FORRESTER®

The Total Economic Impact™
Of Oracle Unity

Cost Savings And Business Benefits
Enabled By Oracle Unity

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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

> Oracle Unity enables organizations to readily combine data from multiple sources into a holistic unique profile for each of their customers and prospects. The profiles are then leveraged to create better segmentations and improve the efficiency of their marketing spend, while reducing effort for marketers and data analysts.

The Oracle Unity customer data platform (CDP) helps organizations consolidate customer and prospect data from multiple sources and activate that data to maximize their marketing ROI.

Oracle commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Oracle Unity.[1] The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Oracle Unity on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed seven representatives at a total of four companies with experience using Oracle Unity. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single composite organization that is a B2C global company with revenue of $4 billion per year, has both brick and mortar and digital presences, and conducts omnichannel marketing.

Prior to using Oracle Unity, these interviewees' organizations lacked access to comprehensive consumer profiles. This severely impacted their ability to effectively segment customers and prospects for engagement efforts despite considerable effort by their marketers and data analysts. It also degraded the customer experience (CX) and hindered their goals of minimizing non-productive spending and

KEY STATISTICS

Return on investment (ROI)
158%

Net present value (NPV)
$6.71M

maximizing the overall impact of their marketing budget.

After the investment in Oracle Unity, the interviewees' organizations saw improvement in both CX and prospect experience, could better target consumers for efficient marketing spend, and could free up time for their marketers and data analysts.

KEY FINDINGS

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

- **Efficiency gains for marketers and data analysts worth $1.5 million.** By deploying Oracle Unity, the composite organization reduces effort for its marketers (especially campaign managers and demand generation marketers) and data analysts around audience segmentation, application of that audience data

to marketing campaigns, and ensuring consistency across marketing efforts.

- **Reduced redundant marketing spend worth $4 million.** Oracle Unity enables the composite organization to readily consolidate redundant customer and prospect records so it can stop wasting marketing budget by inadvertently sending a given communication to an individual multiple times.

- **Reduced non-productive marketing spend worth $329,000.** With Oracle Unity the composite organization more easily identifies post-converters and other low-value targets, to temporarily suppress them from designated marketing efforts.

- **Reduced customer acquisition costs worth $4.6 million.** Oracle Unity helps the composite organization reduce its customer acquisition costs by more accurately identifying current customers and reserving its highest value incentives for genuine prospects.

- **Avoided marketing agency fees worth $634,000.** Using Oracle Unity reduces the composite organization's reliance on external marketing agencies and the fees it pays those agencies for staff time and marketing technologies applied on its behalf.

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

- **Comprehensive view of each customer and prospect.** An improved overall view from consolidating various data sources enables better personalization.

- **Better CX and prospect experience.** Having a single profile for each individual minimizes redundant communication and increases the relevance of those communications.

- **Faster and expanded consumer segmentation and campaign targeting.** By reducing the effort needed to develop and apply segmentations, Oracle Unity cuts the time and technical expertise that previously limited their scope.

- **Faster turnaround time on developing new marketing campaigns.** With Oracle Unity, the organization can introduce new campaigns into the market sooner.

- **Increased click-through rate and cross-selling or upselling success.** Better information and targeting improves click-through rates while the combination of a consolidated customer record and a next-best-offer model increases the success of cross-selling and upselling efforts.

- **More timely direct access to marketing performance metrics.** The results data entering Oracle Unity from integrated marketing tools reduces the organization's reliance on third parties for its marketing performance data.

- **Improved brand consistency.** Oracle Unity helps establish more centralized and standardized marketing operations, creating a more consistent brand tone.

- **Improved B2B communications.** Oracle Unity helps to enhance the success and loyalty of business partners that the composite organization communicates with.

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

- **Oracle Unity fees of $1.1 million.** Oracle Unity fees reflect subscription fees for Oracle Unity CDP, with a standard level of support. The subscription fees cover capabilities like real-time streaming, recommendations, behavioral intelligence, profile unification, and omnichannel activation.

- **Internal effort of $2.4 million for implementation, training, and ongoing**

management. The composite organization implements Oracle Unity using a team of marketing and IT staff. That team determines requirements, deploys and tests Oracle Unity, and manages and optimizes it on an ongoing basis.

- **Professional services fees of $731,000.** A professional services firm augments the capacity and expertise of the composite organization's internal team, during implementation and on an ongoing basis.

The representative interviews and financial analysis found that a composite organization experiences benefits of $10.95 million over three years versus costs of $4.24 million, adding up to a net present value (NPV) of $6.71 million and an ROI of 158%.

ROI
158%

BENEFITS PV
$10.95M

NPV
$6.71M
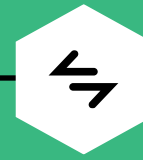
PAYBACK
7 months

Benefits (Three-Year)

Benefit	Value
Efficiency gains for marketers and data analysts	$1.5M
Reduced redundant marketing spend	$4.0M
Reduced non-productive marketing spend	$328.7K
Reduced customer acquisition costs	$4.6M
Avoided marketing agency fees	$634.1K
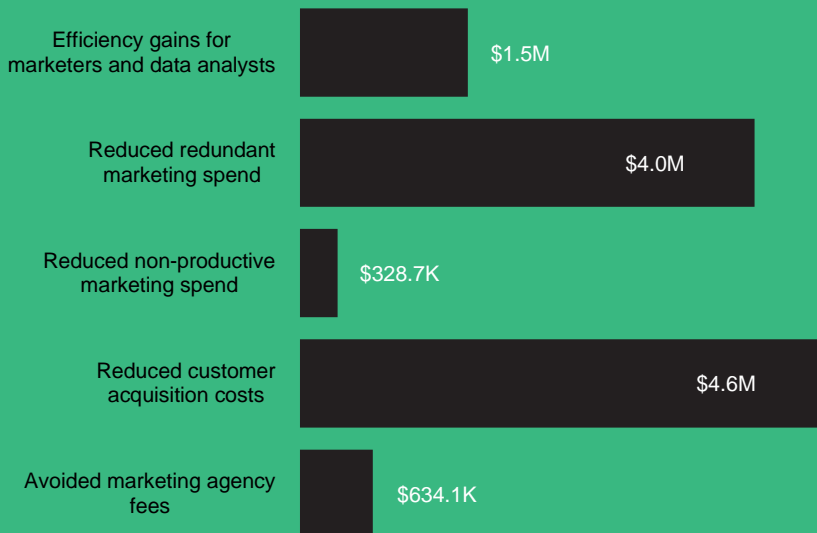
"**Most valuable to us was the reconciliation of multiple sources of information into one golden record.**"

— Director of marketing analytics, retail

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 Oracle Unity.

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 Oracle Unity can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Oracle 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 study to determine the appropriateness of an investment in Oracle Unity.

Oracle 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.

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

DUE DILIGENCE
Interviewed Oracle stakeholders and Forrester analysts to gather data relative to Oracle Unity.

INTERVIEWS
Interviewed seven representatives at a total of four organizations using Oracle Unity 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 Oracle Unity Customer Journey

Drivers leading to the Oracle Unity investment

Interviews				
Role	**Industry**	**Region**	**Revenue**	**Number of unique customer and prospect profiles**
Director of marketing analytics	Retail	Headquartered in North America, national operations	$2 billion	15 million
Director of digital consumer engagement	Transportation	Headquartered in Europe, regional operations	$4.5 billion	10 million
Senior manager, consumer intelligence and targeting	Transportation	Headquartered in Europe, regional operations	$4.5 billion	10 million
Consumer intelligence manager	Transportation	Headquartered in Europe, regional operations	$4.5 billion	10 million
Head of IT and data applications	Financial services	Headquartered in Asia, global operations	$3 billion	240 million
Head of CX	Transportation	Headquartered in Europe, global operations	$4 billion	200,000
Customer success solution manager for digital and data	Transportation	Headquartered in Europe, global operations	$4 billion	200,000

KEY CHALLENGES

Before deploying Oracle Unity, the interviewees' organizations worked with disparate customer and prospect data from numerous sources to target and execute their omnichannel marketing efforts (e.g., email, direct mail, texts, and messages via social media). The interviewees noted how their organizations struggled with common challenges, including:

- **A lack of a holistic single view of each customer and prospect.** Even with labor-intensive efforts to manually stitch data together from various online and offline sources, the organizations lacked a comprehensive and unique profile for each of their customers and prospects. A director of marketing analytics at a retail company said, "The biggest thing prompting our Oracle Unity investment was knowing we had source systems with lots of duplicate information that we couldn't eliminate or reconcile." A senior manager of consumer intelligence and targeting at a transportation company said, "Data

fragmentation was the key challenge that led us to investigate the potential of a CDP."

- **Time-consuming, tedious, and inconclusive effort by their data analysts and marketers to segment and target customers and prospects.** Data analysts conducted manual SQL queries to create lists of targets (often stored only in spreadsheets) for various marketing campaigns. They laboriously attempted to stitch together and then reconcile data from multiple sources for a more holistic view of those targets, but with flawed and incomplete results.

Marketers spent considerable time collaborating with the data analysts on these efforts, but the cumbersome approach limited how much they could accomplish, particularly around developing and refining segmentation strategies to improve campaign impact and maximize ROI.

A head of IT and data applications at a financial services company said: "Before Oracle Unity, our campaign managers had to get help from an SQL person who would write queries of our data

warehouse and run those queries to extract the audience. The campaign managers couldn't do it on their own. They would get their targeted audience in some kind of flat file that they then exported into a marketing application for the campaign." A director of marketing analytics at a retail company shared: "We were stitching multiple sources of info together on our own. That took a lot of effort, and the results weren't solid." A director of digital consumer engagement at a transportation company noted, "Before Oracle Unity, everything was in isolation."

- **Inability to maximize the marketing budget's impact, caused by duplicate records and suboptimal targeting.** Without a single comprehensive profile for each prospect and customer, the interviewees' organizations were activating incomplete or even inaccurate data in their marketing campaigns and other communications. They found it difficult to distinguish their highest-potential targets from less-promising ones and align their marketing spending with their optimal targets.

They thus overspent by repeatedly sending the same message to the same individual, as their database of customers and prospects had multiple redundant records for an individual. They marketed to post-converters (i.e., customers who had recently purchased the product and were unlikely to do so again soon) and other low-value targets and offered high-value incentives — intended to convert prospects to customers — to existing customers.

A senior manager of consumer intelligence and targeting at a transportation company said, "We realized we needed a CDP's matching and profiling capabilities so we can use that knowledge to be more efficient in how we target our prospects and customers." A customer success solution manager for digital and data at a transportation company said, "We wanted to

have a unique view of each customer and generate value out of that data."

- **Concern about CX and prospect experience.** Delivering redundant and irrelevant communications wasted money and degraded the CX or prospect experience. A customer success solution manager for digital and data at a transportation company stated, "We sought to reduce the risk of bombarding people with our campaigns by being able to better orchestrate those campaigns."

- **Operational complexity and direct and indirect expenses of working with marketing agencies.** The interviewees' organizations worked with various kinds of marketing agencies to augment the capacity and capabilities of their own staff. They paid the marketing agencies to cover both the time and expertise of agency staff, and the pass-through expenses for marketing technology that the agency staff used on the organizations' behalf. Members of their marketing teams also spent time coordinating internal efforts and agency efforts.

A director of digital consumer engagement at a transportation company said, "We were passing work to agencies in various countries, which had created quite an infrastructure of technology and effort at the agencies and required a lot of our resources to manage."

> **"We have a specific budget, and our goal is to get the most possible out of that budget by spending it as efficiently as possible."**
>
> *Director of marketing analytics, retail*

WHY ORACLE UNITY?

After evaluating several CDP vendors, the interviewed decision-makers selected Oracle Unity based on:

- **Ease of turning enterprise data silos into unified customer profiles.** Oracle Unity's ease of reconciling duplicate data from multiple source systems to create a single comprehensive and trusted profile for each prospect and customer was a compelling differentiator from other CDP vendors.

- **Ability of business staff to segment and target without extensive technical support.** Customers noted that Oracle Unity empowered campaign managers and other business staff to segment and target audiences via self-service drag-and-drop features, instead of needing significant support from data analysts and other technical staff.

- **Breadth and depth of capabilities.** Customers anticipated that Oracle Unity's extensive functionality (including real-time information, AI, and machine learning) would provide opportunities over time to address a wide range of use cases, as well as modernize and optimize their marketing ecosystem.

- **Proven industrial scale.** Customers viewed Oracle Unity, built natively on Oracle Cloud Infrastructure, as a full-fledged CDP able to handle high volumes of data while maintaining industrial level scale, security, and performance.

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 interviewees' four companies, 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 $4 billion business-to-consumer (B2C) global company sells through a combination of brick-and-mortar and digital presences. Its omnichannel marketing includes extensive use of email to its customers and prospects, along with direct mail, social media, and other online and offline efforts.

Deployment characteristics. By deploying Oracle Unity, the organization enables its marketing and sales teams to build a unified view of each customer to avoid duplication and maximize its customers' experience, engagement, and loyalty.

The composite organization implements Oracle Unity (including end user training) with a combination of internal resources from its IT, marketing, and data analytics teams, and an implementation partner. It integrates Oracle Unity with other applications that add to the customer and prospect data captured by Oracle Unity, or subsequently leverage the intelligence produced by Oracle Unity.

Once Oracle Unity's capabilities are implemented and fully available, the organization's IT, marketing, and data analytics staff invest time on an ongoing basis to expand and optimize its use including additional use cases and new features as they are introduced.

Key Assumptions
- **$4 billion annual revenue**
- **B2C global company**
- **Brick-and-mortar and digital presences**
- **Omnichannel marketing**

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	Efficiency gains for marketers and data analysts	$391,230	$699,840	$699,840	$1,790,910	$1,459,844
Btr	Reduced redundant marketing spend	$1,590,300	$1,590,300	$1,590,300	$4,770,900	$3,954,841
Ctr	Reduced non-productive marketing spend	$132,172	$132,172	$132,172	$396,515	$328,691
Dtr	Reduced customer acquisition costs	$1,125,000	$2,250,000	$2,250,000	$5,625,000	$4,572,690
Etr	Avoided marketing agency fees	$255,000	$255,000	$255,000	$765,000	$634,147
	Total benefits (risk-adjusted)	$3,493,702	$4,927,312	$4,927,312	$13,348,325	$10,950,213

EFFICIENCY GAINS FOR MARKETERS AND DATA ANALYSTS

Evidence and data. By deploying Oracle Unity, the interviewees' organizations improved the efficiency of their marketers — especially campaign managers and demand generation marketers — and data analysts. They simplified and streamlined their efforts around profile unification, audience segmentation, application of that audience data to marketing campaigns, and ensuring consistency across marketing efforts.

This freed up time that marketers and data analysts could then apply to high-value priorities. The marketers finetuned existing segmentations and developed new ones, improved their current campaigns, conducted additional campaigns, and more thoroughly assessed campaign performance and customer behavior pre- and post-campaign. This saved marketing costs and reduced customer complaints about unnecessary communications.

The data analysts spent less time developing audiences and more time on higher-level data analyses and modeling.

For the marketers, efforts that took less time with Oracle Unity included:

- **Collaborating with data analysts to segment audiences and prepare audience data for campaign use.** Oracle Unity enabled interviewees' organizations to bring various types of customer data into one customer data platform, then used Oracle Unity's segmentation tools to create audience segments based on that data. This saved substantial time compared to when marketers had to work closely with data analysts who manually queried SQL databases for the needed info.

  A head of IT and data applications at a financial services company said: "The campaign managers' lives improved a lot because they can do their job without relying so much on the data team. Now they can immediately and independently filter data with a simple drag-and-drop approach and determine the audience size for a particular segmentation."

- **Applying audience data to campaigns.** With audience selection moved to Oracle Unity, the selected audiences could be automatically

exported to a company's campaign platform for use in direct mail, email, and social media. This reduced manual effort by the marketers to activate that data.

- **Conducting ongoing campaigns.** Oracle Unity helped to simplify the organizations' "always-on" campaigns: The communications, typically email and direct mail, that enhanced their overall CX with timely communications at key points in the customer journey. Examples include welcome mailings to new customers, mailings triggered by certain customer actions, and reminder mailings about related services that may interest customers.

  Data, segmentations, and functionality within Oracle Unity combine to automatically activate the flow of communication towards the intended targets. A customer success solution manager for digital and data at a transportation company said, "Automatic implementation of campaigns avoids a lot of time-consuming effort."

- **Standardizing and coordinating marketing efforts.** With Oracle Unity, interviewees' organizations could more easily ensure consistency across marketing efforts — and across countries and languages — while reducing marketing team effort. A director of digital consumer engagement at a transportation company noted: "By implementing Oracle Unity we have standardized our processes and outputs, which enables us to centralize a lot of activities. The various trigger points all go through one infrastructure now, instead of us spending a lot of time coordinating, both internally and with our marketing agencies."

For the data analysts, Oracle Unity significantly reduced their effort around stitching together customer data from various source systems (e.g., POS, e-commerce, and marketing applications) and conducting manual SQL queries to segment and capture audience data for campaign use. Instead,

that data was automatically merged within Oracle Unity, and marketers could develop segmentations and audience lists with less assistance from the analysts.

A director of digital consumer engagement at a transportation company said, "The CDP enables our business staff to be much more self-service for segmentation and targeting, so we can save on internal IT or external agency support."

> **"Since segmentation is a drag-and-drop feature in Oracle Unity, a campaign manager can use it on their own to segment customers based on their requirements, without needing much help from the tech team."**
>
> *Head of IT and data applications, financial services*

Modeling and assumptions. For the composite organization, Forrester assumes:

- Twenty campaign managers or demand generation marketers use Oracle Unity.

- Oracle Unity reduces each campaign manager's or demand generation marketer's effort by 25% in Year 1, and a cumulative 45% in each of Years 2 and 3.

- Fifty percent of that reduced effort gets productively applied to other activities.

- Three data analysts who support the marketing team use Oracle Unity.

- Oracle Unity reduces each analyst's effort by 40% in Year 1, and a cumulative 70% in each of Years 2 and 3.

- Fifty percent of each analyst's reduced effort gets productively applied to other activities.

Risks. The efficiency gains for marketers and data analysts will vary based on:

- The number of campaign managers or demand generation marketers using Oracle Unity.

- Whether an organization used technology or processes prior to Oracle Unity that delivered any of the same efficiencies.

- How thoroughly an organization capitalizes on Oracle Unity's functionality.

- Prevailing local compensation rates.

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 $1.5 million.

Efficiency Gains For Marketers And Data Analysts

	Metric	Source	Year 1	Year 2	Year 3
A1	Number of campaign managers or demand generation marketers	Interviews	20	20	20
A2	Reduced effort with Oracle Unity	Interviews	25%	45%	45%
A3	Percentage of reduced effort that gets productively applied to other activities	TEI standard	50%	50%	50%
A4	Marketer average fully burdened compensation (annual)	TEI standard	$135,000	$135,000	$135,000
A5	Sub-total: Reduced marketer effort	A1*A2*A3*A4	$337,500	$607,500	$607,500
A6	Number of data analysts supporting the marketing team	Interviews	3	3	3
A7	Reduced effort with Oracle Unity	Interviews	40%	70%	70%
A8	Percentage of reduced effort that gets productively applied to other activities	TEI standard	50%	50%	50%
A9	Data analyst fully burdened compensation (annual)	TEI standard	$162,000	$162,000	$162,000
A10	Sub-total: Reduced data analyst effort	A6*A7*A8*A9	$97,200	$170,100	$170,100
At	Efficiency gains for marketers and data analysts	A5+A10	$434,700	$777,600	$777,600
	Risk adjustment	↓10%			
Atr	Efficiency gains for marketers and data analysts (risk-adjusted)		$391,230	$699,840	$699,840
Three-year total: $1,790,910			**Three-year present value: $1,459,844**		

REDUCED REDUNDANT MARKETING SPEND

Evidence and data. After deploying Oracle Unity, the interviewees' organizations significantly reduced their marketing spend by deduplicating their customer and prospect records.

Instead of having multiple records for many of those customers and prospects, and spending to market to each of those records, they used Oracle Unity to consolidate duplicate records into a smaller number of unique profiles that provided a single holistic view of each individual. By doing so, they no longer wasted marketing budget by sending a given email, direct mail piece, or social media message to an individual multiple times.

Modeling and assumptions. For the composite organization, Forrester assumes:

- Prior to implementing Oracle Unity, the organization has a total of 15 million customer or prospect profiles.

- After implementing Oracle Unity, the organization deduplicates 20% of those 15 million profiles.

- For 80% of the remaining unique profiles, an email address is known, and the individual has opted into emails.

- The organizations send an average of 10 emails each year to each mailable profile.

- For 50% of the remaining unique profiles, a postal mailing address is known.

- The organization sends an average of three direct mail pieces to each profile where a postal address is known.

- The organization targets each remaining unique profile for social media or digital advertising eight times each year.

Risks. The reduction in redundant marketing spend through deduplication of profiles will vary based on:

- An organization's mix of marketing channels and the costs associated with each channel.

- An organization's number of profiles before and after Oracle Unity.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $4 million.

> **"Instead of sending the same message to the same person twice, we can coordinate the journey. That's huge for both savings, and the quality of the experience."**
>
> *Director of digital consumer engagement, transportation*

Reduced Redundant Marketing Spend

Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Total number of profiles prior to using Oracle Unity	Composite	15,000,000	15,000,000	15,000,000
B2	Deduplication rate using Oracle Unity	Interviews	20%	20%	20%
B3	Number of unique profiles after using Oracle Unity	B1-(B1*B2)	12,000,000	12,000,000	12,000,000
B4	Sub-total: Number of duplicate profiles no longer targeted for marketing spend	B1-B3	3,000,000	3,000,000	3,000,000
B5	Percentage of unique profiles for which an email address is known and individual has opted into emails	Assumption	80%	80%	80%
B6	Average number of emails sent each year to each emailable profile	Interviews	10	10	10
B7	Cost per email	Assumption	$0.0010	$0.0010	$0.0010
B8	Sub-total: Reduced spending on emails	B4*B5*B6*B7	$24,000	$24,000	$24,000
B9	Percentage of unique profiles for which a postal mailing address is known	Interviews	50%	50%	50%
B10	Average number of direct mail pieces sent each year to each profile where a postal address is known	Interviews	3	3	3
B11	Cost per direct mail sent	Interviews	$0.3500	$0.3500	$0.3500
B12	Sub-total: Reduced spending on direct mail	B4*B9*B10*B11	$1,575,000	$1,575,000	$1,575,000
B13	Average number of times each unique profile is targeted for social media or digital advertising spend each year	Assumption	8	8	8
B14	Cost per impression	Assumption	$0.0070	$0.0070	$0.0070
B15	Sub-total: Reduced spending on social media and digital advertising	B4*B13*B14	$168,000	$168,000	$168,000
Bt	Reduced redundant marketing spend	B8+B12+B15	$1,767,000	$1,767,000	$1,767,000
	Risk adjustment	↓10%			
Btr	Reduced redundant marketing spend (risk-adjusted)		$1,590,300	$1,590,300	$1,590,300
	Three-year total: $4,770,900		**Three-year present value: $3,954,841**		

REDUCED NON-PRODUCTIVE MARKETING SPEND

Evidence and data. The comprehensive unique customer profiles that Oracle Unity enabled encouraged easier identification of post-converters (i.e., customers for whom a recent purchase made it unlikely they would purchase that same item again within a designated period) and otherwise low-value targets, as determined by the marketing team.

These insights enabled the interviewees to improve their organization's suppression efforts and temporarily exclude those individuals from designated marketing efforts. They also avoided spending on marketing to customers who were unlikely to respond.

> **"A big pillar of our business case for buying Oracle Unity was the potential savings on our marketing investments. Now we waste less of that marketing spend because it's better targeted."**
>
> *Director of digital consumer engagement, transportation*

Modeling and assumptions. For the composite organization, Forrester assumes:

- Of the total number of unique profiles, 2.2% are identified as currently post-converter or low-value targets.

- The organization reduces its non-productive marketing spend through incremental suppression of that 2.2%.

Risks. The reduction in non-productive marketing spend through incremental suppression will vary based on:

- The typical interval between purchases, and the resulting percentage and average number of post-converters and other low-value targets at any time.

- An organization's mix of marketing channels and the costs associated with each channel.

- The baseline annual spend on each of those channels.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of $328,700.

Reduced Non-Productive Marketing Spend

Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Average percentage of master (unique) profiles identified as currently post-converter/low-value targets	Interviews	2.2%	2.2%	2.2%
C2	Baseline annual email spend	B3*B5*B6*B7	$96,000	$96,000	$96,000
C3	Sub-total: Reduced non-productive email spend on post-converters and other low-value targets	C1*C2	$2,112	$2,112	$2,112
C4	Baseline annual direct mail spend	B3*B9*B10*B11	$6,300,000	$6,300,000	$6,300,000
C5	Sub-total: Reduced non-productive direct mail spend on post-converters and other low-value targets	C1*C4	$138,600	$138,600	$138,600
C6	Baseline annual paid media (social media and digital advertising) spend	B3*B13*B14	$672,000	$672,000	$672,000
C7	Sub-total: Reduced non-productive paid media spend on post-converters and other low-value targets	C1*C6	$14,784	$14,784	$14,784
Ct	Reduced non-productive marketing spend	C3+C5+C7	$155,496	$155,496	$155,496
	Risk adjustment	↓15%			
Ctr	Reduced non-productive marketing spend (risk-adjusted)		$132,172	$132,172	$132,172
	Three-year total: $396,515		**Three-year present value: $328,691**		

REDUCED CUSTOMER ACQUISITION COSTS

Evidence and data. To prompt an initial purchase, the interviewees' organizations typically offered higher-value incentives to prospects than they did to current customers. However, these organizations also sought to minimize their cost per acquired customer.

By combining data from multiple sources and gaining a single holistic view of each customer and prospect, the interviewees' organizations avoided inadvertently offering those higher-value incentives to customers they already had. These were instead reserved for use in jumpstarting a new customer relationship, which reduced the average cost per acquired customer.

A director of marketing analytics at a retail company noted: "With the holistic unique view of each customer and prospect that Unity provides, we can more accurately tailor our value proposition — that's essentially the coupon values — between segments of consumers. We can target prospects who would truly be new customers because we've consolidated records to accurately identify existing customers. We can confidently offer a better value to try to incentivize new customers to come in, than we would spend on existing customers."

Modeling and assumptions. For the composite organization, Forrester assumes:

- The organization acquires an average of 1,250,000 new customers each year.

- The organization's baseline average cost per acquired customer is $50.

- The organization's cost per acquired customer decreases to $49 in Year 1, and $48 in each of Years 2 and 3.

Risks. The reduction in customer acquisition costs by eliminating current customers from high-value offers will vary based on:

- An organization's average number of new customers acquired each year.

- The organization's baseline average cost per acquired customer.

- The typical value of a new customer incentive offer.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of $4.6 million.

Reduced Customer Acquisition Costs					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
D1	Average number of new customers acquired each year	interviews	1,250,000	1,250,000	1,250,000
D2	Average cost per acquired customer before Oracle Unity	Interviews	$50	$50	$50
D3	Average cost per acquired customer after Oracle Unity	Interviews	$49	$48	$48
D4	Percentage reduction in average cost per acquired customer after Oracle Unity	(D2-D3)/D2	2%	4%	4%
D5	Reduction in average cost per acquired customer after Oracle Unity	D2-D3	$1	$2	$2
Dt	Reduced customer acquisition costs	D1*D5	$1,250,000	$2,500,000	$2,500,000
	Risk adjustment	↓10%			
Dtr	Reduced customer acquisition costs (risk-adjusted)		$1,125,000	$2,250,000	$2,250,000
	Three-year total: $5,625,000			**Three-year present value: $4,572,690**	

AVOIDED MARKETING AGENCY FEES

Evidence and data. With Oracle Unity, the interviewees' organizations reduced the fees they paid to agencies that supported their marketing efforts. Those fees covered agency staff time and the expenses for marketing technologies the agencies used on the organizations' behalf.

A director of digital consumer engagement at a transportation company shared: "Oracle Unity has enabled us to standardize and centralize our marketing technologies and efforts. That's reduced effort for our team and our agencies, and technology license fees we'd previously paid the agencies for their systems."

Modeling and assumptions. For the composite organization, Forrester assumes:

- The organization reduces the fees it pays to marketing agencies for their marketing services and their use of marketing technologies by $300,000 in each of Years 1, 2, and 3.

Risks. The avoided marketing agency fees will vary based on:

- An organization's baseline fees paid to agencies.

- The nature of the services provided by the agencies and thus the extent to which the implementation of Oracle Unity reduces the need for them.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of $634,100.

Avoided Marketing Agency Fees					
Ref.	Metric	Source	Year 1	Year 2	Year 3
E1	Fees no longer paid to agencies for their marketing services and their use of marketing technologies underlying the services	Interviews	$300,000	$300,000	$300,000
Et	Avoided marketing agency fees	E1	$300,000	$300,000	$300,000
	Risk adjustment	↓15%			
Etr	Avoided marketing agency fees (risk-adjusted)		$255,000	$255,000	$255,000
	Three-year total: $765,000			Three-year present value: $634,147	

UNQUANTIFIED BENEFITS

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

- **Comprehensive view of each customer and prospect.** Summing up Oracle Unity's value, a senior manager of consumer intelligence and targeting at a transportation company noted, "Oracle Unity's benefits come from connecting many of our different systems into it." A director of marketing analytics at a retail company shared, "When we combine two records that previously weren't together, we get a better overall view of that person's shopping habits and can better personalize what we send them."

- **Better CX and prospect experience.** With Oracle Unity, the interviewees' organizations improved the experience for their customers and prospects. Working from a single profile per individual enabled the organizations to minimize redundant emails, direct mails, texts, and social media messages. They leveraged holistic and comprehensive profiles to increase the degree of

personalization, and hence relevance, of those communications.

A customer success solution manager for digital and data at a transportation company said, "We've reduced the risk of bombarding people with our marketing campaigns." A director of marketing analytics at a retail company mentioned: "Our use of Oracle Unity has made our customers happier, because they can see all their purchases across all channels. Or if they contact our customer care team, the team can see everything about that customer in one glance instead of having to look at multiple records and put it all together themselves."

A director of digital consumer engagement at a transportation company said: "Because of the links we can now establish between various channels, a customer can show interest with a single click. Before, they had to make one click, enter a lot of data, then make another click. Of course, you get a lot of drop-offs. Now the consumer can vote with one click."

- **Faster and expanded consumer segmentation and campaign targeting.** By substantially

reducing the required effort, Oracle Unity improved the speed and ease with which the interviewees' organizations could develop and apply segmentations for their marketing efforts.

A head of CX at a transportation company noted: "We can easily develop segmentations for a campaign targeting 100 people, or 200,000 people. Our vision is to arrive at one-to-one communication. We try to avoid having massive communications flying towards the customer."

A head of IT and data applications at a financial services company commented: "Instead of depending on our data team, campaign managers can easily create their own drag-and-drop segmentations. They can play around in the segment, by adding or omitting conditions. This enables them to finetune their segmentations and determine what audiences to create."

- **Faster turnaround time on developing new marketing campaigns.** A director of digital consumer engagement at a transportation company shared, "The speed-to-market is quicker because we don't need to go outside to third parties and get them to do stuff for us and then the whole review process around that." A head of IT and data applications at a financial services company said: "With Oracle Unity, our campaign managers can develop segmentations and lists of targets on their own. That reduces turnaround time on campaigns and our overall time to market."

- **Increased click-through rate and cross-selling or upselling success.** A head of IT and data applications at a financial services company indicated that the better customer information, segmentation, and targeting Oracle Unity enabled by bringing different data sources together had increased their organization's click-through rate from 2.5%, to 3%, then to 4%, and expanded its cross-selling opportunities. A director of marketing analytics at a retail

company explained that tying previously redundant customer records together and utilizing the resulting data with their organization's next-best-offer models allowed it to better personalize its communications and had improved the success of its cross-selling and upselling efforts.

- **More timely direct access to marketing performance metrics.** After deploying Oracle Unity, interviewees whose organizations had been reliant on third parties (like marketing agencies) for some of their marketing performance data could access more of that on their own by referencing results data coming into Oracle Unity from the integrated marketing tools. A director of digital consumer engagement at a transportation company stated: "We're measuring the effectiveness of our email by determining engagement — with email, with campaigns, with elements within the campaigns, with buttons within the campaigns — so we know what's working. Because Oracle Unity is our tool, not a third-party tool, we're able to see all that data and tune our business effectively."

- **Improved brand consistency.** Interviewees' organizations found Oracle Unity helpful in establishing more centralized and standardized marketing operations that better ensured a consistent tone across their brand communications.

A head of CX at a transportation company said: "How many times do you receive two emails from the same company that are completely messed up? Probably because two different departments are sending different communications. Oracle Unity helps us standardize around a unique tone of voice, with the same rules valid worldwide. Our customers and prospects experience a consistent brand identity across all our channels."

- **Improved B2B communications and marketing.** Oracle Unity includes capabilities that

support both B2B and B2C business models, as well as functionality typically leveraged for one of those two models. Although the composite organization has a B2C business model, some interviewees' organizations had a B2B2C business model that included additional communication efforts intended to increase their business partners' success and their loyalty to the organization.

Those efforts included B2B communications from the organization to its business partners, providing materials they could use to stimulate a response from a prospect or customer. They also included B2C communications that go directly to their mutual end-customers but on behalf of and mentioning the business partner (e.g., a reminder for a periodic service).

Across those communications, Oracle Unity enabled benefits like those it delivered for the organizations' B2C efforts, such as better segmentation and targeting, more efficient marketing spending, and freed up time for marketers and data analysts.

A head of CX at a transportation company said: "Oracle Unity helps us target our business partners with information and communications they can use to stimulate prospects' interest and convert them to customers and elevate our joint customers' experience and brand loyalty. We use Oracle Unity's 'next best action' logic to suggest to the dealer the right actions to perform towards a customer."

Other examples of Oracle Unity functionalities commonly used by B2B enterprises include:

- A data schema that relates contact data to an account, enabling marketers to build account-specific audiences for their account-based marketing.

- Data modeling optimized for B2B attributes, targeting, and personalization

strategies to shorten time-to-value. The data models and profile unification come with customization options, so users can tailor them to their business's needs for tracking purchase intent and buying groups. This helps them target the correct customers and increase conversion rates.

- Out-of-the-box machine learning models (for account scoring, B2B contact scoring, campaign recommender, and fatigue segmentation) that enable B2B enterprises to deliver predictive insights and audiences to their marketing, advertising, sales, and service touchpoints.

- Integrations within the Oracle B2B ecosystem and beyond, which help B2B marketing, service, and sales teams work from the same set of unified customer and account data.

FLEXIBILITY

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

- **Leveraging deployed capabilities more fully.** Even after deployment, interviewees' organizations continued to discover new ways to leverage the extensive functionality within Oracle Unity. For instance, a director of digital consumer engagement at a transportation company said: "The ability to determine customer lifetime value was one of our reasons for getting a CDP. We wanted to be able to have all the knowledge on the customer together to be able to start calculating customer lifetime values. Are we doing it today? No, but it's very much on our roadmap. We're starting to doodle how we could do that with the data we have, and what the value drivers are."

- **Deploying additional capabilities.** As Oracle Unity addresses multiple aspects of customer data, interviewees' organizations typically deployed more of its capabilities over time or planned to do so. For instance, the interviewees' organizations were ramping up their use of real-time behavioral streaming and intelligence. A director of digital consumer engagement at a transportation company stated: "Everything we did before Oracle Unity was batched and overnight. Now we'll be able to handle things in real time." Several interviewees mentioned their organizations' plans to capitalize on Oracle Unity's AI and machine learning functionality.

- **Capitalizing on new capabilities as Oracle introduces them.** The interviewees' organizations anticipated using enhancements and new features as Oracle Unity continues to evolve.

- **Expanding use to additional business units and functions.** The use of Oracle Unity increased as awareness of its capabilities improved across interviewees' organizations. For example, a head of IT and data applications at a financial services company described plans to implement Oracle Unity in new business units it was launching.

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
Ftr	Oracle Unity fees	$0	$440,000	$440,000	$440,000	$1,320,000	$1,094,215
Gtr	Internal effort for implementation, training, and ongoing management	$919,401	$584,838	$602,388	$620,446	$2,727,073	$2,415,063
Htr	Professional services fees	$345,000	$155,250	$155,250	$155,250	$810,750	$731,084
	Total costs (risk-adjusted)	$1,264,401	$1,180,088	$1,197,638	$1,215,696	$4,857,823	$4,240,362

ORACLE UNITY FEES

Evidence and data. Oracle Unity fees reflect subscription fees, with a standard level of support. The subscription fees cover Oracle Unity CDP capabilities (e.g., real-time streaming, recommendations, behavioral intelligence, profile unification, and omnichannel activation).

Since subscription fees are determined by customer-specific factors, consult with Oracle for likely costs specific to your organization when conducting your analysis. Your organization's fees may differ from the composite organization's fees.

Modeling and assumptions. For the composite organization, Forrester assumes:

- Oracle Unity subscription fees for 15 million profiles are $400,000 in each of Year 1, Year 2, and Year 3.

- The organization uses standard Oracle Unity support, which is included in the subscription fees.

Risks. The Oracle Unity fees will vary based on:

- The organization's number of digital properties.

- Each digital property's number of unique profiles.

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 $1.1 million.

Oracle Unity Fees

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Oracle Unity subscription fees	Oracle		$400,000	$400,000	$400,000
Ft	Oracle Unity fees	F1	$0	$400,000	$400,000	$400,000
	Risk adjustment	↑10%				
Ftr	Oracle Unity fees (risk-adjusted)		$0	$440,000	$440,000	$440,000
	Three-year total: $1,320,000			Three-year present value: $1,094,215		

INTERNAL EFFORT FOR IMPLEMENTATION, TRAINING, AND ONGOING MANAGEMENT

Evidence and data. The interviewees' organizations implemented Oracle Unity using a team of their marketing staff — especially campaign managers and demand generation marketers — and varied IT staff (e.g., architects, business process owners) who jointly determined requirements, deployed and tested Oracle Unity, integrated it with other software and systems, and launched it into production. Implementation also included training IT staff and marketing staff.

Their internal teams collaborated closely with an Oracle or third-party professional services team to ensure a timely and effective implementation.

On an ongoing basis, IT and marketing staff supported end users and collaborated to determine how to further leverage Oracle Unity's existing functionality (e.g., on new use cases) and its new capabilities as they were introduced. They also continued to identify and integrate additional data sources for ingestion into Oracle Unity and received additional training each year on Oracle Unity's new capabilities.

Modeling and assumptions. For the composite organization, Forrester assumes:

- Their IT staff spend a combined 9,000 hours on implementation. They then spend 5,000 hours on ongoing management and support in each of Years 1, 2, and 3.

- Four IT staff are trained on Oracle Unity, spending an initial 20 hours in training and an additional three hours in each of Years 1, 2, and 3 to address new functionalities.

- Business staff, primarily marketers, spend a combined 4,500 hours on implementation and 3,500 hours on ongoing management and support in each of Years 1, 2, and 3.

- Thirty-five business staff are trained on Oracle Unity, spending an initial two hours in training and an additional one-and-a-half hours in each of Years 1, 2, and 3.

Risks. The internal efforts for implementation, training, and ongoing management will vary based on:

- The prior state of an organization's marketing operations.

- Scope and complexity of the Oracle Unity implementation.

- The number of staff members trained.

- Users' comfort with technology.

- Experience and capabilities of the organization's IT and business staff.

- The extent to which an organization continues to expand and evolve its use of Oracle Unity's full capabilities.

- Prevailing local compensation rates.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of $2.4 million.

Internal Effort For Implementation, Training, And Ongoing Management						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
G1	IT staff time spent on implementation and ongoing management (hours)	Interviews	9,000	5,000	5,000	5,000
G2	Number of IT staff trained on Oracle Unity	Interviews	4	4	4	4
G3	Hours per IT FTE spent in training	Interviews	20	3	3	3
G4	IT staff blended fully burdened hourly rate	TEI standard	$57.69	$57.69	$59.42	$61.20
G5	Sub-total: IT staff time	(((G1+(G2*G3))* G4)	$523,825	$289,142	$297,813	$306,734
G6	Business staff time spent on implementation and ongoing management (hours)	Interviews	4,500	3,500	3,500	3,500
G7	Number of business staff trained on Oracle Unity	Interviews	35	35	35	35
G8	Hours per business FTE spent in training	Interviews	2.0	1.5	1.5	1.5
G9	Business staff blended fully burdened hourly rate	TEI standard	$68.27	$68.27	$70.32	$72.43
G10	Sub-total: Business staff time	(((G6+(G7*G8))* G9)	$311,994	$242,529	$249,812	$257,308
Gt	Internal effort for implementation, training, and ongoing management	G5+G10	$835,819	$531,671	$547,625	$564,042
	Risk adjustment	↑10%				
Gtr	Internal effort for implementation, training, and ongoing management (risk-adjusted)		$919,401	$584,838	$602,388	$620,446
	Three-year total: $2,727,073			**Three-year present value: $2,415,063**		

PROFESSIONAL SERVICES FEES

Evidence and data. The interviewees' companies used Oracle or third-party consultants to supplement their internal staff's capacity and capabilities. This enabled them to accelerate implementation and ensure user needs were met. After going live with Oracle Unity, the interviewees' organizations continued to work with consultants to refine and expand upon the initial implementation.

Modeling and assumptions. For the composite organization, Forrester assumes:

- Professional services from Oracle or third-parties total $300,000 during implementation and $135,000 in each of Years 1, 2, and 3.

Risks. The professional services fees will vary based on:

- The prior state of the marketing operations.

- The scope and complexity of the Oracle Unity implementation.

- The magnitude and nature of an organization's internal resources.

- The availability and cost of external consultants.

Results. To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV of $731,100.

Professional Services Fees

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
H1	Professional services fees	Interviews	$300,000	$135,000	$135,000	$135,000
Ht	Professional services fees	H1	$300,000	$135,000	$135,000	$135,000
	Risk adjustment	↑15%				
Htr	Professional services fees (risk-adjusted)		$345,000	$155,250	$155,250	$155,250
	Three-year total: $810,750			**Three-year present value: $731,084**		

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

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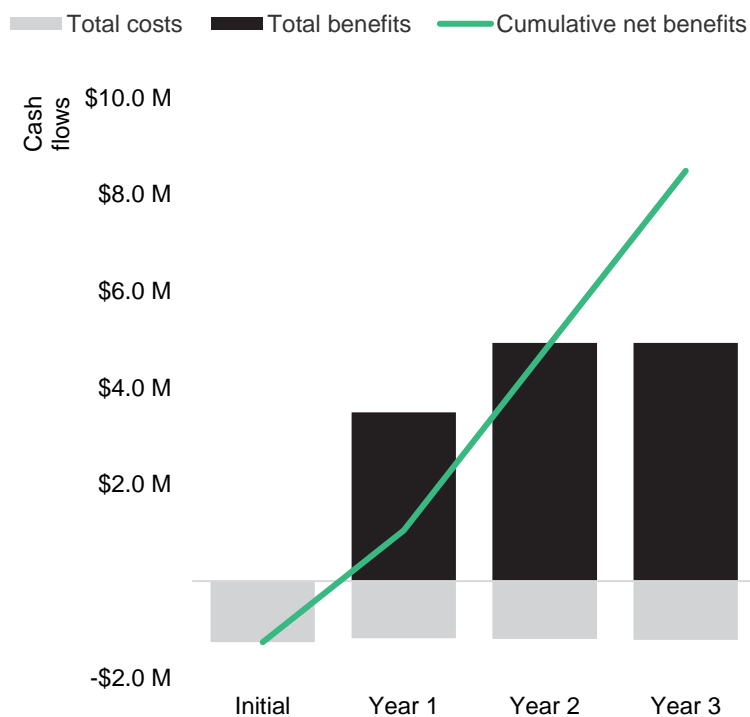
The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

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 Analysis (Risk-Adjusted Estimates)						
	Initial	**Year 1**	**Year 2**	**Year 3**	**Total**	**Present Value**
Total costs	($1,264,401)	($1,180,088)	($1,197,638)	($1,215,696)	($4,857,823)	($4,240,362)
Total benefits	$0	$3,493,702	$4,927,312	$4,927,312	$13,348,325	$10,950,213
Net benefits	($1,264,401)	$2,313,614	$3,729,674	$3,711,615	$8,490,502	$6,709,851
ROI						158%
Payback period (months)						7.0

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: Endnotes

[1] 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.

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