



FORRESTER®

# The Total Economic Impact™ Of CleverTap

Cost Savings And Business Benefits  
Enabled By CleverTap

OCTOBER 2023

# Table Of Contents

Consulting Team: Samuel Conway  
Matt Dunham

<b>Executive Summary .....</b>	<b>1</b>
<b>The CleverTap Customer Journey .....</b>	<b>6</b>
Key Challenges .....	6
Solution Requirements .....	7
Composite Organization .....	7
<b>Analysis Of Benefits .....</b>	<b>9</b>
Improved Conversion Rates .....	9
Improved Customer Retention .....	11
Improved Campaign Efficiency .....	12
Eliminated Internal Point Solutions .....	13
Unquantified Benefits .....	14
Flexibility .....	14
<b>Analysis Of Costs .....</b>	<b>16</b>
CleverTap Fees .....	16
Initial Setup And Training .....	17
Ongoing Management .....	18
<b>Financial Summary .....</b>	<b>19</b>
<b>Appendix A: Total Economic Impact .....</b>	<b>20</b>
<b>Appendix B: Endnotes .....</b>	<b>21</b>



## 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](https://forrester.com/consulting).

© Forrester Research, Inc. All rights reserved. Unauthorized reproduction is strictly prohibited. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change. Forrester®, Technographics®, Forrester Wave, and Total Economic Impact are trademarks of Forrester Research, Inc. All other trademarks are the property of their respective companies. For additional information, go to [forrester.com](https://forrester.com).

## Executive Summary

As businesses strive to understand and connect with their customers across multiple channels, there is growing complexity in managing personalized interactions, analyzing customer behavior, and optimizing engagement strategies. The lack of a well-integrated marketing technology ecosystem results in disjointed campaigns and inadequate customer understanding. Organizations need a unified solution that offers data-driven insights, seamless cross-channel communication, and personalized campaigns.

**CleverTap** is an all-in-one customer engagement and retention platform that empowers businesses to effectively analyze customer behavior, define relevant audiences, and orchestrate personalized campaigns across various channels. CleverTap's comprehensive features include analytics, segmentation, automation, and personalization. With CleverTap, organizations can leverage AI capabilities to optimize marketing strategies across up to 15 channels.

Forrester research shows that cross-channel marketing tools are becoming increasingly necessary for B2C organizations. B2C marketers need to understand that their empowered customers now want cross-channel experiences that flow into each other and a business that is ready to meet their needs as they happen. Not all MarTech ecosystems can handle these needs, especially if they are formed of disparate systems that do not work together. Organizations can consider a cross-channel marketing hub (CCMH) to overcome system complexity and meet their customers on their journeys.<sup>1</sup>

Forrester research also advises organizations to use customer lifetime value (CLV) as the north star of their marketing strategy, and to integrate retention and customer experience metrics into their CLV calculations. CLV models can take the data and help organizations know more about their customers' behavior, including customer retention predictions. From there, marketing and CX staff can use the information to work out a customer lifecycle and

### KEY STATISTICS



Return on investment (ROI)  
**561%**



Net present value (NPV)  
**\$6.87M**

strategies along the way to encourage retention and develop a more stable book of business.<sup>2</sup>

CleverTap commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying CleverTap.<sup>3</sup> The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of CleverTap on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four representatives with experience using CleverTap. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single composite organization.

Prior to using CleverTap, these interviewees noted how their organizations relied on either homegrown marketing solutions or external tools that lacked sophisticated customer segmentation and behavioral

analytics capabilities, which led to low user engagement and retention. Additionally, their prior solutions lacked the ability to automate cross-channel campaigns. That made developing campaigns a repetitive, time-consuming process.

After the investment in CleverTap, the interviewees' organizations were able to deliver personalized and precisely timed interactions across various digital channels, which improved user engagement and retention rates. The ability to analyze real-time user behavior enabled more informed decision-making, leading to higher conversion rates and a better understanding of campaign effectiveness. Additionally, CleverTap allowed marketers to customize campaigns based on language or regional preferences, which saved interviewees' organizations time on campaign development.

## KEY FINDINGS

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

- **Up to a 50% improvement in click-through rates and 35% improvement in conversion rates.** With CleverTap, the composite organization targets specific user segments with tailored content that optimizes relevance and engagement. CleverTap's triggered campaigns ensure that messages are sent at optimal times, further increasing the likelihood of click-throughs and conversions. Over three years, the increased

click-through and conversion rates are worth \$2.3 million to the composite organization.

- **Up to a 30% improvement in customer retention.** CleverTap's ability to identify user trends and analyze retention rates allows the composite organization to anticipate churn and activate appropriate engagement campaigns. By understanding user behavior and effectively triggering engagement, the composite organization reduces churn by between 10% and 30%. Over the three-year analysis, the improvement in user retention is worth 5.5 million to the composite organization.
- **Eight FTE hours saved daily when developing marketing campaigns.** Using CleverTap, the composite organization can create a unified cross-channel campaign and automatically adapt it to diverse regions or multilingual audiences. This prevents the organization from spending time manually developing different versions of the same campaign. The improvement in campaign efficiency is worth \$113,000 to the composite organization over three years.
- **A 20% cost savings from retiring internal existing solutions.** After the investment in CleverTap, the composite organization is able to retire its homegrown point solutions, leading to \$238,000 in cost savings over the course of the three-year analysis.

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

- **An ability to perform A/B tests on campaigns.** With CleverTap, the composite organization runs A/B tests to evaluate different iterations of its marketing campaigns. The composite organization uses the A/B tests to measure the impact of different messaging strategies, bundling options, or pricing models, which helps

Reduction in customer churn rates

Up to 30%



the organization optimize its go-to-market strategy.

- **Increased employee satisfaction.** The composite organization uses CleverTap to reduce time spent on manual, repetitive tasks, freeing up marketing employees to focus on the creative and strategic aspects of their roles. Additionally, CleverTap's real-time insights empower employees to see the impact of their efforts, which boosts overall employee satisfaction.
- **An improved customer experience.** CleverTap provides the composite organization with visibility into customer sentiment, which helps the organization evaluate and improve particular areas of customer experience.
- **Time savings from using Scribe.** Some interviewees shared that their organization had started using Scribe, an AI-powered assistant that is part of CleverTap's Clever.AI engine. With Scribe, the interviewees' organizations could automate the creation of marketing copy and experiment with different variations to optimize their marketing messages for better engagement and conversions. Interviewees noted that they plan on expanding their usage of Scribe in the coming years.

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

- **CleverTap fees.** Annual subscription fees cost the composite organization \$1.1 million over the three-year period.
- **Initial setup and training costs.** Internal labor costs associated with the composite organization's implementation and deployment total \$11,000 over three years.
- **Ongoing management costs.** Ongoing internal labor costs associated with management and support of the platform cost the composite

organization \$103,000 during the three-year period.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$8.1 million over three years versus costs of \$1.2 million, adding up to a net present value (NPV) of \$6.8 million and an ROI of 561%.



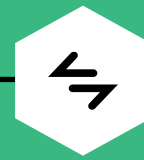
ROI  
**561%**



BENEFITS PV  
**\$8.1M**

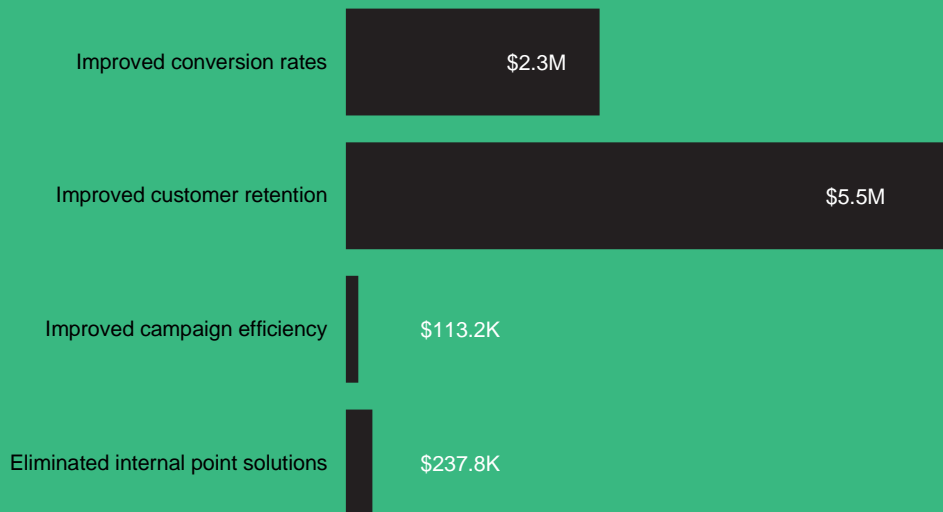


NPV  
**\$6.8M**



PAYBACK  
**<6 months**

### Benefits (Three-Year)



**“With CleverTap we have hyper personalized our app and our communication strategy — which was a requirement from every growth team.”**

— Chief product officer, financial services



## 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 CleverTap.

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 CleverTap can have on an organization.

### DISCLOSURES

Readers should be aware of the following:

This study is commissioned by CleverTap 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 CleverTap.

CleverTap 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.

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



### DUE DILIGENCE

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



### INTERVIEWS

Interviewed four representatives at organizations using CleverTap 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 CleverTap Customer Journey

## ■ Drivers leading to the CleverTap investment

Interviews			
Role	Industry	Region	Annual Revenue
Assistant marketing manager	Food delivery	APAC	\$700 million
Manager of engagement and retention	Media	Global	\$70 million
Head of growth	Gaming	APAC	\$100 million
Chief product officer	Financial services	APAC	\$1 billion

### KEY CHALLENGES

Before adopting CleverTap, interviewees reported that their organizations lacked sophisticated tools to optimize their marketing campaigns. They either had internal point solutions in place or external tools with limited personalization and analytics capabilities.

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

- **Low user engagement.** Prior to the investment in CleverTap, interviewees noted that their organizations struggled to develop personalized customer experiences. This prevented them from effectively connecting with their target audiences and retaining active mobile app users. The lack of engagement led to reduced click-through, conversion, and retention rates.
- **Developing multiple iterations of a campaign was a labor-intensive process.** Interviewees' organizations often faced the challenge of creating and managing different iterations of a single campaign across multiple regions. Their marketing teams had to manually create redundant copies of the same campaign to accommodate different languages and time zones, which took time away from creative or strategic work. The manager of engagement and retention at a media organization noted how the

previous solution made working with audiences in different time zones difficult: "We are catering to audiences from over 90 countries; the time zone in which we reach out becomes very crucial for us. [We might have] one campaign go to users in the US, UK, and UAE. Our earlier platform did not allow us send campaigns appropriately within a customer's time zone. ... That's where CleverTap came in."

**"There was so much effort to create [digital marketing campaigns] internally. It was too much effort to make them and too much effort to maintain them."**

*Assistant marketing manager, food delivery*

- **Lack of cross-channel coordination.** Interviewees shared that with their legacy systems, it was difficult to coordinate messaging and engagement across multiple channels, such as push notifications, email, and SMS. The



fragmented messaging frustrated customers with inconsistent experiences. The manager of engagement and retention at a media company described how channel inconsistencies led their organization to pursue a unified marketing tool: “A lot of other brands have multiple tools that they have integrated into their system to do [different] things. For example, email is a different tool, notifications are a different tool, and the app is a different tool. We wanted one single tool that helps cater to audiences across all the channels and will also give one view of the revenue generated per campaign level.”

- **Limited visibility into performance of marketing campaigns.** Before implementing CleverTap, interviewees’ organizations struggled to effectively track and analyze the performance of their marketing campaigns across multiple channels. The lack of comprehensive, real-time insights into customer engagement, conversion rates, and the possible impact of various campaign elements made it challenging to optimize strategies and allocate resources efficiently. The chief product officer at a financial services firm explained: “Our internal solution was not fully real time. ... We definitely needed a platform where we could consume events in real time and react to those events to change what content users see on our apps.”

## SOLUTION REQUIREMENTS

The interviewees’ organizations searched for a solution that could:

- Segment users based on various attributes to deliver personalized campaigns.
- Aggregate data from various sources to provide a unified view of customer behavior and interactions.
- Reach customers across multiple channels, such as push notifications, email, SMS, and in-app messaging.
- Automate workflows and triggers to send timely messages based on customer actions, enhancing their journeys.
- Enable marketers to efficiently develop campaigns for various audiences and marketing channels.
- Perform A/B tests to evaluate different campaign elements and optimize messaging.

**“We wanted a platform that is flexible enough for us to hyper personalize our app and our communication strategy. ... We wanted an easy publishing tool to create and trigger campaigns.”**

*Chief product officer, financial services*

## COMPOSITE ORGANIZATION

Based on the interviews, Forrester constructed a TEI framework, a composite organization, and an ROI analysis that illustrates the areas financially affected. The composite organization is representative of the four

### Key Assumptions

- **B2C organization**
- **\$300 million revenue**
- **50 million users**
- **5 campaigns per day**
- **\$4 revenue per order**
- **9% operating margin**

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 B2C company. The organization has a reach of 50 million customers — primarily mobile app users — and has an annual revenue of \$300 million per year. On average, it runs five campaigns per day and has an average order value of \$4.

# 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	Improved conversion rates	\$788,400	\$922,428	\$1,064,340	\$2,775,168	\$2,278,719
Btr	Improved customer retention	\$1,134,000	\$2,268,000	\$3,402,000	\$6,804,000	\$5,461,262
Ctr	Improved campaign efficiency	\$45,511	\$45,511	\$45,511	\$136,533	\$113,179
Dtr	Eliminated internal point solutions	\$95,625	\$95,625	\$95,625	\$286,875	\$237,805
	Total benefits (risk-adjusted)	\$2,063,536	\$3,331,564	\$4,607,476	\$10,002,576	\$8,090,965

## IMPROVED CONVERSION RATES

**Evidence and data.** CleverTap enabled the interviewees' organizations to target users with dynamic, personalized content to drive customer-focused business results. Prior to investing in CleverTap, interviewees noted that their organizations lacked advanced analytics capabilities like live segmentation, which limited their ability to adapt to dynamic customer environments. Internal solutions required significant manual effort with a limited impact on click-through and conversion rates. After deploying CleverTap, the organizations created user segments and served them with hyperpersonalized content to drive desired actions. CleverTap's A/B testing capabilities also allowed interviewees to understand what drove successful engagement, which led to continuous improvement in campaign metrics.

- The manager of engagement and retention for a media company explained: "The more granular the segmentation and the more personalization we add to the campaign, the better the click rate. So, click rates for sure have improved in the last four quarters."

- The head of growth for a gaming organization detailed: "CleverTap plays a role in terms of engaging users at the right time, at the right place, where customers are in their lifecycle, in the language that they understand, and at a place where it means the most value for them."

**Modeling and assumptions.** In modeling this benefit, Forrester assumes:

- The composite organization has a reachable base of 50 million customers. They are primarily mobile app users. The organization sends users an average of five messages per day via various communication channels including push, text, in-app messages, and email.
- Prior to using CleverTap, the click-through rate (CTR) on campaign messaging was 0.4%. Through segmentation and personalization, the organization improves CTR by 40% to 50% over the three-year analysis.
- The organization's baseline conversion rate prior to CleverTap was 1.5%, which it improves by 25% to 35% over three years.

- The average revenue per order for the composite organization is \$4, with an average operating margin of 9%.

**Risks.** Forrester recognizes that improved conversion rate benefits will vary from organization to organization. Specific risk considerations include:

- Geography.
- Industry.
- Baseline CTR and conversion metrics.

**Results.** To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$2.3 million.

**“We ran an A/B test and figured out what copywriting themes we should be following based on the time of day and week. I would say that was one of the biggest increases in CTR that we have seen.”**

*Assistant marketing manager, food delivery*

Improved Conversion Rates					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Reachable user base	Composite	50,000,000	50,000,000	50,000,000
A2	Notifications sent per user per day	Composite	5	5	5
A3	CTR before CleverTap	Composite	0.4%	0.4%	0.4%
A4	Improvement in CTR with CleverTap	Composite	40%	45%	50%
A5	CTR with CleverTap	$A3 \cdot (1 + A4)$	0.56%	0.58%	0.60%
A6	Net-new daily click throughs with CleverTap	$A1 \cdot A2 \cdot A5$	400,000	450,000	500,000
A7	Conversion rate before CleverTap	Composite	1.5%	1.5%	1.5%
A8	Improvement in conversion rate with CleverTap	Composite	25%	30%	35%
A9	Conversion rate with CleverTap	$A7 \cdot (1 + A8)$	1.9%	2.0%	2.0%
A10	Net-new daily conversions with CleverTap	$A6 \cdot A9$	7,500	8,775	10,125
A11	Average order value	Composite	\$4	\$4	\$4
A12	Net margin	Composite	9%	9%	9%
At	Improved conversion rates	$A10 \cdot A11 \cdot A12 \cdot 365$	\$985,500	\$1,153,035	\$1,330,425
	Risk adjustment	↓20%			
Atr	Improved conversion rates (risk-adjusted)		\$788,400	\$922,428	\$1,064,340
Three-year total: \$2,775,168			Three-year present value: \$2,278,719		

## IMPROVED CUSTOMER RETENTION

**Evidence and data.** CleverTap's predictive segmentation capabilities allowed the interviewees' organizations to prevent churn in dynamic, omnichannel journeys. Interviewees noted that they could analyze and better understand the purchase funnel, collect information on drop offs, and conduct cohort analysis with CleverTap. Understanding the behaviors of their users allowed the organizations to automate campaign actions for reengagement and reactivation.

- The manager of engagement and retention for a media firm explained: "[CleverTap] has made our onboarding and retention journey seamless and improved the customer experience. Now the first point of contact for the customers is CleverTap and also the first point of reengagement contact after the customer churns is CleverTap."
- The head of growth for a gaming firm detailed, "For any user uninstalling the app or going inactive for seven days or so, CleverTap enables us to send personalized communications to them with relevant incentives."

**Modeling and assumptions.** In modeling this benefit, Forrester assumes:

- Of the company's reachable user base, 60% are recurring customers. Prior to investing in CleverTap, this base had an average churn rate of 15%.
- CleverTap has an immediate impact on churn, and the organization sees continuous improvement as it refines its use and increases personalization. Over the three-year period the reduction in churn ranges from 10% to 30%.
- For the customer base impacted, the average annual revenue per user is \$35 with a 9% margin.

**Risks.** Improved customer retention will vary from organization to organization. Specific risk considerations include:

- Geography.
- Industry.
- User base and baseline churn rates.

**Results.** To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of \$5.5 million.

### Improved Customer Retention

Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Active customer base	A1*60%	30,000,000	30,000,000	30,000,000
B2	Churn rate before CleverTap	Composite	15.0%	15.0%	15.0%
B3	Churn rate after CleverTap	Composite	13.5%	12.0%	10.5%
B4	Annual customer value	Composite	\$35	\$35	\$35
B5	Net margin	Composite	9%	9%	9%
Bt	Improved customer retention	$B1 \cdot (B2 - B3) \cdot B4 \cdot B5$	\$1,417,500	\$2,835,000	\$4,252,500
	Risk adjustment	↓20%			
Btr	Improved customer retention (risk-adjusted)		\$1,134,000	\$2,268,000	\$3,402,000
Three-year total: \$6,804,000			Three-year present value: \$5,461,262		

## IMPROVED CAMPAIGN EFFICIENCY

**Evidence and data.** Interviewees highlighted that CleverTap greatly reduced the manual effort required to execute multiple campaigns per day. With previous tools, growth marketing teams would have to do the redundant work of recreating the same campaigns for different languages and media channels. With CleverTap, teams could quickly execute an omnichannel campaign with a single template. CleverTap's real-time segmentation capabilities also saved marketers time designing and executing campaigns.

- The assistant marketing manager for a food delivery firm explained: "It is very easy to execute campaigns because we already have all the data in CleverTap. Otherwise, we would have to go back to analytics, give [marketers] the task and they would have to create the segment for us, pass it over to us, and then we could run the campaign."
- The manager of engagement and retention for a media company stated: "Earlier, while creating one campaign for one product or one content piece that we wanted to promote, we used to create three different campaigns, one for iOS, one for Android, and one for web. Now, in CleverTap, we just create a mobile version and a web version. So, Android and iOS become part of a single campaign. Operationally it streamlines and saves time."

- The head of growth for a gaming company detailed: "CleverTap helps us do certain stuff that would take a long time to do ourselves. With CleverTap, it happens seamlessly."

**Modeling and assumptions.** In modeling this benefit, Forrester assumes:

- The composite organization executes five campaigns per day. For each of these campaigns, the organization would normally have three duplicate workstreams to personalize it different media channels.
- Each iteration of a campaign takes 30 minutes of FTE time at an average fully burdened hourly rate of \$17.50.

**Risks.** Campaign efficiency benefits will vary. Specific risk considerations include:

- Campaign frequency and number of channels.
- Prior campaign workflows.
- Prevailing labor rates.

**Results.** To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of \$113,000.



Improved Campaign Efficiency					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Campaigns per day	A2	5	5	5
C2	FTE effort per campaign (minutes)	Composite	30	30	30
C3	Number of duplicate workstreams per campaign	Composite	3	3	3
C4	Daily time spent on duplicate effort (hours)	$(C1 \times C2 \times C3) / 60$	8	8	8
C5	Average hourly rate	TEI standard	\$17.50	\$17.50	\$17.50
Ct	Improved campaign efficiency	$C4 \times C5 \times 365$	\$47,906	\$47,906	\$47,906
	Risk adjustment	↓5%			
Ctr	Improved campaign efficiency (risk-adjusted)		\$45,511	\$45,511	\$45,511
Three-year total: \$136,533			Three-year present value: \$113,179		

## ELIMINATED INTERNAL POINT SOLUTIONS

**Evidence and data.** When adopting CleverTap, interviewees' organizations discontinued the use of internal point solutions. Interviewees noted that CleverTap licenses and data retention were less expensive than incumbent software-as-a-service (SaaS) solutions, as well as the upkeep and maintenance costs for internally developed solutions.

The CPO at a financial services firm explained that they were able to retire an internal solution with the use of CleverTap. Retiring the internal solution allowed the firm to discontinue spend on infrastructure and reassign 20 to 30 FTEs to other internal projects.

**Modeling and assumptions.** In modeling this benefit, Forrester assumes that costs, including upkeep and licensing, for incumbent solutions are 20% higher than CleverTap fees.

**Risks.** Benefits associated with elimination of internal point solutions will vary. Specific risk considerations include the deployment size and the type of incumbent solution.

**Results.** To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$238,000.

Eliminated Internal Point Solutions					
Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Cost of CleverTap	D1	\$531,250	\$531,250	\$531,250
D2	Savings over prior solutions	Composite	20%	20%	20%
Dt	Eliminated internal point solutions	D1*D2	\$106,250	\$106,250	\$106,250
	Risk adjustment	↓10%			
Dtr	Eliminated internal point solutions (risk-adjusted)		\$95,625	\$95,625	\$95,625
Three-year total: \$286,875			Three-year present value: \$237,805		

## UNQUANTIFIED BENEFITS

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

- Ability to perform A/B tests on campaigns:**  
 The manager of engagement and retention for a media firm explained: “[CleverTap's A/B testing] is a really good feature and we’ve used it a lot and [it has] derived great results. We basically structure all of our future campaigns around A/B test results.”
- Improved employee satisfaction.** The manager of engagement and retention for a media firm detailed: “We’ve reduced redundant work. When I’m asking the team to do redundant work, it hurts their motivation.”
- Improved visibility into customer experience.** Interviewees reported that using CleverTap gave their organizations valuable insights into customer satisfaction and helped them identify ways to improve it. The manager of engagement and retention for a media firm noted: “We do run a lot of campaigns to capture NPS [Net Promoter Score<sup>SM</sup>], but that is also something we never used to do earlier because there was no capability to do it.<sup>4</sup> ... Apart from that, we also

have done a lot of app review campaigns via CleverTap.”

## FLEXIBILITY

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

- Time savings from using Scribe.** The assistant marketing manager for a food delivery firm described how their organization leveraged Scribe, an AI-powered tool that is part of CleverTap’s Clever.AI engine: “They have something called Scribe, which is basically an AI copywriter tool. That helps us tweak our content, if not generate it completely. We no longer depend on an internal team to give us these deliverables for a time-sensitive campaign.”
- Ability to perform A/B tests on campaigns.** Interviewees’ organizations had the ability to run A/B tests to evaluate different iterations of marketing campaigns. The ability to A/B test and measure the impact of different messaging strategies, bundling options, or pricing models opens the path for new revenue streams, improved profitability, and further top-line benefits. The manager of engagement and retention for a media firm explained:

“[CleverTap's A/B testing] is a really good feature and we've used it a lot and derived great results. We basically structure all of our future campaigns around A/B test results.”

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
Etr	CleverTap fees	\$0	\$446,250	\$446,250	\$446,250	\$1,338,750	\$1,109,758
Ftr	Initial setup and training	\$10,915	\$0	\$0	\$0	\$10,915	\$10,915
Gtr	Ongoing management	\$0	\$41,278	\$41,278	\$41,278	\$123,833	\$102,651
	Total costs (risk-adjusted)	\$10,915	\$487,528	\$487,528	\$487,528	\$1,473,498	\$1,223,324

## CLEVERTAP FEES

**Evidence and data.** CleverTap charged the interviewees' organizations fees based on monthly active users and data points, with flexible pricing plans available for unlimited users and data points. CleverTap fees also included add-ons specific to regions, business models, and additional features.

**Modeling and assumptions.** Forrester has used CleverTap's list pricing for an organization of the composite's size.

**Risks.** CleverTap fees will vary based on:

- Monthly active users.
- Number of data points.
- Specific CleverTap features.

**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.

CleverTap Fees						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	CleverTap fees	CleverTap		\$425,000	\$425,000	\$425,000
Et	CleverTap fees	D1		\$425,000	\$425,000	\$425,000
	Risk adjustment	↑10%				
Etr	CleverTap fees (risk-adjusted)		\$0	\$446,250	\$446,250	\$446,250
Three-year total: \$1,338,750			Three-year present value: \$1,109,758			

## INITIAL SETUP AND TRAINING

**Evidence and data.** CleverTap provided the interviewees' organizations with hands-on support in deploying their solution and has an SLA of 45 days for a standard implementation. Interviewees noted that it was very easy to set up CleverTap, with some organizations requiring only a few days before going live.

- The head of growth for a gaming organization stated: "The tool is quite intuitive. Within the first week it's set up and running."
- The manager of engagement and retention for a media firm explained: "The documentation on the website for different tools and [how to] integrate different modules is very well laid out, so that really helped. We did not have to call on the customer success managers every time because we could refer to the documents and get the work done."

**Modeling and assumptions.** In modeling deployment costs, Forrester assumes:

- The composite organization works with CleverTap to deploy the solution. It dedicates a team of three FTEs who spend 75% of their time on the deployment over the course of 45 days.
- The team requires 80 hours of on-the-job training to become fully proficient in using CleverTap.
- The average fully burdened hourly rate for these employees is \$9.45.

**Risks.** Deployment and training costs may vary. Specific considerations include:

- Size and complexity of use case.
- Team size and prevailing labor rates.

**Results.** To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$11,000.

Initial Setup And Training						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	FTEs involved in implementation	Composite	3	0	0	0
F2	Days for implementation	Composite	45	0	0	0
F3	Percentage of time spent on implementation	Composite	75%	0	0	0
F4	FTE hours from implementation	$F1 \times F2 \times F3 \times 8$	810	0	0	0
F5	Hours of training to be proficient on CleverTap	Composite	80	0	0	0
F6	Total FTE training hours	$F1 \times F4$	240	0	0	0
F7	Average hourly rate	TEI standard	\$9.45	\$0	\$0	\$0
Ft	Initial setup and training	$(F4 + F6) \times F7$	\$9,923	\$0	\$0	\$0
	Risk adjustment	↑5%				
Ftr	Initial setup and training (risk-adjusted)		\$10,915	\$0	\$0	\$0
Three-year total: \$10,915			Three-year present value: \$10,915			

## ONGOING MANAGEMENT

**Evidence and data.** Interviewees' organizations dedicated minimal resources to the ongoing ownership and management of CleverTap within their firm.

**Modeling and assumptions.** In modeling ongoing management costs, Forrester assumes:

- The composite organization has two FTEs who own and manage the CleverTap platform.

- The average fully burdened salary of these FTEs is \$19,656.

**Risks.** Ongoing management costs may vary based on:

- Team size.
- Prevailing labor rates.

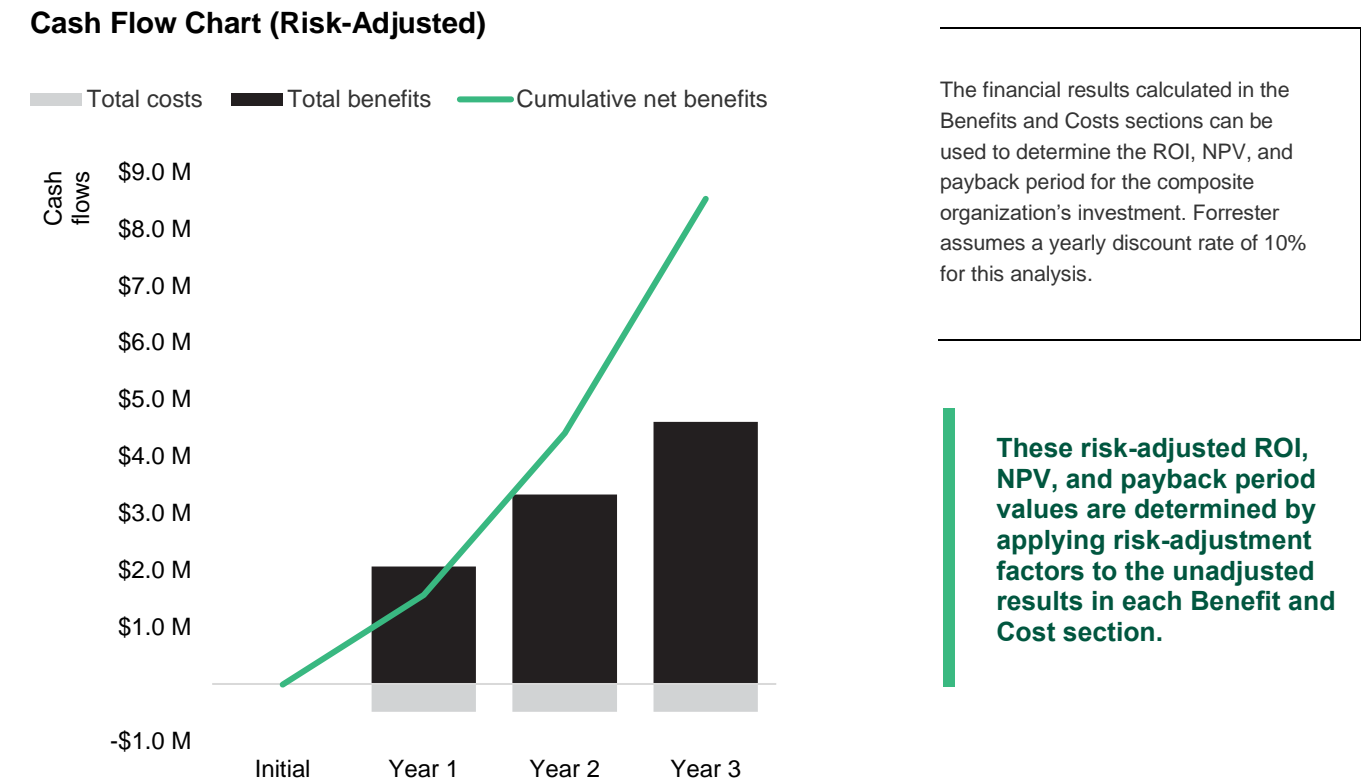
**Results.** To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$103,000.

Ongoing Management						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	FTEs dedicated to management	Composite		2	2	2
G2	Fully burdened rate	TEI standard		\$19,656	\$19,656	\$19,656
Gt	Ongoing management	G1*G2		\$39,312	\$39,312	\$39,312
	Risk adjustment	↑5%				
Gtr	Ongoing management (risk-adjusted)		\$0	\$41,278	\$41,278	\$41,278
Three-year total: \$123,833			Three-year present value: \$102,651			



# Financial Summary

## CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS



Cash Flow Analysis (Risk-Adjusted Estimates)						
	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	(\$10,915)	(\$487,528)	(\$487,528)	(\$487,528)	(\$1,473,498)	(\$1,223,324)
Total benefits	\$0	\$2,063,536	\$3,331,564	\$4,607,476	\$10,002,576	\$8,090,965
Net benefits	(\$10,915)	\$1,576,008	\$2,844,036	\$4,119,948	\$8,529,078	\$6,867,641
ROI						561%
Payback period						<6 months

## 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

---

<sup>1</sup> Rusty Warner, "[Invest In A Cross-Channel Marketing Hub To Elevate Your Campaign Strategy](#)," Forrester Blogs.

<sup>2</sup> Rusty Warner, "[Beyond The Butterfly Effect: Why You Need To Embrace Customer Lifetime Value](#)," Forrester Trends Report.

<sup>3</sup> 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.

<sup>4</sup> Net Promoter and NPS are registered service marks, and Net Promoter Score is a service mark, of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld.

FORRESTER®