

**A Forrester Total Economic
Impact™ Study
Commissioned By
SmarterHQ**

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The Total Economic Impact™ Of SmarterHQ

Executive Summary

SmarterHQ commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) that retailers may realize by understanding buyer behaviors and purchase triggers. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of SmarterHQ on their organizations. SmarterHQ is a contextual marketing technology that combines real-time behavior recognition with historical consumer data to power email and website experiences that drive conversion and loyalty.

To better understand the benefits, costs, and risks associated with using SmarterHQ, Forrester interviewed four customers with multiple years of experience using SmarterHQ. The organizations included retailers in sporting goods, apparel, and accessories and ranged from \$10 million to more than \$200 million in online revenue.

Prior to SmarterHQ, each retailer ran a series of campaigns to target segments of buyers. The organizations measured the level of click-throughs and conversions but had little other information to guide their strategies. One marketing director told Forrester: “Our email program wasn’t growing at the rate we wanted. We felt that more and more people were just getting emails, but that we needed to be more targeted and relevant to our customers.”

Using SmarterHQ, the retailers saw an immediate uplift in the results of email campaigns. One marketing executive said: “We tested different types of messaging to understand why they abandoned. We learned more about our customers, and we deployed a few different tactics in our messaging and had clear winners of what causes buyers to convert.” All four of the retailers that Forrester interviewed realized a significant increase in campaign results in the first 60 to 90 days of using SmarterHQ.

USING SMARTERHQ INCREASES REVENUE AND CUSTOMER LIFETIME VALUE

Forrester’s interviews with four existing customers and subsequent financial analysis found that a composite organization based on these interviewed organizations experienced the risk-adjusted ROI, benefits, and costs shown in Figure 1. The composite organization analysis points to incremental revenue of more than \$46 million or 15% with a payback of 2.6 months.

SmarterHQ provides retailers with actionable context that improves email and website performance.

The net profits for a composite organization with 100M in online revenue based on four customer interviews are:

- **Increased conversion rates on campaigns: \$1,116,612.**
- **Increased number of focused campaigns: \$1,697,793.**
- **Increased purchases from repeat customers: \$1,278,852.**

FIGURE 1

Financial Summary Showing Three-Year Risk-Adjusted Results



Source: Forrester Research, Inc.