

A Forrester Total Economic Impact™
Study Commissioned By Movable Ink
October 2018

The Total Economic Impact™ Of The Movable Ink Platform

Cost Savings And Business Benefits
Enabled By Movable Ink

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Executive Summary

In 2018, marketers will spend more than \$3 billion on email marketing.¹ Yet, 45% of online adults say that most of these emails offer nothing of interest to them. As a result, a majority will be deleted and unread.²

These results speak to the inadequacy of a decades-old approach to email marketing. Many large brands still treat email as a newsletter and couponing tool.³ In an attempt to maximize the value of their lists, they simply increase the volume of sends.⁴ What's lacking is an immersive, personalized experience on par with consumers' favorite websites and apps.⁵

Movable Ink provides a platform that helps customers deliver individualized and highly visual email content — beyond simple product recommendations — at scale. Movable Ink commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying the Movable Ink Platform (Movable Ink). The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Movable Ink on their organizations.

To better understand the benefits, costs, and risks associated with an investment in Movable Ink, Forrester interviewed five customers using Movable Ink to deliver individualized, real-time email content.

Even before they engaged Movable Ink, customers understood the potential impact that personalized email content could have on campaign performance. However, they were limited in what they could hope to achieve. It took hours to build a single email, and many rounds of revisions were often required. Targeting subscribers with greater precision meant building out numerous variants of each email, without coming anywhere close to true one-to-one personalization.

With the investment in Movable Ink, email teams gained the ability to message to customers on an individual basis. Personalized content performed substantially better, with click-through rates (CTR) rising more than 125% for some segments. At the same time, because Movable Ink content is generated automatically from existing creative and data sources, less work and rework was required to execute an email campaign.

The director of email marketing for a global travel and entertainment site described the impact Movable Ink had on the organization as follows: "Because of the capabilities that Movable Ink provides, we're able to deliver content that resonates with customers at an individual level. We're able to do this at scale. With our previous process, we would never be able to create the number of variants necessary to do anything like this."

Based on the customer interviews, Forrester created a composite organization to illustrate the benefits and costs associated with an investment in the Movable Ink Platform. The analysis revealed that the Movable Ink Platform had the following three-year financial impact: \$6,584,873 million in benefits versus costs of \$1,391,822, resulting in a net present value (NPV) of \$5,193,051 million and an ROI of 373%.

Case Study Highlights

This case study is based on interviews with five customers using Movable Ink to deliver personalized email content to users.



Operating margin on revenues from improved email campaign performance:

\$5,843,232



Workflow and time savings benefits for email teams:

\$741,641

Key Findings

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



ROI
373%



Benefits PV
\$6.6 million



NPV
\$5.2 million



Payback
<3 months

- › **Operating margin on revenues from improved email campaign performance totaling \$5,843,232.** Email campaigns featuring personalized content performed better. In Year 1, the composite organization saw a 15% increase in CTR on emails supported by Movable Ink. In years 2 and 3, as it leveraged the platform in increasingly sophisticated ways, it saw a 25% and 40% increase in CTR, respectively. Over three years, the organization saw a revenue uplift for Movable Ink-enabled emails of \$66 million, on which it realized a margin of 12.5%.
- › **Workflow and time savings benefits totaling \$741,641.** Email campaigns developed with Movable Ink rely on content that is generated from real-time data sources, at the moment when the email is opened, thereby simplifying the production process. Prior to onboarding Movable Ink, the composite organization's email teams built multiple variations of many emails and dedicated a substantial amount of time to rework. With Movable Ink, both creative and technical resources realized significant time savings.

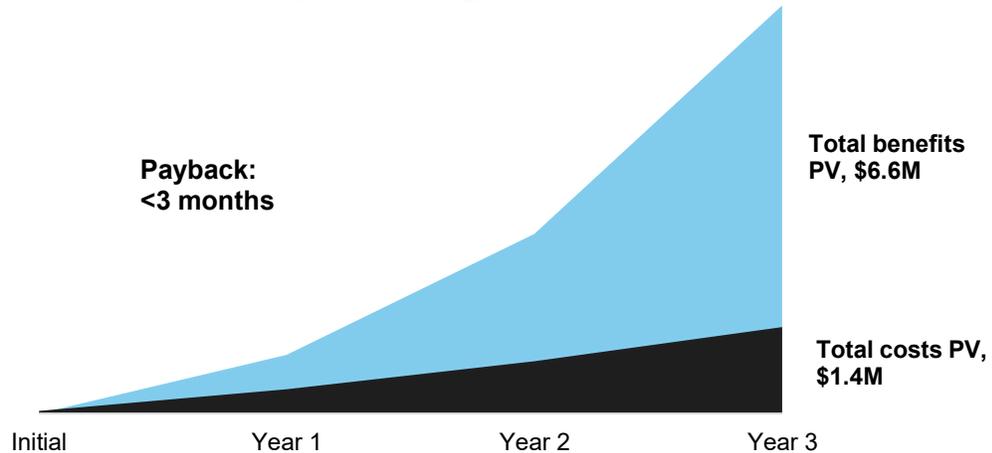
Unquantified benefits. The interviewed organizations experienced the following benefits, which were not quantified for this study:

- › **Optimizing email campaigns in real time.** Movable Ink's Creative Optimizer feature streamlines email testing and optimization, reducing the number of times sub-optimal content is delivered to email program members. The director of email marketing for a global travel and entertainment site described the impact that this feature has had on campaign execution: "We can put out a few different variations that we want to test and optimize in real time. This minimizes the potential business impact of not selecting the best campaign for that particular day. Before, we would evenly split the variants that we wanted to test, send one out, wait for the results, and then make a decision for the following week's campaign. This tool lets us optimize in real time."
- › **Building customer loyalty.** Executives interviewed for this study described the immediate business impact of delivering personalized content to customers — namely, higher CTR, which filtered through to conversions and revenues. However, it was more difficult for them to quantify the long-term impact on their brands. According to Forrester's research, personalization produces feelings of value, appreciation, and confidence in customers, and these feelings lead to higher brand loyalty.⁶
- › **Creating a better employee experience.** Email marketing managers, creative professionals, and developers are essential to the success of their companies' email strategies. With Movable Ink, they spend less time on routine tasks and rework, and have more time to focus on high-value tasks, according to interviewees. Because Movable Ink emails perform better, and the channel now contributes more to the bottom line, email teams have grown in importance within their organizations. Several interviewees are quoted as saying that these factors contribute to a more positive employee experience.

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

- › **Licensing and enterprise services costs totaling \$1,352,630.** The composite organization paid annual licensing fees to Movable Ink. It also paid a nominal annual fee for enterprise services provided by Movable Ink.
- › **Platform setup costs totaling \$39,192.** The composite organization dedicated a cross-functional team of six individuals to planning and implementation of the Movable Ink platform over a five-week period. During this time, each member of the team spent 20% of their time on planning and implementation activities, which included socializing the initiative, developing workflows, identifying relevant data sources, and executing minor technical projects.

Financial Summary Of Movable Ink Impact On Forrester's Composite 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.

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 the Movable Ink Platform.

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 the Movable Ink Platform can have on an organization:



DUE DILIGENCE

Interviewed Movable Ink stakeholders and Forrester analysts to gather data relative to the Movable Ink Platform.



CUSTOMER INTERVIEWS

Interviewed five organizations using Movable Ink 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 Movable Ink'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 Movable Ink 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 Movable Ink.

Movable Ink 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.

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

The Movable Ink Customer Journey

BEFORE AND AFTER THE MOVABLE INK INVESTMENT

Interviewed Organizations

For this study, Forrester conducted five interviews with Movable Ink customers. The following high-level metrics describe the customer organizations:

INDUSTRY	REVENUE	INTERVIEWEE	MONTHLY EMAIL VOLUME
Retail	\$25 billion	Director of marketing operations	1 billion
Retail	\$1 billion	Retention marketing lead	50 million
Retail	<\$500 million	Director of digital marketing	12 million
Travel and entertainment	\$10 billion	Director of email marketing	1 billion
Travel and entertainment	<\$500 million	Director of marketing	20 million

Key Challenges

The following key drivers prompted customer organizations to seek out a new approach to developing email content:

- › **Creating personalized, high-performing emails at scale.** Customers struggled with needing to reach and appeal to large audiences through email while simultaneously delivering a valuable, visual, and personalized experience for each reader. As a result, campaign performance suffered. Yet, customers lacked the ability to efficiently target microsegments, much less individuals, with customized content.
- › **Developing multiple variants of an email required a significant time commitment.** Prior to engaging Movable Ink, email teams at the interviewed organizations designed and coded each variant of each email. The process was time intensive, and it limited the number of variants that teams could produce. Changes, which were often required, added additional hours to the production process.
- › **Pre-existing and add-on software solutions offered only limited functionality.** Customers knew that email campaigns targeted at large audiences performed suboptimally, and several explored the possibility of leveraging add-on tools, offered by their email service provider (ESP), to deliver more personalized content. These tools were difficult to use, and according to interviewees they did not provide the range of personalization capabilities that email teams were seeking.
- › **Working across teams to deliver relevant, real-time information to customers was difficult.** Developing a campaign typically required input from multiple parties, including designers, merchandisers, and marketing managers. It was a complex process, with a lot of back-and-forth to determine the availability of inventory. During flash sales, this process was sped up, and it was difficult to keep track of which items were in stock. Often, items featured in emails were unavailable for purchase, resulting in a poor customer experience.

"From an email perspective, we're always looking to be able to personalize content to the greatest extent that it's viable. What the Movable Ink technology allows us to do is basically personalize email at a one-to-one level."

Director of marketing, travel and entertainment website



"Because of the capability that Movable Ink provides, we're able to scale a concept and workflow that would've otherwise been incredibly manually intensive."

Director of email marketing, travel and entertainment website



Key Results

The interviewees described the following key results from their investment in Movable Ink:

- › **Improved campaign performance.** All of the customers interviewed for this study reported significant performance improvements — as measured by both click-through rates (CTR) and revenue — in email campaigns that leveraged Movable Ink's technology. In some cases, these performance improvements were dramatic. One retailer experienced a 1,126% increase in CTR and a 33% increase in revenue generation over the prior year during its annual five-day flash sale, which it attributed to its ability to deliver personalized, always up-to-date content.
- › **Less manual content creation leading to higher operational efficiency.** With Movable Ink, email teams performed fewer manual tasks to execute an email campaign. According to the interviewees, creative staff benefited the most. At one retailer, there is an email format sent once or twice per month where no creative work is required, owing to the use of Movable Ink's technology. Each of the six other emails the retailer sends throughout the month require only 50% of the time commitment from the design team than they once did. Instead of two days to develop an email, they can now do it in one.
- › **The ability to deliver more dynamic, relevant, and always up-to-date content.** Movable Ink — and platform components such as the stock switcher app, in particular — enabled customers to feature always up-to-date, in-stock products in their emails. This solved a key problem for Movable Ink's customers — previously, email teams would work for days or weeks to develop a campaign and, by the time it went out, the featured products were out of stock. One interviewee explained, "Now even when something goes out of stock, we're still serving relevant and in-stock products to the customer."
- › **Higher campaign velocity.** Because many emails now require less design and coding work, email teams were able to increase output by as much as 100%. Though email teams spent less time developing individual emails, their importance to the organization grew along with the revenue generated via the email channel.
- › **The ability to execute last-minute campaigns.** Campaigns are typically planned months in advance. Yet, there are times when marketing teams see an opportunity to run last-minute promotions, and Movable Ink makes it possible for them to turn around an email in as little as 48 hours, according to customers; they added that previous workflows wouldn't have allowed this.
- › **A better customer experience, as evidenced by lower unsubscribe rates.** Delivering relevant, personalized content improved the customer experience and lowered unsubscribe rates, according to interviewees. The retention marketing lead for a retailer with an online and offline presence reported average unsubscribe rates of just 0.01% for Movable Ink-enabled emails, compared to an overall average of 0.2%.

"When we're trying to put together a marketing campaign, and our in-house design team is working on it, a lot of the products that might be in an email go out of stock. Or maybe the sizes that are available change. So, we use the Stock Switcher tool very often to be able to dynamically switch out that content. Even when something goes out of stock, we're still displaying relevant and in-stock products to the customer."

Retention marketing lead, retailer with online and offline presence



"The reality is that a number of campaigns wouldn't exist without Movable Ink. And there are a number of campaigns that would be completely different in scope if we didn't have them."

Director of marketing operations, retailer with online and offline presence



"It saves us a lot of time, it makes things really efficient, and ultimately helps us achieve our goal of speaking to our customers at an individual level. I'd add that the team at Movable Ink is also really great."

Retention marketing lead, retailer with online and offline presence



Composite Organization

The composite organization is representative of the five companies that Forrester interviewed for this case study 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 an \$8 billion retailer with its headquarters in North America. It has both an offline and online presence, with approximately 20% of all revenues generated via digital channels.

eCommerce is a strategic area of focus for the brand. To drive eCommerce sales, it uses dynamic pricing and customer-driven promotions, including flash sales. Inventory turnover is high, particularly during promotional periods.

Email is an essential component of the organization's marketing program. Campaigns are developed through a collaborative process, with input from marketing, merchandising, and creative teams. Prior to engaging with Movable Ink, the organization used traditional segmentation techniques and experimented with the personalization tools offered by its email service provider.

How the composite organization develops email campaigns. Email campaigns align with broad strategic goals laid out by the marketing organization. Planning begins as much as six months in advance. It is up to the email team to decide which emails go out, which customers they will target, and which content they will include. To do so, they work closely with merchandisers. The email team works through multiple drafts of the calendar, and then develops briefs for the creative team. Once creatives complete a draft of each email, it then goes through multiple rounds of review, including reviews by the email team and category executives. Emails are coded and entered into the content management system one to two weeks before they're sent to email program members.

How the composite organization's email team uses Movable Ink. The composite organization uses Movable Ink to enhance its email campaigns in a variety of ways. In many campaigns, it incorporates behavioral triggers, such as view counters, which indicate how many people have viewed a particular item. In others, it leverages more heavily the core Movable Ink capabilities to deliver personalized and highly visual content to email program members based on geography, purchase history, and on-site behaviors, among other factors. For many types of emails, including those for flash sales and trigger-based events, the organizations rely heavily on templates built for use with Movable Ink.



Key assumptions:

- \$8 billion retailer
- 20% of revenues are generated online

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	Operating margin on revenues from improved email campaign performance	\$843,565	\$2,054,199	\$4,497,009	\$7,394,773	\$5,843,232
Btr	Workflow and time savings benefits	\$203,112	\$304,668	\$406,224	\$914,004	\$741,641
	Total benefits (risk-adjusted)	\$1,046,677	\$2,358,867	\$4,903,233	\$8,308,777	\$6,584,873

Operating Margin On Revenues From Improved Email Campaign Performance

Email campaigns featuring personalized visual content, enabled by Movable Ink's platform, performed better than previous campaigns.

Customers described significant performance improvements for emails supported by Movable Ink content. Across the board, they saw substantial CTR improvements:

- › The director of email marketing for a travel and entertainment site reported a 125% increase in CTR rate for emails supported by Movable Ink content.
- › The director of marketing operations for a large retailer reported a 40% increase in CTR for emails supported by Movable Ink content.

Along with increases in engagement and CTR, customers realized stronger revenue performance for the email channel:

- › For the travel and entertainment site, the 125% increase in CTR for Movable Ink emails translated into a 25% increase in revenue performance.
- › For the retailer, the 40% increase in CTR for Movable Ink emails translated into a 25% increase in revenue performance across all segments and as much as a 100% increase at the segment level.

During promotional periods, results were even more dramatic. One retailer reported a 1,126% year-over-year increase in CTR during its annual flash sale in the year it began using Movable Ink's technology to power email campaigns. The increase in CTR led to a 55% increase in traffic and a 33% increase in revenue performance for the five-day sale.

While all customers reported an immediate uptick in campaign performance, owing to Movable Ink, achieving peak campaign performance took time. Over time, customers used Movable Ink: 1) to support more email campaigns and 2) in more sophisticated ways. Early on, they leveraged basic features of the platform in emails such as countdown timers and crowd-sourced metrics. Seeing results, they began to leverage customer profiles, real-time inventory data, and site triggers to deliver highly personalized emails to their lists.

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 more than \$6.5 million.



One retailer saw a 1,126% year-over-year increase in CTR during its annual flash sale.

The following assumptions are represented in the financial model:

- › The composite organization's email list grows by 10% each year; some of this growth is offset by the unsubscribe rate.
- › The unsubscribe rate for Movable Ink-enabled emails is significantly lower at 0.1%; the unsubscribe rate for non-Movable Ink emails is 0.2%. The rate shown in the calculation table is a weighted average of unsubscribe rates for Movable Ink and non-Movable Ink emails.
- › On average, the organization executes 25 email campaigns each week, though few campaigns target all email program members.
- › On average, email program members each receive 7.5 emails per week.
- › Over time, the organization expanded its usage of Movable Ink by: 1) using the platform to support more of its email campaigns and 2) using the platform in increasingly sophisticated ways.
- › CTRs are the key driver of campaign performance — they increase with the organization's usage of the Movable Ink platform and its most advanced capabilities.

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

- › The depth of features offered by the Movable Ink platform that are leveraged in email campaigns.
- › The availability and usage of data sources to support Movable Ink-enabled campaigns.
- › The on-site user experience, which will impact conversion rates.

To account for these risks, Forrester applied a 10% risk adjustment, yielding a three-year, risk-adjusted total PV of \$5,843,232.

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.

Operating Margin On Revenues From Improved Email Campaign Performance: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
A1	Email list growth rate			10%	10%	10%
A2	Unsubscribe rate across all segments and campaigns			0.16%	0.14%	0.13%
A3	Email program members	Year 1 to 3: $A3_{py} * (1 + A1)^* (1 - A2)$	5,000,000	5,491,200	6,031,864	6,626,424
A4	Average emails per week, per program member			7.5	7.5	7.5
A5	Annual email volume	$A3 * A4 * 52$		2,141,568,000	2,352,426,785	2,584,305,494
A6	Percentage of emails supported by Movable Ink content			45%	60%	75%
A7	Average email open rate across all segments			18%	18%	18%
A8	Base click-through rate (CTR)			5.5%	5.5%	5.5%
A9	Percentage point improvement in CTR for emails featuring Movable Ink content			0.83%	1.38%	2.20%
A10	CTR improvement attributed to Movable Ink	$A5 * A6 * A7 * A9$		1,439,776	3,506,057	7,675,387
A11	Average conversion rate across all segments	Forrester Data		4.2%	4.2%	4.2%
A12	Average order value	Forrester Data		\$124	\$124	\$124
A13	Operating margin			12.5%	12.5%	12.5%
At	Operating margin on revenues from improved email campaign performance	$A10 * A11 * A12 * A13$	\$0	\$937,294	\$2,282,443	\$4,996,677
	Risk adjustment	↓10%				
Atr	Operating margin on revenues from improved email campaign performance (risk-adjusted)		\$0	\$843,565	\$2,054,199	\$4,497,009

Workflow And Time Savings Benefits

With Movable Ink, email content is generated at the moment when the email is opened. This capability streamlines production and reduces workloads for creative and technical resources.

Prior to engaging with Movable Ink, creative teams designed every component of every email. Often times, they produced numerous variations of a single email. If there were changes, they needed to edit each variant. The director of marketing operations for a large retailer described how Movable Ink has impacted workflows for creative teams: "Before, if we needed 10 versions of a particular email, all 10 versions had to be designed and approved. Meanwhile, things are constantly changing. If the date of a sale changed, for example, we'd have to go back to creative, they'd have to update each variant, and it was just an extensive and laborious process. With Movable Ink, it's one template and one spreadsheet, that's it. When there are changes, we update one cell in a CSV and we're done. Each time this happens, we save five to 10 hours at a minimum."

Technical resources experienced similar time savings, owing to the ability email teams have to reuse email templates developed on Movable Ink's platform. For example, a team might decide to leverage an existing template for a flash sale, making updates only to the time and date as well as any embedded links. However, more complex changes are also easily executed, according to interviewees. The director of marketing operations explained: "Instead of having to redo everything, you can go into the platform and with a total of 10 clicks, you can completely redesign the entire customer experience. It's very powerful."

All of the interviewees said that the time saved was immediately rededicated to productive tasks. In some cases, email teams increased their output by as much as 100%. As revenues from the email channel grew, so did the importance of email teams within their organizations.

The following assumptions are represented in the financial model:

- › A total of 7.5 FTEs are dedicated to creative content development.
- › A total of 5 FTEs are dedicated to technical tasks associated with email campaign development and execution.
- › Time savings for both creative and technical resources grow over time and with respect to the number of campaigns in which the Movable Ink platform is leveraged.

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

- › The depth of features offered by the Movable Ink platform that are leveraged in email campaigns.
- › The proportion of total emails that leverage Movable Ink content.
- › The number of variants typically produced as part of an email campaign.
- › The number of iterations of an email design typically produced for each campaign.

To account for these risks, Forrester applied a 10% downward risk adjustment, yielding a three-year, risk-adjusted total PV of \$741,641.



In some cases, email teams that previously struggled to keep up with workload increased output by as much as 100%.

Workflow And Time Savings Benefits: Calculation Table

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3
B1	Campaigns per week		25	25	25
B2	Hours per campaign dedicated to creative content development		12	12	12
B3	Hourly cost of creative resources		\$39	\$39	\$39
B4	Reduction in effort to develop creative content with Movable Ink		20%	30%	40%
B5	Total weekly creative team time savings	$B1*B2*B3*B4$	\$2,340	\$3,510	\$4,680
B6	Hours per campaign dedicated to coding email content		8	8	8
B7	Hourly cost of developer resources		\$50	\$50	\$50
B8	Reduction in effort to code email content with Movable Ink		20%	30%	40%
B9	Total developer time savings	$B1*B6*B7*B8$	\$2,000	\$3,000	\$4,000
Bt	Workflow and time savings benefits	$(B5+B9)*52$	\$225,680	\$338,520	\$451,360
	Risk adjustment	↓10%			
Btr	Workflow and time savings benefits (risk-adjusted)		\$203,112	\$304,668	\$406,224

Unquantified Benefits

Customers discussed the following benefits of Movable Ink's technology. However, these benefits were not quantified as part of the analysis.

- › **Optimizing email campaigns in real time.** According to interviewees, Movable Ink's Creative Optimizer feature streamlines email testing and optimization. The director of email marketing for a global travel and entertainment site described the impact that this feature has had on testing and optimization: "We can put out a few different variations that we want to test and optimize in real time. This minimizes the potential business impact of not selecting the best campaign for that particular day. Before, we would evenly split the variants that we wanted to test, send one out, wait for the results, and then decide what to do for the following week's campaign. This tool lets us optimize in real time."
- › **Building customer loyalty.** Those interviewed for this study described higher CTR as the immediate business benefit of delivering personalized content to customers; the higher CTR filtered through to an uplift in conversions and revenues. However, it was more difficult for them to quantify the long-term impact on the brand. According to Forrester's research, personalization produces feelings of value, appreciation, and confidence in customers, and these feelings lead to higher brand loyalty.⁷
- › **Creating a better employee experience.** Email marketing managers, creative professionals, and developers are essential to the success of their companies' email strategies. With Movable Ink, they spend less time on routine tasks and rework, and have more time to focus on high-value tasks. Because Movable Ink emails perform better, and the channel now contributes more to the bottom line, email teams have grown in importance within their organizations.

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 Movable Ink's platform and later realize additional uses and business opportunities, including the following:

- › **Communicating more effectively with high-value customers.** Movable Ink customers are exploring new ways to leverage customer data to drive sales. For one retailer, this means delivering targeted communications to customers enrolled in the brand's loyalty program. These customers are a high-value group, and the brand aims to connect with them at an individual level, delivering relevant content and offers.
- › **Adding behavioral retargeting content into email streams.** One retailer told Forrester that it sees an opportunity to "close a gap" on cart abandonment using Movable Ink's technology. It aims to do this by automatically adding personalized product recommendations into subsequent emails. Others see an opportunity to leverage data around broader on-site behaviors to engage customers at an individual level.



Marketers see an opportunity to leverage data around broader on-site behaviors to engage customers with personalized messages.

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.

› **Extracting more value from artificial intelligence (AI) initiatives.**

Companies are investing heavily in artificial intelligence to enable dynamic, real-time, and personalized interactions across all the channels where they communicate with customers. Combining these capabilities with the technology Movable Ink offers will allow companies to turn data into visually appealing, on-brand email content. AI will also help to ensure that emails always feature the best-performing content and calls to action.

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

Analysis Of Costs

QUANTIFIED COST DATA AS APPLIED TO THE COMPOSITE

Total Costs

REF.	COST	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Ctr	License and enterprise services fees	\$0	\$385,000	\$545,000	\$735,000	\$1,665,000	\$1,352,630
Dtr	Platform setup costs	\$39,192	\$0	\$0	\$0	\$39,192	\$39,192
	Total costs (risk-adjusted)	\$39,192	\$385,000	\$545,000	\$735,000	\$1,704,192	\$1,391,822

License And Enterprise Services Fees

The composite organization pays annual licensing fees, which are based on the number of Movable Ink-supported email opens a customer requires. It also pays a nominal annual fee for enterprise services provided by Movable Ink.

In Year 1, the organization paid \$350,000 in licensing fees to Movable Ink. In years 2 and 3, as its usage of the platform ramped up, the organization paid \$510,000 and \$700,000 in licensing fees, respectively.

No risk adjustment was applied to this category of costs. Cost data was provided to Forrester by Movable Ink and confirmed with customers. These costs are representative of costs other organizations may expect to incur for a similar volume of email opens.

The total three-year cost for licensing and enterprise services in PV is \$1,352,630.

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 \$1.4 million.



Costs are tied to the number of email opens, so organizations pay only when they engage with customers via Movable Ink.

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.

License And Enterprise Services Fees: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
C1	Licensing			\$350,000	\$510,000	\$700,000
C2	Enterprise services			\$35,000	\$35,000	\$35,000
Ct	License and enterprise services fees	C1+C2	\$0	\$385,000	\$545,000	\$735,000
	Risk adjustment	0%				
Ctr	License and enterprise services fees (risk-adjusted)		\$0	\$385,000	\$545,000	\$735,000

Platform Setup Costs

The composite organization incurred nominal upfront costs for planning and setup of the Movable Ink platform.

All of the customers interviewed for this study — even those with complex email production processes — described the platform setup process as uncomplicated. In most cases, setup took place over several weeks, during which time email teams socialized the initiative, developed workflows, identified relevant data sources, and oversaw minor technical projects, such as the integration of an existing API.

The following assumptions are represented in the financial model:

- › Six individuals participated in the planning and implementation of Movable Ink.
- › The team comprised two email marketing managers, two creative team members, and two technical team members.
- › Each member of this team dedicated 16 hours to planning and implementation activities over the course of five weeks.

The following factors may impact costs other organizations incur:

- › The size and complexity of an organization's email marketing organization.
- › The Movable Ink use cases an organization decides to pursue, and the level of data integration that is required to support these use cases.
- › The extent to which existing APIs — those that support website functionality, for example — can be leveraged to support dynamic content generation for email campaigns.

To account for these risks, Forrester applied a 15% upward risk adjustment, yielding a three-year, risk-adjusted total PV of \$39,192.



Both small and large organizations reported platform setup times of just a few weeks.

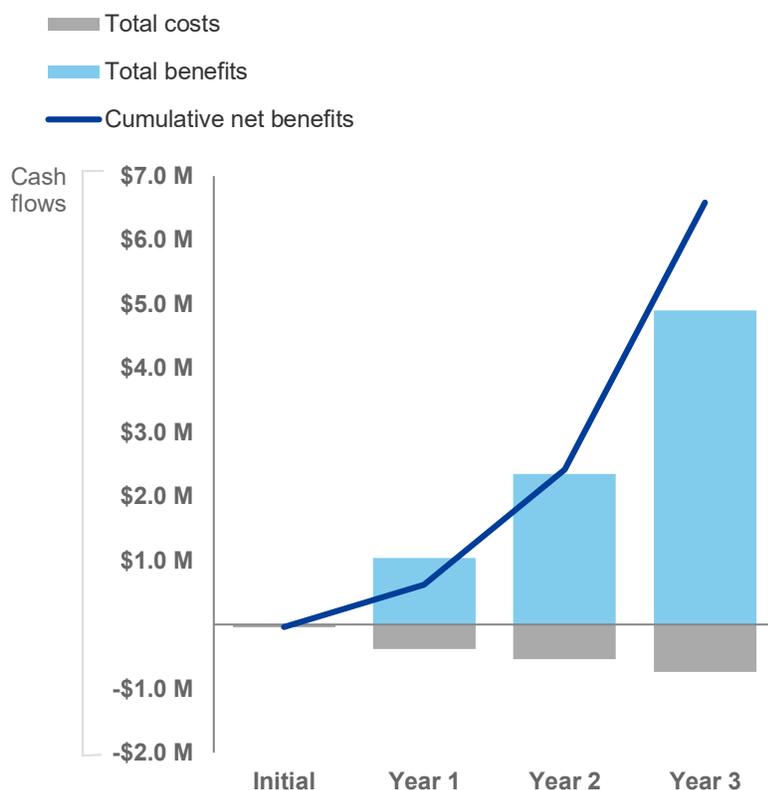
Platform Setup Costs: Calculation Table

REF.	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3
D1	Number of staff resources involved in planning and implementation		6			
D2	Average hourly rate of resources		\$71			
D3	Average number of hours devoted to planning and implementation activities per resource, per week		16			
D4	Number of weeks		5			
Dt	Platform setup costs	$D1 * D2 * D3 * D4$	\$34,080.00	\$0	\$0	\$0
	Risk adjustment	↑15%				
Dtr	Platform setup costs (risk-adjusted)		\$39,192	\$0	\$0	\$0

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)



The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.



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

Cash Flow Table (Risk-Adjusted)

	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Total costs	(\$39,192)	(\$385,000)	(\$545,000)	(\$735,000)	(\$1,704,192)	(\$1,391,822)
Total benefits	\$0	\$1,046,677	\$2,358,867	\$4,903,233	\$8,308,777	\$6,584,873
Net benefits	(\$39,192)	\$661,677	\$1,813,867	\$4,168,233	\$6,604,585	\$5,193,051
ROI						373%
Payback period						<3 months

Movable Ink: Overview

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

Why Digital Marketing Leaders Choose Movable Ink

In today's era, visual is the language that moves people. But for brands, the process of generating visual content is complex. As digital marketers strive to deliver more creative assets, for more campaigns, delivered in more channels, and optimized for more devices, the process breaks. You can't possibly solve this problem by hiring more designers and more marketers.

This leaves marketers with a forced choice. Do you market to fewer consumers in order to create better experiences for them? Or do you compromise on experience to reach more consumers? How could you possibly deliver unique and compelling visual experiences at scale? The solution is Movable Ink.

Movable Ink helps companies thrive in today's visual era by freeing their data from silos to generate intelligent creative with millions of unique variations, across multiple channels and billions of moments. As a result, production is automated so that teams can focus less on low-level activities and more on building innovative, on-brand experiences that drive revenue. And getting started is easy. Movable Ink not only works with your existing martech stack, it supercharges the value of those investments by bringing them into the visual era.

About the Movable Ink Platform

Movable Ink's intuitive and easy-to-use visual experience platform enables digital marketers to generate intelligent creative with millions of unique variations based on consumer behavior, contextual data, third-party insights, and business logic. This intelligent creative is automatically generated in real time to provide consumers with the most consistent, relevant, and on-brand experience at the moment of engagement across email, web, and display.

Movable Ink's platform empowers digital marketers with the following capabilities:

- › **Cross-channel visual experiences.** Orchestrate real-time, data-driven experiences that advance the conversation with consistent visuals as consumers move across email, web, and display.
- › **Progressive profiles.** Build known and unknown consumer profiles from interactions and poll results to continue the story as consumers re-engage across email and web.
- › **Behavioral targeting.** Leverage consumer profiles to target visual experiences based on past behavior.
- › **Creative optimization.** Determine the top-performing creative assets and automatically select the winning visual experience to maximize engagement.
- › **Reporting and analytics.** Achieve faster time-to-insight with intuitive analytics and dashboards.

About Movable Ink

Movable Ink helps digital marketers create visual experiences that move people. More than 600 of the world's most innovative brands rely on Movable Ink's visual experience platform to automate the creation of unique on-brand experiences for each consumer across email, web, and display. With more than 250 employees, the company is headquartered in New York City with offices in San Francisco, Chicago, and London. Request a demo or learn more at movableink.com.

Appendix A: Total Economic Impact

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

Total Economic Impact Approach



Benefits represent the value delivered to the business by the product. The TEI methodology places equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization.



Costs consider all expenses necessary to deliver the proposed value, or benefits, of the product. The cost category within TEI captures incremental costs over the existing environment for ongoing costs associated with the solution.



Flexibility represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. Having the ability to capture that benefit has a PV that can be estimated.



Risks measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."

The initial investment column contains costs incurred at "time 0" or at the beginning of Year 1 that are not discounted. All other cash flows are discounted using the discount rate at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations in the summary tables are the sum of the initial investment and the discounted cash flows in each year. Sums and present value calculations of the Total Benefits, Total Costs, and Cash Flow tables may not exactly add up, as some rounding may occur.



Present value (PV)

The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.



Net present value (NPV)

The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made, unless other projects have higher NPVs.



Return on investment (ROI)

A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.



Discount rate

The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.



Payback period

The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

Appendix B: Supplemental Material

Related Forrester Research

“The Retail eCommerce Metrics That Matter,” Forrester Research, Inc., July 12, 2018

Appendix C: Endnotes

¹ Source: “Forrester Data: Email Marketing Forecast, 2016 To 2021 (US),” Forrester Research, Inc., October 14, 2016.

² Source: Forrester Analytics Consumer Technographics Global Online Benchmark Survey, 2018.

³ Source: “The Forrester Wave™: Email Marketing Service Providers, Q2 2018,” Forrester Research, Inc., June 20, 2018.

⁴ Ibid.

⁵ Source: “The Next Chapter For Email Marketing,” Forrester Research, Inc., October 2, 2017.

⁶ Source: “Pivot To Person-First Personalization,” Forrester Research, Inc., April 6, 2017.

⁷ Ibid.