

The Total Economic Impact of the **Magento Enterprise** eCommerce Platform

Overview

A commissioned **Total Economic Impact** study conducted by Forrester Consulting on behalf of Magento assessed the quantitative and qualitative business impact of adopting **Magento Enterprise** on an organization.



Based on interviews with five Magento merchants who migrated from various other solutions, Forrester created a composite merchant with \$40m in annual online sales and analyzed the main costs, revenue lift, and ROI attributable to the Magento platform.

As the study summarizes, **“Overall, we found that Magento Enterprise provided the interviewed merchants with a stable, scalable, flexible platform that contributed to their incremental online revenue growth.”**

Total Economic Impact*

“Magento Enterprise Enables A Scalable eCommerce Platform That Drives Businesses’ Growth”

For a hypothetical composite merchant with \$40 million in online sales and operates both brick-and-mortar stores as well as its eCommerce website, the study found that with the Magento Enterprise eCommerce platform the composite merchant experienced the three-year risk-adjusted costs and benefits shown in the below table:

ROI	Payback Period (months)	Total Benefits (present value)	Total Costs (present value)	Net Present Value
159%	5.8	\$4,594,156	(\$1,773,730)	\$2,820,426

Revenue Uplift*

“The composite merchant experiences an average revenue uplift of 17.3%. Of this, **20% is attributed directly to the Magento platform.** We note that the **interviewed merchants attributed between 10% and 80% of their revenue uplift to the Magento platform.** For the interviewed merchants, revenue uplift was driven by more frequent marketing activities, sales events, and site optimization, which are **enabled by Magento’s features and scalability.**”

Qualitative Benefits*

“The interviewed merchants experienced a variety of qualitative benefits that were considered to be of high value and contributed to the overall success of their Magento deployments. These benefits include:

Scalability and Stability to Meet Traffic Volume

All of the merchants reported that their eCommerce websites scaled to meet business demand without any instability or negative customer experience. This allowed the merchants to increase their marketing activities and hold sales events to drive business growth.

Flexibility to Enable a Broad Range of Functional Requirements

Magento’s extensibility, flexibility, and access to the source code allowed the merchants to control its functionality and adapt the platform to meet their requirements.

Rapid Time-to-Market

The merchants reported initial deployment times from six to nine months. Many factors contributed to variations in deployment time, like overall project scope, amount of resources used, and scope change.

Increased Levels of Marketing Activities

Magento’s ability to integrate with third-party marketing services providers along with the platform’s scalability and functionality allowed the merchants to support more diverse and frequent marketing tactics. This was a major contributor to the overall revenue uplift.”

* Forrester Consulting, The Total Economic Impact Of The Magento Enterprise eCommerce Platform – p. 2, pp. 8-9

To read the full commissioned study conducted by Forrester Consulting, The Total Economic Impact of the Magento Enterprise eCommerce Platform, please go to:
magento.com/TEI