

FORRESTER®

The Total Economic Impact™ Of Emplifi Live Commerce

Cost Savings And Business Benefits
Enabled By Emplifi Live Commerce

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Executive Summary

The role of the physical store remains an important part of a shopper's purchasing journey, but it's now being integrated into an omnichannel experience. Online sales have steadily risen over the years, and the impact of the COVID-19 pandemic accelerated these shifts in consumer behavior in the ecommerce environment. Shoppers are increasingly "showrooming and webrooming," and retailers are placing more emphasis on customer experience in order to compete in the retail ecommerce market.

The [Emplifi Live Commerce](#) vendor solution connects online retail customers to product-specialized store experts via live video. It allows customers to view and interact with product experts on demand, without the need for a physical visit to a store.¹

Emplifi Live Commerce commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential ROI enterprises may realize by deploying Emplifi Live Commerce.² The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Emplifi Live Commerce on their organizations.

Impact of Emplifi Live Commerce on online sales conversion

Before	After
2%	20%



To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed five representatives with experience using Emplifi Live Commerce. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single [composite](#)

KEY STATISTICS



Return on investment (ROI)
306%



Net present value (NPV)
\$2.98M

[organization](#) that is a large, high-end specialist product retailer with revenue of \$500 million per year.

Prior to using Emplifi Live Commerce, these interviewees noted how their organizations were restricted to appointment-based or physical walk-in customer consultations. This limited the potential number of sales made, as these consultations were reliant on either face-to-face interactions, website chat bots, or customer contact center liaisons in answering customers' sales queries. These challenges meant the interviewees' organizations were not advancing with their customers' shopping behaviors and missed out on sales opportunities due to capacity constraints, as well as not offering a good customer experience (CX).³ For instance, organizations heavily relied on verbal and written descriptions and the use of automated chat bots and longer customer follow-up response times.

After the investment in Emplifi Live Commerce, the interviewees could provide an improved, frictionless customer journey and keep the latest retail offerings in front of their customers. Key results from the investment include an improvement in online sales conversions and average order values, more-efficient use of consultants' time, a shorter sales cycle, and an overall better customer experience.

“Live Commerce offers consumers access to a physical store, a dedicated brand expert and the complete product range via their own phone, tablet, or laptop.”

Chief digital officer, custom bike manufacturer

KEY FINDINGS

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

- **Increased revenue from a higher conversion rate.** The composite organization sees an improvement in its online sales conversion rate to 20% compared to 2% prior to the investment. Emplifi Live Commerce increases a customer's exposure and access to available specialist consultants, offering a more-customized sales approach and customer experience and increasing the conversion rate. This uplift in conversion rate has a direct positive impact on the composite organization's revenue. Forrester attributes 70% of this impact to Emplifi Live Commerce. The value of this benefit equates to \$2.2 million.
- **Uplift in average order value (AOV).** The composite organization experiences a 40%

increase in AOV, of which Forrester attributes 70% to Emplifi Live Commerce (overall 28%). The expanded access to specialist consultants increases the opportunities of building a better rapport with a customer and upselling other products and services in comparison to a customer's solitary and independent browsing journey or automated chat bot services. Forrester values the amount of this benefit at \$927,000 over the three years.

- **Time savings and sales consultants efficiencies.** The time spent on Emplifi Live Commerce consultations in comparison to physical face-to-face consultations is significantly lower. This could be due to the type of customers launching online Emplifi Live Commerce video calls. Online customers who are prepared and confident to ask targeted questions don't need much of a consultant's call time and require less follow-up. The savings in time and resources means more time can be spent on other tasks, or in the composite organization's case, moving onto the next sales call. Forrester calculates the financial equivalence of this efficiency benefit as a total saving of \$1.6 million over the three-year period.

Emplifi Live Commerce increases online average order value by

28%

Unquantified benefits. Benefits that are not quantified in this study include:

- **New sales channel offering and increased customer reach.** The composite company can extend its customer reach and appeal to more than just local customers who can visit the store as their main clientele. The Emplifi Live Commerce video shopping experience offers customers another means to purchase products.

“Once integrated into the website, you can track and trace customer satisfaction, reporting, colleague performance, customer sales, and conversion rates. That was there actually all ready to go which we would have had to build and develop in-house and learn from scratch otherwise..”

Retail operations manager; clothing, home, and food retailer

- **A shortened sales cycle.** Customers can have their questions answered much more quickly, reducing the consideration and buying duration of customer’s purchasing decisions. The composite organization can therefore realize its revenues more quickly and adapt to industry changes faster. Investment-ready and up-to-date organizations offer better customer experience.
- **A better sales interaction and seamless customer journey offering.** The Emplifi Live Commerce video allows for a more-proactive sales experience than a customer independently browsing on their own. Offering a more-

personable interaction from a specialist sales consultant not only improves a customer’s experience (CX) but also extends the scope for further sales opportunities. A better omnichannel approach and customer experience retains customer loyalty toward the company’s brand and reputation.

- **Better customer data insights.** The data insight captured by Emplifi Live Commerce and the sales consultants provides valuable insight to the composite company about its customer base and shopping behaviors. The composite company can use this intel to make more-informed investment and strategic decisions such as where to focus its efforts and resources to grow its clientele, how to improve its customers’ shopping experience, and whether to open up a virtual store.

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

- **Ongoing management and specific recruitment costs of the Emplifi Live Commerce platform.** The costs of ongoing management and specific staffing requirements for the Emplifi Live Commerce platform vary depending on the use case. The composite organization recruits one FTE manager to manage the Emplifi Live Commerce platform and increases the specialist sales consultants taking calls over the Emplifi Live Commerce platform by two each year. A total of \$447,700 is spent on dedicated staffing costs for the ongoing management of the platform over the three-year period.
- **Licensing costs.** The Emplifi Live Commerce platform provides a master license for each region in which the composite company wants to operate. Emplifi Live Commerce charges the composite company \$2,600 per month for each master regional license. The composite company has further concurrent user subscriptions per

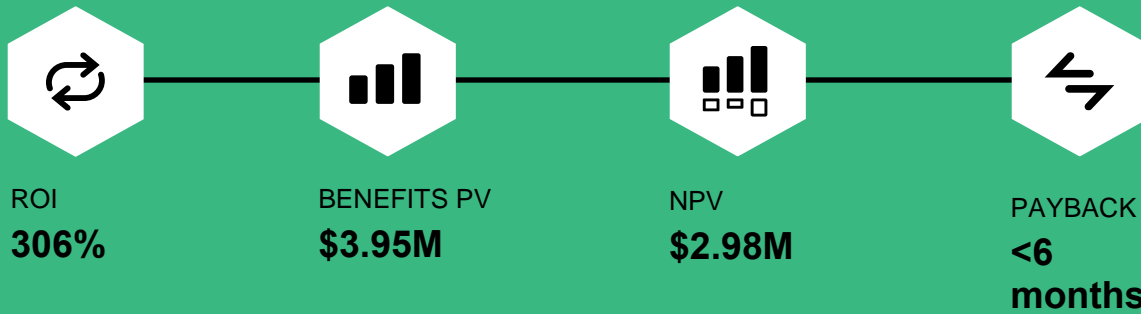
region, which Emplifi Live Commerce charges at a rate of \$700 per month each. The total risk-adjusted license and user subscription costs for the composite company work out to \$405,400 over the three-year period.

- **Upfront and implementation costs.** The composite company incurs an initial set-up fee of \$6,600 per region in which it wishes to operate in. The composite company also requires a team of five FTEs for six weeks to implement and sync up the Emplifi Live Commerce platform with its systems. The composite organization spends a total of \$91,700 on upfront fees and implementation of the Emplifi Live Commerce platform.
- **Hardware costs.** The cost of hardware required for the Emplifi Live Commerce calls varies on the type of company products and size. The composite company spends an initial \$20,000 on hardware to be used to operate the Emplifi Live Commerce calls, such as mobile devices or tablets, web cams, and headsets. New equipment is purchased to replace broken or old equipment, and for the additional sales consultants, who are brought in specifically to take Emplifi Live Commerce calls in Years 2 and 3. The composite spends a total of \$25,500 on hardware over the three years.
- **Training costs.** The Emplifi Live Commerce video platform is easy to use for the composite company's sales consultants. Nevertheless, an initial 2 hours of training is spent on the Emplifi Live Commerce platform by each user who will be using the platform. The composite spends a total of \$2,900 on training users on the Emplifi Live Commerce platform.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$3.95 million over three years versus costs of \$973,000, adding up to a net present value (NPV) of \$2.98 million and an ROI of 306%.

“There is a little bit of cost on device and hardware. It was an initial cost, but that was low in the whole scheme of things.”

Digital retail director and CX, diamond and specialty jewelry retailer



Benefits (Three-Year)



“Shoppers watch live streams of showroom people showing off products that they’ve just got in stock. It’s like the TV shopping channels but more real, and less pushy. This is where consumers are moving towards, interacting as they go.”

— Chief digital officer, custom bike manufacturer

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 Emplifi Live Commerce.

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 Emplifi Live Commerce can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Emplifi Live Commerce 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 Emplifi Live Commerce.

Emplifi Live Commerce 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.

Emplifi Live Commerce provided the customer names for the interviews but did not participate in the interviews.



DUE DILIGENCE

Interviewed Emplifi Live Commerce stakeholders and Forrester analysts to gather data relative to Emplifi Live Commerce.



INTERVIEWS

Interviewed five representatives at organizations using Emplifi Live Commerce 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 Emplifi Live Commerce Customer Journey

■ Drivers leading to the Emplifi Live Commerce investment

Interviews			
Role	Industry	Region	Annual Revenue
Marketing and store performance manager	Premium home appliance producers	Global	\$4.63 billion
Digital retail director and CX	Diamond and specialty jewelry retailer	Global	\$552 million
Retail operations manager	Clothing, home, and food retailer	Europe	\$11.65 billion
Head of global retail division	Consumer electronics	Global	\$1.7 billion
Chief digital officer	Custom bike manufacturer	Global	\$36.8 million

KEY CHALLENGES

Prior to using Emplifi Live Commerce, the interviewees' organizations were restricted to appointment-based phone or physical walk-in customer consultations. This limited the potential number of sales made, and the organizations did not advance with their customers' shopping behaviors or offer the best customer experience.

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

- **Missed sales opportunities.** Sales opportunities were missed due to capacity constraints. Specialist sales consultants were tied up on other tasks and so could not attend to all customers on demand. The use of chat bots and non-specialist consultants meant customers were not receiving a personalized approach. This was especially the case during the COVID-19 pandemic. Many sales opportunities were missed due to store closures from the COVID-19 lockdown restrictions, and no alternative specialized sales consultation was on offer for customers other than automated website chat bots.
- **Misaligned customer journey.** The interviewees' organizations did not have seamless omnichannel approaches when it came

to their customers' purchasing journey. Phone consultations would transfer customers' calls between taking specialist product queries and completing orders. Some complex queries would take longer to resolve and required follow-up exchanges or chasing of emails. This prolonged the sales cycle, and interviewees' organizations struggled to offer a smooth customer experience.

“It has helped us understand who our valuable customers are, walking through the door, who our key clients are, versus the average customer walking in off the street.”

Digital retail director and CX, diamond and specialty jewelry

INVESTMENT OBJECTIVES

The interviewees' organizations searched for a solution that could:

- Streamline the CX of their customers' digital journey (especially during the pandemic) in a GDPR-compliant way.
- Evolve with their strategy and retail market offerings.
- Allow them to provide a better quality of service and help them build their brand and maximize sales opportunities.
- Get to market quickly with little staffing constraints.

“From initial implementation, it was really quick and seamless; it’s actually one of the reasons that we’re able to get this off the ground.”

Head of global retail division, consumer electronics

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 five 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 global, multimillion-dollar B2C organization provides sales, customer

support, and service/warranty support for its high-end specialist products. The composite organization has a strong brand, global operations, a large employee base of 1,500 workers, and an online and offline presence.

Deployment characteristics. The composite organization has global operations across four regions and 12 specialist sales consultants using the Emplifi Live Commerce platform to begin with, alongside their existing role. As usage increases, it adds up to two additional dedicated sales consultants every year.

Key Assumptions

- Large, high-end specialist retailer
- \$500 million annual revenue
- 1,500 employees
- Global base across four regions
- Ramps up adding two dedicated users (sales consultants) each year

Analysis Of Benefits

■ Quantified benefit data as applied to the composite

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Increased revenue from uplift in sales conversion	\$771,120	\$899,640	\$1,028,160	\$2,698,920	\$2,216,994
Btr	Uplift in AOV	\$322,560	\$376,320	\$430,080	\$1,128,960	\$927,370
Ctr	Sales consultant efficiencies	\$279,888	\$326,536	\$373,184	\$979,608	\$804,687
	Total benefits (risk-adjusted)	\$1,373,568	\$1,602,496	\$1,831,424	\$4,807,488	\$3,949,051

INCREASED REVENUE FROM UPLIFT IN SALES CONVERSION

Evidence and data. The Emplifi Live Commerce solution allowed the interviewees' organizations to filter the customer calls diverted to their specialist sales consultants. More and more shoppers are now researching goods online and so have more-focused and specific questions for the specialist product sales consultants.⁴ Customers want the ability to order and complete their transactions at any stage of their buying path.⁵ Once the sales consultant answers the customer's queries, they are in a much better position to close a sale. Emplifi Live Commerce allowed the interviewed organizations' sales consultants to discuss and demonstrate products, on-demand, to a customer who was already considering a purchase online. The additional leverage and sales pitch from a sales consultant help to close more sales than a customer browsing the website independently on their own.

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

- Each specialist sales consultant attends to 4,000 customer calls per year.
- The targeted use of the Emplifi Live Commerce platform increases the number of sales closed by

20% versus the original 2% of customer traffic from the website visits.

- The composite average sales order value is \$1,500, with the annual operating margin of 10%.
- Two additional dedicated sales consultants are employed, across the business, to answer Emplifi Live Commerce customer calls in Years 2 and 3.
- Forrester applies an attribution of 70% of the increase in sales conversion to the Emplifi Live Commerce platform.

“It’s definitely a conversion tool. Most people who contact you are fairly informed and further down the purchasing funnel. The conversion rate from a call-to-sale ratio is in line with that of the showroom. So it’s more like a showroom experience than the web experience.”

Chief digital officer, custom bike manufacturer

Risks. Potential risks that can impact the benefit are:

- Variations in customer call traffic from company to company across the platform.
- The average order value and operating margin of a company.
- The number of and abilities of sales consultants (reps) using the Emplifi Live Commerce platform.
- The attribution to the Emplifi Live Commerce tool and uplift amount on the original sales conversion rate.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$2.20 million.

“The size of the sales are proportionate to our best performance stores. It’s like having a whole new showroom, but digital.”

Chief digital officer, custom bike manufacturer

Increased Revenue From Uplift In Sales Conversion					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Annual online customer call traffic per sales consultant	Interviews	4,000	4,000	4,000
A2	Sales conversion uplift due to Emplifi Live Commerce per sales consultant (20%)	Interviews	20%	20%	20%
A3	Sales conversion over website only (2%)	Interviews	2%	2%	2%
A4	Average sales value	Interviews	\$1,500	\$1,500	\$1,500
A5	Emplifi Live Commerce sales consultants	Composite	12	14	16
A6	Operating margin	Interviews	10%	10%	10%
A7	Attribution to Emplifi Live Commerce	Interviews	70%	70%	70%
At	Benefit on revenue from uplift in sales conversion	$A1*(A2-A3)*A4*A5*A6*A7$	\$907,200	\$1,058,400	\$1,209,600
	Risk adjustment	↓15%			
Atr	Increased revenue from uplift in sales conversion (risk-adjusted)		\$771,120	\$899,640	\$1,028,160
Three-year total: \$2,698,920			Three-year present value: \$2,216,994		

UPLIFT IN AOV

Evidence and data. The interviewees reported that they also experienced an increase in the average order value a customer spent on an Emplifi Live Commerce call, set against other calls or customer exchanges. Every opportunity a sales consultant was presented with was an opportunity for them not only to close a sale but upsell too, in comparison to a customer independently shopping alone, online. This could be down to many factors, but the interviewees felt the rapport and trust a credible sales consultant built up over a video call was as close proximity that they could get to an in-store consultation experience.

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

- Forrester applies an increase in Average Order Value (AOV) by 40% and attributes 70% of this increase down to the Emplifi Live Commerce platform.

- The composite organization’s original AOV is \$1,500.
- Two additional dedicated sales consultants are employed, across the business, to answer Emplifi Live Commerce customer calls in Years 2 and 3.
- 2% of the customer call traffic is closed as a sale.

Risks. The potential risks that can impact the benefit from company to company are:

- The variation in the AOV amount.
- The sales conversion rate per sales consultant. (rep)
- The ability of the sales team, customer stage in their purchasing journey, and product and organization’s customer service offering. Hence, the attribution to the Emplifi Live Commerce platform.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of \$927,000.

Uplift In AOV					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Average order value (AOV)	A4	\$1,500	\$1,500	\$1,500
B2	Increase in AOV	Interviews	40%	40%	40%
B3	Average volume of sales per rep	A1*A3	80	80	80
B4	Number of sales reps	A5	12	14	16
B5	Attribution to Emplifi Live Commerce	Interviews	70%	70%	70%
Bt	Benefit of uplift in AOV	$B1*B2*B3*B4*B5$	\$403,200	\$470,400	\$537,600
	Risk adjustment	↓20%			
Btr	Uplift in AOV (risk-adjusted)		\$322,560	\$376,320	\$430,080
Three-year total: \$1,128,960			Three-year present value: \$927,370		

SALES CONSULTANT EFFICIENCIES

Evidence and data. The interviewees noted how sales consultants spent significantly less time on an Emplifi Live Commerce call than a face-to-face, automated chat bot or phone consultation. Organizations were then able to maximize the utilization of their staff and resources accordingly. Interviewees also stated that online shoppers tend to be more informed now and have more-targeted questions. These queries and product demonstrations were addressed during the Emplifi Live Commerce consultation calls with the customer, so less time was spent following up on admin and emails after.

“Customers really appreciate a personal consultation, which at that level, is not possible via chatbots. It offers another sales channel.”

Marketing and store performance manager, premium home appliance producers

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

- Each specialist sales consultant attends to 4,000 customer calls per year.
- Two additional dedicated sales consultants are employed, across the business, to answer Emplifi Live Commerce customer calls in Years 2 and 3.
- Prior to the Emplifi Live Commerce investment, calls take around 20 minutes, with another 10 minutes spent on follow-up administration.

“The time to answer some customer questions, on average, will be days over email, where it would be minutes with Emplifi Live Commerce.”

Chief digital officer, custom bike manufacturer

- Emplifi Live Commerce calls take 5 to 6 minutes per consultation, with another 5 to 6 minutes on follow-up admin.
- The average fully burdened hourly rate of a specialist sales consultant (rep) is \$20.

Risks. The potential risks that can impact the benefit will vary from company to company. These are:

- The sales teams’ ability and the customer’s stage in their purchasing journey. Also, the organization’s available product information and customer service offering. (This will affect the amount of time initially spent on a consultation call).
- Variations in the customer call traffic across the platform from company to company.
- The admin procedures and protocols for customer calls of a company.
- The variation in hourly rates and salaries of sales consultants.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV of \$805,000.

Sales Consultant Efficiencies					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Number of customer consultations per sales consultant	A1	4,000	4,000	4,000
C2	Average time spent on consultation (no- Emplifi Live Commerce) per sales consultant (hrs.)	Interviews	0.33	0.33	0.33
C3	Average time spent on follow-up admin of consultation (non-Emplifi Live Commerce) per sales consultant (hrs.)	Interviews	0.17	0.17	0.17
C4	Average time spent on consultation (Emplifi Live Commerce) per sales consultant (hrs.)	Interviews	0.08	0.08	0.08
C5	Average time spent on follow-up admin of consultation (Emplifi Live Commerce) per sales consultant (hrs.)	Interviews	0.08	0.08	0.08
C6	Number of sales consultants on Emplifi Live Commerce consultations	A5	12	14	16
C7	Average fully burdened hourly rate of sales consultants	Assumption	\$20	\$20	\$20
C8	Total cost saving of time saved on consultations over Emplifi Live Commerce	$C1*((C2+C3)-(C4+C5))*C6*C7$	\$329,280	\$384,160	\$439,040
Ct	Sales consultant efficiencies	C8	\$329,280	\$384,160	\$439,040
	Risk adjustment	↓15%			
Ctr	Total benefit of sales consultant efficiencies (risk-adjusted)		\$279,888	\$326,536	\$373,184
Three-year total: \$979,608			Three-year present value: \$804,687		

“It’s not just a transaction of just getting that question answered, it’s an experience in itself; I believe we have lower cancellations, lower returns, and higher satisfaction scores because of that connection.”

— Chief digital officer, custom bike manufacturer

UNQUANTIFIED BENEFITS

Additional benefits that customers experienced but were not able to quantify include:

- **New sales channel offering and increased customer reach.** The interviewees' organizations use Emplifi Live Commerce to extend their customer reach beyond their local customers, who could visit the store. The Emplifi Live Commerce video shopping experience offers customers another means to purchase products over its other avenues, such as physically in-store or over the phone.
- **A shortened sales cycle.** Customers are able to have their questions answered much more quickly, reducing the consideration and buying duration time of a customer's purchasing decisions. The interviewees' organizations realize revenues quicker and adapted to industry changes faster. Interviewees reported that this was due to a better customer experience being offered.
- **A better sales interaction and seamless customer journey offering.** The Emplifi Live Commerce video platform allows for a better customer experience (CX) and a more proactive sales experience, than a customer independently browsing on their own. Offering a more personable interaction from a specialist sales consultant not only improves a customer's experience but also extends the scope for further sales opportunities, especially over a seamless digital journey.
- **Better customer data insights.** The data insight captured by Emplifi Live Commerce and the sales consultants provides valuable insights to the interviewed organizations, about their customer base and shopping behaviors. This intel is used to make more-informed investment and strategic decisions such as where to focus efforts and resources to grow their clientele, how

to improve customers' shopping experiences, and consider opening up a virtual store.

“It just makes the conversation on internal investment a lot easier when we think about physical spaces. We can support both the physical and the online world with a single person or a couple of people in the dedicated space.”

*Head of global retail division,
consumer electronics*

FLEXIBILITY

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

- **Investments in the virtual retail space.** For some of the interviewees' organizations, the highest operating costs for physical stores was staffing. Physical stores were heavily reliant on the footfall, and the e-commerce retails sector is moving more toward a proactive engagement of their clientele. Emplifi Live Commerce provides retailers with a more efficient use of their physical spaces and maximizes their customer reach. Emplifi Live Commerce provides retailers with the insight to understand what their virtual retail space should look like. Promotions and virtual events over the Emplifi Live Commerce platform, for live product launches (as well as social media channels), allow the organizations to use their consumer data to know where to focus resources and investments, introduce social shopping

experiences, and evolve more with their customers' behavior.

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
Dtr	Ongoing platform management cost	\$0	\$77,000	\$187,000	\$297,000	\$561,000	\$447,686
Etr	License cost	\$0	\$151,200	\$163,800	\$176,400	\$491,400	\$405,358
Ftr	Total upfront and implementation costs	\$91,770	\$0	\$0	\$0	\$91,770	\$91,770
Gtr	Total hardware costs	\$22,000	\$0	\$2,200	\$2,200	\$26,400	\$25,471
Htr	Total cost of training sales staff on Emplifi Live Commerce	\$0	\$1,008	\$1,176	\$1,344	\$3,528	\$2,898
	Total costs (risk-adjusted)	\$113,770	\$229,208	\$354,176	\$476,944	\$1,174,098	\$973,183

ONGOING PLATFORM MANAGEMENT COST

Evidence and data. Although this is discretionary, the interviewees recommended having at least one FTE to manage the Emplifi Live Commerce platform and supervision of the sales avenue. As the application of the Emplifi Live Commerce platform grew, so did the number of dedicated users (specialist sales consultants).

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

- The composite company has one FTE for ongoing management of the Emplifi Live Commerce platform with an assumed fully burdened salary of \$70,000 per year.
- Two additional sales consultants are employed, across the business, specifically to answer Emplifi Live Commerce customer calls in Years 2 and 3.
- Each specialist sales consultant has an average fully burdened salary of \$50,000 per year.

Risks. The potential risks that can impact this total ongoing management cost are:

- The company's requirements to have a fully dedicated manager for the Emplifi Live Commerce platform.
- The growth and requirements of servicing the Emplifi Live Commerce call volume and additional dedicated staff needed.
- Variations in the fully burdened salaries of employees from company to company.

“We have recruited an FTE of a big-deal delivery manager. This will be their responsibility for managing and owning this service going forward.”

Retail operations manager, clothing, home, and food retailer

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 \$448,000.

Ongoing Platform Management Cost						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
D1	Number of FTEs to manage Emplifi Live Commerce	Interviews		1	1	1
D2	Fully burdened cost of FTE	TEI Standard		\$70,000	\$70,000	\$70,000
D3	Additional sales staff recruited specifically for Emplifi Live Commerce	Composite		0	2	4
D4	Average fully burdened sales salary	TEI Standard		\$50,000	\$50,000	\$50,000
Dt	Total cost for ongoing management of Emplifi Live Commerce	$(D1 \cdot D2) + (D3 \cdot D4)$	\$0	\$70,000	\$170,000	\$270,000
	Risk adjustment	↑10%				
Dtr	Total cost for ongoing platform management of Emplifi Live Commerce (risk-adjusted)		\$0	\$77,000	\$187,000	\$297,000
Three-year total: \$561,000			Three-year present value: \$447,686			

LICENSE COST

Evidence and data. The interviewees explained that the Emplifi Live Commerce pricing model worked off a combination of master regional licenses and concurrent user subscriptions. They also explained how, as their application of the Emplifi Live Commerce platform grew, they added more dedicated users to take Emplifi Live Commerce calls.

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

- Two additional sales consultants are employed, across the business, specifically to answer Emplifi Live Commerce customer calls in Years 2 and 3.
- The composite company has a master license in each of its four regions with two additional concurrent user subscriptions per region.

Risks. The potential risks that can impact the license and subscription costs can vary from company to company. The total cost of licensing and subscription can range with:

- The number of regions in which a company would like to place Emplifi Live Commerce (based on the location of sales consultants)
- The number of concurrent user subscriptions a company would like to place Emplifi Live Commerce with and how they want to ramp up the users with the application of the Emplifi Live Commerce platform

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$405,000.

License Cost						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	Number of concurrent users	A5		12	14	16
E2	Regions	Composite		4	4	4
Et	License cost	Composite	\$0	\$144,000	\$156,000	\$168,000
	Risk adjustment	↑5%				
Etr	License cost (risk-adjusted)		\$0	\$151,200	\$163,800	\$176,400
Three-year total: \$491,400			Three-year present value: \$405,358			

UPFRONT AND IMPLEMENTATION COSTS

Evidence and data. The interviewees reported that an initial set-up fee was charged by Emplifi Live Commerce per master region in which they wanted to set up. They also explained that some internal implementation effort on their side was required. An internal team was deployed in addition to their main duties, for the initial implementation.

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

- The composite organization deploys an internal team of five existing FTEs. Roles range from IT, digital, and software technicians and a project manager.
- Six weeks are spent on the implementation deployment across the four regions.

Risks. The potential risks that can impact the total implementation and set-up costs are:

- The availability and ability of a company’s internal resources for implementation.
- The number of staff required for implementation.
- Variations in the fully burdened salaries of the employees required for implementation from company to company.

- The processes and requirements of a company installing and integrating a new platform with their website and systems.
- The number of regions in which a company wishes to use Emplifi Live Commerce.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$92,000.

Total Upfront And Implementation Costs						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Upfront set-up per region	Interviews	\$6,600			
F2	Number of regions	Composite	4			
F3	Average cost of fully burdened team of five, involved in six-week implementation	Interviews	\$61,000			
Ft	Total upfront and implementation costs	$(F1 \cdot F2) + F3$	\$87,400	\$0	\$0	\$0
	Risk adjustment	↑5%				
Ftr	Total upfront and implementation costs (risk-adjusted)		\$91,770	\$0	\$0	\$0
Three-year total: \$91,770			Three-year present value: \$91,770			

HARDWARE COSTS

Evidence and data. The interviewees proposed that an initial spend toward mobile devices, web cams, gimbles, microphones, and various other hardware was paid out. This was not a requirement but a factor they felt would best support the Emplifi Live Commerce consultation calls.

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

- The composite organization spends an initial \$20,000 toward hardware to be used to take the Emplifi Live Commerce calls.
- Total hardware costs per specialist sales consultant is \$2,000.

Risks. The potential risks that can impact the total spend on hardware are:

- Whether a company requires new hardware and devices for its sales consultants to take Emplifi Live Commerce calls.
- The variation and requirements for additional staff to have their own new hardware to take Emplifi Live Commerce calls.

- Replacement and upgrades on the hardware being used for Emplifi Live Commerce calls.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$25,000.

Total Hardware Costs						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
G1	Initial hardware costs	Interviews	\$20,000			
G2	Hardware costs per sales rep	G1/A5		\$2,000	\$1,000	\$1,000
G3	Additional sales staff	$D3(Y_n) - D3(Y_{n-1})$		0	2	2
Gt	Total hardware costs	$G1 + (G2 * G3)$	\$20,000	\$0	\$2,000	\$2,000
	Risk adjustment	↑10%				
Gtr	Total hardware costs (risk-adjusted)		\$22,000	\$0	\$2,200	\$2,200
Three-year total: \$26,400			Three-year present value: \$25,471			

TRAINING COSTS

Evidence and data. Sales consultants required minimal time and effort to be trained on the Emplifi Live Commerce platform. Altogether, specialist sales consultants and additional staff, to take the calls during vacation cover, were trained on using the features of Emplifi Live Commerce.

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

- One additional staff member is required to be trained on the Emplifi Live Commerce platform per user.
- 2 hours are spent on initial and refresher training for the users (staff) on the Emplifi Live Commerce platform.
- The average fully burdened hourly rate of a specialist sales consultant is \$20.

Risks. The potential risks that can impact the cost of training are:

- The ability and sophistication of users of the Emplifi Live Commerce platform.
- The number of users required to be trained on the Emplifi Live Commerce platform and the level

to which the company requires them to be trained as well as the frequency.

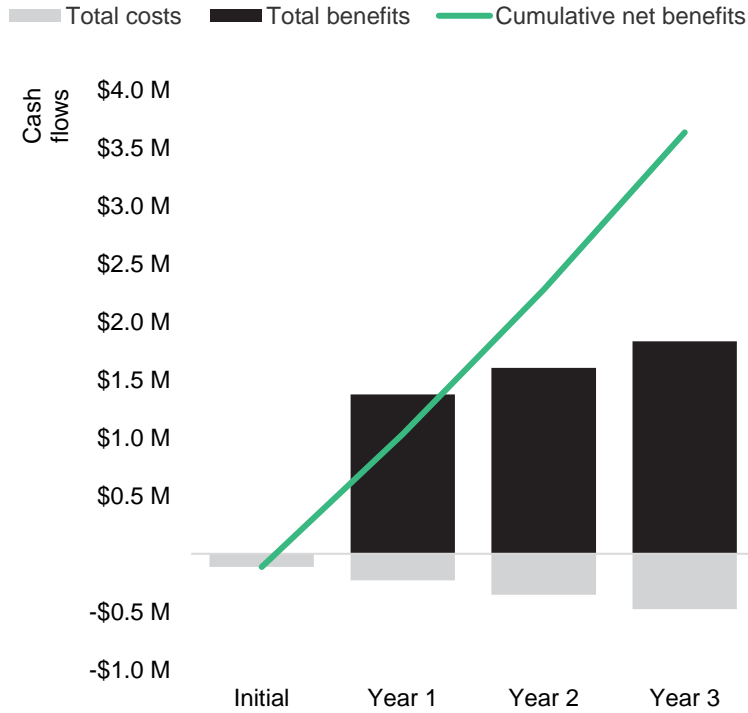
Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$3,000.

Training Costs						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
H1	Number of staff to be trained on Emplifi Live Commerce	A5*2	0	24	28	32
H2	Average hourly rate of sales staff	C7	\$20.00	\$20.00	\$20.00	\$20.00
H3	Time spent on training	Interviews	2	2	2	2
Ht	Total cost of training sales staff on Emplifi Live Commerce	H1*H2*H3	\$0	\$960	\$1,120	\$1,280
	Risk adjustment	↑5%				
Htr	Total training costs (risk-adjusted)		\$0	\$1,008	\$1,176	\$1,344
Three-year total: \$3,528			Three-year present value: \$2,898			

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	(\$113,770)	(\$229,208)	(\$354,176)	(\$476,944)	(\$1,174,098)	(\$973,183)
Total benefits	\$0	\$1,373,568	\$1,602,496	\$1,831,424	\$4,807,488	\$3,949,051
Net benefits	(\$113,770)	\$1,144,360	\$1,248,320	\$1,354,480	\$3,633,390	\$2,975,868
ROI						306%
Payback period (months)						<6

Appendix A: Total Economic Impact

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

TOTAL ECONOMIC IMPACT APPROACH

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

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

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

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

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



PRESENT VALUE (PV)

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



NET PRESENT VALUE (NPV)

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



RETURN ON INVESTMENT (ROI)

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



DISCOUNT RATE

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



PAYBACK PERIOD

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

Appendix B: Endnotes

¹ Source: Allie Decker, “Showrooming and Webrooming: How They Can Help Your Business Grow,” November 30, 2021 (<https://www.shopify.com/retail/showrooming-webrooming>).

² 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.

³ Source: “Research Overview: Omnichannel Requires A Buffet Of Tech Solutions,” Forrester Research, Inc., February 4, 2021.

⁴ Source: “The Future Of Retail, eCommerce, And Marketplaces In Europe In The Wake Of COVID-19,” Forrester Research, Inc., August 11, 2020.

⁵ Source: “It’s Time For Retail Stores To Open Their Doors To The Digital Org,” Forrester Research, Inc., August 28, 2020.

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