

Video in the C-Suite:
**EXECUTIVES EMBRACE
THE NON-TEXT WEB**



KEY FINDINGS

- **Video is becoming a critical information source for senior executives.** More than 80% said they are watching more online video today than they were a year ago.
- **Senior executives are also turning to video more frequently.** Three-quarters (75%) of executives surveyed said they watch work-related videos on business-related websites at least weekly; more than half (52%) watch work-related videos on YouTube at least weekly.
- **Work-related video can drive senior executives to take action.** Overall, 65% have visited a vendor's website after watching a video. Younger executives, however, may be more fully engaged with this type of media, and appear more likely to make a purchase, call a vendor, or respond to an ad.
- **Executives can be receptive to video advertising.** Overall, executives notice ads that run alongside videos, and many are comfortable watching in-stream ads. Video-friendly younger executives are more comfortable with these ad formats.
- **The social element of online video is strong in the executive suite.** More than half of senior executives share videos with colleagues at least weekly, and receive work-related videos as often. Younger executives appear very willing to share and view videos using social media.
- **Organizations looking to reach senior executives with video should consider some of the preferences voiced by the survey respondents.** The survey found that executives like information in a mix of text and video. They look to different outlets for different types of videos (e.g., business sites for news, YouTube for testimonials). And many are willing to engage with longer videos.

Executives embrace the non-text web

Corporate executives may be just as happy viewing the business information they seek online as they are reading it.

While the Web itself is in the midst of a video makeover, executives are transforming their habits to be more open to video—the non-text Web—as a highly reliable and trusted source for gathering and filtering business information. Text remains their preferred format, but executives appear as willing to take action based on viewing a video as they do reading an article.

Forbes Insights, in association with Google, surveyed more than 300 C-level and senior executives at large U.S. companies (more than \$500 million in annual revenues) to learn more about how they are approaching Web video as a source of business-related information. The video portion

of the survey follows up and expands on findings from 2009's *The Rise of the Digital C-Suite*, a study published by Forbes Insights (also in association with Google) that examined executives' emerging video habits as part of a larger look at how they use the Internet for business purposes.

In the nearly 18 months between the two surveys, video appears to have evolved from a novelty into a mainstream method for executives to receive business information. Younger executives in particular appear more inclined not only to view video, but also to create it and share it over the business-oriented “social” Web. Their growing influence within corporate America is likely to make business-related video even more prevalent in the coming years.

Video traffic heads into the C-suite

It wasn't that long ago that online video was considered a novelty, more suited to skateboarding bulldogs than C-level executives. But today, executives are clearly embracing video, approaching the information they get from watching no differently than the information they get from reading.

Video has, in fact, become a critical part of the Internet mix over the past 18-24 months. In April 2010, Nielsen IAG reported that almost three-quarters (72%) of U.S. Internet users view videos online—amounting to 144 million people. Research from Cisco Systems* predicts that by 2014, “Internet video will account for 57% of all consumer traffic” and “nearly 66% of the world’s mobile data traffic will be video.”

As online video gains favor with consumers, it is also carving a strong foothold among business users. According to the Forbes Insights survey, 83% of senior executives said they are watching more online video today than they were a year ago. (Fig. 1)

In general, senior executives still prefer text, but remain quite open to video. Overall, more than six in ten executives (62%) expressed a preference for text, and 22% indicated they would choose video. (Fig. 2) But as is becoming the rule for emerging Web technologies, younger executives are much more likely to select video over text. For example, 30% of executives under age 40 indicated they prefer video for reviewing business information, compared to just 9% of those age 50 or older.

While the preference for text remains similar to what it was when a similar sample of executives was surveyed in 2009, it is also clear that executives are watching video more frequently. 2009's *The Rise of the Digital C-Suite* study found that 64% of executives were watching work-related videos on business-related websites at least weekly. The 2010 survey asked the same question, and 75% of executives indicated they watch these videos at least weekly. (Fig. 3)

FIGURE 1: I watch more online video today than I did a year ago.

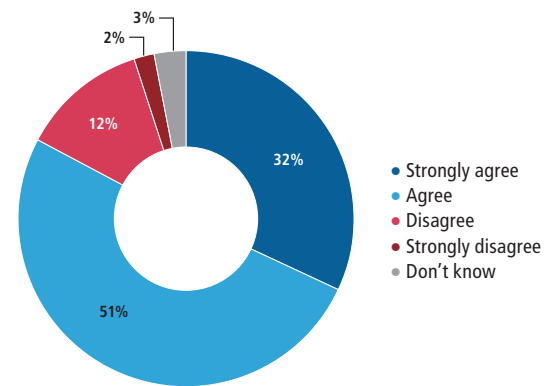
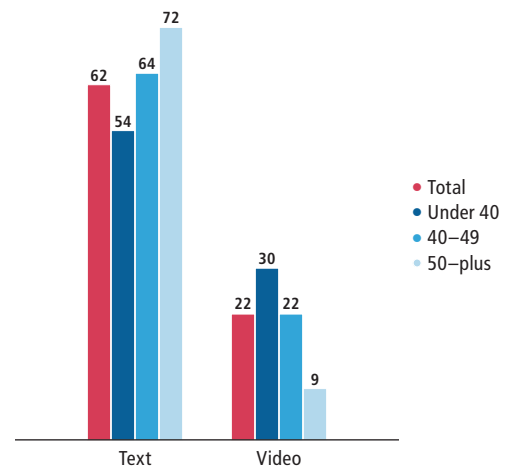
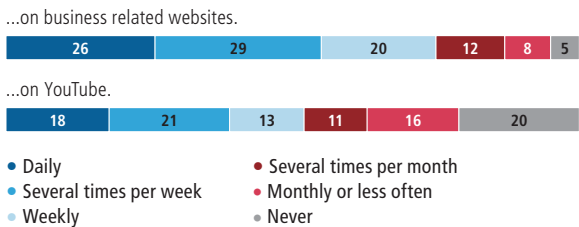


FIGURE 2: When it comes to reviewing the business information you need, what format do you prefer most?



*Hyperconnectivity and the Approaching Zettabyte Era; June 2010; Cisco Systems

FIGURE 3: I view work-related video content...



Of note is the shift among older executives. In 2009, 41% of executives age 50 or older said they watched videos on business sites at least weekly, and just 11% did it daily. In 2010, the total for that segment jumped to 66%, with 15% going to videos on business-related websites daily.

A similar jump occurred in the frequency by which executives go to YouTube for business-related videos. In 2009, just 40% of executives said they viewed work-related on YouTube at least weekly. This year, more than half of the respondents (52%) indicated they did.

**Corporate applications:
KEEPING THE TEAM ON THE SAME PAGE**

Few corporate events present as many critical organizational challenges as a corporate merger. As Continental Airlines was joining with United Airlines to form the new United, chairman and CEO Jeff Smisek used online video to keep employees informed on key developments and challenges.

According to United EVP and chief revenue officer Jim Compton, "it's called 'Jeff's Journal' and I think it's been proving a great way to help employees get to know the new management team and get the cultures together." Online video, said Compton, is a tool "with great potential for communication, training," and other corporate applications.

Video drives executives down the purchase path

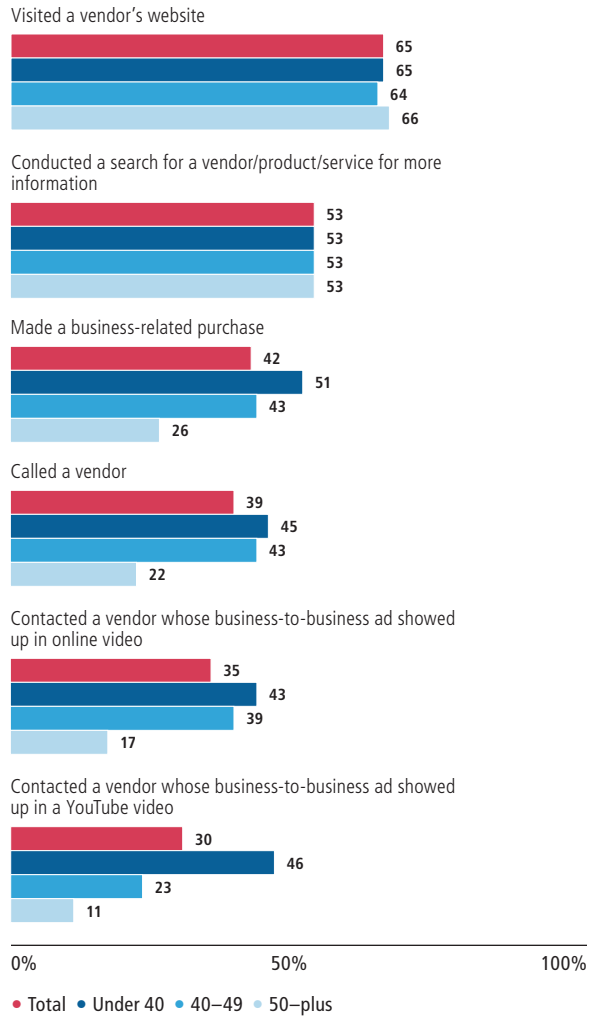
Executives are not only willing to watch work-related video, but many will take action based on what they see.

In the survey, senior executives indicated that online video has an impact on behaviors and choices. For example, 65% have visited a vendor's website after watching a video, and 53% have conducted a search to locate more

information. (Fig. 4) Interestingly, the propensity to take these actions cuts across age groups, as older executives are about as likely to do this as younger ones.

Looking at other possible actions, it becomes clear that the younger the executive, the more likely that an online Web video can spur them to action. More than half (51%) of those under 40 said they've made a business-related purchase after viewing a video, compared to 26% of executives 50 or older. And younger executives will also take actions from business-to-business ads that show up in a video—over 40% of executives under 40 have contacted a vendor after viewing a video ad on an online video (43%) or YouTube video (46%). Those figures are significantly lower for executives 50 or older.

FIGURE 4: Have you done any of the following after watching a work-related online video?

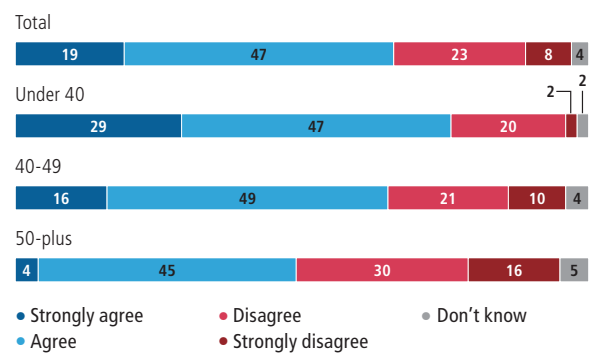


RECEPTIVITY TO ADS

Clearly, engagement with multimedia is growing for executives, but are they also engaged with ads that accompany or run alongside business-focused videos? Again, generational differences appear critical in this area.

Overall, two-thirds of senior executives said they notice banner ads alongside videos they watch for work. (Fig. 5) Younger executives are much more aware of them than older ones.

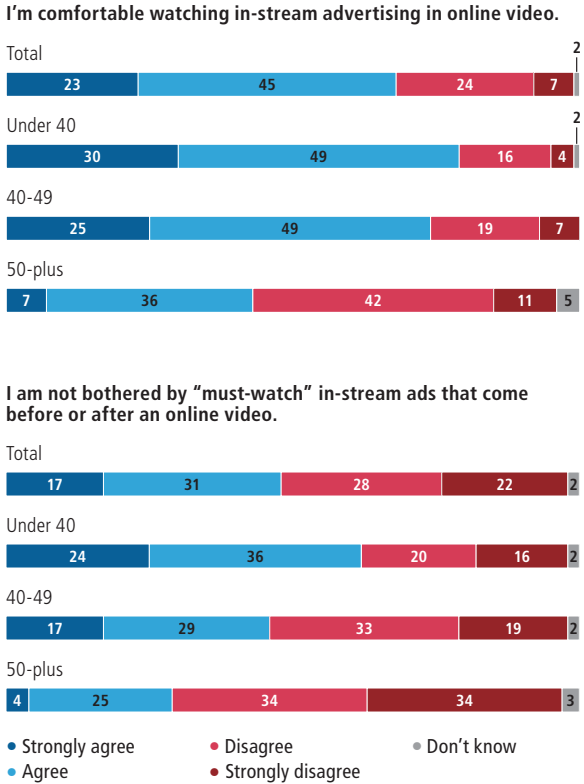
FIGURE 5: I notice banner ads that run alongside online videos.



When it comes to watching in-stream ads, including those that are “must-watch,” (i.e., ones that must be seen before a requested video loads), results are mixed. More than two-thirds of respondents (68%) agree that they’re comfortable watching in-stream advertising. (Fig. 6) Still many apparently are irritated when they are forced to watch an ad before they can see the video they’ve selected—48% agree they’re not bothered by must-watch ads, but half *are* bothered, 22% strongly so.

Still, age seems to be the defining factor in how executives approach in-stream ads, as executives under 40—those most likely to participate in online video—are the most comfortable with this ad format. Those over 50, who are less video-friendly, are less at ease with in-stream advertising.

FIGURE 6: Comfort with in-stream ads.



Corporate applications: VIDEO FOR OUTREACH

Chris Justice, president of payment systems-focused Ingenico, North America, said his firm is a big believer in the value of online video. As an executive, Justice has no strong preference between text and video, but instead tends to “click on whatever seems relevant.”

But Ingenico has become a producer of online video, with materials appropriate for in-house staff, customers, and prospects. “We do quite a bit of production,” said Justice. “The marketing team creates libraries of training videos and promotional videos.” And, in fact, said Justice, “I actually find a lot of the videos to be quite helpful—especially the training videos.” Ingenico-produced videos are available both on the corporate site as well as on YouTube.

Video is business social

Anthropologically, we read alone and we watch in a group. In other words, relative to text, video is a more social medium. As such, there is a strong social element to online video in a business environment.

The “viral” nature of online video today encourages sharing, especially for younger executives. The same behavior that has made online sensations of cute kittens and light-saber-wielding adolescents also drives executives to recommend and share work-related videos they find compelling, thought provoking, or humorous.

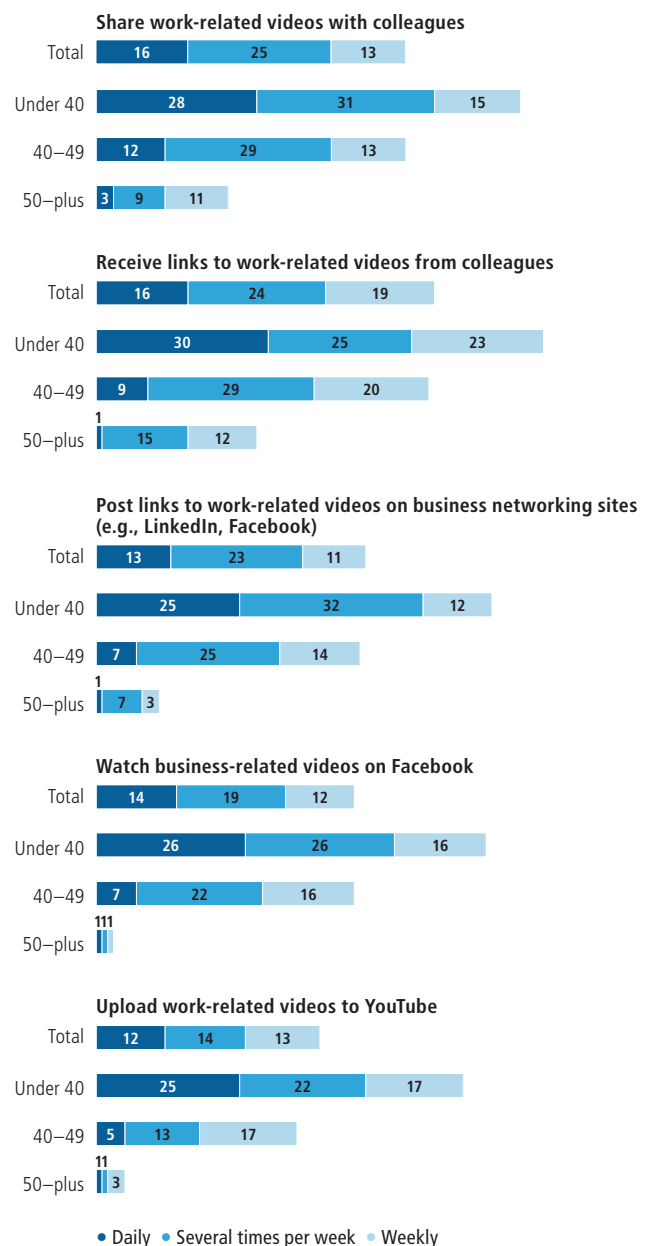
Overall, 54% of senior executives share work-related videos with colleagues at least weekly, and almost as many receive work-related from colleagues. (Fig. 7)

But age plays a critical role in the social nature of video. Among executives under age 40, 28% share or receive videos daily, but a mere 3% of executives 50 or older do so. In other words, for a large portion of younger executives, sharing videos with colleagues is second nature, something that’s naturally done over the course of the workday. But older executives—whether less video-inclined or more discriminating—are struggling more with the social aspect.

A more significant generational difference occurs when it comes to how executives use social networking sites to post or interact with videos, or, for that matter, whether they are willing to create and post videos themselves. Given that younger executives fall into the “sweet spot” for social media, it’s no surprise that they are more inclined to use these sites to interact with business-related videos.

Overall, nearly half (47%) of executives said they post links to work-related videos to “networking” sites at least weekly. That figure jumps to 69% for those under age 40.

FIGURE 7: How frequently do you interact with online videos in the following ways?



In addition, 65% of this same age group watches work-related video on Facebook either daily (27%), several times per week (26%), or weekly (12%). By comparison, executives age 50 or older nearly never turn to Facebook for workplace video.

Senior executives are also active in uploading video content to the Internet, but again, age determines the degree of activity. Overall, 39% upload work-related video content to YouTube at least weekly. But broken down by age, 64% of executives under 40 upload content either daily (25%), several times per week (22%), or weekly (17%). This stands in stark contrast to executives 50 or older, where only 5% of executives upload video at least once a week.

Corporate applications: CREATING AND SUSTAINING "THE BUZZ"

Because her company is all about brands, Market America SVP and co-founder Loren Ridinger is obsessed with generating "buzz." The executive is, in fact, a prolific producer of online video, continuously seeking to inform customers and sales associates about the "latest and greatest" products.

Ridinger travels about half of the time, but that doesn't keep her from producing and sharing videos. Given a free 30 minutes or so "I'll connect a microphone, turn on the webcam and upload a message or a product update," she said.

Ridinger takes full advantage of most social aspects of the Web, including video, blogs and related social media. "I'm posting or talking about where I am, what I'm doing and what's coming out," she said. "You need to recognize, in the past it might have taken millions of dollars to create a brand, but in today's society you can do it all on the Internet with a laptop and a BlackBerry."

Developing your video playbook

To reach senior executives with video, organizations need to pay close attention to the viewing habits of their targets. Below are some of the possible best practices for business-focused video, based on the responses to the Forbes Insight survey.

MIX TEXT AND VIDEO

The survey shows that 59% of senior executives agree that if both text and video are available on the same topic on the same page, they prefer to watch the video. (Fig. 8) So whether developing advertising or providing training materials, Web developers should consider offering both text and video.

It is also important to be sensitive to another key issue for business users of online video. Although 87% of respondents said their companies are comfortable with their executives watching work-related video during business hours, 44% still fear that their colleagues may see watching video at work as a waste of time. So producers of such material, at least for the time being, might want to consider avoiding any elements of presentation that could seem less than business-like.

MATCH THE MESSAGE TO THE MEDIUM

Executives have different expectations for the videos they see depending on the site where they're viewing it. When visiting business-related websites, senior executives

primarily seek out business news (74%), business insight/expert advice (64%), and speeches and presentations (57%). (Fig. 9)

When visiting YouTube, the interest shifts from news in favor of more subjective content. The top three objectives of a YouTube visit in a business context are customer testimonials (29%), product demonstrations (28%), and product reviews (27%).

FIGURE 8: If video and text covering the same topic are on the same Web page, I will watch the video first.

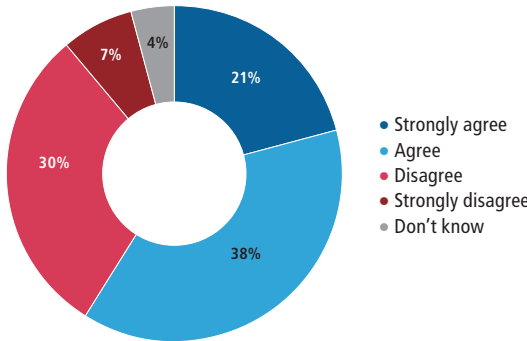
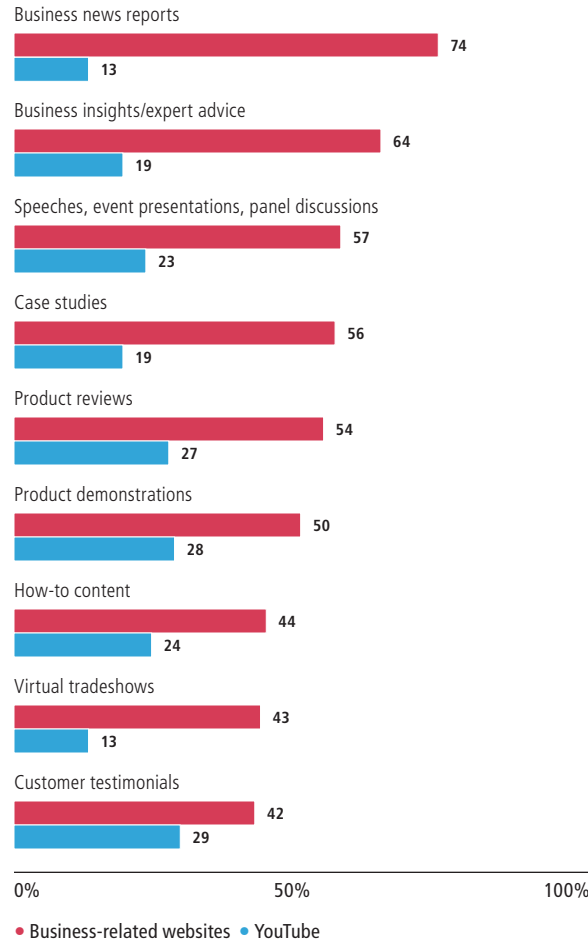


FIGURE 9: What types of work-related online videos do you watch most often on business-related websites and on YouTube?



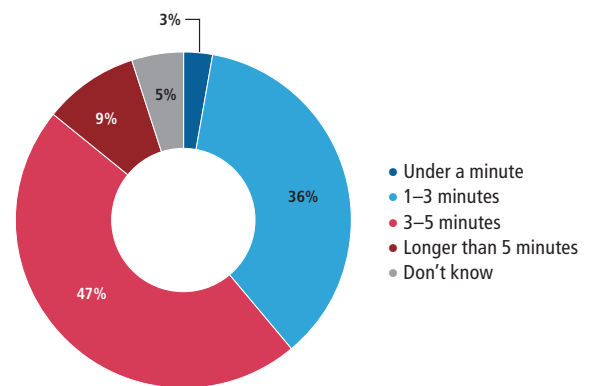
Another important preference to consider: 61% said they prefer peer-generated material, and 59% said they prefer lighthearted work-related video.

SHORTER IS NOT NECESSARILY BETTER

There is a lot of conflicting “conventional wisdom” about what the ideal length of an online video is. On the one hand, video watchers have been attracted by quick video hits that don’t take a long time to digest—they’d rather watch segments of a speech than an entire speech from beginning to end. On the other, shifting video trends—in particular driven by the Web’s rise as an outlet for traditional broadcast media—has made viewers more accepting of longer-form Web viewing.

Asked about their preferred length of work-related videos, nearly half (47%) the senior executives in the survey said between 3-5 minutes. (Fig. 10)

FIGURE 10: How long do you prefer work-related videos to be?



METHODOLOGY

The information in this report is based on the results of a survey and one-on-one interviews conducted by Forbes Insights in September and October 2010. Forbes Insights, in association with Google, surveyed 306 executives at U.S. companies with annual sales exceeding \$500 million. Over half (57%) held C-level titles. The remaining executives held senior-level titles including SVP/VP/director (27%) and head of business unit/department (16%). In addition, on- and off-the-record interviews were conducted with nine individual executives at companies fitting the survey profile.

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