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Firms Take a Cue From YouTube

Companies Use Online Video to Reduce Costs, Communicate With Staff

By **BOBBY WHITE**
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Last year, **Monsanto** Co. wanted to raise the visibility of some projects and go beyond statistics to make a case for bioengineered crops.

So the St. Louis agricultural-products company took a page from YouTube's playbook. Tom McDermott, a Monsanto public-relations manager, sent camera crews to the Philippines, Australia and other countries to film testimonials from farmers using Monsanto products to grow genetically modified corn, soybeans and other crops, which are sometimes targeted for protests by environmentalists.

IN SUMMARY

- **What's New:** Companies are finding online video draws more attention to messages on corporate Web sites.
- **The Background:** YouTube and other consumer sites spurred use of video for more than entertainment.
- **Bottom line:** More firms specialize in video services for corporate sites.

He then posted the clips on a Monsanto Web site, hoping to attract attention from customers, employees and policy makers. Today, the site attracts more than 15,000 visitors a month, and Monsanto is aiming to boost viewership to 200,000 a month by late next year.

"When the people involved relate how their life has changed and you actually see it, it's far more compelling," Mr. McDermott says.

The company, which hadn't used online video before, joined a growing crowd of large businesses taking advantage of the fast-evolving medium to tackle communications chores. While video has been commonplace on the Internet since the late 1990s, companies such as YouTube -- just bought by **Google** Inc. for \$1.65 billion -- have developed consumer services that make it much easier to post and view movie and video clips.

Non-media companies, until recently, had been relative laggards in the video field. But that's changing rapidly, driven less by the desire to entertain than to deliver corporate messages more effectively via their Web sites.

Computer maker **Sun Microsystems** Inc. in 2003 revamped the press area of its site to resemble that of a broadcast news outlet, with stories, interviews and live international feeds. After posting online video to that portion of the Web site, traffic jumped to nearly 42,000 viewers in December 2003 from 12,000 visitors in August, says Diana Reihardt, who supervises news on Sun's site.

Wal-Mart Stores Inc.'s corporate Web site, for example, now has video integrated on most key pages, including shareholder presentations and messages from executives. **General Motors** Corp. uses online video to communicate with dealership salespeople, while **Coldwell Banker** Corp. delivers video messages to real-estate agents through its Web site.


"Corporations are just beginning to see [online video] as a real option to help cut costs and communicate," says Colin Dixon, a research analyst for Diffusion Group, a research firm. "Just from last year to this year, there's been a significant jump."

The rise partly reflects the work of small companies such as the FeedRoom Inc., Reflect Systems Inc. and **VitalStream** Inc., which offer services and technology that make it easier for companies to hop on the online-video bandwagon.

Some big guns are also jumping in. In September, computer-networking giant **Cisco Systems** Inc. launched a corporate video tool, and cable company **Comcast** Corp. also recently purchased the Platform Inc., another corporate-video company. ABI Research, a market-research firm, predicts the market for broadband video-service providers will swell to \$1.87 billion in 2011 from \$237 million in 2006.


Video places special demands on users. Moving images create large data files, so an array of formats have been developed to

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WALL STREET JOURNAL VIDEO

- 1  Dow Jones Online's Paul Lin discusses² how companies are jumping on the Web video bandwagon. Plus, see videos posted on company Web sites:
- [Wal-Mart](#)³
 - [Monsanto](#)⁴
 - [U.S. State Department](#)⁵
 - [Better Homes and Gardens Scrapbook](#)⁶

compress, store and send video around the Internet. Specialized software is needed to convert video into a desired format and to let computer users play the images. YouTube, for example, converts videos into a format that helps users play clips in their Web browsers, rather than using specialized media-player software.

To minimize delays when users click on a clip, some companies rely on content-delivery networks -- including **Akamai Technologies Inc.** and **Limelight Inc.** -- that store copies of video files at data centers around the Internet. Other companies specialize in controlling user access to video and managing live broadcasts, notes Mike Wolf, an analyst with ABI Research.

Monsanto initially attempted to build its own system to deliver videos, but abandoned the process in view of the complexities. It turned to FeedRoom, a New York-based company founded in 1999 by former TV production manager Bart Feder and Jonathan Klein, who is now president of U.S. operations for cable channel CNN.



A page with **integrated video** on the Monsanto Web site delivers messages featuring individual farmers promoting genetically modified crops.

managing its video services in June 2005. Later Cisco decided to sell its own video software -- which handles video compression and a Web user interface -- to users with a price tag starting at \$133,000.

Thomas Wyatt, who oversees Cisco's video division, wouldn't say how many customers the company has signed up for its software package. But those that have expressed interest, he said, include the military, which is looking for ways to deliver information to troops in remote locations, government agencies interested in distributing cable-television programming to the desktop and educational institutions focused on offering classes on demand.

"It's really wide open," Mr. Wyatt says of the market. "A number of organizations see video as a core tool that can get their message out."

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'videoplayer',993,540,'off',true,0,0,true);void

(");return false;

(3) [http://walmart.feedroom.com/ifr_main.jsp?](http://walmart.feedroom.com/ifr_main.jsp?nsid=b20ca33a9:10fcf5d9b3a:24a5&st=1167417348037&mp=FLV&cpf=false&fvn=8&fr=122906_115125_20ca33a9x10fcf16a563xw5c35&rdm=488152.63096097565)

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(4) <http://www.monsanto.com/biotech-gmo/asp/topic.asp?id=ConservationTillage>

(5) [http://video.state.gov/ifr_main.jsp?](http://video.state.gov/ifr_main.jsp?nsid=b20ca33a9:10fcf5d9b3a:4162&st=1167417838942&mp=FLV&cpf=false&fvn=8&fr=122906_014358_20ca33a9x10fcf5d9b3ax4163&rdm=825415.0033793149)

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