

# Driving Bottom-Line Growth, Productivity Gains, And Costs Savings With Adobe Experience Cloud

Adobe Experience Cloud — consisting of Adobe Analytics, Adobe Audience Manager, Adobe Experience Manager, Adobe Campaign, Adobe Advertising Cloud, Adobe Target, and Magento Commerce Cloud — is an integrated cloud platform for delivering experiences across marketing, analytics, advertising, and commerce. Adobe commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study to examine the return on investment (ROI) Adobe customers have realized by implementing Adobe Experience Cloud.

To analyze the business impact of Adobe Experience Cloud, Forrester interviewed nine customers across seven industries with an average of nearly five Adobe Experience Cloud products implemented, above average product adoption scores, and years of experience using these solutions within their marketing, customer experience, and analytics functions. This summary is based on a full TEI study, which can be downloaded [here](#).

Through these customer interviews and data aggregation, Forrester concluded that Adobe Experience Cloud has the following three-year financial impact as realized by the composite organization built for this study: \$35.1 million in benefits versus costs of \$10.3 million, resulting in a net present value (NPV) of \$24.8 million and an ROI of 242%.

## Quantified benefits

**Bottom-line growth:** Interviewed organizations leveraged Adobe Experience Cloud to drive customer experience (CX) transformation that resulted in the following superior business results across the customer life cycle, including:

- › 14% year-over-year (YOY) growth in new unique visitor site traffic.
- › 10% uplift in average order values over three years.
- › 25% increase in web and mobile conversion rates over three years.
- › 10% YOY growth in loyalty program membership.

**Operational productivity gains:** Interviewees boosted digital customer engagement and streamlined marketing, customer insights, digital analytics, and experience team business processes using Adobe Experience Cloud. Similarly, the composite organization was able to:

- › Repurpose 2.5 FTE analyst and digital marketing resources to testing and personalization activities.
- › Build marketing campaigns in half the time it took with its legacy tools.
- › Implement content changes in just hours.
- › Reduce contact center call volumes by 40% with self-service customer care.



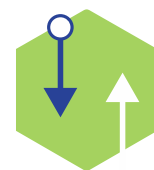
**ROI**  
**242%**



**Benefits PV**  
**\$35.1 million**



**NPV**  
**\$24.8 million**



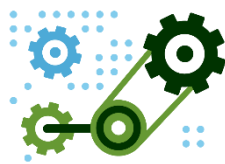
**Payback**  
**7 months**

“Our conversion rates have improved dramatically . . . we went from less than 1% of new contacts converting to an MQL and now we’re at 8%. Our conversion rate from MQL to SQL went from less than 1% to 10%.”

*Director, marketing and communications technology*



**Bottom-line growth:**  
**\$22.6 million**



**Operational productivity gains:**  
**\$6.3 million**



**Cost savings:**  
**\$6.2 million**



**Increase in Net Promoter Score<sup>1</sup>:**  
**14%**

**Customer acquisition and technology cost savings:** Organizations were able to retire and consolidate legacy content management and analytics tools, saving both technology and IT administration time and labor. Similarly, the composite organization was able to:

- › Improve customer retention by 2%, saving nearly \$1.5 million in customer replacement costs.
- › Reduce customer acquisition and agency costs by 2.5%, freeing up capital for CX transformation.
- › Realize over \$2 million in cost savings from the retirement of legacy technologies.

## Customer Journey To The Adobe Experience Cloud

For this study, Forrester conducted interviews with nine Adobe Experience Cloud customers across seven industries with above average product adoption scores and years of experience using these solutions within their marketing, customer experience, and analytics functions. Based on the interviews, Forrester constructed a TEI framework, a composite organization profile, and an ROI analysis that illustrates the areas financially affected. The composite organization is representative of the companies that Forrester interviewed and is used to present the aggregate financial analysis. A more detailed description of the interviewed organizations and the composite organization can be found [here](#).

## Key Investment Drivers And Business Outcomes

With the number of digital customer and brand interactions only growing, organizations continually struggled to understand and monitor their customers' evolving preferences and behaviors across an ever-growing array of digital channels and customer touchpoints. Furthermore, interviewees spoke of several additional common challenges and pain points affecting their customer experience, growth, and profitability, including:

- › **Poorly integrated enterprise marketing stacks that inhibited a reliable, 360-degree customer understanding across the customer journey.** One organization had six content management systems, each of which required IT resources and outside managed services. Others had multiple channel-specific analytics tools that generated conflicting views of their customer's brand interactions. None of this was conducive with gaining a holistic understanding of the customer and their needs.
- › **Poor visibility into the effectiveness and ROI of their marketing spend.** Organizations wanted to take a data-driven and forensic approach to determining which channels and experiences to invest in to drive improvements in customer satisfaction and marketing ROI.
- › **Desire to become customer-centered and experience-led.** Interviewees' piecemeal digital experience stacks weren't only expensive and difficult to maintain, they propagated a culture where technology and business processes were built by the business and for the benefit of the business. Organizations wanted to standardize on a modern digital experience stack that could put the customer in the center of every business decision.

The interviewees revealed the following key results and business outcomes from their investments in Adobe Experience Cloud, including:

- › **Optimized customer journeys that put the customer first, not operational convenience.** One organization was able to completely re-engineer its 12-step enrollment process down to four steps, reducing customer attrition through the funnel by 11% and reducing customer service center call volumes by 50% during peak season.

"We can attribute \$20 million in incremental revenue from the personalization that we've done over the last nine months, based on a one-million-dollar investment in the Adobe platform."

*VP, eCommerce and digital marketing hospitality*



"We wanted to create holistic profiles of our customers, so we could deliver contextually relevant, personalized experiences to them. But our people and technologies didn't talk to each other, and different teams in the organization had conflicting data. There was no single source of truth."

*Head of user experience and optimization, airline*



"For us, the most direct measurable impact has been our web traffic. In the 18 months since moving to Adobe, we're up over 30% on our site traffic."

*Director, marketing and communications technology*



- › **Business performance uplifts across the customer life cycle.** Interviewees' investments in customer experience paid dividends in the form of higher brand engagement, increased conversion rates, larger average transaction sizes, and better customer retention. These impacts are quantified as part of this case study.
- › **Improved customer experience and engagement.** The business impacts discussed in this study are very much related to improvements in customer experience. While many organizations still struggle to measure customer experience on an ongoing basis, one interviewee saw a 14% increase in Net Promoter Score while another saw its customer satisfaction score grow from two to four stars, out of five.

## Adobe Experience Cloud Catalyzes Profit Growth, Productivity Gains, And Cost Savings While Enhancing The Customer Experience

In determining the business impact of Adobe Experience Cloud, Forrester quantified the following risk-adjusted present value (PV) benefits experienced by the interviewed customers, as realized by the aforementioned composite organization modeled for this study. The quantified benefits fell into three broad categories:

- › **Bottom-line growth:** Leveraging the capabilities of Adobe Experience Cloud, interviewed organizations drove top- and bottom-line growth through increases in net-new site traffic, conversion rates, average transaction sizes, customer loyalty, and upselling. Top-line revenue growth totaled over \$66 million by Year 3 of the analysis, generating a bottom-line impact of \$13.3 million. Over three years, the uplift in profit from Adobe Experience Cloud for the composite organization totaled a risk-adjusted PV of just under \$22.6 million.
- › **Operational productivity gains:** Organizations interviewed for this study accrued operational productivity gains from analyst and digital marketing efficiencies, content management and campaign time savings, and self-service customer care capabilities. Over three years, the operational productivity gains from Adobe Experience Cloud totaled a PV of \$6.3 million.
- › **Technology, media, and customer acquisition cost savings:** Organizations were able to retire and consolidate legacy content management and analytics tools while generating media, agency, and customer acquisition cost savings by bringing audience management in-house and optimizing their campaign and media spend. Over the three-year analysis, cost savings in this category totaled a risk-adjusted PV of just under \$6.2 million.

“Our personalization strategy has shown us that students who were served a personalized page, versus a generic page, were approximately 100% more likely to go through to the next part of that journey.”

*VP, people and advancement, education*



As seen in the chart below, over three years, the composite organization expects risk-adjusted total benefits across these three benefit areas to total a PV of \$35.1 million.

### Total Benefits

BENEFIT	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Bottom-line growth	\$5,033,652	\$9,662,401	\$13,327,748	\$28,023,801	\$22,574,837
Operational productivity gains	\$2,365,507	\$2,593,906	\$2,694,894	\$7,654,306	\$6,318,898
Technology, media, and customer acquisition cost savings	\$930,000	\$2,744,075	\$4,091,594	\$7,765,669	\$6,187,360
Total benefits (risk-adjusted)	\$8,329,159	\$15,000,382	\$20,114,236	\$43,443,777	\$35,081,095

## Experience Cloud Costs Include Licensing, Professional Service, And Internal Resource Costs

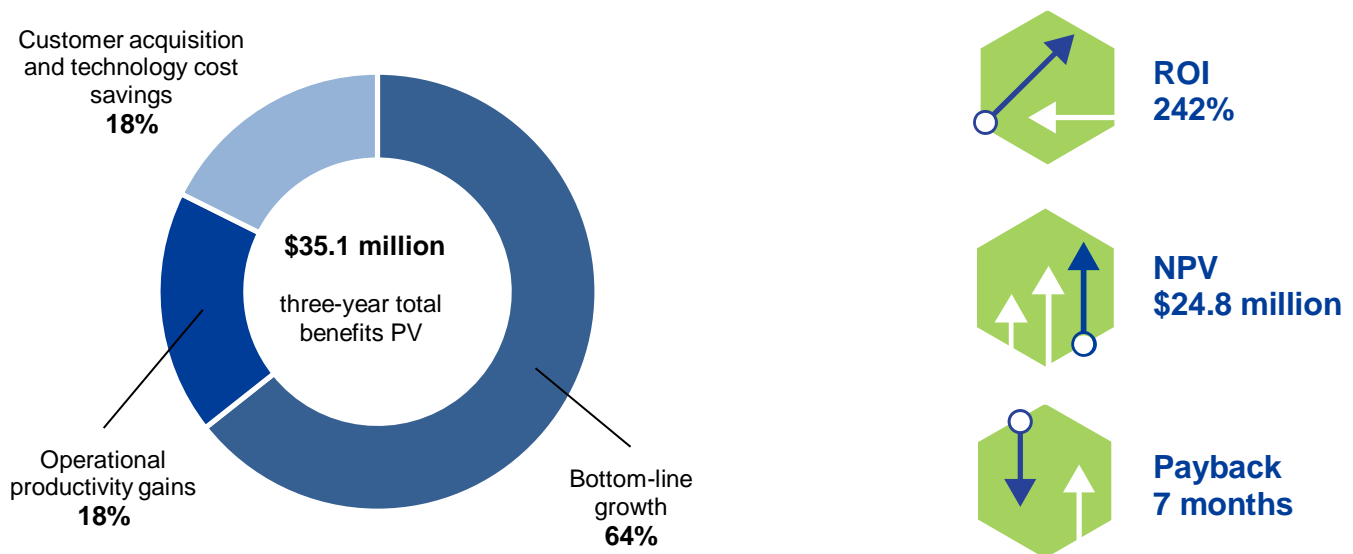
Costs incurred by the composite organization in adopting and implementing Adobe Experience Cloud fell into four categories: Adobe software licensing costs, professional and managed service fees, internal resource cost, and training costs. Over three years, the composite organization expects risk- and PV-adjusted total costs of \$10.3M.

## Total Costs

REF.	COST	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Ktr	Adobe software licensing costs	\$0	\$1,050,000	\$1,050,000	\$1,050,000	\$3,150,000	\$2,611,195
Ltr	Professional and managed service costs	\$2,244,000	\$550,000	\$550,000	\$550,000	\$3,894,000	\$3,611,769
Mtr	Internal resource costs	\$422,946	\$1,261,594	\$1,261,594	\$1,261,594	\$4,207,727	\$3,560,342
Ntr	Training	\$0	\$145,278	\$182,769	\$239,005	\$567,052	\$462,688

## Financial Summary

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 in Adobe Experience Cloud. Forrester assumes a yearly discount rate of 10% for this analysis.



This document is an abridged version of a case study commissioned by Adobe, titled: "The Total Economic Impact Of Adobe Experience Cloud, February 2018." The full study can be downloaded [here](#)

Forrester's Total Economic Impact™ (TEI) framework identifies the cost, benefit, flexibility, and risk factors that affect investment decisions. Forrester took a multistep approach to evaluate Adobe Experience Cloud's impact, including interviews with Forrester analysts, Adobe stakeholders, and nine Adobe customers. Forrester constructed a composite organization and aggregate financial analysis based on the interviewees, and risk-adjusted the financial model to account for uncertainties in estimates.

© 2019, Forrester Research, Inc. All rights reserved. Unauthorized reproduction is strictly prohibited. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change. Forrester®, Technographics®, Forrester Wave, RoleView, TechRadar, and Total Economic Impact are trademarks of Forrester Research, Inc. All other trademarks are the property of their respective companies. For additional information, go to [forrester.com](http://forrester.com).

<sup>i</sup> Net Promoter and NPS are registered service marks, and Net Promoter Score is a service mark, of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld