

FORRESTER®

# The Total Economic Impact™ Of JW Player For Broadcasters

Cost Savings And Business Benefits  
Enabled By JW Player (JWP)

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Consulting Team: *Stephanie Slate  
Sarah Lervold*

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## ABOUT FORRESTER CONSULTING

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## Executive Summary

Audience demand for fast, dynamic video consumption requires broadcasters to create and distribute high-quality content that optimizes the viewer experience. The end-to-end broadcast process necessitates sophisticated technology in the digital environment. JW Player provides an online video platform with efficient workflows that transform broadcasters' abilities to stream both live and video on-demand content across multiple devices, increase viewer engagement, and maximize monetization.

The doubling down on digital media consumption is not a mere blip; it is resetting consumer behavior in the short term and will reshape the content-consumption experience in the long term.<sup>1</sup> The pervasiveness of online video on any screen anywhere is one core example. Digital video-driven content is increasingly critical for businesses across the globe to acquire, serve, and retain consumers today.<sup>2</sup>

**JW Player** (JWP) is an end-to-end online video platform (OVP) that partners with organizations to build, run, and grow their video-driven business in an easy and scalable way. The JWP platform includes all the tools, workflows, and analytics needed to stream video, engage audiences, and monetize content. Broadcast organizations comprise one of JWP's core markets.

JW Player commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) broadcasters may realize by deploying JW Player.<sup>3</sup> The purpose of this study is to provide readers with a

Percent increase in ad impressions in Year 1

**190%**



### KEY STATISTICS



Return on investment (ROI)  
**135%**



Net present value (NPV)  
**\$1.76M**

framework to evaluate the potential financial impact of JW Player on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed two representatives of SportsNet New York (SNY), a broadcast organization with experience using JW Player. Forrester used this experience to project a three-year financial analysis.

The interviewees noted how prior to using JW Player, their organization lacked both the ability to produce quality videos that met its audience's need for dynamic consumption as well as the analytic insights to effectively maximize advertising revenue. The organization's previous online video player demanded the video team follow an arduous and unintuitive publishing workflow that left critical components of the process outside of their control and in the hands of the video provider. Outside of the workflow, the OVP was static, limited in functionality, and did not optimize the experience for the viewer.

Moreover, the organization received little to no insights about their viewership's engagement levels. And for any metrics the organization did receive, the team was skeptical about the data's accuracy. Finally, the majority of ads were remnant and issued through partners, leaving the organization without the ability and understanding of how to maximize monetization.

After the investment in JW Player, the interviewees' organization reduced its time to market for broadcasting videos, significantly increased audience engagement levels, and reduced the time dedicated to following up with external stakeholders to address video-player concerns, delays, and inaccuracies. This led to enhanced productivity for the internal video team, increased collaboration with JW Player's technical experts, and led to more advertising revenue.

### KEY FINDINGS

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

- **Increased ad revenue by \$2.9 million through improvements in audience targeting.** With enhanced video quality, better built-in advertising technology, and better access to viewer analytics, the interviewees' organization significantly grows the number of ad impressions by 190% in Year 1 and by 150% in Years 2 and 3. Due to increased functionality of the videos, the scale of video inventory to be sold for advertisement also increases from 10% to 100%. These gains result in a three-year risk adjusted PV of \$2.9 million.
- **Increased video production capacity by 83% and workflow efficiency by 93%.** The end-to-end workflow allows the organization's video team to decrease broadcast time from 30 minutes to 2 minutes. This efficiency enables the video team to reallocate capacity and increase the number of videos broadcasted from five per

month to 30. Workflow efficiency gains result in a three-year risk adjusted PV of \$103,600.

- **Improved video production uptime by 95% from faster service request response.** The interviewees' organization realizes significant time savings during the broadcasting process due to JW Player's responsiveness to real-time video service requests. The higher the uptime, the more potential for monetization there is. With JW Player, average response time decreases considerably, and for more complex issues, an escalation plan is relayed in less than an hour. Improved production uptime results in a three-year risk adjusted PV of \$19,400.

**“What we found is that our ability to target [and] see all the ad slots [and being] able to stitch them all in, manage [them] directly, and then being able to customize campaigns per game or per show has increased all of that inventory.”**

*Director of strategy and platform,  
SNY*

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

- **Improved agility through an intuitive platform.** The interviewees noted that the tool and accompanying dashboards across all capabilities in the JW platform are user-friendly and require

little internal training. This allows new platform users to gain knowledge and interpret analytics quickly.

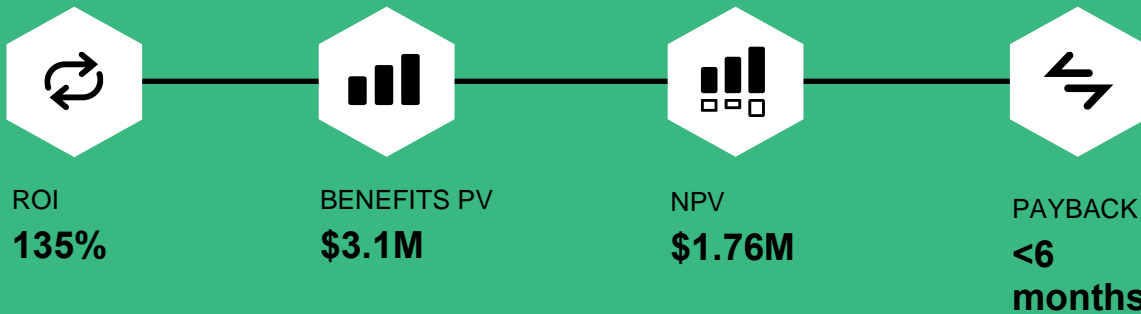
- **Enabled faster insights through enhanced viewer analytics and custom reporting.** JW Player's metadata infrastructure and having the ability to filter allow the sales team to easily pull, sort, and consolidate data across a variety of audiences for advertisers. This is a significant improvement from the manual logging and reporting required with the previous OVP.
- **Gained further value through ease of partnership and integration.** The JW ecosystem spans many distribution channels and video partnerships that can support the organization's need to grow along with audience demand. If JW Player does not have the exact solution needed, representatives know who to call.

**Costs.** Three-year, risk-adjusted PV costs include:

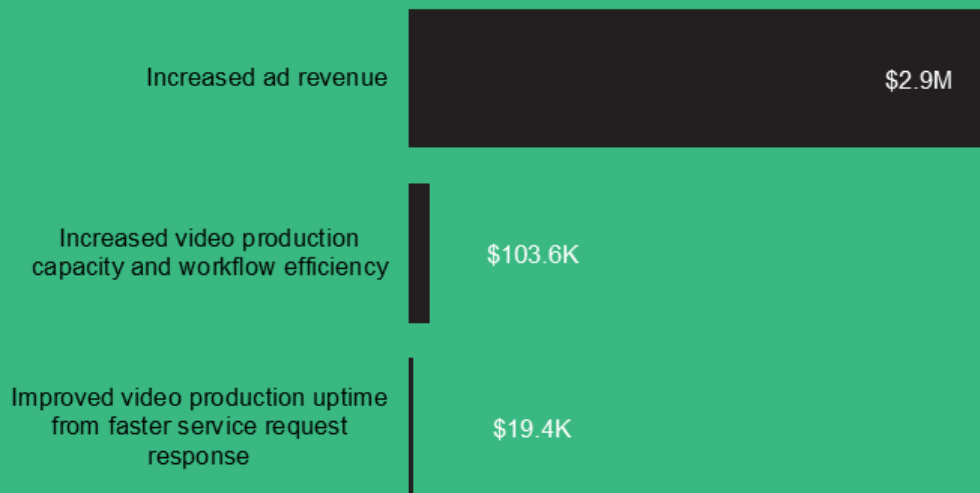
- **\$340,000 for annual JW Player platform fee.** The annual platform fee is based on bandwidth including a combination of number of plays, streaming volume, and hosting volume.
- **\$65,000 for implementation engineering labor costs for player and streaming app.** The organization requires internal resources to migrate video content from the previous player as well as to set up and test the new end-to-end workflow.
- **\$270,000 for training, strategy, and ongoing maintenance.** After implementation, the organization maintains an ongoing partnership with JW Player to discuss future strategy and direction of the product.

The interviews and financial analysis found that the representatives' organization experiences benefits of \$3.1 million over three years versus costs of \$1.3

million, adding up to a net present value (NPV) of \$1.76 million and an ROI of 135%.



### Benefits (Three-Year)



“We needed an all-encompassing, all-in-one player [with three key attributes:] time to market, speed of player, [and] mobile-first. We wanted a player that we could grow with, and JW Player provided that.”

— Director of digital strategy and platforms, SNY

## 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 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.

### 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 study 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 name for the interview but did not participate in the interview.



### DUE DILIGENCE

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



### INTERVIEW

Interviewed two representatives of an organization using JW Player to obtain data with respect to costs, benefits, and risks.



### FINANCIAL MODEL FRAMEWORK

Constructed a financial model representative of the interview using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewee.



### 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 JW Player For Broadcasters Customer Journey

## ■ Drivers leading to the JW Player for broadcasters investment

### INTERVIEWEES' ORGANIZATION

Forrester interviewed the director of digital strategy and platforms and the manager of business intelligence and social strategy from SNY. The organization has implemented JW Player for two-and-a-half years. SNY has the following characteristics:

- Medium-size broadcaster featuring news related to regional sports content via digital, internet-based video.
- Has 100 employees, including 14 on the digital video production and editorial team.
- Produces 900 videos a month that are published on its website and mobile app.
- Receives 200,000 unique visitors per month and 70% of audience consumption occurs on mobile phones.
- Deploys the following JW Player features: Multiple live streams including 24/7 live, event live, and breaking-news live players with server-side ad insertion/dynamic ad insertion plus VOD.

### KEY CHALLENGES

Prior to its investment in JW Player, SNY invested in an antiquated online video player that did not maximize advertising revenue nor produce quality videos required to meet its audience's need for dynamic consumption.

The interviewees noted how their organization struggled with common challenges across engagement, monetization, and delivery including:

- **Inefficient video workflow.** SNY lacked the ability to control the video production timeline due to the previous video player's arduous workflow. The organization's internal stakeholders were unable to impact the video production given the

division of responsibilities. The director of digital strategy and platforms said, "There was no regular cadence or setup for a feedback loop or any kind of communication at all with the old server." The manager of business intelligence and social strategy added, "Even when it was published, there were issues with rendering [and] ... ad serving not being right."

- **Inability to meet the audience's dynamic consumption needs.** With its previous video player, autoplay was nonfunctioning and the mobile experience was inadequate, which required viewers to click play multiple times before videos would start. With the need for a mobile-first strategy, the organization lacked modern functionality to meet the viewers' needs on various devices.
- **Lack of advertising monetization.** The previous player did not offer ad targeting on pages, sections, or particular pieces of published content, and it lacked the ability to blacklist certain ads. The majority of ads were remnant, not high-demand programmatic, which led to minimal revenue per video. The director of digital strategy and platforms said, "[We were getting] a couple of pennies per ads that were running." Moreover, all ads were issued through partners, and the interviewees' organization lacked the control needed to best select ads for its audience.
- **Little to no access to video analytics.** The interviewees noted that the team could only trust one metric shared from the previous video player: the number of video starts. While a few other retention metrics (including seconds watched) were available, they were not trustworthy for the organization based on known video consumption. Without access to such key metrics, it proved



difficult for the interviewees' organization to further learn about and anticipate changes for its audience's video preferences.

**“The larger impetus to change over different website partners [was that] we can pick a video partner in particular who we felt could really maximize our opportunity when it came to on-site video and revenue.”**

*Manager of business intelligence and social strategy, SNY*

#### SOLUTION REQUIREMENTS/INVESTMENT OBJECTIVES

The interviewees' organization searched for a solution that could:

- Provide an all-in-one video platform to scale in conjunction with the organization's evolving video needs.
- Maximize advertising revenue.
- Deliver a faster time to market for video production and enhance the current video workflow process for all stakeholders involved.
- Produce a high-quality and high-speed video player that features autoplay functionality and integrates easily with the organization's APIs.
- Seamlessly connect the organization with JW Player's channel distribution partners.
- Provide enhanced viewer data and analytics.
- Maintain a high quality of customer service and technical expertise.

After evaluating multiple vendors, the interviewees' organization chose to partner with JW Player and began deployment.

- The organization first deployed JW Player on its website and migrated video content from the previous player. Within the past six months, the organization has begun to integrate JW Player Broadcast Live and VOD players on its newly released mobile app.
- The organization's video and editorial team maintains weekly status calls with JW Player to discuss product development, customizability, and ongoing flexibility of the player.

**“JW's easy-to-use API [and] its ability to connect seamlessly some of these distribution partners was also a big desirable for us to make sure that we were capitalizing on a partnership that we were included on.”**

*Manager of business intelligence and social strategy, SNY*

#### USE CASE DESCRIPTION

SNY required a video player that could target and meet its audience's video expectations and consumption patterns in a mobile-first world. The organization invested in JW Player to increase video impressions, maximize ad revenue, and better serve consumers.

For this use case, Forrester has modeled benefits and costs over three years.

**Key Assumptions**

- **14 employees on the digital video and editorial teams**
- **Deploys live stream and VOD on its website and app**
- **200,000 unique viewers per month**
- **Uploads 900 videos per month**

# Analysis Of Benefits

■ Quantified benefit data

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Increased ad revenue	\$1,368,000	\$1,080,000	\$1,080,000	\$3,528,000	\$2,947,618
Btr	Increased video production capacity and workflow efficiency	\$42,854	\$41,260	\$40,691	\$124,806	\$103,630
Ctr	Improved video production uptime from faster service-request response	\$7,798	\$7,798	\$7,798	\$23,393	\$19,391
Total benefits (risk-adjusted)		\$1,418,652	\$1,129,058	\$1,128,489	\$3,676,198	\$3,070,639

## INCREASED AD REVENUE

**Evidence and data.** One of SNY’s primary goals was to improve its targeting capabilities from viewers and therefore maximize its ad revenue. The use of JW Player allowed SNY to understand who is watching its content and allowed it to create high-value segments for advertisers that drove an increase in ad revenue.

The ability to target ads to a page, article, or section unlocked value for the SNY team. In its prior environment, it was not able to blacklist or whitelist advertisers, nor could it create exclusion rules. Advertisers were frustrated by the inability to understand preferred audiences and did not purchase open ad slots. Once JW Player was in place, SNY saw its direct sell ads grow from 10% to 100%. The director of digital strategy and platforms told Forrester: “I can create ad rules. I couldn’t do that before. That brings value to advertisers. The more specific I can get with where the advertiser is serving, the higher CPMs (cost per mille) I can get.”

The interviewees said that prior to using JW Player, SNY’s video quality offered a suboptimal viewing experience. Audiences would abandon the videos and streams because the pages would fail to load. JW Player’s core player technology emphasizes fast

**“Now, we can provide those numbers and provide a story for ad sales. This is the audience size. This is the age. This is the demo. This is what they like and don’t like. We can present those packages and get the sales team out to market and see success with getting sponsorships and advertisers specific to our content.”**

*Director of digital strategy and platforms, SNY*

playback on any device, which leads to higher engagement by improving viewing experiences.

The improvement in targeting not only led to more ad impressions for SNY, but interviewees also reported that the organization has seen a 150% increase in users since implementing JW Player.

**Modeling and assumptions.** This benefit is modeled over a three-year span that is based on the following information for SNY:

- The number of unique viewers per month is 200,000. Forrester assumes a 2% year-over-year growth in viewership, leading to 204,000 viewers in Year 2 and 208,080 viewers in Year 3.
- The number of hours streamed per month is 732,583. Forrester assumes a 2% year-over-year growth in viewership, leading to 747,235 hours streamed per month in Year 2 and 762,179 in Year 3.
- The number of ad impressions per month in the prior environment was 8,333,333. SNY live streams 287 million minutes of games in six months and 21.7 million minutes of on-demand short-form content over two years.
- The percent increase of ad impressions with JW Player is 190% in Year 1. Major League Baseball's New York Mets account for 60% of viewership, and the baseball season only lasts half a year. Forrester assumes that the 190% increase in ad impressions is influenced by the Mets' 2022 regular-season success and subsequent playoff run. Forrester assumes that if the Mets had not performed the way they had, the percent increase would remain steady at 150% for Years 2 and 3.

Time to broadcast a video decreases from 30 minutes to

**2 minutes**

with JW Player



- The CPM is \$45.

**Risks.** Increased ad revenue will vary based on factors including:

- The number of unique viewers per month.
- The number of hours streamed per month.
- The percent increase in ad impressions.
- The revenue per thousand impressions.
- Operating margins, which vary based on geography and industry.

**Results.** To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$2.9 million.

Percent of ads that are direct sell with JW Player:

**100%**



Increased Ad Revenue					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Number of unique viewers per month	Interviews	200,000	204,000	208,080
A2	Hours streamed per month	Interviews	732,583	747,235	762,179
A3	Number of ad impressions per month in prior environment	Interviews	8,333,333	8,333,333	8,333,333
A4	Percent increase of ad impressions with JW Player	Interviews	190%	150%	150%
A5	Number of ad impressions per month with JW Player	$A3+(A3*A4)$	24,166,666	20,833,333	20,833,333
A6	Number of ads per unique viewer per month	$A5/A1$	121	102	100
A7	Incremental additional ad impressions with JW player per year	$(A5-A3)*12$	189,999,992	149,999,994	149,999,994
A8	Revenue per thousand impressions	Interviews	\$45	\$45	\$45
A9	Subtotal: Additional revenue with JW Player	$A7*A8/1,000$	\$8,550,000	\$6,750,000	\$6,750,000
A10	Profit margin	Forrester assumption	20%	20%	20%
At	Increased ad revenue	$A9*A10$	\$1,710,000	\$1,350,000	\$1,350,000
	Risk adjustment	↓20%			
Atr	Increased ad revenue (risk-adjusted)		\$1,368,500	\$1,080,000	\$1,080,000
<b>Three-year total: \$3,528,000</b>			<b>Three-year present value: \$2,947,618</b>		

### INCREASED VIDEO PRODUCTION CAPACITY AND WORKFLOW EFFICIENCY

**Evidence and data.** The interviewees described the difficulty of using SNY’s legacy video solution and how this pain point was a catalyst for switching to JW Player. The director of digital strategy and platforms said: “We had to download a video file [and] send it through email. Someone had to download it from that email, and then upload it into the player.” The arduous process not only led to inefficient workflows for video producers and video coordinators to follow, but also meant SNY could not react to real-time news.

The interviewees said JW Player provided SNY with simple and intuitive ways to upload videos and to display categories, organize, and tag them

appropriately. The director of digital strategy and platforms said: “[On our old platform], a lot of that time was spent waiting and checking and waiting and checking. Now, that time is actually spent doing things. [Our team’s] productivity is not just in the actual time it takes to publish, but [also] in the time that it saved, too.”

**Modeling and assumptions.** This benefit is modeled over a three-year span that is based on the following information for SNY:

- The number of videos created in the prior environment was 1,800.
- The time spent to broadcast a video in the prior environment was 30 minutes.

- The number of videos created with JW Player is 10,800. Forrester assumes a 2% year-over-year growth, resulting in 11,016 videos created in Year 2 and 11,236 videos created in Year 3.
- The time to broadcast a video with JW Player is 2 minutes.
- The fully burdened hourly rate for a director of video is \$48. Forrester assumes a director of video spends 25% of their time editing and approving videos in Year 1. Once they become more efficient and familiar with JW Player, they will only spend 20% of their time on the same tasks in Years 2 and 3.
- The fully burdened hourly rate for a video producer is \$36. Forrester assumes they spend 70% of their time conceptualizing the end-to-end creation of videos.

- The number of video coordinators staffed at SNY is two. The fully burdened hourly rate for a video coordinator is \$31. Forrester assumes they spend 100% of their time uploading videos.
- SNY operates on a 12 hours per day, seven days per week work schedule.

**Risks.** Increased video production capacity and workflow efficiency will vary based on the following factors:

- The number of employees responsible for video content, their titles, and salaries.
- The time needed to broadcast a video in the prior environment.
- The hours of operation.

**Results.** To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of \$103,600.

**5 to 30**

videos broadcasted a day increase



Increased Video Production Capacity And Workflow Efficiency					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Number of videos created per year in prior environment	Interviews	1,800	1,800	1,800
B2	Time spent to broadcast a video in the prior environment (hours)	Interviews	0.5	0.5	0.5
B3	Total time spent to broadcast in prior environment (hours)	B1*B2	900	900	900
B4	Number of videos created per year with JW Player	Interviews	10,800	11,016	11,236
B5	Time to broadcast a video with JW Player (hours)	Interviews	0.033	0.033	0.033
B6	Total time spent to broadcast with JW Player (hours)	B4*B5	360	367	375
B7	Fully burdened hourly rate of a director of video	TEI standard	\$48	\$48	\$48
B8	Percent of time dedicated to editing and approving videos by director of video	Interviews	25%	20%	20%
B9	Subtotal: Increased video production capacity and workflow efficiency for director of video	(B3-B6)*(B7*B8)	\$6,480	\$5,115	\$5,044
B10	Fully burdened hourly rate of a video producer	TEI standard	\$36	\$36	\$36
B11	Percent of time dedicated to conceptualizing and end-to-end creation of videos by video producer	Interviews	70%	70%	70%
B12	Subtotal: Increased video production capacity and workflow efficiency for video producer	(B3-B6)*(B10*B11)	\$13,608	\$13,427	\$13,241
B13	Number of video coordinators	Interviews	2	2	2
B14	Fully burdened hourly rate of a video coordinator	TEI standard	\$31	\$31	\$31
B15	Percent of time dedicated to uploading videos by a video coordinator	Interviews	100%	100%	100%
B16	Subtotal: Increased video production capacity and workflow efficiency for video coordinator	(B3-B6)*B13*B14	\$33,480	\$33,034	\$32,578
Bt	Increased video production capacity and workflow efficiency	B9+B12+B16	\$53,568	\$51,575	\$50,864
	Risk adjustment	↓20%			
Btr	Increased video production capacity and workflow efficiency (risk-adjusted)		\$42,854	\$41,260	\$40,691
<b>Three-year total: \$124,806</b>			<b>Three-year present value: \$103,630</b>		

**IMPROVED VIDEO PRODUCTION UPTIME FROM FASTER SERVICE-REQUEST RESPONSE**

**Evidence and data.** The JW Player for broadcasters platform enabled SNY to reliably broadcast videos on any device without fear of losing quality or creating outages within its video library. This was a substantial change from its prior environment. The interviewees said SNY saw repeated outages that led to high bounce rates and customers aborting videos

altogether. When SNY requested help for these technical issues, it took a few days for tickets to be serviced. That downtime led to even more frustrated customers. The manager of business intelligence and social strategy at SNY shared, “[With JW Player, it takes] less than one hour for us to get help.”

JW Player enabled SNY to create high-quality broadcasts that were consumable from end-to-end. And because of this, SNY saw a variety of improved metrics.

- In the prior environment, SNY’s bounce rate was 80%. With JW Player for Broadcasters, it improved to 55%.
- In the prior environment, SNY saw outages 10% of the time. But the director of digital strategy and platforms said with JW Player, outages are “nonexistent.”
- In the prior environment, SNY’s video load time was 10 to 30 seconds. But the same interviewee said with JW Player for Broadcasters, it’s now “instant.”

**95%** improvement in service ticket response rate



**Modeling and assumptions.** This benefit is modeled over a three-year span that is based on the following information for SNY:

- The number of service tickets submitted annually is 100.
- The elapsed time to service tickets in the prior environment was 24 hours.
- The improvement to response rate with JW Player is 95%.
- The response time to service tickets with JW Player is less than 90 minutes.
- The fully burdened hourly cost of a digital producer is \$36.

**“That’s the JW culture. ... There’s something to having a culture of people that are willing to teach me or explain [things] without being condescending or all-knowing. That’s been really helpful. ... When I have said, ‘Hey, one of the things that we’re looking at are these fast channel distributions,’ [JW Player is] willing to work with us on trying to find a solution or find a partner that we can work with so we don’t have to go outside the JW environment. That’s a big benefit.”**

*Director of digital strategy and platforms, SNY*

- Forrester assumes that 10% of a video producer’s time is directly impacted while they are waiting for service ticket support. This means they are not able to reallocate their time elsewhere.

**Risks.** Improved video production uptime from faster service-request response will vary based on the following factors:

- The number of service tickets submitted annually.
- The time to service tickets in the prior environment.
- The average hourly rate for a video producer.

**Results.** To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year, risk-adjusted total PV of \$19,400.



Improved Video Production Uptime From Faster Service-Request Response					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Number of service tickets submitted annually	Interviews	100	100	100
C2	Elapsed time to service tickets in hours in prior environment	Interviews	24	24	24
C3	Improvement to response rate with JW Player	Interviews	95%	95%	95%
C4	Response time to service tickets in hours with JW Player	$C2*(1-C3)$	1.20	1.20	1.20
C5	Hourly burdened cost of digital video producer	TEI standard	\$36	\$36	\$36
C6	Percent of time directly impacted by downtime during ticket delay	Forrester assumption	10%	10%	10%
Ct	Improved video production uptime from faster service-request response	$C1*(C2-C4)*C5*C6$	\$8,208	\$8,208	\$8,208
	Risk adjustment	↓5%			
Ctr	Improved video production uptime from faster service-request response (risk-adjusted)		\$7,798	\$7,798	\$7,798
<b>Three-year total: \$23,393</b>			<b>Three-year present value: \$19,391</b>		

### UNQUANTIFIED BENEFITS

Interviewees mentioned the following additional benefits that SNY experienced but was not able to quantify:

- Improved agility through an intuitive platform.**  
 The interviewees said they appreciated that the JW Player platform and its tools are easy to use and very user-friendly, making the organization's environment more flexible and agile. As the SNY team grew, this meant SNY did not have to rely on engineers (as it did in the past) to upload videos. The director of digital strategy and platforms shared how the intuitiveness of the platform allowed them to onboard their team faster. They said: "I have trained an intern on how to work in the system, and I feel confident that they can execute on this. ... The ease of use of that streaming technology and the dashboards with it is superb because anybody can use it."
- Enabled faster insights through enhanced viewer analytics and custom reporting.** JW Player's metadata infrastructure enabled SNY to

**“The live stream is so easy to use that you almost don’t need training for it. It’s that intuitive.”**

*Director, digital strategy and platforms, SNY*

enrich its internal reporting, which led to real-time actionable insights. This allowed SNY to understand volumes, see super users, and feed relevant ads to them. The director of digital strategy and platforms shared: "The custom reporting is a big [benefit]. [With] some of the tags and the ability to filter some of these partnerships, we're able to filter by the tag and easily pull the data for all of those. ... [Before using JW Player,] there was no way to get our previous partner to consolidate that information in a quick way."

- **Gained further value through ease of partnership and integration.** Interviewees shared that JW Player provided high-quality support throughout SNY’s integration process, helped the organization find suitable partnerships, and continues to support and educate its team on best practices. The director of digital strategy and platforms stated: “JW has a really good way of servicing and following up where it didn’t necessarily feel like a sales call. It felt more like [providing] information, it felt more informative. [It was] more like [JW Player was] trying to help me find a solution rather than sell me on the JW solutions.”

## FLEXIBILITY

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

- **Supporting future customer needs with out-of-the-box configuration.** Outside of traditional software development, interviewees said the JW Player product team is willing to explore and create custom components to ensure video is best enabled across all channels for its audience (e.g., providing subscription and payment services for an exclusive event with the Mets or New York Yankees). As SNY looks to the future, JW Player will suggest specific features that will enable future audience growth.
- **Enabling article matching to support recommendations for content.** To further enhance customer experience, JW Player offers a matching feature that automatically embeds videos within a library that matches the context of the article. This enhances the potential for additional ad revenue without the need to spend extra editorial resources. The interviewees said SNY looks forward to continued integration of this feature.

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

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Dtr	JW Player licensing and subscription fees	\$0	\$374,000	\$392,700	\$412,335	\$1,179,035	\$974,339
Etr	Implementation engineering labor costs for player and streaming app	\$65,041	\$0	\$0	\$0	\$65,041	\$65,041
Ftr	Training, strategy, and ongoing maintenance cost of JW Player	\$1,285	\$106,238	\$108,816	\$108,816	\$325,156	\$269,551
	Total costs (risk-adjusted)	\$66,326	\$480,238	\$501,516	\$521,151	\$1,569,232	\$1,308,931

## JW PLAYER LICENSING AND SUBSCRIPTION FEES

**Evidence and data.** JW Player prices its solution based on how many plays the organization needs, its streaming volume, and its hosting volume.

Interviewees said within SNY's annual subscription, it has access to:

- Streaming with Instant Live and Broadcast Live.
- Cloud hosting, HTML5 player, mobile SDKs, and OTT apps.
- Realtime analytics, custom reports, recommendations, and article matching.
- Ad insertion, outstream ads, player bidding, and Studio DRM.

**Modeling and assumptions.** This benefit is modeled over a three-year span that is based on the following information for SNY:

- The annual license and subscription fees to use JW Player for broadcasters is \$340,000, which is appropriate for the number of plays, streaming volume and hosting volume it needs. Because SNY sees success, it broadcasts and hosts more videos going forward. Forrester assumes a 5%

growth rate, and the cost rises to \$357,000 in Year 2 and to \$374,850 in Year 3.

- Pricing may vary. Contact JW Player for additional details.

**Risks.** The cost of JW Player will vary based on the following factors:

- Streaming volume.
- Hosting volume.
- Number of plays.
- Whether or not the organization reaches its volume and play limit. If it does, it will need to purchase more or it will incur overage charges. The JW Player team alerts customers when they are close to reaching their limits, but if organizations do not adjust, overage fees can increase the costs substantially.

**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 \$974,000.

JW Player Licensing And Subscription Fees						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
D1	JW Player licensing and subscription fees for stream and VOD	Interviews	\$0	\$340,000	\$357,000	\$374,850
Dt	JW Player licensing and subscription fees	D1	\$0	\$340,000	\$357,000	\$374,850
	Risk adjustment	↑10%				
Dtr	JW Player licensing and subscription fees (risk-adjusted)		\$0	\$374,000	\$392,700	\$412,335
Three-year total: \$1,179,035			Three-year present value: \$974,339			

### IMPLEMENTATION ENGINEERING LABOR COSTS FOR PLAYER AND STREAMING APP

**Evidence and data.** The interviewees said SNY saw direct costs for internal labor because it needed to dedicate time and engineering resources to connect its video player and corresponding workflows to the JW Player platform. This included time to test and run the videos in the both the player and on the streaming app.

**Modeling and assumptions.** This benefit is modeled over a three-year span that is based on the following information for SNY:

- SNY operates on a 12 hours per day, seven days per week work schedule.
- Three video engineers work to set up the video player and app.
- SNY requires 336 hours to set up workflows and test run JW Player, and video engineers need 20 hours to set up the streaming app.
- The fully burdened hourly salary of a video engineer is \$58.

**“It was easy. I didn’t need any hardware or software because JW integrated into everything we had.”**

*Director of digital strategy and platforms, SNY*

**Risks.** The implementation engineering labor costs for both the player and streaming app may vary based on the following factors:

- The number of video engineers working on the project and their respective salaries.
- The number of hours needed for implementation.
- The hours of operation.

**Results.** To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV of \$65,000

Implementation Engineering Labor Costs For Player And Streaming App						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	Number of hours needed to set up workflows and test/run JW Player in a 12-hour, 7-day environment	Interviews	336	0	0	0
E2	Number of engineers working	Interviews	3	0	0	0
E3	Fully burden hourly salary of a video engineer	TEI standard	\$58	\$0	\$0	\$0
E4	Subtotal: Engineer implementation labor for player	E1*E2*E3	\$58,464	\$0	\$0	\$0
E5	Number of hours needed to set up workflows and test/run streaming app in a 12-hour, 7-day environment	Interviews	20	0	0	0
E6	Subtotal: Engineer implementation labor for streaming app	E5*E2*E3	\$3,480	\$0	\$0	\$0
Et	Implementation engineering labor costs for player and streaming app	E5+E8	\$61,944	\$0	\$0	\$0
	Risk adjustment	↑5%				
Etr	Implementation engineering labor costs for player and streaming app (risk-adjusted)		\$68,138	\$0	\$0	\$0
<b>Three-year total: \$65,041</b>			<b>Three-year present value: \$65,041</b>			

**TRAINING, STRATEGY, AND ONGOING MAINTENANCE COST OF JW PLAYER**

**Evidence and data.** Interviewees described the internal team SNY needs to ensure that the JW Player solution is maintained and that the organization has access to the appropriate insights necessary for making decisions for current and future video content. With the amount of content SNY publishes and streams, it needs a dedicated team to ensure it can respond to real-time content needs. As they see success from the JW Player platform and the increase in ad revenue, the SNY team anticipates that they will hire more staff. This means they will need to train new staff members and upskill existing staff accordingly.

**Modeling and assumptions.** This benefit is modeled over a three-year span that is based on the following information for SNY:

- When JW Player is first implemented, SNY dedicates 8 hours to train its staff on the solution. In Year 1, it adds an additional four hours (one hour per quarter) to upskill the existing staff on new features. As the organization hires new staff

members, they need 12 hours of training and upskilling in Years 2 and 3.

- The fully burdened hourly salary of a director of video is \$48.
- As use of JW Player grows, SNY hires an additional video producer in Year 2, bringing the total to two.
- The fully burdened salary of a video producer is \$75,000. Producers spend 70% of their time using the JW Player solution.
- As use of JW Player grows, SNY hires two additional video coordinators in Year 2, bringing the total to four.
- The fully burdened hourly salary for a video coordinator is \$31.
- Once a week, the director of video meets with the JW Player team to make adjustments and recalibrate existing strategies.
- The fully burdened salary of a business intelligence analyst is \$95,000. They dedicate 30% of their time to optimize the player and app.

## ANALYSIS OF COSTS

- The fully burdened hourly salary of a digital platform manager is \$125,000. They spend 10% of their time dedicated to JW Player.

**Risks.** Training, strategy, and ongoing maintenance costs for JW Player will vary based on the following factors:

- The number of hours needed for training and upskilling.

- The number of employees who are responsible for video content and insights, their titles, and salaries.

- The number of hours dedicated to talking strategy with the JW Player team.

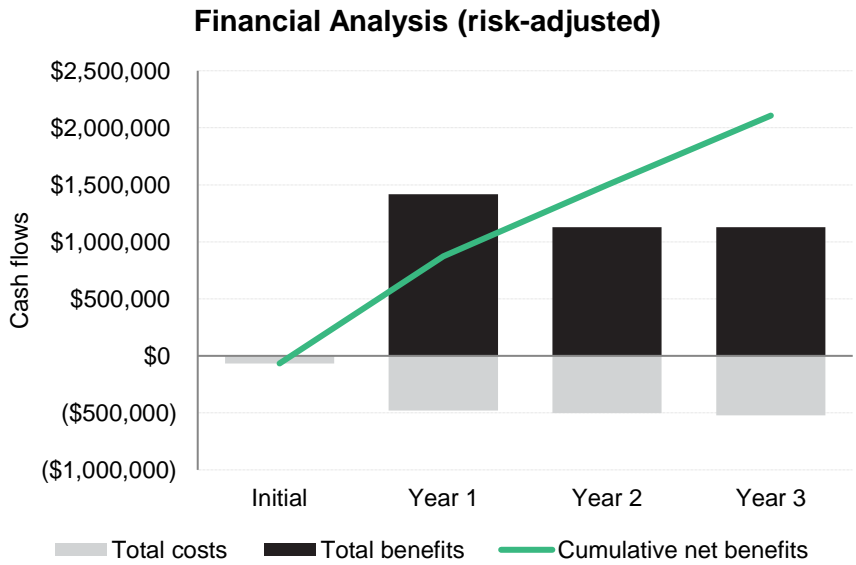
**Results.** To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$270,000.

### Training, Strategy, And Ongoing Maintenance Cost Of JW Player

Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Number of hours needed for training for the internal team upskilling and new hires	Interviews	8	4	12	1
F2	Fully burdened hourly salary of a director of video	TEI standard	\$48	\$48	\$48	\$4
F3	Number of video producers	Interviews	1	1	2	
F4	Fully burdened hourly salary of a video producer	TEI standard	\$36	\$36	\$36	\$3
F5	Number of video coordinators	Interviews	2	2	4	
F6	Fully burdened hourly salary of a video coordinator	TEI standard	\$31	\$31	\$31	\$3
F7	Subtotal: Training cost	$(F1 \cdot F2) + (F3 \cdot F4 \cdot F1) + (F1 \cdot F5 \cdot F6)$	\$1,168	\$584	\$2,928	\$2,92
F8	Number of hours needed for ongoing strategy	Interviews	0	52	52	5
F9	Subtotal: Strategy cost	$F2 \cdot F8$	\$0	\$2,496	\$2,496	\$2,49
F10	Fully burdened salary of a business intelligence analyst	TEI standard		\$95,000	\$95,000	\$95,00
F11	Percent of time a business intelligence analyst dedicates to optimizing player and app using insights from JW Player	Interviews		30%	30%	30%
F12	Fully burdened salary of a video producer	Interviews		\$75,000	\$75,000	\$75,00
F13	Percent of time a video producer dedicated to JW player	Interviews		70%	70%	70%
F14	Fully burdened salary of a digital platform manager	TEI standard		\$125,000	\$125,000	\$125,00
F15	Percent of time a digital platform manager dedicated to JW player	Interviews		10%	10%	10%
F16	Subtotal: Ongoing personnel cost to maintain JW player	$(F10 \cdot F11) + (F12 \cdot F13) + (F14 \cdot F15)$		\$93,500	\$93,500	\$93,50
Ft	Training, strategy, and ongoing maintenance cost of JW Player	$F7 + F9 + F16$	\$1,168	\$96,580	\$98,924	\$98,92
	Risk adjustment	↑10%				
Ftr	Training, strategy, and ongoing maintenance cost of JW Player (risk-adjusted)		\$1,285	\$106,238	\$108,816	\$108,81
<b>Three-year total: \$325,156</b>			<b>Three-year present value: \$269,551</b>			

# Financial Summary

## CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS



The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the 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	(\$66,326)	(\$480,238)	(\$501,516)	(\$521,151)	(\$1,569,232)	(\$1,308,931)
Total benefits	\$0	\$1,418,652	\$1,129,058	\$1,128,489	\$3,676,198	\$3,070,639
Net benefits	(\$66,326)	\$938,414	\$627,541	\$607,337	\$2,106,967	\$1,761,708
ROI						135%
Payback						<6 months

## Appendix A: Total Economic Impact

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

### TOTAL ECONOMIC IMPACT APPROACH

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

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

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

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

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



### PRESENT VALUE (PV)

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



### NET PRESENT VALUE (NPV)

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



### RETURN ON INVESTMENT (ROI)

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



### DISCOUNT RATE

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



### PAYBACK PERIOD

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



## Appendix B: Endnotes

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<sup>1</sup> Source: “US Consumer Pandemic Recovery Outlook: Spotlight On Media Consumption,” Forrester Research, Inc., June 17, 2021.

<sup>2</sup> Source: “The Forrester Tech Tide™: Video Technologies For Customer And Employee Experience, Q4 2020,” Forrester Research, Inc., October 28, 2020.

<sup>3</sup> Total Economic Impact is a methodology developed by Forrester Research that enhances a company’s technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

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