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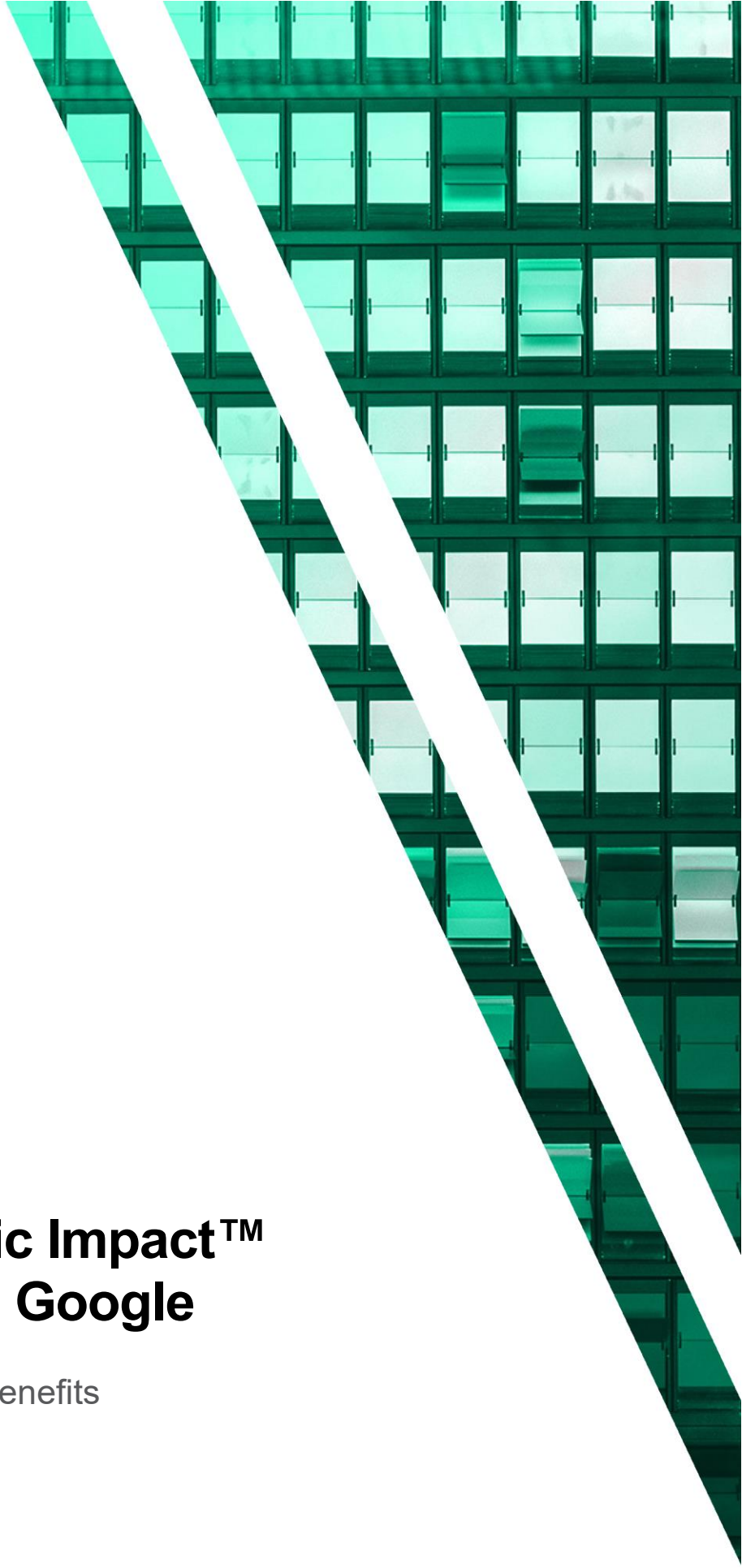

The Total Economic Impact™ Of Web Stories On Google

Cost Savings And Business Benefits Enabled By Web Stories

JULY 2021

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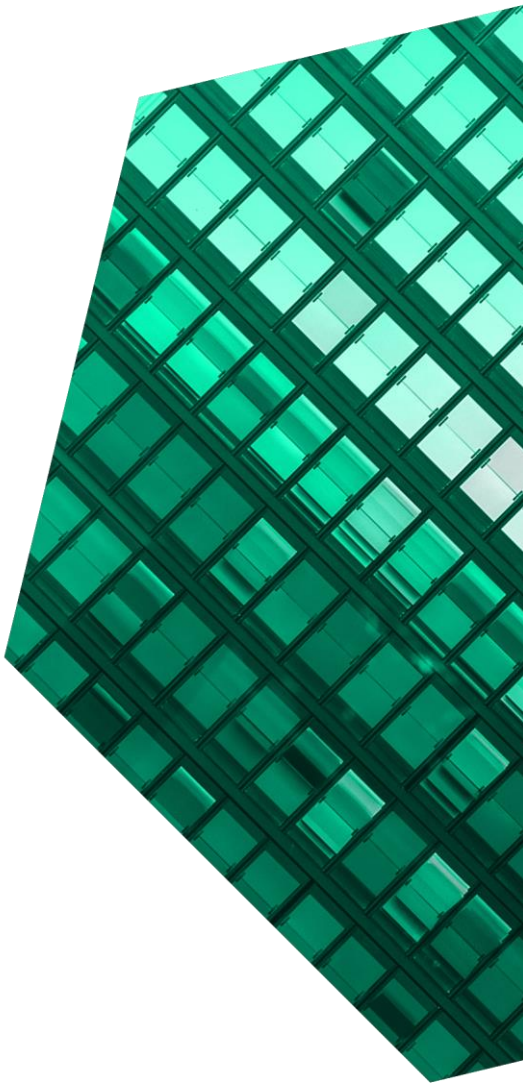


ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. For more information, visit forrester.com/consulting.

Executive Summary

Web Stories are a web-based version of the popular Stories format that blend video, audio, images, animation, and text to create a dynamic consumption experience for web audiences. Web Stories enhance customer engagement by offering a more visual and immersive experience. With Web Stories, publishers can drive net-new website traffic, keep content evergreen, better control branding, and diversify revenue.

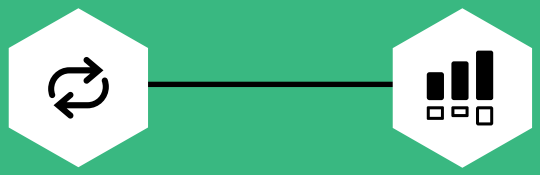
Google commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) publishers may realize by deploying Web Stories.[1] The purpose of this study is to provide readers with a framework to evaluate the potential financial impact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

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four publishers and surveyed 90 publishers with experience using Web Stories. For the purposes of this study, Forrester aggregated the experiences of the interviewed and surveyed publishers and combined the results into a single composite organization.

Before Web Stories, the organizations published a wide variety of content for their websites including text articles, photos, and videos; however, the content was not optimized for mobile devices. The organizations also published stories on third-party photo- and video-sharing social networks. Story content on these networks had a limited life, and branding was inconsistent.

After the investment in Web Stories, the publishers enhanced customer engagement by offering a more immersive and interactive experience. Content was optimized for mobile devices. Web Stories extended story content life, supported branding, and diversified the publishers' revenue streams. Key results from the investment included:

KEY STATISTICS



Return on investment (ROI)
36%

Net present value (NPV)
$159K

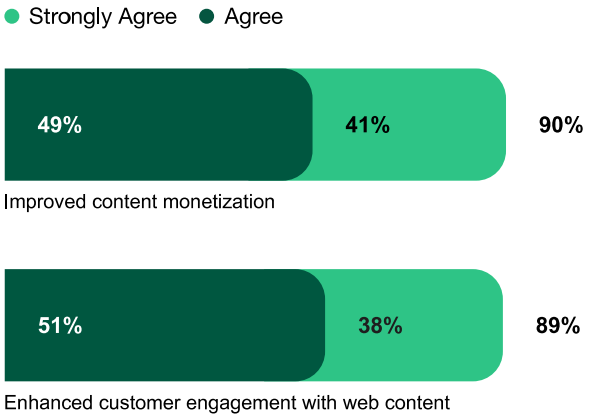
- **Immersive, visual experience on mobile devices.** With Web Stories, the publishers could offer their audience a visually appealing, tap-to-advance story on their mobile devices.
- **Evergreen content.** Web Stories content continually resurfaced and could be rediscovered via search and the Google Discover carousel. Content from traditional text stories could be repurposed for use in Web Stories.
- **Brand uplift.** Web Stories gave the publishers greater control over branding, traffic, and customer experience versus stories published on third-party platforms. With Web Stories, consumers interacted directly with the brand, enhancing their brand experience.

“With Web Stories, we are expanding our audience. It’s just another point for people to come in and experience our brand and engage with our storytelling.”

— Manager audience development, publisher

- **Enhanced customer engagement.** The publishers saw an increase in website traffic as new audiences discovered the Web Stories. Consumers could discover Web Stories via search or the Google Discover carousel. Consumers spent more time reading and completing Web Stories than traditional text stories.

“Thinking about the impact of Web Stories on your organization, how much do you agree or disagree with the following statements?



Base: 90 Content creation/publishing professionals
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, April 2021

- **New revenue sources.** The publishers added advertising and affiliate links to their Web Stories to grow and diversify revenue.

Quantified benefits. Risk-adjusted present value (PV) quantified benefits include:

- **Net-new website traffic: $132,000 benefit.** Web Stories drive net-new traffic to the publisher’s websites and expand audience reach. The net-new website traffic increases overall display advertising revenue for the organization’s websites.

“We’re always looking for new and different ways to reach our fans and to introduce use to potential fans. That was one of the reasons why Web Stories were attractive to us.”

CEO, publisher

- **Advertising revenue: $411,000 benefit.** The publisher places advertisements within Web Stories, providing a new ad formant and revenue stream. The advertisements within the Web Stories add $18,800 per month of incremental advertising revenue.
- **Affiliate link revenue: $60,000 benefit.** The publisher adds affiliate links to their Web Stories. When a sale is made from an affiliate link, the publisher earns a commission on the total sale value. Affiliate links in Web Stories add $7,000 per month of new affiliate link revenue.

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

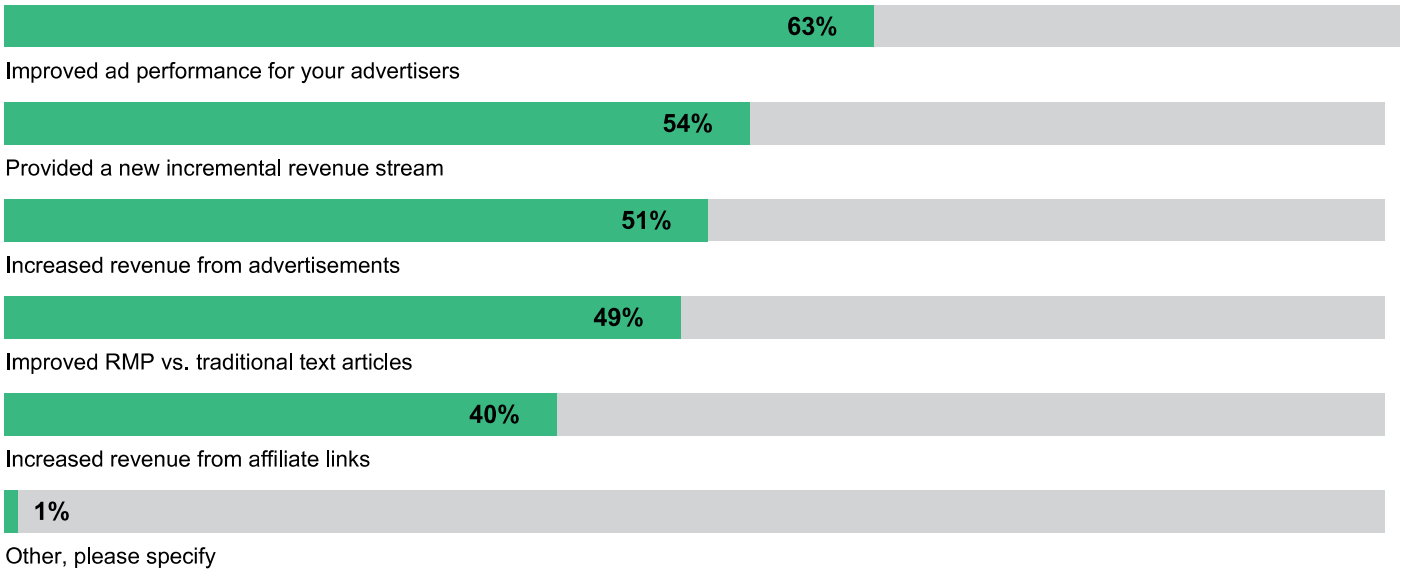
- **Enhanced and improved customer engagement.** Ninety percent of survey respondents reported that Web Stories increased customer engagement.[2] Customers spent more time on Web Stories and completed Web Stories at a higher rate than text stories.

Costs. Risk-adjusted PV costs include:

- **Creative and editorial team time to create Web Stories: $419,000 cost.** The publisher trains its creative and editorial teams on how to create Web Stories. The time to create a Web Story decreases from 3 hours per story in Year 1 to 1.5 hours per story in Year 3.
- **Tools and equipment to create Web Stories: $22,000 cost.** The publisher acquires new equipment, such as cameras, new visual content, and accelerated mobile pages (AMP) story-builder tools to create Web Stories.[3]
- **Cost to integrate Web Stories and web CMS: $3,000 cost.** It takes less than three weeks to deploy Web Stories. The publisher's IT team spends 40 hours integrating Web Stories with their web content management system (CMS).

The financial analysis based on the customer interviews and survey found that a composite organization experiences benefits of $602,000 over three years versus costs of $444,000, adding up to a net present value (NPV) of $159,000 and an ROI of 36%.

"You noted that Web Stories improved content monetization for your organization. Which of the following have you seen change?"



Base: 90 Content creation/publishing professionals
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, April 2021

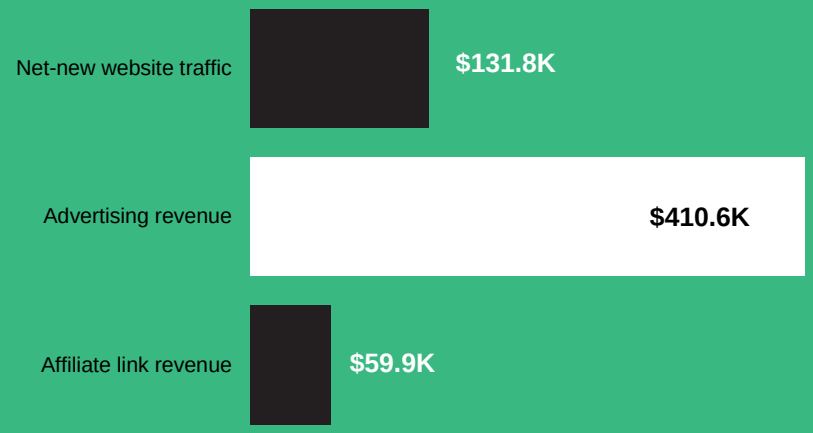
ROI
36%

BENEFITS PV
$602K

NPV
$159K

PAYBACK
22 months

Benefits (Three-Year)



Incremental advertising revenue accounts for 68% of the total benefits.

“Web Stories was a new way to get in front of audiences in a more visual way.”

— Senior director digital distribution, publisher

TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews and survey, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in the Web Stories.

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 the Web Stories can have on an organization.

DUE DILIGENCE

Interviewed Google stakeholders and Forrester analysts to gather data relative to the Web Stories.

CUSTOMER INTERVIEWS AND SURVEY

Interviewed four decision-makers and surveyed 90 decision-makers at organizations using Web Stories to obtain data with respect to costs, benefits, and risks.

COMPOSITE ORGANIZATION

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

FINANCIAL MODEL FRAMEWORK

Constructed a financial model representative of the interviews and survey 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 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 Web Stories On Google Customer Journey

Drivers leading to the Web Stories investment

KEY CHALLENGES

Forrester interviewed four publishers and surveyed 90 publishers with experience using Web Stories. For more details on the organizations that participated in this study, see Appendix B.

Before Web Stories, the organizations published a wide variety of content for their websites including text articles, photos, and videos. However, the content was not optimized for mobile devices. The organizations also published stories on third-party photo- and video-sharing social networks.

The publishers struggled with common challenges, including:

- **Audience shift to mobile devices.** The publishers found that more of their audience was coming from mobile devices. They needed to get in front of their audience with a more visually immersive experience optimized for mobile.
- **Need to enhance customer engagement.** The publishers wanted to increase consumer engagement with their content. They hypothesized that their audience would engage longer with content if it were more visually appealing, interactive, and easily digestible snackable content.

"We thought our audience would engage longer with content if it was more visual and if it offered a kind of lean-in experience by tapping through the stories."

SVP business development, publisher

"Last year was really challenging for us during the [COVID-19] pandemic. A lot of people realized that diversifying revenue and alternative ways of making money are more important than ever. Exploring this with Google Web Stories makes a ton of sense."

Senior director of partnerships, publisher

- **Limited content life.** Third-party photo- and video-sharing platforms typically limited story life to only 24 hours. The publishers wanted an evergreen content approach where story content could be repurposed and continually rediscovered via search or the Google Discover carousel.
- **Inconsistent branding.** Third-party photo- and video-sharing platforms limited the publishers' ability to put their own branding on their content.
- **Revenue diversification.** The publishers looked for new ways to expand and diversify revenue. The COVID-19 pandemic in 2020 depressed traditional advertising revenue channels, intensifying the need to diversify revenue streams.

INVESTMENT OBJECTIVES

The organizations searched for a solution that could:

- Provide consumers with a more visual, immersive content experience.
- Support continual discovery of evergreen content.

- Drive website traffic, enhancing the value of the website and website advertising.
- Diversify revenue streams.

COMPOSITE ORGANIZATION

Based on the interviews and survey, Forrester constructed a TEI framework, a composite company, and a ROI analysis that illustrates the areas financially affected. The composite organization is representative of the four companies that Forrester interviewed and the 90 companies that Forrester surveyed and is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

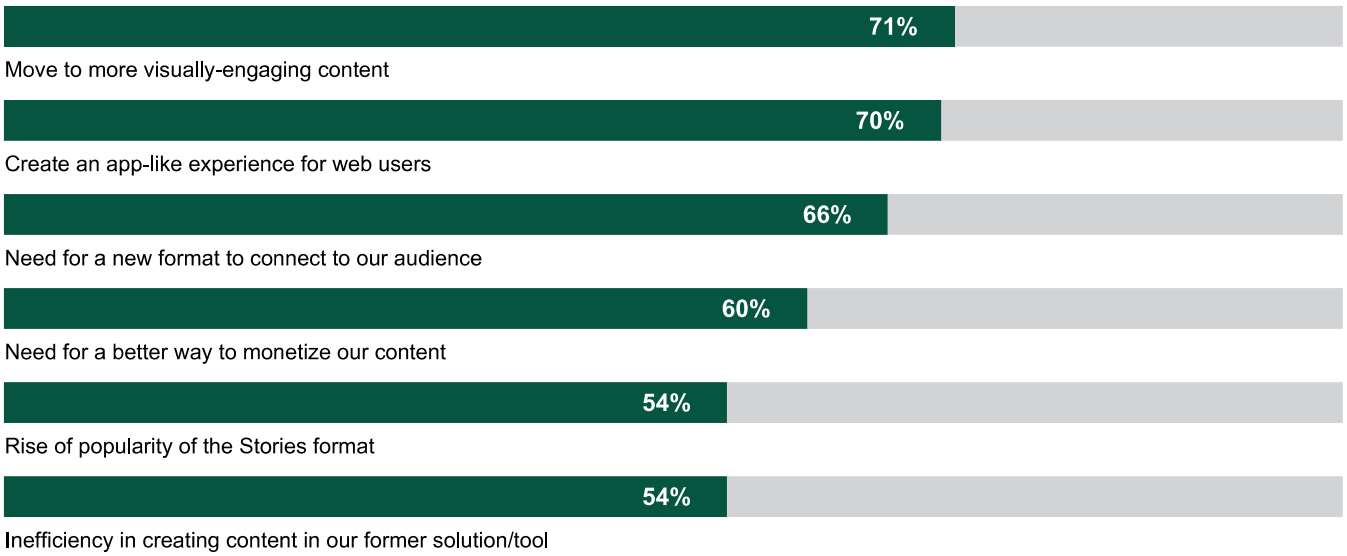
Description of composite. The composite organization is a media and publishing company with annual revenue of $100 million and 500 employees. The organization publishes 120 Web Stories per month the first year and increases Web Story production over time. Each Web Story typically includes six to 12 visual content slides.

Deployment characteristics. The composite organization integrates Web Stories with its web CMS. The company deploys Web Stories over three weeks The organization acquires new equipment such as cameras and new visual content for the Web Stories. The organization uses AMP story-builder tools to create web stories without coding.

Key assumptions

- **Media and publishing company**
- **$100 million annual revenue**
- **500 employees**
- **Publishes 120 Web Stories per week in Year 1**

"Which of the following key factors drove your organization to invest in Web Stories for content production/publishing?"



Base: 90 Content creation/publishing professionals
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, April 2021

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	Net-new website traffic	$40,390	$53,854	$67,317	$161,561	$131,802
Btr	Advertising revenue	$92,160	$172,032	$245,760	$509,952	$410,600
Ctr	Affiliate link revenue	$6,912	$23,040	$46,080	$76,032	$59,946
	Total benefits (risk-adjusted)	$139,462	$248,926	$359,157	$747,545	$602,348

NET-NEW WEBSITE TRAFFIC

Evidence and data. Web Stories helped the publishers drive net-new traffic to their websites and expand audience reach.

- The interviewed publishers produced between five and 60 Web Stories per week.
- Survey respondents produced 25.7 Web Stories per week on average.[4]
- Web Stories expanded audience reach for the interviewed publishers. One of the interviewed publishers noted that a single, popular Web Story could drive a million page views to their website.
- Fifty-three percent of survey respondents saw an increase in website traffic with Web Stories. For respondents who saw an increase in website traffic, a Web Story increased traffic 10.7% more than a text story.[5]
- Sixty-one percent of survey respondents saw an increase in page views and impressions with web stories. For respondents who saw an increase in page views and impressions, a Web Story generated 13.1% more page views and impressions than a text story.[6]

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

- Web Stories drive net-new traffic to the organization's website. Each Web Story generates 17,531 new impressions. Web Story impressions are 13.1% higher per story than traditional text story impressions.
- The organization publishes 120 Web Stories per month in Year 1, which increases to 200 Web Stories per month by Year 3.
- The net-new website traffic drives incremental display advertising revenue for the publisher's website.
- The average revenue per thousand impressions (RPM) for a display ad on the website is $2.[7]

> **"Total audience reach is greater because we've added Google web stories to the toolbox."**
>
> *Manager audience development, publisher*

Risks. The benefit of net-new website traffic will vary based on:

- Incremental traffic and impressions driven by Web Stories.
- Number of Web Stories published.
- Average RPM for website advertisements.

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 $131,802.

Net-New Website Traffic

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
A1	Monthly impressions per text article before Web Stories	Interviews and survey data	15,500	15,500	15,500
A2	Improvement in impressions per article with Web Stories	Interviews and survey data	13.1%	13.1%	13.1%
A3	Monthly impressions per Web Story	A1*(1+A2)	17,531	17,531	17,531
A4	Web Stories published (per month)	Composite	120	160	200
A5	Increased monthly impressions with Web Stories	A3*A4	2,103,660	2,804,880	3,506,100
A6	Revenue per thousand impressions (RPM)	Forrester research	$2.00	$2.00	$2.00
At	Net-new website traffic	A5/1,000*A6*12 months	$50,488	$67,317	$84,146
	Risk adjustment	↓20%			
Atr	Net-new website traffic (risk-adjusted)		$40,390	$53,854	$67,317
	Three-year total: $161,561		**Three-year present value: $131,802**		

ADVERTISING REVENUE

Evidence and data. The interviewed publishers and survey respondents generated advertising revenue with Web Stories.

- All of the interviewed publishers generated incremental advertising revenue with Web Stories. The advertising revenue varied based on how many Web Stories were published and how many Web Stories contained advertisements.
- The interviewed publishers typically placed the advertisements around the seventh slide in a Web Story.
- The interviewed publishers sold ads both directly and programmatically to advertisers. They found that advertising revenues were significantly higher for ads that were sold directly.
- The interviewed publishers generated between $160 and $400 of advertising revenue per month per Web Story.
- Fifty-one percent of survey respondents saw an increase in advertising revenues with Web Stories. The average increase in advertising revenue was $18,829 per month, or $182 per Web Story per month.[8]

Modeling and assumptions. For the composite organization Forrester assumes:

- The organization publishes 120 Web Stories per month in Year 1. By Year 3, the organization is publishing 200 Web Stories per month.
- Average advertising revenue is $160 per Web Story per month.
- In Year 1, 50% of the Web Stories have advertising. By Year 3, 80% of the Web Stories have advertising.

Risks. The benefit of advertising revenue will vary based on:

- The number of Web Stories published.
- The percentage of Web Stories with advertising.
- Method of selling advertising, e.g., programmatic or via direct sales.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of $410,600.

Advertising Revenue

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
B1	Web Stories published (per month)	A4	120	160	200
B2	Advertising revenue per story per month	Interviews and survey data	$160	$160	$160
B3	Advertising revenue per month with Web Stories	B1*B2	$19,200	$25,600	$32,000
B4	Implied RPM	B2/(A3/1,000)	$9.13	$9.13	$9.13
B5	Advertising revenue with Web Stories	B3*12 months	$230,400	$307,200	$384,000
B6	Phased adoption of Web Stories advertising	Interviews and survey data	50%	70%	80%
Bt	Advertising revenue	B5*B6	$115,200	$215,040	$307,200
	Risk adjustment	↓20%			
Btr	Advertising revenue (risk-adjusted)		$92,160	$172,032	$245,760
	Three-year total: $509,952			**Three-year present value: $410,600**	

AFFILIATE LINK REVENUE

Evidence and data. The interviewed publishers and survey respondents could increase affiliate link revenue with Web Stories.

- The four interviewed publishers were not generating affiliate link revenue with Web Stories. One interviewed publisher was testing affiliate link revenue, and a second interviewed publisher was just beginning to roll out Web Story affiliate links.
- Forty percent of survey respondents saw an increase in affiliate link revenue with Web Stories. The average increase in affiliate link revenue was $7,665 per month, or $75 per Web Story per month.[9]

Modeling and assumptions. For the composite organization Forrester assumes:

- The organization publishes 120 Web Stories per month in Year 1. By Year 3, the organization is publishing 200 Web Stories per month.
- Average affiliate link revenue is $60 per Web Story per month.
- In Year 1, 10% of the Web Stories generate revenue from affiliate links. By Year 3, 40% of the Web Stories generate revenue from affiliate links.

Affiliate link revenue per month, Year 1:

$7,200

Risks. The benefit of affiliate link revenue will vary based on:

- The number of Web Stories published.
- The percentage of web stories with affiliate links.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of $59,946.

Affiliate Link Revenue

Ref.	Metric	Calculation	Year 1	Year 2	Year 3
C1	Web Stories published (per month)	A4	120	160	200
C2	Affiliate link revenue per story per month	Interviews and survey data	$60	$60	$60
C3	Affiliate link revenue per month with Web Stories	C1*C2	$7,200	$9,600	$12,000
C4	Affiliate link revenue with Web Stories	C3*12 months	$86,400	$115,200	$144,000
C5	Phased adoption of Web Story affiliate links	Interviews and survey data	10%	25%	40%
Ct	Affiliate link revenue	C4*C5	$8,640	$28,800	$57,600
	Risk adjustment	↓20%			
Ctr	Affiliate link revenue (risk-adjusted)		$6,912	$23,040	$46,080
	Three-year total: $76,032			**Three-year present value: $59,946**	

UNQUANTIFIED BENEFITS

Additional benefits that customers experienced but were not quantified include:

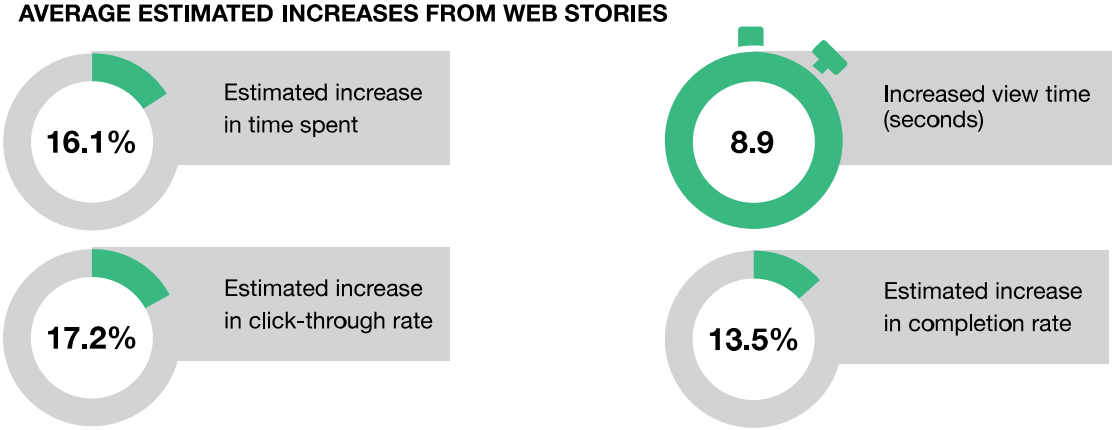
- **Enhanced customer engagement**. Web Stories enhanced and improved customer engagement. 90% of survey respondents reported that Web Stories increased customer engagement.[10] Customers spent more time on Web Stories and completed Web Stories at a higher rate than text stories. Compared to traditional text stories, customer engagement metrics improved with Web Stories:
  - Increase in time spent on a story was 16.1%.
  - Increase in story completion rate was 13.5%.
  - Increase in click-through rate for call-to-action buttons was 17.2%.
  - Increase in view time was 8.9 seconds.
- **Brand uplift.** Web Stories gave the interviewed customers better control over their brand and content.
  - The CEO told us: “There is a brand uplift opportunity. We’re not just a website, we’re a media company. Web Stories are valuable because they allow us to break through and have a more immersive engagement with people.”

“Web Stories live forever. Some of the content we’re creating is seasonal. It comes back year after year. We balance evergreen themes with more trending or recent topics that may not live as long.”

Senior director digital distribution, publisher

  - The SVP, content distribution and partnerships added: “We don’t want to rely on third-party platforms. With Google Web Stories, we own the eyeballs. It’s very attractive from a branding perspective to control where the traffic and viewer is counted.”

AVERAGE ESTIMATED INCREASES FROM WEB STORIES



Base: 90 content creation/publishing professionals
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, April 2021

FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement Web Stories and later realize additional uses and business opportunities, including greater longevity of content.

- With Web Stories, the interviewed companies created evergreen content that can be rediscovered repeatedly. Web Stories increased content life, while in contrast, other story formats often limited content life to only 24 hours. Web Story content could also be repurposed to other nonstory formats.
- The manager of audience development at a publisher shared: “When we create something for other story platforms, it lives for only 24 hours. With Google Web Stories, we publish a story once and it’s out there. It can be resurfaced over and over again through search or Discover. The shelf life for Web Stories is greater.”

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

Analysis Of Costs

Quantified cost data as applied to the composite

Total Costs							
Ref.	**Cost**	**Initial**	**Year 1**	**Year 2**	**Year 3**	**Total**	**Present Value**
Dtr	Creative and editorial team time to create Web Stories	$2,574	$187,110	$160,380	$151,470	$501,534	$419,021
Etr	Tools and equipment to create Web Stories	$5,500	$6,600	$6,600	$6,600	$25,300	$21,913
Ftr	Cost to integrate Web Stories and web CMS	$2,860	$0	$0	$0	$2,860	$2,860
	Total costs (risk-adjusted)	$10,934	$193,710	$166,980	$158,070	$529,694	$443,794

CREATIVE AND EDITORIAL TEAM TIME TO CREATE WEB STORIES

Evidence and data. The interviewed companies and survey respondents trained their creative and editorial teams on how to create Web Stories.

- The editorial teams at the interviewed publishers spent between 30 minutes and 3 hours to create each Web Story. The time varied depending on the complexity of the Web Story content. The senior director of partnerships at a publisher noted, “An editor can make a Web Story in as short as an hour or at the longest, 3 hours.”
- Each Web Story typically included six to 12 visual content slides. One interviewed company initially began creating Web Stories with 25 to 30 slides but found the sweet spot for their audience was six to 10 slides. They saved time by scaling back production to shorter Web Stories.
- The interviewed companies found that there was a learning curve to creating Web Stories, and over time, it was easier and faster to create the Web Stories.
- Survey respondents reported that it takes 2 hours and 11 minutes on average to create a Web Story. Seventy-five percent of survey respondents reported that it takes less than 3 hours to create a Web Story.[11]

Modeling and assumptions. For the composite organization Forrester assumes:

- Twelve creative and editorial team members train on web stories. Each team member spends 5 hours training and learning how to create Web Stories.
- The average creative and editorial team member salary including benefits is $81,000, or $39 per hour.
- The organization publishes 120 Web Stories per month in Year 1. By Year 3, the organization is publishing 200 Web Stories per month.
- As the team gains experience producing web stories, the time to create a Web Story decreases from 3 hours per story in Year 1 to 1.5 hours per story in Year 3.

Time to publish a Web Story, Year 3:

1.5 hours

Risks. The cost for creative and editorial team time to create Web Stories will vary based on:

- The length of a typical Web Story.
- The skill set of the editorial and creative team.
- Average fully burdened salary for creative and editorial team members.

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 $419,021.

Creative And Editorial Team Time To Create Web Stories

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
D1	Creative and editorial team members trained on Web Stories	Interviews and survey data	12			
D2	Training time (hours)	Interviews and survey data	5			
D3	Creative and editorial team annual salary, fully burdened	$60,000 salary plus benefits	$81,000	$81,000	$81,000	$81,000
D4	Creative and editorial team salary fully burdened per hour, rounded	D3/2,080 hours per year	$39	$39	$39	$39
D5	Training cost	D1*D2*D4	$2,340			
D6	Web Stories published (per month)	A4		120	160	200
D7	Time to create a Web Story (hours per story)	Interviews and survey data		3.0	2.0	1.5
D8	Time to create Web Stories (hours per year)	D6*D7*12 months / year		4,320	3,840	3,600
D9	Creative and editorial team FTEs, rounded	D8/2,080 hours per year		2.1	1.8	1.7
D10	Creative and editorial team time to create Web Stories	D3*D9	$0	$170,100	$145,800	$137,700
Dt	Creative and editorial team time to create Web Stories	D5+D10	$2,340	$170,100	$145,800	$137,700
	Risk adjustment	↑10%				
Dtr	Creative and editorial team time to create Web Stories (risk-adjusted)		$2,574	$187,110	$160,380	$151,470
	Three-year total: $501,534			**Three-year present value: $419,021**		

TOOLS AND EQUIPMENT TO CREATE WEB STORIES

Evidence and data. The interviewed publishers and survey respondents typically acquired new equipment, such as cameras, new visual content, and AMP story-builder tools, to create Web Stories.

- Not all of the interviewed companies incurred upfront costs related to Web Stories. Some were able to leverage existing equipment and visual content.
- Fifty-three percent of survey respondents incurred upfront costs for equipment or hardware to support Web Stories. For the companies that purchased equipment or hardware, the average cost was $3,105.[12]
- Thirty-eight percent of survey respondents incurred upfront costs to acquire or license visual content for Web Stories. For the companies that acquired or licensed visual content, the average cost was $1,888.[13]
- Fifty-one percent of survey respondents report ongoing costs for tools to build Web Stories.[14]

Modeling and assumptions. For the composite organization Forrester assumes:

- The organization purchases equipment such as cameras to support Web Stories.
- The organization expands its visual content library with new content to use in the Web Stories.
- The company subscribes to AMP story-builder tools that make it easier to create Web Stories without coding.

Risks. The cost for tools and equipment to create web stories will vary based on:

- Types of equipment and tools already on hand.
- Existing visual content library.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of $21,913.

Tools And Equipment To Create Web Stories

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
E1	Equipment (e.g., cameras)	Interviews and survey data	$3,000			
E2	Visual content	Interviews and survey data	$2,000			
E3	Tools to create Web Stories	Interviews and survey data		$6,000	$6,000	$6,000
Et	Tools and equipment to create Web Stories	E1+E2+E3	$5,000	$6,000	$6,000	$6,000
	Risk adjustment	↑10%				
Etr	Tools and equipment to create Web Stories (risk-adjusted)		$5,500	$6,600	$6,600	$6,600
	Three-year total: $25,300			**Three-year present value: $21,913**		

COST TO INTEGRATE WEB STORIES AND WEB CMS

Evidence and data. The interviewed publishers and survey respondents typically integrated Web Stories with their web CMS.

- The effort to integrate Web Stories with a web CMS will depend on which web CMS a company uses. One of the interviewed publishers used a web CMS with a Web Stories plugin, so they did not have to spend time on integration. Another interviewed publisher did not use a web CMS. A third interviewed company published Web Stories directly from its AMP story-builder tool.
- Survey respondents reported that on average, it took 2.8 weeks to implement Web Stories.[15]
- Eighty-one percent of survey respondents reported that their internal staff were involved in the Web Stories implementation and spent 34.7 hours on average implementing Web Stories. The majority, 62%, reported that their internal team spent 40 hours or less on the Web Stories implementation.[16]

Modeling and assumptions. For the composite organization Forrester assumes:

- The composite organization's IT team spends 40 hours integrating Web Stories with its web CMS.
- The average annual salary including benefits is $135,000 for the IT team members, or $65 per hour.

Risks. The cost to integrate Web Stories with a web CMS will vary based on:

- Specific web CMS functionality.
- Skill of the IT team.
- Average IT team member salary.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of $2,860.

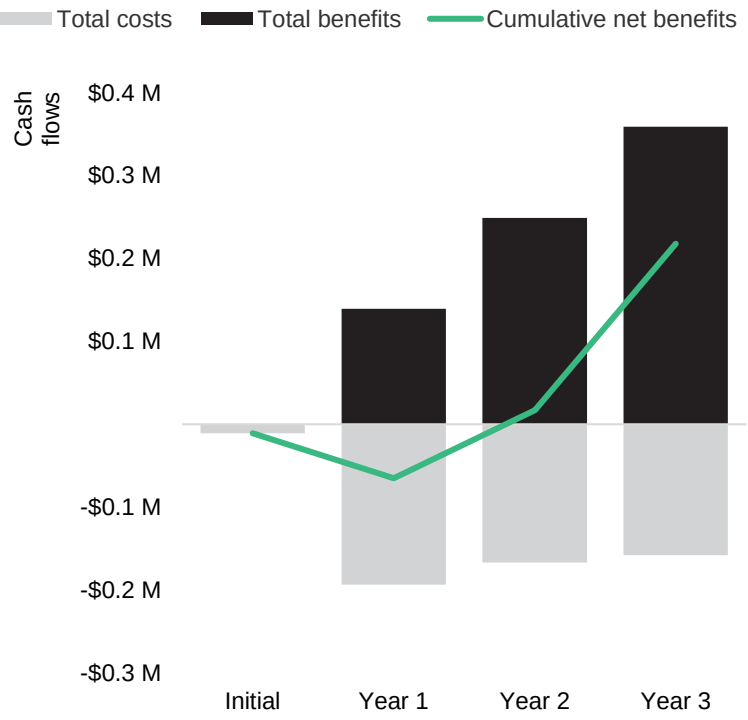
Cost To Integrate Web Stories And Web CMS

Ref.	Metric	Calculation	Initial	Year 1	Year 2	Year 3
F1	Time to integrate Web Stories with web content management system (hours)	Interviews and survey data	40			
F2	IT team fully burdened salary per hour, rounded	$100,000 salary plus benefits/2,080 hours	$65			
Ft	Cost to integrate Web Stories and web CMS	F1*F2	$2,600	$0	$0	$0
	Risk adjustment	↑10%				
Ftr	Cost to integrate Web Stories and web CMS (risk-adjusted)		$2,860	$0	$0	$0
	Three-year total: $2,860			**Three-year present value: $2,860**		

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)



The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

These risk-adjusted ROI, NPV, and payback period values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

Cash Flow Analysis (Risk-Adjusted Estimates)

	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	($10,934)	($193,710)	($166,980)	($158,070)	($529,694)	($443,794)
Total benefits	$0	$139,462	$248,926	$359,157	$747,545	$602,348
Net benefits	($10,934)	($54,248)	$81,946	$201,087	$217,851	$158,554
ROI						36%
Payback period (months)						22

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: Interview And Survey Demographics

Interviewed Organizations

Industry	Region	Interviewees	Revenue (USD)
Publisher	US	CEO	$5 million
Publisher	US	• SVP business development, • Associate director business development	$80 million
Publisher	US	Senior director of partnerships	$90 million
Publisher	US	• Senior director digital distribution • Manager audience development	$1.8 billion

Survey Demographics

"What types of mobile-focused digital content do you produce for your organization?"

100%

Stories
(e.g. Web Stories, Instagram Stories, SnapChat Stories)

81%

Photos

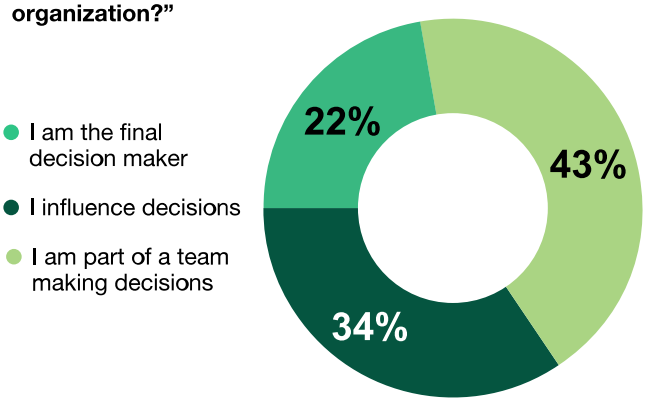
78%

Text articles

52%

Videos

"What is your level of responsibility when it comes to working in content production/publishing at your organization?"



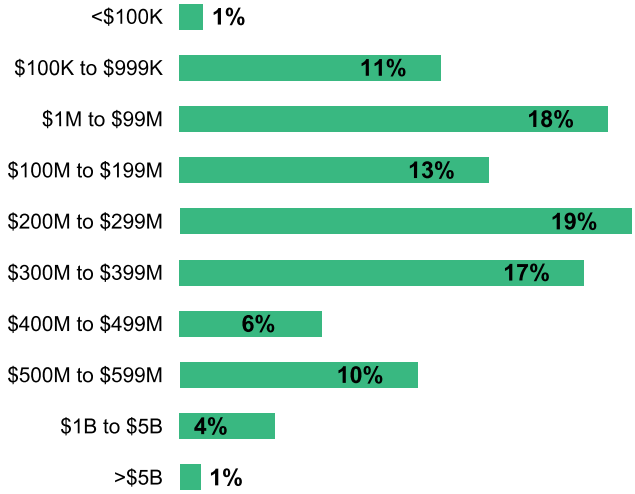
"In which country are you located?"

33%
United States

33%
Brazil

33%
India

"Using your best estimate, what is your organization's annual revenue (USD)?"



Base: 90 Content creation/publishing professionals
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, April 2021

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 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.

[2] Base: 90 publishing decision-makers in the US, Brazil, and India who publish Web Stories. Source: A commissioned study conducted by Forrester Consulting on behalf of Google, April 2021.

[3] AMP is an open-source HTML framework developed by the AMP Open Source Project. AMP is optimized for mobile web browsers and helps web pages load faster. See https://amp.dev/ for more information.

[4] Base: 90 publishing decision-makers in the US, Brazil, and India who publish Web Stories. Source: A commissioned study conducted by Forrester Consulting on behalf of Google, April 2021.

[5] Base: 48 publishing decision-makers in the US, Brazil, and India who publish Web Stories and saw an increase in website traffic with Web Stories. Source: A commissioned study conducted by Forrester Consulting on behalf of Google, April 2021.

[6] Base: 55 publishing decision-makers in the US, Brazil, and India who publish Web Stories and saw an increase in page views and impressions with Web Stories. Source: A commissioned study conducted by Forrester Consulting on behalf of Google, April 2021.

[7] Revenue per thousand impressions is the estimated revenue a publisher will receive for every 1,000 ad impressions on their website.

[8] Base: 46 publishing decision-makers in the US, Brazil, and India who publish Web Stories and saw an increase in advertising revenue with Web Stories. Source: A commissioned study conducted by Forrester Consulting on behalf of Google, April 2021.

[9] Base: 36 publishing decision-makers in the US, Brazil, and India who publish Web Stories and saw an increase in affiliate link revenue with Web Stories. Source: A commissioned study conducted by Forrester Consulting on behalf of Google, April 2021.

[10] Base: 90 publishing decision-makers in the US, Brazil, and India who publish Web Stories. Source: A commissioned study conducted by Forrester Consulting on behalf of Google, April 2021.

[11] Base: 90 publishing decision-makers in the US, Brazil, and India who publish Web Stories. Source: A commissioned study conducted by Forrester Consulting on behalf of Google, April 2021.

[12] Base: 48 publishing decision-makers in the US, Brazil, and India who publish Web Stories and purchased equipment or hardware up front to support Web Stories. Source: A commissioned study conducted by Forrester Consulting on behalf of Google, April 2021.

[13] Base: 34 publishing decision-makers in the US, Brazil, and India who publish Web Stories and purchased visual content up front to support Web Stories. Source: A commissioned study conducted by Forrester Consulting on behalf of Google, April 2021.

[14] Base: 90 publishing decision-makers in the US, Brazil, and India who publish Web Stories. Source: A commissioned study conducted by Forrester Consulting on behalf of Google, April 2021.

[15] Base: 90 publishing decision-makers in the US, Brazil, and India who publish Web Stories. Source: A commissioned study conducted by Forrester Consulting on behalf of Google, April 2021.

[16] Base: 73 publishing decision-makers in the US, Brazil, and India who publish Web Stories and whose internal staff were involved in the Web Stories implementation. Source: A commissioned study conducted by Forrester Consulting on behalf of Google, April 2021.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