

Companies Throw Their Weight Behind Online Video

Contributed by eMarketer
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Most of the attention in the online video space has focused on either media content and consumers or marketers and video advertisements. But companies continue to push further into this realm with non-advertising content.

Recent studies have shown that growing numbers of retailers are adding video capabilities to their sites.

Surveys of Fortune 500 companies also indicate a broad-scale increase in the use of video for marketing purposes.

In this sense, video has gone from a luxury to a near necessity for companies seeking an edge in marketing their products.

From home-goods merchants to automobile manufacturers, companies across a wide spectrum are finding ways to use video in their marketing efforts, and consumers are embracing—sometimes demanding—these changes.

Retail is a sector where online video is becoming more important for driving sales.

When asked by Multichannel Merchant to identify rich media features that they used, 46% of US multichannel retailers picked video, making it the highest-ranked category in the survey.

Another 42.3% of respondents said they planned to add video capability in the next year.

Several studies point to increased use of video by US companies. According to Forrester Research, the percentage of the top 50 US online retailers that offer videos on their sites skyrocketed to 68% in 2009 from 18% in 2008.

Marketers are on board with more than just ecommerce applications, as well. A study led by the Society for New Communications Research noted 31% of Fortune 500 companies with public-facing blogs used video blogging in 2009, up from 21% in 2008.

Ad-ology asked US marketing executives whether they would increase, decrease or make no changes in their 2010 marketing budgets for social and traditional media. Nearly 27% said they would increase their online video budgets for viral clips and podcasts, while 5.5% would decrease their budgets.

Out of the remainder, 41% would leave the budget intact and another 27% said they did not use video. These responses put video ahead of mobile marketing and search optimization as budget priorities for US marketing executives.

As eMarketer's Tobi Elkin noted in the report

“Consumer Packaged Goods Sector Taps into Online Video,” “Creating an online video presence helps marketers facilitate an ongoing dialogue with consumers, boost brand equity, lure prospective customers and solidify support among brand loyalists.”

On the receiving end of these marketing efforts, consumers are accessing increasing amounts of video on multiple platforms, from laptops and home PCs to smartphones and tablets.

As these devices continue to penetrate the market, consumers will expect ubiquitous access to video content. Examples might include watching product videos at the point of sale or viewing a portion of a podcast on a PC and resuming the session on a tablet. Marketers are aware of the potential and are upping their game in a variety of sectors.

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