

## 2011 - online video, devices and platforms

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Internet video consumption is growing. Moving forward, much of this Internet video will be consumed on mobile devices like smart phones and tablets. However, the fight over Internet video standards is causing confusion among organizations that want to deploy video but fear to invest in obsolete technology. The solution to the standards fight? Leverage solutions and partners who can take care of the problem of complexity and fragmentation and use online platforms that can deal with multiple standards and devices.



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As we enter the second decade of the millennium, it has become increasingly obvious that this will be the decade of Internet video. In the US, time spent viewing online video increased by a staggering 47 per cent from the year before according to a ComScore survey. American households spent 14.4 hours a month on video, up from 9.8 hours a month. This trend will continue, as more video content becomes available online and viewers make a habit of consuming on multiple devices. This is not just people watching skateboarding dogs on YouTube; the New York Times, for example, delivers hours of high-quality video to millions of viewers over the Internet.

So people are getting used to watching videos on their PCs and this is excellent news for all companies, not just those in the

business of producing video content. Video is a powerful communications medium and is thus an ideal vehicle for marketing, which is an obvious conclusion considering the amount that companies invest in television commercials. An Australian swimwear company, AussieBum, currently uses online video to drive sales of its products and is very successful doing so.

Apart from marketing purposes, video can also be deployed for other purposes. Instructional video, for example, has the potential to lower support costs as companies can use a video to explain how to set up and use equipment. Video is scalable so a single how-to video or a well-designed commercial, accessible on a website, can reach hundreds of thousands, even millions, of people.

People aren't just watching Internet videos on their PCs or TVs, however. Increasingly, people are watching videos on their phones as well. The popularity of smartphones has exploded thanks to Apple's iPhone, Google's Android platform and the newest entrant in the space, Windows Phone 7. Into this mix, we can also throw in tablet-sized devices such as Apple's iPad, Samsung's Galaxy Tab and a host of other tablets that are expected in 2011. All these devices are extraordinarily Internet capable and people are starting to treat them simply as mobile Internet devices. As a result, consumers are enthusiastically using these devices to consume media of all types, including video as a primary medium. The numbers from Nielsen indicate that, in the US, consumption of video on mobile devices increased more than 20 per cent year-on-year.

**The situation in Asia**

These trends are much more pronounced in Asia because mobile Internet use and mobile video consumption is very high in the Asia Pacific. According to Nielsen's *How People Watch* report (August 2010), seven out of the top ten countries that consume Internet video are in Asia, namely China, Indonesia, the Philippines, India, Malaysia, Pakistan and Vietnam. The US is merely number 38 on Nielsen's list.

Asia Pacific's online consumers are also 45 per cent more likely to use mobile video. Once again, Asian countries predominate in the list of countries most likely to access online video on a mobile device. The seven Asian countries in the top ten list are the Philippines, Indonesia, China, India, Singapore, Vietnam and Thailand. (The US does a little better on this list, occupying slot number 32.)

So this is the situation: around the world, an increasing amount of online video is being consumed, and over time, more and more users will consume that video on their mobile devices. As such, the forward-looking organization should be looking at capitalizing on these trends to deliver impactful messages via video to customers as part of the sales, or post-sales process.

However, there is a minor spanner in the works. Smartphones and tablets are indeed miniature computers, but they are also entirely new computing platforMs Based on this disruption, the technology choices of each manufacturer have increased complexity and fragmentation.

This is the heart of the big fight between two tech titans, Apple and Adobe, and which has implications for the enterprise planning to leverage on video. Apple is pushing an emerging standard for defining video experiences through HTML5 and have refused to make Adobe's Flash Player technology available on their mobile devices.

Adobe, of course, argues that Flash is a robust technology that solves many important business challenges and that the issues that have been raised by Apple will be made redundant as the technology improves. Adobe has developed a broad ecosystem of technology partners that provide advanced systems for deep analytics, advertising and content protection. In some circumstances these solutions are nascent if at all available outside the Flash platform.

In addition to the HTML5 versus Flash debate, there are numerous other technical processes and systems that do not have a common solution across mobile platforms offered by Google's Android, RIM's Blackberry, Microsoft, Nokia and others. Ultimately, both consumers and online publishers want a high fidelity experience, allowing them to engage in highly branded experiences consistent with the business goals established for the PC web.

What does this mean for the enterprise that just wants to put out compelling video to drive sales? Do organizations really have to pick sides in what looks like a VHS versus Betamax debate? The simple truth is that these underlying technical challenges will remain for years to come. Organizations therefore need a strategy that allows them to maximize their reach, but minimize their cost of distribution.


Don't bother picking winners - leverage a solution.

Different technology investments are required to power mobile web and mobile app video experiences. One of the world's most popular mobile solutions, Apple's iOS platform, which consists of the iPhone, the iPod touch and the iPad, will not play Flash video. The technology standards such as HTML5 are still evolving and there is a lack of consistency across device platforMs Organizations should therefore expect to invest in both Flash and HTML5 experiences to maximize the reach of their content across this diverse landscape. Fortunately Flash, HTML5 and other mobile video platforms have some basic forms of compatibility, allowing for a common video codec like H.264 to be shared across these various forms of delivery. For some, this fragmentation might imply investing millions into research and development that attempt to tackle the end-to-end problem. This, however, is the hard way to do it.

Over the last few years, a new market has emerged for online video platforms (*OVP*) that provide comprehensive solutions to insulate corporations from the waves of change rippling through the industry. These platforms remove the need for corporations to invest in their own infrastructure because these platforms take on the task of deploying the necessary technology for publishing video in the appropriate format. So it makes sense for most corporations and institutions to evaluate these software-as-a-service (*SaaS*) business software solutions since they provide a more cost-effective means

of implementing multi-device distribution strategies. These online video platforms offer an insurance policy and hedge against future changes in technology platforMs An ongoing yearly subscription ensures a constant stream of innovation that maximizes consistency across devices by providing a common platform for video production, editorial control and user experience development.

Internet video delivery is a must-have for the enterprise today; mobile video, while currently less popular, is quickly accelerating in popularity. As organizations consider their investment in online video, they need to put in place a robust distribution and syndication strategy across multiple partners and devices to maximize the ROI of their content investments. While technology titans battle over standards, enterprises should simply hedge their bets so that it does not matter who prevails. Robust online video platforms minimize the risk and maximize the opportunity to leverage video as an effective means to drive strategic business goals. ●



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