The Total Economic Impact™ Of Blueshift

Cost Savings And Business Benefits
Enabled By Blueshift's Customer Data
Activation Platform

FORRESTER®

Table Of Contents

Project Director:
Julia Fadzeyeva

Project Contributor:
Richard Cavallaro

ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit forrester.com/consulting.

FORRESTER®

Investment Benefits

Incremental revenue over three years*:
$128 million

Website campaign revenue increase from cross-channel consistency:
20%

Click-through rate increase:
60%

*Not adjusted for present value or risk

Executive Summary

Empowered customers expect businesses to engage them with personalized and contextually relevant interactions.[1] To address customers' high expectations, traditional marketing campaigns must evolve to deliver personalized content via the right channel and at the right time.[2]

Blueshift provides a customer data activation platform that helps marketers deliver more relevant and timely one-to-one personalized messages at scale. Blueshift enables organizations to gain a full view of their customers, including historic and real-time behaviors, and provides marketers with accessible predictive intelligence and campaign tools to orchestrate individualized customer journeys across channels and introduce intelligent automation throughout the customer life cycle. Blueshift commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Blueshift. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of the Blueshift platform on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four customers using Blueshift to deliver personalized messaging across channels.

Prior to using Blueshift, the organizations gathered customer data from multiple touchpoints, but the information remained siloed and underused. Organizations could not utilize that data to guide marketing campaigns and actions. To better serve their customers, marketers made attempts at segmenting their audiences and delivering relevant and personalized content, but the software tools they used limited their progress and required more marketing and technical resources to scale.

With the investment in Blueshift, organizations gained the ability to deliver the right messages to their customers across channels. Personalized content performed substantially better, with reported revenue growth over 200% for some channels. At the same time, because Blueshift automates message creation and distribution based on behavioral triggers, less work was required from marketing and engineering teams to execute campaigns.

The senior director of CRM at a consumer finance platform told Forrester: "Getting all the customer signals in one place and being quick and responsive to those signals to manage customer touchpoints across channels was key to our success. We could not have gotten where we are without Blueshift. We wouldn't have the revenue numbers we achieved. It's exciting to be able to really use the data to drive positive customer responses and to drive revenue."

Key Findings

Quantified benefits. The following risk-adjusted present value (PV) quantified benefits are representative of those experienced by the companies interviewed:

ROI
781%

Benefits PV
$9.0 million

NPV
$8.0 million

› **Incremental revenue from AI-powered targeting and real-time interactions totaling $81 million*.** Each interviewed organization used Blueshift to better serve its customers through marketing, including shifting from scheduled to trigger-based campaigns, using advanced segmentation, and introducing highly personalized content. Organizations saw positive results across metrics, including open rates, click-through rates (CTRs), and conversion rates, and ultimately generated higher revenue from their campaigns.

› **Incremental revenue from better cross-channel customer engagement totaling $12 million*.** Several interviewed organizations applied Blueshift segmentation and recommendations across channels, including their websites and paid media, to ensure personalization and consistency across customer touchpoints, which resulted in incremental revenue.

› **Incremental revenue from streamlined work and automation totaling $35 million*.** Marketing teams increased their outputs and the quality of their marketing communications, which allowed marketers to reach more customers with improved messaging.

› **Avoided costs from previous solutions and additional resources by $1.8 million.** Prior to Blueshift, all interviewed organizations used tools offered by other vendors for their marketing needs. Once they implemented Blueshift, organizations retired their former solutions. Companies also achieved higher marketing revenues without hiring additional staff in marketing and supporting roles.

Unquantified benefits. The interviewed organizations experienced the following benefits, which are not quantified for this study:

› **Single customer view.** Blueshift consolidated all customer data, such as purchase and browsing history, engagement data, and demographic attributes from across channels, in one platform, providing marketers with a 360-degree view of their customers to better understand and serve their needs.

› **Scalability and customization that empowered marketing to embrace change.** As companies and their customer bases grew, marketers needed to transform to serve larger audiences and address new challenges quickly. Blueshift allowed them to quickly introduce new and modify existing campaign triggers, segmentation, and recommendations and build new marketing programs on short timelines without engaging additional resources.

› **Innovation and cross-team collaboration.** For marketers, Blueshift provided more accessible ways to test new creative approaches to reach customers or to find ways to improve customer experience. Other teams within the organization, such as data scientists, sought the team's help and advice on leveraging Blueshift outside of marketing.

› **Marketing team elevation within companies.** With marketing and communications teams generating higher revenues and contributing more to the bottom line, the teams grew in importance within their organizations.

*Not adjusted for present value or risk

FORRESTER®

Costs. The interviewed organizations experienced the following risk-adjusted PV costs:

› **Subscription costs totaling $981,583 over three years.** Blueshift subscription costs were based primarily on the customer database size, channels, features used, and the level of support.

› **Implementation and initial training costs totaling less than $38,471.** This included an implementation period, with marketing and engineering professionals spending some of their time on implementation activities.

Forrester's interviews with four existing customers and subsequent financial analysis found that an organization based on these interviewed organizations experienced benefits of $9.0 million over three years versus costs of $1.0 million, adding up to a net present value (NPV) of $8.0 million and an ROI of 781%.

Financial Summary
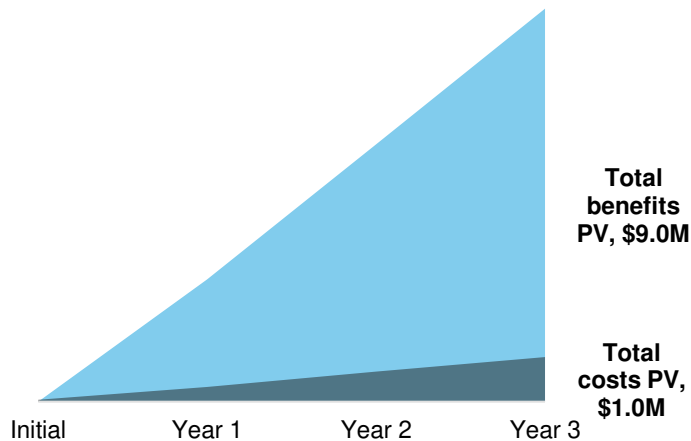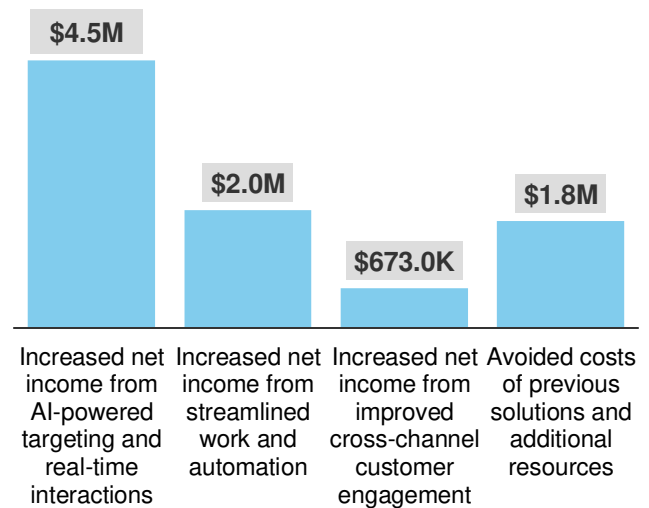
Total benefits PV, $9.0M

Total costs PV, $1.0M

Initial   Year 1   Year 2   Year 3

Benefits (Three-Year)

$4.5M

$2.0M

$673.0K

$1.8M

Increased net income from AI-powered targeting and real-time interactions

Increased net income from streamlined work and automation

Increased net income from improved cross-channel customer engagement

Avoided costs of previous solutions and additional resources

FORRESTER®

TEI Framework And Methodology

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

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 Blueshift can have on an organization:

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

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

CUSTOMER INTERVIEWS
Interviewed four organizations using Blueshift 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 Blueshift's impact: benefits, costs, flexibility, and risks. Given the increasing sophistication that enterprises have regarding ROI analyses related to IT investments, Forrester's TEI methodology serves to provide a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

DISCLOSURES

Readers should be aware of the following:

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

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

Blueshift 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.

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

FORRESTER®

The Blueshift Customer Journey

BEFORE AND AFTER THE BLUESHIFT INVESTMENT

Interviewed Organizations

For this study, Forrester conducted four interviews with Blueshift customers. Interviewed customers include the following:

INDUSTRY	REGION	INTERVIEWEE	CUSTOMERS	BLUESHIFT USE
eCommerce	Europe	Head of communications	5M customers	Email and push notification
Consumer finance	North America	Senior director, CRM	14M customers	Email, mobile notifications, social media, and website personalization
Online learning	North America	Senior marketing manager	4M+ customers	Email
eCommerce	Europe	Marketing automation manager	2.5M customers	Email and website personalization

Key Challenges

The following key drivers prompted interviewed organizations to seek out a new approach to reaching their customers:

›   **One-size-fits-all communication did not resonate with customers.** Organizations recognized that their customers felt entitled to experiences and messaging that were relevant to them at a particular moment in time in the right channel. Former marketing tools did not provide the desired customer experience.

›   **Customer data available to organizations was siloed and underused.** The head of communications at an eCommerce company said: "While we stored event-based activity data from the website and the app, we could not use the data to inform email campaigns or push notifications. Even though the information existed, it was very siloed."

›   **Former limited-functionality solutions would not scale with growing demands.** Previous tools could not keep up with the organizations' growing demands to serve higher volumes of customers while simultaneously delivering valuable and personalized experiences for subscribers. Certain marketing tools did not support cross-channel capabilities that marketing teams wanted to implement; others required heavy engineering involvement and thus slowed down the marketing team.

After an extensive request-for-proposal (RFP) and business-case process evaluating multiple vendors, interviewed organizations chose Blueshift and began deployment.

> "Getting all the customer signals in one place and being quick and responsive to those signals to manage customer touchpoints across channels was key to our success. We could not have gotten where we are without Blueshift. We wouldn't have the revenue numbers we achieved."
>
> *Senior director, CRM, consumer finance*

> "We were looking for a very flexible system that allows the marketing team to deliver more intricate personalization and recommendation-based campaigns without having to involve our tech team every time we want to build something."
>
> *Head of communications, eCommerce*

FORRESTER®

Key Results

The interviews revealed that key results from the Blueshift investment include the following:

› **Blueshift consolidated all customer data and used AI to make it actionable.** Blueshift helped interviewed organizations achieve a better understanding of their customers through providing a complete view of the users, including purchase and browsing history, their behaviors online, and CRM attributes. Blueshift provided the marketers with easy-to-use AI-driven tools for analyzing existing customer data and orchestrating campaigns based on the insights.

› **Improved cross-channel customer engagement drove incremental revenue.** More targeted and relevant campaigns across channels drove improvements in such performance metrics as open rates, click-through rates, and conversion rates, resulting in incremental revenue. After one interviewed organization ensured consistency between the messaging across channels, the organization saw a 20% increase in revenue from the affected campaigns. The senior marketing manager of an online learning company explained, "We saw the best results when messaging was consistently focused on what we thought would be the best product for each customer."

› **Marketing teams became agile and independent to execute more campaigns.** With faster campaign creation timelines and lower barriers to test new campaigns within Blueshift, marketing teams could design and launch more successful campaigns fast without requiring additional marketing or engineering resources. For example, the online learning platform went from designing three optimal monthly messages with its prior tools to 17 optimal messages with Blueshift.

› **The flexible platform gave marketers creative license to experiment.** With former tools, marketers needed to design their campaigns based on predefined events or triggers, which limited their ability to serve their companies' unique needs. "With Blueshift we can create as many custom events as we want that work for our business, and then use them as the basis for our campaigns," said the head of communications for the eCommerce company.

› **Relevant, personalized content improved customer experience.** Marketers used Blueshift's customizable AI-powered recommendation engine that enables one-to-one personalization at scale, advanced segmentation, and predictive scoring capabilities to reach customers in a way they found relevant. "Now, we're able to communicate to our customers about the things they are actually interested in. We see that more people click through, and we also just feel that personal messages are a part of the experience to our customers. As a company, we feel that it is the right thing to do," said the marketing automation manager of the eCommerce company.

"We could not have gotten where we are without Blueshift. We wouldn't have the revenue numbers we achieved. It's exciting to be able to really use the data to drive positive customer responses and to drive revenue."

Senior director, CRM, consumer finance

"Now, we can show our customers what they actually want to see and what they're interested in. We can send the right message at the right time to the right customers."

Marketing automation manager, eCommerce

Composite Organization

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

Description of the composite organization. The composite organization is a global, $700-million eCommerce company.

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 Blueshift, the organization used traditional segmentation techniques and experimented with the personalization tools offered by its email service provider.

How the composite organization uses Blueshift. The composite organization starts using Blueshift to enhance its email campaigns in a variety of ways. It introduces and expands campaigns based on behavioral triggers, such as cart abandonment, new client welcome, and reactivation. For the scheduled emails, the organization leverages Blueshift to deliver personalized content to email program members based on purchase history and on-site behaviors, among other factors. The organization expands its use of Blueshift to text messages for brief transactional communication. The organization uses Blueshift on the company website to personalize its content for logged-in customers and across paid media channels to activate customer data and present customers with consistent offers.

Key assumptions
15M customers
4.5M reached via email
27 million messages sent each week

FORRESTER®

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	Increased net income from AI-powered targeting and real-time interactions	$1,558,103	$1,828,480	$2,121,999	$5,508,582	$4,521,887
Btr	Increased net income from streamlined work and automation	$763,776	$801,965	$842,063	$2,407,804	$1,989,777
Ctr	Increased net income from improved cross-channel customer engagement	$50,400	$372,240	$425,304	$847,944	$672,992
Dtr	Avoided costs of previous solutions and additional resources	$707,400	$725,400	$744,300	$2,177,100	$1,801,799
	Total benefits (risk-adjusted)	$3,079,679	$3,728,085	$4,133,666	$10,941,429	$8,986,455

Increased Net Income From AI-Powered Targeting And Real-Time Interactions

Each interviewed organization used Blueshift to further develop its email marketing campaigns, including gradually shifting from scheduled batch to trigger-based campaign and introducing real-time segmentation, AI-powered recommendations, and highly personalized content. Prior to Blueshift, companies attempted to build event-triggered campaigns and had access to basic personalization capabilities through their email marketing vendors or custom in-house tools. However, these efforts required heavy reliance on scarce engineering resources and did not show a positive effect on marketing KPIs. For interviewed organizations, the transition to Blueshift resulted in higher conversion rates and increased revenue from email campaigns.

› The head of communications at the eCommerce company told Forrester that trigger-based email campaigns enabled by Blueshift, such as abandoned cart or offer expiration reminders, or timely notifications if customers' favorite brands became available, drove a 200% increase in email marketing revenue.

› An online learning platform used Blueshift to personalize new class recommendations and newsletter content based on its students' past class enrollment, teachers, and interests. It implemented new types of trigger- and segment-based campaigns, such as the intro email series for new users or reengagement campaign for dormant students. As a result, the organization saw a 33% increase in class clicks from emails and a 90% increase in class enrollment generated from emails.

› The consumer finance organization experienced a 50% increase in the email open rate and a 60% increase in CTR from using Blueshift predictive scores to define its target audiences for specific offers, introducing trigger-based campaign, and personalizing messaging to increase relevance for its customers.

> The table above shows the total of all benefits across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total benefits to be a PV of nearly $9.0 million.

$4.5 million

three-year benefit PV
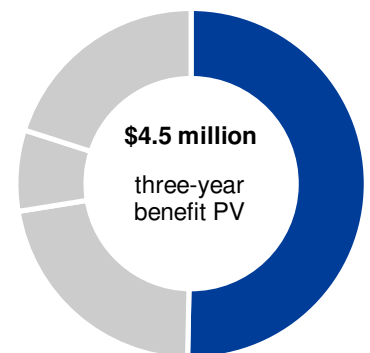
Increased net income from improved AI-powered targeting and real-time interactions: **50%** of total benefits

FORRESTER®

> Comparing Blueshift-powered and the organization's own bid recommendations emailed to customers, the online auction marketplace saw that Blueshift recommendations generated more bids. To the marketing automation manager, it indicated that recommendations powered by Blueshift were more relevant and helped customers find products faster.

Forrester assumes:

> The composite organization has 4.5 million active email program members, and the number grows by 5% each year.

> The organization delivers, on average, six emails every week to each program member.

> Prior to Blueshift, CTR equaled 0.6%; it increases by 60% with Blueshift.

> Prior to Blueshift, the average conversion rate for campaigns was 16%; it increases by 5% every year as the AI learns from previous campaigns to provide better recommendations.

> The organization reports an average order value of $25.

> The organization's operating margin is 8%.

The following factors may impact other organizations' realization of this benefit category:

> Extent to which Blueshift capabilities are leveraged in email campaigns.

> The availability and usage of data sources to support Blueshift-enabled campaigns.

> The creative content and on-site user experience, which will impact conversion rates.

To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year risk-adjusted total PV of $4.5 million.

For one interviewed organization, trigger-based email campaigns enabled by Blueshift drove a 200% increase in email marketing revenue.

Impact risk is the risk that the business or technology needs of the organization may not be met by the investment, resulting in lower overall total benefits. The greater the uncertainty, the wider the potential range of outcomes for benefit estimates.

FORRESTER®

Increased Net Income From AI-Powered Targeting And Real-Time Interactions: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
A1	Email program members	Includes 5% YoY growth	4,500,000	4,725,000	4,961,250
A2	Average emails per week, per program member with Blueshift		6	6	6
A3	Annual email volume	A1*A2*52 weeks	1,404,000,000	1,474,200,000	1,547,910,000
A4	Click-through rate before Blueshift		0.6%	0.6%	0.6%
A5	Average conversion rate prior to Blueshift		16%	16%	16%
A6	*Number of conversions prior to Blueshift*	A3*A4*A5	*1,347,840*	*1,415,232*	*1,485,994*
A7	Click-through rate after Blueshift	60% increase	0.96%	0.96%	0.96%
A8	Conversion rate increase with Blueshift		5%	10%	15%
A9	Conversion rate with Blueshift	A5+A5*A8	16.8%	17.6%	18.4%
A10	*Number of conversions with Blueshift*	A3*A7*A9	*2,264,371*	*2,490,808*	*2,734,228*
A11	Number of incremental conversions attributed to Blueshift	A10-A6	916,531	1,075,576	1,248,235
A12	Average order value		$25	$25	$25
A13	Operating margin		8%	8%	8%
At	Increased net income from AI-powered targeting and real-time interactions	A11*A12*A13	$1,833,062	$2,151,152	$2,496,469
	Risk adjustment	↓15%			
Atr	Increased net income from AI-powered targeting and real-time interactions (risk-adjusted)		$1,558,103	$1,828,480	$2,121,999

Increased Net Income From Streamlined Work And Automation

All interviewed organizations reported that with Blueshift marketing, teams increased their outputs and the quality of marketing communications, allowing marketers to reach more customers with improved messaging.

› Marketers at the consumer finance company constantly ran tests to find optimal campaign content, layout, headlines, etc. On average, every third message tested became a "winner" that the team could move forward with. Prior to Blueshift, the team could test five to 10 messages per month, which resulted in the maximum of three optimal monthly messages. With Blueshift, the organization could test up to 50 messages per month, which resulted in 17 optimal messages for its campaigns.

$2.0 million

three-year benefit PV
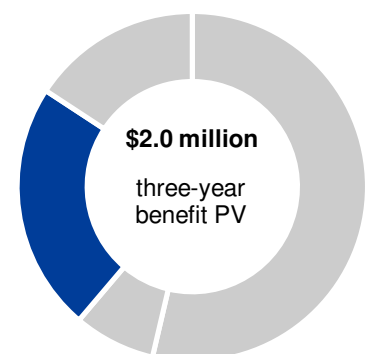
Increased net income from streamlined work and automation: **22%** of total benefits

FORRESTER®

> › Similarly, the head of communications at the eCommerce organization reported that her team used Blueshift to experiment more with its emails because the organization could easily do it with the existing team. Marketers did not increase their reliance on IT as they scaled their marketing efforts.

For the composite organization, Forrester assumes:

> › Blueshift enables the marketing team to send out two additional messages per week, as compared to four that it sent previously.

This benefit can vary based on the:

> › Organization's use of Blueshift to increase the frequency of communicating with customers.

> › Creative content, which will impact click-through and conversion rates.

> › Organization's profit margin.

To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year risk-adjusted total PV of $2.0 million.

With Blueshift, the consumer finance company tested five times more optimal messages per month.

Increased Net Income From Streamlined Work And Automation: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
B1	Number of messages sent per week before Blueshift	A1*(A2-2)	18,000,000	18,900,000	19,845,000
B2	Number of messages sent per week with Blueshift	A1*A2	27,000,000	28,350,000	29,767,500
B3	Baseline click-through rate	A4	0.6%	0.6%	0.6%
B4	Baseline conversion rate	A5	16.0%	16.0%	16.0%
B5	Average order value	A12	$25	$25	$25
B6	*Subtotal: Increased revenue from product ease of use*	(B2-B1)* B3*B4*B5*52 weeks	*$11,232,000*	*$11,793,600*	*$12,383,280*
B7	Income margin		8%	8%	8%
Bt	Increased net income from streamlined work and automation	B6*B7	$898,560	$943,488	$990,662
	Risk adjustment	↓15%			
Btr	Increased net income from streamlined work and automation (risk-adjusted)		$763,776	$801,965	$842,063

Increased Net Income From Improved Cross-Channel Customer Engagement

Interviewed organizations discovered that using Blueshift beyond email had a significant impact on their revenues. Prior to Blueshift, companies struggled to personalize content displayed on their websites for logged-in customers. They had no means of coordinating the messaging across channels and enforcing consistency in what customers saw when they interacted with the brands. As a result, customers not only saw content that was not necessarily relevant to them, but also their attention was split between multiple offers promoted by one brand.

FORRESTER®

- Several interviewed organizations used Blueshift AI-powered recommendations to personalize the content, offers, and product recommendations on their websites for logged-in users. The marketing automation manager, eCommerce, told Forrester: "Now, we can show our customers what they actually want to see and what they're interested in. We can send the right message at the right time to the right customers."

- With Blueshift, the consumer finance company ensured consistency between the messaging customers saw in promotional emails, on the platform's website, and in paid media. As a result, the organization saw a 20% increase in revenue. The senior marketing manager explained, "We saw the best results when messaging was consistently focused on what we thought would be the best product for each customer."

- One interviewed organization used segments developed by Blueshift to optimize its media spend and direct its messaging towards more receptive audiences. For the organization, better targeting resulted in $4 million per year in incremental revenue.

Forrester assumes that:

- Clicks on the offers that appear on the composite organization's website drive, on average, $3.5 million in revenue annually.

- Once the organization enforces consistent messaging across channels, it sees a 20% increase in revenue from the clicks on website offers.

- As the marketers become more familiar with Blueshift, they apply segments developed in Blueshift to their paid media audiences with the goal of improving targeting.

- With more precise audiences defined by Blueshift, the organization sees one million incremental clicks on paid media bought on a cost-per-thousand-impressions (CPM) rate in the first year. The number grows by 10% in the second year.

The reduction in software development expense will vary with the:

- Share of the organization's revenue that could be attributed to clicks from website offers.

- Effect cross-channel offer consistency has on customers.

- Number of clicks to paid media messages powered by Blueshift syndications.

- Industry and the organization's specific operating margin.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of $672,992.

$672,992

three-year benefit PV
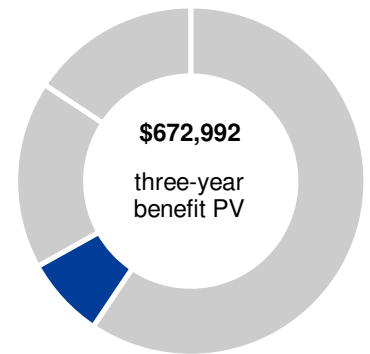
Increased net income from improved cross-channel customer engagement: **8%** of total benefits

One organization used audiences developed in Blueshift to optimize its paid media spend and achieved over $4 million in incremental revenue.

FORRESTER®

| Increased Net Income From Improved Cross-Channel Customer Engagement: Calculation Table					
REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
C1	Monthly revenue from website offer clicks	Includes 10% YoY growth	$3,500,000	$3,850,000	$4,235,000
C2	Percentage revenue increase from cross-channel messaging consistency		20%	20%	20%
C3	Revenue increase from cross-channel consistency	Includes 10% YoY growth	$700,000	$770,000	$847,000
C4	Number of incremental paid media ad clicks from Blueshift-powered messages	Includes 10% YoY growth	0	1,000,000	1,100,000
C5	Revenue increase from using syndications on paid media	C4*A9*A12	$0	$4,400,000	$5,060,000
C6	Operating margin		8%	8%	8%
Ct	Increased net income from improved cross-channel customer engagement	(C3+C5)*C6	$56,000	$413,600	$472,560
	Risk adjustment	↓10%			
Ctr	Increased net income from improved cross-channel customer engagement (risk-adjusted)		$50,400	$372,240	$425,304

Avoided Costs Of Previous Solutions And Additional Resources

Prior to Blueshift, all interviewed organizations used tools offered by other vendors for their email marketing needs. Once they implemented Blueshift, organizations retired their former solutions and avoided their license fees. With Blueshift, organizations achieve higher marketing outputs and improved the quality of marketing communications without hiring additional staff in marketing and supporting roles. The senior director, CRM, told Forrester, "A lot more people would be necessary if Blueshift hadn't enabled us to push all of our data to one place and then use it across our campaigns."

› The marketing automation manager at the eCommerce company explained that with the introduction of and heavier reliance on trigger-based campaigns, the team switched away from manually building batch emails, which took up a significant amount of the team's time.

Based on the customer interviews, Forrester estimates:

› Without Blueshift, the composite would pay subscription fees on a CPM pricing structure, ranging from $400,000 to $441,000 per year, as the number of emails sent grew.

› To reach comparable levels with personalization in its email and cross-channel marketing with its former tools, the organization would need to hire at least two marketing FTEs and two IT FTEs to support the extra effort.

› An average marketing FTE's fully burdened annual salary amounts to $73,000.

› An engineering FTE supporting the marketing team in its digital marketing efforts would cost an organization, on average, $120,000 per year.

$1.8 million

three-year benefit PV
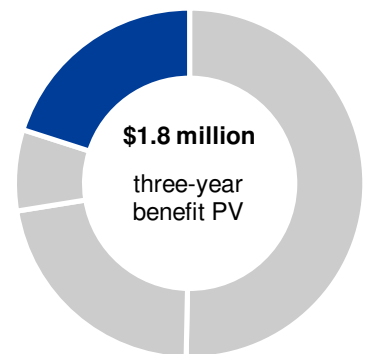
Avoided costs of previous solutions and additional resources: **20%** of total benefits

FORRESTER®

This benefit can vary due to:

› Uncertainty related to the CPM rate.

› The number of additional full-time resources in both marketing and engineering teams needed to achieve the desired level of personalization and cross-channel messaging consistency.

› Employees' annual burdened salaries.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted total PV of over $1.8 million.

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
Avoided Costs Of Previous Solutions And Additional Resources: Calculation Table					
D1	Subscription fees from previous solution		$400,000	$420,000	$441,000
D2	Number of marketing FTEs avoided with Blueshift		2	2	2
D3	Marketing FTE average burdened salary		$73,000	$73,000	$73,000
D4	Number of engineering FTEs avoided with Blueshift		2	2	2
D5	Engineering FTE average burdened salary		$120,000	$120,000	$120,000
D6	*Subtotal: Avoided cost of additional marketing and tech resources*	*D2*D3+D4*D5*	*$386,000*	*$386,000*	*$386,000*
Dt	Avoided costs of previous solutions and additional resources	D1+D6	$786,000	$806,000	$827,000
	Risk adjustment	↓10%			
Dtr	Avoided costs of previous solutions and additional resources (risk-adjusted)		$707,400	$725,400	$744,300

Unquantified Benefits

Customers discussed the following benefits of the Blueshift platform. However, these benefits were not quantified as part of the analysis.

› **Single customer view.** The head of communications at the eCommerce company told Forrester: "Until we started working with Blueshift, there was no place in the company where we could view all details about user purchase and browsing history, their behaviors, and CRM attributes. The data were not stored in one database, and they weren't friendly or usable. Getting a 360-degree view of our customers was a fundamental change for us."

› **Scalability and customization that empowered marketing to embrace change.** As the companies and their customer bases changed and grew, marketers needed to absorb new customers and address challenges quickly. Blueshift allowed them to introduce new and modify existing triggers (or events), segmentation, and recommendations and build new marketing programs on short timelines and without engaging additional resources.

"As our company grows and our business teams change, we can adjust more easily than we could if we were building out all these campaigns in-house, and it would require a lot more [effort]."

Marketing automation manager, eCommerce

FORRESTER®

› **Innovation and cross-team collaboration.** For email marketers, Blueshift provided more accessible ways to test new creative approaches to reach customers or to find ways to improve customer experience. Other teams within the organization, such as non-email marketing branches or data scientists, sought to leverage Blueshift capabilities in their work. "When asked to help out with testing an idea in another part of the business, we can now say yes and empower other different teams to discover things quickly without a ton of effort," said the senior marketing manager at the online learning company.

› **Marketing team elevation within companies.** With email marketing and communications teams generating higher revenues and contributing more to the bottom line through email, website personalization, and cross-channel campaigns, the teams grew in importance within their organizations. One interviewee explained, "The leadership team is really enthusiastic about the growth and development of our email program and the level of sophistication we deliver to our customers."

Flexibility

The value of flexibility is clearly unique to each customer, and the measure of its value varies from organization to organization. There are multiple scenarios in which a customer might choose to implement Blueshift and later realize additional uses and business opportunities, including:

› **Expanding the use of artificial intelligence.** While some interviewees have already dipped their toes into using Blueshift predictive capabilities with recommendations and segmentation, they all identified room to grow to enable dynamic, personalized interactions with the right customers across the optimal channels at the precise time when customers are ready to engage.

› **Introducing behavioral targeting and personalization across new channels.** Interviewed organizations that primarily use Blueshift in email marketing are looking to expand their use of the platform to a variety of channels. While all of them use Blueshift to personalize email messages, companies see value in introducing consistent personalization into other customer touchpoints, such as SMS, push notifications, mobile applications, website, and paid media.

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

Blueshift capabilities inspire innovation and cross-team collaboration. "When asked to help out with testing an idea in another part of the business, we can now say yes," said the senior marketing manager.

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

FORRESTER®

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	Subscription cost for Blueshift	$0	$330,000	$422,000	$443,000	$1,195,000	$981,593
Ftr	Implementation and training costs	$38,471	$0	$0	$0	$38,471	$38,471
	Total costs (risk-adjusted)	$38,471	$330,000	$422,000	$443,000	$1,233,471	$1,020,064

Subscription Cost For Blueshift

The composite organization incurs software subscription fees for Blueshift software-as-a-service (SaaS). These are annual recurring subscription fees that are based on the channels where Blueshift is used (e.g., email, mobile push notifications, and/or paid media), features used within the Blueshift platform (such as recommendations and/or predictive scoring), message volume, and the level of support.

Within the first year, the composite organization incurs software licensing fees for its feature set, volume, and channels at a total of $330,000. In Year 2, the organization adds an additional channel of paid media, grows its message volume, and incurs $415,000 in total subscription fees. In Year 3, the composite continues to use the same feature set, but as the number of messages grows, the fee increases accordingly to $460,000. Premium support is included in the cost.

Blueshift provided realistic quotes, so Forrester did not risk-adjust this cost. Over three years, the total PV cost was $981,593.

> The table above shows the total of all costs across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total costs to be a PV of $1.0 million.

> Implementation risk is the risk that a proposed investment may deviate from the original or expected requirements, resulting in higher costs than anticipated. The greater the uncertainty, the wider the potential range of outcomes for cost estimates.

Subscription Cost For Blueshift: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
E1	Subscription cost for Blueshift			$330,000	$422,000	$443,000
Et	Subscription cost for Blueshift	E1	$0	$330,000	$422,000	$443,000
	Risk adjustment	0%				
Etr	Subscription cost for Blueshift (risk-adjusted)		$0	$330,000	$422,000	$443,000

Implementation And Training Costs

To get Blueshift up and running, two marketing employees dedicate 50% of their time for two months to implementation, including making decisions about the right data sources to be connected to the platform, identifying events that would become triggers, and planning a smooth transition from the previous email marketing tool. Two engineers support the marketers in the technical side of the transition by committing 50% of their time for the duration of two months.

Marketers involved in the implementation process also require a week of

FORRESTER®

training to become familiar with the product. One of the interviewed customers used a relatively new training program from Blueshift, the Blueshift Academy, as a part of the training: "It was helpful, particularly going through the exercises aimed to teach a specific skill, such as building a segment. Without the hands-on training program, learning the tool would require more shadowing, asking others for help, or reaching out to Blueshift for support."

Implementation costs can vary due to uncertainty related to:

› Required implementation effort from marketing and engineering.

› Associated salaries.

Forrester risk-adjusted this cost of training and implementation upward by 10%, yielding a three-year risk-adjusted total PV of $38,471.

Two months
Total implementation and deployment time

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
	Implementation And Training Costs: Calculation Table					
F1	Duration of the implementation (months)		2			
F2	Number of marketing FTEs involved in implementation		2			
F3	Marketing FTE average monthly burdened salary (rounded)	$73,000/12 months	$6,083			
F4	Number of engineering FTEs involved in implementation		2			
F5	Engineering FTE average monthly burdened salary (rounded)	$120,000/12 months	$10,000			
F6	Percent of FTEs' time dedicated to implementation		50%			
F7	Training time for marketing FTEs (weeks)		1			
F8	Training cost for marketing FTEs	F7*D3/52 weeks*F2	$2,808			
Ft	Implementation and training costs	(F2*F3+F4*F5)* F6*F1+F8	$34,973.69	$0	$0	$0
	Risk adjustment	↑10%				
Ftr	Implementation and training costs (risk-adjusted)		$38,471	$0	$0	$0

Forrester found the internal cost of managing the Blueshift platform negligible. Several interviewees said the platform required little to no engagement from their staff. One of the interviewees jokingly pointed out, "Even without our involvement, the campaigns in Blueshift would keep running. If our buildings blew up, emails would continue sending."

FORRESTER®

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)

- Total costs
- Total benefits
- Cumulative net benefits
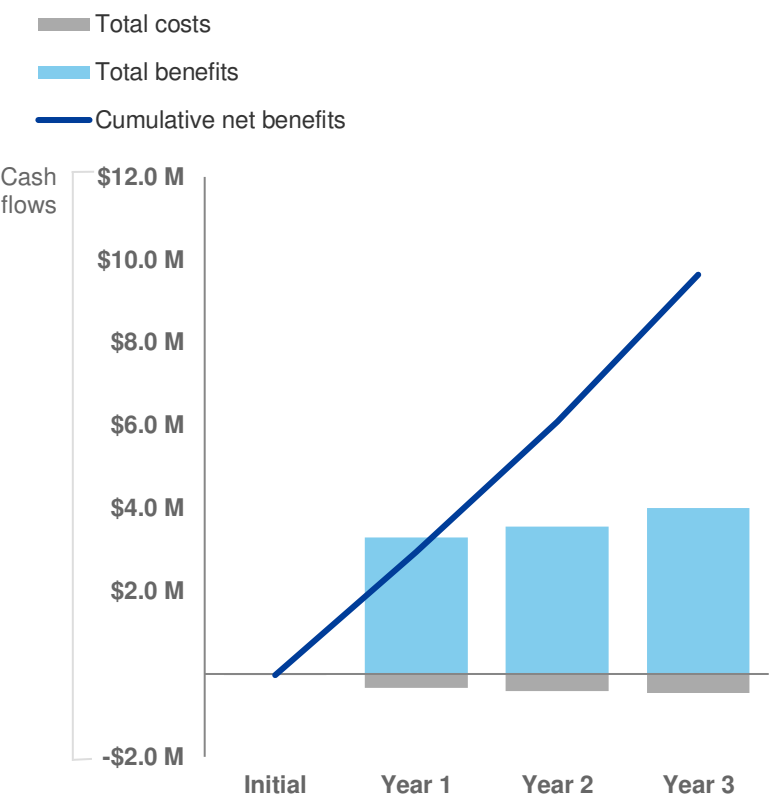
The financial results calculated in the Benefits and Costs sections can be used to determine the ROI and NPV for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

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 Table (Risk-Adjusted)

	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Total costs	($38,471)	($330,000)	($422,000)	($443,000)	($1,233,471)	($1,020,064)
Total benefits	$0	$3,079,679	$3,728,085	$4,133,666	$10,941,429	$8,986,455
Net benefits	($38,471)	$2,749,679	$3,306,085	$3,690,666	$9,707,958	$7,966,391
ROI						781%

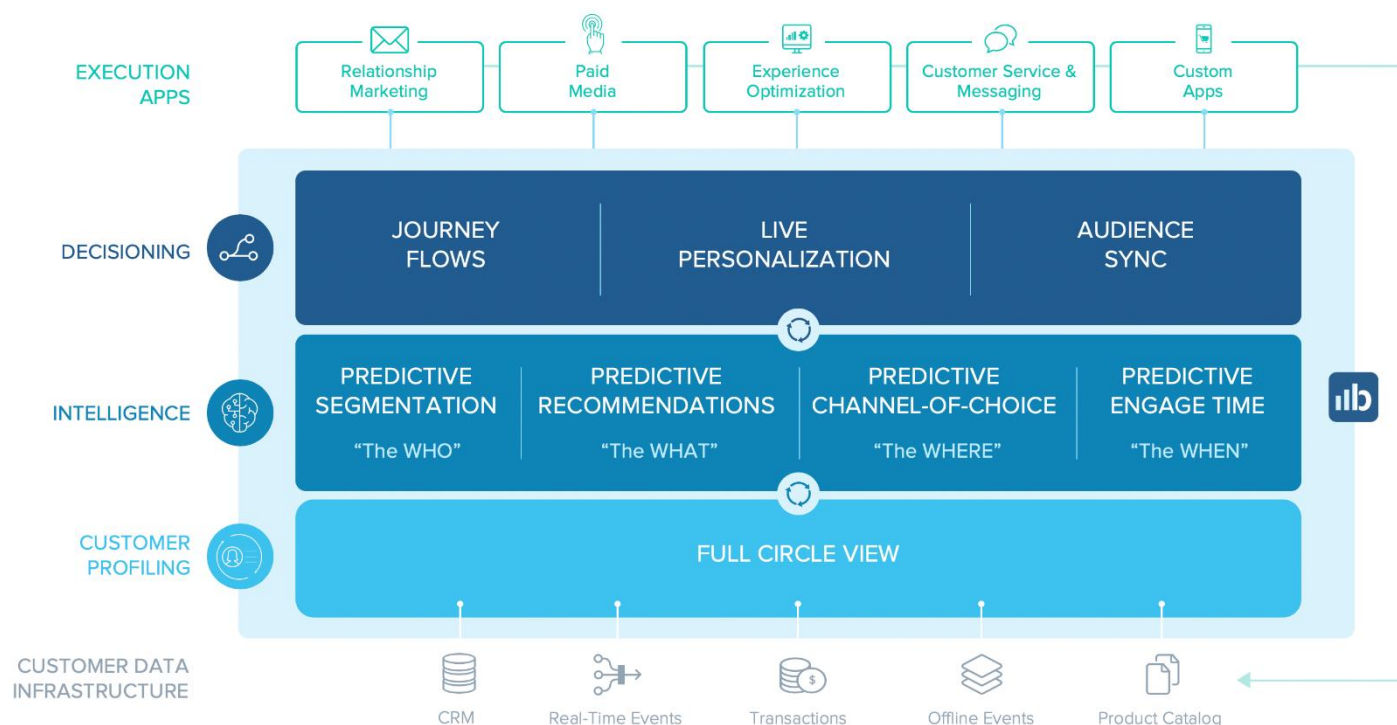FORRESTER®

Blueshift: Overview

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

Blueshift's Customer Data Activation Platform (CDAP) helps consumer brands intelligently scale customer engagement on every channel. Powered by its patented AI technology, the Blueshift CDAP enables marketers to unify their siloed data and use real-time customer insights and interactions to shape customer experiences across every brand touchpoint.

With the Blueshift CDAP, marketers have a fast, flexible, and scalable way to create one-to-one customer experiences informed by the fullness of their data. Through a tight integration of the following capabilities, marketers put their data to work across campaigns from acquisition to retention.

- **Full-circle customer view.** Access rich, actionable, live profiles of each identifiable and anonymous customer that capture complete histories and real-time behaviors from every channel, device, and system.

- **Predictive intelligence.** Personalize interactions with customizable AI that powers sophisticated segmentation, recommendations, and message optimizations, ultimately determining which customers to engage and how to best engage them.

- **Automated decisioning.** Scale campaigns and create adaptive customer journeys by automating campaign decisioning, triggering behavior-based messages, and incorporating self-learning optimization across campaigns.

- **App framework.** Activate customer data and coordinate connected experiences across every channel through integrations with email, SMS, push, paid media, in-app, website, direct mail, customer service, messaging, and custom apps.

The platform is used by consumer marketers across media, travel, retail, personal finance, and more including LendingTree, Udacity, IAC, and the BBC.

FORRESTER®

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.

FORRESTER®

Appendix B: Endnotes

[1] Source: "Vendor Landscape: Real-Time Interaction Management," Forrester Research, Inc., May 5, 2017.
[2] Source: "Now Tech: Cross-Channel Campaign Management, Q1 2018," Forrester Research, Inc., February 9, 2018.

FORRESTER®