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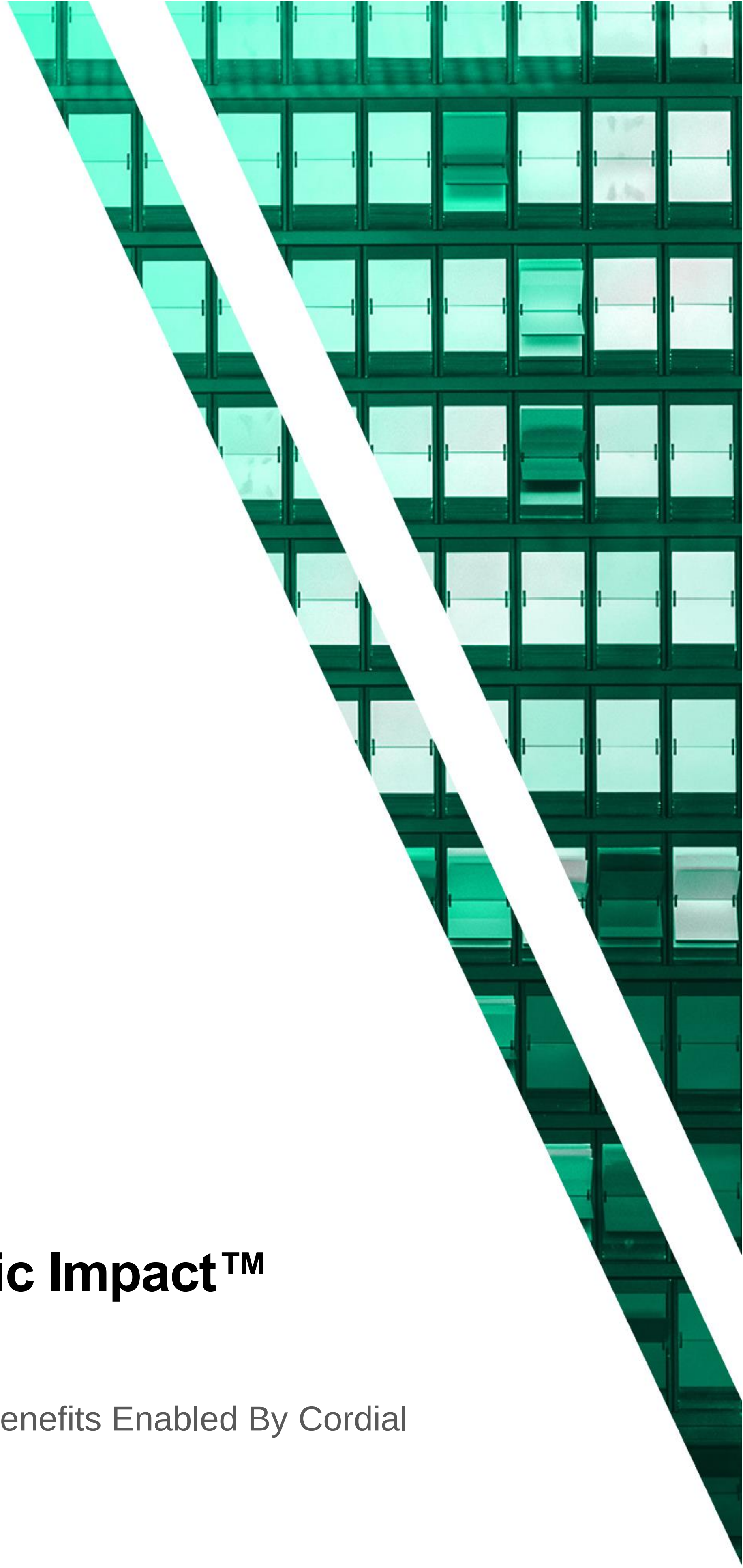

The Total Economic Impact™ Of Cordial

Cost Savings And Business Benefits Enabled By Cordial

FEBRUARY 2023

A FORRESTER TOTAL ECONOMIC IMPACT™ STUDY COMMISSIONED BY CORDIAL

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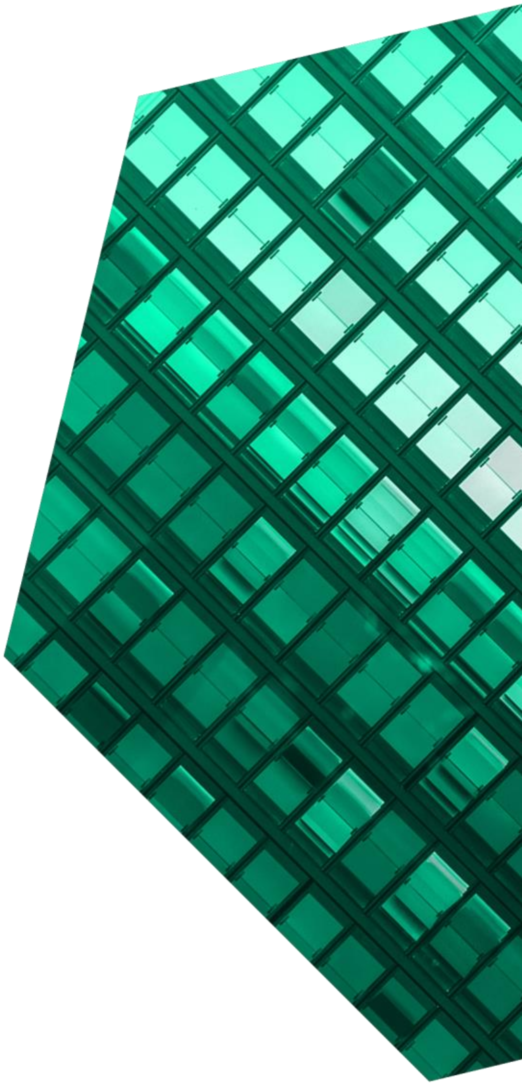


ABOUT FORRESTER CONSULTING

Forrester provides independent and objective research-based consulting to help leaders deliver key transformation outcomes. Fueled by our customer-obsessed research, Forrester's seasoned consultants partner with leaders to execute on their priorities using a unique engagement model that tailors to diverse needs and ensures lasting impact. For more information, visit forrester.com/consulting.

Executive Summary

Cordial's cross-channel marketing platform makes marketers more productive and effective in orchestrating messaging campaigns. The data-centric platform creates high levels of customer engagement by activating customer data and automating message personalization. This results in an increase in revenue and a decrease in the cost of campaign production. Cordial eases the pain associated with managing multiple solutions and sets up organizations to adopt a cross-channel solution.

Cordial is a cross-channel marketing platform that allows its customers to activate data and automate personalized message campaigns across multiple channels, including email, SMS/MMS, and mobile apps. The Cordial platform enables marketers and technologists to use real-time data from multiple sources to build customer segments, create personalized messages, and manage automated customer journeys.

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

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four representatives with experience using Cordial. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single composite organization that is a global organization with 1,000 employees and revenue of $1 billion per year.

Prior to using Cordial, these interviewees noted that their organizations used a mix of different solutions to execute messaging campaigns. In some cases, interviewees used multiple solutions for a single channel or disparate solutions for email, SMS/MMS, and mobile app.

KEY STATISTICS

Return on investment (ROI)
369%

Net present value (NPV)
$6.92M

Interviewees noted that their legacy tools lacked sophisticated data capabilities, and using multiple solutions resulted in data inflexibility and the inability to orchestrate marketing campaigns across channels.

Interviewees reported that after investing in Cordial, their marketing and technology teams were better able to automate campaigns across channels for more targeted, personalized messaging. This new approach transformed the way they marketed. The activation of data helped the interviewees' organizations pivot to more automated, customer-driven marketing and communication strategies.

These transformations resulted in increased revenue, reduced tech stack, and significantly reduced time required for marketers to execute the campaigns required to support organizations' marketing efforts.

Increase in revenue
(three-year present value)

$5 million

KEY FINDINGS

Quantified benefits. Three-year, risk-adjusted present value (PV) quantified benefits for the composite organization include:

- **Increased revenue from email, SMS, and mobile app marketing valued at $5 million to the composite organization.** Executing marketing campaigns with Cordial creates higher customer engagement levels than the composite organization's previous solutions. Cordial facilitates the activation of data for more targeted, automated campaigns. With Cordial, messages are personalized, triggered by customers' behavior, and driven by data flowing through the platform, all with the goal of making messages more relevant to the customer.

- **Reduced costs from retiring prior solutions valued at $1.7 million to the composite organization.** The composite organization retires several messaging, automation, and data management solutions once they deploy Cordial. Cordial's ability to conduct cross-channel campaigns eliminates the need for these other tools. As a result, the composite organization saves money on prior platform subscription fees, volume fees, and associated professional services.

- **Improved efficiencies from automating customer service valued at $980,400 to the composite organization.** Using Cordial for transactional and product messaging in the customer journey allows the composite organization to embed rich content and links to self-service tools. That reduces call volume and load on its customer service department.

- **Cost savings preparing data for decision-making valued at $626,400 to the composite organization.** Cordial's data capabilities make it easy for the composite organization to identify, analyze, and export the customer data needed for managers to make marketing and business decisions. With Cordial, this is less time-consuming since analysts are not required to extract data from multiple disparate solutions, compile it, and normalize it.

- **Reduced time producing campaigns valued at $365,800 to the composite organization**. Digital marketers with the composite organization can execute campaigns more efficiently using the Cordial platform than prior solutions. Cordial's templates, prebuilt blocks of content, and user interface make campaign creation more straightforward and faster. Also, managing all user activity in a single platform takes less time and effort.

- **Cost savings creating customer segments valued at $101,600 to the composite organization**. Prior to Cordial, the composite organization looked outside its marketing function to business analysts for customer segment creation. With Cordial, the digital marketing team can create customer segments themselves. Also, Cordial's dynamic data capabilities keep audiences up-to-date and ready for automated sends.

> **"We now know our customers better, and we can do cross-channel analysis."**
>
> *Director of retention marketing, clothing retailer*

Unquantified benefits. Benefits that provide value for the composite organization but are not quantified in this study include:

- **Organizations became more customer insights-driven.** The more the composite organization uses Cordial and its data capabilities, the better it understands its customers' needs. This leads to improved decision-making and enhanced customer interactions.
- **The activation of accurate customer data increased confidence in outcomes**. With Cordial, interviewees' organizations had increased trust in the reliability and accuracy of customer data.
- **Cordial's nonrelational database provides data flexibility**. Interviewees reported that, compared to tabularized data structures, Cordial's nonrelational database allowed them to be flexible and agile when constructing messaging variables.
- **Added value from working with Cordial's client experience team.** Interviewees reported that Cordial's client experience team provided higher levels of support to their organizations than prior solutions — from the onboarding process through campaign execution. As part of Cordial's standard support offering, interviewees' organizations were assigned a team of hands-on Cordial experts that supported them with enablement, deliverability, program reviews, and solutioning to get the most out of the Cordial platform.
- **Increased agility in launching new campaigns to improve time to market.** Cordial enables interviewees' organizations to be more nimble and agile in bringing new campaigns to market. The ability to launch new campaigns quickly due to templates and prebuilt content blocks available in Cordial and Cordial's intuitive user interface positively impacted time to market.
- **Increased sophistication of A/B/n tests.** The composite organization performs more advanced A/B/n tests with Cordial than prior solutions. This includes using first-party data that is captured on the organization's website to inform what customers see in their abandoned cart messages. Combined with native machine learning (ML) optimization, the composite organization is able to send the message version with the highest probability of impacting revenue or other selected KPIs.

Costs. Three-year, risk-adjusted PV costs for the composite organization include:

- **Fees to Cordial valued at $1.8 million to the composite organization**. The cost of Cordial is calculated based on data platform capabilities and cross-channel messaging volume which includes aggregated email, SMS/MMS, and mobile app push messaging.
- **Internal costs valued at $93,000 to the composite organization**. This includes the costs to train primary and secondary Cordial users, decommission prior solutions, and transition to Cordial.

The representative interviews and financial analysis found that a composite organization experiences benefits of $8.79 million over three years versus costs of $1.88 million, adding up to a net present value (NPV) of $6.92 million and an ROI of 369%.

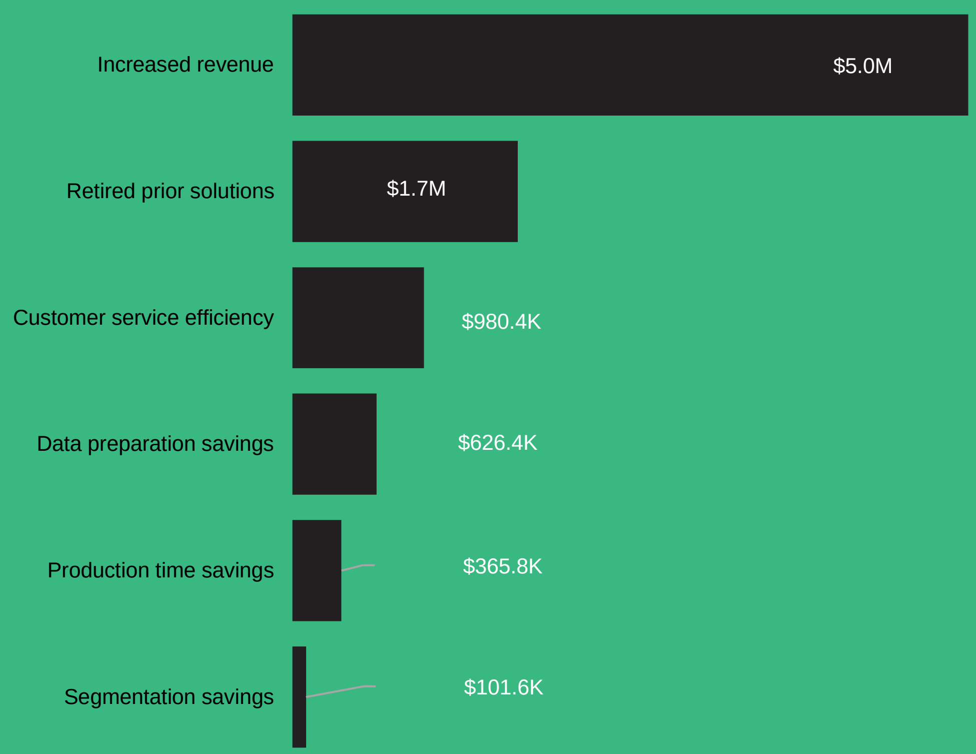
ROI
369%

BENEFITS PV
$8.79M

NPV
$6.92M

PAYBACK
<6 months

Benefits (Three-Year)



> **“One of the benefits is we decided to move all the different channels to Cordial. It was better to manage all users in one platform instead of going across different platforms trying to connect different channels’ performances together. Now we know the user better, and we can do some cross-channel analysis.”**
>
> *Director of retention marketing, clothing retailer*

TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in Cordial.

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 Cordial can have on an organization.

DUE DILIGENCE

Interviewed Cordial stakeholders and Forrester analysts to gather data relative to Cordial.

INTERVIEWS

Interviewed four representatives at organizations using Cordial to obtain data with respect to costs, benefits, and risks.

COMPOSITE ORGANIZATION

Designed a composite organization based on characteristics of the interviewees' 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 interviewees.

CASE STUDY

Employed four fundamental elements of TEI in modeling the investment impact: benefits, costs, flexibility, and risks. Given the increasing sophistication of ROI analyses related to IT investments, Forrester's TEI methodology provides a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

The Cordial Customer Journey

Drivers leading to the Cordial investment

Interviews

Role	Industry	Region	Cordial Channels Used
Director of retention marketing	Retail, clothing	Global	Email, SMS, Mobile app
Senior VP of digital transformation	Retail, household goods	USA	Email, SMS/MMS
Executive VP of digital	Retail, furniture	USA	Email, SMS, Mobile app
Marketing director	Retail, wine	USA	Email, Mobile app

KEY CHALLENGES

Before using Cordial, the interviewees' organizations used a mix of solutions to drive customer engagement. This may have included multiple solutions for a single channel or disparate solutions for email, SMS/MMS, and mobile app channels. While two of the organizations had experience with cross-channel marketing platforms, the other two did not.

The interviewees noted how their organizations struggled with common challenges, including:

- **Using multiple solutions resulted in data inflexibility and the inability to orchestrate a campaign across channels.** The interviewees' organizations housed customer data in several places, which prevented it from being used in unison to execute effective, real-time campaigns. Compounding the problem was the fact that the data was in different formats. That made it nearly impossible to combine and activate the data.

  The senior VP of digital transformation at the household goods retailer said: "We were working with an overlapping tech stack. We had multiple email senders and multiple text messaging senders, depending on if we were sending a transactional or promotional message. We had no data flexibility because these systems were more templatized and more tabular in their data structures, and we couldn't orchestrate a journey outside of what touch points that single provider was sending for."

- **Even with multiple platforms in place, companies were still limited in what they could do.** The executive VP of digital at the furniture retailer said: "The challenge was we didn't have some of the solutions, and there was no way to have it all under one roof, which was important to me. If I was to stitch together an MMS and SMS solution, an app push notification solution, a separate customer data platform, and have an email provider, then I have four vendors trying to make them all communicate. It would be nearly impossible and require a lot of integration — and it still wouldn't be ideal."

- **The cost of multiple platforms was high**. Interviewees reported spending more money on their numerous solutions than they would with one platform with several tools. The senior VP of digital transformation at the household goods retailer said: "It's cost prohibitive to have so many overlapping systems in a stack. We had three email vendors and two text vendors. If you add up the account management professional services and platform cost across all those vendors, you're basically quintuple paying."

- **Multiple platforms made reporting difficult.** Interviewees described a cumbersome process of pulling data from multiple platforms into integrated reports. The senior VP of digital transformation at the furniture retailer said, “There was a reporting challenge because to get data on, let’s say, our email program, we’ve had to go into three vendors, export reports, and then normalize the data.”

- **Prior solutions lacked sophisticated data capabilities.** Interviewees reported difficulty running basic data queries and transforming and activating data.

  The executive VP of digital at the furniture retailer said: “The biggest impact was on the customer data side. If we wanted to pull information, run analysis, or build segments, we didn’t have that capability at all. It involved having a business analyst and a data scientist write SQL commands to dig into the Oracle database and grab customer data points to cobble together a spreadsheet that we would then have to upload into each platform separately. It was just messy.”

- **Prior solutions did not support message personalization.** The director of retention marketing at the clothing retailer reported being unable to personalize their email messages with their previous solutions. They were only sending batch email messages because they lacked the ability to trigger personalized messages based on customer behavior.

  They said: "One challenge is that we weren’t able to personalize our messages. We just sent a promotional batch message to everyone because it was too difficult to leverage our [CRM] data in our email campaign."

- **Some lacked a solution for SMS/MMS or mobile app marketing.** Several interviewees' organizations did not engage customers through SMS/MMS or mobile in-app messaging before using Cordial. The executive VP of digital at the furniture retailer said, "The challenge was we didn't have an SMS solution and we didn’t have a mobile app messaging provider that enabled us to send push notifications via API.”

INVESTMENT OBJECTIVES

The interviewees' organizations searched for a solution that could:

- Consolidate multiple solutions into one platform.
- Provide the channels they did not have, specifically SMS/MMS and mobile app.
- Increase customer data activation capabilities for more automated marketing through all communication channels.
- Increase customer engagement through improved message personalization.
- Increase revenue from marketing efforts.

COMPOSITE ORGANIZATION

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

Description of composite. The composite organization is a global company with headquarters in the USA, with total revenue of $1 billion and 1,000 employees. It has a solid online and offline presence, selling directly to its customers. It has a total of 16 FTEs who use Cordial that includes eight primary users and eight secondary users. Due to increased data sophistication, customer acquisition, and overall business growth, message volume increases by 5% per year.

Deployment characteristics. The composite organization consolidates its messaging, automation, and data management solutions by adopting Cordial. It uses Cordial's cross-channel capabilities by deploying messages via email, SMS/MMS and mobile app (push/in-app/inbox). Its annual cross-channel volume is one billion messages.

Key Assumptions

- **Global organization**
- **$1 billion revenue**
- **1,000 employees**
- **8 primary Cordial users**
- **8 secondary Cordial users**

"Cordial has functionality our prior solution did not have. A big thing we noticed was just how easy it is to put an orchestration together; one example is that you can move or 'disconnect' something in your Cordial orchestration and the system prompts you – asking where you want to map these users to."

— Director of marketing, wine retailer

Analysis Of Benefits

Quantified benefit data as applied to the composite

Total Benefits						
Ref.	**Benefit**	**Year 1**	**Year 2**	**Year 3**	**Total**	**Present Value**
Atr	Increased revenue	$1,467,538	$2,043,448	$2,682,025	$6,193,011	$5,037,971
Btr	Retired prior solutions	$371,875	$850,000	$850,000	$2,071,875	$1,679,165
Ctr	Customer service efficiency	$394,243	$394,243	$394,243	$1,182,729	$980,424
Dtr	Data preparation savings	$233,376	$262,548	$262,548	$758,472	$626,398
Etr	Production time savings	$90,000	$180,000	$180,000	$450,000	$365,815
Ftr	Segmentation savings	$47,520	$42,323	$31,185	$121,028	$101,607
	Total benefits (risk-adjusted)	$2,604,552	$3,772,562	$4,400,001	$10,777,115	$8,791,380

INCREASED REVENUE

Evidence and data. Interviewees reported that executing marketing campaigns with Cordial created higher customer engagement levels than previous solutions. Since Cordial facilitated the activation of data for more targeted, automated campaigns, messages were personalized, triggered by customers' behavior, and driven by data flowing through the Cordial platform. This was all with the goal of making messages more relevant to customers.

This relevancy and the more automated and personalized style of marketing helped interviewees' organizations see higher conversion rates, which resulted in increased revenue in all Cordial-managed communication channels.

The director of retention marketing at the clothing retailer said: "July is the first month that we have year-over-year revenue comparisons for nontriggered SMS messages vs triggered SMS messages. We went from $1,500 per month to $183,000 per month in SMS revenue."

Interviewees report a similar result for email revenue. The director of marketing at the wine retailer said: "We analyzed our email revenue per message (RPM), and that has increased. While on [our previous solution], email RPM was about $0.08 per message. On Cordial, it's $0.13 per message. That's a pretty significant increase."

The ability to market across channels also increased revenue for interviewees' organizations. The director of retention marketing at the clothing retailer said: "We do a lot of cross-channel strategy. If we find a user doesn't react in one channel — for example, someone doesn't check email but is very active on their app — then we can reach out to this user via the push channel. With a cross-channel strategy, we see much potential; if we can make other channels as big as email, we can maximize the long-term customer value."

Modeling and assumptions. This benefit has three parts. The first part of this benefit is an *increase in SMS revenue.* For the financial model, Forrester assumes the following about the composite organization:

- The composite organization did not have a prior solution for sending SMS messages. This is a new capability with Cordial; therefore, the income from SMS messages is new.
- The annual SMS volume in Year 1 is 15,000,000 and increases by 5% yearly.
- The average revenue per SMS message in Year 1 is $0.21 and increases by 25% per year due to increased use of data-driven automation.

The second part of this benefit is an *increase in email revenue.* For the financial model, Forrester assumes the following about the composite organization:

- The annual email volume in Year 1 is 885,000,000 and increases by 5% per year.
- The average revenue per email message before Cordial is $0.08.
- The average revenue per email message with Cordial increases by 50% in Year 1 and 25% per year due to increased use of data-driven automation.

The third part of this benefit is an *increase in mobile app revenue.* For the financial model, Forrester assumes the following about the composite organization:

- The composite organization did not have a prior solution for mobile app messages. This is a new capability with Cordial; therefore, the income from mobile app messages is new.
- The annual mobile app volume ramps up in the second half of Year 1 to reach 50,000,000 (the equivalent of 100,000,000 for a full year) and increases by 5% per year.
- The average revenue per mobile app message is $0.05 in Year 1 and increases by 25% per year due to increased use of data-driven automation.

The following applies to the composite organization:

- A profit margin of 11%.
- Forrester understands that the increase in revenue is not entirely attributed to the Cordial investment, as human skill level, decision-making, market trends, and factors outside of the composite organization's control impacted the increase in email revenue. Therefore, this economic analysis and ROI calculation only account for 50% of the financial impact.

Risks. The impact of this benefit will vary based on:

- The number of marketing channels activated. The more channels activated, the greater the revenue increase.

Use Case To Improve Engagement Rates Of Website Visitors

By tapping into Cordial's Client Experience team and its professional service offerings, one interviewee's organization doubled their SMS/MMS revenue by redesigning their pop-up acquisition form on their website with the following improvements:

- Reduced the barriers to entry.
- Moved additional form fields to a secondary page in the process.
- Implemented single sign-on for mobile subscribers.
- Simplified imagery.
- Updated copy that spoke to the benefits of subscribing.

- The volume of messages sent.
- The number of touches and triggers executed.
- The degree of personalization and customization in message design.

Results. To account for these risks, Forrester adjusted this benefit downward by 35%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of over $5 million.

Increased Revenue

Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Average number of SMS messages per year	Composite, 5% YOY growth	15,000,000	15,750,000	16,537,500
A2	Average revenue per SMS message	Interviews	$0.21	$0.26	$0.33
A3	Subtotal: New revenue from SMS messages	A1*A2	$3,150,000	$4,134,375	$5,426,367
A4	Average annual email volume	Composite, 5% YOY growth	885,000,000	929,250,000	975,712,500
A5	Average revenue per email message before Cordial	Interviews	$0.08	$0.08	$0.08
A6	Increase in revenue per message with Cordial	Interviews	50%	63%	78%
A7	Subtotal: Increased revenue from email messages	A4*A5*A6	$35,400,000	$46,462,500	$60,982,031
A8	Average annual mobile app volume	Composite, 5% YOY growth	50,000,000	105,000,000	110,250,000
A9	Average revenue per mobile app message	Interviews	$0.05	$0.06	$0.08
A10	Subtotal: New revenue from mobile app messages	A8*A9	$2,500,000	$6,562,500	$8,613,281
A11	Profit margin	Forrester standard	11%	11%	11%
A12	Percentage of improvement attributed to Cordial	Forrester standard	50%	50%	50%
At	Increased revenue	(A3+A7+A10)*A11 *A12	$2,257,750	$3,143,766	$4,126,192
	Risk adjustment	↓35%			
Atr	Increased revenue (risk-adjusted)		$1,467,538	$2,043,448	$2,682,025
	Three-year total: $6,193,011			**Three-year present value: $5,037,971**	

RETIRED PRIOR SOLUTIONS

Evidence and data. Interviewees' organizations were able to retire several messaging, automation, and data management solutions once they deployed Cordial. They had been using multiple solutions to execute their campaigns across multiple channels, but Cordial's ability to conduct cross-channel campaigns eliminated the need for these other tools. As a result, interviewees' organizations did not incur the cost of these prior platform subscription fees and volume fees.

In addition, some interviewees' organizations that previously used professional services firms for campaign execution and data aggregation eliminated their spending on these services once they deployed Cordial.

The senior VP of digital transformation at the household goods retailer said: "Two things drove the cost savings: the savings we got from consolidating professional services and platforms, and Cordial's lower subscription costs than that of our three prior email providers. For example, one solution charged on a cost-per-click basis, and their platform fees were higher."

Modeling and assumptions. For the financial model, Forrester assumes the following about the composite organization:

- The organization retires three solutions.
- The average annual cost of each retired solution is $250,000.
- The total saved in professional services is $250,000 per year.
- The composite organization retires 25% of prior solutions in Year 1 and 100% of its legacy solutions by Year 2.

Risks. The impact of this benefit will vary based on:

- The number of legacy solutions and the costs associated with these solutions.
- The rate at which previous platforms are retired.
- The cost of professional services incurred.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of nearly $1.7 million.

Retired Prior Solutions

Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Number of retired solutions	Interviews	3	3	3
B2	Average cost per retired solution	Interviews	$250,000	$250,000	$250,000
B3	Rate of retiring prior solutions	Composite	25%	100%	100%
B4	Subtotal: Savings from retiring solutions	B1*B2*B3	$187,500	$750,000	$750,000
B5	Savings from professional services	Interviews	$250,000	$250,000	$250,000
Bt	Retired prior solutions	B4+B5	$437,500	$1,000,000	$1,000,000
	Risk adjustment	↓15%			
Btr	Retired prior solutions (risk-adjusted)		$371,875	$850,000	$850,000
	Three-year total: $2,071,875		**Three-year present value: $1,679,165**		

CUSTOMER SERVICE EFFICIENCY

Evidence and data. The senior VP of digital transformation at the household goods retailer reported building customer journey email campaigns in Cordial that allowed customers to click on links in email and text messages to access self-service options. Cordial's API capabilities allowed the organization to connect in near real-time with its CDP and shipping warehouse so it could populate the most up-to-date customer and product data in every message. Identifiable data was passed from Cordial to the self-service bot through deep links included in its emails and texts. This data allowed the self-service bot to accurately respond to questions or provide customers with relevant information about their orders and the actions they needed to take.

This significantly reduced the call volume and load on this interviewee's organization's customer service center. It launched a new email campaign during the COVID-19 pandemic to connect customers with their new self-service offering.

The senior VP of digital transformation at the household goods retailer said, "During COVID-19, we stood up an immense self-service capability for our customers for all the things that you would normally do through a customer support call center."

They added: "However if you build it, it doesn't mean they will come. You have to let them know it's there and give them one click to get to it. With Cordial, we built up a series of emails that would let customers know when their delayed items were ready for delivery and in all of our messaging, we offered 'reschedule buttons' so they could quickly reschedule their deliveries. We believe we have saved $3 million in operating costs a year from people clicking on those messages and completing a self-service transaction."

That same senior VP of digital transformation at the household goods retailer reported launching another customer journey email campaign that automated the scheduling of furniture pickup, a task that was previously performed manually via phone calls. They said: "We built the ability to schedule pickup as a new service offering during COVID-19 to improve the pickup experience for customers who chose that path versus a delivery. This allows them to schedule a 15-minute window to come in, get to the loading dock, and pick up their merchandise from a store. Now it's not a manual process anymore."

> **"We stood up an email informing and updating customers on the status of delayed items because our customer support team was becoming overwhelmed and inundated with calls. This order update email significantly reduced call volume."**
>
> *Sr. VP of digital transformation, household goods retailer*

Modeling and assumptions. For the financial model, Forrester assumes the following about the composite organization:

- The total number of annual chatbot entries is 4,680,000.
- The percentage of chatbot entries triggered by self-service links in Cordial-powered email and text messages is 36%.
- The average cost per telephony customer service interaction (no longer needed) is $0.48.
- The savings from reduced customer service costs is $808,704 per year.
- Forrester understands that the improved efficiencies in customer service are not entirely attributed to the Cordial investment, as human skill level, decision-making, market trends, and factors outside of the composite organization's

control impact the improved efficiencies in customer service. Therefore, this economic analysis and ROI calculation account for only 75% of the financial impact of improved customer self-service.

Risks. The impact of this benefit will vary based on:

- The ability to implement self-service options for customer service interactions.
- The number of customer service interactions moved from chatbots to self-service.

Results. To account for these risks, Forrester adjusted this benefit downward by 35%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $980,400.

Customer Service Efficiency					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
C1	Total number of annual chat bots entries	Composite	4,680,000	4,680,000	4,680,000
C2	Percent of chat bot entries triggered by self-service links in Cordial-powered email and text messages	Interviews	36%	36%	36%
C3	Number of chat bot entries triggered by self-service link in Cordial-powered email and text messages	C1*C2	1,684,800	1,684,800	1,684,800
C4	Average cost per telephony customer service interaction (no longer needed)	Interviews	$0.48	$0.48	$0.48
C5	Subtotal: Savings from customer service interactions	C3*C4	$808,704	$808,704	$808,704
C6	Percentage of savings attributed to Cordial empowering more targeted or triggered messages	Composite	75%	75%	75%
Ct	Customer service efficiency	C5*C6	$606,528	$606,528	$606,528
	Risk adjustment	↓35%			
Ctr	Customer service efficiency (risk-adjusted)		$394,243	$394,243	$394,243
	Three-year total: $1,182,729		**Three-year present value: $980,424**		

DATA PREPARATION SAVINGS

Evidence and data. Cordial's data capabilities made it easy for interviewees' organizations to identify, analyze, and export customer data for managers to use for marketing and business decisions. Prior to Cordial, interviewees said this was much more time-consuming, requiring analysts to extract data from multiple disparate sources and then compile and normalize it.

One example is preparing data to make media buying decisions. The executive VP of digital at the furniture retailer said: "Before, our media buyer would have to ask our data science person for a customer list to be able to display streaming TV ads to customers we know have bought from us. It would take them a few days to assemble everything and put it together. And now, it's a matter of two minutes to do that."

The director of marketing at the wine retailer said: "We went through a phase at the beginning where we defined many of our audience segments. Those audiences are dynamic, and they update on their own because Cordial is constantly synching it with our customer database. For example, our platinum members are dynamic, and when we want to target our platinum members, it's there, and it's up to date."

The director of retention marketing at the clothing retailer added, "We now know our customers better, and we can do cross-channel analysis."

Modeling and assumptions. For the financial model, Forrester assumes the following about the composite organization:

- Prior to Cordial, a business analyst spent 24 hours per decision preparing data for decision-makers to analyze and act upon.
- With Cordial, a business analyst saves 80% of this time in Year 1 and 90% in Years 2 and 3.
- The composite organization makes 260 marketing/business decisions per year that require data preparation. This is an average of one decision per day across the global organization or one decision per week per region for its five regions.
- The average fully burdened hourly rate of a business analyst is $55.

"The data insights have been a real boon to us, solving problems and making decisions in real time such as: 'How do we communicate order delays to customers? What language do we use?'"

Senior VP of digital transformation, household goods retailer

Risks. The impact of this decision will vary based on:

- The number of marketing and business decisions made that require the analysis of customer data.
- The complexity associated with extracting and preparing data for analysis.
- The complexity of the data analysis.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of close to $626,400.

Data Preparation Savings

Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Number of hours spent preparing data before Cordial	Interviews	24	24	24
D2	Savings preparing data with Cordial	Interviews	80%	90%	90%
D3	Number of marketing/business decisions per year	Composite	260	260	260
D4	Fully burdened hourly rate for data analyst FTE	TEI standard	$55	$55	$55
Dt	Data preparation savings	D1*D2*D3*D4	$274,560	$308,880	$308,880
	Risk adjustment	↓15%			
Dtr	Data preparation savings (risk-adjusted)		$233,376	$262,548	$262,548
	Three-year total: $758,472		**Three-year present value: $626,398**		

PRODUCTION TIME SAVINGS

Evidence and data. Digital marketers in the interviewees' organizations orchestrated campaigns more efficiently using the Cordial platform than prior solutions. The senior VP of digital transformation at the household goods retailer said: "To be able to stand up that kind of messaging [triggered, strategic, ad hoc, and batch] within days versus weeks has an immense impact. In terms of dollars, you're talking about at least one to two FTEs in savings that we don't need and would have needed had we stayed with our original platform vendors."

The interviewees said the Cordial platform's capabilities enabled efficiencies within their organizations' marketing team due to several key factors:

- **Managing all user activity in a single platform took less time**. The director of retention marketing at the clothing retailer said: "One of the benefits is we moved all the different channels to Cordial. It was easier to manage all of our users in one platform instead of going across different platforms to connect different channel performances. The intel team spends 50% less time managing one platform vs. managing multiple platforms in the past."

- **Cordial's reusable templates and user interface made campaign creation easier and speedier.** The executive VP of digital at the furniture retailer said: "We have seen 20% more productivity out of our digital marketing manager just because it's easier, and it's definitely faster. The user interface for creating emails and templates is easier to use than the prior solution."

  One interviewee cited Cordial's pre-built templates as contributing to the increased speed. The senior VP of digital transformation at the household goods retailer said: "All of our emails can be both on brand and consistent from a customer perspective, and the build is so much faster because they're prebuilt templates. That has really allowed us to be immensely flexible."

"The biggest benefit is the ease and flexibility of creating campaigns."

Director of retention marketing, clothing retailer

- **The use of Cordial's Sculpt block made building messages fast**. Cordial's Sculpt block functionality allows digital marketers to use pre-built content blocks to construct messages. The director of marketing at the wine retailer said: "Cordial Sculpt block functionality allows us marketers to build a message by literally copying and pasting versus combing through HTML, which is time-consuming. Working on a group of emails that used to take 90 minutes can easily take just 30 minutes now."

  The senior VP of digital transformation at the household goods retailer said: "We made a very concerted effort in partnership with Cordial to build out robust, reusable blocks of content for transactional, retention, and other promotional marketing messages. And then we're able to reuse those templates."

Modeling and assumptions. For the financial model, Forrester assumes the following about the composite organization:

- The number of digital marketing team FTEs no longer needed to produce campaigns is 1 FTE in Year 1 and 2 FTEs in Years 2 and 3.

- The average fully burdened annual salary of a digital marketer is $100,000.

Risks. The impact of this benefit will vary based on:

- The number of members on the marketing production team.
- The experience level of digital marketers.
- The number of campaigns produced and messages created.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of over $365,800.

Production Time Savings					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
E1	Number of FTEs reduced producing campaigns	Interviews	1	2	2
E2	Average fully burdened annual salary for digital marketer FTE	TEI standard	$100,000	$100,000	$100,000
Et	Production time savings	E1*E2	$100,000	$200,000	$200,000
	Risk adjustment	↓10%			
Etr	Production time savings (risk-adjusted)		$90,000	$180,000	$180,000
	Three-year total: $450,000			**Three-year present value: $365,815**	

SEGMENTATION SAVINGS

Evidence and data. Prior to Cordial, interviewees' organizations looked outside the marketing function to create customer segments. They needed business analysts to do this work. With Cordial, the marketing team took over this task and created the segments more efficiently.

- **Creating customer segments was done faster.** The director of retention marketing at the clothing retailer said: "It’s very easy for us to create and manage as many different customer segments as we want and in a very efficient way. Our engineers have already set up consoles to exchange data between Cordial and us. So, when creating campaigns, we don’t need to involve our engineers; the retention team creates them, and it's very fast.”

  The director of retention marketing went on to say: “Before, to create simple customer segments like users' previous orders or users' previous browse, we'd have our internal BI [business intelligence] team run the algorithm. But we couldn't get a large amount of data over to our previous ESP. But with Cordial, their pixel captures all this information. Our internal BI team does not have to generate the list and load it into our ESP; Cordial will simply handle it on their end using their pixels.”

- **Cordial’s dynamic data capabilities kept audiences up-to-date and ready for segmenting**. Data flowed into Cordial in real time and continuously updated saved audience segments and counts based on real-time changes to a contact’s profile, including attributes, purchases, behaviors, and subscription status. Interviewees pointed to these capabilities as an enabler of more efficient segment creation.

The director of marketing at the wine retailer echoed this sentiment. They said: "That has been a huge timesaver because we were able to sync our contact attributes to our customer database. As we gain those purchases, orders, and page views within Cordial, they're collecting that information, and we can use our customer behavior to segment easily."

"Now I can click a button, and I have a segment within minutes. Before, if I wanted to create a segment, it would take a week. Now it's at our fingertips."

Executive VP of digital, furniture retailer

Modeling and assumptions. For the financial model, Forrester assumes the following about the composite organization:

- Prior to Cordial, a business analyst spent 5 hours creating a customer segment.
- With Cordial, a business analyst is no longer needed and a digital marketer creates a customer segment, saving 80% of the time in Year 1 and 90% of the time in Years 2 and 3.
- The composite organization creates 240 new customer segments in Year 1. Due to the reusability of segments, it reduces the number of new customer segments created to 190 in Year 2 and 140 in Year 3.
- The average fully burdened hourly rate of a business analyst is $55.

Risks. The impact of this benefit will vary based on the following:

- The number of segments created per year.
- The number of segments replicated.
- The experience level of the digital marketer.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $101,600.

Segmentation Savings

Ref.	Metric	Source	Year 1	Year 2	Year 3
F1	Number of hours spent creating new customer segment before Cordial	Interviews	5	5	5
F2	Savings creating new customer segments with Cordial	Interviews	80%	90%	90%
F3	Number of new customer segments created per year	Composite	240	190	140
F4	Fully burdened hourly rate for business analyst FTE	TEI standard	$55	$55	$55
Ft	Segmentation savings	F1*F2*F3*F4	$52,800	$47,025	$34,650
	Risk adjustment	↓10%			
Ftr	Segmentation savings (risk-adjusted)		$47,520	$42,323	$31,185
	Three-year total: $121,028			**Three-year present value: $101,607**	

UNQUANTIFIED BENEFITS

Interviewees mentioned the following additional benefits that their organizations experienced but were not able to quantify:

- **Organizations became more customer-insights driven.** Interviewees reported that the more their organizations used Cordial and its data capabilities, the better they understood customers' needs. This led to improved decision-making and enhanced customer interactions. The executive VP of digital at the furniture retailer said: "We have capabilities now that we never had before. We can calculate customer lifetime value, we know how many transactions you had, we know what store you bought at, we know what salesperson you interacted with, we know what NPS score you gave use, and we know what credit line you have with our lenders."

- **The activation of accurate customer data increased confidence in outcomes**. Due to Cordial's ability to collect customer and business data via real-time data feeds from its tech stack and build out permissioned data sources via JavaScript and mobile app SDKs, interviewees have an increased belief in the reliability and accuracy of customer data and the resulting marketing decisions they can make based on it. The executive VP of digital said: "So, it's been a game changer for us on the customer data side. I couldn't even quantify it. It's a thousand percent more efficient than it would have been and way more reliable because I know that the data coming back is accurate."

  Cordial's nonrelational database provides data flexibility. Interviewees reported that Cordial's nonrelational data structure allows their organizations to be flexible when constructing messaging variables compared to tabularized data structures. The senior VP of digital transformation at the household goods retailer said: "I want to put a fine point on something I mentioned earlier. Typical enterprise ESP vendors were built when data was much more tabularized. With a nonrelational database like Cordial's, we can set a completely different set of columns for each email, and they can just ingest it as a variable to then be consumed unique to that one message. And we don't have to think about, 'What was our structure?' It's just another attribute of a product or a transaction. That gives us immense flexibility in not thinking from a waterfall perspective when it comes to data but thinking from an agile perspective."

- **Added value from working with Cordial's client experience team**. Interviewees reported that Cordial's client experience team provided higher levels of support than prior solutions — from the onboarding process through campaign execution. As part of Cordial's standard support offering, interviewees' organizations were assigned a team of hands-on Cordial experts who supported them with enablement, deliverability, program reviews, and solutioning to get the most out of the Cordial platform.

  The director of marketing at the wine retailer said: "One of the biggest selling points for Cordial was their support team. They were very communicative. They met with all levels of our organization to discuss the right level of support for my team on a day-to-day basis and what type of support our senior management team wanted."

  Echoing this sentiment, the executive VP of digital at the furniture retailer said, "We've been very successful, I think not just because of our hard work but because their solutions team is really smart and on our side."

- **Improved agility in launching new campaigns.** Cordial enabled interviewees to be nimbler when bringing new campaigns to market. The ability to launch new campaigns quickly due to templates and prebuilt content blocks available in Cordial, as well as its user interface, positively impacted time to market.

The senior VP of digital transformation at the household goods retailer said: “Oh, there are so many [benefits], I can’t pick just one. I think the unified journey orchestration and our ability to think more holistically about how we communicate with the customer based on where they are in either the pre- or postpurchase cycle. The overall benefit itself is time to market, and that’s been how quickly we can launch new email programs because of the personalization capabilities that exist within the platform.”

- **Increased sophistication of A/B/n tests.** The composite organization performs more advanced A/B/n tests with Cordial than prior solutions. This includes using first-party data it captures on its website to inform what customers see in their abandoned cart messages. Combined with native machine learning (ML) optimization, the composite organization is able to send the message version with the highest probability of impacting revenue or other selected KPIs.

  The director of retention marketing at the clothing retailer said: “We set up some A/B tests where the test group got their abandoned cart product in their email, and the other group got a recommended product from our third-party partner based on the product in their abandoned cart. It’s Cordial using our partner's information to change the recommendations, and we wanted to see how users reacted to the recommendations. We are testing out which one is better, and then once we finalize the data, we can decide how to proceed. So as we advance, we’ll see the revenue impacts. Without Cordial, we wouldn't be able to do A/B tests like this.”

Cordial Professional Services Offerings

Cordial offers professional services to help customers improve their marketing campaign efforts. This includes production services such as:

- **Campaign creation, management, and optimization**
- **Audience selection and segmentation**
- **Testing setup and deployment**

Cordial also advises on efforts to optimize marketing strategies and workflows.

While the composite analysis does not include the organization leveraging Cordial’s professional services resources for ongoing campaign creation and optimization, the senior VP of Digital Transformation at the household goods retail organization provided the following testimony on the impact of leveraging Cordial professional services:

“We engaged Cordial’s professional services team to increase our productivity. With Cordial’s help, we went from four promotional emails a week to seven a week, which is a lot. This allows our digital marketing manager to work on the more complex challenges and more strategic work around all the programs we’re running through Cordial. It elevates their day-to-day role.”

FLEXIBILITY

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

- **Cordial is a business partner.** Interviewees saw Cordial as a partner in their organization's success. The executive VP of digital at the furniture retailer said: "Our program performance improvement is directly related to our interaction with Cordial as a business partner. They'll say: 'Hey, you should add this extra trigger,' or 'Have you thought about having a second touch to the card abandoned campaign?' A lot of it comes through the form of advice in addition to the platform itself."

  This was supported by the director of retention marketing at the clothing retailer, who said: "Cordial gave us a lot of flexibility to try out new ideas and expand new channels. We work closely with our Cordial account rep by meeting weekly to discuss new ideas and projects. We don't get the same experience working with other vendors."

- **Ability to do customer outreach in ways previously unavailable.** The executive VP of digital at the furniture retailer said: "We even use Cordial to distribute lead lists. I can send a spreadsheet to a store manager and say, 'Here's everyone that bought in your store last year. Here's how much credit they have available. Here's the last salesperson that they worked with.' They can pull that in, use Excel to filter by salesperson, and then give it to the salesperson: 'Here's your customer list. Why don't you invite them in to come to see our new collection?'"

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**
Gtr	Fees to Cordial	$0	$690,800	$718,190	$746,675	$2,155,665	$1,782,533
Htr	Internal Costs	$4,416	$71,760	$14,628	$14,628	$105,432	$92,732
	Total costs (risk-adjusted)	$4,416	$762,560	$732,818	$761,303	$2,261,097	$1,875,265

FEES TO CORDIAL

Evidence and data. Cordial structures its annual subscription costs based on the data platform capabilities and messaging volume per channel. This includes ongoing support, client services, and implementation within the subscription. Clients may add on additional professional service packages if additional organization support is required.

Modeling and assumptions. For the financial model, Forrester assumes the following about the composite organization:

- The composite organization's subscription costs will scale with usage and channels over time, including contracted volume of email, SMS/MMS, and mobile app messages (which compromise push notifications, mobile app inbox messages, and in-app messages). Cordial also provides API-based messages not reflected in the composite organization's subscription.
- Annual subscription costs, including support, services, and implementation cost an average of $640,000 per year, of which $400,000 represents expected average cross-channel volume across the three-year term.

Risks. Annual fees to Cordial will vary based on the total cross-channel message volume, required data platform capabilities, and advanced service needs (such as production or strategy support).

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of about $1.8 million.

Fees To Cordial						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
G1	Platform subscription, including support	Cordial		$230,000	$235,000	$240,000
G2	Cross-channel volume subscription	Cordial		$398,000	$417,900	$438,795
Gt	Fees to Cordial	G1+G2		$628,000	$652,900	$678,795
	Risk adjustment	↑10%				
Gtr	Fees to Cordial (risk-adjusted)			$690,800	$718,190	$746,675
	Three-year total: $2,155,665			**Three-year present value: $1,782,533**		

> **“Cordial's service has been the real value, beyond the typical capabilities many providers have. What really sold us on the entire migration process being worth it was the service, and we haven’t been disappointed.”**
>
> *Director of marketing, wine retailer*

INTERNAL COSTS

Evidence and data. The interviewees’ organizations implemented the Cordial platform quickly, which involved users and the IT organization. There was a period of training for primary users who would use the platform on a daily basis to produce campaigns and for secondary users who would access the platform on an as-needed basis, primarily to create and view reports. In addition, digital marketers spent time decommissioning the prior solutions and transitioning to Cordial.

Modeling and assumptions. For the financial model, Forrester assumes the following about the composite organization:

- In Year 1, eight primary users, who are typically digital marketers, spend 120 hours learning the Cordial platform and becoming fully proficient in producing campaigns. In Years 2 and 3, two newly hired primary users, who replaced existing users, spend 120 hours becoming proficient.
- The fully loaded hourly rate for a digital marketer is $48.
- In Year 1, eight secondary users, who are typically managers and marketing analysts, spend 8 hours learning how to access the data and reports needed in their roles. In Years 2 and 3, two newly hired secondary users, who replaced existing users, spend 8 hours learning the platform.
- The fully loaded hourly rate of a manager and marketing analyst is $75.
- To decommission the prior solutions and transition to Cordial, two digital marketing FTEs spend 20 hours a week for two weeks in the initial period and 20 hours a week for six weeks in Year 1.
- The fully loaded hourly cost for a digital marketer is $48.

Risks. The impact of this cost will vary based on:

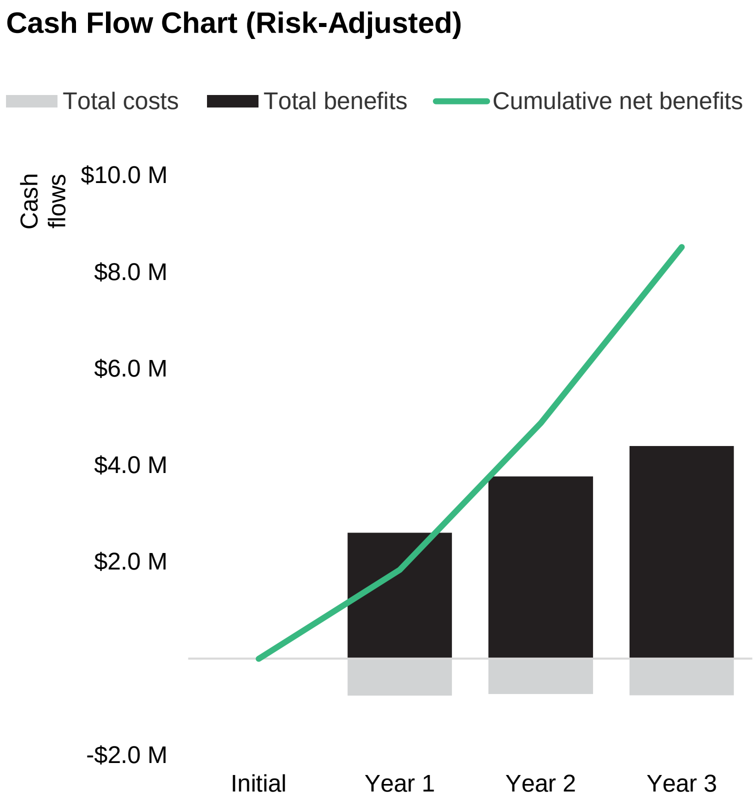
- The turnover rate of primary and secondary users.
- The complexity of the prior solutions.

Results. To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of about $93,000.

Internal Costs						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
H1	Number of primary user FTEs	Composite		8	2	2
H2	Training hours	Interviews		120	120	120
H3	Fully loaded hourly rate for digital marketer FTE	E2/2080		$48	$48	$48
H4	Subtotal: Costs to train primary users	H1*H2*H3		$46,080	$11,520	$11,520
H5	Number of secondary user FTEs	Interviews		8	2	2
H6	Training hours	Interviews		8	8	8
H7	Fully loaded hourly rate for manager and marketing analyst FTEs	TEI standard		$75	$75	$75
H8	Subtotal: Cost to train secondary users	H5*H6*H7		$4,800	$1,200	$1,200
H9	Number of FTEs decommissioning prior platforms and transitioning to Cordial	Composite	2	2		
H10	Hours spent transitioning	Interviews	40	120		
H11	Fully loaded hourly rate for digital marketing FTEs	E2/2080	$48	$48		
H12	Subtotal: Costs to decommission prior platforms and transition to Cordial	H9*H10*H11	$3,840	$11,520	$0	$0
Ht	Internal Costs	H4+H8+H12	$3,840	$62,400	$12,720	$12,720
	Risk adjustment	↑15%				
Htr	Internal Costs (risk-adjusted)		$4,416	$71,760	$14,628	$14,628
	Three-year total: $105,432			**Three-year present value: $92,732**		

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS



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 Analysis (Risk-Adjusted Estimates)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	($4,416)	($762,560)	($732,818)	($761,303)	($2,261,097)	($1,875,265)
Total benefits	$0	$2,604,552	$3,772,562	$4,400,001	$10,777,115	$8,791,380
Net benefits	($4,416)	$1,841,992	$3,039,744	$3,638,698	$8,516,018	$6,916,115
ROI						369%
Payback period (months)						<6

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.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