TOTAL ECONOMIC IMPACT

The Total Economic Impact™ Of Amazon Ads Adtech Solutions

A FORRESTER TOTAL ECONOMIC IMPACT STUDY COMMISSIONED BY AMAZON ADS, FEBRUARY 2026

COST SAVINGS AND BUSINESS BENEFITS FOR ADVERTISERS

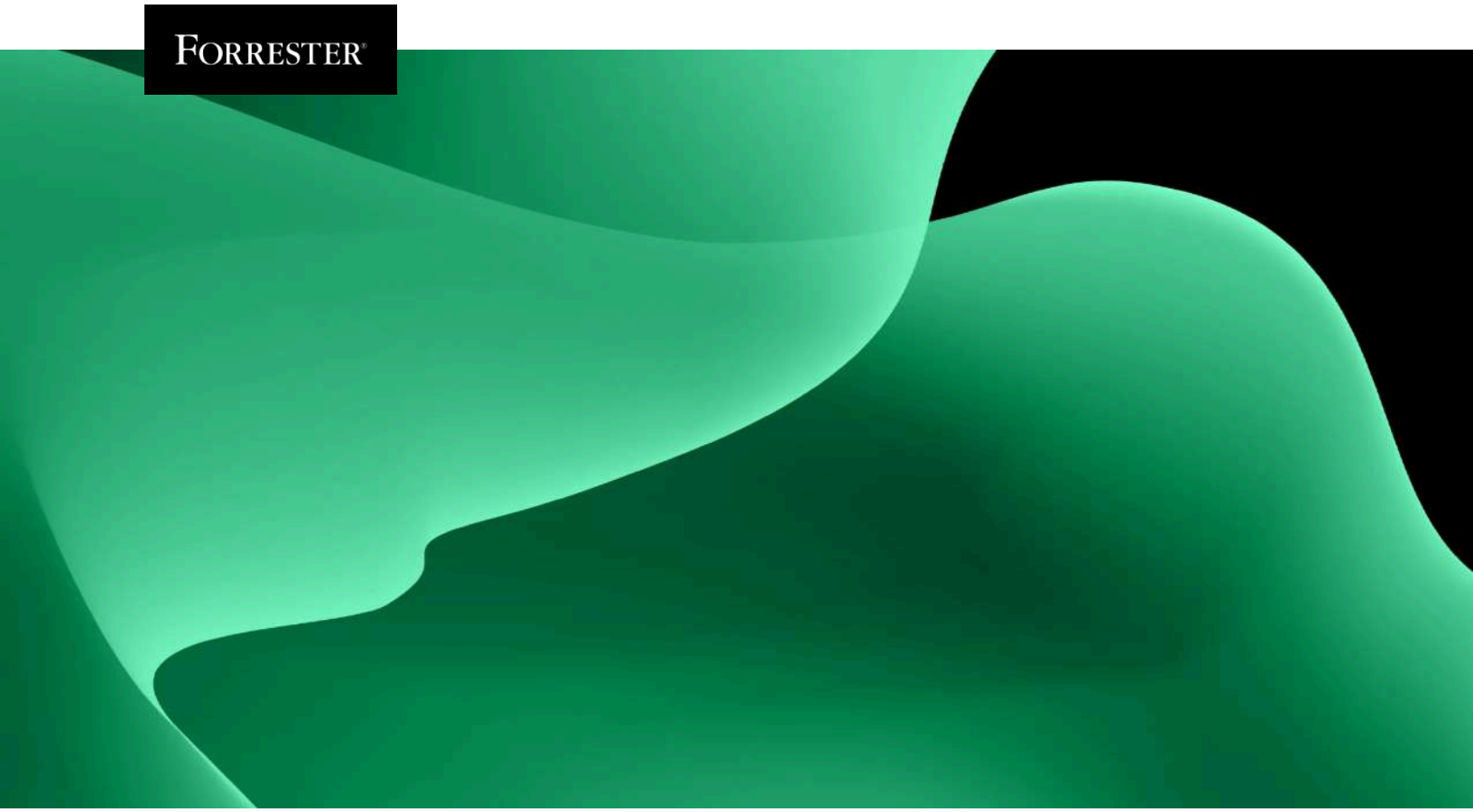


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Executive Summary

Advertisers face various challenges, including unpredictable return on ad spend (ROAS), inefficient advertising workflows, and limited visibility into consumers' nonlinear paths to purchase across channels. With the suite of Amazon Ads adtech solutions, organizations can holistically address these challenges. Amazon Ads connects organizations to premium supply, deep customer understanding, and a broad, authenticated audience to drive end-to-end performance improvements.

Amazon DSP is an integral part of Amazon Ads adtech solutions, which includes Amazon Marketing Cloud (AMC), Amazon Publisher Services (APS), Amazon Publisher Cloud (APC), and Amazon Web Services (AWS). The sum of the parts facilitates demand-side and supply-side media transactions along with proprietary cloud computing services that store and analyze datasets across first- and third-party sources to help build and optimize media plans.

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

240%

Return on investment (ROI) for Amazon Ads adtech solutions

To better understand the benefits, costs, and risks associated with this investment, Forrester conducted in-depth interviews with decision-makers at agencies and brands with experience leveraging Amazon Ads adtech solutions. For the purposes of this study, Forrester aggregated the experiences of the interviewees and combined the results into a single composite organization, which is an industry-agnostic (e.g., multiple business lines), enterprise-sized company that advertises with Amazon DSP and has over 5,000 employees.

Interviewees said their organizations had been working with Amazon DSP for at least five years. However, they had not fully leaned into the suite of Amazon Ads solutions or increased investment with them until they reviewed their business operations two to three years ago. Interviewees saw opportunities with Amazon Ads across their organization, including nonendemic business units, to improve their advertising's efficiency and efficacy. In addition, they recognized that Amazon Marketing Cloud's audience signals could help improve their audience targeting by providing insights to create more granular, higher-intent audiences to target throughout the funnel.

Key Findings

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

- **Reducing advertising costs by 30% to 65%.** Amazon DSP enables advertisers at the composite organization to maximize its ad budget and reach a broad, high-intent audience for endemic and nonendemic brands across channels. Enhanced addressability from Amazon Marketing Cloud's audience data helps ensure that ad dollars work hard to engage audiences with relevant messaging, leading to lower average cost per engagement, impressions, and acquisition.
- **Increasing return on ad spending by 30% to 50%.** Advertisers at the composite organization use Amazon Marketing Cloud and Amazon DSP to build custom audiences leveraging Amazon's proprietary, unique audience data. With Amazon DSP, they use this data to better identify customers who are new to the brand and likely to convert. This helps the composite organization generate awareness and consideration beyond existing customers.

- **Time savings on analysis by up to 20%.** Users of Amazon Marketing Cloud at the composite organization leverage its AWS-powered clean room to make correlations between Amazon's first-party audience signals and their organization's own data, enabling them to quickly build granular audiences and engage them with compelling creative. In addition, they effectively automate media planning and buying using Amazon DSP.

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

- **Richer insights from performance analysis.** Advertisers at the composite organization use Amazon Marketing Cloud's granular insights to inform decision-making. Access to sales-level data provides insights into consumers' intent. With Amazon DSP, advertisers can activate these insights to precisely reach and engage incremental customers.
- **Strong opportunity for nonendemic brands.** The breadth of Amazon Ads supply — particularly in streaming TV (STV) — along with premium third-party supply presents an opportunity for nonendemic brands to grow their share of voice and sales. Unique, incisive insights on performance throughout the funnel help nonendemic advertisers at the composite discover new audiences, personalize creative, and build their brands.
- **Continued improvements to the Amazon Ads platform.** Amazon Ads continues updating its solutions with new features to improve buyers' and sellers' UX. Thoughtful, regular updates enable more efficient, effective media planning and buying for the composite.

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

- **Amazon Ads costs.** The composite organization pays a fee when buying ad inventory on Amazon DSP and for Amazon Marketing Cloud's first-party audience data.
- **Training costs.** Users of Amazon Ads adtech solutions spend the equivalent of one day's worth of time learning how to use the solutions and applying best practices to leverage audience data.

The financial analysis that is based on the interviews found that a composite organization experiences benefits of $16.8 million over three years versus costs of $4.9 million, adding up to a net present value (NPV) of $11.8 million and an ROI of 240%.

Key Statistics

240%

Return on investment (ROI)

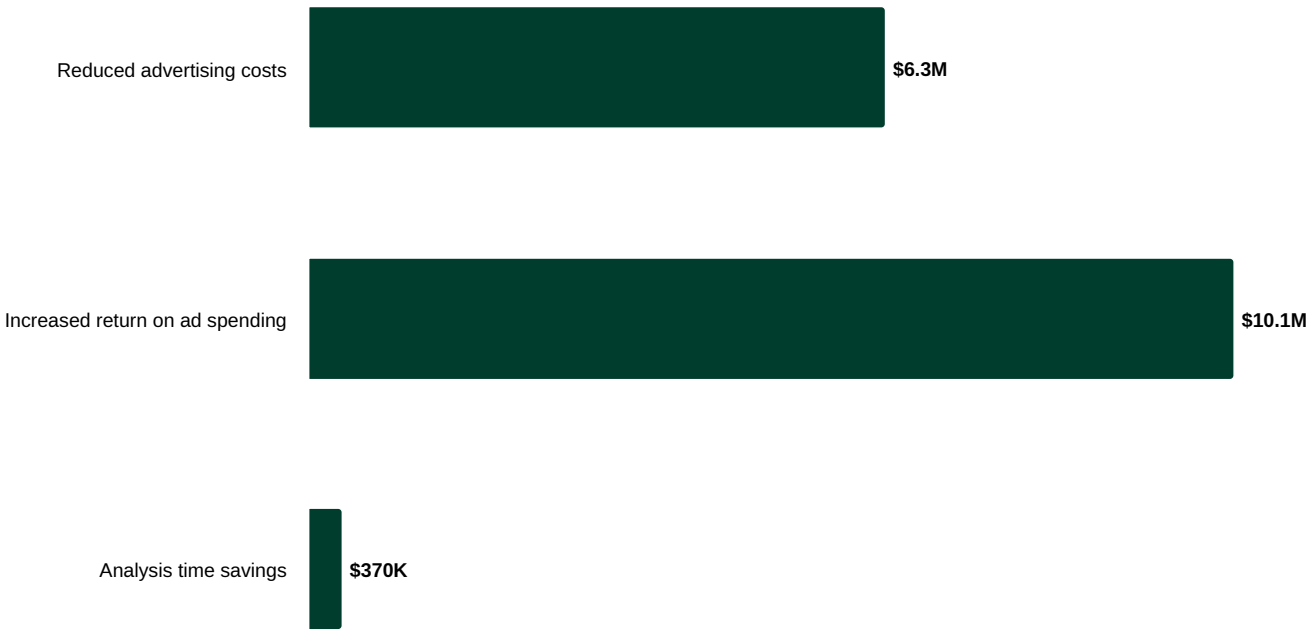
$16.7 million

Benefits PV

$11.8 million

Net present value (NPV)

Benefits (Three-Year)



The Amazon Ads Customer Journey

Drivers leading to the adtech solution investment

Interviews			
Role	**Industry**	**Region**	**Number Of Employees**
Head of partnerships	Agency	HQ in North America, global operations	<1,000
Senior director of strategic marketplace services	Agency	HQ in North America, global operations	1,000+
Global programmatic lead	Agency	HQ in North America, global operations	8,000+
Associate director of Amazon marketing	CPG	HQ in North America, global operations	8,000+
Digital media manager; digital media specialist	Insurance	HQ in North America	60,000+
Global retail media director	CPG	HQ in Western Europe, global operations	90,000+

Key Challenges

Interviewees were working with Amazon Ads for at least five years, but didn't fully leverage adtech solutions from Amazon Ads until their organizations needed help addressing various challenges like:

- **Concerns over wasted media spend.** Interviewees said advertisers allocated millions of dollars to various DSPs but would question if their budget was being spent wisely. Concerns included their ads appearing on low-quality made-for-advertising (MFA) sites as well as the ability of DSPs to reach new-to-brand customers that were hard to identify and persuasively address. The associate director of Amazon marketing at a CPG company said: "You can hit a point of diminishing return if you're focusing on that low-hanging fruit customer vs. growing your brand, and that was happening with other teams heavily investing in search and reaching a point of diminishing return. We needed more visibility into what was going on to move customers through the funnel."

> *"When you have big platforms with large sets of end users, you want to be able to target segments. However, it's a challenge to use proprietary first-party data to help analyze how to increase incremental reach."*
>
> **Head of partnerships, agency**

- **Leveraging customer data to effectively target audiences.** While interviewees worked with a mix of ad platforms, they did not want to regularly carry out clean room work on datasets for each partner given the bandwidth and oversight that requires. There were also concerns about consumers' data privacy when engaging with multiple partners on data clean room work. Interviewees wanted to work with one advertising solution's clean room that was secure and offered a large amount of data to commingle with their customer data to better target audiences.
- **Increasing DSP transaction fees.** Interviewees also felt pressure to explore their options with ad partners based on some of the fees they paid out of revenue generated. Although they frequently negotiated to improve these rates, interviewees wanted to see if they could extend the impact of their ad spend and do much more with less.

Investment Objectives

The interviewees set several goals in expanding usage of Amazon Ads adtech solutions, including:

- Increase the efficiency of ad dollars spent for greater reach, optimized frequency, and cost-effectiveness.
- Improve advertising's relevancy to engage customers throughout the funnel.
- Leverage audience insights to build confidence in budget allocation decisions.

> *"In the next 12 months, we're leading pilots with clients to show that Amazon Ads has done the necessary integrations with third parties, measurement solutions, and the SSPs [supply-side platforms] they care about. It's now foolproof to recommend as a full-funnel DSP vs. just commerce components."*
>
> **Global programmatic lead, agency**

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' organizations, 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 global, industry-agnostic (multiple business lines), enterprise-sized company with over 5,000 employees. For at least five years, it has been allocating some budget to Amazon DSP, primarily for endemic brands. The organization is looking to expand its relationship with Amazon Ads to better leverage Amazon's data, insights for superior performance, and its reach across the open internet.
- **Deployment characteristics.** The composite organization allocates more budget to Amazon DSP, for both endemic and nonendemic brands, on guaranteed and nonguaranteed deals to increase reach. Amazon Marketing Cloud is adopted to build high-intent audiences as well as analyze performance across channels.

KEY ASSUMPTIONS

- Global organization
- Industry agnostic
- 5,000+ employees

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	Reduced advertising costs	$810,000	$2,700,000	$4,387,500	$7,897,500	$6,264,162
Btr	Increased return on ad spending	$1,620,000	$4,320,000	$6,750,000	$12,690,000	$10,114,350
Ctr	Analysis time savings	$101,250	$151,875	$202,500	$455,625	$369,703
	Total benefits (risk-adjusted)	$2,531,250	$7,171,875	$11,340,000	$21,043,125	$16,748,215

Reduced Advertising Costs

Evidence and data. Interviewees identified that the adtech suite from Amazon Ads, which is comprised of its DSP and Amazon Marketing Cloud, helped their organizations reach a broad, incremental audience for both endemic and nonendemic brands across Amazon's owned and operated channels and premium third-party supply. Native connections from AWS to publisher supply and the breadth of Amazon's omnichannel inventory encouraged interviewees to increase ad spend with Amazon DSP. The associate director of Amazon marketing at a CPG organization said: "They are getting more full funnel with marketing, which you cannot do with a lot of other retail platforms. Amazon's media side is a marketer's dream because you can attribute sales to within that funnel. ... The wealth of information you have on an Amazon consumer and their reach level is huge; it gives you the proof to validate sales audiences."

The head of partnerships at an agency also identified Amazon Ads' access to inventory beyond Amazon's owned and operated channels as a significant advantage. The interviewee said, "For a publisher with the kind of resources [Amazon Ads has] and the data and tech, it's a huge opportunity for us to leverage."

> *"Clients have leaned in in a big way. We've seen clients reallocate spend away from other channels and DSPs to move it toward Amazon Ads, primarily CTV [connected TV] platforms. In the mid- and upper-funnel, clients are beating performance goals by working with Amazon Ads."*
>
> **Head of partnerships, agency**

Amazon Marketing Cloud, where advertisers can leverage Amazon's first-party data, amplifies the reach of Amazon Ads. Advertiser interviewees matched their own data to the unique signals of Amazon Ads to build high-intent audiences for targeting. They also used Amazon Marketing Cloud to implement frequency caps to ensure those exposed to a campaign weren't inundated. The global programmatic lead at an agency said: "Amazon Marketing Cloud identified our optimal frequency cap for audiences. We found the sweet spot to expose subsets of users to ads and save money to be reinvested elsewhere and drive the same results."

Interviewees also appreciated Amazon's competitive platform fees, which helped their organizations maximize their budgets' impact. The senior director of strategic marketplace services at an agency said, "Amazon's fees are a cost-effective lever that's growing adoption of the Amazon DSP among clients because the direct publisher deals are helping with business cost management." Along with attractive platform fees, interviewees recognized that Amazon included access to features like bid

shading and postbid reporting without additional charges, unlike other platforms. Avoiding incremental charges allowed budget to be reallocated towards more performant media.

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

- The enterprise-sized organization allocates $150 million toward advertising. Advertising that can be optimized, which consists of paid media that doesn't reach or engage audiences, represents 20% of this ad spend.

30% to 65%

Reduction in advertising costs through improved ad spending efficiency with Amazon DSP

- In Year 1, the composite organization allocates 10% of its ad spend to Amazon DSP. The organization sees a 30% improvement in how efficient its ad dollars are in reaching a broader, higher-intent audience. Based on this improvement, the organization increases its ad budget with Amazon DSP to 20% in Year 2 and 25% in Year 3. As the organization builds more audiences with Amazon Marketing Cloud and applies insights to improve performance, the efficiency of ad spend rises to 50% in Year 2 and 65% in Year 3 as it averages lower cost per engagement, impressions, and acquisition.

Risks. Differences across organizations that may impact this benefit include the following:

- The total ad budget and level of investment in Amazon DSP over time.
- The share of ad dollars that are ineffective and available room for improvement.

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 $6.3 million.

Reduced Advertising Costs					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
A1	Total advertising budget	Composite	$150,000,000	$150,000,000	$150,000,000
A2	Average percentage of advertising that can be optimized across total ad budget	Composite	20%	20%	20%
A3	Total optimizable ad budget	A1*A2	$30,000,000	$30,000,000	$30,000,000
A4	Percentage of advertising budget that goes toward Amazon DSP	Composite	10%	20%	25%
A5	Percentage improvement on ad spend efficiency with Amazon DSP	Interviews	30%	50%	65%
At	Reduced advertising costs	A3*A4*A5	$900,000	$3,000,000	$4,875,000
	Risk adjustment	↓10%			
Atr	Reduced advertising costs (risk-adjusted)		$810,000	$2,700,000	$4,387,500
	Three-year total: $7,897,500		**Three-year present value: $6,264,162**		

Increased Return On Ad Spending

Evidence and data. The suite of Amazon Ads adtech solutions helped interviewees' organization enhance the performance of advertising campaigns. In addition to leveraging the breadth of reached offered by Amazon DSP, advertisers leaned on Amazon Marketing Cloud to create audiences based on strong signals of intent. The global programmatic lead at an agency shared that targeting more precise audiences led to robust lift across key metrics for a CPG client, particularly around video channels,

including purchases and product page views. These metrics increased by as much as four times compared to baseline performance.

The head of partnerships at an agency detailed how they leveraged live events on Amazon Prime Video to customize a campaign to different audiences based on geography and time of day, even while the audiences were watching the same live program. They noted that Amazon "crushed it" across sectors, including financial service providers and quick-service restaurants. In one instance, precise audience targeting with Amazon Ads delivered a 35% to 40% lift in conversions.

> *"We're using audience signals in Amazon Marketing Cloud to build custom audiences which is driving prospecting on new users and what impact that will have on ROAS. … We've worked to productize our use of AMC for targeting within Amazon DSP and for measurement because we have started seeing such strong lift results across key metrics."*
>
> **Global programmatic lead, agency**

There are many factors that influence ROAS and interviewees used Amazon Marketing Cloud for metrics beyond ROAS to gauge if they were meeting performance goals. The senior director of strategic marketplace services at an agency said: "Amazon Marketing Cloud has helped provide more information to make smarter decisions on how we view performance. With our clients starting to invest more in DSP and seeing high returns, it might come from retargeting loyal or 'likely to buy' customers which doesn't necessarily mean you're growing business. AMC has changed our ability to understand 'new to brand' customers who aren't actively shopping and how well we're doing in bringing them into the brand ecosystem to consider making a purchase."

This interviewee also looked at these metrics across the funnel with Amazon Marketing Cloud. For example, they reviewed how likely a customer was to convert if exposed to an ad two or three times. A key takeaway was that, if an individual was exposed to Amazon DSP and online video ads then a sponsored product ad, it had a halo effect on conversion rates. In one example shared, a fashion brand saw a nearly 60% increase in sales from new-to-brand customers.

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

- The total ad budget allocated to Amazon DSP starts at $15 million in Year 1 and grows each year as the organization expands its business with Amazon Ads, reaching $37.5 million in Year 3.
- The average return on ad spend for every dollar spent at the composite organization is $4.

30% to 50%

Increase in return on ad spending with Amazon Ads

- The return on ad spending increases by 30% in Year 1 and further improves to 50% in Year 3 as advertisers see more new-to-brand purchases, conversions, and identify audiences with a high propensity to convert.
- A profit margin of 10% is applied to the revenue results.

Risks. Differences across organizations that may impact this benefit include the following:

- Overall average ad spend at the organization.
- Changes in costs for advertising, including CPC and CPM rates, can influence returns.

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 $10.1 million.

Increased Return On Ad Spending					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
B1	Total ad budget with Amazon DSP	A1*A4	$15,000,000	$30,000,000	$37,500,000
B2	Average ROAS for every dollar spent	Composite	$4	$4	$4
B3	Percentage increase in ROAS with Amazon DSP	Interviews	30%	40%	50%
B4	ROAS with Amazon DSP	B2+(B2*B3)	$5.20	$5.60	$6.00
B5	Additional revenue with Amazon DSP	(B1*B4)-(B1*B2)	$18,000,000	$48,000,000	$75,000,000
B6	Profit margin	TEI standard	10%	10%	10%
Bt	Increased return on ad spending	B5+B6	$1,800,000	$4,800,000	$7,500,000
	Risk adjustment	↓10%			
Btr	Increased return on ad spending (risk-adjusted)		$1,620,000	$4,320,000	$6,750,000
	Three-year total: $12,690,000			**Three-year present value: $10,114,350**	

Analysis Time Savings

Evidence and data. Interviewees said that alongside supporting stronger ad performance, the Amazon Ads adtech suite drove analytical efficiencies for users. Amazon DSP enabled their users to automate ad buys of first- and third-party inventory and do so with confidence given the insights Amazon Marketing Cloud supplied.

With Amazon Marketing Cloud's AWS-powered clean room, data analysts at the interviewees' organizations spent less time reviewing customer data and performance indicators. The solution helped surface these connections through audience insights from Amazon Ads. This information helped accelerate testing, decision-making, and personalization.

Amazon Marketing Cloud's value proposition of helping advertisers make more informed decisions resonated with interviewees. The digital media manager at an insurance organization said: "Full funnel is something that isn't as common with programmatic buying because we're focused on driving conversions. So the fact that Amazon has the ability to target different strategic layers of the user journey has helped them."

The senior director of strategic marketplace services at an agency shared that they were an early adopter of Amazon Marketing Cloud, leveraging it for the past five years. Over the past two years, it has become common practice to incorporate the solution into Amazon DSP campaigns for every account. Users typically build audience segments like cart abandoners or users who engaged with an ad did not convert to hone lower-funnel performance.

> *"We're frequently finding something of value in almost every AMC segment we build. That's where we have found the most value."*
>
> **Senior director of strategic marketplace services, agency**

Interviewees also relied on information from Amazon Marketing Cloud to identify pockets of underperformance and opportunities for more precise targeting. The global retail media director at a CPG company said: "Amazon has released category insights on Amazon Marketing Cloud that allow us to look at where we stand in a category and our gap in share of the market. Amazon Marketing Cloud allows us to create audiences and make plans to close that gap. With the five-year look-back

window on Amazon Marketing Cloud, I can see if I'm recruiting more people, retaining them, or churning them and if the plan I put in place is moving the needle or not."

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

- There are 50 marketers and data analysts using Amazon Marketing Cloud on a regular basis at the organization.
- Each employee allocates 30% of their time to creating audiences based on unique audience data as well as reviewing advertising's performance.

10% to 20%

Analysis time savings for Amazon Marketing Cloud users

- In Year 1, employees are 10% more productive with data operations. As the employees familiarize themselves with the solution and implement best practices, they experience greater operational efficiency. By Year 3, employees' productivity with data operations increases to 20%.
- The average fully burdened annual salary for these two roles is $150,000.
- The TEI methodology incorporates the assumption that a large group of employees who experience a productivity benefit will rededicate time to additional work and a portion to nonwork. For this time savings benefit, 50% of recouped time will go toward additional work. The other half of time saved enables employees to take longer breaks or work less against tight deadlines, making for an improved employee experience.

Risks. Differences across organizations that may impact this benefit include the following:

- The number of marketers and data analysts as well as the amount of time they spend reviewing data and mapping out their advertising strategy.
- The fully burdened annual salary for the employees.

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 $370,000.

Analysis Time Savings					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
C1	Marketers and data analysts using Amazon Marketing Cloud	Composite	50	50	50
C2	Time spent on creating audiences and reviewing performance	Composite	30%	30%	30%
C3	Analytical productivity improvement with Amazon Marketing Cloud	Interviews	10%	15%	20%
C4	Fully burdened annual blended salary for marketers and data analysts	Composite	$150,000	$150,000	$150,000
C5	Productivity recapture	TEI standard	50%	50%	50%
Ct	Analysis time savings	C1*C2*C3*C4*C5	$112,500	$168,750	$225,000
	Risk adjustment	↓10%			
Ctr	Analysis time savings (risk-adjusted)		$101,250	$151,875	$202,500
	Three-year total: $455,625			**Three-year present value: $369,703**	

Unquantified Benefits

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

- **Richer insights from performance analysis.** Interviewees appreciated the depth of analysis offered, helping their organizations improve decision-making going forward. The head of partnerships at an agency said: "It's impressive what I'm seeing come out of Amazon toward innovation around measurement. We have clients looking at omnichannel measurement, and now we can run a campaign and see how that effects other channels." This interviewee also shared how the user-level data led their organization to pursue advertising on Twitch, which they hadn't previously considered but consumption metrics for a particular audience showed an opportunity their client could benefit from.

> *"No other competitor has Amazon Ads' user-level data to build segments or has access to sales data to help us analyze the path to purchase that customer takes. It adds a whole new dimension that didn't exist in terms of how we can optimize our campaigns and view performance."*
>
> **Senior director of strategic marketplace services, agency**

- **Strong opportunity for nonendemic brands.** Interviewees from agencies and non-CPG organizations relayed how Amazon Ads has moved past the perception of being just for endemic brands. They noted it is now a robust solution for nonendemic brands. The head of partnerships at an agency cited how Amazon Ads' data could be beneficial for nonendemic brands: "Omnichannel measurement [with Amazon Ads] and how channels affect each other has big implications for nonendemic brands. It can be a litmus test for performance across channels." In addition, some interviewees said the growth of Amazon's STV business has driven strong interest among their nonendemic brands. The senior director of strategic marketplace services at an agency said: "The launch of Prime Video with ads is appealing to clients in verticals who don't operate or sell on Amazon because it offers incremental access to reach users. We're seeing the fastest growth of spending on Amazon Ads' inventory among brands that don't sell on Amazon, specifically allocating spend toward streaming TV inventory."
- **Continued improvements to the Amazon Ads platform.** Interviewees noted how Amazon Ads continued to iterate on the accessibility of its DSP and Amazon Marketing Cloud. The addition of features, including Brand+ and Performance+, improved the UX for employees by streamlining workflows through AI-optimized planning and buying; performant advertising only took a few clicks to complete. Interviewees said these enhancements provided advertisers with greater flexibility to efficiently manage ad operations and adapt to shifts in market conditions. The global programmatic lead at an agency said: "They've really listened to feedback on what to do short and long term to improve the sophistication we see from them. I think that Amazon has truly delivered — and I don't say that lightly — based on the volume of platform updates we continue to receive."

Flexibility

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

- **Enhancing advertising performance with Performance+ and Brand+ tools.** These artificial intelligence solutions powered by AWS are part of Amazon DSP, with Performance+ helping drive conversions and Brand+ generating brand awareness. Interviewees said their organizations had ran several tests with Performance+ and were just getting underway with Brand+ tests.

  Performance+ enabled interviewees to set specific goals, including ROAS, that the solution algorithmically delivered. The global retail media director at a CPG organization said: "From what we've seen, Performance+ is delivering on 80% of our objectives. For example, I saw we need to increase ROAS three times as the goal, and the campaign basically delivers that. We're not fully mature with it but we continue to test it." The interviewee added that their organization is looking to implement guardrails to ensure it continues to get these kinds of results, especially as it takes on Brand+.

The outcomes of Performance+ encouraged interviewees' organizations to adopt Brand+. The digital media specialist at an insurance company said, "Performance+ has been really successful for us once we started leveraging it, and that's making us confident about taking advantage of Brand+."
In their organization's use case, they primarily focused Brand+ on upper-funnel activity and Performance+ on lower-funnel advertising.

The global programmatic lead at an agency shared that, while some clients were still cautious about the solutions because they wanted to maintain brand safety, the agency was encouraging clients to use them. They noted: "We're telling clients that these solutions could be an excellent product for them. But they want to control over what inventory they appear on, so we're working on finding the right time for the client to try using these solutions."

> *"It's still early days but Performance+ has been incredible. ... If you're putting Amazon Ads pixels on pages or using their audience signals, the best thing to do is run a Brand+ and Performance+ to drive conversions."*
>
> **Head of partnerships, agency**

Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in Total Economic Impact Approach).

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	Amazon Ads costs		$1,102,500	$2,205,000	$2,756,250	$6,063,750	$4,895,398
Ftr	Training costs		$30,240	$3,024	$3,024	$36,288	$32,262
	Total costs (risk-adjusted)		$1,132,740	$2,208,024	$2,759,274	$6,100,038	$4,927,660

Amazon Ads Costs

Evidence and data. Interviewees reported that, as with other DSP solutions, advertisers paid a fee to Amazon Ads when buying ad inventory through the DSP. Advertisers using Amazon Marketing Cloud's first-party audience data on guaranteed first-party media paid an additional cost for data access.

Modeling and assumptions. Assumed costs for the composite organization are based on the scale of advertising carried out with Amazon DSP, which influences the amount it pays the DSP. The costs for audience insights on guaranteed first-party media are also taken into consideration.

Risks. Costs may not be representative of all experiences and will vary by organization depending on several factors, including:

- Fee rates the organization agreed upon.
- The scale of advertising operations with Amazon Ads.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $4.9 million.

Amazon Ads Costs						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
Dt	Amazon Ads costs	Composite		$1,050,000	$2,100,000	$2,625,000
	Risk adjustment	↑5%				
Dtr	Amazon Ads costs (risk-adjusted)			$1,102,500	$2,205,000	$2,756,250
	Three-year total: $6,063,750			**Three-year present value: $4,895,398**		

Training Costs

Evidence and data. Interviewees noted that Amazon Ads adtech solutions were straightforward to learn given their user-friendly interfaces and workflows. They quickly learned and applied best practices, which streamlined their usage of the platform.

Modeling and assumptions. Assumed costs for the composite organization are based on the following:

- The total number of users. Each user spends the equivalent of a day's worth of time learning how to use Amazon Ads adtech solutions.
- In Years 2 and 3, an additional five employees, including new hires and replacements, each spend a day's worth of time training on Amazon Ads adtech solutions.
- The blended fully burdened hourly rate for a user is $72.

Risks. Costs may not be representative of all experiences and will vary by organization depending on several factors, including:

- The number of users of Amazon Ads adtech solutions and time spent learning them.
- The hourly pay for the users of these solutions.

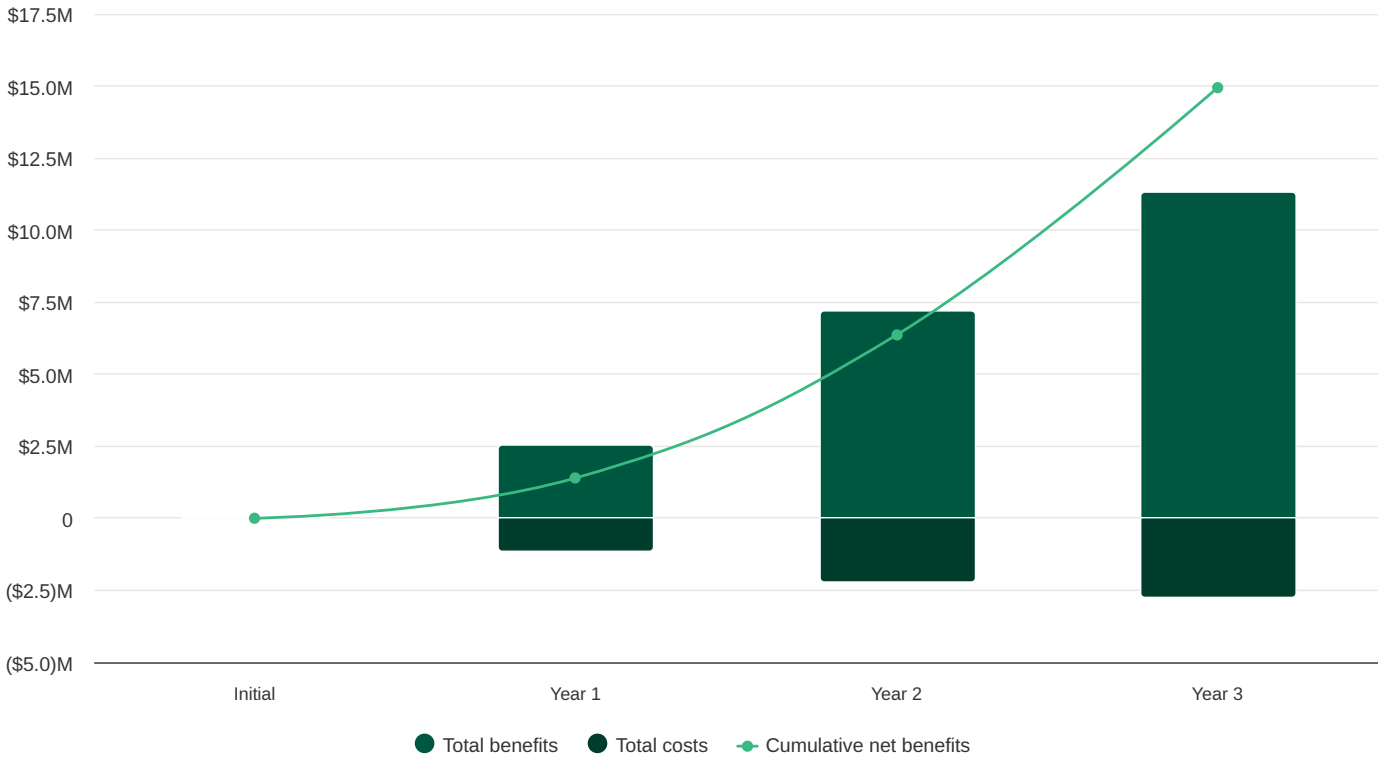
Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $32,000.

Training Costs						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
F1	Advertisers and analysts using Amazon Ads adtech solutions	Composite		50	5	5
F2	Time spent on training with solutions (hours)	Interviews		8	8	8
F3	Fully burdened hourly rate for advertisers and analysts (rounded)	C4/2,080 working hours		$72	$72	$72
Ft	Training costs	F1*F2*F3	$0	$28,800	$2,880	$2,880
	Risk adjustment	↑5%				
Ftr	Training costs (risk-adjusted)		$0	$30,240	$3,024	$3,024
		Three-year total: $36,288			**Three-year present value: $32,262**	

Financial Summary

Consolidated Three-Year, Risk-Adjusted Metrics

Cash Flow Chart (Risk-Adjusted)



Cash Flow Analysis (Risk-Adjusted)						
	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs		($1,132,740)	($2,208,024)	($2,759,274)	($6,100,038)	($4,927,660)
Total benefits		$2,531,250	$7,171,875	$11,340,000	$21,043,125	$16,748,215
Net benefits		$1,398,510	$4,963,851	$8,580,726	$14,943,087	$11,820,555
ROI						240%

Please Note

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.

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.

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 Amazon Ads adtech solutions.

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 Amazon Ads adtech solutions can have on an organization.

Due Diligence

Interviewed Amazon Ads stakeholders and Forrester analysts to gather data relative to Amazon Ads adtech solutions.

Interviews

Interviewed seven decision-makers at six organizations including agencies and brands with experience leveraging Amazon Ads adtech solutions to obtain data about 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.

Glossary

Total Economic Impact Approach

Benefits

Benefits represent the value the solution delivers to the business. The TEI methodology places equal weight on the measure of benefits and costs, allowing for a full examination of the solution's effect on the entire organization.

Costs

Costs comprise all expenses necessary to deliver the proposed value, or benefits, of the solution. The methodology captures implementation and ongoing costs associated with the solution.

Flexibility

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

Risks

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."

Financial Terminology

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

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

Appendixes

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 solution providers in communicating their value proposition to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of business and technology initiatives to both senior management and other key stakeholders.

APPENDIX B

Supplemental Material

Nikhil Lai, The Next Wave: DSPs Become Omnichannel Ad Platforms, Forrester Blogs.

Nikhil Lai, Adtech's Inflection Point Signals More Compelling Customer Experiences, Forrester Blogs.

Case Study: Poppi Is Famous And Full-Funnel, Forrester Research, Inc., January 7, 2025.

APPENDIX C

Endnotes

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

Disclosures

Readers should be aware of the following:

This study is commissioned by Amazon Ads 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 Amazon Ads adtech solutions.

Amazon Ads 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.

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

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