FORRESTER®

The Total Economic Impact™ of Adobe Experience Cloud

Cost savings and business benefits enabled by Adobe Experience Cloud

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Executive Summary

> Content and marketing teams that are tasked with creating digital customer experiences face significant challenges in keeping up with customers' evolving digital consumption patterns. The degree of difficulty continues to increase as consumers embrace new digital activities and increase their digital consumption. Businesses need greater flexibility in their approaches to building digital customer experiences and they can start by overhauling their tech stack foundations.

Many organisations are re-evaluating the solutions that support their digital experiences. In a 2020 Forrester survey about global software, 37% of respondent decision-makers said digital experience solutions are a high or critical software priority for their organisation during the next 12 months and another 56% said it is at least a moderate priority.[1]

Adobe Experience Cloud consists of a set of applications that meet business needs towards constructing customer journeys, including:

- Adobe Advertising Cloud
- Adobe Analytics
- Adobe Audience Manager
- Adobe Campaign
- Adobe Commerce
- Adobe Customer Journey Analytics
- Adobe Experience Manager
- Adobe Experience Platform
- Adobe Journey Optimizer
- Adobe Marketo Engage
- Adobe Real-Time Customer Data Platform
- Adobe Target
- Adobe Workfront

Adobe commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and

KEY STATISTICS

Return on investment (ROI)
250%

Net present value (NPV)
£16.79M

examine the potential return on investment (ROI) enterprises may realise by deploying solutions from Adobe Experience Cloud. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Experience Cloud on their organisations.

To better understand the benefits, costs and risks associated with this investment, Forrester interviewed 10 decision-makers from 7 organisations currently using solutions from Adobe Experience Cloud and also surveyed 150 decision-makers from organisations that use Experience Cloud. For the purposes of this study, Forrester aggregated the experiences of the interviewees and survey respondents, and combined the results into a single composite organisation that serves as a baseline for the financial analysis.

Interviewees and survey respondents said their organisations sought solutions from Adobe Experience Cloud to support marketing campaign efforts and/or content creation and management.

Prior to adopting these solutions, the organisations had several ad-hoc point solutions in place to support their needs. The lack of integration between these solutions led to technical errors, inefficiencies in file sharing and creation, and insufficient insights from performance analysis. Content creators and marketers were also limited in their ability to manage end-to-end customer experiences, which often led to less relevant and non-personalised content for their audiences. The organisations' decision-makers feared the negative long-term impact of delivering content and messaging that did not resonate with customers.

Interviewees said their organisations were first attracted to solutions from Adobe Experience Cloud in part because the products have reputations as top-shelf tools for creating digital experiences and measuring analytics. After running competitive analyses, decision-makers realised that through Adobe Experience Cloud's unified ecosystem of solutions, they could comprehensively cover their organisation's needs in providing a high-quality digital customer experience.

The organisations no longer had to rely on point solutions from various vendors to help them avoid technical issues and additional costs. Meanwhile, they streamlined workflows for digital experience creation and created more relevant campaigns that generated greater revenue.

> **"The appeal of Adobe Experience Cloud is that you invest in a stack that provides you with the capabilities that you need and can tailor to fit your individual needs. Adobe is one of the most important players in the field to provide a consistent set of solutions."**
>
> *Head of digital channels, finance*

"Which of the following benefits has your team experienced as a result of your investment in Adobe Experience Cloud solutions?"

Benefit	Percentage
Faster end-to-end timeline of campaign creation	65%
Streamline workflows for developers and engineers	57%
Easier to create audience segments	55%
Decreased time to run generate reports and analysis	51%
Reduced dependence on technical teams to support creative efforts (e.g. low-code templates that no longer require developers)	47%
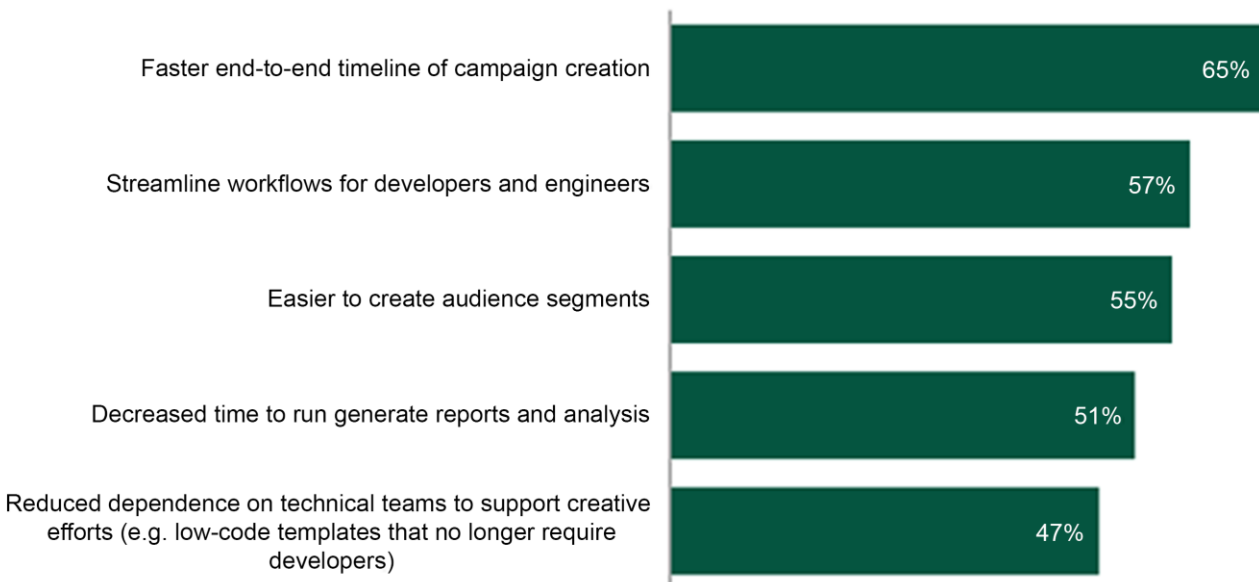
Base: 150 decisions-makers from organisations using Adobe Experience Cloud
Note: Top 5 responses shown
Source: A Commissioned survey on Adobe Experience Cloud conducted by Forrester Consulting on behalf of Adobe, April 2021

KEY FINDINGS

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

- **Increased speed for creating digital customer experiences by 28%.** The organisations removed various content management systems (CMS) from their tech stacks in favour of solutions under the Adobe Experience Cloud umbrella, which eliminated time employees spent going between solutions to create content. The end-to-end content creation process and real-time iterations and updates were further accelerated by various self-service features across Adobe tools.

Increase in speed when iterating and revising in-flight digital customer experiences

45%

- **Accelerated analysis of marketing campaigns and content by 40%.** Adobe Analytics is a core piece of Adobe Experience Cloud that eliminates the manual process of data collection by automatically generating reports when needed. Interviewees said analytics teams could spend less time collecting data and more time digging deeper into insights and working on recommendations to optimise content performance.

- **Reduced reliance on developer support for content creation by 90%.** The interviewees' organisations reduced requests for developer support on customer experience projects over time as employees were able to more frequently self-service their needs. Critically, teams built inventories of reusable content known as Experience Fragments in Adobe Experience Manager and leveraged low-code templates that did not require them to have a developer background.

- **Improved efficiency of ad spending by 23%.** Marketers became more efficient with their ad spend by using Adobe Experience Cloud solutions like Adobe Target to make their messaging more relevant to audiences, using Adobe Campaign to sequence delivery and using Adobe Audience Manager to target specific audience segments. Through this, organisations stretched every pound spent on advertising further since audiences were targeted more effectively.

- **Avoided millions in costs towards legacy solutions.** Each solution the organisations used before Adobe Experience Cloud came with its own maintenance and service fees that added up to a significant amount. Offloading these solutions and costs went a long way towards justifying the organisations' investments in Adobe Experience Cloud.

- **Grew customer conversions by 20% and reduced attrition by 6%.** By creating more relevant content and having greater oversight into its delivery, the organisations started to see gains in customer engagement. More clicks, opens and views of messaging led to additional conversions and reduced inactivity or eventual churn of their customer bases.

- **Profit per conversion climbed by 10%.** The organisations' customers spent more money, spurred by messaging about products or deals relevant to them. Repeat purchases also took place more frequently as customers' confidence in the organisations grew from their positive experiences.

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

- **Adding Adobe Experience Cloud solutions facilitates greater returns.** Adobe continues to add products to the Experience Cloud to build out its offering. Products like Adobe Commerce and

Adobe Marketo Engage address industry-specific needs, while Adobe Experience Platform transforms how users build customer profiles. Ultimately, these solutions enhance the value of other Adobe solutions and the overall results generated.

- **Employees' quality of life improves.** Interviewees noted that employees appreciated having top-shelf tools from Adobe. Integrations between Adobe tools also helped to enhance communication between teams to ensure that employees are on the same page.
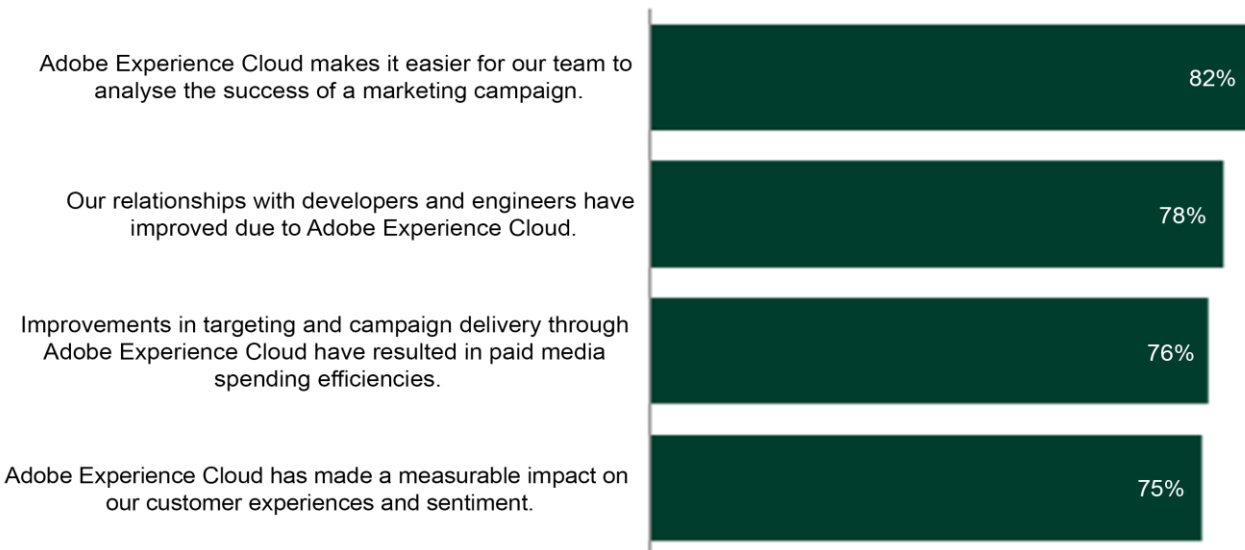
Costs. Risk-adjusted PV costs include:

- **Adobe Experience Cloud licencing or subscription costs.** Organisations pay an annual cost based on the number and types of Adobe solutions used, the number of employees using the solutions and/or the scale at which they leverage the solutions.

- **Ongoing professional and managed service costs.** These are costs allocated to professional service firms to support implementation and ongoing management of Adobe Experience Cloud solutions.

- **Premium costs of new hires.** The organisations sought out new hires that had previous expertise with leveraging solutions from Experience Cloud. These organisations paid a premium for employees with this sort of expertise.

- **Training costs.** Power users of Adobe Experience Cloud solutions took upwards of three days each year to help employees to familiarise themselves with new Adobe products or to stay current with changes made to existing products. Casual self-service users spent a couple of days taking training courses and educating themselves about the Adobe solution they use.

The financial analysis based on the customer interviews and survey found that a composite organisation experiences benefits of £23.53 million over three years versus costs of nearly £6.73 million adding up to a net present value (NPV) of £16.79 million and an ROI of 250%.

"On a scale of 1 to 5, how much do you agree with the following statements regarding Adobe Experience Cloud's impact on your organisation?"

Statement	Percentage
Adobe Experience Cloud makes it easier for our team to analyse the success of a marketing campaign.	82%
Our relationships with developers and engineers have improved due to Adobe Experience Cloud.	78%
Improvements in targeting and campaign delivery through Adobe Experience Cloud have resulted in paid media spending efficiencies.	76%
Adobe Experience Cloud has made a measurable impact on our customer experiences and sentiment.	75%

Base: 150 decisions-makers at organisations using Adobe Experience Cloud
Note: Showing combined responses for "Agree" and "Completely Agree."
Source: A Commissioned survey on Adobe Experience Cloud conducted by Forrester Consulting on behalf of Adobe, April 2021

ROI
250%

BENEFITS PV
£23.53M

NPV
£16.79M

£23.53 million

three-year total
benefits PV

Profit from improved customer retention,
£253,370

Higher profit
generation with
Adobe Experience
Cloud, **£3.40M**

Employee productivity
on customer experience
projects, **£6.88M**

Profit from additional
customer conversions,
£5.94M

Customer experience
performance analysis
efficiency, **£389,460**

Developer productivity
on customer experience
projects, **£314,180**

Efficiency in advertising,
marketing and technology
costs, **£6.37M**

"It's responsible for us generating tens of millions of pounds more. I don't think it's an understatement to say Adobe Experience Cloud is worth its weight in gold."

— Director of digital marketing and CRM, automotive

TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews and survey, Forrester constructed a Total Economic Impact™ framework for those organisations considering an investment in solutions from Adobe Experience Cloud.

The objective of the framework is to identify the cost, benefit, flexibility and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that solutions from Experience Cloud can have on an organisation.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Adobe 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 organisations 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 the Experience Cloud.

Adobe 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.

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

Forrester fielded the double-blind survey using a third-party survey partner.

DUE DILIGENCE
Interviewed Adobe stakeholders and Forrester analysts to gather data relative to Adobe's Experience Cloud.

CUSTOMER INTERVIEWS AND SURVEY
Interviewed 10 business and technical decision-makers at 7 organisations using solutions from Adobe Experience Cloud and surveyed 150 decision-makers at organisations using solutions from Adobe Experience Cloud to obtain data with respect to costs, benefits and risks.

COMPOSITE ORGANISATION
Designed a composite organisation based on characteristics of the interviewed and surveyed organisations.

FINANCIAL MODEL FRAMEWORK
Constructed a financial model representative of the interviews and survey using TEI methodology and risk-adjusted the financial model based on the issues and concerns of the interviewed organisations.

CASE STUDY
Employed four fundamental elements of TEI in modelling 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.

Drivers leading to the Adobe Experience Cloud investment

KEY CHALLENGES

Forrester interviewed 10 decision-makers and surveyed 150 decision-makers at organisations using solutions from Adobe Experience Cloud. For more details on the organisations that participated in this study, see Appendix B.

Before using Adobe Experience Cloud, the interviewees' organisations had several ad hoc point solutions in place to address their needs on a variety of fronts, including analytics, content management, customer data and marketing technology. Fragmentation between these solutions led to inefficiencies.

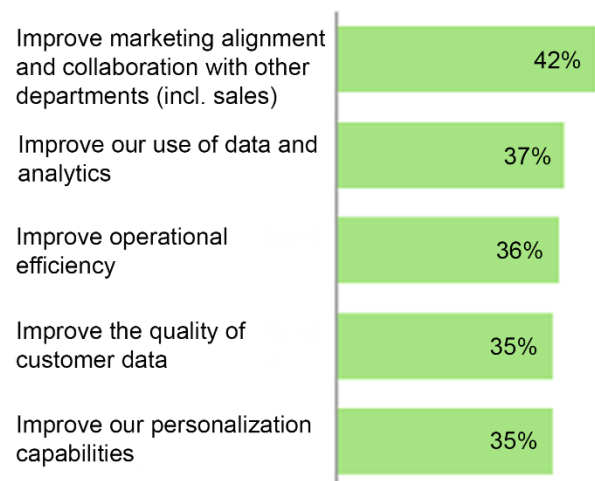The organisations struggled with common challenges, including:

- **Inconsistent digital customer experiences.** Because the organisations cobbled together point solutions to construct their websites and campaigns, their digital customer experiences had a patchwork feel to them that reflected the various frameworks from which they came. This often led to confusing site navigation, randomised messaging and a general lack of concerted push to conversion.

- **Limited insights on performance of content or campaigns.** Collecting data on various campaigns and pieces of content across systems took analysts hours to pull together. Frequently, connecting data strands was an impossible task. For example, performance data collected from one content management solution didn't directly correlate to marketing campaigns orchestrated with marketing technologies used. Lacking actionable insights from these time-consuming efforts placed a ceiling on value generation.

> **"Before Adobe Experience Cloud, it was a guessing game. We didn't have confidence that when we made a change [to our experience programs] that it would hold up for the long term. It would take up to two months to see if it was working."**
>
> *SVP, Group Experience Manager of Digital, finance*

- **Lack of flexibility towards building a digital customer experience.** The organisations did not have a consistent means for employee collaboration between different teams leveraging different solutions. Inconsistent adoption led to a lack of baseline knowledge in how to work with each solution across teams. Marketers and content creators sent emails back and forth to plan and iterate content and then loop in IT or developers when needed. As a result, teams struggled to create content or marketing campaigns as they envisioned them.

"Which of the following are likely to be your organisation's key marketing goals over the next three years?"

Improve marketing alignment and collaboration with other departments (incl. sales)	42%
Improve our use of data and analytics	37%
Improve operational efficiency	36%
Improve the quality of customer data	35%
Improve our personalization capabilities	35%

Base: 150 decisions-makers from organisations using Adobe Experience Cloud
Note: Top five responses shown.
Source: A Commissioned survey on Adobe Experience Cloud conducted by Forrester Consulting on behalf of Adobe, April 2021

SOLUTION REQUIREMENTS

The interviewees' organisations searched for a solution that could provide:

- A line of solutions that integrate with each other to support end-to-end creation of digital experiences.

- Increased collaboration between employees and teams.

- User-friendly interfaces that enable employee self-service and reduce reliance on IT or developers.

- Up-to-date, future-proof work practices and eliminate the need to use third-party point solutions.

"We were looking to build an integrated and responsive marketing ecosystem that allowed us to create seamless customer experiences.

We needed to have those internal capabilities to provide meaningful experiences."

Head of digital marketing, education

"What are some key factors that drove adoption of Adobe Experience Cloud solutions?"

Increasing marketing performance	63%
Expand capabilities available to marketing team	60%
Improve performances analysis	53%
Accelerate delivery of projects	53%
Improve collaboration between employees	53%
Reduce time spent on digital campaigns	45%
Improving data security	43%
AI/machine learning capabilities	35%
Increase employee satisfaction	35%
Offload usage of other solutions	26%
Cost efficiency	21%
Having the most up-to-date Adobe Experience Cloud solutions	21%

Base: 150 decisions-makers from organisations using Adobe Experience Cloud
Source: A Commissioned survey on Adobe Experience Cloud conducted by Forrester Consulting on behalf of Adobe, April 2021

COMPOSITE ORGANISATION

Based on the interviews and survey, Forrester constructed a TEI framework, a composite company and an ROI analysis that illustrates the areas financially affected. The composite organisation is representative of the 10 interviewees' and 150 survey respondents' organisations and it is used to present the aggregate financial analysis in the next section. The composite organisation has the following characteristics:

Description of the composite organisation. The composite organisation is a global, industry-agnostic, enterprise-sized company with £3.62 billion in annual revenue and 15,000 employees. It services 5 million customers per year. Before adopting solutions from Adobe Experience Cloud, the organisation had several ad hoc point solutions in place to produce digital customer experiences, but the legacy solutions provided limited analytics and personalisation capabilities. The organisation regularly added more point solutions to meet its technical needs.

Deployment characteristics. There is not a single "correct" path to follow in the adoption of Adobe Experience Cloud, nor is there an exact timeline. The path varies based on company need. However, organisations typically deploy Adobe Analytics first because it is a foundational piece that informs usage of other Adobe solutions. Following the implementation of Adobe Analytics, the order of adopting solutions often varies by company goals. For example:

- **For marketing purposes:** After Adobe Analytics, then Adobe Campaign is adopted and then either Adobe Experience Manager, Adobe Audience Manager, or Adobe Target is added.

- **For content management:** After Adobe Analytics, then Adobe Experience Manager is adopted and then either Adobe Campaign or Adobe Target is added.

Key assumptions
- **£3.62 billion in annual revenue**
- **Industry agnostic**
- **15,000 employees**
- **5 million customers**

For the purposes of this study, the composite organisation adopts solutions in the following order:

Year 1: Adobe Analytics and Adobe Experience Manager

Year 2: Adobe Campaign and Adobe Target

Year 3: Adobe Audience Manager

This approach represents a mix of solutions being used for both marketing purposes and content management. Forrester assumes the organisation continues to adopt additional Adobe Experience Cloud solutions after the three-year period of analysis.

In terms of usage of the platforms, in Year 1, the organisation has 75 power users who use one or more solutions for several hours each day and 50 self-service users who access Adobe Analytics and Adobe Experience Manager on a weekly or monthly basis for one-off projects.

As the organisation establishes best practices for Adobe solutions and it adds Adobe Campaign and Adobe Target, the number of power users climbs to 125 in Year 2 and the number of self-service users doubles to 100. Increased dissemination of knowledge about the solutions and adoption of Adobe Audience Manager leads to 175 power users and 200 self-service users by Year 3.

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	Employee productivity on customer experience projects	£1,299,686.27	£2,812,492.95	£4,506,976.94	£8,619,156.16	£6,892,065.73
Btr	Customer experience performance analysis efficiency	£66,064.21	£158,554.10	£264,256.84	£488,875.15	£389,634.78
Ctr	Developer productivity on customer experience projects	£114,341.90	£129,587.49	£137,210.28	£381,139.67	£314,132.20
Dtr	Efficiency in advertising, marketing and technology costs	£1,791,682.20	£2,768,963.40	£3,225,027.96	£7,785,673.56	£6,340,212.41
Etr	Profit from additional customer conversions	£1,433,345.76	£2,408,020.88	£3,476,580.14	£7,317,946.78	£5,905,147.81
Ftr	Higher profit generation with Adobe Experience Cloud	£788,340.17	£1,365,799.70	£2,085,948.08	£4,240,087.96	£3,412,636.27
Gtr	Profit from improved customer retention	£0	£92,450.80	£236,432.55	£328,883.36	£254,040.99
	Total benefits (risk-adjusted)	£5,493,460.51	£9,735,869.32	£13,932,432.79	£29,161,761.90	£23,507,870.19

EMPLOYEE PRODUCTIVITY ON CUSTOMER EXPERIENCE PROJECTS

Evidence and data. The robust feature sets of solutions like Adobe Experience Manager and Adobe Campaign streamline the production process for customer experiences at the interviewees' organisations. Whereas employees would previously hop between point solutions to create assets, build webpage templates and access a library of content, employees gained the ability to access everything from within the ecosystem of Adobe's integrated solutions.

Interviewees said their organisations frequently use Adobe Experience Manager's Experience Fragments (repurposed content and page layouts) in their website or marketing content and use Adobe Launch's tag system, Adobe Experience Cloud, to help employees tag and quickly pull assets from their company libraries.

Having access to low-code templates in the solution also helps teams to visualise campaigns. This is especially beneficial for marketers constructing a customer journey within Adobe Campaign. With Experience Cloud, marketers can communicate with designers about the kinds of visuals they want for a customer journey and do not have to cede creative requests to tech teams for support on high-code emails or web pages. Critically, updates and revisions to campaigns happen in real time more frequently among marketers because of the lowered barrier to entry for content creation.

By streamlining the back-and-forth process for content creation, marketers can use Adobe Campaign to ensure a consistent customer journey from a visual and sequencing standpoint. In Forrester's survey of Adobe Experience Cloud users, 57% said visualisations of customer journey and marketing funnels are key features that drive teamwork efficiency. Sixty-nine percent of respondents also cited efficiency from improved collaboration between employees.

With Adobe Experience Cloud solutions in place, conversations between employees are more grounded in visuals and lines of messaging because they have visible references to lay out campaign approaches. The end result is a more compelling customer journey.

Modelling and assumptions. For the composite organisation, Forrester assumes:

- The number of full-time equivalents (FTE) of employees (both power users and part-time users) working with Adobe Experience Cloud solutions increases from 100 in Year 1 to 250 in Year 3 as the organisation establishes and shares best practices for each tool among teams in different departments or regions and as it adds more Adobe tools each year.

- The term "first-run customer experience digital projects" refers to planning and creating projects across either marketing or content creation teams. The FTEs dedicate three-quarters of their time (1,560 working hours each) to these projects. The efficiency recognised in this work climbs incrementally from 20% in Year 1 to 28% in Year 3 as the organisation becomes more mature with leveraging the solutions and as more employees use them.

- Each FTE dedicates one-quarter of their time (520 working hours each) to iterating on customer experience projects. The FTEs gain 33% efficiency working on these projects in Year 1, which increases to 45% in Year 3. This gain is driven by the creation of low-code templates and reusable assets to start from in Adobe Experience Manager. As the organisation creates and adds more assets to its content library, it realises more time savings.

- The average blended, fully loaded hourly rate for each employee using an Adobe Experience Cloud solution is £39.82.

Total hours save on digital projects by year

Year 1	31,…
Year 3	109,200 hours
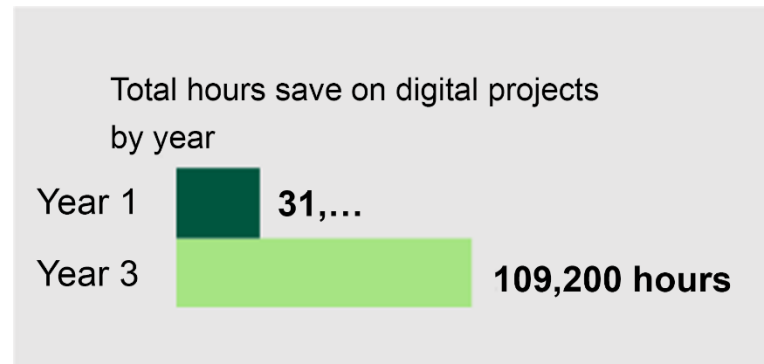
- Employees rededicate 75% of their time savings towards additional work and they use the remaining 25% to take longer lunch breaks or work fewer late nights, which qualitatively improves the employee experience.

Risks. Differences across organisations that may impact the benefits include:

- The types of Adobe Experience Cloud solutions the organisation leverages and the internal goals with those products could lead to more complex processes and lower efficiency improvements.

- The number of employees who leverage Adobe Experience Cloud solutions for customer experience projects.

- The hourly rate for employees.

Results. To account for these risks, Forrester adjusted this benefit downwards by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of £6.88 million.

Employee Productivity On Customer Experience Projects

Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Number of non-IT FTEs working on digital projects (e.g. content, digital assets, marketing campaigns etc.)	Assumption	100	175	250
A2	Percentage efficiency on first-run customer experience digital projects with Adobe Experience Cloud solutions	Survey	20%	25%	28%
A3	Time savings on first-run customer experience digital projects	A1*A2*1,560 working hours	31,200	68,250	109,200
A4	Percentage efficiency on customer experience digital project iterations with Adobe Experience Cloud solutions	Survey	33%	40%	45%
A5	Time savings on customer experience digital projects	A1*A4*520 working hours	17,160	36,400	58,500
A6	Average blended, fully loaded hourly rate per employee	Assumption	£39.82	£39.82	£39.82
A7	Productivity recapture	Assumption	75%	75%	75%
At	Employee productivity on customer experience projects	(A3+A5)*A6*A7	£1,444,095.85	£3,124,992.73	£5,007,751.75
	Risk adjustment	↓10%			
Atr	Employee productivity on customer experience projects (risk-adjusted)		£1,299,686.27	£2,812,492.95	£4,506,976.94
	Three-year total: £8,619,156.16			Three-year present value: £6,892,065.73	

CUSTOMER EXPERIENCE PERFORMANCE ANALYSIS EFFICIENCY

Evidence and data. In our survey of Adobe Experience Cloud users, 44% of respondents ranked Adobe Analytics among the most valuable solutions from Experience Cloud. That was higher than any other product, with the next highest-ranked being Adobe Commerce at 37%.

Interviewees said Adobe Analytics is the engine that informs decision-making behind the work done with other Adobe solutions. The flexibility of Adobe Analytics to integrate with any channel helps analysts collect data and draw correlations to make informed assumptions on attribution.

These efforts are supported by predictive analytics from Adobe's AI and machine learning services, which drives the direction of campaigns. Interviewees said the resulting insights were better.

The realisation of analysis efficiencies is not limited to users of Adobe Analytics. Organisations that leveraged Adobe Target ran A/B tests on content and campaigns to measure audience responses and interviewees said Adobe Target helps narrow audience segments created in Audience Manager and guide content personalisation.

"It was very painful to pull together the data to do any type of targeted segmentation in the past. The efficiencies we derive from Audience Manager made segmentation efforts go from days to hours."

Head of marketing technology, tech

Interviewees from organisations using Adobe Workbench said they feel like they accelerate teams' decision-making with more synthesised data and presentations. Taken together, analysts using Adobe Experience Cloud spend less time on data collection and more time delivering valuable insights to their organisations.

Modelling and assumptions. For the composite organisation, Forrester assumes:

- The number of employees who oversee customer experience and marketing analysis increases proportionally with the number of teams and departments using Adobe Experience Cloud products. The number of performance analysts doubles from five in Year 1 to ten in Year 3.

- Percentage efficiency also doubles from 20% in Year 1 to 40% in Year 3 as the organisation connects more systems to Adobe Analytics for data collection.

- The average fully loaded hourly rate for a performance analyst is £47.05.

- The organisation sees 75% in time savings based on the assumption that less manual work allows employees to take more breaks and not overwork themselves.

Risks. Differences across organisations that may impact this benefit include:

- The scale of data flowing into Adobe Analytics from which to draw insights.

- The number of performance analysts.

- The hourly rate for performance analysts.

Results. To account for these risks, Forrester adjusted this benefit downwards by 10%, yielding a three-year, risk-adjusted total PV of more than £389,465.

Customer Experience Performance Analysis Efficiency

Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Number of employees overseeing performance analysis	Assumption	5	8	10
B2	Percentage efficiency in performance analysis	Survey	20%	30%	40%
B3	Time savings on performance analysis	B1*B2*2,080 hours	2,080	4,992	8,320
B4	Fully loaded hourly rate of performance analyst	Assumption	£47.05	£47.05	£47.05
B5	Productivity recapture	Assumption	75%	75%	75%
Bt	Customer experience performance analysis efficiency	B3*B4*B5	£73,404.68	£176,171.22	£293,618.71
	Risk adjustment	↓10%			
Btr	Customer experience performance analysis efficiency (risk-adjusted)		£66,064.21	£158,554.10	£264,256.84
	Three-year total: £488,875.15		Three-year present value: £389,634.78		

DEVELOPER PRODUCTIVITY ON CUSTOMER EXPERIENCE PROJECTS

Evidence and data. Developers at the interviewees' organisations previously dedicated a small portion of their time towards supporting customer experience projects. For the most part, developers would receive several requests per month that ranged from helping to code web pages to ensuring that content viewability adapted from desktop to mobile channels.

After deploying Adobe Experience Cloud, gains in employee self-service (primarily made possible by Adobe Experience Manager) frees developer bandwidth at these companies. Low-code templates in Adobe Experience Manager that are adaptable to the channel in which they are accessed are critical to these time savings. The availability of assets for reuse that fit into these templates also contributes to this efficiency.

Developers at these organisations reallocate their saved time to their primary developer projects. Fewer diversions to support customer experience projects helps them to stay focused and deliver high quality work.

Modelling and assumptions. For the composite organisation, Forrester assumes:

- Fifteen developers support customer experience projects. The number of developers does not grow in proportion to the number of Adobe users because developers are not directly involved with Adobe solutions on a daily basis; they are looped in for support when needed and they dedicate one-tenth of their time to these projects.

- The reduction in time spent supporting development on projects starts high at 75% in Year 1 because of the accessibility of templates and the reduction reaches 90% in Year 3 as more employees use Adobe solutions and the organisation's reusable asset library grows.

- The average fully loaded hourly rate for a developer is £54.29.

- Forrester did not apply a productivity recapture rate to this efficiency because the small scale of the time savings means that nearly all the saved time is reallocated to other work.

> ## Developer time spent on customer experience projects
>
> Before:
> ## 3,120 hours
>
> After:
> ## 312 hours
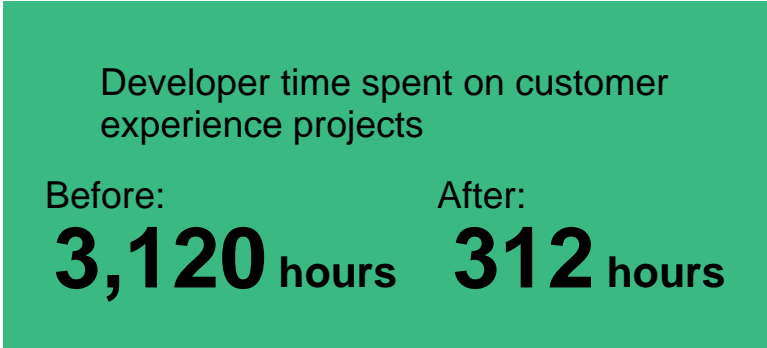
Risks. Differences across organisations that may impact this benefit include:

- The number of developers who support customer experience projects and the amount of time each dedicates.

- The number of developers involved in projects.

- The hourly rate of developers, which may vary based on levels of seniority.

Results. To account for these risks, Forrester adjusted this benefit downwards by 10%, yielding a three-year, risk-adjusted total PV of nearly £314,178.

Developer productivity on customer experience projects

Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Number of developers supporting projects and development	Assumption	15	15	15
C2	Reduction in time spent supporting projects and development	Survey	75%	85%	90%
C3	Avoided time spent supporting projects and development (hours)	C1*C2*208 hours	2,340	2,652	2,808
C4	Fully loaded hourly rate of developers	Assumption	£54.29	£54.29	£54.29
Ct	Developer productivity on customer experience projects	C3*C4	£127,046.56	£143,986.10	£152,455.87
	Risk adjustment	↓10%			
Ctr	Developer productivity on customer experience projects (risk-adjusted)		£114,341.90	£129,587.49	£137,210.28
	Three-year total: £381,139.67			Three-year present value: £314,132.20	

"The orchestration of campaigns is a lot quicker because there's efficiencies you gain from reusing workflows or not building everything from scratch. I used to build each email template from scratch and that required the right technical skills. It's gone from being a technical task to a business user task."

— Head of digital marketing, education

EFFICIENCY IN ADVERTISING, MARKETING AND TECHNOLOGY COSTS

Evidence and data. Adobe Experience Cloud helped the interviewees' organisations to realise cost efficiencies on several fronts, most significantly in the following categories:

- **Legacy solution costs:** Organisations that retired redundant point solutions avoid annual licencing or subscriptions costs and, importantly, the IT administrative labour costs and professional service fees for each one. These additive costs were significant because the organisations previously used upwards of a dozen products. No longer having to pay these fees to multiple vendors went a long way towards justifying the organisations' investments in Adobe Experience Cloud.

- **Advertising budget:** Interviewees specified that Adobe Audience Manager helps to identify which customers receive advertising and where the organisations need to suppress repeat advertisements. Although the organisations reduce the volume and frequency of advertising to their customers, they continued to improve their return on ad spending. Adobe Campaign and Adobe Target also helps advertisers to optimise the appropriate number of ads customers receive, the cadence and sequencing of campaigns and to refine the relevancy of messaging. The organisations' efficiency in ad spending enabled them to further stretch each pound they spent.

"We've created brilliant personal ads and, with Audience Manager, we're able to assess and analyse the right segments or audiences to receive them much more effectively than we could in the past. It's helped us improve our marketing spend by 20% to 30%."

Head of marketing technology, tech

- **Agency spend:** Insights gleaned from Adobe's analytics and intelligence tools enabled the organisations to lighten their dependence on agencies to deliver similar findings. These savings were incremental, but worth noting.

Modelling and assumptions. For the composite organisation, Forrester assumes:

- Legacy system and support costs avoided increase as the organisation moves more of its business operations to Adobe Experience Cloud.

- The organisation identifies that it has £10.86 million in digital ad spending that can be optimised and that ads delivered repeatedly to the same audience have little to no impact. After leveraging Adobe Experience Cloud, advertisers become more efficient with ad spending. By identifying common areas where it could tighten advertising practices, the organisation increases its advertising spend efficiency by 15%. This efficiency increases incrementally to 20% in Year 2 and to 23% in Year 3 as the organisation further refines its approach to advertising.

- After seeing positive results in marketing efforts with Adobe Experience Cloud in Year 1 and with increased self-service on campaign creation, the organisation reduces its agency spend by £180,978 in both years 2 and 3.

Risks. Results of this benefit will vary based on:

- The size of the organisation.

- The organisation's budget for advertising, marketing and technology.

Results. To account for these risks, Forrester adjusted this benefit downwards by 10%, yielding a three-year, risk-adjusted total PV of nearly £6.37 million.

Efficiency in advertising, marketing and technology costs

Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Annual avoided costs (e.g. legacy system and support costs) from offloaded legacy solutions	Interviews	£361,956.00	£723,912.00	£904,890.00
D2	Annual ad spending that can be optimised	Assumption	£10,858,680.00	£10,858,680.00	£10,858,680.00
D3	Percentage efficiency in ad spending with Adobe Experience Cloud solutions	Interviews	15%	20%	23%
D4	Value of efficiency with ad spending	D2*D3	£1,628,802.00	£2,171,736.00	£2,497,496.40
D5	Annual avoided agency spend	Interviews	£0	£180,978.00	£180,978.00
Dt	Efficiency in advertising, marketing and technology costs	D1+D4+D5	£1,990,758.00	£3,076,626.00	£3,583,364.40
	Risk adjustment	↓10%			
Dtr	Efficiency in advertising, marketing and technology costs (risk-adjusted)		£1,791,682.20	£2,768,963.40	£3,225,027.96
	Three-year total: £7,800,151.80		**Three-year present value: £6,340,212.41**		

PROFIT FROM ADDITIONAL CUSTOMER CONVERSIONS

Evidence and data. Efficiencies realised by employees with Adobe Experience Cloud contributed to them producing more relevant digital customer experiences. Seventy-five percent of surveyed Adobe Experience Cloud users said that its solutions have had a measurable impact on their organisation's customer experiences and sentiment.

Improvements start with having performance analysis in Adobe Analytics and users leveraging Adobe Target for A/B tests on new content or marketing materials while using Adobe Campaign to construct entire customer journeys. Content creators and marketers can then easily filter out touchpoints that prove to be ineffective. Similarly, the organisations can easily carry over assets that were effective in previous customer experiences to new journeys through Adobe Experience Manager.

> **"Through testing in Adobe Target, we looked at where we had customers fall out. We made adjustments in Adobe Campaign and we saw a tremendous lift in traffic and then [in the number of] applicants actually completing the application"**
>
> *Senior VP, group experience manager of digital, finance*

Interviewees said their organisations curtail customer experiences around specific audience segments through Adobe Audience Manager, ensuring greater messaging relevancy. Industry-specific products like Adobe Commerce Cloud (for retail) and Marketo Engage (for B2B) helps the organisations to further target and personalise messaging to push towards conversions.

Several interviewees said conversion improvements were in the range of 20% to 50%. They did not credit one Adobe solution for driving this growth; instead, they said it came from maturity in using each solution and effectively leveraging them in concert with each other. Largely, Adobe Experience Cloud reset the baseline expectations for strong customer journey performance at these organisations.

Modelling and assumptions. For the composite organisation, Forrester assumes:

- The size of the digital audience reached is based on the number of individuals who have visited the company site or engaged with any of the organisation's organic or paid media in the past 12 months. That number is 250 million people. The size of the audience grows by 5% each year as the organisation becomes more efficient and effective with its marketing and customer journey creation efforts.

- The blended conversion rate before using Adobe Experience Cloud (which is a reflection of the industries considered in this analysis) starts at 2.0% in Year 1. The incremental growth to 2.2% in Year 3 is based on limited success the organisation had by attempting to improve conversion rates with point solutions.

- Improvement in conversions is driven by employees optimising customer experiences with Adobe Experience Cloud and becoming more mature with its solutions and by the organisation adding more products over time. Conversion rate growth accelerates in Year 1 to hit 2.2% and this 0.2% gain over the prior rates leads to 500,000 additional conversions. By Year 3, the conversion rate reaches 2.64% — or a 0.42% gain over what previously would have been generated — resulting in 1.1 million more conversions.

- The assumed average order value (AOV) or value of customer conversion (nonpurchase-specific) is £72.39 based on the size of the organisation and number of customers.

- The attribution rate to Adobe Experience Cloud of 40% is based on Forrester's research-based understanding of how people, process and technology collaborate to drive conversions. While contributions from Adobe Experience Cloud are strong, Forrester's assumption takes into consideration credit given to creative teams, production work, market factors and interest in the product itself.

- The 11% profit margin is blended and based on the industries considered for the analysis.

Risks. Differences in organisations that may impact the benefits include:

- The size of the digital audience the organisation reaches annually, goals in conversions (e.g. customer web page opens, subscriptions, purchases), prior conversion rates and the value of a conversion.

- The types of Adobe Experience Cloud solutions leveraged early on during adoption and the organisation's overall goals with the solution.

Results. To account for these risks, Forrester adjusted this benefit downwards by 10%, yielding a three-year, risk-adjusted total PV of £5.86 million.

Profit From Additional Customer Conversions					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
E1	Size of digital audience reached annually	Assumption	250,000,000	262,500,000	275,625,000
E2	Blended conversion rate before Adobe Experience Cloud	Assumption	2.0%	2.1%	2.2%
E3	Improvement in conversions with Adobe Experience Cloud	Interviews	10%	15%	20%
E4	Blended conversion rate with Adobe Experience Cloud	E2+(E2*E3)	2.20%	2.42%	2.64%
E5	Additional converted audience	E1*(E4-E2)	500,000	840,000	1,212,750
E6	Average order value/customer conversion value	Assumption	£72.39	£72.39	£72.39
E7	Value of additional conversions	E5*E6	£36,195,600.00	£60,808,608.00	£87,792,427.80
E8	Attribution to Adobe Experience Cloud	Assumption	40%	40%	40%
E9	Profit margin	Assumption	11%	11%	11%
Et	Profit from additional customer conversions	E7*E8*E9	£1,592,606.40	£2,675,578.75	£3,862,866.82
	Risk adjustment	↓10%			
Etr	Profit from additional customer conversions (risk-adjusted)	Assumption	£1,433,345.76	£2,408,020.88	£3,476,580.14
Three-year total: £7,317,946.78			Three-year present value: £5,905,147.81		

HIGHER PROFIT GENERATION WITH ADOBE EXPERIENCE CLOUD

Evidence and data. At a high level, surveyed users of Adobe Experience Cloud reported an average incremental revenue gain of 1.9% since their organisations leveraged the solutions. This bears out to each customer spending a few pounds on average or engaging in more revenue-generating opportunities than in the past.

Gain in profit per conversion
10%

Some survey respondents said a portion of their organisation's customers were so encouraged by their positive customer journeys that they were compelled to make multiple purchases, to return for more services, or to make transactions that carried premium value.

Increased profit generation is what comes at the end of a successful customer lifecycle, trickling down from initial conversion to building loyalty. Teams can build on these efforts by continuing to leverage and learn from Adobe Experience Cloud solutions while incorporating more of its tools and capabilities.

Modelling and assumptions. For the composite organisation, Forrester assumes:

- The number of customers is based on the conversion rate of the digital audience after using Adobe Experience Cloud.

- The revenue per conversion grows from 5% in Year 1 to 10% in Year 3 as the organisation continues to optimise customer journeys and improve customers' favourability towards spending more.

- In Year 1, each of the organisation's 5 million customers spend £3.62 more than they previously would have, equating to £18.10 million in additional value. Additional spend per customer climbs to £5.43 in Year 2 and to £7.24 in Year 3.

- Assumptions about attribution and profit margin are the same as for the table for Benefit E.

Risks. Differences in organisations that may impact the benefits include:

- The number of customers who make a purchase annually.

- The organisation's average order or conversion value.

- The organisation's ability to increase the value of each conversion.

Results. To account for these risks, Forrester adjusted this benefit downwards by 10%, yielding a three-year, risk-adjusted total PV of £3.40 million.

Higher Profit Generation With Adobe Experience Cloud

Ref.	Metric	Source	Year 1	Year 2	Year 3
F1	Number of customers	E1*E4	5,500,000	6,352,500	7,276,500
F2	Average order value/customer conversion value before Adobe Experience Cloud	Assumption	£72.39	£72.39	£72.39
F3	Percentage gain in revenue per conversion	Survey	5.00%	7.50%	10.00%
F4	Average order value/customer conversion value with Adobe Experience Cloud	F2+(F2*F3)	£76.01	£77.82	£79.63
F5	Additional value generated with Adobe Experience Cloud	F1*(F4-F2)	£19,907,580.00	£34,489,882.35	£52,675,456.68
F6	Attribution to Adobe Experience Cloud	Assumption	40%	40%	40%
F7	Profit margin	Assumption	11%	11%	11%
Ft	Higher profit generation with Adobe Experience Cloud	F5*F6*F7	£875,933.52	£1,517,554.82	£2,317,720.09
	Risk adjustment	↓10%			
Ftr	Higher profit generation with Adobe Experience Cloud (risk-adjusted)		£788,340.17	£1,365,799.70	£2,085,948.08
	Three-year total: £4,240,087.96			**Three-year present value: £3,412,636.27**	

PROFIT FROM IMPROVED CUSTOMER RETENTION

Evidence and data. The impact of optimising customer experiences with Adobe Experience Cloud solutions extends beyond driving conversions and greater profit generation; it also helps the interviewees' and survey respondents' organisations to mitigate customer attrition. Teams can manage customer exposure to content by analysing the success of their responses to messaging and segmenting audiences based on which customers already interacted with touchpoints.

Previously, more customers would unsubscribe from emails or become less likely to make a purchase because of repetitive experiences. With Adobe Experience Cloud, marketing teams are slowly reversing that effect and recovering lost business. Even with fewer messages being delivered, the organisations are still able to grow their business because of the relevance and effectiveness of their constructed customer journeys.

Modelling and assumptions. For the composite organisation, Forrester assumes:

- In Year 1, there are 5 million returning customers at the beginning of the year. After factoring in churn and the number of newly added customers from the previous year, there are 4,500,000 returning customers in Year 2 and 5,250,551 in Year 3. Forrester did not factor in the additional customers retained after using Adobe for the following year's returning customer base to avoid double-counting their value.

- Before moving on from point solutions, the organisation's attrition rate was marginally improving because decision-makers recognised there was an issue with over-messaging to customers, but they did not have the ability to improve on it.

- With Adobe Experience Cloud, retention improves by 3.0% in Year 1 to recapture customers who were mostly on the fence about the organisation. Retention improves by 6.0% in Year 3 as the organisation continues to optimise its approach to customers.

- Each retained customer goes on to make purchases in successive years at the higher AOV rate. The retained customers in Year 1 are converted in Year 2 and Year 3, while retained customers in Year 2 are converted in Year 3 and generate £79.63 in value each. Additional customers retained in Year 3 generate value that falls outside the parameters of the analysis.

- Assumptions about attribution and profit margin are the same as in the table for Benefit E.

Risks. Differences in organisations that may impact the benefits include:

- The number of customers who make a purchase annually.

- The lifetime value of customers.

- The likelihood of customer churn.

Results. To account for these risks, Forrester adjusted this benefit downwards by 10%, yielding a three-year, risk-adjusted total PV of more than £253,369.

Profit From Improved Customer Retention

Ref.	Metric	Source	Year 1	Year 2	Year 3
G1	Number of returning customers (excluding already-retained customers listed in G4)	Year 1: Assumption Years 2 and 3: $(E1_{PY}*E2_{PY})$ - $(E1_{PY}*E2_{PY}*G2_{PY})$+ $E5_{PY}$	5,000,000	4,500,000	5,250,551
G2	Attrition rate	Assumption	20.00%	19.99%	19.98%
G3	Improvement with Adobe Experience Cloud	Interviews	3.0%	5.0%	6.0%
G4	Total number of retained customers (rounded)	Year 1: G1*G2*G3 Years 2 and 3: $G1*G2*G3+G4_{PY}$	30,000	74,978	137,922
G5	Recovered value of retained customers	Assumption	£76.01	£77.82	£79.63
G6	Attribution to Adobe Experience Cloud	Assumption	40%	40%	40%
G7	Profit margin	Assumption	11%	11%	11%
Gt	Profit from improved customer retention	Years 2 and 3: $G4_{PY}*G5*G6*G7$	£0	£102,723.11	£262,703.32
	Risk adjustment	↓10%			
Gtr	Profit from improved customer retention (risk-adjusted)		£0	£92,450.80	£236,432.55
	Three-year total: £328,883.36		Three-year present value: £254,040.99		

> **We're making good inroads in terms of sentiment. We look at digitally connected customers as significantly more profitable for us than non-digital customers.**
>
> **These digital customers are using our tools and processes on our [website]. They are highly engaged with these experiences.**
>
> — Director of digital marketing and CRM, automotive

FLEXIBILITY

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

- **Scalability of Adobe Experience Cloud ecosystem.** Adobe continues to add products under the Adobe Experience Cloud umbrella that amplify the value of other solutions in the ecosystem. Interviewees said their organisations are just beginning to realise value from relatively newer products, including:

  - **Adobe Commerce Cloud.** Powered by Magento Commerce, Adobe Commerce Cloud enables businesses to build out their commerce platforms. Key use cases include building commerce web pages, selling products through to other marketplaces and managing inventory from orders to shipping and fulfilment. Adobe Commerce Cloud streamlines enterprise resource planning (ERP) and customer relationship management (CRM) integration and — like other Adobe products — it integrates with the rest of Adobe Experience Cloud. One interviewee said their organisation ran a successful pilot programme with it on a specific use case.

  - **Adobe Experience Platform.** A recent product within Adobe Experience Cloud that can be a foundational piece for businesses, Adobe Experience Platform provides users with real-time customer profiles, advanced data analysis through machine learning and AI, accelerated experience delivery and greater data governance. Interviewees said their organisations have only started some pilot programmes with Adobe Experience Platform, but they said they believe the

product can bolster and streamline their current use cases for Adobe Experience Cloud.

  - **Adobe Marketo Engage.** Marketo Engage helps B2B marketers to enhance their approach to lead nurturing, account-based marketing and personalisation of messaging to potential customers. Similar to Adobe Commerce Cloud, it integrates with the rest of Adobe Experience Cloud and streamlines the creation of B2B customer experiences. Interviewees from organisations that use Marketo Engage said their company used Marketo before Adobe acquired the technology and they said they appreciated that it was now in the Adobe ecosystem.

> **"A key focus for us in the next year is utilising first-party data. We're looking at Adobe Experience Cloud to help us better use first-party data to improve marketing execution through things like people-based web destinations and real-time journey activation."**
>
> *Head of digital marketing, education*

- **Adobe Workfront.** Workfront helps businesses to oversee their allocation of resources, create budgets, prioritise action items and ensure that their customer experience projects stay on track. Interviewees said the solution is especially helpful with Adobe Campaign in making sure that campaigns launched and ran smoothly.

- **Improved employee experience.** Interviewees said their organisations' employees appreciate having top-shelf tools available to them. Employee quality of life improved because they recouped hours they would otherwise have spent dealing with multiple solutions to accomplish the same goal. Communication between teams improved because employees have similar levels of working knowledge about their shared Adobe toolsets. Interviewees said their organisations did not seek out Adobe Experience Cloud solutions to improve their employee experience, but they recognise that it's had a positive impact on it.

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

> **"Workfront is integrated with Adobe Campaign and our digital asset management system. We use it to have a big picture of all the elements going into a campaign, like objectives, tasks and assets. Before, it was difficult to pull that together.**
>
> **Because of our Workfront and Campaign integrations, we can accurately assess return on investment on any type of marketing tactic."**
>
> *Head of marketing technology, tech*

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
Htr	Adobe software costs	£0	£995,379.00	£1,194,454.80	£1,393,530.60	£3,583,364.40	£2,939,022.64
Itr	Ongoing professional and managed services costs	£1,592,606.40	£597,227.40	£597,227.40	£597,227.40	£3,384,288.60	£3,077,822.63
Jtr	Premium costs of new hires	£0	£45,548.54	£72,877.67	£91,097.09	£209,523.30	£170,079.50
Ktr	Training costs	£0	£140,149.36	£210,224.04	£315,336.07	£665,709.48	£538,064.24
	Total costs (risk-adjusted)	£1,592,606.40	£1,778,304.31	£2,074,783.91	£2,397,191.15	£7,842,885.77	£6,724,989.01

ADOBE SOFTWARE COSTS

Evidence and data. Interviewees said their organisations paid a software fee based on the number of Adobe solutions leveraged and the scale to which the number of employees leveraged them. The exact amount the organisations paid for Adobe fees and associated costs varied.

Modelling and assumptions. Assumed costs for the composite organisation are based on the following:

- The number of Adobe Experience Cloud solutions the organisation leverages each year.
- The number of active customers in the database.
- The number of channels through which the organisation runs campaigns.
- Annual contractual commitments to usage, which are based on the number of employees who access the solutions.

Results. To account for variability in these costs, Forrester adjusted this cost upwards by 10%. These costs yield a three-year, risk-adjusted total PV (adjusted up by 10%) of £2.97 million.

Adobe Software Costs

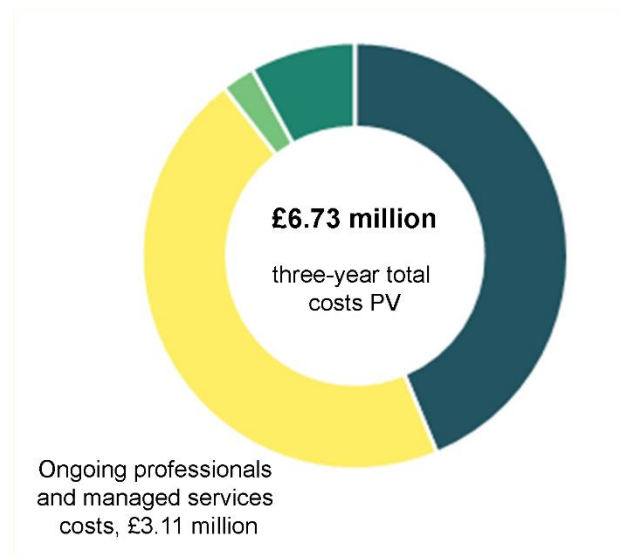| Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
H1	Adobe software costs	Interviews	£0	£904,890.00	£1,085,868.00	£1,266,846.00
Ht	Adobe software costs	H1	£0	£904,890.00	£1,085,868.00	£1,266,846.00
	Risk adjustment	↑10%				
Htr	Adobe software costs (risk-adjusted)		£0	£995,379.00	£1,194,454.80	£1,393,530.60
	Three-year total: £3,583,364.40			Three-year present value: £2,939,022.64		

ONGOING PROFESSIONAL AND MANAGED SERVICES COSTS

Evidence and data. Several interviewees said their organisations leveraged Adobe Professional Services or an Adobe partner to assist with proofs of concepts and full implementation of the Adobe Experience Cloud stack. Pilot programmes and proofs of concepts took several months to complete and they required time from internal resources across IT, marketing and lines of business.

Modelling and assumptions. For the composite organisation, Forrester assumes:

- The composite organisation's initial pilot and proof-of-concept efforts (alongside integrating two Adobe solutions) in Year 1 lead to a heavier financial lift than in later years. The costs total £1.45 million in Year 1.

- Costs for ongoing services are tied to the organisation's integration of Adobe platforms with more of its systems and pilot programmes and because it adds more solutions from Adobe Experience Cloud to its tech stack.

- With Adobe Experience Cloud and based on the scale of operations, the cost of ongoing professional and managed services is £542,934 annually.

Results. To account for variability in these costs, Forrester adjusted this cost upwards by 10%. These costs yield a three-year, risk-adjusted total PV of nearly £3.11 million.

£6.73 million

three-year total costs PV

Ongoing professionals and managed services costs, £3.11 million

Ongoing Professional And Managed Services Costs						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
I1	Ongoing professional and managed services costs	Interviews	£1,447,824.00	£542,934.00	£542,934.00	£542,934.00
It	Ongoing professional and managed services costs	It	£1,447,824.00	£542,934.00	£542,934.00	£542,934.00
	Risk adjustment	↑10%				
Itr	Ongoing professional and managed services costs (risk-adjusted)		£1,592,606.40	£597,227.40	£597,227.40	£597,227.40
	Three-year total: £3,384,288.60			Three-year present value: £3,077,822.63		

PREMIUM COST OF NEW HIRES

Evidence and data. To effectively leverage Adobe Experience Cloud solutions, interviewees said their organisations sought new hires with previous experience using these products. Hiring new employees would have occurred organically with or without Adobe Experience Cloud, but the requirement for employees possessing prior Adobe solution knowledge meant organisations spent a small premium on new hires.

Modelling and assumptions. For the composite organisation, Forrester assumes:

- The composite organisation spends 10% more for employees with expertise in Adobe solutions.

- The number of employees hired annually grows proportionally with expanded usage of Adobe Experience Cloud across the organisation.

- The blended, fully loaded annual salary for each of these employees is £82,815.53

Results. To account for variability in these costs, Forrester adjusted this cost upwards by 10%. These costs yield a three-year, risk-adjusted total PV of nearly £170,119.

Premium Cost Of New Hires						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
J1	Number of employees hired annually when Adobe Experience Cloud experience is required	Assumption	0	5	8	10
J2	Blended, fully loaded annual salary per employee	Assumption	£0	£82,815.53	£82,815.53	£82,815.53
J3	Additional cost of an employee with expertise in Adobe solutions	Interviews	0%	10%	10%	10%
Jt	Premium cost of new hires	J1*J2*J3	£0	£41,407.77	£66,252.43	£82,815.53
	Risk adjustment	↑10%				
Jtr	Premium cost of new hires (risk-adjusted)		£0	£45,548.54	£72,877.67	£91,097.09
	Three-year total: £209,523.30			**Three-year present value: £170,079.50**		

TRAINING COSTS

Evidence and data. Interviewees said employees spent a small amount of time learning to use the Adobe Experience Cloud solutions they leverage. Adobe Experience Cloud users are split into two types: power users who leverage them daily and self-service users who access one solution weekly, monthly, or infrequently.

Modelling and assumptions. For the composite organisation, Forrester assumes:

- In Year 1, the composite organisation has 75 power users who take time to learn about the Adobe solutions over four days.

- The number of power users grows to 125 in Year 2 and 175 in Year 3.

- Each year, new power users take the equivalent of four days to learn the solutions while senior power users take time to learn newly added features and Adobe products that are later added to the organisation's tech stack.

- In Year 1, the composite organisation has 50 self-service users who occasionally leverage Adobe solutions and require only a couple days to familiarise themselves with the functions they need to use.

- Self-service employee training occurs only once and they learn the basic functions they'll use.

- In Year 2, the organisation trains 50 new self-service users and it expands adoption of Adobe solutions across the organisation.

- The organisation trains 100 self-service users in Year 3.

- By the end of the three-year period of analysis, the organisation has 200 self-service users of Adobe solutions.

Results. To account for variability in these costs, Forrester adjusted this cost upwards by 10%. This cost yields a three-year, risk-adjusted total PV of more than £537,866.

Training Costs						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
K1	Adobe power users	Assumption	0	75	125	175
K2	Training hours per power user	Interviews	0	32	32	32
K3	Adobe self-service users added	Assumption	0	50	50	100
K4	Training hours per self-service user	Interviews	0	16	16	16
K5	Average blended, fully loaded hourly rate for employee	Assumption	£0	£39.82	£39.82	£39.82
Kt	Training costs	(K1*K2*K5)+(K3*K4*K5)	£0	£127,408.51	£191,112.77	£286,669.15
	Risk adjustment	↑10%				
Ktr	Training costs (risk-adjusted)		£0	£140,149.36	£210,224.04	£315,336.07
	Three-year total: £665,709.48			Three-year present value: £538,064.24		

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

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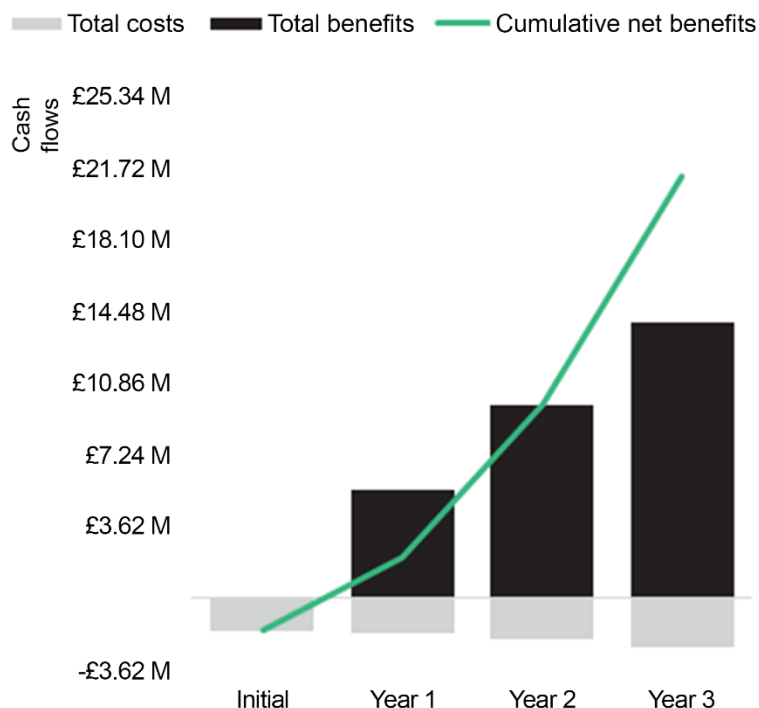
The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV and payback period for the composite organisation's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

These risk-adjusted ROI, NPV and payback period values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

Cash Flow Analysis (Risk-Adjusted Estimates)						
	Initial	**Year 1**	**Year 2**	**Year 3**	**Total**	**Present Value**
Total costs	(£1,592,606.40)	(£1,778,304.31)	(£2,074,783.91)	(£2,397,191.15)	(£7,842,885.77)	(£6,724,989.01)
Total benefits	£0	£5,493,460.51	£9,735,869.32	£13,932,432.79	£29,161,761.90	£23,507,870.19
Net benefits	(£1,592,606.40)	£3,715,156.20	£7,661,085.41	£11,535,241.64	£21,318,876.12	£16,782,881.18
ROI						250%

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 realise 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 organisation.

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. Organisations typically use discount rates between 8% and 16%.
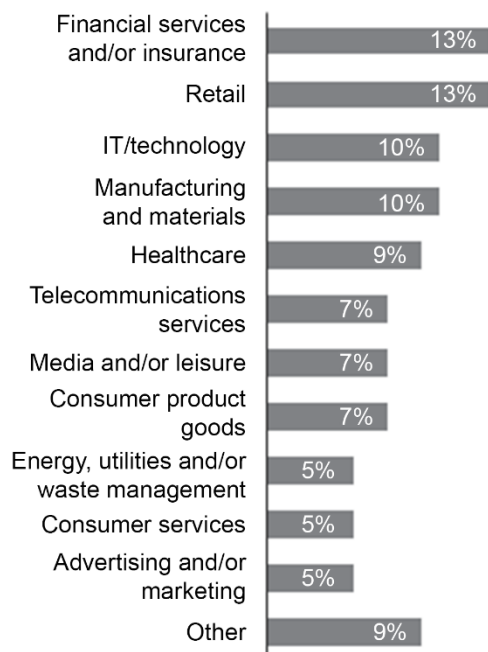
PAYBACK PERIOD

The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.
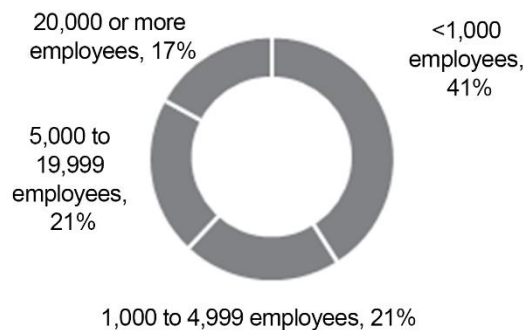
Appendix B: Interview And Survey Demographics

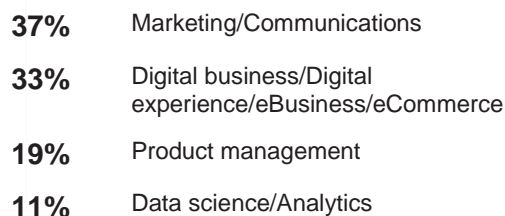| Interviewed organisations			
Industry	**Region**	**Interviewee**	**Adobe Experience Cloud solutions used**
Automotive	North America with global operations	Director of digital marketing and CRM	Analytics, Audience Manager, Campaign, Experience Manager, Launch, Target
Finance	North America	Senior VP, group experience manager of digital; Business analytics manager, VP; Senior VP of digital	Analytics, Audience Manager, Experience Manager, Target
Finance	Western Europe	Head of client insight	Analytics, Audience Manager, Campaign, Target
Finance	Central Europe with global operations	Head of evidence labs innovations digital channels and strategy; Head of digital channels	Analytics, Audience Manager, Campaign, Experience Manager, Launch, Target
Education	Asia Pacific	Head of digital marketing	Analytics, Audience Manager, Campaign, Experience Manager, Target
Publishing	Western Europe	Chief operating officer	Audience Manager, Campaign, Experience Manager, Target
Tech	North America with global operations	Head of marketing technology	Analytics, Audience Manager, Experience Manager, Target, Workfront

Survey Demographics

"Which of the following best describes the industry to which your company belongs?"
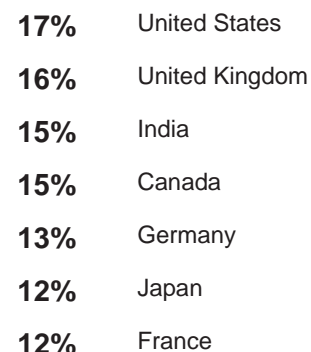
Financial services and/or insurance	13%
Retail	13%
IT/technology	10%
Manufacturing and materials	10%
Healthcare	9%
Telecommunications services	7%
Media and/or leisure	7%
Consumer product goods	7%
Energy, utilities and/or waste management	5%
Consumer services	5%
Advertising and/or marketing	5%
Other	9%

"Using your best estimate, how many employees work for your firm/organisation worldwide?"

20,000 or more employees, 17%

<1,000 employees, 41%

5,000 to 19,999 employees, 21%

1,000 to 4,999 employees, 21%

"Which of the following best describes your role/team within your organisation?"

37%	Marketing/Communications
33%	Digital business/Digital experience/eBusiness/eCommerce
19%	Product management
11%	Data science/Analytics

"In which country are you located?"

17%	United States
16%	United Kingdom
15%	India
15%	Canada
13%	Germany
12%	Japan
12%	France

Base: 150 decision-makers from organisations using Adobe Experience Cloud
Note: Percentages may not total 100 because of rounding.
Source: A commissioned survey on Adobe Experience Cloud conducted by Forrester Consulting on behalf of Adobe, April 2021

Appendix C: Endnotes

[1] Source: Forrester Analytics Business Technographics™ Software Survey, 2020.

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