

The On-Line Video Revolution

***Bring Your Marketing Strategy
to Life with Motion Media***



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April 2014

Let's review the history of motion media over the last sixty years with an eye toward appreciating this form of media's enduring attributes, notwithstanding all the technology advances and delivery means that have transpired since.

In the 50s, broadcast television was king. TV transcended from those early broadcast methods, through cable and satellite, followed by the emergence of web-based video in the late 90s.

Today, the volume of web video is undergoing exponential growth, much of it reaching a level of distribution that has even spawned a new distribution category: "viral."

While the delivery mechanism has evolved in dramatic fashion, one thing remains immutable: the ever-increasing appetite for motion media, be it film, video, or animation. One doesn't have to look far to see the level of appeal that animation, for example, has experienced lately with such productions as "UP" and all the other compelling work created by Pixar, and others. Interestingly, in spite of all the special effects and the realism of HD, what the public wants above all is stuff that moves. People will choose the most grainy, poorly shot, primitive-looking video imaginable over printed material every time, if the option is there.

If the impact of technology over the past 60 years, has taught us anything about marketing, it's that history sheds little light on how we should position ourselves for the future. Yet, in an age when digital technology is developing at such a dizzying, and daunting rate, we can derive some comfort and direction in knowing that if we incorporate video ---- indeed anything that moves on the screen, we are on safe ground.

When we reflect on how each of us behaves throughout the course of the day as it relates to media preferences, the appeal of video comes as a mild surprise. The large majority of us would prefer to watch TV over reading a book.

We have known for some time that the average viewer retains about 20% of what they read, 30-40% of what they hear, but over 70% of what they see --- and if they can interact with it, even more! Over time those percentages will skew still further in favor of visually oriented content since the necessity to read content is shrinking. We are actually losing, to an extent, our desire and ability to read and retain information effectively as a result of this conditioning. The take way from all of this is that validation of visual media in marketing is really not in question. The question, then, is more about how, where, and when to make full use of rich, visual media in your email and web strategies. To be sure, you would be wise to consider it soon because the video train is leaving the station, and should you choose to do nothing to involve some form of video media in your web presence,

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it will soon be worse than having no website at all!

During this evolutionary period, no one delivery method has played a larger role in the cultivation of video media than the Internet. What this means for businesses is that leveraging opportunities through web video will be a defining element of their online business success.

Experts predict that within five years, the majority of Americans will get their TV via IP. If we agree that the web is already the mecca of business communications, shouldn't we take a lesson from this in terms of where and how we spend our marketing budgets? Savvy marketers agree that today, 80% of a marketing budget should be devoted to two critical areas: First, the Internet, including effective visual email campaigns together with website enhancement and, second, highly effective corporate

presentations designed for use both on and off the web. But with the bombardment of commercial email, and lackluster PowerPoint presentations out there, only those that have figured out how to effectively engage their audiences, rather than torture them, will emerge on top.

One of the greatest advantages of web video is that it easily portrays what static web copy is less efficient at portraying: emotional satisfaction, the human advantages of a product, and the ease of use of a product. In addition, the fact that most web users would rather receive information about a product or service by watching video makes web videos essential for generating the highest level of product interest.

The appeal of motion media in the realm of television needs little explanation. What does warrant an understanding is the major distinction between TV and the Internet in terms of the audience composition, and the latter's role as a B2B tool.

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Television is primarily a B2C push medium. When is the last time you saw a company selling hospital information software or office furniture on TV?

The Internet, on the other hand, embraces both the B2C and B2B communities, and is both a push and pull medium. When you insert the proven-successful use of video into the business community equation --- something that has never really been done before, the potential is vast.

Remember: there are no robots buying corporate products and services over the Internet. They are human beings ---- the same ones that prefer motion media in anything they do.

What the Internet also brings to the table that is essential, while less obvious, is the recent development of ad effectiveness measurement tools. TV cannot measure and validate viewer engagement to a specific ad and perform ROI measurement and behavior modification. Later in this paper we will define in greater detail, how the Internet offers a distinct advantage over anything that has existed before, and its significance for measuring ad effectiveness.

Assisting in the liberation of the Internet are several technological advances:

Increased Bandwidth – Before the availability of high speed connection, dial-up service rendered video delivery impractical, if not damaging. Video that stuttered or had to be fully downloaded rather than streamed, was worse than no video at all, regardless of how engaging the production was. Viewers don't like to wait for content to display any more than they like waiting in long lines. Today, ubiquitous broadband is the norm and with it comes the ability to transmit large video files quickly, and with sufficient bandwidth so as to provide little or no contention at server sites when large volumes of simultaneous calls for video content are presented.

More Powerful Servers and CDNs – High speed servers are now capable of handling huge volumes of video and other content delivery. Many companies have now also emerged known as Content Delivery Networks (CDN) such as Limelight Networks, Akamai, Hulu, CDNetworks, and others. These companies specialize in secured, high-speed, high-resolution content delivery to accommodate all levels of website traffic, and overall better site performance.

Video Compression --- At the risk of taking you down a technical path that you would probably not want to visit, suffice it to say that improvements in conversions from traditional large-sized video formats to web-targeted outputs have allowed for the creation of high quality video with much reduced file sizes and bit rates. The big viral players such as YouTube, Vimeo and others are now allowing users to upload larger sized video, which they then compress to small file sizes without a big hit to quality.

Production Costs --- Video had been the territory of only large corporations who had the budgets and staff to handle the time and cost commitment associated with its production. Now any size company can make use of video in their market campaigns. The newest non-linear editing systems allow for significantly lower production costs and are bundled with a variety of output format options designed for the web, including Flash® the reigning king of web-targeted video. Some of the higher-end editors even offer presets for output to mobile devices such as iPods and cell phones.

For what used to cost several thousand dollars, there are now turnkey vendors who, for less than \$1,000, will produce a video spokesperson that will walk onto your website and deliver your campaign message.

With the technology stage set for the largest video exploitation in history via the Internet, here is what is going on from a few reliable studies:

On-line video experienced a 39% growth in 2010, 46% in 2011, but exploded in 2012 with year-over-year growth of 124% and over 28.4 billion views. When coupled with a significant increase in post-click marketing techniques, ROI-measurable tools, landing page optimization, and other conversion methods, the results all point down a highly potent marketing path.

One recent survey indicated that over 80% of respondents planned to incorporate video in their 2014 e-mail campaigns --- up from 16.7% in 2013. More importantly, of the campaigns that have already used video email, more than 60% anticipated continued large increases in conversion rates.

In another study that involved a cross-section of products and services, 20,000 web viewers were presented with ad campaigns. The study examined the effectiveness of video media compared to traditional static banner ads. The study also sought to measure the site's environment i.e. branded or otherwise, to the viewer, and whether it played a role in ad response.

Within the realm that we will categorize as rich media, contextual relevance proved secondary to media that engages. Put another way, people will respond to any site environment, branded, or not, as long as the media impresses, engages, and, cause them to remember what they saw.

According to the "2013 Email Marketing Trends Study by GetResponse®, 56.3% of respondents said they intend to focus on Email personalization and targeting in 2014. 52.4% of respondents plan to improve message titles and subject lines in 2014. Other responses included increasing customer loyalty with special offers, and identifying the best time to send emails. Only 10% plan to take no specific email action.

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Following are what respondents said about the use of **video email marketing** in 2013 and plans for 2014 (% of Respondents):

- Didn't use it, and **do not plan** to use video email this year... 19.5%

- Didn't use it but **plan to use** video emails this year... 64.0%
- Used it and **plan to decrease** the number of video emails this year... 0.8%
- Used it and **expect to send** about the same number of video emails this year... 3.8%
- Used it and **plan to increase** the number of video emails... 11.9%

Over 65% of marketers believe that video email marketing can have a moderate or significant influence on conversion rates. In particular, marketers who have already used video emails recognize the benefits on overall email marketing results.

Anticipated influence of video emails on conversion rates (% of respondents):

- Significant increases... 45.5%
- Moderate increases... 20.4%
- No influence... 5.1%
- Not sure... 28.9%

Considering the different uses of video email by small businesses, 28.8% of marketers consider training courses as the most effective use of video email, with product demos, product offers, and customer testimonials taking the next 3 places respectively. Branding came in at a far away 5th position!

Considered to be the most effective uses of video emails by small businesses:

- Training courses... 28.8%
- Product demos... 22.0%
- Product promotions... 19.1%
- Customer testimonials... 17.8%
- Brand image messages... 5.1%
- None... 4.7%
- Other... 2.5%

Central to the success of any email campaign, be it video-based or otherwise, is the ability to employ tools to measure results. Marketing professionals know

that careful, accurate and constant campaign tracking and analysis are just as important as delivery itself. However, this fundamental necessity is not easily solved. While the Internet

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does have the inherent platform to accomplish this, unfortunately, the Internet became littered with startups promising to leverage your email-derived data to drive viewers to your websites with checks in hand. Most of these companies have failed to hit the mark --- most have failed as a business.

While much of these analytical tools have matured, scant few are complete solutions. To build a robust toolset takes more than a few small-time web coders writing code. It requires a collaborative effort by experienced and skilled marketers working closely with equally skilled technology designers.

We've discussed the merits of online video and email video in particular, so now let's examine a sample video email to get a better sense for how it looks and operates. The sample video email page (Fig.1) is a simple yet engaging design. Since video cannot be played in an email document, a link-embedded video player representation serves as an invitation to the viewer to click to a microsite landing page (Fig.2). Once there, the viewer can invoke the video playback manually or the page can be coded to auto-play the video.

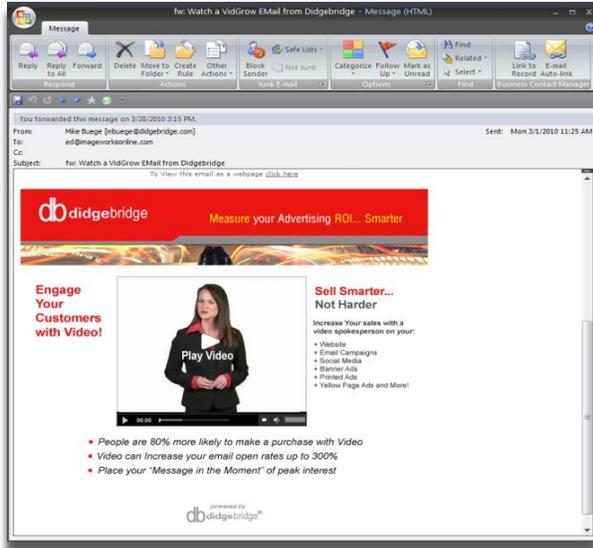


Fig. 1

ways that companies are using video to continue to engage them once they arrive at your site.

Here is a listing of some of the uses of on-line video that are growing in popularity:

- Spokesperson (30-60 sec. spots)
- Customer Testimonials
- Product Demonstrations
- Newscasts /Interviews
- Sales/ Customer Training
- Self-running PowerPoint Presentations
- Video Whitepapers
- Corporate Identity (Long Form)
- eLearning / eMobile



Fig. 2

The video spokesperson delivers a brief (30 sec.) key message and call-to action, and typically directs the viewer to various links to the primary website allowing the visitor to obtain additional information or, the ultimate goal ---- buy!

Spokesperson -- The use of a spokesperson who delivers a key message should now be a practice of any email campaign, but it can also be used independently of email. When a viewer visits your website directly, you can have the spokesperson walk directly onto your webpage, with or without a player screen. As we described with email, the playback can be viewer activated or autoplay. (Fig.3)

One of the goals of video email is to drive traffic to your website and keep visitors there, we should also explore some of the other

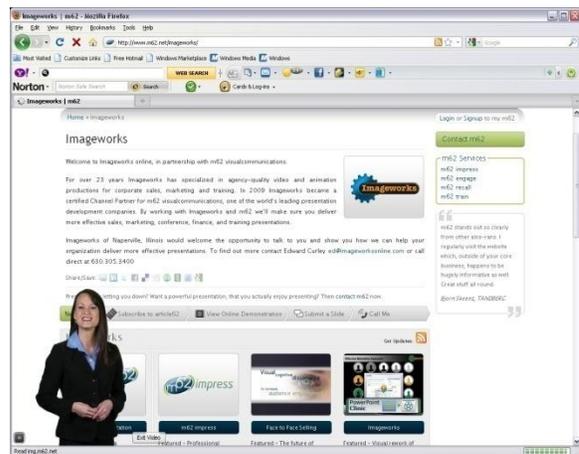


Fig. 3

The length of the video message may vary from 30-60 seconds. You never want a lengthy monolog so it is usually best to keep it short unless you are inserting other video material in addition to the spokesperson. In all cases, a short intro should be followed by a product overview/teaser, and a call to action.

Customer Testimonials -- Beyond product specs, cost comparisons, features and benefits, for many would-be buyers of your products or services, there still remains one crucial question that needs a concrete answer: What do other people think?

Testimonials from customers are highly engaging because people are curious about other people --- especially when those other people talk about their personal experiences. And when a customer talks favorably about their experiences with your company, they have unparalleled credibility and selling power.

Testimonials in print just aren't enough because they lack authenticity. Anyone can write a favorable statement and claim that it came from a customer. But actual video of your customers talking about your company diffuses the skepticism and adds credibility.

Product Demonstrations -- For the same reasons that you would want to use video in all your marketing efforts, a video demo is far better than asking a viewer to read your product's features and benefits and then hope they can discern its advantages over the competition.

Once again, depending on the product, keep it short. The idea is not to turn the operator's manual into a full-length video production. Know what your customer is looking for in a product, and then show them how your product provides the solution better.

If your product is software, there are a number of screen capture tools available that will allow you to take your viewer through the application

as if a camera was being pointed at the computer screen and recording every cursor movement, screen change, and drop down. With a professional narration to accompany the process, you have taken your viewer through the application as though they were in a live demo. If webinars are your preferred practice, you can still use this tool along with a live voice either by phone or over the Internet. In this scenario, you could pause the presentation at any time to field questions or listen to customer feedback.

Newscasts/Interviews -- If your company has been fortunate enough to have attracted television coverage about your company, it would be wise to secure a copy of the broadcast from the TV station, have it edited and reformatted for the web, and incorporate it into your website.

If you are participating in a non-TV interview, or perhaps making a presentation to shareholders, consider engaging the services of a video production company to capture the event, edit it to highlight the most important segments, and have them prepare the footage for web broadcast.

Periodically, you may want to announce new products or services to your buying public. A great way to do this is to record a company executive or third party spokesperson, and then create a designated spot on your website that serves as the "What's New" feature. Run something new frequently to encourage visitors to return to your site regularly.

Using video as a communications tool is not strictly the domain of public consumption. Video is growing in popularity for internal communications as well. Within a company's Intranet/Extranet, important or confidential corporate announcements such as organizational changes, employee benefits, or quarterly addresses by senior executives are good subject for video.

Sales / Customer Training – Using video for the training of sales staff can be a very effective tool for reducing training costs and shrinking the sales cycle, especially in those situations where the products is complex or when cross training among several product lines is required. Capturing subject matter experts or your top sales people in action on video is a powerful tool for new employee orientation, deployed without having to frequently pull people out of their normal roles to assist in the sales process.

If there is an extensive amount of subject matter to cover, the video content can be categorized and broken down into individual topics and menu driven. If distributable media is to be used, such content can be put on a DVD with chapter points representing those individual topics.

Once equipped with this video content, your sales team can play them at home, over the web, with podcast devices, or on their laptops while at airports. They learn efficiently from the continual repetition of an effectively delivered topical presentation, and they learn anywhere, at any time, and without a drain on other staff.

The same concept applies to customer training. Consider the savings to be realized by pointing your customers to a website where a video can lead them through the training process visually as though they were onsite with the customer rather than you having to dispatch them at great expense. Further, the customer can choose the time to partake in the training and do so at their own speed.

The topic of e-learning/e-training is beyond the scope of this document but the take away is that visual representation targeted for the web is the most effective method you can deploy.

Self-Running PowerPoint Presentations – Perhaps no tool is more widely used in sales and marketing communications than PowerPoint. Paradoxically, it is perhaps the most underutilized, indeed, abused marketing tool that

exists. PowerPoint presentations filled with bullet points are more a source of torture than an effective way to communicate. But it doesn't have to be that way. Under the hood, PowerPoint is so much more than its common usage suggests, and fortunately so, since the appetite for rich motion media has put pressure on the boring, static pages that have represented PowerPoint since its inception. As stated earlier, savvy marketers agree that the marketing budget needs to save plenty of room for improving corporate presentation designs. Marketing departments are reacting to cries from sales forces for more engaging and effective presentation material to differentiate them from the competition.

Just in time, many savvy creators have taken PowerPoint to a heretofore, unrecognizable level with rich, animation-based presentation designs that impress, engage and result in memorable presentation experiences.

To unleash its power even further, recently there are much-improved tools that will take these newly energized, motion-based, narrated PowerPoint presentation, and convert them to video so that it can be published for use on a website as a self-running presentation, used as part of a webinar, or as a billboard at tradeshow.

Presentation Delivery Platforms – One company that is making a giant impact in the presentation world is Brainshark. With Brainshark's cloud-based software, you can easily transform static content such as PowerPoint documents into voice-enriched video presentations that can be accessed anytime, on-demand...and tracked so you can measure the effectiveness of your communications. Brainshark can also serve as a repository for other documentation such as brochures, manuals and other material.

Video Whitepapers -- Extending your white paper investment by delivering it in a rich media editorial environment make good sense.

A recent B2B study of over 4,000 respondents found that 80% of buyers rely on vendors for educational material. Respondents were also increasingly selective about what types of content appealed to them the most, with educational white papers leading the list at 71%. KnowledgeStorm and Marketing Sherpa

Corporate Identity (Long Form) -- Producing corporate videos to tell a company story has been in use since video was first invented. Over time, especially with lower production costs and fueled by competitive pressure, their use has grown, and now even small companies have been able to find the budget for them.

Rather than a specific message like email video, these productions provide a broad overview of a company, describing its products and services, and in the case of a manufacturing operation, will often provide a virtual tour of the company. They usually contain customer testimonials and sometimes news-style interviews of corporate executives or other key individuals. In every case they are designed to sell.

eLearning / eMobile

With the increase in bandwidth coupled with the long-established preference of motion-media over all other content delivery methods, is it any surprise that video will play an ever-increasing role in eLearning.

Today's authoring tools make it easy to leverage the power of multimedia. Your courses can include not only graphics and illustrations but also narration, music, screencasts, and videos.

Research shows that visually demonstrating a skill or behavior can be an important component of multi-modal instruction.

That's one reason why video has become a frequently used tool in instructional toolkits. Live-action video can enhance eLearning courses, showing learners how to perform new tasks and

providing a human element that is lost in animated scenarios.

n Summary

We are clearly in the middle of a major video trend and progressive marketers are now using video in ways beyond the obvious product demonstration. Video marketing is far more than enhanced content creation and brand awareness. It is about effectively connecting with and engaging your target audience, collapsing the sale cycle, and maximizing your marketing dollar.

Online conversion rates for products where shoppers watch product videos are nearly two times higher than conversion rates where videos are not viewed.

Here's what Toon Explainers has to say:

"A minute of video is worth 1.8 million words. The chances of getting a page one listing on a Google search increases by 53 times with video. On average a visitor will stay 2 minutes longer when they watch a video. By 2017 video will be 90% of all internet traffic. 87% online marketers use videos. 65% visit the website after viewing video and make a purchase decision."

ComScore, Inc. (NASDAQ: SCOR), a leader in measuring the digital world, released data from the comScore Video Metrix service showing that 188.2 million Americans watched 52.4 billion online content videos in December, while the number of video ad views totaled 35.2 billion.

In other words, nearly 90% of total U.S. Internet users watched online videos. Here is a distribution of viewership across the popular delivery sources.

Source: comScore Video Metrix			
Property	Total Unique Viewers (000)	Videos (000)*	Minutes per Viewer
Total Internet : Total Audience	188,249	52,374,583	1,164.5
Google Sites	159,090	13,384,434	356.7
Facebook**	79,105	3,749,940	50.1
AOL, Inc.	76,178	1,414,138	60.4
Yahoo Sites	53,499	392,542	47.8
NDN	49,388	530,275	71.2
Amazon Sites	44,626	215,795	17.1
VEVO	39,424	632,788	51.0
Microsoft Sites	36,662	609,765	36.9
Vimeo	32,932	142,426	32.3
Turner Digital	29,008	221,105	39.0

The on-line video train is leaving the station.
What are you waiting for?

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Imageworks is a full-service, technology-based corporate communications firm providing solutions that combine enterprise-wide strategy development expertise with new media opportunities for clients who want to tap into fresh new ways of communicating both on and off the web.

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1ClickROI is an internet services company specializing in website design, hosting, content development, eMail marketing, search engine optimization/marketing and analytics.

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