

**knowledge
platform**

White Paper

**INTERNET VIDEO: MAKING AN IMPACT IN TRAINING
AND CORPORATE COMMUNICATIONS**

By William Claxton
VP Media & Technology
Knowledge Platform
August 2005

Table of Contents

Introduction	3
Business Benefits	3
Applications	4
Key Drivers	6
Key Inhibitors	7
Conclusions	7
About the Author	8
About Knowledge Platform	8

Introduction

Digital media production and delivery systems have come of age, and bandwidth costs have dropped dramatically in Asia as in the rest of the world. Systems and services for Internet video delivery are valuable tools with which companies can improve the quality and frequency of training and informational communications, often accompanied by significant cost reductions.

It is reported by IDC and Frost & Sullivan (companies that regularly survey the Internet video market) that 80% of the top 2,000 businesses worldwide have plans to deploy video applications to their employee's desktops by 2006.

One popular use of Internet video is "webcasting" - the delivery of a multimedia presentation streamed from a central source to hundreds or even thousands of Internet viewers. Such webcasts may be organized as live events but are more commonly offered for "on-demand" viewing.

Corporate webcasts can be an exciting and engaging medium to reach employees and partners. However, one should not forget other less glamorous uses of Internet video, such as sales training and product support.

Business Benefits

Although there are hardly any technical issues limiting the widespread adoption of Internet video, particularly in an organizational setting, the business benefits of Internet video are often underestimated. Indeed, there are a number of proven business benefits that make Internet video an integral part of any company's online learning and communications programmes.

So, What Are These Business Benefits?

- **Reduced training costs** - Video augments classroom training by providing foundation learning or filling knowledge gaps. This reduces the cost of training by eliminating some classroom instruction.
- **Reduced travel costs** - Video is used to train employees and resellers. This reduces both travel costs and time spent away from the office.
- **Improved time to market** - Video allows companies to design and launch new products and services more rapidly, enhancing competitiveness.
- **Reduced staff turnover** - Video enables more frequent and personal communication, which creates a sense of community for dispersed staff, thereby improving employee morale.
- **Greater reach** - Video can communicate a compelling message to greater numbers of staff, customers and investors.

- **Enhanced accountability** - Video programmes can be monitored for viewing duration and viewer comprehension.

After webcasting, training is usually the first area where Internet video is applied in organizations, and many reap the largest reward from Internet video used as a training tool. Videotapes have long been employed for organizational training, but the accessibility of Internet video means that training resources can be used anytime, anywhere, without special viewing equipment. In the training curriculum, Internet video is most commonly used to provide foundation learning, such as the orientation of new staff.

One fairly common success story from early adopters of Internet video delivery is the potential reduction of support costs. Companies such as palmOne have used Internet video to demonstrate advanced features of their products - such as explaining how to sync data on a PDA with a PC- to both customers and sales representatives. For Palm One and similar companies, the result has been significantly reduced support costs and enhanced customer satisfaction.

As with other network applications, the benefits of Internet video increase with the size of the user base. Various studies show that for significant return on investment from corporate communications using Internet video, companies should have at least 1,000 employees worldwide, and that those who meet this threshold enjoy the same benefit as multinationals employing tens or hundreds of thousands. Nonetheless, even companies with as few as 50 staff can benefit from targeted applications of Internet video - such as training or technical support programmes.

Applications

How is Internet video being used today? Webcasting for internal and external communications is probably the most popular application of Internet video. According to a study by AV Interactive Magazine, some 25% of the UK's largest companies have used webcasting regularly as a communications tool, half of those using it at least once per week. Some 90% of FTSE listed companies use Internet video communications on a regular basis.

The most used business applications for Internet video include:

Internal communications
Training and E-Learning
Sales promotion
Product launches
Investor relations

Similar figures are cited for US companies. A recent study by Aberdeen Group and Streaming Media Magazine indicate that 75% of American business users access digital video content at least 2-3 times per week. Among the most popular business uses of Internet video are webcasting (40%) and web conferencing (45%).

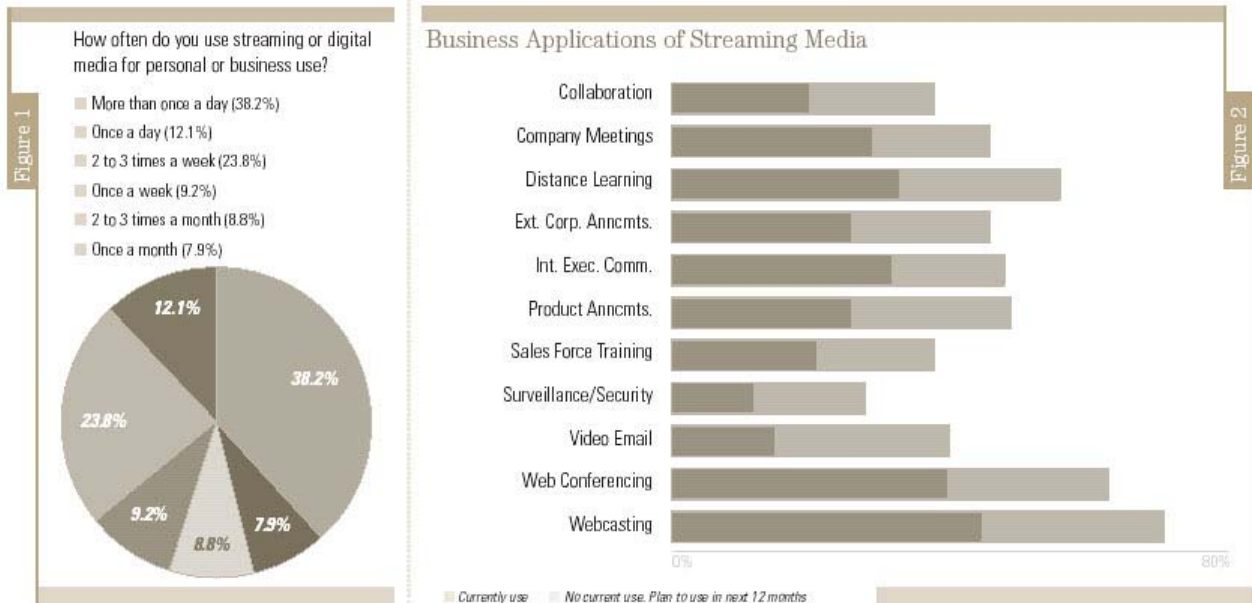
Companies in different industries tend to apply Internet video somewhat differently. Vodafone, Microsoft, BT and Cisco - all information technology companies with workforces that must rapidly absorb new product and market knowledge- use Internet video extensively for training. BP, Shell, Esso, and Mobil - petrochemical companies with geographically isolated global workforces- use Internet video for employee communications.

Large pharmaceutical companies have a need to communicate effectively with doctors, patients and caregivers. Many, including GSK, AstraZeneca, and Pfizer use Internet video to disseminate marketing and product information to both their sales representatives and medical workers.

Financial organizations have a need for timely internal communications and have the scale to incorporate broadcast-quality production values in their daily announcements. Thus, HSBC, PWC and KPMG publish internal communications using video delivered across their intranets.

Some industries use Internet video as a product in itself, for example conference organizers that use it to extend their market reach. Many international conference programmes are available as Internet video, including those organized by UN, WHO, World Bank, IBC, and MIPTV. The most popular conference events are offered on a subscription or pay-per-view basis.

The following chart summarizes both the frequency and types of use for business applications of Internet video.



Citation: Aberdeen Group/Streaming Media Magazine

Even though some important emerging applications, such as security and process monitoring are not shown, the chart above provides a snapshot of the range of business uses for Internet video today. Indeed, it is striking to note that Internet video embraces so many disciplines, right across various divisions of companies. The shaded bars indicate intended adoption within the next 12 months and they reflect double-digit adoption rates for most applications.

Key Drivers

The technology drivers for Internet video are fairly obvious - the ubiquity of network connectivity being the major one. However, various other factors have played a supporting role, including progress in efforts to standardize delivery formats and communication protocols, superior compression technologies available today, and even the higher screen resolutions on corporate desktops.

A variety of business drivers pushing Internet video adoption include demands to enhance the timeliness, transparency, and regulatory compliance of corporate communications. Business managers require instant communication and see video as a natural evolution for corporate marketing and training materials. Investors demand transparency, and want regular corporate updates

in an accessible medium such as video. Governments demand that information be disclosed completely and without favoring insiders. To illustrate these points, it is worth observing that since the Sarbanes-Oxley Act of 2002 was enacted, listed US companies have significantly increased the quality and frequency of Internet video webcasts to inform investors.

Key Inhibitors

Poor web integration and multimedia authoring applications that are not easy to use have limited the adoption of Internet video. Another problem area for many companies is figuring out how to deploy a scalable infrastructure for video. A good number of early adopters have faced issues such as webcasts that failed when they became 'too popular' and traffic that overwhelmed the video servers.

For Internet video adoption to really take off, company employees with minimal training must be able to view and publish digital video presentations. While not everyone needs to author these presentations, those who do author want content production be as simple as creating a PowerPoint presentation at their desktop. Currently, authoring is a big challenge for many users.

Conclusions

Internet video is poised to become the preferred media for corporate communications and training. Early issues with insufficient bandwidth, incompatible media formats and low screen resolution are a thing of the past.

Today most medium- and large-sized companies are using Internet video, or plan to roll out services in the next year. The most popular applications are corporate communications, investor relations, product support and training. Video training is likely to grow rapidly as enterprises realize the substantial business benefits not just of online learning, but of online learning brought to life with the impact of television.

About the Author

Bill Claxton has deep experience in designing and building web applications and international distribution networks and providing managed services for digital content. Bill's responsibilities at Knowledge Platform include leading the technology direction of the company and developing the media services business.

Prior to joining Knowledge Platform, Bill was founder of OpenAsia Solutions, where he served customers by building stable distributed content delivery infrastructures. Having worked at a senior management level in IT for more than 10 years, and with a varied background as a hardware engineer, software engineer and video solutions expert, Bill brings to the company a wealth of technical and media experience.

Bill has a Bachelor of Arts degree in Economics from University of California, Berkeley. He serves on a number of professional and advisory committees, including the programme committee of the IX tradeshow organized by the Singapore Infocomm Technology Federation.

About Knowledge Platform

Knowledge Platform provides Video Learning production and hosting services to support E-Learning and corporate communications. We offer a full suite of services to assist our clients deliver professional looking Video Learning to the corporate desktop in any language- including video recording, slide synchronization, integration of interactives, production of survey or assessment elements, hosting, and management reporting.

Knowledge Platform is a leading provider of innovative knowledge solutions to help companies succeed in the knowledge economy. By providing services such as Online Learning content, instructional design, training solutions, and Online Learning technology consulting, Knowledge Platform helps its clients to increase their learning efficiency. Headquartered in Singapore, Knowledge Platform has a rapidly growing, blue chip enterprise, banking, educational, and government sector client base. For more information regarding Knowledge Platform, visit www.knowledgeplatform.com.

To learn how Knowledge Platform can help your company create a secure environment for maintaining information integrity, contact Knowledge Platform at info@knowledgeplatform.com or you could reach us at +65 6236 7689.