



Market Trends

It's no longer a question of whether or not you can afford to add streaming media to your corporate communications toolbox, but whether you can afford not to?

In today's market, it's clear that the use of streaming media technology has dramatically changed. Informed and empowered customers who are seriously looking at the opportunities that streaming media offers within their organization now drive the industry. For them, the question is no longer can you afford to use streaming media technology, but rather, can you afford not to?

Though most of what you read in the press focuses on the consumer end of streaming media applications—news providers delivering breaking stories with streaming video, radio stations expanding their reach via Internet audio—the fact remains that streaming media is making a bigger impact within companies than in any other vertical market. It may not be the sexiest use of the technology when compared to the gaming, music, and movie industries, but there's no denying the tremendous capabilities it gives corporations to communicate more efficiently and effectively.

To be truly effective, streaming media systems must work in concert with other collaborative technologies. Organizations proactively address this integration with a sharp eye on the business

value, whether corporate or media-focused, that streaming media offers. This convergence demands seamless integration to move enterprise class systems and solutions to the next level. It's time for the industry to recognize this—and that is what streaming solutions is all about. Many of the vendors have dedicated solutions that solve specific problems corporations face on a daily basis.

Streaming Media Comes of Age

Today, we have strong indicators of the use and growth of streaming media-based applications within organizations. In a recent survey conducted by streamingMedia.com and the Aberdeen Group, 74.1% of business and personal users access streaming media at least two to three times per week. [See *Figure 1*].

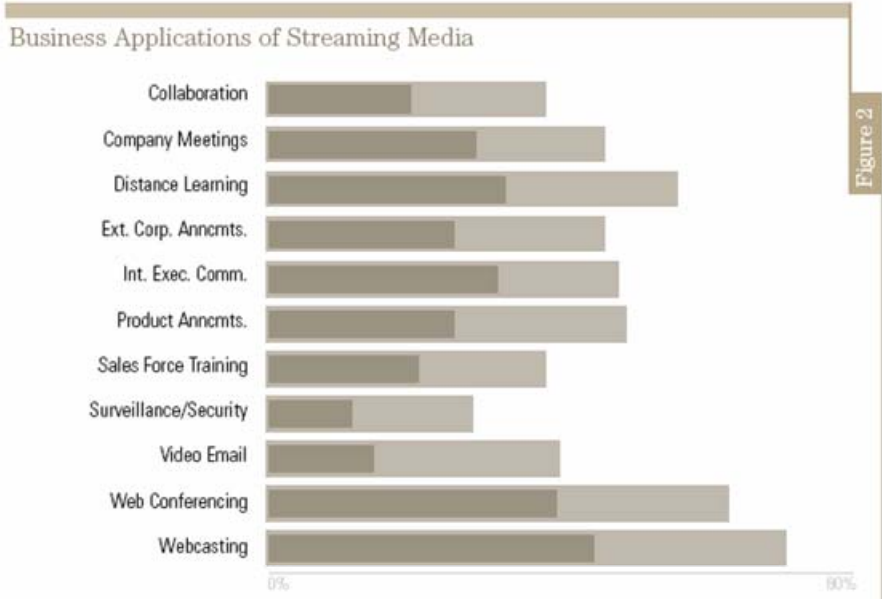
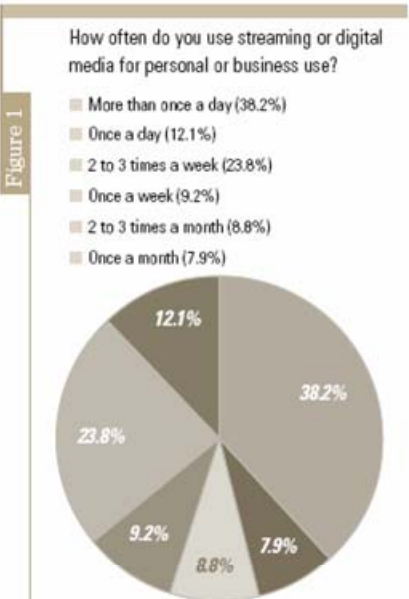
And while streaming media is used for many purposes, the survey concluded that web conferencing and webcasting lead in business applications with 40.3% and 46.2% current usage, respectively. Look for those numbers to grow to 64.7% and 72.1%, respectively, by the end of 2007. [See *Figure 2*].

These numbers reflect a clear trend, demonstrating how corporations are utilizing these

technologies to inform, educate, and instruct both inside and outside their organizations.

But don't let these numbers fool you. Today, corporations are using streaming media across all divisions. Even though webcasting and web conferencing are growing the fastest, corporations are not by any stretch of the imagination using streaming technology exclusively for one-off communication events. Corporations are implementing streaming media along with their other core technologies, treating it as a real business communication tool in every vertical imaginable.

Any good service provider responds to those corporations by tailoring their solutions—which range from video-on demand to managed streaming servers to content encoding—to each customer's specific needs. And lest you think that only large businesses can benefit from streaming media, experience shows that streaming's ROI potential is as strong for organizations with 1,000 employees as it is for corporations with 100,000 on staff.



Streaming media is a win-win for organizations, offering return on investment both tangible, in the form of profits and cost- or time-savings, and intangible, in the form of more effective information-sharing that boosts both employee and client confidence.

In the Business of Helping Your Business

The service providers and solution vendors understand that streaming media is not your core business, but rather a complement to it, a tool to make it more effective and profitable. They've made it easy, affordable, and efficient to plan, test, and implement a streaming media strategy within your organization so you can spend your time focusing on your core business, not the technology.

Streaming media should no longer be viewed as a new, cutting-edge technology but rather another business communications tool that enables you to do more with less. Because streaming is now an established technology that's more than a decade old, you no longer have to spend years and six figures to implement a streaming media-based solution that provides you with an immediate ROI. No matter what vertical industry you are in—financial, pharmaceutical, agricultural, and the list goes on—

there are dozens of success stories within your field that showcase how companies have benefited from the use of streaming and digital media technologies and applications every day.

But that's not the whole story, of course.

You'll read how streaming solutions have helped companies improve communication with international employees, deliver safety and technical information to customers, and use rich media to get their message out in cost-effective, high-impact ways, to name just a few of the applications addressed in this white paper.

For companies who are new to streaming media and looking to implement systems quickly, cheaply and effectively, this white paper will provide an understanding of some of the solutions available on the market, and their potential value to your organization.

If you think that implementing these systems is extremely complicated or time-consuming, set those fears aside. The vendors on the following pages have years of experience working with companies like yours, and they strive to make streaming media adoption as painless as possible.

Test the waters and apply a streaming media-based solution within one division of your company or for one business communication problem. You'll soon see the benefits it provides. Streaming media is no longer some far-fetched dream, but rather a real, down-to-earth business communications tool, just like email and your fax machine.

With quick and affordable solutions on the market, reliable ways to measure your achievable ROI, and many examples of what has and has not worked over the past few years in the enterprise environment, there is no better time than now to show your boss,

your organization, or your employees how to leverage this technology.

With technical obstacles gone and costs dropping, rich media makes more sense than ever for the enterprise market.

In all manner of industries, the successful implementation of rich media technologies is making an impact on the bottom line. Rich media employs technologies such as streaming audio, streaming video, animation, and other sensory and interactive features to deliver a specific message.

In this article, we will describe the market trends driving the broadening success of rich media; we'll detail some ways companies are profiting from the technology; and we'll explain the unique value proposition of experience and content delivery infrastructure.

Before we get into the specifics of how streaming media can help your business, let's discuss a few recent market trends that have converged to improve the quality, reach, and effectiveness of rich media.

Market Trends

For years we've heard Internet analysts predict that the rapid adoption of interactive rich media over the Internet is coming.

Today, the waiting is over; most of the previous obstacles have been removed. High-speed connectivity and computer processing power have grown substantially over the last few years. Universal standards for audio and video delivery have emerged to gain widespread adoption in the marketplace. All of these factors have combined to drive down the costs and complexity of delivering rich media. The result is excitement and demand from customers, and targeted, relevant rich media content is creating an opportunity for companies who rise to the challenge of meeting their needs.

Broadband Penetration Enables Widespread Rich Media Content Distribution

Broadband is providing a viable channel for the distribution of rich media content. How important is broadband growth? According to Nielsen/NetRatings, 69 million of 109 million (63%) online U.S. households have broadband, an increase of 49% over last year.

Corporate broadband penetration is more than double the household rate, with 89% of at-work Internet users enjoying broadband connections.

Watching Online Video Is Easier Than Ever Before

Recently, the user experience of watching video online has improved dramatically.

Issues such as incompatible formats and versions, browser compatibility problems, and video players that push advertising or modify a computer's media settings are becoming less of an issue as technology providers continue to compete for market leadership. This means low-cost production and delivery: You need only one skill set and one infrastructure to support everyone in your audience. For users, it means simple, seamless video playback. It simply works.

Declining Costs Create New Opportunities

Standards for encoding and delivering video online such as Macromedia® Flash™ and Microsoft® Windows Media are spurring innovation that's increasing the efficiency and sophistication of video production tools. Mature and solid platforms are reducing the costs to supporting end-users.

Streaming Media Opportunities for Business

Streaming media is an effective tool for many uses in business, including advertising campaigns, marketing and branding, sales,

training, and customer support. Below you'll find some examples of uses. The examples listed provide a small sampling of the success that can be achieved by effectively using rich streaming media in your overall business strategy. You will likely have your own ideas based on the unique needs of your business.

Advertising Campaigns/Marketing and Branding Effectiveness

Rich media advertising has become a market-leading approach to acquiring new customers online, and one that pays measurable dividends. If you're advertising online, you can't afford to ignore rich media's benefits.

Results speak for themselves, and the data shows that rich media advertising works. DoubleClick—the leading provider of solutions for advertising agencies, marketers, and Web publishers to plan, execute, and analyze their online marketing programs—reported that in Q1 2006, click-through rates for rich media web site ads are four times those of traditional static-image (.gif, .jpg) ads. The data also shows that rich media delivers. Conversion rates for rich media ads are 2.30%, fully half-again the 1.47% conversion rate for static ads.

Product Demos and Training Effectiveness

Q1 2006 DoubleClick SiteAdvance Web analytics data shows that consumers are becoming more sophisticated in their online shopping behavior. They are spending more time on web sites, looking at more pages, using search functions more frequently, and are more likely to use their shopping cart as a comparison shopping tool.

Streaming media enhances the online experience for your customers by appealing to multiple senses, improving the ability for customers to understand and retain your message. Adding interactivity to online product and

sales demonstrations keeps the customer interested, which translates into converted sales and closed business.

A leading CRM company placed a Flash video streaming-based “demo center” on their corporate web site. The interactive demo center features an interface where customers can select a demonstration based on their intended uses of the product. Video of company experts is streamed and synchronized with interactive slides reinforcing message points made by the speaker.

One of the largest online auction sites created an online university educating its customers on how to buy and sell goods using its service. The multimedia curriculum features interactive slides and high quality video of their “Dean of Education” teaching five separate course modules. The educational content is sold on a pay-per-view subscription basis using a payment processing solution capable of handling thousands of transactions per second and taking international orders. Streaming the content helps increase the reach by providing the course via the Internet. Students receive the same content as they would at the in-person seminars, and even get a diploma when they have

successfully completed the coursework and tests.

Customer Service and Support

A fastest-growing segment of the streaming media market is customer service and support. Today’s customers demand instant fulfillment of their support needs.

Rather than waiting in a queue on hold to get a support question answered, many customers would prefer watching a short, explanatory video clip online. This benefits not just the online support customer, but saves you money and improves customer service for your phone customers as well. If you handle just 10% of your customers’ support calls on your web site, you can greatly reduce your call-center wait times.

For example, if your call center employs 20 busy customer service representatives, and they handle 400 five-minute calls an hour, then each customer is spending an agonizing 11 minutes on hold before they talk to a real live person. You’ve got 70 people at a time waiting in line, wishing at that moment they were doing anything but business with you.

Now, move just 10% of those support calls to your web site, and you drop wait times to under a minute. You’ve improved the

customer phone support experience, given your most sophisticated customers topnotch help online and still saved money. At this point, even if you reduce the call-center staff by one, you’ll still keep phone wait times under a minute.

Companies are successfully putting large amounts of support-type content online—product support for existing customers, instructional and training videos, pre-sales product demos, and even product training for their own sales reps.

Market data shows why and how companies can use rich media to reach new customers, support existing ones, and reduce costs.

Final Points

Rich media is making an impact on the bottom-line in numerous industries. Market trends show an increase in the adoption of broadband and that video technology can be a seamless experience for viewers. Companies can take advantage of the declining cost and complexity of delivering rich media to reach new and existing customers and possibly save money and improve customer service.