



FORRESTER®

The Total Economic Impact™ of Indeed Ads

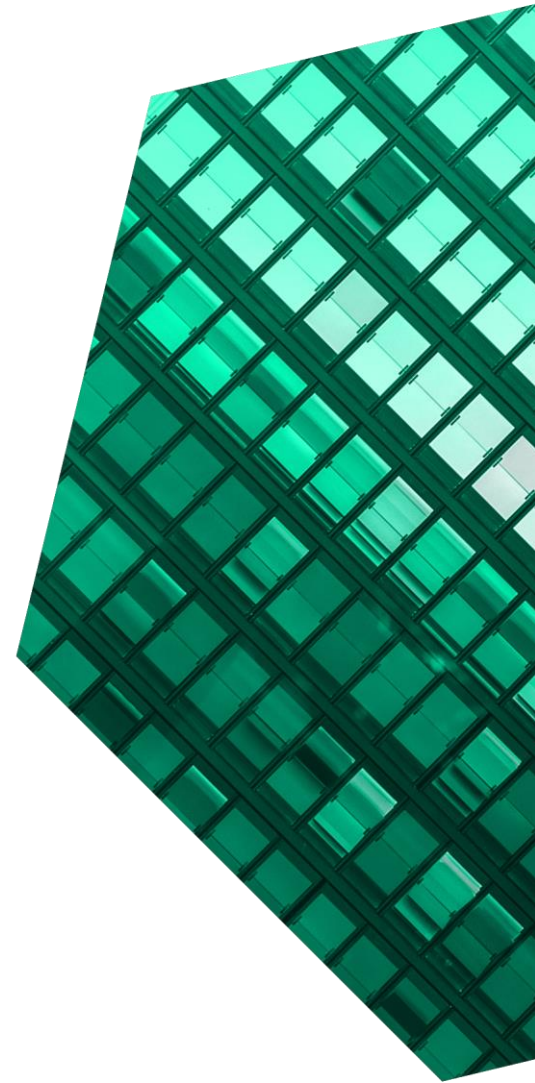
Cost Savings and Business Benefits Enabled by Indeed
Ads

AUGUST 2022

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Note: All monetary values are listed in USD

ABOUT FORRESTER CONSULTING

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Executive Summary

Growing difficulties in attracting the required quantity and quality of job applicants have led to lost revenue for businesses and added workload for talent acquisition leaders. Forrester interviewed and surveyed a total of 18 talent acquisition leaders with experience using Indeed Ads to understand the impact it has had on their organisations. Key benefits of the Indeed Ads investment include job advertising efficiency, mitigation of labour shortages, ability to open new locations, and improved recruiter efficiency overall.

Indeed Ads expands employers' job-seeking reach by promoting jobs on Indeed, Glassdoor, and more than 120 specialised media partners vetted by Indeed.¹ It also allows employers and recruiting agencies to automate their budget allocations through objective-based campaigns. Employers can choose different campaign types to more efficiently optimise their spend and assist them in reaching specific goals, such as maximising total applications, balancing applications across all jobs, achieving a target cost per application, and reaching ideal applicant targets.

In addition, Indeed Ads' Trusted Media Network provides multichannel advertising, allowing employers to further maximise talent reach by automatically tapping into channels — on and off Indeed — that resonate with their target audience. And lastly, Indeed Analytics and Recommendations through Indeed Ads offers centralised, cross-channel analytics that allow employers to easily track and measure campaign performance, access data-driven hiring recommendations, and receive insights on how to optimise campaign performance.

Indeed commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study examining the potential return on investment (ROI) enterprises may realise by deploying Indeed Ads.² The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Indeed Ads on their organisations.

KEY STATISTICS



Return on investment (ROI)
276%



Net present value (NPV)
\$1.98M

To better understand the benefits, costs and risks associated with this investment, Forrester interviewed eight respondents from five organisations and surveyed 10 additional respondents from 10 organisations with experience using Indeed Ads. Forrester aggregated the experiences of the interviewees and survey respondents and combined the results into a single composite organisation.

Prior to using Indeed Ads, the responding talent acquisition leaders and recruiters struggled to fill open positions and keep up with increasing business operations demands during labour shortages. However, prior advertising reached limited numbers of job applications and high levels of open positions. These limitations necessitated excess talent-acquisition budgets and significant amounts of additional work for recruiting teams.

By investing in Indeed Ads, respondents streamlined their recruiting efforts. Indeed Ads lowered the costs of filling open roles, mitigated labour shortages,

expanded business operations, and reduced recruiting workload.

“Indeed Ads’ spend per application is very competitive compared to the other channels. ... That’s why most of our budget is with them.”

Vice president of talent acquisition, healthcare

Ads. The composite organisation generates \$1.3 million in additional profit by expanding faster.

“Through Indeed Ads, we were able to mostly staff before licensing inspection so we would be ready to open the program and accept patients as soon as possible.”

Director of talent acquisition, healthcare

KEY FINDINGS

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

- **Job advertising efficiency.** Indeed Ads provides the composite organisation with more applicants with the same budget compared to alternative job advertising services. This lowers overall cost per applicant and allows it to fill more open positions. The composite organisation avoids spending \$793,000 to fill 750 positions with alternative job advertising services.
- **Labour shortage mitigation.** Indeed Ads enables the composite organisation to maintain existing business operations, eliminating risk of lost revenue due to labour shortages. The composite organisation gains \$517,000 in profit from revenue that would have otherwise been lost.
- **Accelerated business expansion.** Talent acquisition leaders and recruiters at the composite organisation use Indeed Ads to support their business in expanding into new markets. The organisation opens new locations three to 12 months earlier because of Indeed

- **Recruiter efficiency.** Recruiters reallocate time to higher-value work due to Indeed Ads’ ease of use and by automating campaign management through objective-based campaigns. The composite organisation recaptures \$47,000 in improved efficiency for its five recruiters.

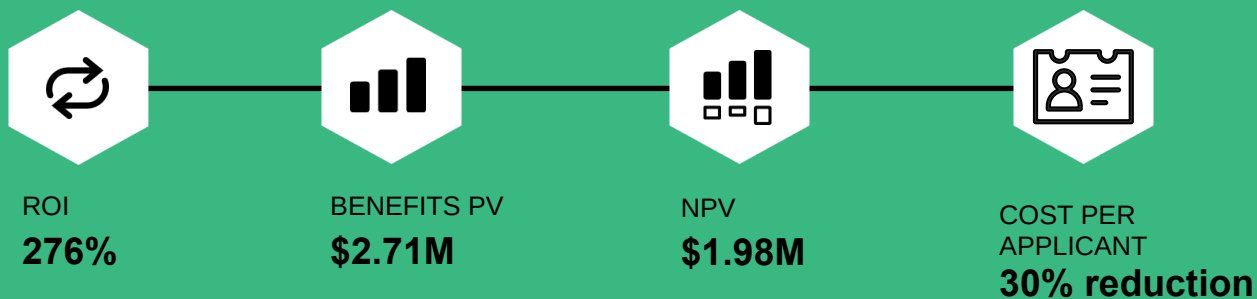
Unquantified benefits. Benefits that provide value for the composite organisation but are not quantified for this study include:

- **A “one-stop shop” for job advertising services.** Indeed Ads provides a wide variety of services to help talent acquisition leaders and recruiters across their hiring funnels. This saves budget by reducing the number of marketing campaigns while simplifying the talent-acquisition environment and management.
- **Employer branding acting as a multiplier for job advertising budget.** The composite organisation improves its employer branding through both Indeed and partners like Glassdoor, acting as a multiplier for campaign effectiveness.

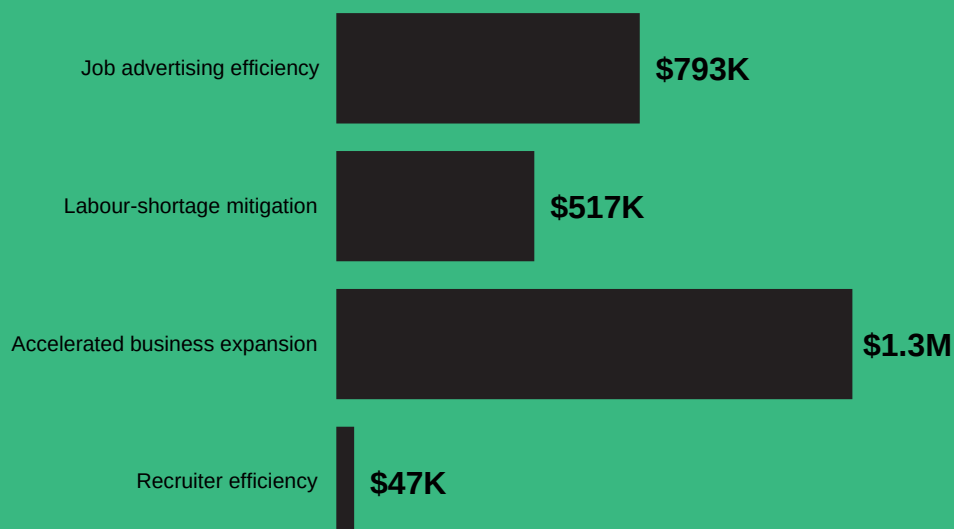
Costs. Three-year risk-adjusted PV costs for the composite organisation include:

- **Cost to fill open positions with Indeed Ads.**
The composite organisation pays for Indeed Ads based on a “pay-per-click” model. However, the same budget garners more applicants with a 30% lower average cost per applicant as compared to alternative job advertising services. The composite organisation spends \$718,000 on ad clicks.
- **Implementation cost.** The composite organisation’s recruiters take a few hours to fully integrate Indeed Ads into their roles. The composite allocates \$2,000 in labour for implementation.

The composite organisation experiences risk-adjusted benefits of \$2.71 million over three years versus costs of \$720,000, adding up to a net present value (NPV) of \$1.98 million and an ROI of 276%.



Benefits (Three-Year)



“We use Indeed because quality candidates come to us quickly and we get higher volume sooner. It buys back time for my team to do other things that will make an impact for the company.”

— Director of talent acquisition, healthcare

TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews and survey, Forrester constructed a Total Economic Impact™ framework for those organisations considering an investment in Indeed Ads.

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 Indeed Ads can have on an organisation.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Indeed 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 organisations 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 Indeed Ads.

Indeed 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.

Indeed provided the customer names for the interviews and survey but did not participate in the interviews.

Forrester fielded the survey which Indeed sent to customers.



DUE DILIGENCE

Interviewed Indeed stakeholders and Forrester analysts to gather data relative to Indeed Ads.



INTERVIEWS AND SURVEY

Interviewed eight representatives and surveyed 10 respondents at organisations using Indeed Ads to obtain data with respect to costs, benefits and risks.



COMPOSITE ORGANISATION

Designed a composite organisation based on characteristics of the interviewees and survey respondents.



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 interviewees and survey respondents.



CASE STUDY

Employed four fundamental elements of TEI in modelling 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 Indeed Ads Customer Journey

■ Drivers leading to the Indeed Ads investment

KEY CHALLENGES

Forrester interviewed eight representatives and surveyed 10 respondents with experience using Indeed Ads at their organisations. For more details on these individuals and the organisations they represent, see [Appendix B](#).

Prior to their investments in Indeed Ads, recruiting decision-makers used their organisations' own corporate recruiting website pages in addition to alternative job advertising services. However, they were ultimately unable to reach their hiring goals, leading to unfilled positions, lost revenues, and inefficient allocation of resources.

Both interviewees and survey respondents noted how their organisations struggled with common challenges, including:

- **Increased budget required to meet hiring goals.** Interviewed and surveyed talent acquisition leaders and recruiters described how some roles became increasingly difficult to fill, resulting in much higher budget and investment. Six out of 10 survey respondents indicated that their organisation had been experiencing lower response rates to job openings before investing in Indeed Ads.

Many interviewed talent acquisition leaders noted that hiring goals had become increasingly difficult to achieve due to macro trends in labour markets. Forrester has found several drivers of these trends during the past decade and recommends long-term measures to manage the future of work.³

“Workload has gone up significantly because a lot of these roles are so challenging to fill. It’s taking double the work to fill them than it would have taken two years ago.”

*Director of talent acquisition,
healthcare*

“Other job boards are not user-friendly like Indeed is. You have all the information that you need.”

*Human resources director,
healthcare*

- **Reduced operational capacity and lost revenue from unfilled positions.** Even with the increased budget, many types of roles proved difficult to fill. This limited operational capacity and ability to bring in revenue. Five out of 10 survey respondents said they were finding too few qualified candidates for their organisations' business needs before investing in Indeed Ads.
- **Difficulty and inefficiency for recruiters.** As the number of open positions increased, recruiters had to work harder to fill those roles. This required working across many different specialty job advertising services. This made the recruiters' work significantly more complex and

difficult to manage, leading to burnout and attrition among the recruiters themselves.

INVESTMENT OBJECTIVES

The interviewees and survey respondents searched for a solution that could:

- Help them reach the highest number of qualified applicants. Six out of 10 survey respondents indicated that their organisations invested in Indeed Ads to help them reach new types of candidates and to keep up with changing labour needs.
- Act as a partner in helping them to develop and implement both short-term and long-term hiring strategies and to provide deeper insights for leadership teams. Four out of 10 survey respondents indicated that their organisations invested in Indeed Ads to gain access to more actionable data and insights.
- Reduce the amount of workload for recruiters by making campaigns easy to manage and by acting as a solution for the entire hiring funnel.

COMPOSITE ORGANISATION

Based on the interviews and survey, Forrester constructed a TEI framework, a composite company, and an ROI analysis that illustrates the areas financially affected. The composite organisation is representative of the eight interviewees and the 10 survey respondents, and it is used to present the aggregate financial analysis in the next section. The composite organisation has the following characteristics:

Description of composite. The business has a strong brand, global operations, and more than 1,000 employees. It hires approximately 250 new employees every year to both maintain operations and expand its business to new locations. Many open positions require a technical background and certification. The composite organisation has many recruiters, with five actively using Indeed Ads to manage job advertising campaigns.

Key assumptions

- **Global operations**
- **5 recruiters using Indeed Ads**
- **More than 1,000 employees**
- **250 new hires each year**
- **New hires require technical certification**

Analysis of Benefits

■ Quantified benefit data as applied to the composite organisation

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Job advertising efficiency	\$318,750	\$318,750	\$318,750	\$956,250	\$792,684
Btr	Labour-shortage mitigation	\$256,000	\$204,800	\$153,600	\$614,400	\$517,385
Ctr	Accelerated business expansion	\$280,000	\$560,000	\$840,000	\$1,680,000	\$1,348,460
Dtr	Recruiter efficiency	\$18,720	\$18,720	\$18,720	\$56,160	\$46,554
	Total benefits (risk-adjusted)	\$873,470	\$1,102,270	\$1,331,070	\$3,306,810	\$2,705,083

JOB ADVERTISING EFFICIENCY

Evidence and data. Interviewees described how Indeed Ads allowed their organisations to reach more job seekers and receive more applications than otherwise possible.

- A talent acquisition manager at a manufacturing organisation doubled the number of job applications with Indeed without increasing budget by using Balance and Maximum objective-based campaigns to efficiently allocate budgets.

- The corporate talent acquisition director at a healthcare organisation more than doubled the number of registered nurse hires for the same advertising budget with Balance and Maximum objective-based campaigns automating its campaign goals.

“If we didn’t have Indeed Ads, we would have to increase budget pretty significantly. When we boost on Indeed, we find that 80% to 90% of applicants come to our job events from Indeed.”

Corporate recruiter, manufacturing

“[Indeed Ads] is just more user-friendly on the candidate side ... and that is definitely increasing our applicant flow with less drop-off as we’ve seen in the past with other sites. We’ve seen a huge jump in applications.”

Corporate talent acquisition director, healthcare

- The director of talent acquisition at a healthcare organisation said their organisation filled 35% of

its open positions with just 25% of its budget using Balance objective-based campaigns.

- The human resources director at a healthcare organisation said their organisation received 60% more applications with the same budget using Balance and Maximum objective-based campaigns.
- Most interviewed talent acquisition leaders found that the quality of applicants from Indeed Ads was at least as high as that on alternative services. On average, interviewees estimated they filled one open position for every 10 applications they received.
- Surveyed respondents said their organisations lowered their cost per click between 5% and 15% and lowered their cost per application by between 10% and 50% through a variety of objective-based campaigns.
- Out of six survey respondents who said Indeed Ads allowed their organisations to fill open positions at a lower cost, five used the Target Cost objective-based campaign to achieve specific costs goals in their recruiting efforts.

“Indeed gives us more volume than other sources. There are a lot of job seekers on Indeed, and so you get more applicants than posting somewhere else.”

*Director of talent acquisition,
healthcare*

“I just started realising this year how much exposure there is on Indeed with those professional-level candidates. We started posting some of those professional jobs on there, and we are finding great quality candidates.”

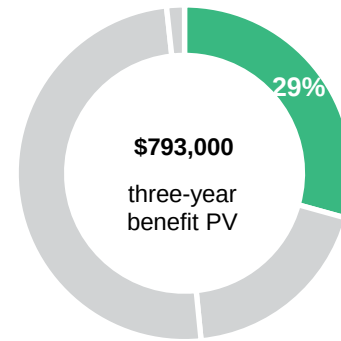
Corporate recruiter, manufacturing

Modelling and assumptions. For the composite organisation, Forrester assumes:

- The composite organisation hires to fill 250 open positions each year.
- Open positions require an average of 10 applicants before the job is filled.
- The average cost to receive one application through an alternative job advertising service is \$150. As all budget is being moved to Indeed, this cost is fully avoided.
- The cost of filling open roles through Indeed is captured in the [cost section](#) and is not included in these calculations.

Risks. The benefit an organisation may see from using Indeed Ads to fill open positions may vary depending on the types of positions to be filled. While interviewees and survey respondents consistently noted that they found efficiency in using Indeed Ads to fill technical and hourly job openings, they did not see the same efficiency as consistently when seeking knowledge workers, such as consultants, engineers, analysts and managers.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$793,000.



Job Advertising Efficiency

Ref.	Metric	Source	Year 1	Year 2	Year 3
A1	Number of positions to be filled each year	Interviews	250	250	250
A2	Number of applicants required per position	Interviews	10	10	10
A3	Subtotal: Number of qualified applicants required each year	A1*A2	2,500	2,500	2,500
A4	Cost per applicant without Indeed Ads	Interviews	\$150	\$150	\$150
At	Job advertising efficiency	A3*A4	\$375,000	\$375,000	\$375,000
	Risk adjustment	↓15%			
Atr	Job advertising efficiency (risk-adjusted)		\$318,750	\$318,750	\$318,750
Three-year total: \$956,250			Three-year present value: \$792,684		

LABOUR-SHORTAGE MITIGATION

Evidence and data. Talent acquisition leaders described the opportunity cost of not being able to fill open positions with qualified hires.

- The director of talent acquisition at a healthcare organisation found that Indeed Ads allowed their organisation to keep five to 10 of its clinics open at full capacity rather than reducing operations. The same interviewee said their organisation used Balance objective-based campaigns to distribute budget between job openings and to meet hiring goals.
- The same director of talent acquisition found that between \$6 million and \$12 million in revenue had been retained during the past two years across five to 10 sites. Internal analysis found these sites would not have otherwise been able to operate at full capacity without hiring through Indeed Ads.
- Several additional interviewees said their organisations were similarly able to maintain full operations due to finding qualified hires through Indeed Ads.

- Four of 10 survey respondents found that Indeed Ads had helped their organisations to maintain business operations during labour shortages.

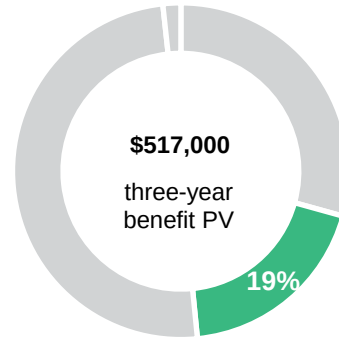
Modelling and assumptions. For the composite organisation, Forrester assumes:

- The composite organisation has five facilities in Year 1 that would have needed to reduce their capacity by 10% due to labour shortages. The number of facilities decreases to three by Year 3.
- Each facility has an annual revenue of \$8 million and a profit margin of 8%.

Risks. The actual financial benefit will vary between organisations depending on the following factors:

- Not all businesses are at risk for reduced capacity, negating the need for this benefit.
- Businesses that do not operate across many distinct sites are less likely to receive this benefit.

Results. To account for these risks, Forrester adjusted this benefit downward by 20%, yielding a three-year, risk-adjusted total PV of \$517,000.



Labour-Shortage Mitigation					
Ref.	Metric	Source	Year 1	Year 2	Year 3
B1	Number of sites at risk for reduced operations due to staff shortages	Interviews	5	4	3
B2	Revenue per site	Interviews	\$8,000,000	\$8,000,000	\$8,000,000
B3	Per cent of revenue at risk due to staff shortages	Interviews	10%	10%	10%
B4	Profit margin	Composite	8%	8%	8%
Bt	Labour-shortage mitigation	$B1 \cdot B2 \cdot B3 \cdot B4$	\$320,000	\$256,000	\$192,000
	Risk adjustment	↓20%			
Btr	Labour-shortage mitigation (risk-adjusted)		\$256,000	\$204,800	\$153,600
Three-year total: \$614,400			Three-year present value: \$517,385		

ACCELERATED BUSINESS EXPANSION

Evidence and data. Interviewees and respondents said Indeed Ads allowed talent acquisition teams to find staff more easily and open new locations sooner.

- The human resources director at a healthcare organisation said Indeed Ads allowed their organisation to fill open positions faster and to open new facilities across several territories between nine and 12 months sooner than otherwise would have been possible. The same interviewee used Balance and Maximum objective-based campaigns to help meet its hiring needs.
- Similarly, the director of talent acquisition at a healthcare organisation estimated that if Indeed Ads was not available, it would have taken between three and six months longer to open a new site. The interviewee used Balance objective-based campaigns to allow for a variety of roles to be filled during expansion.
- Four of 10 survey respondents found that Indeed Ads helped their organisations to expand into new labour markets.

Modelling and assumptions. For the composite organisation, Forrester assumes:

- The composite organisation opens one new facility in Year 1 which would have taken 7.5 months longer to open without Indeed Ads.
- As the composite organisation expands, two new facilities open in Year 2, and three new facilities open in Year 3.
- Each facility has an annual revenue of \$8 million and a profit margin of 8%.

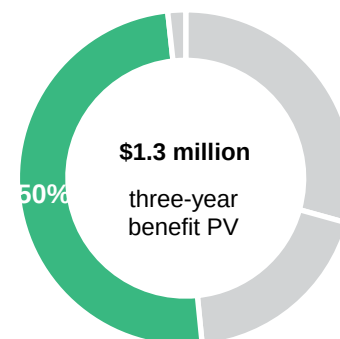
Risks. The actual financial benefit will vary between organisations depending on the following factors:

- Similar to mitigating labour shortages, interviewees and survey respondents from organisations that did not operate in separate facilities or struggle to fill open positions said their organisations tended to not observe this same benefit.
- The attractiveness of new markets will impact the benefit of being able to enter earlier. Beginning operations sooner in a less attractive market may not provide as high of a benefit.

Results. To account for these risks, Forrester adjusted this benefit downward by 30%, yielding a three-year, risk-adjusted total PV of \$1.3 million.

“We could open new locations without Indeed [Ads], but it would be more challenging and definitely take longer.”

*Director of talent acquisition,
healthcare*



Accelerated Business Expansion					
Ref.	Metric	Source	Year 1	Year 2	Year 3
C1	Incremental new markets entered each year where labour shortages delay opening	Interviews	1	2	3
C2	Incremental annual revenue per new market entered	Interviews	\$8,000,000	\$8,000,000	\$8,000,000
C3	Avoided delay in entry due to Indeed Ads (months)	Interviews	7.5	7.5	7.5
C4	Incremental gross revenue (rounded)	$C1 \times C2 \times (C3/12 \text{ months})$	\$5,000,000	\$10,000,000	\$15,000,000
C5	Profit margin	Composite	8%	8%	8%
Ct	Accelerated business expansion	$C4 \times C5$	\$400,000	\$800,000	\$1,200,000
	Risk adjustment	↓30%			
Ctr	Accelerated business expansion (risk-adjusted)		\$280,000	\$560,000	\$840,000
Three-year total: \$1,680,000			Three-year present value: \$1,348,460		

RECRUITER EFFICIENCY

Evidence and data. Interviewees said Indeed Ads saved time for talent acquisition leaders and recruiters, which could then be reallocated towards higher-value tasks.

- The human resources director at a healthcare organisation was able to save between 15 to 30 hours each month, or approximately 3 to 7 hours per week, partially due to Indeed Ads' objective-based campaigns automating budget allocation between job-advertising campaigns. This was accomplished using Balance and Medium objective-based campaigns, depending on the priorities of hiring each type of role.
- The director of talent acquisition at a healthcare organisation said their team was able to fill jobs 25% faster and that recruiters saved a

proportional amount of their time. The interviewee used Balance objective-based campaigns to allow recruiters to automatically balance budget between open roles.

“Indeed [Ads] is not only an easy tool to use on our side, but it’s also extremely easy for job seekers to use. They just find it very simple. ... That’s why we get most of our candidates there.”

Corporate recruiter, manufacturing

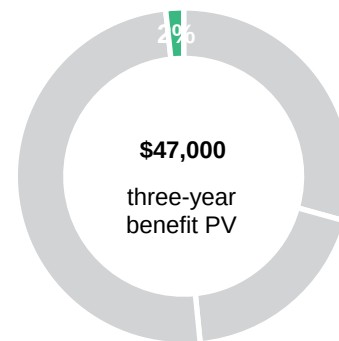
- The corporate talent acquisition director at a healthcare organisation said that recruiters were able to save an average of 2 hours per week, due in part to the ease of use of Indeed Ads' platform and efficiencies from using Balance and Maximum objective-based campaigns.
- Interviewees from a manufacturing organisation said that Indeed Ads' instant messaging removed much of the friction in communicating with candidates, saving recruiters' time while improving candidate response rate.
- Five of 10 surveyed recruiting decision-makers indicated that Indeed Ads allowed them to execute business, hiring and talent acquisition tasks more quickly than had before been possible.
- Out of the five survey respondents who said Indeed Ads allowed them to fill open positions faster than possible before, three used the Balance objective-based campaign to ensure an even spend across roles in their recruiting efforts.

Modelling and assumptions. For the composite organisation, Forrester assumes:

- The composite organisation has five recruiters who use Indeed Ads to reach out to job seekers, communicate with candidates, and manage job-advertising campaigns.
- Each recruiter saves an average of 4 hours per week due to Indeed Ads' objective-based campaign-automating job advertising campaigns budget and tactics to meet the goals of each recruiter.
- The fully burdened hourly salary of each recruiter is \$40. This is a weighted average between individual contributors and managers.
- Of the total time saved by each recruiter due to efficiencies provided by Indeed Ads, half of this time can be recaptured towards higher-value tasks.

Risks. Talent acquisition leaders and recruiters who used third-party agency vendors to manage job advertising campaigns said they did not see the same time efficiency gains from Indeed Ads and objective-based campaigns because much of this work was being completed by the agencies themselves.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV of \$47,000



Recruiter Efficiency					
Ref.	Metric	Source	Year 1	Year 2	Year 3
D1	Number of recruiters and managers using Indeed Ads	Interviews	5	5	5
D2	Hours saved per week due to objective-based campaigns and other Indeed automations	Interviews	4	4	4
D3	Hourly burdened salary of recruiters and managers using Indeed Ads	TEI standard	\$40	\$40	\$40
D4	Per cent of time recaptured	TEI standard	50%	50%	50%
Dt	Recruiter efficiency	$D1 \times D2 \times D3 \times D4 \times 52 \text{ weeks}$	\$20,800	\$20,800	\$20,800
	Risk adjustment	↓10%			
Dtr	Recruiter efficiency (risk-adjusted)		\$18,720	\$18,720	\$18,720
Three-year total: \$56,160			Three-year present value: \$46,554		

UNQUANTIFIED BENEFITS

Additional benefits that customers experienced but were not able to quantify include:

- **A “one-stop shop” for job advertising needs.** Indeed combined a wide variety of services and functionality and allowed recruiters to work with one vendor that understood their business well, rather than working with several vendors that had little understanding. In addition, many of the services provided by Indeed worked in synergy with each other to provide a more holistic benefit.
- **Employer branding acting as a multiplier for job-advertising budget.** Interviewees and survey respondents said they also prioritised employer branding efforts to make job-advertising campaigns more efficient. Recruiters appreciated the synergy found between Indeed’s job-advertising services, such as Indeed Ads, and employer branding resources, including Indeed’s partnership with Glassdoor.

“Without Indeed, we would have to diversify what we were doing to get the same volume [of candidates]. It would take more of a marketing campaign. And, in addition to that, we would have to pay for more sites.”

Corporate recruiter, manufacturing

The corporate talent acquisition director at a healthcare organisation said: “Because the majority of our applications and candidates flow comes from Indeed, it just made more sense for us to invest more and be more visible. In addition, Glassdoor helps with our branding.”

“We invest in employer branding so we can be an employer of choice, especially in such a tough market. We want more brand recognition and to be that employer people want to apply to.”

Director of talent acquisition, healthcare

FLEXIBILITY

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

- **Synergy between Indeed Ads and Indeed Resume.** Several interviewees and respondents said they found great value in being able to use Indeed Ads and Indeed Resume as part of the same platform. Having access to the large database on Indeed Resume allowed recruiters more information and flexibility in deciding on the best approach to fill open positions.

The vice president of talent acquisition of a healthcare organisation said, “We feel like the Indeed Resume database is the most updated and most robust.”

- **Partnership and support from Indeed.** Interviewees and survey respondents said they received value from their organisations’ partnerships with Indeed. Much of this benefit was from Indeed providing tailored guidance on specific challenges. This guidance allowed for leadership at the respondents’ organisations to

make better-informed decisions on talent-acquisition strategy.

The global recruiting marketing and brand director of a consulting firm said: “[My Indeed representative] is fantastic and very knowledgeable. I like having one person to connect with. That’s another benefit of Indeed Ads: We have a single point of connection who understands our business.”

When asked to rate Indeed’s support in their management and strategy on a scale of 1 to 5 with 1 being “not at all valuable” and 5 being “very valuable,” nine of out 10 survey respondents chose either 4 or 5.

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

“[Our Indeed partner] spends time with us on a one-on-one basis to help us understand the analytics. ... We really need that partnership at this midsize organisation-level to help make more strategic decisions.”

Corporate recruiter, manufacturing

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	Cost to fill open positions	\$0	\$288,750	\$288,750	\$288,750	\$866,250	\$718,079
Ftr	Implementation costs	\$1,540	\$264	\$264	\$264	\$2,332	\$2,197
	Total costs (risk-adjusted)	\$1,540	\$289,014	\$289,014	\$289,014	\$868,582	\$720,276

COST TO FILL OPEN POSITIONS

Evidence and data. The largest cost that interviewees and survey respondents described for Indeed Ads was for job advertising.

- As stated in the [benefit section](#), talent acquisition leaders and recruiters consistently found that the cost per applicant using Indeed Ads was lower than they had found for alternative job advertising services, especially for technical and certified positions.
- The cost per applicant was between 10% and 50% lower with Indeed Ads for the roles mentioned above. Most respondents found at least a 25% cost savings per applicant.
- Interviewees generally reported that candidate qualification and drop-off through the hiring process was comparable between Indeed Ads and other services they had used.

Modelling and assumptions. For the composite organisation, Forrester assumes:

- The composite organisation previously spent an average of \$150 per applicant.
- Indeed Ads provides more applicants for the same budget, lowering the average cost per applicant by 30%.

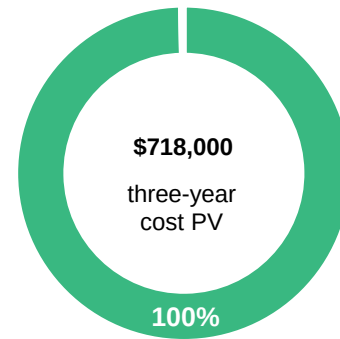
- A total of 2,500 total applicants are required each year to fill open positions.

“The Indeed model is pretty simple: It’s all about the pay-per-click. And the analytics show you exactly what’s going on. I think it’s clearer than most others.”

Vice president of talent acquisition, healthcare

Risks. As also stated in the benefit section, the amount of benefit from lower cost per application may vary by company and by type of applicant that is being targeted. Talent acquisition leaders and recruiters found more of a consistent benefit for jobs targeting technical and certified positions.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$718,000.



Cost to Fill Open Positions						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
E1	Number of qualified applicants required each year	A3	0	2,500	2,500	2,500
E2	Cost per applicant without Indeed Ads	A4	\$150	\$150	\$150	\$150
E3	Reduction in cost per qualified applicant with Indeed Ads	Interviews	30%	30%	30%	30%
E4	Cost per qualified applicant with Indeed Ads	$E2 \times (1 - E3)$	\$105	\$105	\$105	\$105
Et	Cost to fill open positions	$E1 \times E4$	\$0	\$262,500	\$262,500	\$262,500
	Risk adjustment	↑10%				
Etr	Cost to fill open positions (risk-adjusted)		\$0	\$288,750	\$288,750	\$288,750
Three-year total: \$866,250			Three-year present value: \$718,079			

IMPLEMENTATION COSTS

Evidence and data. While some talent acquisition leaders and recruiters said that it took a small amount of time for their teams to be fully onboarded to Indeed Ads, others said they found that it did not take any significant amount of time.

- About half of the interviewees said that no time was needed for either training or technical integration, citing the ease of use of Indeed Ads.
- The other half of interviewees noted that a small amount of time was required to onboard their teams onto Indeed Ads.
- The director of talent acquisition at a healthcare organisation said it took their recruiting team a

combined 10 to 15 hours to fully integrate and adopt Indeed Ads.

- The human resources director at a healthcare organisation said it took their organisation approximately 20 combined hours to fully onboard its recruiting team during the first month of using Indeed Ads.
- Respondents who used an applicant-tracking system said that Indeed integrated easily and that any time required for technical integration was not significant.
- Survey respondents indicated that a weighted average of 4.1 FTEs were involved in Indeed Ads training and integration.

“Indeed Ads took maybe a week to get everything ready. It’s pretty quick and painless.”

Director of talent acquisition, healthcare

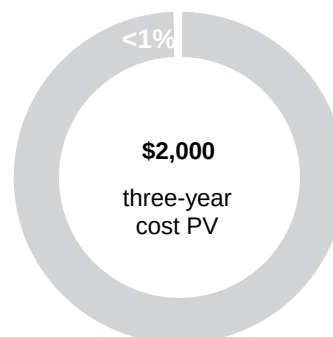
Modelling and assumptions. For the composite organisation, Forrester assumes:

- The composite organisation has five recruiters who actively use Indeed Ads and need to be initially onboarded.
- Following initial onboarding, one additional recruiter needs to be onboarded onto Indeed Ads each year.
- Each recruiter takes a total of 6 labour hours to fully integrate Indeed Ads into their process.
- An additional 5 labour hours are required for technical integration, including the composite organisation’s application tracking system.
- The fully burdened hourly salary of each recruiter is \$40. This is a weighted average between individual contributors and managers.

Risks. The actual financial benefit will vary between organisations depending on the following factors:

- The cost of moving to a new job-advertising service will vary depending on the complexity and needs of the organisation making the transition. While the transition costs for respondents’ organisations were minor, readers should consider their organisation’s own talent acquisition needs and environment, and what resources would be required to transition.
- Talent acquisition leaders and recruiters who had already used job advertising services had less change management than those who had only used their own corporate pages.

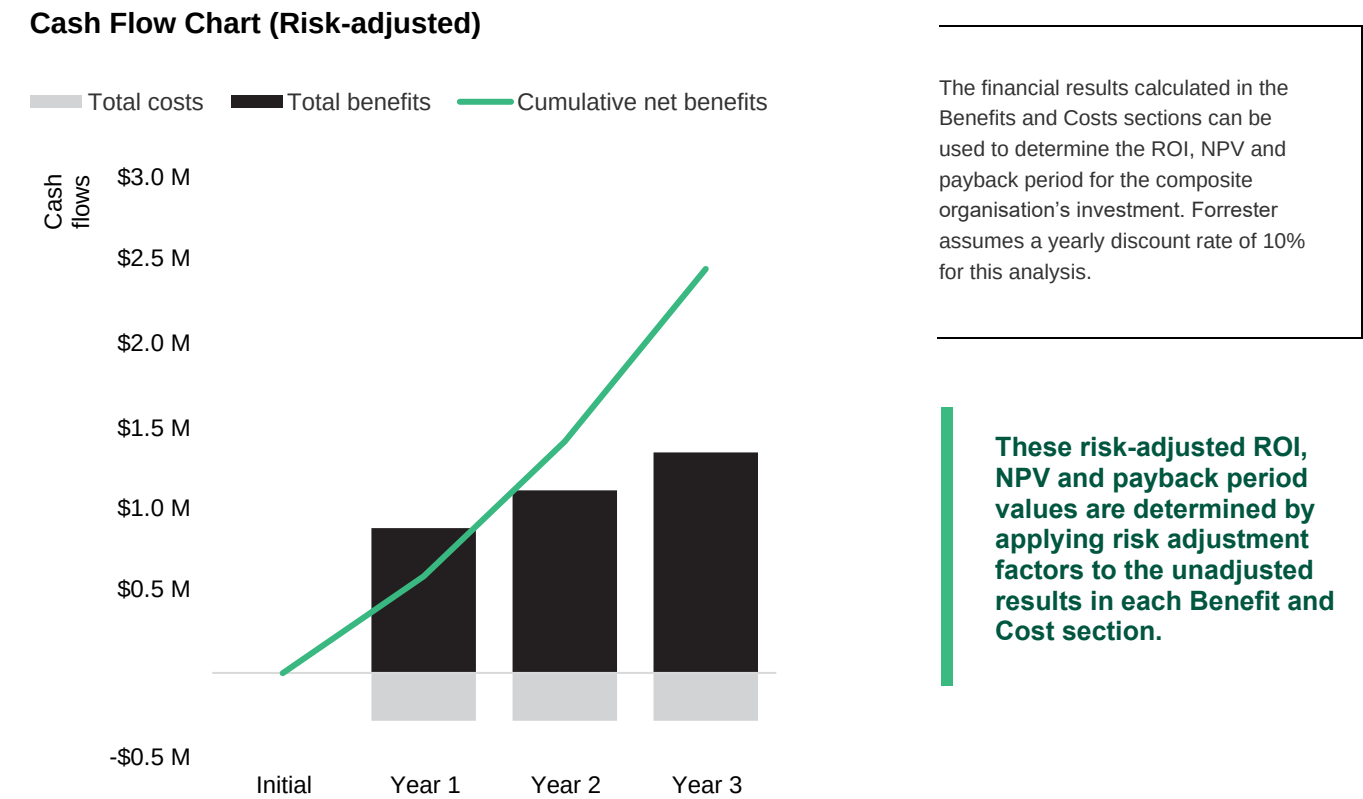
Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV of \$2,000.



Implementation Costs						
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
F1	Number of recruiters newly implementing Indeed Ads	D1	5	1	1	1
F2	Hours to fully onboard one recruiter to Indeed Ads	Interviews	6	6	6	6
F3	Hours for change management and technical integration	Interviews	5	0	0	0
F4	Total labour hours	$(F1 \times F2) + F3$	35	6	6	6
F5	Hourly rate per recruiter	TEI standard	\$40	\$40	\$40	\$40
Ft	Implementation costs	$F4 \times F5$	\$1,400	\$240	\$240	\$240
	Risk adjustment	↑10%				
Ftr	Implementation costs (risk-adjusted)		\$1,540	\$264	\$264	\$264
Three-year total: \$2,332			Three-year present value: \$2,197			

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS



Cash Flow Analysis (Risk-adjusted Estimates)						
	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	(\$1,540)	(\$289,014)	(\$289,014)	(\$289,014)	(\$868,582)	(\$720,276)
Total benefits	\$0	\$873,470	\$1,102,270	\$1,331,070	\$3,306,810	\$2,705,083
Net benefits	(\$1,540)	\$584,456	\$813,256	\$1,042,056	\$2,438,228	\$1,984,807
ROI						276%

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 realise 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 organisation.

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 feeds 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. Organisations typically use discount rates between 8% and 16%.

Appendix B: Interview and Survey Demographics

Interviewees			
Interviewee	Industry	Objective-Based Campaigns Used	Employees
Talent acquisition manager	Manufacturing	Balance and Maximum	3,000
Program Manager	Manufacturing	Balance and Maximum	3,000
Corporate recruiter	Manufacturing	Balance and Maximum	3,000
Director of talent acquisition	Healthcare	Balance	2,000
Vice president of talent acquisition	Healthcare	Balance and Maximum	<1,000
Director of corporate talent acquisition	Healthcare	Balance and Maximum	<1,000
Human resources director	Healthcare	Balance and Maximum	2,500
Global recruiting marketing and brand director	Consulting	Balance and Maximum	20,000

Survey Respondents				
Position	Department	Industry	Objective-Based Campaigns Used	Employees
Manager	Marketing/advertising	Business or professional services	Maximum, Target Cost, and Target Application	5,000 to 99,999
C-level executive	Human resources/talent acquisition	Healthcare	Not listed	100,000 or more
Manager	Human resources/talent acquisition	Retail/wholesale	Target Cost	5,000 to 99,999
Manager	Human resources/talent acquisition	Business or professional services	Balance and Maximum	100,000 or more
Manager	Human resources/talent acquisition	Security services	Balance, Maximum, and Target Cost	101 to 999 employees
Full-time practitioner	Human resources/talent acquisition	Chemicals, metals, or energy	Target Cost	5,000 to 99,999
Director	Human resources/talent acquisition	Retail/wholesale	Balance	1,000 to 4,999
Full-time practitioner	Human resources/talent acquisition	Transport, travel, logistics or hospitality	Target Application	5,000 to 99,999
Manager	Human resources/talent acquisition	Retail/wholesale	Target Cost	5,000 to 99,999
Manager	Marketing/advertising	Business or professional services	Target Cost	5,000 to 99,999

Appendix C: Endnotes

¹ Indeed Ads gives companies access to 80% of job seekers through Indeed, Glassdoor, and more than 120 different specialised and vetted media partners. Source: “Comscore, unique visitors, May 2021.” Job seeker cross-visit rate set at three times non-job-seeker rate.

² 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 realise the tangible value of IT initiatives to both senior management and other key business stakeholders.

³ Katy Tynan, “[The Great Resignation: The Reality Behind The Headlines](#),” Forrester Blogs.

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