implementation and ongoing management costs totaling \$74,000.** Most interviewed organizations reported that the implementation process required involvement from several internal employees across marketing and IT groups and took up to three months to complete. As a software-as-a-service (SaaS) solution, Simon Data requires minimal ongoing management from platform owners.
- **Training costs totaling \$10,500.** These costs include initial and ongoing training for both marketing professionals and engineers.

The customer interviews and financial analysis found that a composite organization experiences benefits of \$7.26 million over three years versus costs of \$1.05 million, adding up to a net present value (NPV) of \$6.21 million and an ROI of 591%.

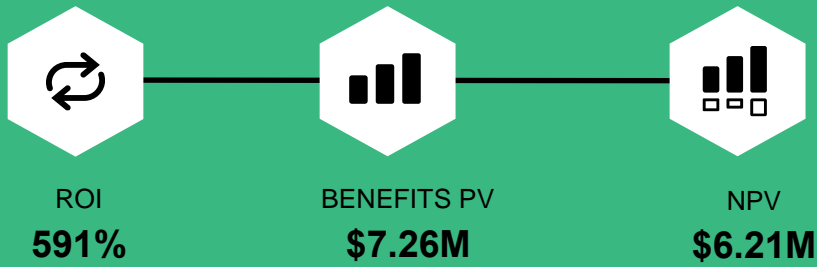
Increase in digital ROAS with
Simon Data

15%

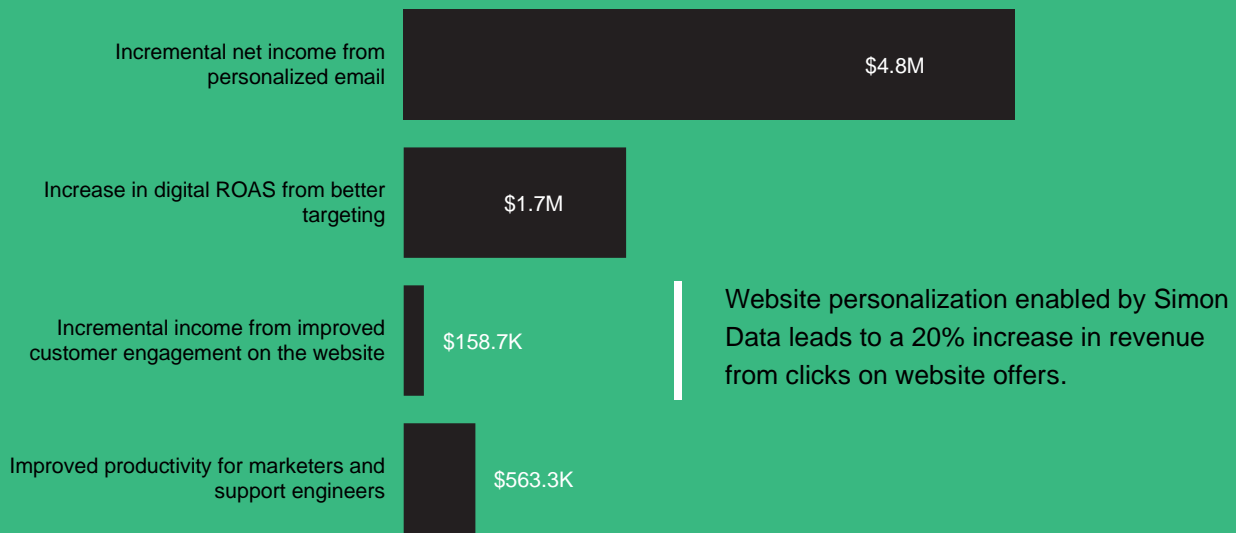


“We didn’t want a platform that would put us in a dead end. We wanted a platform that would make all of our data accessible to other teams. With Simon Data, we are operating on the notion of having a centralized data repository and enabling multiple teams to utilize the data based on their goals and needs.”

— Senior manager, CRM, beverage



Benefits (Three-Year)



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 Simon Data.

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 Simon Data can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Simon Data 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 Simon Data.

Simon Data 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.

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



DUE DILIGENCE

Interviewed Simon Data stakeholders and Forrester analysts to gather data relative to Simon Data.



CUSTOMER INTERVIEWS

Interviewed five decision-makers at organizations using Simon Data 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 Simon Data Customer Journey

■ Drivers leading to the Simon Data investment

Interviewed Organizations			
Industry	Region	Interviewee	Marketing campaign volume
Apparel	North America	Senior manager, data platform	~10 million emails sent per month
Pet food	North America	Senior manager, retention and customer strategy	N/A
Travel and hospitality	Global	Director, marketing technology and segmentation	500 campaigns per month
Retail	Global	VP, marketing	3 million to 4 million emails sent per month
Beverage	Global	Senior manager, CRM	50 million to 90 million emails sent per month

KEY CHALLENGES

The interviewed organizations struggled with common challenges, including:

- **Meeting consumers' expectations of personalized communications.** Organizations recognized that their customers felt entitled to experiences and messaging that were relevant to them at a particular moment in time and in the right channel. Previous marketing tools did not provide the desired customer experience at scale.
- **Legacy tools' inability to support a 360-degree view of the customer.** Organizations struggled with bringing the data from multiple sources and across multiple channels into one place and making the data actionable. "Data unification and the ability to manage our entire customer lifecycle out of a single tool was our top priority," said the senior manager, retention and customer strategy at a pet food organization.
- **Lack of autonomy and heavy reliance on engineering curbed marketing innovation.** When marketing professionals wanted to either target certain customers or build unique audiences, they had to reach out to dedicated

engineers. This dependency lengthened timelines for marketing projects, limited the kinds of work marketing professionals could do autonomously, and distracted engineers from their core responsibilities.

"[Before Simon Data] the tools were all really manual. There was not a clear strategy on how to approach the customer outreach – user outreach was often untargeted, and the frequency of email campaigns was too high, leading to poorer engagement and deliverability issues. The team was not able to deliver the results that the company wanted to see."

Senior manager, CRM, beverage

SOLUTION REQUIREMENTS

The interviewed decision-makers searched for a solution that could:

- Bring data from disparate sources to a single place to power marketing and CRM initiatives.

- Provide an easy-to-use solution that enabled self-service in segmentation, personalization, and triggered marketing for marketers.
- Deliver seamless connectivity to the other marketing technology stack components.

After an RFP and business case process evaluating multiple vendors, the interviewees chose Simon Data and began deployment.

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 five 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, \$250-million business-to-consumer organization with a heavy focus on eCommerce. Email is an essential component of the organization’s marketing program. Campaigns are developed by the marketing team and implemented with the help of engineering staff. Prior to engaging with Simon Data, the organization experimented with personalization and segmentation offered by its email service provider.

Deployment characteristics. The composite organization replaces its legacy homegrown solutions with Simon Data, and it trains 10 marketing professionals and 10 engineers to use the platform. Simon Data works with the internal teams to integrate the platform and link it to appropriate data ingestion sources, including an email service provider (ESP), a direct mail platform, social media sites, and a data warehouse.

Key assumptions

- \$250M in revenue
- 200 employees
- 25M emails sent monthly
- \$100 average order value

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 net income from personalized email	\$1,928,640	\$1,928,640	\$1,928,640	\$5,785,920	\$4,796,242
Btr	Increase in digital ROAS from better targeting	\$478,125	\$717,188	\$956,250	\$2,151,563	\$1,745,821
Ctr	Incremental income from improved customer engagement on the website	\$63,000	\$64,260	\$64,285	\$191,545	\$158,679
Dtr	Improved productivity for marketers and support engineers	\$226,525	\$226,525	\$226,525	\$679,575	\$563,334
	Total benefits (risk-adjusted)	\$2,696,290	\$2,936,613	\$3,175,700	\$8,808,603	\$7,264,076

INCREMENTAL NET INCOME FROM PERSONALIZED EMAIL

Evidence and data. Prior to using Simon Data, interviewed organizations were limited in their ability to customize email content and target specific consumer segments with personalized messages and, as a result, saw limited success from their email campaigns. With Simon Data, organizations could more effectively segment and personalize email headlines and content to appeal to each of their unique consumer segments. As a result, interviewed organizations saw higher open and conversion rates.

- An interviewee at an apparel organization told Forrester that they were able to leverage data points such as consumer session data to find out what items consumers were looking at. They used these data points to customize email messaging and present consumers with offers they were interested in.
- Working with Simon Data enabled a beverage company to increase email open and conversion rates while reducing the email volume sent to consumers. “We used automation enabled by Simon Data to personalize email experience

and limit the emails sent to consumers to the most relevant. Consumers could receive better campaigns based on items they are considering, as well as relevant triggered messages based on their engagement with products available on the website or app,” said senior CRM manager at a beverage company.

- Before Simon Data, another apparel company used to blast emails to all email subscribers. Simon Data enabled marketers to segment users based on their activity and engagement and adjust email cadence accordingly: “If you haven’t opened an email in the last 30 days, we probably shouldn’t send you an email every week,” said the VP of marketing. With the email volume better fitted to consumer needs, the organization increased open rates by 20%, and the conversion rate nearly doubled.

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

- The organization sends out, on average, 25 million emails per month.

- Prior to Simon Data, the average click-through rate was 2% and open rate was 7%.
- Segmentation and personalization enabled by Simon Data enabled the organization to send more relevant emails to consumers, which resulted in a 40% increase in click through rate and 30% increase in conversion rate.
- The composite organization's average order value is \$100.

“We’ve increased email revenue because we’ve been able to do a bit of customization of the emails and templating. We leverage data points like consumers’ session data to know what items they were looking at and use those data points to target them in a more customized email, which has a higher conversion rate than our typical emails.”

Senior manager, data platform, apparel

Risks. The following factors may impact other organizations’ realization of this benefit category:

- The extent to which Simon Data capabilities are leveraged in email campaigns.
- The availability and usage of data sources to support Simon Data–enabled campaigns.
- The creative content and on-site user experience, which will impact conversion rates.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$4.8 million.

Incremental Net Income From Personalized Email					
Ref.	Metric	Calculation	Year 1	Year 2	Year 3
A1	Emails sent per month	Composite	25,000,000	25,000,000	25,000,000
A2	Average click-through rate before Simon Data	Interviews	2.0%	2.0%	2.0%
A3	Average conversion rate before Simon Data	Interviews	7.0%	7.0%	7.0%
A4	Number of conversions prior to Simon Data	$A1 \times 12 \text{ months} \times A2 \times A3$	420,000	420,000	420,000
A5	Click through rate increase with Simon Data	Interviews	40%	40%	40%
A6	Click through rate with Simon Data	$A2 + A2 \times A5$	2.8%	2.8%	2.8%
A7	Conversion rate increase with Simon Data	Interviews	30%	30%	30%
A8	Average conversion rate with Simon Data	$A3 + A3 \times A7$	9.1%	9.1%	9.1%
A9	Number of conversions with Simon Data	$A1 \times 12 \text{ months} \times A6 \times A8$	764,400	764,400	764,400
A10	Number of incremental conversions attributed to Simon Data	A9-A4	344,400	344,400	344,400
A11	Average order value	Composite	\$100	\$100	\$100
A12	Operating margin	Industry	7%	7%	7%
At	Incremental net income from personalized email	$A10 \times A11 \times A12$	\$2,410,800	\$2,410,800	\$2,410,800
	Risk adjustment	↓20%			
Atr	Incremental net income from personalized email (risk-adjusted)		\$1,928,640	\$1,928,640	\$1,928,640
Three-year total: \$5,785,920			Three-year present value: \$4,796,242		

INCREASE IN DIGITAL ROAS FROM BETTER TARGETING

Evidence and data. Prior to Simon Data, organizations faced three challenges to efficient ad spend. First they were unable to reach prospective customers on social channels. Next they incorrectly targeted ads at existing customers, which reduced budget for truly new customers. Lastly, they were unable to target look-alike audiences. Once they implemented Simon Data, companies saw an increase in return on advertising spend (ROAS) due to better segmentation and targeting.

- An apparel organization unlocked over \$300K in ad spend for new customers in a 3 to 6 months period and saw an increase in ROAS because with Simon Data they “could see where their ad dollars were going, and who [they] were acquiring”. The senior manager of a data platform told Forrester that prior to Simon Data, “there was at least a six-figure spend on targeting customers that already existed, so the net new ad revenue has come from dollars pivoted into new acquisition enabled by Simon Data”.

- Another apparel organization saw an increase of 20% to 25% in their ROAS due to new audience segmentation enabled by Simon Data. “We were able to build out so many audience segments, both existing and new customers, and to focus more on valuable look-alike audiences. It was the real win for us that instead of relying on a social network-provided look-alike audiences, we were able to get a better quality and more robust look-alike audience because of all of the different data points that we were able to export from Simon,” said the VP of marketing.

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

- Annual digital advertising budget is \$12.5M.
- In the first year, data points and segmentation available through Simon Data affect 10% of the organization’s digital advertising budget. As the organization’s use of Simon Data expands and

becomes more sophisticated, the percentage increases to 15% in Year 2, and 20% in Year 3.

- The average ROAS prior to Simon Data is \$3.00.
- Once Simon Data is implemented, the organization saw a 15% increase in ROAS.

Risks. The following factors may impact other organizations’ realization of this benefit category:

- Organization’s commitment to leveraging data to improve targeting.
- The size of the organization’s digital advertising budget.

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

Increase In Digital ROAS From Better Targeting					
Ref.	Metric	Calculation	Year 1	Year 2	Year 3
B1	Annual digital advertising budget	Composite	\$12,500,000	\$12,500,000	\$12,500,000
B2	Percent of digital media advertising budget affected by Simon Data	Composite	10%	15%	20%
B3	ROAS prior to Simon Data	Benchmark	\$3.00	\$3.00	\$3.00
B4	Total ROAS prior to Simon Data	B1*B2*B3	\$3,750,000	\$5,625,000	\$7,500,000
B5	Increase in digital ROAS with Simon Data	Interviews	15%	15%	15%
B6	Improved ROAS with Simon Data	B3+(B3*B5)	\$3.45	\$3.45	\$3.45
B7	Total ROAS with Simon Data	B1*B2*B6	\$4,312,500	\$6,468,750	\$8,625,000
Bt	Increase in digital ROAS from better targeting	B7-B4	\$562,500	\$843,750	\$1,125,000
	Risk adjustment	↓15%			
Btr	Increase in digital ROAS from better targeting (risk-adjusted)		\$478,125	\$717,188	\$956,250
Three-year total: \$2,151,563			Three-year present value: \$1,745,821		

INCREMENTAL INCOME FROM IMPROVED CUSTOMER ENGAGEMENT ON THE WEBSITE

Evidence and data. Interviewed organizations discovered that using Simon Data had an impact on their revenue beyond email and digital ads. Prior to Simon Data, companies struggled to personalize content displayed on their websites for logged-in customers. They had no means of coordinating the messaging and enforcing personalization in what customers saw when they interacted with the brands. As a result, consumers saw content that was not necessarily relevant to them.

- A travel organization used Simon Data to power the website personalization: “Once we applied the intelligence we’ve accumulated to personalize our website, we saw a direct increase in our members’ propensity to purchase, which resulted in incremental revenue,” said the director of marketing technology and segmentation.
- The pet food company had 70 to 80 pet characteristics that they could leverage to make their communications and website more relevant to pet owners. “Being able to leverage all of those characteristics to ostensibly achieve segment-based personalized has been really impactful for us,” said senior manager, retention & customer strategy.

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

- Clicks on the offers that appear on the composite organization’s website drive, on average, \$5 million in revenue annually.
- Once the organization enforces personalized messaging based on segments developed in Simon Data, it sees a 20% increase in revenue from the clicks on website offers.

Revenue increase from personalization enabled by Simon Data

20%



Risks. The outcome of the Simon Data investment on incremental revenue from the website clicks could differ based on:

- Share of the organization’s revenue that could be attributed to clicks from website offers.
- Industry and the organization’s specific operating margin.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$191.5K.

Incremental Income From Improved Customer Engagement On The Website

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
C1	Percent of annual revenue from website offer clicks	Composite	2%	2%	2%
C2	Annual revenue	Composite	\$250,000,000	\$250,000,000	\$250,000,000
C3	Annual revenue from website offer clicks (accounts for 2% YoY revenue growth)	C2*C1	\$5,000,000	\$5,100,000	\$5,102,000
C4	Revenue increase from personalization enabled by Simon Data	Interviews	20%	20%	20%
C5	Operating margin	Industry	7%	7%	7%
Ct	Incremental income from improved customer engagement on the website	C3*C4*C5	\$70,000	\$71,400	\$71,428
	Risk adjustment	↓10%			
Ctr	Incremental income from improved customer engagement on the website (risk-adjusted)		\$63,000	\$64,260	\$64,285
Three-year total: \$191,545			Three-year present value: \$158,679		

IMPROVED PRODUCTIVITY FOR MARKETERS AND SUPPORT ENGINEERS

Evidence and data. Prior to working with Simon Data, all interviewed organizations cited manual processes and siloed tools as a major impediment to advancing their marketing efforts. “Our former tool was not built for segmentation purposes, so there needed to be a lot more handholding from the marketing team because if they wanted to do specific segmentation, critical data wasn’t readily available to them,” said the senior manager, data platform, at an apparel company.

- Marketers are able to autonomously work with a higher degree of confidence due to Simon Data serving as a single point of truth. With less time devoted to building audiences and working with engineers on execution, marketers have more time to focus on building quality campaigns for increasingly segmented audiences. “We’ve given the marketing team a lot more self-service capacity, and they don’t have to work at closely

with data platform and data analytics to get what they need. They can just create their segments on their own. We can do it faster, but we’re also able to create more sophisticated segments that we weren’t able to do before,” said the senior manager, data platform, at an apparel company.

- The senior manager of CRM at a beverage company explained to Forrester that to achieve the same outcomes without Simon Data, the organization would have to triple their marketing team size. “[Simon Data] allows us to be more efficient, so each person can do a lot more and in one place,” said the interviewee.
- With the adoption of Simon Data, the travel organization retired an offshore marketing technology team. With access to all necessary data and automation within Simon Data, the existing team in house could now absorb the work.

- Similarly, a pet food company explained that they saved 7 or 8 people in marketing and support engineering roles from transitioning to Simon Data. “Our very talented engineering team can now entirely focus on product development instead of providing marketing support. We’ve been able to improve a lot of our own systems because we’re not weighing down engineers working on [the marketing] side of the house,” said the senior manager, retention & customer strategy.

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

- The organization had 10 FTEs supporting the marketing efforts related to customer data.
- Simon Data eliminated the need for manual data gathering, segmentation, handling of email lists and other campaigns, thus allowing the organization to reassign 50% of the marketing FTE efforts from manual tasks to value add strategic initiatives.
- Similarly, for two engineering FTEs formerly dedicated to supporting marketing in their customer data-related work, the involvement went down by 70%.
- The composite organization captures 50% of these efficiency gains for marketers and engineers. The rest of the time is spent on non-value-add tasks like getting coffee or meals, reading, and socializing with colleagues.



Risks. The impact to productivity for marketers and engineers could vary based on:

- The size of the marketing team and its speed of adoption of Simon Data.
- The sophistication and automation capabilities of the legacy marketing and data management tools available to marketers.
- The amount of time and effort that engineers devote to SQL queries and other requests from marketers.
- Marketers' and engineers' annual fully burdened salaries.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$563.3K.

Improved Productivity For Marketers And Support Engineers

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
D1	Number of marketing FTEs previously working with customer data	Composite	10	10	10
D2	Percent reduction in marketing FTEs' effort enabled by Simon Data	Interviews	50%	50%	50%
D3	Average fully burdened salary, marketer	Industry benchmark	\$73,000	\$73,000	\$73,000
D4	Marketing FTE efficiency gains enabled by Simon Data	D1*D2*D3	\$365,000	\$365,000	\$365,000
D5	Number of engineering FTEs previously supporting marketing	Composite	2	2	2
D6	Percent reduction in engineering FTEs' effort enabled by Simon Data	Interviews	70%	70%	70%
D7	Average fully burdened salary, engineer	Industry benchmark	\$120,000	\$120,000	\$120,000
D8	Marketing FTE efficiency gains enabled by Simon Data	D5*D6*D7	\$168,000	\$168,000	\$168,000
D9	Productivity capture	TEI best practice	50%	50%	50%
Dt	Improved productivity for marketers and support engineers	(D4+D8)*D9	\$266,500	\$266,500	\$266,500
	Risk adjustment	↓15%			
Dtr	Improved productivity for marketers and support engineers (risk-adjusted)		\$226,525	\$226,525	\$226,525
Three-year total: \$679,575			Three-year present value: \$563,334		

UNQUANTIFIED BENEFITS

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

- Easy-to-deploy experimentation helps marketers innovate.** With Simon Data’s experimentation framework readily available to marketers with no involvement from engineers, marketers can quickly and continuously test new approaches and improve on their KPIs over time at low risk and low cost. “It’s key for us to use the iterative experimentation framework where we don’t need an engineer to touch code every time we want to launch an experiment. We’re running dozens of experiments at a time, hundreds of experiments a year longitudinally across the product life cycle,” said the senior manager,

retention and customer strategy at a pet food company.

“With the Simon Data, we’ve been able to take a lot of manual work off and expand our focus to different marketing areas. So, now we can focus more on things like loyalty and paid search. I think generally, because we have so much data available now, there’s just a lot more we can do, and that has led people to be pretty proactive in taking on new projects.”

Senior manager, data platform, apparel

- **A single source of truth enables cross-team collaboration.** A single vision of customer data enhanced collaboration within the interviewed organizations and enabled teams to work together to build new customer journeys across their different touchpoints. “[With Simon] it is easier to work across teams because everyone has access to what they need, and our cross-functional work is a lot more strategic. For example, our digital product team and our email team had a large gap between them, and now, [Simon Data] is something that has connected those dots,” said senior manager, data platform, at an apparel company.
- **Easy and fast data ingestion unlocks greater flexibility and more use cases.** The speed and simplicity of ingesting new data sources was a key feature to the interviewed organizations. Previous solutions often required multiple hours of engineering time for ingesting and orchestrating data, a burden that is eliminated with Simon Data. “We are planning to launch new products this year, and we don’t need to dedicate several engineers or five months of work to prepare for that. Instead, it would take a day or two. Simon Data is a very scalable solution on the data infrastructure side, which unlocks our growth and change as a business,” said the senior manager, retention and customer strategy at a pet food company.

FLEXIBILITY

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

- **Introducing targeting and personalization across new channels.** Interviewed organizations that primarily use Simon Data in email marketing are looking to expand their use of the platform to a variety of channels. Companies see value in introducing consistent personalization into other

customer touchpoints, such as SMS, push notifications, mobile applications, website, and paid media. “We already have personalization on the web and we have a whole roadmap for bringing intelligence to our call center and our digital ad communications. We feel like we just scratched the surface and there’s a lot more that we’re looking forward to doing with Simon Data”, said the director of marketing technology and segmentation at a travel organization.

- **Leveraging additional data sources to deliver more personalized customer experiences.** Interviewed organizations stay tuned into new integrations made available by Simon Data to expand their personalization efforts and to reach their customers at multiple points in their journey.

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
Etr	Simon Data platform fees	\$52,500	\$367,500	\$367,500	\$367,500	\$1,155,000	\$966,418
Ftr	Implementation and ongoing management	\$64,763	\$3,696	\$3,696	\$3,696	\$75,851	\$73,954
Gtr	Training costs	\$7,040	\$1,408	\$1,408	\$1,408	\$11,264	\$10,541
	Total costs (risk-adjusted)	\$124,303	\$372,604	\$372,604	\$372,604	\$1,242,115	\$1,050,913

SIMON DATA PLATFORM FEES

The composite organization incurs software subscription fees for Simon Data. These are annual recurring subscription fees that are based on the channels where Simon Data is used (e.g., email or paid media), features used within the platform, message volume, and the level of support.

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

- Upon implementation, the organization incurs a one-time implementation fee of \$50,000.

- Once implemented, the organization pays an annual license fee of \$350,000 while its use remains fairly consistent.

Risks. Simon Data fees could vary based on:

- The need for Simon Data or third-party implementation and support services.
- The size of the Simon Data deployment.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$966K.

Simon Data Platform Fees						
Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
E1	Simon Data one-time integration fee		\$50,000			
E2	Simon Data license			\$350,000	\$350,000	\$350,000
Et	Simon Data platform fees	Provided by Simon Data	\$50,000	\$350,000	\$350,000	\$350,000
	Risk adjustment	↑5%				
Etr	Simon Data platform fees (risk-adjusted)		\$52,500	\$367,500	\$367,500	\$367,500
Three-year total: \$1,155,000			Three-year present value: \$966,418			

IMPLEMENTATION AND ONGOING MANAGEMENT

Evidence and data. All interviewed organizations reported that the implementation process required involvement from several internal employees across marketing and IT groups and took up to 3 months to complete. As a software as a service (SaaS) solution, Simon Data required minimal ongoing management from the platform owners.

“The first step was connecting our ESP and our database. So, that was pretty easy. I mean, you could do it in an hour. But beyond that, before people can start using it, we needed to model out the data to make sure it was available in such a way that people could use it for segmentation.”

Senior manager, data platform, apparel

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

- Initial implementation of the Simon Data platform took three months. Five FTEs from the marketing function were involved in the implementation process for 30% of their time, ensuring the connectivity with the right data sources and leading the initial model and campaign development.
- For the duration of the implementation, the organization had one IT resource dedicated to the project for 50% of her or his time to configure the platform and ingest the data.
- On an ongoing basis, a product owner from the marketing technology team dedicates 5 hours per

month to managing the platform and interacting with Simon Data on ongoing initiatives.

Risks. Implementation and the ongoing management costs could vary based on:

- Required implementation effort from marketing and engineering.
- Associated salaries.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$74.0K.

Implementation And Ongoing Management						
Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
F1	Implementation duration (months)	Interviews	3			
F2	Number of marketing stakeholders involved in Simon Data implementation	Interviews	5			
F3	Percent of time dedicated to Simon Data implementation	Interviews	30%			
F4	Marketing stakeholder annual fully loaded salary	Benchmark	\$117,000			
F5	Engineering involvement in implementation (months)	Interviews	3			
F6	Engineering FTEs involved in Simon Data implementation	Interviews	1			
F7	Percent of time dedicated to Simon Data implementation by engineering	Interviews	50%			
F8	Engineering FTE fully loaded annual salary	Benchmark	\$120,000			
F9	Implementation subtotal	$(F1 \cdot F2 \cdot F3 \cdot F4 / 12) + (F5 \cdot F6 \cdot F7 \cdot F8 / 12)$	\$58,875			
F10	Marketing stakeholder's time dedicated to ongoing platform management	5 hours per month * 12 months		60	60	60
F11	Marketing stakeholder hourly rate	F4 / 2,080 hours		\$56	\$56	\$56
F12	Ongoing management subtotal	F10 * F11		\$3,360	\$3,360	\$3,360
Ft	Implementation and ongoing management	F9 + F12	\$58,875	\$3,360	\$3,360	\$3,360
	Risk adjustment	↑10%				
Ftr	Implementation and ongoing management (risk-adjusted)		\$64,763	\$3,696	\$3,696	\$3,696
Three-year total: \$75,851			Three-year present value: \$73,954			

TRAINING COSTS

Evidence and data. Simon Data supported interviewed organizations in getting the users comfortable with the platform.

Modeling and assumptions. For the composite organizations, Forrester assumes:

- Ten marketing and 10 engineering FTEs spent 10 hours to learn about Simon Data functionality and how to use the platform.

- As new employees joined their respective teams or needed to work with the platform, the same training was provided to them post initial rollout.

Risks. Training costs could vary based on:

- The number of marketing and engineering employees requiring Simon Data training.
- Associated salaries.

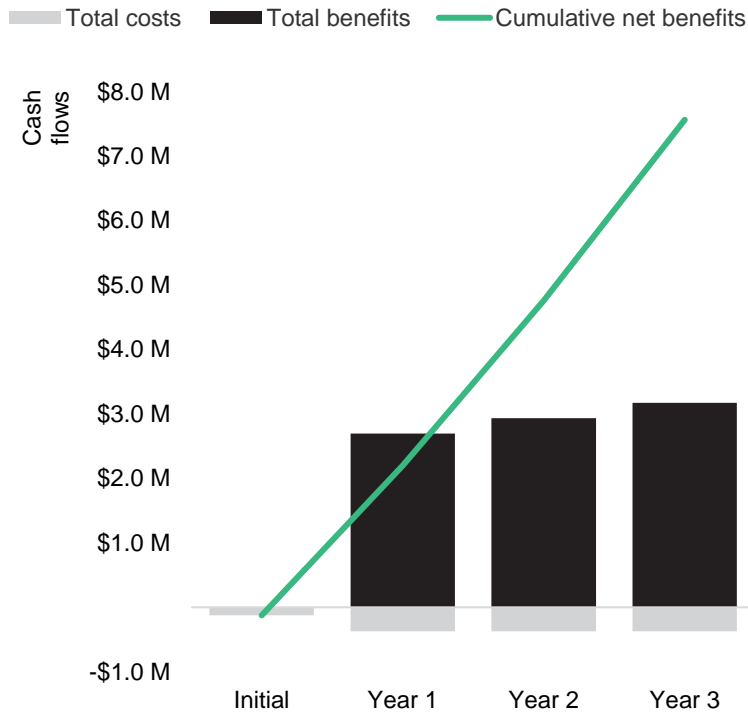
Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$10.5K.

Training Costs						
Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
G1	Marketing FTEs requiring Simon Data training	Composite	10	2	2	2
G2	Training hours per marketing FTE	Interview	10	10	10	10
G3	Marketing FTEs hourly rate	D3/2,080 hours	\$35	\$35	\$35	\$35
G4	Engineering FTEs requiring Simon Data training	Composite	5	1	1	1
G5	Training hours per engineering FTE (hours)	Interview	10	10	10	10
G6	Engineering FTEs hourly rate	D7/2,080 hours	\$58	\$58	\$58	\$58
Gt	Training costs	$G1 \times G2 \times G3 + G4 \times G5 \times G6$	\$6,400	\$1,280	\$1,280	\$1,280
	Risk adjustment	↑10%				
Gtr	Training costs (risk-adjusted)		\$7,040	\$1,408	\$1,408	\$1,408
Three-year total: \$11,264			Three-year present value: \$10,541			

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 and NPV 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	(\$124,303)	(\$372,604)	(\$372,604)	(\$372,604)	(\$1,242,115)	(\$1,050,913)
Total benefits	\$0	\$2,696,290	\$2,936,613	\$3,175,700	\$8,808,603	\$7,264,076
Net benefits	(\$124,303)	\$2,323,686	\$2,564,009	\$2,803,096	\$7,566,488	\$6,213,163
ROI						591%

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: Supplemental Material

Related Forrester Research

“Enable Moments-Based Marketing With Enterprise Martech,” Forrester Research, Inc., June 10, 2021.

“The Capabilities CDPs Need To Deliver Value For B2C Marketers,” Forrester Research, Inc., January 16, 2020.

Appendix C: Endnotes

¹ Source: “Prioritize The Tech That Paves The Path To People-First Marketing,” Forrester Research, Inc., January 12, 2021.

² 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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