

FORRESTER®

The Total Economic Impact™ Of Meltwater For Brand Management

Cost Savings And Business Benefits
Enabled By The Meltwater Suite

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ABOUT FORRESTER CONSULTING

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Executive Summary

Brand customers continue to pursue social tech consolidation to escape the disjointed ecosystem of point solutions. In response, social suites centralize social media capabilities across listening, organic publishing, advertising, customer response, and other secondary social capabilities. Meltwater helps firms further their tech consolidation efforts by connecting the worlds of media relations and marketing with a vision of helping brand customers understand, influence, and engage with consumers.

Meltwater offers a suite of solutions to solve problems modern professionals face across PR, communications, and marketing. The Meltwater suite's capabilities include:

- Comprehensive media monitoring and analysis across various channels (e.g., news media, social media) to capture content and conversations.
- A media database to build better relationships with journalists and a social influencer management tool to manage those relationships from contract to content creation and campaign performance.
- Social listening functionality to scour data feeds across social media platforms.
- A social media management tool to streamline the publishing and response process.

Meltwater commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and

KEY STATISTICS



Return on investment (ROI)
242%



Net present value (NPV)
\$1.93M

examine the potential return on investment (ROI) enterprises may realize by deploying the Meltwater suite.¹ The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of the Meltwater suite for global brand management purposes on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed eight representatives with experience using the Meltwater suite for global brand management. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single composite organization that is a large multinational corporation with \$500 million in revenue. The organization implements Meltwater solutions for social media management, social listening, and social influencer program management.

Before Meltwater, the interviewees' organizations had no cost-effective way of measuring and tracking media coverage globally. Marketers made up

Payback period

<6 months



technological gaps through manual processes or high costs to third-party providers or vendors for point solutions. In either case, the organizations focused on counting the data instead of analyzing and glean insights to inform strategic decision-making.

With Meltwater, organizations built a global solution to elevate data insights to understand their businesses' needs better while saving costs related to the marketing budget, employee time spent on manual work, and third-party provider involvement. As a result, organizations leveraged insights more quickly to reduce risks associated with crisis management and more widely across the enterprise to influence more business areas, such as product marketing or development, ultimately strengthening their brand.

KEY FINDINGS

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

- **Reduces third-party provider costs by \$403,000.** The composite organization utilizes Meltwater instead of outsourcing media intelligence work to third-party providers, saving over \$400,000 in three years. The insights team provides comprehensive market intelligence to their business counterparts by accessing timely insights about their industry, products, and competitors. Meltwater decreases the composite's reliance on external third-party providers and the associated cost savings and delivers more value to the business at a fraction of the cost.
- **Avoids manual processes, which results in \$770,000 in employee productivity gains.** Meltwater replaces the composite's manual processes with an automated platform that provides readily available reports and dashboards, allowing employees to focus on more valuable work. The platform saves time, enables employees to access dashboards and information quickly, and finds product- or industry-relevant insights. Meltwater eliminates the composite's need for a dedicated resource to screen and analyze intelligence manually. It surfaces trends and insights by enabling analysis and interpretation of results instead of just counting and updating a spreadsheet. The composite saves its PR, communications, and media intelligence resources up to 25% of their weekly time, while improving employee satisfaction.
- **Reallocates \$895,000 of the composite organization's influencer marketing budget due to improved social media campaigns.** The Meltwater suite improves the composite organization's return on its social media influencer campaigns by identifying influencers based on category and location, filtering them by social media platform and audience demographics, and ranking them by a proprietary influence score that factors in dozens of metrics. The composite can now track the impact of each influencer and their followers' changes, enabling them to focus on good-quality influencers. As a result, the composite's marketers can more precisely budget for campaigns and identify good-quality influencers for future launches or new campaigns.
- **Delivers tangible brand impact due to Meltwater.** The composite uses Meltwater's social listening platform to monitor social media platforms and channels beyond social media to expose negative brand sentiment. Meltwater alerts the composite to negative messages, saving on PR costs to counter the posts. This near-real-time sentiment feedback enables the composite to act faster and mitigate the risk of potentially damaging its brand, which could impact revenue. Brand reputation and the dangers of not being aware of negative stories or competitors' actions could impact the brand of the composite. Conversely, Meltwater allows the

composite to understand consumer needs and trends to inform future product direction. This knowledge ultimately helps the composite make more strategic business decisions.

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

- **Increased employee satisfaction.** Meltwater's platform increased employee satisfaction by eliminating barriers to daily tasks and enabling employees to focus on more strategic initiatives rather than executional tasks. Interviewees described how Meltwater's proactive customer success teams surfaced many new ideas, allowing teams to make profitable business decisions. A director of global communications at a high-tech firm noted Meltwater's efficient customer success compared to other competitor platforms and third-party providers.
- **Improved campaign performance.** Meltwater provided organizations with quick, reliable customer insights that led to better decision-making for improved campaign strategies and increased engagement metrics. The platform also offered flexible reporting for different markets and feedback to inform business decisions.
- **Flexible reporting to support business decisions.** Meltwater enabled the interviewees' organizations to customize reports to support different markets and identify critical media partners for the targeted audience segment, leading to faster insights and better-informed business decisions. The platform also facilitated global campaign management using Meltwater's influencer marketing solution, reporting solution, social listening solution, and social media management solution. An added benefit was that platform provided leadership teams with greater visibility into global social campaign activities. Finally, Meltwater's insights elevated the position of PR amongst business leaders, enabling them to make more informed decisions and increasing the team's strategic value.

- **Improved business outcomes.** Meltwater's customer insights helped the interviewees' organizations improve business outcomes by identifying areas of cost savings and optimizing product launches. For example, one high-tech organization found it could launch 50% fewer products and still receive the same or better press coverage in specific categories.

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

- **Meltwater fees.** The composite organization pays fees to Meltwater for its products and services, including annual fees for access to the core platform, professional services, and annual access to the add-on influencer solution. The amount of fees the composite pays depends on the specific solutions implemented and the required project implementation. The composite organization pays a risk-adjusted \$788,000 over three years.
- **Internal training costs.** The composite organization allocates internal resources to training efforts for Meltwater's platform solutions, which requires users to learn its functionality, particularly when replacing manual processes. Forrester estimates the internal training costs for ten marketing team users is 4 hours per year at an hourly salary of \$90. The composite organization pays a risk-adjusted \$10,000 over three years.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$2.73 million over three years versus costs of \$798,000, adding up to a net present value (NPV) of \$1.93 million and an ROI of 242%.



ROI
242%

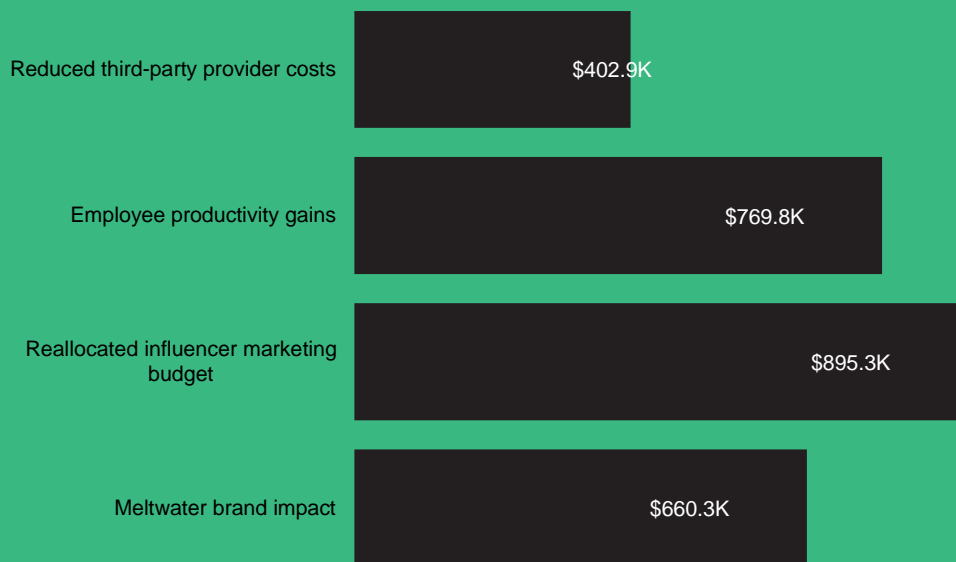


BENEFITS PV
\$2.73M



NPV
\$1.93M

Benefits (Three-Year)



“Meltwater’s service is phenomenal. We meet quarterly to learn about new enhancements, our usage, and to discuss any challenges we have. I have a person dedicated to my team that we can contact daily if we need to. The Meltwater team is very accessible.”

— Vice president, global corporate media relations, healthcare

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 the Meltwater suite.

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 Meltwater suite can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Meltwater 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 the Meltwater suite.

Meltwater 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.

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



DUE DILIGENCE

Interviewed Meltwater stakeholders and Forrester analysts to gather data relative to the Meltwater suite.



INTERVIEWS

Interviewed eight representatives at organizations using the Meltwater suite to obtain data with respect to costs, benefits, and risks.



COMPOSITE ORGANIZATION

Designed a composite organization based on characteristics of the interviewees' organizations.



FINANCIAL MODEL FRAMEWORK

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



CASE STUDY

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

The Meltwater Suite Customer Journey

Drivers leading to the Meltwater suite investment

Interviews			
Interviewee Title	Industry	Region	Size
Director, global communications	High-tech	Global	80,000+ employees
Communications operations	High-tech	Global	80,000+ employees
Analyst relations manager	High-tech	Global	80,000+ employees
Market insights, brand department	High-tech	Global	195,000 employees
Vice president, global corporate media relations	Healthcare	Global	22,000 employees
Manager, global digital marketing team	Retail	Global	57,500 employees
Vice president of marketing excellence and commercial capabilities	Healthcare	Global	99,500 employees
Global lead of media monitoring, measurement, and insights	Financial services	United States	12,000 employees

KEY CHALLENGES

Before Meltwater, the interviewees' organizations cobbled together global brand management capabilities with manual tracking and reporting efforts, third-party provider work, and point solutions. As a result, they suffered from common challenges, including:

- **High costs.** Before Meltwater, interviewees' organizations experienced high costs associated with their approaches to global brand management in a few different categories. In some instances, organizations were eating marketing budgets by throwing promotions and products into various marketing channels without any real way of measuring performance against the spend. The director of global communications at a high-tech firm indicated that they previously launched high volumes of products simultaneously at trade shows in hopes of generating press coverage.

In other cases, internal resources used manual processes to collect intelligence and report against the data collected. For instance, the vice president, global corporate media relations noted their healthcare firm used manual processes to count press releases to measure media coverage instead of business outcomes. The director of global communications at a high-tech firm dedicated resources to screening coverage and writing reports for insights teams. These efforts were often understaffed and did not cover the breadth of data streams required to see the entire picture for the business.

To capture global insights, interviewees reported using third-party providers or implementing point solutions to capture insights from local markets. The manager of a global digital marketing team noted their retail organization used a competitive solution for social listening that carried high costs associated with keyword searches. The communications operations interviewee at the high-tech firm engaged a third-party provider to

provide insights but paid by the engagement, which placed strict barriers on their abilities to follow the local business markets with the depth or breadth they would have liked. In both instances, costs prohibited scaling their investments by global region or use case application.

- **Lack of actionable insights.** The inability to scale prior methods inhibited the interviewees' organizations from creating a standard approach to global brand management across global regions for various use case applications (social listening vs. influencer management) or even within individual news and social media channels. Poor user experience (UX) associated with

competitive tools and the manual work used to bridge technology gaps contributed to the inability to share insights across the organization to product, strategy, and innovation teams. Without a centralized end-to-end solution, the interviewees' organizations focused on superficial counts, such as volume of releases and hits per media channel, and social engagement KPIs that did not lend themselves to a deep analysis of the data or a way to tie performance to spending. These methods, coupled with the focus on superficial KPIs, were also ineffective in surfacing negative sentiments and triggering a fast response from crisis management teams, leaving the organizations vulnerable to reputation and brand risk.

SOLUTION INVESTMENT OBJECTIVES

The interviewees' organizations searched for a solution that provided:

- A cost-effective approach to global media intelligence.
- Collaboration to surface insights gathered globally.
- Inclusive UX to democratize findings.

COMPOSITE ORGANIZATION

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an ROI analysis that illustrates the areas financially affected. The composite organization is representative of the eight interviewees, and it is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

Description of composite. The organization is a large multinational corporation with \$500 million in revenue. There are 5,000 total employees, 30 of which are Meltwater users across the following use cases: corporate communications (including crisis management, brand tracking and reputation

“Many of the PR results I saw [before Meltwater] were reporting sound bites and listing out the links of all the published stories. We didn’t track quantitative metrics in our nearly 200 markets, across different languages, online media, plus audio podcasts. We lacked the combined view. That motivated us to look at cost-effective options to run as a pilot. When we compared Meltwater with some of the other tools in the market in terms of the scale and the ease of use, they were by far at the time ahead of everyone else.”

Director, global communications, high-tech

awareness), social listening, and influencer marketing.

Deployment characteristics. The organization implements Meltwater's suite of solutions to cover all disciplines of global brand management including corporate communications, influencer marketing, and social listening and engagement.

Key Assumptions

- **\$500M company**
- **Operates globally**
- **5,000 employees**
- **30 users**

Analysis Of Benefits

■ Quantified benefit data as applied to the composite

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Reduced third-party provider costs	\$162,000	\$162,000	\$162,000	\$486,000	\$402,870
Btr	Employee productivity gains	\$309,545	\$309,545	\$309,545	\$928,634	\$769,792
Ctr	Reallocated influencer marketing budget	\$360,000	\$360,000	\$360,000	\$1,080,000	\$895,267
Dtr	Meltwater brand impact	\$265,500	\$265,500	\$265,500	\$796,500	\$660,259
	Total benefits (risk-adjusted)	\$1,097,045	\$1,097,045	\$1,097,045	\$3,291,134	\$2,728,188

REDUCED THIRD-PARTY PROVIDER COSTS

Evidence and data. Before Meltwater, many of the interviewees' organizations chose to outsource much of their media intelligence work to third-party providers. Third-party provider work was expensive and required a statement of work to outline the scope of the request, which limited the opportunity to glean additional insights from the data collected. Outsourcing project work to third-party providers was not viewed as a long-term solution as it was cost-prohibitive and did not build a foundation of internal core competencies.

The director of global communications interviewee at the high-tech firm described how they reduced third-party costs with Meltwater while broadening the insights garnered through insights and data analytics: "What is great about the Meltwater team is that they're super proactive. They will look at trends on their own, even if it's outside their scope on paper, and say, 'Hey, we noticed that you have this big launch and there's some interesting data if you want to take a look.' And then they'll go ahead and do it and then send it to us. They're different from other partners we partnered with in the past who, for every request — or not even a request — they'd bill us for anything they did proactively. [Meltwater is] more

proactive in bringing solutions and interesting things without overly billing us for everything. It is not as transactional of a relationship because Meltwater is invested in maintaining and growing the long-term relationship with us versus nickel-and-diming everything."

Modeling and assumptions. To calculate the value of reducing third-party provider costs for the composite organization, Forrester makes the following assumptions:

- Before Meltwater, the organization fields 12 requests with third-party providers per year.
- The average cost of a third-party provider request is \$15,000.
- With Meltwater, the organization eliminates the need to field ad hoc requests to third-party providers given the proactive analysis the Meltwater account and professional services teams provides.

Risks. Reduced third-party provider costs may vary depending on the following:

- The tools in place and need for third-party provider intervention experienced before implementing Meltwater.

- Organizations that have more tools in place prior or more employee time to dedicate to data collection and analysis efforts might have less need for third-party provider work before they implement Meltwater.
- Alternatively, an organization that relies heavily on third-party provider intervention before

implementing Meltwater will see greater cost savings from reducing third-party provider costs.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$403,000.

Reduced Third-Party Provider Costs					
Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Number of third-party provider requests fielded previously	Interviews	12	12	12
A2	Number of third-party provider requests fielded after Meltwater	Interviews	0	0	0
A3	Average cost of a third-party provider request	Interviews	\$15,000	\$15,000	\$15,000
At	Reduced third-party provider costs	$A1 * A3 - A2 * A3$	\$180,000	\$180,000	\$180,000
	Risk adjustment	↓10%			
Atr	Reduced third-party provider costs (risk-adjusted)		\$162,000	\$162,000	\$162,000
Three-year total: \$486,000			Three-year present value: \$402,870		

EMPLOYEE PRODUCTIVITY GAINS

Evidence and data. Before deploying Meltwater, the interviewees' organizations used many manual, spreadsheet-based processes to aggregate and report out on social and media intelligence metrics. Manual processes delayed time to action and limited the scope of insights gathered. Employees that previously spent time manually collecting, analyzing, and reporting against social and media intelligence data gained time back from the efficiencies enabled by Meltwater to focus on more valuable work. Meltwater's functionality automatically harnessed insights and presented them in easily digestible dashboards to influence business decisions.

- The market insights, brand department interviewee at the high-tech firm described the impact on their team: "From the insight team angle, Meltwater changed our way of working. The platform enables analysis for our PR and social through readily available reports, which saves time. We can also download the reports and send them to local markets to help them find relevant insights. Before Meltwater, we needed to manually screen for intelligence, take screenshots, and collect that information in PowerPoint slides, which could take a few days to create. But now, we have quick access to dashboards and reports."
- The global lead of media monitoring, measurement, and insights at the financial services firm lacked staff dedicated to manual screening efforts internally before Meltwater. However, they theorized that they would have had to dedicate a single resource to that effort a few days per week to create the type of reports they get from Meltwater automatically.
- The manager of the global digital marketing team at a retailer had internal employees dedicated to manual intelligence screening, reporting, and analysis before Meltwater. Therefore, they estimated that they saved their resources 25% of

"The DIY platform is an incredible thing because we're a global team and, with the fast-paced nature of tech, we can't have an agency partner pull data for every single little request. It's much more empowering and liberating for us to pull it ourselves. Having the Meltwater platform and learning how to use it and being able to pull the objective data on our own has been super helpful."

Director, global communications, high-tech

their time per week and improved employee satisfaction simultaneously.

- The vice president of global corporate media relations at the healthcare firm experienced efficiencies that enabled their analysis efforts to go deeper, elevating higher volumes and more sophisticated insights: "Our process before Meltwater was manual. We had a spreadsheet with 10 metrics, and the team was responsible for reporting their results against those metrics weekly. I had a resource dedicated to capturing all the inputs, and then we'd update it weekly. At the end of the month, we would do the tally and circulate that report. It was very manual. If we wanted to include clips, someone would have to go through, pull the clips, and package them so we could easily send them around. Now, we have the dashboard; we send a link and we can annotate it and add comments to it. We can also save it as a PDF. It allows us to spend more time

talking about the content and analyzing and interpreting the results, as opposed to spending the time just counting what we did so that we could update a spreadsheet. It's elevated the trends and insights we get from the data."

Modeling and assumptions. To calculate the value of employee productivity gains for the composite organization, Forrester makes the following assumptions:

- Efficiencies from the Meltwater suite impact resources across PR, communications, and social teams, and totals 10 FTEs.
- Eliminating prior manual monthly reporting effort saves 32 hours each month for the impacted resources.

- The average fully burdened hourly rate for the impacted marketing professionals is \$90 per hour.

Risks. Employee productivity gains may vary depending on the following:

- The processes in place for screening, reporting, and socializing social and media intelligence insights before Meltwater.
- The size and scope of the social and media intelligence operation in terms of functions included and resources involved.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$770,000.

Employee Productivity Gains					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Hours saved in monthly reporting	Interview	32	32	32
B2	Fully burdened hourly salary for marketing team members	Forrester standard	\$90	\$90	\$90
B3	Number of staff providing reports on a monthly basis across PR, comms, and social teams	Interview	10	10	10
Bt	Employee productivity gains	$(B1*B2*B3)*12$	\$343,938	\$343,938	\$343,938
	Risk adjustment	↓10%			
Btr	Employee productivity gains (risk-adjusted)		\$309,545	\$309,545	\$309,545
Three-year total: \$928,634			Three-year present value: \$769,792		

REALLOCATED INFLUENCER MARKETING BUDGET

Evidence and data. Organizations improved their social media influencer campaigns with insights from the Meltwater suite. Previously, marketers spent time and money identifying influencers and their audiences to understand who would deliver the most profitable return. Meltwater’s solution tools helped identify influencers based on category and location. The platform allowed marketers to filter influencers by social media platform and audience demographics and located niche topics. Additionally, organizations could rank the influencers by a proprietary influence score that factored in dozens of metrics. Organizations could accurately budget for their campaigns because they were assured they were spending on influencers who aligned with the campaign’s goals.

- The market insights, brand department interviewee at the high-tech firm explained how they experienced both efficiencies and cost savings in their influencer marketing operations with Meltwater: “In our influencer marketing operations, Meltwater helped us to track each influencer, how they perform, and how the followers change for each account. Now, we have a good understanding of the real impact of each influencer and can know if each post is performing well in terms of engagement, exposure, and impressions, for example. We know that for the next round of product launches or new campaigns, we will directly cooperate with good-quality influencers again. This process saves a lot of budget because we are not wasting our money on some bad quality influencers.”
- The same interviewee at the high-tech firm estimated their organization saved 20% of its total spend on influencer programs with Meltwater.

Modeling and assumptions. To calculate the value of reallocating influencer marketing budget for the

“Part of the reason why we first worked with Meltwater is because there’s no way we can afford a full-time team on retainer just to help with analytics. It seems like three times more expensive than Meltwater.”

Director, global communications, high-tech

composite organization, Forrester makes the following assumptions:

- Given the size of the composite organization in terms of the annual revenue, which is \$500 million, the organization spends 10% on marketing.²
- Of the 10% dedicated to marketing budget, 8% is spent specifically on influencer marketing before Meltwater.³
- With Meltwater, the organization reallocates 10% of their total spent on influencer marketing to other marketing initiatives.

Risks. Reallocated influencer marketing budget may vary depending on the following:

- The size of the organization and the percentage budget allocated to marketing as well as to social media influencer programs without Meltwater.
- The degree to which Meltwater capabilities are contracted for and implemented by the organization.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$895,000.

Reallocated Influencer Marketing Budget					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Composite organization annual revenue	Composite	\$500,000,000	\$500,000,000	\$500,000,000
C2	Marketing budget	Forrester research	10%	10%	10%
C3	Total marketing spend	C1*C2	\$50,000,000	\$50,000,000	\$50,000,000
C4	Percent of marketing budget spent on influencer marketing	The CMO Survey	8%	8%	8%
C5	Marketing budget reallocated due to Meltwater's impact on key opinion leaders (KOL)	Interview	10%	10%	10%
Ct	Reallocated influencer marketing budget	C3*C4*C5	\$400,000	\$400,000	\$400,000
	Risk adjustment	↓10%			
Ctr	Reallocated influencer marketing budget (risk-adjusted)		\$360,000	\$360,000	\$360,000
Three-year total: \$1,080,000			Three-year present value: \$895,267		

MELTWATER BRAND IMPACT

Evidence and data. The interviewees' organizations implemented Meltwater's social listening platform to monitor social media platforms for mentions. In the case of a comment with a negative sentiment, organizations indicated that they could act faster, thereby reducing the risk of negative brand sentiment potentially impacting revenue.

- The manager of a global digital marketing team at a retailer stated: "Meltwater can alert negative posts on social media. If the posts have gone unnoticed and started to spread, it will increase PR costs to manage these negative posts and influence."
- The global lead of media monitoring, measurement, and insights at a financial services firm elaborated on the impact of brand and reputation risk: "When you have a potential crisis, Meltwater platform can alert you that a negative story has surfaced — that's an exposure that you gain immediate visibility into that you wouldn't have without a platform like this. It is a question of brand reputation and whether you are willing to risk your reputation by not having a tool versus

“We saw that our share of voice was 5 or 6 percentage [points lower] compared to our competitors. We recognized that there were lines of business that had opportunities from a news perspective where we had potential to lift the share of voice. Within the last year, we have elevated our focus on two business areas. By strategically working with the media that cover those areas we have lifted the share of voice of our medical business.”

Vice president, global corporate media relations, healthcare

somebody doing this manually by going in and searching the web for your brand. The manual effort is not picking up everything that isn't an immediate alert through the daily news brief that we pull in. There is also a risk of not being aware of your competitors' actions — if they just acquired a company, launched a product, or partnered with another company. Not being aware of those actions means we would not be able to act on them.”

Modeling and assumptions. To calculate the value of the Meltwater brand impact for the composite organization, Forrester makes the following assumptions:

- The composite organization dedicates \$50 million a year to the marketing budget.
- 11.8% of the total marketing budget is spent on brand building.⁴
- The model factors in examples of the impact a brand's reputation may have such as:

- Meltwater's ability to notify the organization of negative sentiment, which allows the company to react quickly.
- Timely tracking of competitor information.
- Consumer sentiment about a particular need which may drive new product or service creation.
- Forrester assumes an impact of 5% of the annual revenue.

Risks. Meltwater brand impact may vary depending on the following:

- The size and scope of the marketing budget and allocated spend on brand building.
- The type of alerts found by the Meltwater platform and the actions taken by the organization to mitigate the potential impact to revenue.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$660,000.

Meltwater Brand Impact					
Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Marketing budget	C3	50,000,000	50,000,000	50,000,000
D2	Percentage of marketing budget spent on brand building	The CMO Survey	11.8%	11.8%	11.8%
D3	Meltwater impact on revenue	Assumption	5%	5%	5%
Dt	Meltwater brand impact	D1*D2*D3	\$295,000	\$295,000	\$295,000
	Risk adjustment	↓10%			
Dtr	Meltwater brand impact (risk-adjusted)		\$265,500	\$265,500	\$265,500
Three-year total: \$796,500			Three-year present value: \$660,259		

UNQUANTIFIED BENEFITS

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

- **Increased employee satisfaction.** Meltwater enabled efficiencies for employees at the interviewees' organization that eliminated barriers to their daily tasks and allowed them to focus on more strategic initiatives instead of executional tasks, such as thinking of new campaigns or writing better content.

Additionally, Meltwater offered proactive customer success to promote a robust user experience. A director of global communications in a high-tech organization supported the improved customer success experienced with Meltwater: "In terms of time and investment compared to some of the other competitor platforms and agencies out there. I think it's also just very proactive customer service."

- **Improved campaign performance.** Meltwater surfaced more insights quickly so the interviewees' organizations could make better decisions that improved campaign strategies. Organizations indicated that they saw improvements in campaign performance through increased engagement metrics.
- **Flexible reporting to support business decisions.** With Meltwater, interviewees' organizations customized reports to support different markets and identified critical media partners for the targeted audience segment. Additionally, interviewees' organizations could act on insights faster and inform business decisions with near-real-time feedback versus waiting for manual reporting efforts.

A market insight in the brand department at a high-tech industry explained: "In terms of campaign management, on the platform for each local market, they have various products and for

each product, they have set up a campaign folder, and you put the potential influencers you want to use into the folder. Before, social media managers just kept a list on their computers. From the [headquarters'] (HQ) point of view, we would have to talk to the managers to find out what they are doing. Now, we log in to the platform and know everything the overseas countries are doing for the social influencer campaigns."

- Outside of the impact on marketing operations, interviewees' communications teams leveraged Meltwater to provide insights that business leaders found valuable in forming business strategies. In fact, many of the interviewees noted an elevated position for PR amongst business leaders. A vice president of global corporate media relations at a healthcare organization stated: "Because we're able to meet with business leaders and show them real data on results, it has elevated the team to be a strategic business partner. It's shifted the tone and type of conversations that we've been having with business leaders."

Additionally, leadership teams — typically at headquarters — felt more informed regarding what global regions were doing for social campaigns.

- **Improved business outcomes.** The interviewees' organizations leveraged insights more widely across business lines to improve business outcomes. For example, a VP of global corporate media relations in the high-tech industry indicated that their organization realized it could launch 50% fewer products and still get the same or better press coverage in specific categories from the data uncovered with Meltwater: "Using Meltwater data, we discovered if we announced fewer products at a tradeshow, it got about the same amount of coverage. Fifty percent fewer announcements got the same

coverage as another show. Instead of announcing all laptops, we might do one desktop, laptop, tablet, and smartphone. The more categories we announce, the higher the chance of awards, which drive better coverage, versus announcing 20 of the same device.”

FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement the Meltwater suite and later realize additional uses and business opportunities, including expanding investment in Meltwater to include functionality, such as image analysis, social analytics and 24/7 access to news and social media data. The interviewees attributed the expanded investment opportunity to the cost savings enabled per the value proposition as well as the elevated position of PR established by the initial investment in Meltwater functionality. The more functionality in place, the more Meltwater could help measure the impact of PR and communication spend on the business itself.

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

“We mine the data to find out who’s written about us or who hasn’t written about us in a while, who’s writing about our competitors, what they are saying, and are we able to counter that message. We strategize about how to position it and show our product’s benefits. It would have taken us forever to search for mentions through the trade publications. We couldn’t have done this before Meltwater. I’m excited because we have preliminary data on our competitors, allowing us to build a more comprehensive thought leadership program.”

Vice president, global corporate media relations, healthcare

Analysis Of Costs

■ Quantified cost data as applied to the composite

Total Costs							
Ref.	Cost	Initial	Year 1	Year 2	Year 3	Total	Present Value
Etr	Meltwater fees	\$0	\$316,800	\$316,800	\$316,800	\$950,400	\$787,835
Ftr	Internal training costs	\$0	\$3,941	\$3,941	\$3,941	\$11,823	\$9,801
	Total costs (risk-adjusted)	\$0	\$320,741	\$320,741	\$320,741	\$962,223	\$797,636

MELTWATER FEES

Evidence and data. The interviewees' organizations indicated that they paid fees to Meltwater for their products and services.

Modeling and assumptions Fees paid to Meltwater included:

- Annual platform access fees for the Meltwater suite and the influencer solution, which includes 10 user licenses.
- Professional services, which includes monthly reporting, key message analysis, and competitive analysis.

- Annual access to the influencer solution.

For specific cost details, contact the Meltwater team directly.

Risks. Fees paid to Meltwater will vary depending on the solutions implemented, the project required to implement those solutions, and any discounts applied during the sales process.

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 \$788,000.

Meltwater Fees						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	Meltwater platform access	Meltwater		\$120,000	\$120,000	\$120,000
E2	Professional services	Meltwater		\$100,000	\$100,000	\$100,000
E3	Meltwater influencer solution	Meltwater		\$100,000	\$100,000	\$100,000
E4	Multiyear discount	Meltwater		\$32,000	\$32,000	\$32,000
Et	Meltwater fees	(E1+E2+E3)-E4		\$288,000	\$288,000	\$288,000
	Risk adjustment	↑10%				
Etr	Meltwater fees (risk-adjusted)		\$0	\$316,800	\$316,800	\$316,800
Three-year total: \$950,400				Three-year present value: \$787,835		

INTERNAL TRAINING COSTS

Evidence and data. In addition to the annual fees paid to Meltwater, the interviewees’ organizations also dedicated internal resource time to training efforts associated with the investment. Users of the platform solutions needed to ramp on the Meltwater functionality, especially in the cases where the platform replaced manual processes.

Modeling and assumptions. To calculate the costs associated with internal training efforts, Forrester assumes:

- There are 10 users of the Meltwater platform from the PR and communications teams.
- Each user of the platform will spend 4 hours per year training.

- The average fully burdened hourly salary for the users of the platform is \$90.

Risks. Internal training costs will vary depending on the size and scope of the investment in Meltwater and the volume of users required to power the solutions in place.

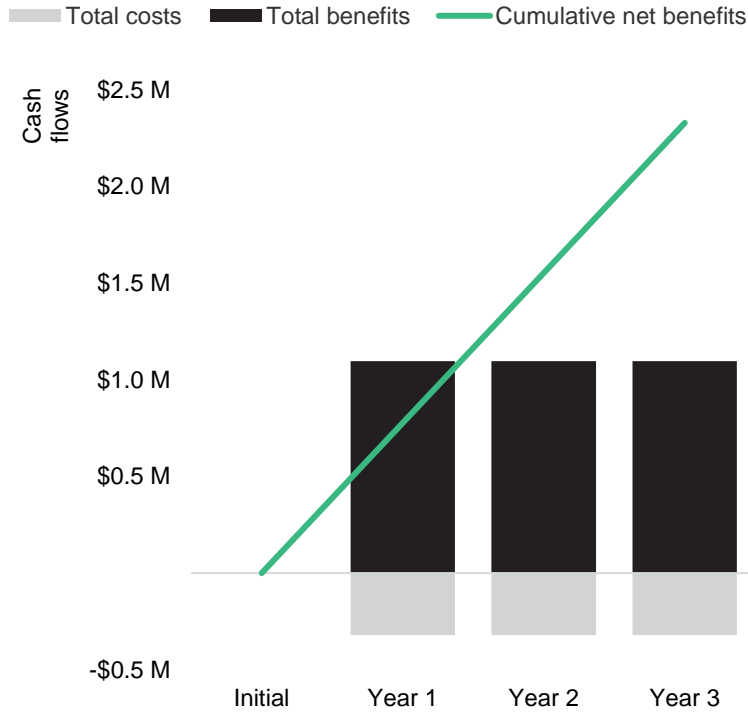
Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$10,000.

Internal Training Costs						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Number of users	Composite		10	10	10
F2	Fully burdened hourly salary for marketing team members	Forrester standard		\$90	\$90	\$90
F3	Hours spent training	Interviews		4	4	4
Ft	Internal training costs	F1*F2*F3		\$3,583	\$3,583	\$3,583
	Risk adjustment	↑10%				
Ftr	Internal training costs (risk-adjusted)		\$0	\$3,941	\$3,941	\$3,941
Three-year total: \$11,823			Three-year present value: \$9,801			

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	\$0	(\$320,741)	(\$320,741)	(\$320,741)	(\$962,223)	(\$797,636)
Total benefits	\$0	\$1,097,045	\$1,097,045	\$1,097,045	\$3,291,134	\$2,728,188
Net benefits	\$0	\$776,304	\$776,304	\$776,304	\$2,328,911	\$1,930,552
ROI						242%
Payback period						<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

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 Source: Forrester's Marketing Survey, 2023.

³ Source: Christine Moorman, "[The CMO Survey](#)," February 2022.

⁴ Source: Ibid.

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