

The Total Economic Impact™ of JW Player

Incremental Earnings and Business Benefits
Enabled by JW Player and Video Intelligence



A Forrester Total
Economic Impact™ Study
Commissioned by JW Player



Say Hello to the Future of Video

Simply put, video is where it's at. From immersive storytelling to interactive advertising, no other medium brings narratives and brands to life like video. But creating outstanding content and managing a video tech stack can be complicated. JW Player empowers publishers around the world to overcome this challenge and make the most of digital video.

This Forrester report is an independent, validated study which details the total economic impact that JW Player provides to video publishers. The report found that clients enjoyed the "JW Player Advantage" of higher ad revenue, more video plays, and reduced operational expenses. On average, the JW Player clients that Forrester interviewed achieved these amazing results:

ROI of 482%

Payback in < 1 month

+\$6.12 improvement on a CPM basis

Ready to make video your #1 revenue source? Let's talk!

Dave Otten

CEO & Co-Founder

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SCHEDULE A DEMO

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A Forrester Total Economic Impact™
Study Commissioned by JW Player
October 2017

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Benefits Enabled By JW Player And
JW Video Intelligence

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PLEASE NOTE THAT JW PLAYER HAS DECLINED TO REVEAL COSTS IN THIS STUDY. FORRESTER OBTAINED COST FIGURES FOR MODELING BUT JW PLAYER DECIDED TO ONLY SHOW THE RESULTING ROI METRIC IN THIS STUDY. READERS CAN CONTACT JW PLAYER FOR FURTHER TRANSPARENCY AND BREAKDOWN INTO COSTS.

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Project Director:
Reggie Lau
October 2017

Executive Summary

JW Player offers video technology and intelligence that helps publishers deliver video, grow audiences, and monetize with advertising.

The benefits of using the JW Player solution in contrast to those of an alternative technology are:

- › ROI of 482%*
- › Payback period: <1 Month
- › Incremental net revenue: +\$5.21 CPM
- › Total Cost Avoidance leading to improved margins: +\$0.91 CPM

“JW Player is easy to use, reliable, and has changed the way we do business. Others don’t provide JW’s level of service and those that do are 2x to 3x the cost.”

Chief Digital Officer, US specialty lifestyle content company



Online video continues to grow as a medium of content consumption. According to a Forrester survey in 2016, 80% of US online adults watch TV programming, films, or short-form content online via a smart device at least once a week, which translates into more than 7 hours of online video watching per person per week¹. Advertising dollars are making a similar transition to online. In fact, Forrester forecasts video ad spend to reach \$18.7 billion in the US by 2020 and make up 63% of US online display advertising².

Publishers are positioned to benefit greatly by engaging audiences with more video content, thus creating more opportunities for monetization. However, many publishers have core competencies in content creation and experience issues implementing online video technology. They reported challenges in deploying an effective online video and advertising solution that could also enable them to scale audience and video growth.

Publishers address these challenges by partnering with JW Player for its online video intelligence and technology. JW Player can increase viewership and ad revenue through the core video player, which includes fast playback and broad integration with advertising technologies. The company also offers video intelligence tools, such as a content recommendation engine, that are powered by an extensive viewing network. These video intelligence tools can increase viewer engagement and drive incremental views and revenue. After adoption, publishers achieved notable improvements in viewing experiences, audience and revenue growth, and savings from ease of use and a lower cost structure.

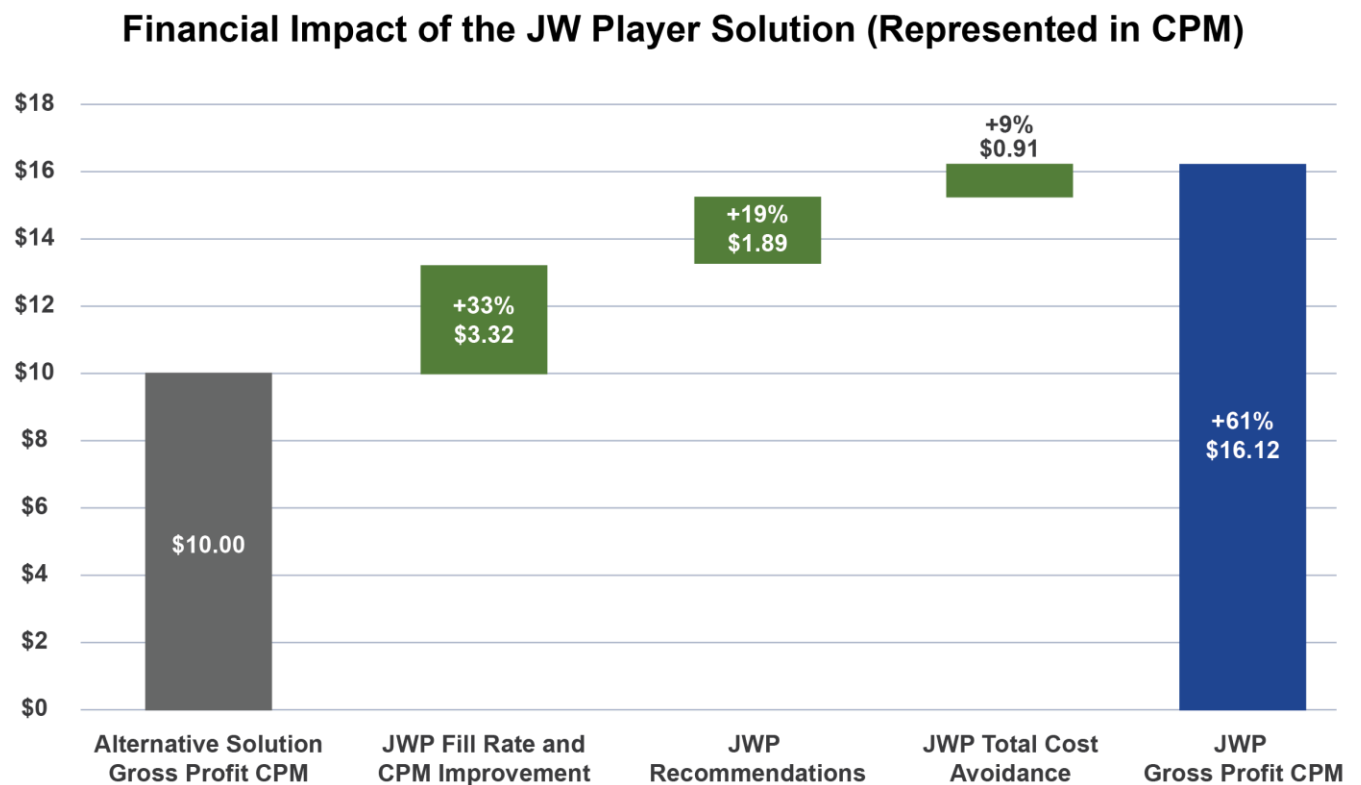
JW Player commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) publishers may realize by deploying JW Player’s suite of solutions. The purpose of this study is to provide readers with a framework to evaluate the potential financial and resourcing impact of JW Player on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed five publishers, representing a cross-section of both JW Player’s customer base as well as the broader video publisher market. Prior to using JW Player, most publishers used alternative video solutions that did not yield results as effective as those of JW Player³ due to challenges with playback performance, ad support, lack of a recommendations engine, inattentive support, or a high cost to operate.

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Key Findings

Quantified benefits⁴. The following risk-adjusted quantified benefits are representative of those experienced by the companies interviewed:



- Improved player and advertising technology leads to increased ad revenue (+\$3.32 CPM).** JW Player's core player technology emphasizes fast playback across all devices, and broad support for streams and ad technologies. These strengths not only lead to higher engagement by improving viewing experiences, but they are also considered crucial factors in determining publisher revenue, specifically ad fill and CPM. Publishers who switched to JW Player experienced significant gains in CPM and ad fill due to enhancements in player and page load times, better video and advertising integrations, and optimization for mobile devices.
- JW Content Recommendations drives incremental video views and earnings (+\$1.89 CPM).** JW Player's recommendation engine helps publishers build loyal audiences and greater ad revenues. This algorithm-based offering uniquely leverages JW's extensive data network and insights on viewer behavior across 2 billion devices to automatically suggest the next most relevant video for each user from the publisher's library. By providing contextual recommendations that are tailored to viewers, the publisher can generate significant incremental views and ad revenue.

Summary showing Quantified Benefits across 3 years of usage (in CPM)

Incremental Revenue from Improved Fill Rate and CPM

+\$3.32

Incremental Revenue and Views from Recommendations Engine

+\$1.89

Net Revenue Improvement from JW Player Solution

=\$5.21

- › **JW Player technical deployment and day-to-day management (+ \$0.16 CPM).** This benefit focuses on the ease of initial deployment and use of JW Player. From content migration to integration with content management systems (CMS), publishers noted that a lighter workload and the superior support of JW Player’s client services team led to quicker and less disruptive deployments compared to other solutions. Furthermore, publishers highlighted that day-to-day management of the JW video stack, which includes player updates, customization, and custom reporting, was efficient and straightforward.
- › **JW Player solution and infrastructure cost avoidance (+ \$0.75 CPM).** This benefit centers on the cost savings associated with JW Player’s pricing model relative to alternative solutions and focuses on JW Player’s fees for its different services, including the player, recommendations, advertising support, and hosting and streaming.

Summary showing Risk-Adjusted Cost Avoidance across 3 years of usage (in CPM)

**Cost Savings in Technical
Deployment & Operations**

+\$0.16

**Cost Savings from
Lower Solution and
Infrastructure Costs**

+\$0.75

**Total Cost
Avoidance**

=\$0.91

The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

TEI Framework and Methodology

From the information provided in the interviews, Forrester has constructed a Total Economic Impact™ (TEI) framework for those organizations considering implementing JW Player.

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 JW Player can have on an organization:



DUE DILIGENCE

Interviewed JW Player stakeholders and Forrester analysts to gather data relative to JW Player.



CUSTOMER INTERVIEWS

Interviewed five organizations using JW Player to obtain data with respect to costs, benefits, and risks.



COMPOSITE ORGANIZATION

Designed a composite organization based on characteristics of the interviewed 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 interviewed organizations.



CASE STUDY

Employed four fundamental elements of TEI in modeling JW Player's impact: benefits, costs, flexibility, and risks. Given the increasing sophistication that enterprises have regarding ROI analyses related to IT investments, Forrester's TEI methodology serves to provide a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by JW Player 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 report to determine the appropriateness of an investment in JW Player.

JW Player 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.

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

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Analysis

BEFORE AND AFTER THE INVESTMENT

Interviewed Organizations

For this study, Forrester conducted five interviews with JW Player customers. Interviewed customers include the following:

INDUSTRY	REVENUE	STAFF	PRE-JW PLAYER
Lifestyle blog and publishing	< \$10 million	100 total, 10 video	Social video sharing embed, first-party content, has not monetized website prior
Event planning website	< \$10 million	110 total, 7 video	Experience with one alternative OVP
News media	\$70 million	400 total, 16 video	Experience with one alternative OVP
Specialty lifestyle content	\$50 million	105 total, 11 video	Social video sharing embed, third-party content, has not monetized website prior
Content marketing	\$100 million	350 total, 1 programmatic	Experience with three alternative OVP's

Composite Organization

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an associated ROI analysis that illustrates the areas financially affected. The composite organization is representative of the five companies that Forrester interviewed and is used to present the aggregate financial analysis in the next section. The composite organization that Forrester synthesized from the customer interviews has the following characteristics:

- › Lifestyle website and digital media company with content featuring food, sports, fashion, entertainment, politics, science, business, and technology.
- › \$20 million in annual revenue with 120 staff and 10 on the video team.
- › The digital content team produces 40 to 50 posts and new articles each week. The site gets 10 million video views and 5 million unique viewers each month.

“We experienced issues with our legacy OVP as we saw an explosion of views but disproportionate ad revenue. A three-day workshop with the vendor and our DSP did not yield any actionable results. Conversely, JW’s tech staff developed a chemistry with us, were solution oriented, and went into a detailed level. Other vendors seemed to still speak at the brochure level.”

*Senior Vice President of Product,
US news media company*



Key Challenges

The composite company and the interviewed publishers experienced several issues and identified opportunities as the company evaluated JW Player and alternative solutions.

- › **Overarching goal of increasing views and revenue.** All interviewed publishers expressed increasing viewership and maximizing ad revenue as top priorities.
- › **Desire to grow engagement with existing audience base.** The online shift of video has created greater fragmentation and demand for the attention of the individual viewer. Interviewed publishers sought ways to increase audience engagement with their content.
- › **Technology challenges.** Publishers highlighted that past experiences with alternative solutions impacted viewer experiences and their ability to monetize. Across different solutions and publishers, challenges include low ad fill, low CPMs, suboptimal load times, and lack of control of content shown on a third-party site.
- › **Lowered margins due to high cost structure (contract tiers, thresholds, and overage charges) and lack of transparency of alternative solutions.** Two of the interviewed publishers reported poor experiences with a legacy vendor because significant overage charges were incurred with little notification. Publishers saw this as being penalized for their success and noted higher transparency with JW Player.
- › **Unresponsive technical and customer support.** One publisher noted that working with an incumbent solution that did not provide sufficient technical support early in the engagement became a barrier for the company to use video effectively. While interviewees were not expecting a vendor to handhold, several interviewees highlighted JW's technical knowledge, responsiveness, and personable account servicing were reasons that they switched from alternative providers.

“As an organization without deep, experienced resources in video, we were not provided with sufficient tech support or customer service [from the legacy vendor]. JW fixed all that and gave us the flexibility to be alerted and to renegotiate before overages.”

Director of Video Development and Production, US event planning website



Solution Requirements

The composite organization searched for a solution that offered:

- › A video player that provides optimal ad fill and CPMs.
- › Functionality to generate incremental views and ad revenue.
- › Seamless integration with an existing CMS, whether the CMS is third-party or homegrown.
- › Value-added options for player branding and customization, and analytics and reporting.
- › Accessibility to vendor leadership and opportunity to influence the product roadmap and future enhancements to the platform.

Key Results

The interviews revealed that key results from the investment include:

- › **Increased views and ad revenue from improved player technology.** In addition to improving viewing experiences, publishers who switched to JW Player experienced significant gains in CPMs and ad fill due to enhancements in player and page load times, better video and advertising integrations, and optimization for mobile devices.
- › **Incremental views and revenue from JW Player's recommendation engine.** This algorithm-based offering leverages JW's extensive data network and insight on viewer behavior from 20 billion streams across 2 billion unique devices to automatically suggest the next most relevant video for the user to watch from the publisher's library. By providing contextual recommendations that are tailored to viewers, the publishers were able to generate incremental views of 45% and associated revenue through its monetization.
- › **Improved gross margins.** Publishers cited significant cost savings from direct sources such as lower solution costs and flexibility with overages. Indirect cost savings were derived from the platform's ease of use in operational tasks such as content and ad tag management, player customization, and playlist creation.
- › **Attentive technical and customer support.** Several interviewees highlighted JW's "partnership" approach towards the sales, onboarding, and management processes to be key reasons to switch from alternative providers. Customers lauded JW Player's expertise and guidance on advertising best practices, website implementation, and technical troubleshooting.
- › **Enabled ability to re-focus on creating content.** As JW provided the composite company with a smooth user experience and enabled it to capture incremental views and revenue, the video team was able to shift focus and resources to creating high-quality content.

"We use [JW Player's] dashboard and analytics a lot. Typically, we have a monthly review with the audience team but we just want to know if content is performing well at the moment, just as a sneak peek."

Head of Video and Art, US lifestyle blogging and publishing



Financial Analysis

QUANTIFIED BENEFIT AND COST DATA AS APPLIED TO THE COMPOSITE

Total Benefits						
REF.	BENEFIT	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL
Atr	Incremental lift from improved player and advertising technology (CPM)	\$0	\$3.317	\$3.317	\$3.317	\$3.317
Btr	Recommendations from JW Engage leading to incremental earnings (CPM)	\$0	\$1.891	\$1.891	\$1.891	\$1.891
Ctr	JW Player deployment and operational efficiency (CPM)	\$0.273	\$0.082	\$0.077	\$0.072	\$0.159
Dtr	Scalability and infrastructure cost avoidance (CPM)	\$0	\$0.760	\$0.738	\$0.742	\$0.746
Total benefits (risk-adjusted)		\$0.273	\$6.05	\$6.023	\$6.022	\$6.113

Improved Player and Advertising Technology Leading to Ad Revenue Gains of 150%

The composite experienced improvements in ad revenue by 150% after migrating to JW Player from a legacy video solution. The composite experienced gains in ad fill and CPM because of enhancements in playback and advertising support. With monthly organic plays at 10 million, the composite organization saw a 50% improvement in CPM and 30% improvement in fill rate.

The resulting impact was an incremental annual net CPM of \$3.32 due to an additional 36 million ad impressions served to audiences and a CPM increase to \$15, leading to a total incremental revenue of \$1,910,284 within the three years of using the JW Player solution.

To account for risks, variability, and conservativeness, Forrester adjusted this benefit downward by 5%.

Impact risk is the risk that the business or technology needs of the organization may not be met by the investment, resulting in lower overall total benefits. The greater the uncertainty, the wider the potential range of outcomes for benefit estimates.

JW Player Lift

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3	TOTAL
A1	Organic Monthly Plays	Year 1: Composite Year 2 and 3: $A1*(1+A2)$	10,000,000	11,000,000	12,100,000	397,200,000
A2	Annualized Organic Monthly Growth	Assumption	-	10%	10%	-
A3	Alternative Solution Fill Rate		45%	45%	45%	45%
A4	Alternative Solution Ad Impressions	$A1*A5$	4,500,000	4,950,000	5,445,000	178,740,000
A5	Alternative Solution CPM	Assumption	\$10	\$10	\$10	\$10
A6	JW Improvement to Ad Fill (%)		+30%	+30%	+30%	+30%
A7	JW Improvement to CPM (%)		+50%	+50%	+50%	+50%
A8	Gross Margin	75%				
A9	Risk Adjustment	↓5%				
A10	Alternative Solution Net Revenue Per Month (Risk Adjusted)	$A4/1000*A5*A8*(1+A9)$	\$32,063	\$35,269	\$38,796	\$1,273,523
A11	JWP Net Revenue Per Month	$A1*(A3+A6)*A5*(1+A7)*A8*$	\$80,156	\$88,172	\$96,989	\$3,183,806
A12	Incremental Net Revenue Per Month (\$)	$A11-A10$	\$48,094	\$52,903	\$58,193	\$1,910,284
A13	Annualized Incremental Net Revenue (%)	$A12/A10$	150%	150%	150%	150%
A14	Annualized Incremental Net Revenue (CPM)	$(A12*12)/(D1*12/1000)$	\$3.317	\$3.317	\$3.317	\$3.317

Recommendations from JW Data Services Leading to Incremental Earnings of 85%

JW Recommendations is a vital tool that publishers can use to amplify engagement with viewers and is an offering unique to JW Player. Algorithmically based, this recommendations engine analyzes viewing activity from across the JW Player network of 2 billion unique devices to suggest content that viewers are likely to enjoy. Publishers have the flexibility to configure JW Recommendations in a variety of ways such as autoplay, end-credits overlay, prioritizing specific pieces of content, or exporting results. Readers should consult with JW's subject matter experts and decide which configuration best fits their brand and users.

The model below showcases incremental earnings based on aggregated feedback from publisher interviews. It separates regular views from recommended views, with regular views and impressions starting at 10 million views and 7.5 million impressions (75% fill rate), respectively. The model accounts for a 10% organic growth and a 45% lift in Year 1 due to recommended plays. At a 71% fill rate for recommended plays, this equals 4.5 million recommended plays and 3.2 million impressions. Based on a discounted CPM of \$12, the composite gains an incremental monthly revenue of \$28,856.

Potential risks and items that may result in a lower benefit value include:

- › Ineffective deployment of JW Recommendations.
- › Poor publishing practices that lead to reduced ad fill or CPM.
- › Slow adoption and maturity.

To account for these risks, Forrester adjusted this benefit downward by 5%. With gross margin, risk, and slight increases to lift from recommendations and recommended fill rate as the company matures in using video, the model yields a three-year value of \$1.09 million, translating to an incremental CPM of \$1.89, an improvement of 85%.

JW Recommendations Lift						
REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3	TOTAL
B1	Organic Monthly Plays	Composite	10,000,000	11,000,000	12,100,000	397,200,000
B2	JW Recs Monthly Lift	Composite	45%	45%	45%	45%
B3	JW Recs Monthly Plays	B1*B2	4,500,000	4,950,000	5,445,000	178,740,000
B4	JW Recs Ad Fill	Composite	71%	71%	71%	71%
B5	JW Recs CPM	Composite	\$12	\$12	\$12	\$12
B6	Gross Margin	Assumption	75%	75%	75%	75%
B7	Risk Adjustment	↓5%				
B8	Incremental Monthly Net Revenue (Risk-Adjusted)	B3*B4/1000* B5*B6*(1+B7)	\$27,413	\$30,155	\$33,170	\$1,088,862
B9	Annualized Incremental Net Revenue (CPM)	B8/(D1*12/1000)	\$1.891	\$1.891	\$1.891	\$1.891
B10	Annualized Incremental Net Revenue (%)	B8/A10	85%	85%	85%	85%

JW Player Technical Deployment and Operational Efficiency

Difficulty in using their legacy video solution was a significant pain point for interviewed publishers and an important factor for switching. From player deployment to customization, organizations mentioned inefficient workflows and complicated backend architectures that burdened technical teams.

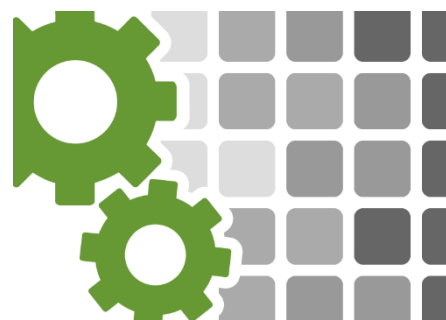
Publishers stated initial deployment of JW Player on their website was straightforward and easy to manage, whereas legacy solutions' setups were more complex and sometimes required professional services at an additional cost. Taking this into account, Forrester notes that implementing JW Player would save publishers 2 months of development time, estimated at \$47,500 in risk-adjusted cost avoidance. This translates to a CPM of \$0.273, an improvement of 63%.

Moreover, publishers detailed that JW Player was much easier to manage as a technology day-to-day. For instance, backend customizations were uncomplicated due to the flexible API and software updates that had one-button implementation. Forrester accounts that JW Player would yield technical time savings of 3 hours a week, resulting in almost \$14,250 in annual risk-adjusted cost avoidance within the first year. The figure represents a CPM of \$0.082, an improvement of 71%.

Potential risks and items that may result in a lower benefit value include:

- › Highly customized deployments that may extend the implementation timeline.
- › Legacy websites that have not been optimized for video may require more weekly maintenance.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk adjusted total of \$91,545, translating to a CPM of \$0.159 and total cost improvement of 67%.



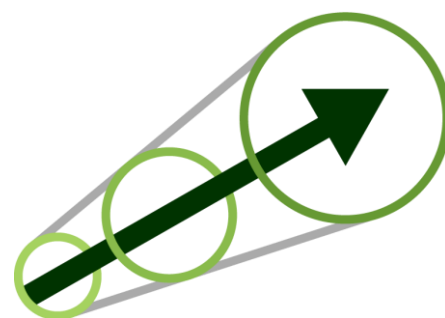
JW Player Technical Deployment and Operational Efficiency

REF	METRIC	CALC.	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL
C1	Fully burdened salary for an individual web developer	Initial and year 1: assumption Year 2 and 3: $B1_{py} * 103\%$	\$100,000	\$100,000	\$103,000	\$106,090	\$309,090
C2	JW Player deployment months	Composite	1				
C3	Alternative solution deployment months	Composite	3				
C4	Dedicated deployment resources	Composite	3				
C5	Deployment cost avoidance	$((C3-C2)/12)*C1*C4$	\$50,000				
C6	JW Player weekly technical maintenance	Composite		1	1	1	
C7	Alternative solution weekly technical maintenance	Composite		4	4	4	
C8	Dedicated web developer resources	Composite		2	2	2	
C9	Operational cost avoidance	$(C1/2080)*((C7-C6)*52*C8)$		\$15,000	\$15,450	\$15,914	
C10	Risk adjustment	↓5%					
C11	JW deployment and technical efficiency (risk-adjusted)	$C9*(1+C11)$	\$47,500	\$14,250	\$14,678	\$15,118	\$91,545
C12	JW deployment and technical efficiency (CPM)	$C11/(D1*12/1000)$	\$0.273	\$0.082	\$0.077	\$0.072	\$0.159
C13	JW deployment and technical efficiency (%)	$C11/(C1/12*C3*C4)$	63%	71%	71%	71%	67%

Scalability and Infrastructure Cost Avoidance

Organizations often forget to include costs associated with prior platforms into the business case. If the new technology can avoid these costs or displace these costs, then the figures should be included as a benefit.

In this case, the composite was able to benefit from JW Player's lower cost structure, yielding significant cost savings on plays, advertising, bandwidth, storage and value-added services such as live streaming and JW Recommendations. The model accounts for 14.5 million monthly plays, 30 TB of bandwidth and 1 TB of storage in Year 1. The model and following estimates were built based on major online video platform pricing quotations and are intended for illustrative purposes. Please consult with JW Player for pricing and packaging more specific to your use case.



Potential risks and items that may result in a lower benefit value include:

- › Increased monthly plays, bandwidth, and storage needs.
- › Leveraging an external vendor for hosting, streaming, and encoding services.

To account for these risks, Forrester adjusted this benefit downward by 5%. This yields a 45% cost avoidance, translating to a risk-adjusted CPM of \$0.746.

Scalability and Infrastructure Cost Avoidance

REF.	METRIC	CALC.	YEAR 1	YEAR 2	YEAR 3	TOTAL
D1	Plays per month	A1+B3	14,500,000	15,950,000	17,545,000	47,995,000
D2	Bandwidth per month (GB)	Composite	30,000	30,000	40,000	
D3	Storage per month (GB)	Composite	1,000	1,000	1,000	
D4	Scalability and infrastructure cost avoidance	Composite	\$0.800	\$0.777	\$0.781	\$0.786
D5	Risk adjustment	↓5%				
D6	Scalability and infrastructure cost avoidance (risk-adjusted CPM)		\$0.760	\$0.739	\$0.742	\$0.746
D7	Scalability and infrastructure cost avoidance (risk-adjusted %)		44%	45%	45%	45%

Unquantified Benefits

The composite organization realized additional benefits that are not included in the financial analysis. In many cases, the organizations lack accurate ways to measure these benefits, but the impact is still recognized:

- › **Easy-to-use content and analytics dashboard and extensive APIs.** Publishers remarked their organizations lacked developer resources and there was a key need for usability for their non-technical editorial staff. After using the JW Player dashboard, publishers highlighted that operational tasks such as player content and ad tag management, and playlist creation were much easier and required less time and effort than their legacy solution. Furthermore, JW Player's Javascript API saved publishers countless development hours through workflow automation via pre-existing and custom events.
- › **Operational cost savings from JW Recommendations.** In addition to contributing to incremental views and ad revenue, JW Recommendations streamlines workflows as well. It eliminates the need for the extremely manual process of creating content playlists through automation while also yielding higher engagement with end viewers.
- › **Comprehensive technical documentation and strong developer community.** Organizations with advanced use cases reported material time-savings from the ability to reference pre-existing code libraries and API calls. Web developers also noted JW Player's active developer communities where developers had direct lines of communication to other video developers as well as JW engineers.
- › **Responsive customer and technical support.** Publishers highlighted JW Player's customer and technical support for their thorough knowledge, comprehensive solutions, and quick response times (one business day or less). In contrast, interviewees noted certain experiences with legacy solutions that became a major blocker to publisher operations with long lead times and often unresolved issues.

Flexibility

The value of flexibility is clearly unique to each customer, and the measure of its value varies from organization to organization. There are multiple scenarios in which a customer might choose to implement JW Player and later realize additional uses and business opportunities, including:

- › Deploying an advertising only video player on a web page or mobile app with the sole purpose of generating ad revenue.
- › Experimenting with new forms of content types such as 360 video and Virtual Reality (VR).
- › Developing a video only page that is separated from all other articles and content.
- › Testing beta features from JW Player and suggesting new features such as sponsored pins, server-side stitching, and leveraging JW to push content to all social channels and content properties.

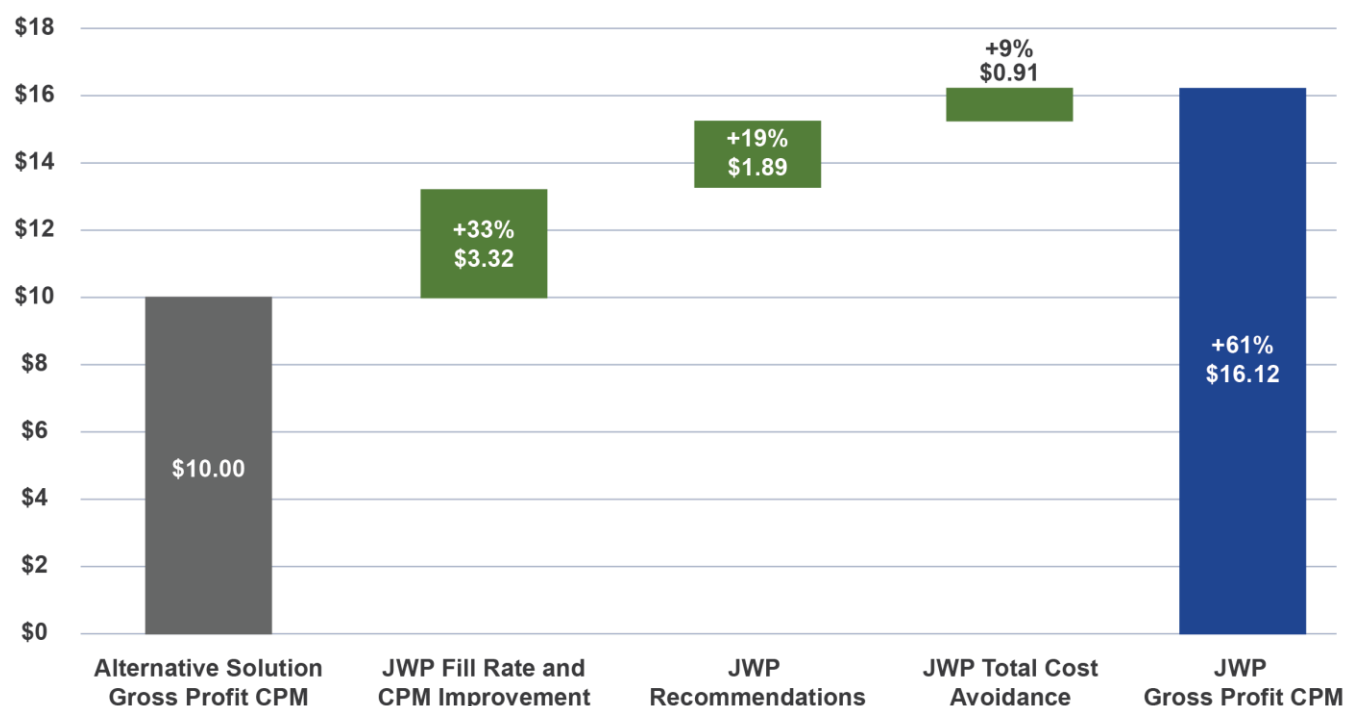
Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in Appendix A).

Flexibility, as defined by TEI, represents an investment in additional capacity or capability that could be turned into business benefit for a future additional investment. This provides an organization with the "right" or the ability to engage in future initiatives but not the obligation to so.

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS REPRESENTED IN CPM

Financial Impact of the JW Player Solution (Represented in CPM)



Financial Impact of JW Player Solution - Three-Year Total

Alternative Solution Revenue (CPM)	\$10
+ JWP Fill Rate & CPM Improvement	\$3.32
+ JWP Recommendations	\$1.89
+ JWP Deployment & operations avoidance	\$0.16
+ JWP Scalability & infrastructure cost avoidance	\$0.75
JWP Gross Profit (CPM)*	\$16.12

***PLEASE NOTE THAT JW PLAYER HAS DECLINED TO REVEAL COSTS IN THIS STUDY. FORRESTER OBTAINED COST FIGURES FOR MODELING BUT JW PLAYER DECIDED TO ONLY SHOW THE RESULTING ROI METRIC IN THIS STUDY. READERS CAN CONTACT JW PLAYER FOR FURTHER TRANSPARENCY AND BREAKDOWN INTO COSTS.**

JW Player: Overview

The following information is provided by JW Player. Forrester has not validated any claims and does not endorse JW Player or its offerings.

Introduction and Mission

JW Player is the world's largest network-independent video platform. Founded in 2008 as the first open source video player, JW Player has customers that span across 193 countries and range from Fortune 500 companies to video-centric small businesses. In addition to the company's flagship product JW Player, the company's services include advertising, analytics, data services, video hosting, and streaming.

JW Player's mission is to provide video professionals with world-class technology to deliver video, grow audience, and monetize content. With more than 20 billion videos streamed each month on 2 billion unique devices, JW Player is the most popular network-independent digital video platform for publishers and broadcasters of all sizes.

Best-in-Class Video and Advertising Technology

Media companies, publishers, and marketers use JW Player's video solutions to enrich users' viewing experiences and maximize monetization opportunities.

JW Player is one of the fastest, lightest, and most device-optimized video player on the market. With sub-second load times, publishers will never lose a viewer to bad viewing experiences.

JW Player is Google Certified and features ad technology that allows publishers to maximize revenue with top ad fill and CPMs.

JW Platform offers media professionals intuitive and robust content management and delivery at scale, including easy-to-use live streaming, analytics, and encoding.

In contrast to social video networks, JW Player provides publishers with complete control over the viewing experience, resulting in greater ad revenue, greater brand alignment, and more.

The Next Generation: Video Intelligence

JW Player has created an ecosystem of connected video players that aggregates viewing activity globally, forming the largest open database of video intelligence. This network powers future JW products to help publishers:

- › Build larger, more engaged audiences.
- › More effectively monetize.
- › Streamline and improve performance in publishing workflows.

JW Player provides two offerings under the Video Intelligence umbrella:

- › **JW Engage** encompasses a family of products that increase digital video audience growth and engagement. The recommendations engine provides viewers with contextually relevant content suggestions by analyzing viewing behavior across the JW Network.
- › **JW Monetize** is a line of tools that strengthens publisher ad strategy so every opportunity is monetized in the best way possible, including mid-roll optimization, ad tag error reporting, and more.

Please visit www.jwplayer.com for more information.

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.

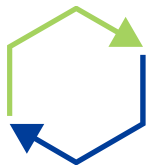
Total Economic Impact Approach



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 “US Digital Marketing Forecast: 2016 To 2021.” Forrester Research, Inc. January 24, 2017.

² “Forrester Data Report: Online Display Advertising Forecast, 2016 To 2021 (US), Q3 2016 Update.” Forrester Research, Inc. January 6, 2017.

³ A subset of interviewed publishers did not monetize video on their websites and only embedded videos from social media or video sharing sites. As these publishers experienced the largest gains, this study’s financial model focuses on the scenario of publishers that have already monetized video on their website but are now continuing their video journey to grow views and ad revenue.

⁴ Publisher’s advertising inventory is valued at the unit level of “cost per mille” (CPM), impacting revenue. As a result, publishers often leverage unit economics when analyzing revenue, cost, and profitability. Figures have been expressed on a per unit basis in CPM terms and as a percentage improvement over the benefits and costs of using an alternative video solution to aid readers in forecasting the financial impact for their own organizations.



Deliver Video, Grow Audience, and Monetize Content



PLAYER

The fastest and most flexible online video player.



PLATFORM

Intuitive video management and delivery at scale.



ENGAGE

Intelligent, data-driven audience growth.



MONETIZE

Maximize ad yield, fill, and performance.

ABOUT JW PLAYER

JW Player is a video delivery and intelligence platform that leverages insights from videos viewed across 2 billion unique devices each month to help customers grow and monetize their audiences. With JW Player you have a partner committed to supporting the latest standards and best practices in the industry, enabling high quality viewing experiences and maximum monetization.



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