



Market Trends and Analysis Report

Trends in Online Multimedia Application Deployment:

Quantifying Popular Uses for
Web Audio and Video in the Business Sector

A Research Publication by

InterActive
Media Strategies

In Conjunction with



Table of Contents

I. Introduction	3
II. Current Uses for Business Multimedia	4
III. Gauging Areas of Future Growth	6
IV. Targeting Today's Top Customers.....	10
V. Emerging Application Alternatives.....	15
VI. Conclusions and Recommendations.....	17

Exhibits*

Exhibit 1: Application Implementation by Companies that Have Deployed Online

Exhibit 2: Deployment Of Online Multimedia Applications-Segmented by
Deployment Tenure

Exhibit 3: Multimedia Applications Drawing Expansion Interest-Companies
Deploying Online Multimedia for One Year

Exhibit 4: Multimedia Applications Drawing Expansion Interest-Companies
Deploying Online Multimedia for More than Five Years

Exhibit 5: Application Implementation by Companies Spending \$100K or More
On Online Multimedia Annually

Exhibit 6: Multimedia Uses Drawing Expansion Interest-
Firms Spending \$100,000 or More on Online Multimedia Annually

Exhibit 7: Composition of Key Online Multimedia Target Customer Groups-
Segmented by Size

Exhibit 8: Multimedia Applications Drawing Expansion Interest-Companies
Deploying 100 + Online Multimedia Events Annually

*** All Survey Results Presented Represent totals from the Interactive Media Strategies' Enterprise Web Communications Survey, conducted in the First Quarter of 2007. In the survey, 1,209 corporate executives were asked to detail their use, deployment and perceptions of a wide range of Web Communications technologies, including online multimedia, rich media, Web Conferencing, instant messaging and podcasting.**

"Trends in Online Multimedia Application Deployment"

I. Introduction

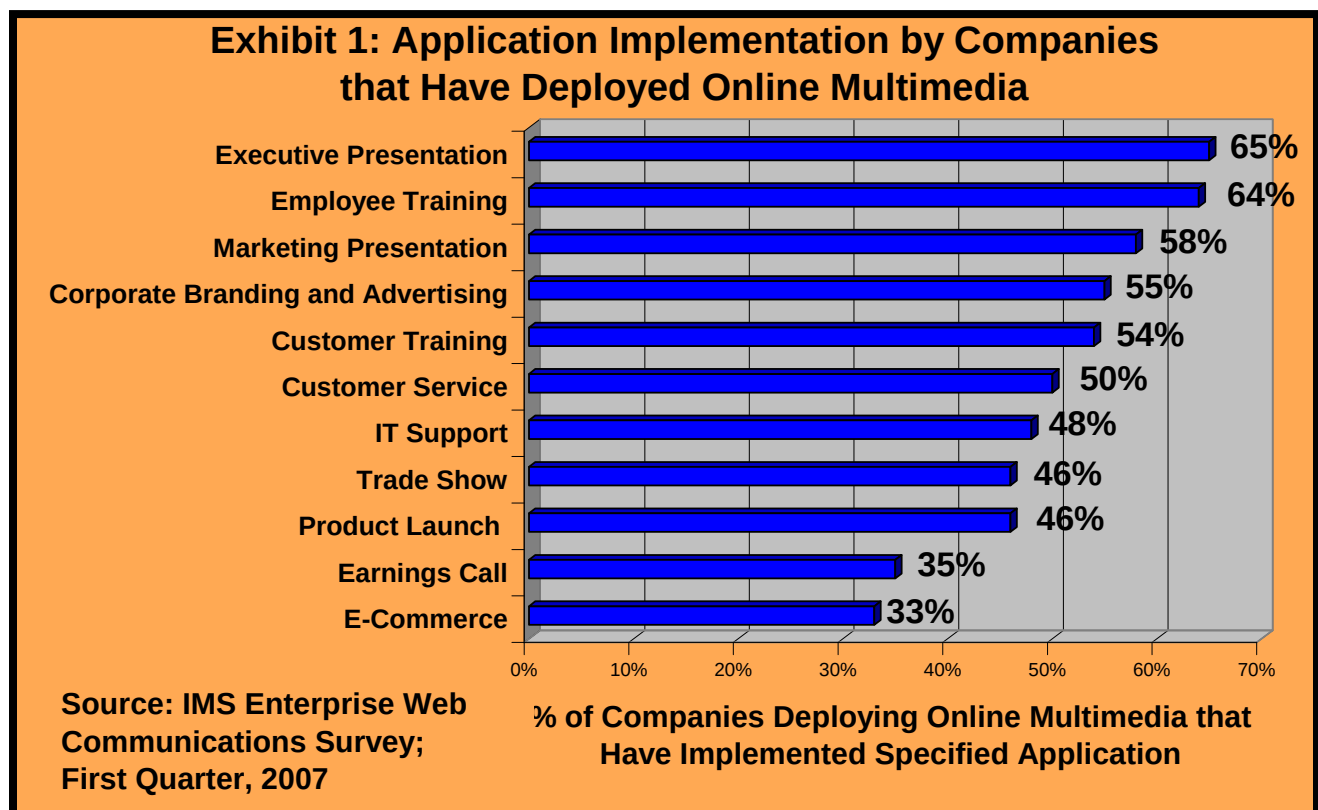
No single “killer application” exists for online multimedia in the corporate world. This is both a blessing and curse for the emerging business multimedia sector.

For a market still in its nascent stage, the lack of a single compelling use scenario for the technology makes it more difficult to evangelize the deployment of Web audio and video to companies that have yet to put it to work. Most vendors still struggle to find the classic “elevator speech” in which they can quickly summarize the value proposition of their products in the time it takes for an elevator ride.

Indeed, it’s difficult to explain the varied and rich opportunities enabled by the technology to those not familiar with it. Online multimedia – and particularly Web video – can be effectively employed in a wide range of applications.

Historically, it’s been the technology industry’s equivalent to the Rorschach test: Executives see in online multimedia what they want to see. Large companies see a platform that enhances employee-to-employee communications. A growing block of companies is positioning it as a tool for talking to partners and customers. Yet, to some consumers, it’s still simply known as a venue for sharing funny home videos via sites like Google’s YouTube.

But the deployment of multimedia in the enterprise is no joke. Large companies are generating significant savings and improving the flow of communications in their organization through the deployment of this technology. Exhibit 1 illustrates



“Trends in Online Multimedia Application Deployment”

part of the growing array of applications for online multimedia that are emerging in the business sector.

Internal communications applications still reign supreme for the implementation of online multimedia in the enterprise. Large corporations, which represent the primary customer base of the business multimedia sector, still deploy the technology to address their key objective of improving employee-to-employee communications. Nearly two-thirds of companies that have implemented online multimedia use it for inward-facing applications, such as executive presentations and employee training.

But while these internal applications have been the bread-and-butter for this sector since its inception, future growth may hinge on expanding beyond these reliable war-horses of business multimedia deployment. It must be remembered that audio and video are simply the newest, most vibrant types of data that can be woven into the digital communications process. Any business message that can be conveyed with text, graphics, illustrations or any other element of communications can theoretically be supplemented –or even replaced- by online audio and video.

Indeed, this report will build on previous research published by Interactive Media Strategies suggesting that outward-bound marketing applications represent the most lucrative avenue for long-term growth and adoption of online multimedia by business users.

In previous papers, Interactive Media Strategies has made the case that online multimedia is an ideal marketing tool for mid-sized companies that discover both the cost efficiencies and the richness of communications made possible by the delivery of marketing-oriented audio and video on the Web. In this report, Interactive Media Strategies will now expand on this line of thinking, making the case that that marketing applications are rising in popularity among the large corporate customers that historically have been most closely associated with the use of online multimedia for executive presentations and employee training.

This report also will supply an anecdotal review of some real-world applications for online multimedia, illustrating the growing array of unique uses that are emerging for the technology that are being implemented by creative corporate users who are finding new ways to leverage the power and flexibility of multimedia-enriched communications online.

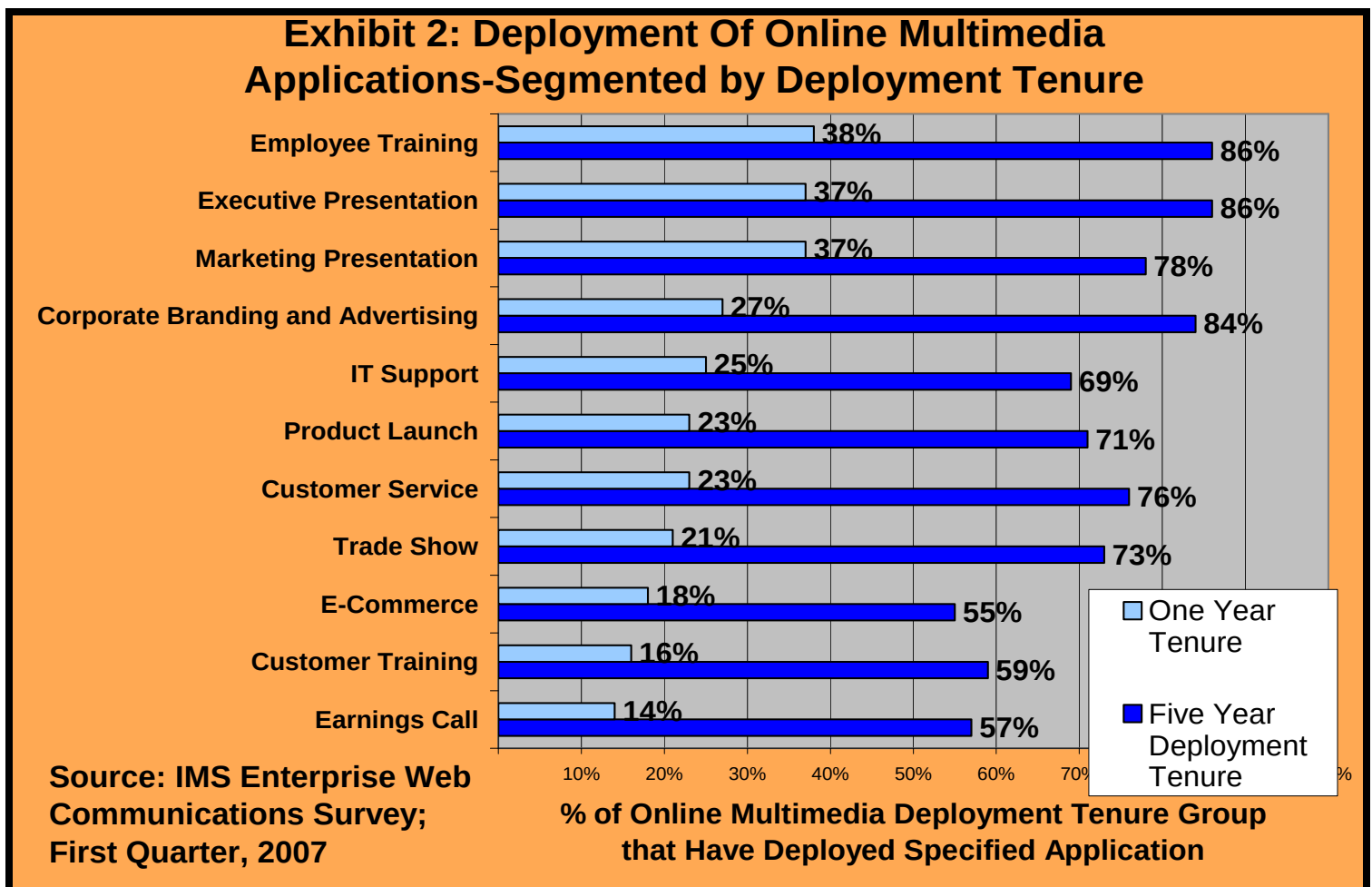
II. Current Uses for Business Multimedia

The most common use for online multimedia in the corporate sector remains internal communications. Among companies that have deployed online audio and video technology, the two most frequently deployed applications integrating multimedia are executive presentations and employee training. Sixty-five percent of all companies deploying online multimedia have used the technology to deliver executive presentations online; 64% have deployed the technology for employee

“Trends in Online Multimedia Application Deployment”

training. These deployment patterns hold true to historical patterns of application deployment seen in prior surveys conducted by Interactive Media Strategies.

Historically, online multimedia has uniquely addressed the communications challenges that large companies face in distributing information to far-flung networks of employees. Web audio and video provide a forum for large company leaders to communicate directly with a global work force on a cost-effective basis. As a result, today's enterprise multimedia sector is largely tuned to address the internal communications needs of these large corporate customers who have illustrated the most willingness to invest in online audio and video capabilities.



When evaluated on an over-arching basis, these deployment patterns hold true regardless of how long a company has been using online multimedia. In general, internally focused communications applications show greater levels of deployment both among companies new to online multimedia technology and among those who have been using the capabilities for an extended period.

Exhibit 2 illustrates deployment patterns for online multimedia applications that are segmented by how long the company has been using online multimedia

“Trends in Online Multimedia Application Deployment”

technology. As expected, companies new to online multimedia have significantly lower levels of penetration across the board for specific applications of online multimedia technology. These results reflect the basic trend that companies find multiple ways to use online multimedia technology as their experience and familiarity with the technology grows. Thirty-eight percent of companies using online multimedia for one year or less, for instance, have implemented the technology for employee training. Among companies with a tenure of multimedia deployment exceeding five years, the penetration rate for employee training rises to 86%.

The results from Exhibit 2 can be taken as a roadmap of applications that are most likely to generate interest from business users. In particular, the uses of technology most prevalent among short-time users of online multimedia provide a glimpse at the applications that are most likely to be adopted by companies during their earlier days of their implementation of online multimedia technology. For this group of short term users, the most popular applications are employee training, executive presentations and marketing presentations.

A comparable trio of applications top the popularity charts among companies that have deployed online multimedia technology for more than five years. Among this group, employee training and executive presentations remain the top applications. Each has been deployed by a nearly ubiquitous 86% of all companies that have deployed online multimedia. Ranking a close third, implemented by 84% of these long-time corporate users, is the deployment of the technology in corporate branding and advertising campaigns online.

One factor helping to drive greater penetration of these applications is their relevance throughout a broad swath of many organizations that have implemented online multimedia. Applications such as employee training and executive presentations are broad-based enough to touch virtually every individual in an organization. In contrast, more specific applications of the technology tend to lag in terms of their penetration in the enterprise sector. The use of the technology to distribute “earnings calls,” for instance, applies primarily to publicly traded companies that are required to brief financial analysts regularly on their company’s quarterly results. Another low-ranked application – e-commerce- is most relevant to firms focused on enhancing the online selling process. While growing in importance, the requirement for multimedia-enhanced commerce communications online is not yet a pre-requisite for a broad range of companies. And the penetration levels recorded in the IMS survey underscore the relatively limited demand for multimedia e-commerce enhancements in today’s market.

III. Gauging Areas of Future Growth

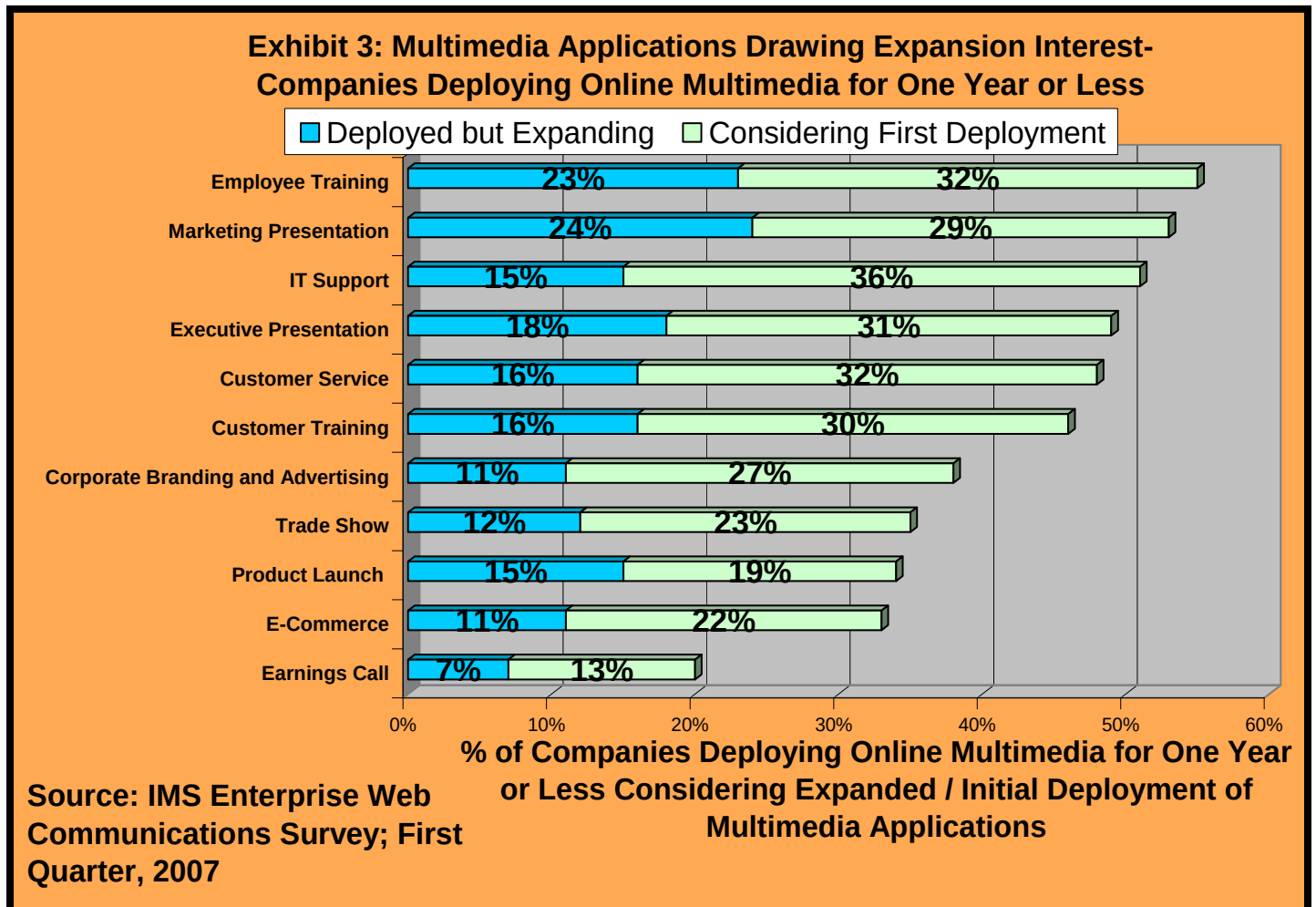
The cycle of multimedia adoption is clearly illustrated in an examination of the uses of online audio and video that are of greatest interest to companies as they traverse through different stages of their tenure technology deployment. Firms

“Trends in Online Multimedia Application Deployment”

new to the world of online multimedia are more likely than others to follow an accelerated adoption growth curve. This is primarily because they have yet to experiment with a wide range of applications for the technology and have an interest in exploring more broad-based uses of online audio and video capabilities.

Exhibit 3 highlights the stated level of interest in expanding or initiating the use of specific multimedia applications among companies that have been using online audio and video for a year or less. The light blue bars at the left side of the chart represent the percentage of companies that are already deploying the application but are planning expanded investment in the specified use of online multimedia in 2007. The light green bars to the right of the chart represent the percentage of respondents citing interest in initiating use of the technology. Taken together, these totals combine to represent the relative levels of corporate interest in expanded use of the specified application and should be viewed as a barometer projecting future demand for the particular use of online multimedia in the business sector.

The applications of interest to companies in the early stage of their online multimedia deployment cycle are a near-mirror image of the applications most widely used in the general enterprise sector today. The top four applications of

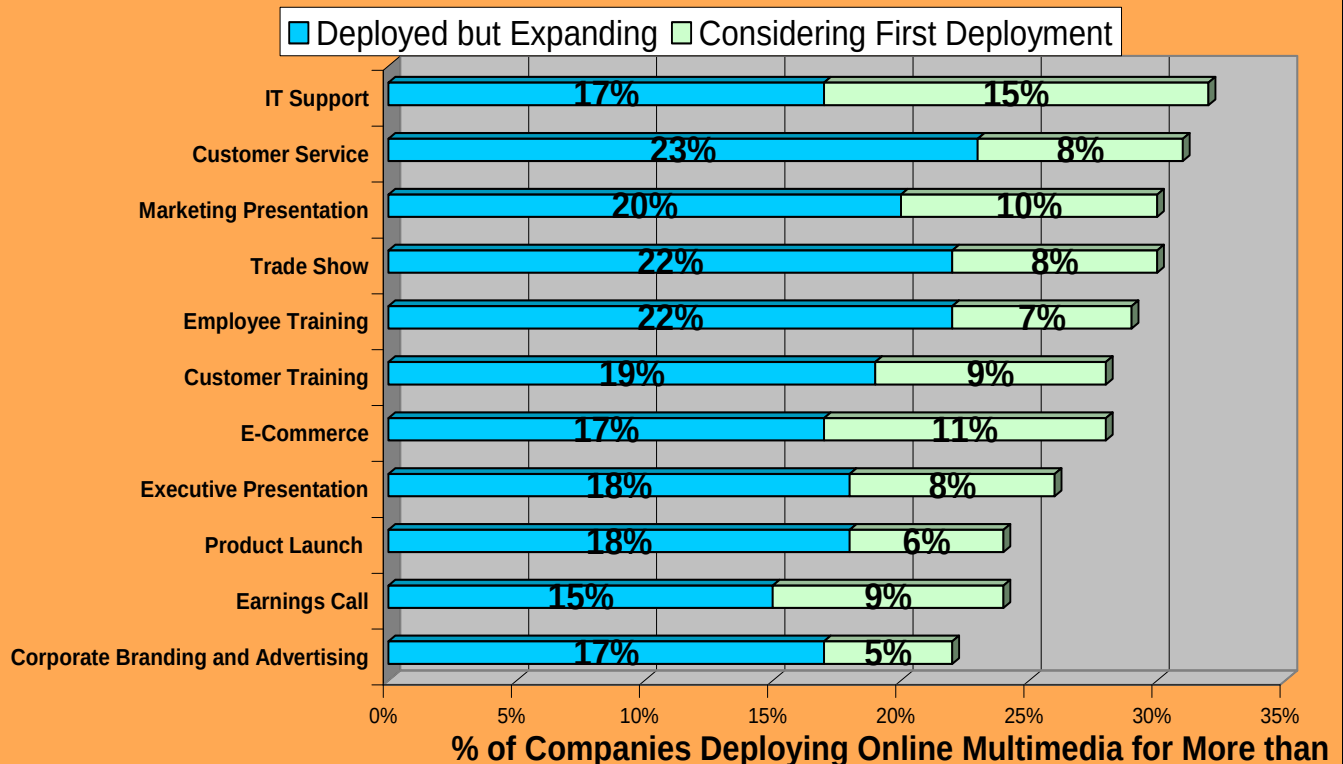


“Trends in Online Multimedia Application Deployment”

interest for this group-employee training, marketing presentations, IT Support and Executive Presentations-account for the three top slots in the current rankings of application deployment discussed earlier in Exhibit 1.

Gauging the level of future demand among these new users is a proxy for discussing the market-at-large today. Nearly three quarters of respondents to the Interactive Media Strategies have deployed the technology for less than five years. So, the majority of online multimedia users are not far removed from the application demand patterns illustrated by the new user responses highlighted in Exhibit 3.

Exhibit 4: Multimedia Applications Drawing Expansion Interest- Companies Deploying Online Multimedia for More than Five Years



Source: IMS Enterprise Web Communications Survey; First Quarter, 2007

Five Years Considering Expanded / Initial Deployment of Multimedia Applications

On a macro basis, organizations follow a template of application implementation quite similar to the demand trends common to new users of the technology. First, companies address general communications applications focused on internal issues. These are then followed by specific outward-bound communications applications with task-specific applications, such as e-commerce and earnings calls, lagging at the bottom of the penetration rankings.

If the demand measured from first-year users can tell us where the market has been - and where it will be for the next several years, an analysis of the demand patterns of experienced users (Exhibit 4) could translate into a road-map of

"Trends in Online Multimedia Application Deployment"

prospective application deployment over the long haul. The results from this group highlight demand trends that may shift the relative penetration levels for some applications as more companies garner longer track records and experience in deploying online multimedia technology.

About half of the companies implementing online multimedia have between two and five years of experience in deploying the technology, creating a large cadre of organizations poised to follow in the footsteps of the leading one-quarter of the market represented by long-tenured users (more than five years) now exploring the frontiers of new application adoption.

Certainly, the demand patterns for this experienced group look far different from those of the new users described in Exhibit 3. As described earlier, overall penetration levels for different applications will be higher among experienced users who have had more time to experiment with a range of applications for the technology. As a result, the demand to initiate experimentation with new applications is quite diminished for experienced users compared with those with a year or less of multimedia deployment tenure.

Rather, the majority of growth emanating from the long-term user group comes from the expanded use of applications already deployed by an organization. The highest areas of growth for this expansion in existing deployment – represented in the blue bars to the left side of the chart - fall in the categories of customer service, trade shows, employee training and marketing presentations.

Notable for their relatively low rankings given by experienced users are the applications of “executive presentations” and “corporate branding and advertising.” Twenty-six percent of experienced users cite interest in expanding or initiating the deployment of executive presentations. Twenty-three percent of respondents cite interest in expanding or initiating the deployment of online multimedia for corporate branding and advertising.

The results hint at the potential for approaching market saturation of demand for these two highly regarded applications for online multimedia. In the case of executive presentations, a company only has a limited number of “all-hands” employee meetings in which an executive needs to speak to an entire organization. Once those are covered, the subsequent demand for additional online multimedia executive presentations begins to taper off.

In the case of corporate branding and advertising, the drop in demand from long-term users may result from the type of marketing implementations most favored by corporate users. Overall, more than two-thirds of users surveyed say they view online multimedia effective only if it generates tangible results, such as identifiable sales leads. For companies that have deployed the technology for an extended period of time, the novelty of online multimedia advertising may be wearing off. These firms may be finding that the cost of online multimedia is still be too high to justify the softer returns of “improved brand image” that result from the implementation of advertising-style campaigns.

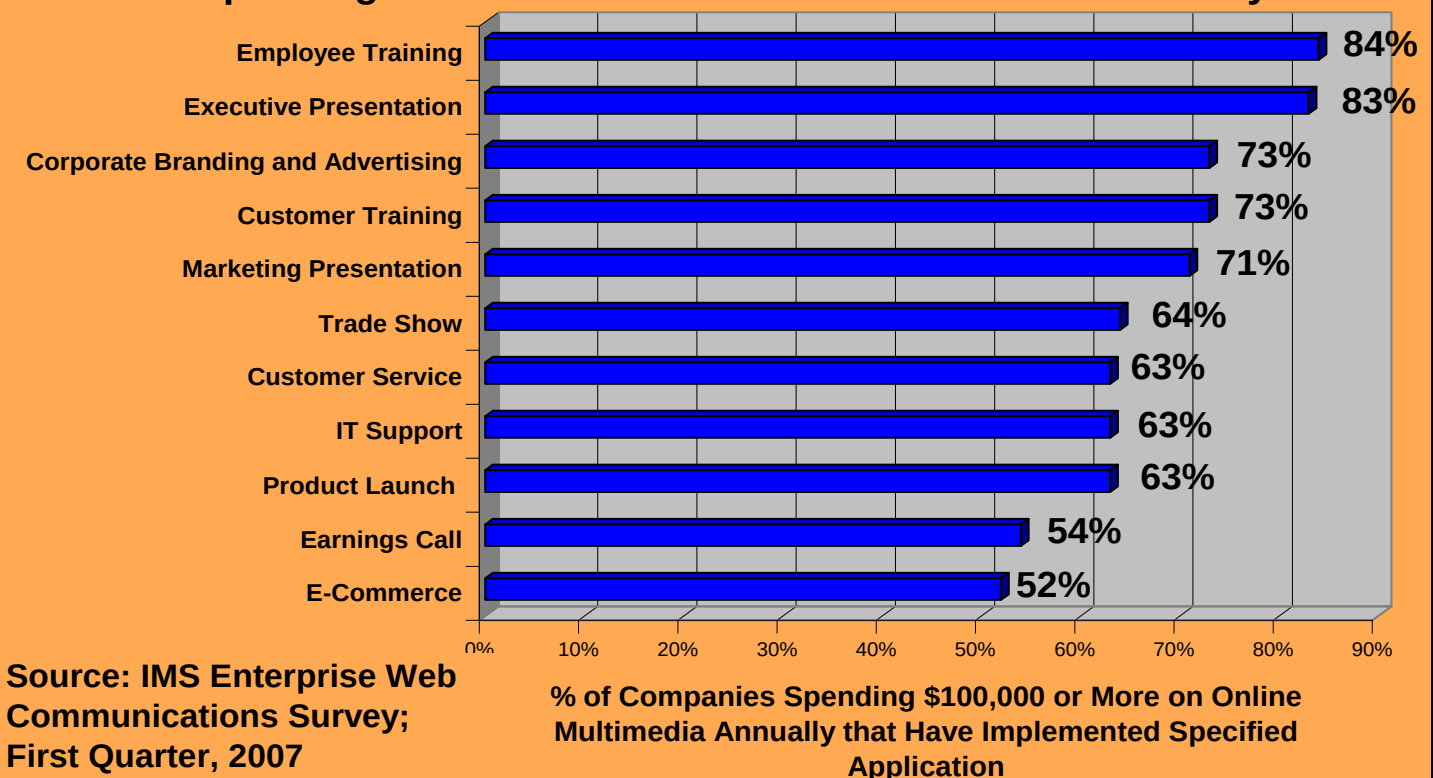
“Trends in Online Multimedia Application Deployment”

IV. Targeting Today's Top Customers

In this section of the report, we step away from our discussion of the tenure-driven cycle of application deployment to focus instead on the ways that today's most active users of online multimedia are implementing the technology. Of primary interest to us are companies that deploy the technology frequently (defined here as producing 100 or more online multimedia events annually) or have large budgets for online multimedia (defined here as organizations spending \$100,000 or more on the technology.) These organizations represent the most likely near-term targets for sales opportunities for vendors in the business multimedia sector.

The deployment of applications among these high-end target customers echoes distribution patterns for multimedia uses throughout the business sector. The only difference is that the penetration levels for each individual application are higher than the overall average. For instance, 84% of companies spending more than \$100,000 per year on online multimedia report implementation of employee training applications. (Exhibit 5) Deployment penetration for this application among all companies deploying Web audio and video is 64%. Likewise, executive presentations incorporating online multimedia have been used by 83% of the large-budget organizations but "only" 65% of the overall group of companies that have deployed Web audio and video.

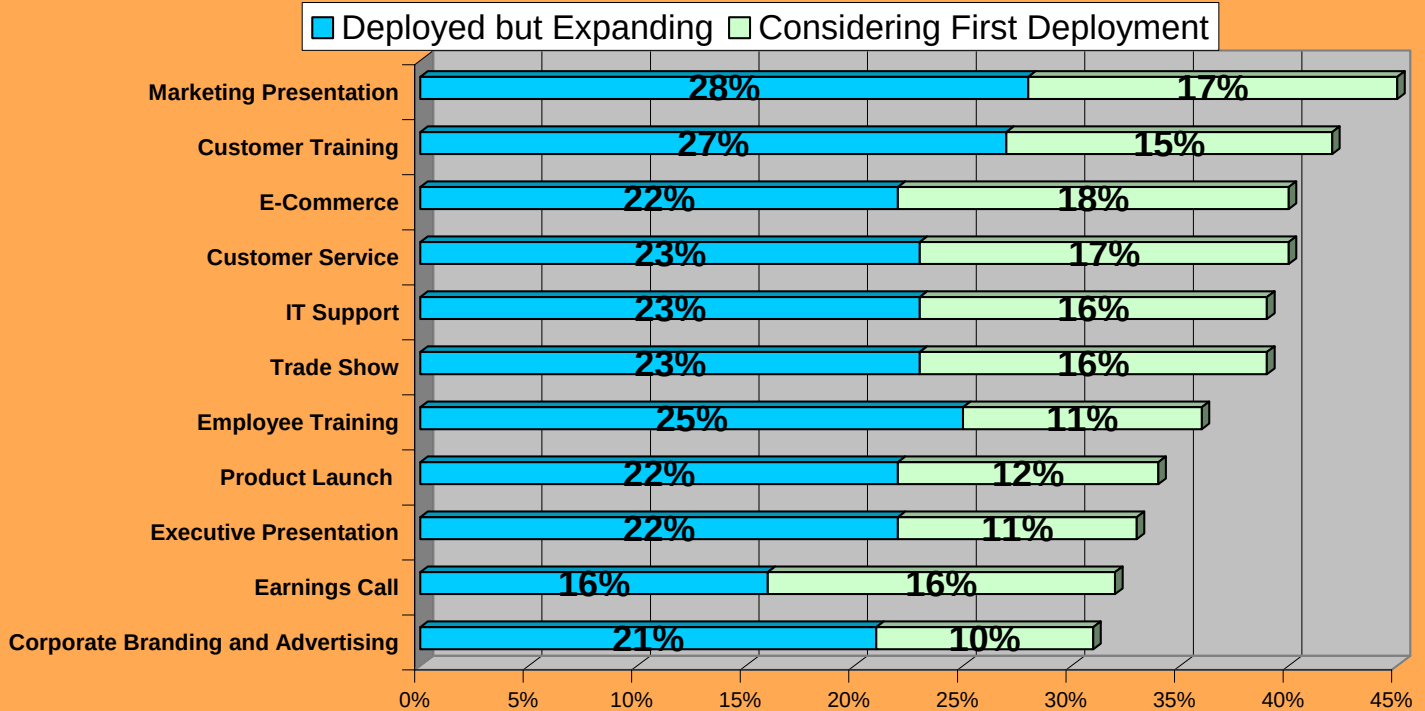
Exhibit 5: Application Implementation by Companies Spending \$100K or More On Online Multimedia Annually



"Trends in Online Multimedia Application Deployment"

Across the board, penetration levels of online multimedia applications are higher than those seen on an overall basis. Even among penetration laggards, such as earnings calls and e-commerce users, significant gains in deployment levels are seen among firms that budget \$100,000 or more annually for the technology.

**Exhibit 6: Multimedia Uses Drawing Expansion Interest-
Firms Spending \$100,000 or More on Online Multimedia Annually**



**Source: IMS Enterprise Web
Communications Survey;
First Quarter, 2007**

**% of Companies Spending \$100K+ Per Year on Online
Multimedia Considering Expanded / Initial Deployment of
Multimedia Applications**

This underscores the theme of “digital media sprawl” addressed by Interactive Media Strategies in previous research reports. As companies gain more exposure to online multimedia and become comfortable in implementing the technology, they are likely to use it for an expanding array of communications applications. The general rise in application penetration levels illustrates that companies with the resources to fund the implementation of the technology are willing to experiment with a wider range of online multimedia uses.

That leads us to the money question: “What applications are companies with large multimedia budgets targeting for expanded use?” Part of the answer to that question is illustrated in Exhibit 6, which reports the percentage of large-budget companies that are considering the expansion or initial use of specified applications of online multimedia.

Outward-bound applications dominate these rankings of applications that hold the most interest for companies with large budgets for multimedia. Forty-five

“Trends in Online Multimedia Application Deployment”

percent of this group, for instance, cites an interest in expanding or initiating the use of online multimedia for marketing presentations. This total is comprised of 28% of respondents who plan to increase spending on current deployments of marketing presentations and 17% considering their initial use of the technology for this purpose.

Other applications that appear to be targeted for expansion by large budget firms include uses typically relegated to the bottom tier of online multimedia application rankings: customer service, customer training and e-commerce. This represents a sea-change in outlook for these large spenders that have historically been linked primarily with the internal communications applications for online multimedia.

The common theme emerging from the data is that these coveted customers are now actively exploring the idea of implementing “multimedia marketing with a purpose.” Multimedia is an outbound communications tool that can help savvy companies with significant resources to sell better, train their customers and improve the service provided to them.

Less important to the big spenders is the idea of using online multimedia to build image. As was the case with companies with long tenures of multimedia deployment, companies spending significantly on the technology show lower levels of interest in implementing it for corporate branding and advertising. Thirty-one percent of respondents from companies with online multimedia budgets exceeding \$100,000 per year say they are considering expanding or initiating the use of online multimedia in corporate branding and advertising.

Multimedia Fulfills a Hierarchy of Communications Needs?

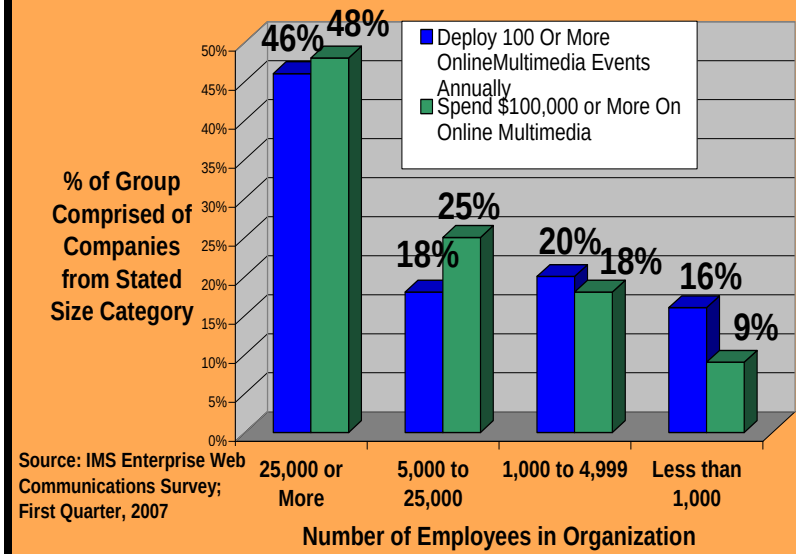
While one-fourth of all companies represented in the IMS survey report spending \$100,000 or more on online multimedia, the set of companies deploying 100 or more online multimedia events annually represent a much more exclusive club. Only 6% of organizations represented in the survey produce online multimedia events at this pace.

IMS believes that this group of high-frequency users provides a glimpse at prospective deployment patterns that is farther down the time horizon than is implied even in the previous description of multimedia application demand among companies with large budgets for implementing the technology. The high-frequency group provides a window into how executive thinking changes when online multimedia emerges as a commonplace, everyday tool. Trends hinted at by the responses of these high-frequency users are not likely to become a market reality for at least five years but still are useful in providing a glimpse at the potential trajectory of the market.

One would hypothesize that the characteristics of the group of companies with large multimedia budgets would be very similar to those of deploying online multimedia events 100 times or more per year. After all, costly technology would likely be needed by companies producing multimedia in high volumes.

“Trends in Online Multimedia Application Deployment”

Exhibit 7: Composition of Key Online Multimedia Target Customer Groups-Segmented by Size



From a demographic profile, the two groups do look very similar. As would be expected, both are comprised primarily of large companies. Nearly half of each of these segmented groups is made up by companies with more than 25,000 employees. Another large chunk of these groups comes from firms with between 5,000 and 25,000 employees. Less than one-fifth of the respondents from the group of large spenders and the group that deploys the technologies at high frequencies come from companies with fewer than 1,000 employees. (Exhibit 7)

But while the demographic characteristics of the two groups are similar, the types of applications drawing their interest for expanded implementation highlight a few significant differences. The most noted difference in application demand between the group of big budget companies and those deploying the technology frequently comes in the previously discussed area of corporate branding and advertising.

Among companies spending more than \$100,000 a year on online multimedia, demand for expanded use of online multimedia in corporate branding and advertising ranks dead last on a list of 11 applications. But, among companies deploying more than 100 multimedia events per year, corporate branding and advertising rises to the third most popular application for expanded use.

Given the demographic similarities between the two groups segmented in this analysis, such a shift in rankings reflects structural differences in the perceptions of the applications between these two groups. Let's discuss the nature of these differences.

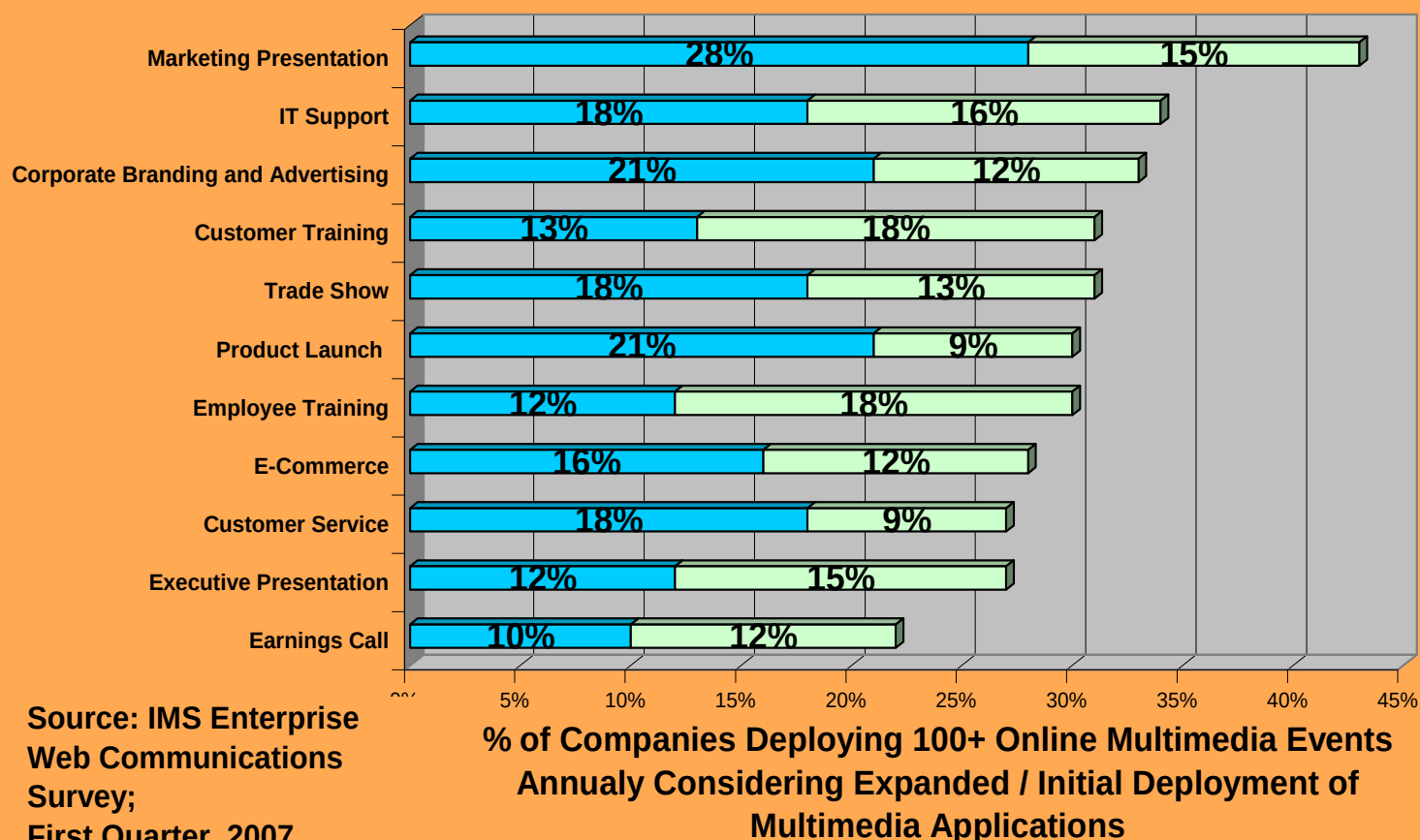
In general, companies that already are deploying 100 or more events annually are less interested in finding new and expanded uses of the technology. Seven applications referenced in the survey were cited by at least 35% of respondents from the group of "large-budget" companies as being worthy of expanded or new investment. In contrast, only two applications drew that level of approval from respondents at companies deploying more than 100 online multimedia events per year.

The explanation for this is that companies deploying online multimedia at least one hundred times or more per year are farther along the adoption curve for online multimedia than are other organizations—even those spending at least

"Trends in Online Multimedia Application Deployment"

Exhibit 8: Multimedia Applications Drawing Expansion Interest- Companies Deploying 100 + Online Multimedia Events Annually

■ Deployed but Expanding ■ Considering First Deployment



\$100,000 a year on implementing the technology. Essentially, as executives at these companies become accustomed to using multimedia on a commonplace basis, they develop a more sophisticated outlook on how to best integrate the technology to address their communications objectives.

One can think of online multimedia as a tool that addresses a hierarchy of communications objectives that grows as an organization becomes more proficient at implementing online multimedia and devotes more resources (in the form of time and money) to its deployment.

The first step on this hierarchy ladder is addressing the internal communications objectives of an organization through the use of online multimedia in employee training and executive communications. For users new to Web audio and video, this is the best implementation of the technology that allows them to achieve enriched employee-to-employee communications in a way that would not be possible without the technology.

“Trends in Online Multimedia Application Deployment”

The next step comes in using the technology to address specific communications applications for outbound marketing and promotional objectives. The key at this stage is to identify uses of the technology that produce tangible metrics of value to the organization deploying the technology. If a company in this second stage invests in developing outward-bound communications applications, it will seek to measure the return generated from that investment in the form of new sales leads or other metrics that measure the potential for generating revenue.

Once online multimedia becomes commonplace – as it has at the firms deploying the technology 100 times or more annually – the value of image-driven marketing incorporating online multimedia begins to rise. IMS believes that companies that deploy multimedia events frequently have already justified many of the core costs associated with the implementation of the technology. As a result, it becomes easier for them to leverage existing technology in place to pursue “image-oriented” marketing even though they produce weaker ROI results than other marketing-oriented applications.

At these organizations, online multimedia becomes part of the communications fabric of the institution. This transforms online multimedia from a technology that is used to support specific “corporate events” where implementation is driven by ROI to more of a model where online multimedia becomes a commonly accepted piece of a company’s on-going publishing and communications activities.

V. Emerging Application Alternatives

Within five years, it is likely that an analysis of business multimedia application deployment like the one offered in this report will be obsolete. Audio and video will be integrated into so many different communications applications, the notion of confining a description of its use to 11 specified categories will appear to be an unrealistic and limiting way to describe market trends.

Already, the creative power of the marketplace is putting Web audio and video to work in ways that the developers of the technology could never have envisioned. In this section we discuss a handful of these fresh implementations emerging from business, government and academic sectors. We expect these anecdotal examples to represent only the first wave of innovative uses that will emerge as online multimedia becomes more commonplace in the corporate sector.



Shell Oil: Watching the Rigs

Global energy producer Shell Oil is using IP video to keep tabs on a string of more than 20 off-shore oil rigs across the globe. Four cameras are used to monitor key aspects of each of the rigs’ drilling operations with each of the video feeds piped into an encoding appliance developed by VBrick. The video content is then converted into IP video by the

“Trends in Online Multimedia Application Deployment”

VBrick appliance and shipped to Shell management centers via satellite IP connections. The company's top oil production experts monitor the video feeds to keep tabs on production activities and troubleshoot glitches before they evolve into bigger issues that would impact production. Other manufacturers, such as Cesna Aircraft and John Deere, are using comparable systems to remotely monitor the progress of manufacturing activities on their factory floors.

Sensory Spectrum: Enabling Virtual Focus Groups

Management consulting firm Sensory Spectrum has equipped one of the facilities it operates in New Jersey with equipment that allows it to capture video from live focus groups and make them available online. Using equipment developed by Accordent, Sensory Spectrum can also make the Webcast focus group videos available on an on-demand basis. The system can save significant costs for marketers looking to collect information from would-be customers via the focus group process. With the Webcast approach, marketers can now watch the focus group sessions remotely on a live basis. In some cases, this eliminates the need for companies to put their entire marketing team on the road to attend focus group sessions. Instead, executives can tap into the focus group sessions from their offices, eliminating the need for travel while still giving executives access to core value of focus groups that comes from being able to see customers' live, unvarnished reactions to issues relevant to a marketing organization.



Hershey Medical Center: Video from the Operating Room

At the Penn State Hershey Medical Center, a facility that combines a medical school with a leading research hospital, rich media is used to make live operations accessible from the classroom. Using a Mediasite appliance developed by Sonic Foundry and installed in an operating room, surgeons are able to route video feeds directly from the operating room into classrooms via IP connections. The technology approach creates the equivalent of "digital amphitheaters" in which students are able to watch operations being performed by leading surgeons on either a live or on-demand basis, creating another avenue of learning for the medical school students.

Advertising Firm: Streamlines the Approval Process

Minneapolis-based advertising agency Carmichael Lynch uses online multimedia to speed the process of sharing drafts of its work with clients. The agency, which has produced advertising campaigns for the likes of Cargill and Northwest Airlines, will use systems developed by VBrick to share drafts of television commercials with clients. The online process eliminates the need for shipping

"Trends in Online Multimedia Application Deployment"

DVDs or VCR tapes of the draft version to clients overnight and allows clients to provide the agency's creative team with more rapid feedback to fresh versions of the commercials being produced.

MPHI: Streamlining the Government Bid Process

MPHI, a non-profit agency that provides event management and digital communications services for government social service agencies in the state of Michigan, has implemented rich media to improve the way it shares information on government projects put up for bid. Instead of developing just the standard written request for proposals for government project work, representatives of state agencies will appear together on a Webcast to provide details of project work that would-be contractors can use in formulating their bids. The live Webcasts, produced on Mediasite systems developed by Sonic Foundry, allow contractors to ask questions of government executives while protecting their anonymity. Also, the Webcast can be recorded so that bidders can refer to the Webcast at later points in the bidding process.

Linklaters British Law Firm Extends Reach of Information

Linklaters, a London-based law firm that employs 5,000 people worldwide and specializes in providing legal services for financial firms, uses online multimedia to streamline the sharing of information between its offices around the globe. Using technology developed by Accordent, the firm has developed more than 200 presentations that make up the basis of a multimedia library that helps keep partners and staff updates on legal issues emerging in the regions served by its offices. The multimedia system allows the firm to rapidly update or replace videos that are made obsolete by regulatory changes or differences in how laws are interpreted by the courts.

VI. Conclusions and Recommendations

While the type of applications that employ online multimedia remain largely the same as they have since the inception of the business multimedia sector, market forces are at work that promise to change how Web audio and video is commonly used for business communications. Vendors should keep the following issues in mind while working to identify the applications that will encourage more businesses to adopt online multimedia communications on a widespread basis.

- **Internal Communications Still Tops the List:** Employee-to-employee communications applications, such as executive presentations and employee training, remain the most commonly deployed form of multimedia-enriched communications in the enterprise sector. Success with business customers hinges first on developing and understanding the needs of corporate users that want to deploy these two fundamental applications.

“Trends in Online Multimedia Application Deployment”

▪ **Understand the Growth Cycle:** Adoption of online multimedia in the business sector is an iterative process. Recognize that the needs of new corporate users will be different from those that have significant experience with the technology. Over time, companies will find multiple ways to use online multimedia technology. It is incumbent upon vendors, however, to help new customers identify the initial uses of online multimedia that will have the greatest impact on their operations initially and allow the applications that are implemented to grow gradually over time.

▪ **Identify Priorities of Key Customers:** Businesses that spend more than \$100,000 on online multimedia or deploy more than 100 online multimedia events annually represent an important constituency for vendors of online multimedia technology. While these customers already use internal communications applications extensively, recognize that growth in future applications for these signature client is likely to come from application sectors far afield from the traditional internal communications and training issues historically favored by large companies. Increasingly, those with the resources and experience in deploying online multimedia are targeting applications of the technology that enable better communications with outside groups.

▪ **Heed the Hierarchy of Communications Objectives:** The corporate communications issues solved by the deployment of online multimedia can depend in part on a company's experience in implementing the technology. New users tend to view it as a tool for internal communications while mid-range users graduate to a second stage where the focus intensifies on marketing events that produce tangible results. As a company's experience with the technology expands further, an organization can settle into implementation of Web audio and video that aid in building up a company's branding image. For vendors, it is important to recognize the stages of the Hierarchy of Communications Objectives and tailor marketing pitches to address the stage of the adoption cycle being experienced by their would-be customer.

▪ **Harness the Creativity of End Users:** Some of the most useful applications for online multimedia are those never envisioned by developers of the technology. Listen to how customers are putting online video to work once they have the technology in their hands and look for ways to introduce innovative applications developed by them to other customers who could benefit from implementing the innovative applications.

About the Author

Steve Vonder Haar is Research Director of Interactive Media Strategies and is responsible for the firm's coverage of the enterprise Web Communications sector. Topics of focus include online multimedia, Web Conferencing and rich-media conferencing. Vonder Haar can be reached at (817) 860-5121 or via e-mail at SVonder@InteractiveMediaStrategies.com

"Trends in Online Multimedia Application Deployment"





About Interactive Media Strategies

Understanding How Multimedia Transforms Communications

The first three waves of mass media served to transform the way people live. From Gutenberg forward, the printed word has allowed people to share ideas stretched across time and distance. Audio gave consumers their first taste of sharing broadcast media simultaneously with the later advent of the video offerings of broadcast television to create the ultimate electronic community.

Mastering the Change Fostered by Technology

Interactive Multimedia opens the door to new forms of tailored communications experiences for consumers. Digitization, connected networks and a sprawling array of emerging devices to handle digital content create the opportunity to weave audio and video into the interactive communications experience. In the process, corporations can capitalize on new tools that enable them to deliver powerful messages enriched by audio and video and tailored to targeted groups. Likewise, media firms can capitalize on the new flexibility of digitization to serve up content, products and services using business models heretofore impossible for media distributors.

Interactive Media Strategies provides research and consulting services to help companies involved in the communications, collaboration and media distribution chains to recognize the potential of interactive multimedia, not only in the packaging of audio and video content but also in the development of new services improved and enriched through the integration of audio and video content that can be accessed on demand.

Interactive Media Strategies provides quantifiable analysis of how business users, IT professionals and corporate executives perceive, use and deploy communications applications delivered via connected networks. Subscribers to the Enterprise Web Communications Research Service can benefit both from IMS' core research activities along with custom support designed to address clients' specific business needs. The foundation of Interactive Media Strategies' research offerings is an annual research and consulting subscription. Individually tailored or proprietary projects or market research studies are also available. The annual subscription package serves up a consistent stream of relevant research publications and slide presentations that help to expand our clients' understanding of the overall marketplace and developing trends.

For more information on Interactive Media Strategies and its service offerings, please contact us.

Steve Vonder Haar
Research Director
(817) 860 5121
svonder@interactivemediastrategies.com

Paul Ritter
Vice President
(508) 881-7149
ritter@interactivemediastrategies.com

"Trends in Online Multimedia Application Deployment"