



**Title / Topic of the E-Interview:** Online video becomes available everywhere and is embraced by internet users: b2b and b2c marketing can take advantage of that and Brightcove's leading online video platform enhances marketing performance?

**Name:** Jeff Whatcott

**Position &**

**Department:** Senior Vice President of Marketing

**Company :** Brightcove Inc.

Despite of the challenging economical situation which puts pressure on companies of all industries to save costs in marketing as well as in other departments, the online media are still expanding with a growth rate of 9,4% for online advertisements in 2008. The internet is the most rapidly growing medium in Germany. Online video combines the strength of the established advertisement media TV and video with the internet. That brings about a lot of potential for the advertising industr. In this context Brightcove - with innovative ideas - does convert online video into significant business success for its customers. As a result Brightcove is expanding internationally with great speed and success.

In which way will online video transform content reception and advertisement in the internet? What are the drivers of this new market and are the rules the same for b2c and b2b marketing? What makes Brightcove different to other online video platforms? What is the main strategic vision of Brightcove and with special focus concerning the European market? Which strategies does Brightcove deploy to serve Business-2-Business and Business-2-Consumer video streaming requirements?

We are happy to present you a discussion of these and furthermore questions with Mr. Jeff Whatcott, Senior Vice President of Marketing at Brightcove and proven thought leader in web platform technology strategy and community centered marketing.

Please enjoy the Interview !

Your NetSkill Team



Dear Mr. Whatcott,

**Question 1:**

We'd like to focus on the b2b aspects of the Brightcove business model. What is the main strategic vision of Brightcove and with special focus concerning the European market?

**Answer:**

Brightcove's main vision is to publish the world's professional digital media and to help organizations that have professional quality media to get it online as fast and comfortable as possible. We also help organisation to make money with quality media directly as well as to fold it into other marketing activities to drive business advantage.

We'd like to expand that vision from video to audio and other types of media, but for now our focus is on video. The goal is to establish Brightcove as THE online demand media platform for all video media.

**Question 2:**

So Brightcove's business model is an on-demand model. How does it work for the customer in real life?

**Answer:**

Yes, it is basically an on-demand model where the customer pays for the volume he's using. At first there is a subscription customers have to buy into from Brightcove. This subscription gives them a certain capacity of usage in terms of both the number of streams as well as the bandwidth that is consumed. We also have different features of our platform and different editions of the product which then define the price customers have to pay. Its is a win-win constellation: if the customer succeeds then Brightcove succeeds.

**Question 3:**

Do you differentiate between Business-2-Business and Business-2-Consumer video streaming? Or is it just bits & bytes to you?

**Answer:**

Well, we do offer several sets of features that are of interest for different type of customers. The way we look at the market is: on one side the ad-supported media which comprises publishers, broadcasters, newspapers, magazines – so businesses that are about monetizing content. On the other side we serve the markets which are using video in the context of a marketing strategy. Some of these types of marketing applications employ a B2B business model, others focus on B2X. The B2C model is basically the e-commerce scenario which you can see with one of our customer's lifestyle company Gaiam Life (<http://life.gaiam.com/>) They are using video to show lifestyle products to potential customer audiences, describe the product to then sell it more easily online.



The B2B model is exploited by our customer SUN Microsystems. They are using the Brightcove product to communicate with their customers about their products and educate their channel partners and their own sales teams. Actually it's about educating people about a complex B2B product and service. A different model in B2C marketing we see at partners like General Motors who are using video for brand marketing. They use Brightcove to brand campaigns to promote the product. They will have video-laden microsites which describe and show the product and then run campaigns which direct audiences towards these microsites.

There are a lot of other business examples we could talk about – but these examples basically show the way we look at the market.

**Question 4:**

According to recent market studies European viewers do access generally much longer streams of video, hence different types of content than audiences in the US do? What does this mean for Brightcove's market approach in Europe vs. in the US or other parts of the world?

**Answer:**

First we have to look at the different drivers for video consumption in these markets. One is the availability to broadband internet; driver two is the content that is mainly available or presented to the internet users. And there are other cultural differences that come into focus here, so what is the attention span or acceptance of the viewers concerning the length of the videos accessed.

**Question 5:**

Where do you expect the most growth in your central European activities? Is it with the media houses – like the Zeit Online deal you just fixed – or with more conservative publishers / broadcasters using their content enrichment strategies?

**Answer:**

I think what we initially see in Germany is that the early adopters of online video business are the publishing houses who have vast libraries of content, or are building them, and want to deliver online to monetize the content or to build up their brands online. That will continue to be a main driver for the online video market and so we will try to succeed here.

However, we also see a significant opportunity in Europe and in Germany in particular for industrial companies outside the publishing industry to use video as part of their marketing strategy. And B2B is a very compelling part of the video story. There are a lot of companies that are selling complex services and products. B2B products by their very nature are more difficult to explain and have a longer sales cycle, and so education plays a very important role in the marketing strategy. Also for enhancing personal contact with potential or actual customers video plays a very important role. Video is a superior media for communicating ideas and information.



What we see worldwide – and Germany is no exception here – is that marketers more and more see that investing in a illustration of how a products actually works or how a service is being delivered makes up for a far better return than writing a long and boring whitepaper which seldom gets read completely by target groups.

**Question 6:**

So video is also challenging or enriching the various forms of internal company television and the e-learning models already in place as a new on demand B2B communication channel?

**Answer:**

I think that's right. If you look at what SUN Microsystems does with its "Channel Sun" site it's very interesting. A lot of the video content there I would certainly classify as educational; it's hands on demonstrations of complex hardware devices. And you have the product manager or engineer who created the product giving a tour on how it works in reality. This really brings a product into life in a way you couldn't do with another media. It ist partially marketing and partially education. But in the end it's closing the gap between the customers' needs and the solution the B2B product has to offer. The video closes this gap.

**Question 7:**

Aren't business fairs and trade shows natural partners for Brightcove? The fairs themselves offer virtual experience with enriched content and multimedia formats throughout the year. Did you think about that?

**Answer:**

That's a good idea, in fact we are in contact with companies that offer to tape product presentations on trade shows and sell these videos to the companies which then can publish the videos online.

**Question 8**

What services in the field of SEO and market intelligence does Brightcove offer today – and is planning to offer in the nearby future – as the host of so many videos?

**Answer:**

The Brightcove platform incorporates a number of API Development tools that allow programmers to build integrations with their web content management system and Brightcove online video platform. Those capabilities make it possible to do a really good job in terms of search engine optimization of your website. I give you an example: the traditional way to integrate a video in a flash window has the downside, that all the information about what's in the video is not accessible to the search engines. The search engine coming by will not know the title, the genre and all the other important information about the video. But with the APIs that I described any person who uses Drupal, Interwoven or any other content management system can access the information like title, genre and so on and embed that information around the



video in the context of the page where the video is shown. And that creates a significant increase in search engine optimization.

The search engines will have the context of what the video is and that will dramatically increase the page rank of the video. And video is the premier content type to increase the page rank of your site over all, just because you have video online. Another service we offer is to create a video site map that search engines can use to find all the video on your site very easily.

**Question 9**

What do you plan to do with the valuable information for customers to optimize their business / video activities? With the huge volume of different videos and contents on your platforms Brightcove will aggregate a lot of valuable market intelligence. In which way will you market this?

**Answer:**

We view that type of knowledge as a fundamental part of our value proposition for customers. Part of what you get from Brightcove is certainly access to our software to distribute the videos. Additionally you get from Brightcove the knowledge and assistance to make the most out of your use of videos online. And we certainly do a lot of research into the best practices; which customers are being the most successful and why they are being the most successful. And with their permission we try to share the best practices with our other customers, so that everyone can benefit.

Plus, we offer consulting services to our customers when they buy Brightcove. As a customer you are offered different packages and there are a lot of experienced expert people in Brightcove to help you get started with for example building custom players or use SEO best practices. They will also show how to optimize your advertisement placement, if advertising is part of your business model.

We also organize events to help customers share best practices amongst each other. We have a series of meet-ups going on around the country and around the world like in London, in Canada, in the United States. We should have them in Germany as well. Also, we encourage customers to meet informally, in bars etc, to share their experience with Brightcove's platform and services. It's part of being a member of the Brightcove community.

**Question 10:**

With growing internationally and broaden the market reach and increase growth rate is it a plan of Brightcove to start a partner strategy and model with "certified" Brightcove partners in different countries?

**Answer:**

Absolutely. We are already doing this actually with a partner program called the Brightcove Alliance (<http://www.brightcove.com/en/partners/become-a-partner>). The members of the Brightcove Alliance are Systems Integrators, Marketing Agencies, Advertising Agencies,



Business Development Consultancies, and Independent Software Vendors who all have products that interact with the Brightcove platform or who offer professional services to clients to get the most out of the Brightcove platform. We work with these partners around the world and we help them to market these services, we train them, we sell with them and we provide them support to them. That's how we get global scale. We are make new partners right now in Europe, in Germany, in Spain, in France and particularly in the UK.

**Question 11:**

What are from your perspective the most important trends upcoming within the next 1 to 3 years concerning video streaming?

**Answer:**

There are a couple of different things: one is the increase in adoption of video enabled devices, of hand held devices in terms of mobile phones capable of receiving high quality video. In that regard the next generation of smart phones especially is very promising. As is the adoption of televisions and other devices in the home that can receive video directly from the internet. This increases significantly the locations from where video is consumed and that will shape our industry. So it's not only video on the computer but video in the palm of your hand everywhere. That's a huge trend.

Another major trend is the investment as a part of the marketing strategy. I think it is just getting started. Early adopters as innovative marketers are recognizing the value of video marketing, but we are just at the beginning part of the curve.

**Question 12:**

What does Brightcove focus on for the next two years or so in terms of company evolution? Going public, becoming part of another media network?

**Answer:**

Over the next 2 years we are focused on building a strong, profitable, independent, international and truly global company that executes on our vision of delivering the worlds professional media. We've done very good progress here and continue to's do so. We focus on our customers and work to enhance their experience with Brightcove.

**Thank you very much for the interview!**