**[Codec](https://en.wikipedia.org/wiki/Codec)**

A coder/decoder is an encoding tool that processes video and stores it in a stream of bytes. Codecs use algorithms to effectively shrink the size of the audio or video file, and then decompress it when needed. There are dozens of different types of codecs, and each uses a different technology in order to encode and shrink your video file for the intended application. Popular codecs: XviD/DivX, MPEG-4, H.264

[**Lossless Compression**](https://en.wikipedia.org/wiki/Lossless_compression)

Lossless compression basically works by removing redundancy. Programs like WinZip are based on lossless compression. They remove this redundant information when you compress (or “zip”) the file and restore it when you decompress (or “unzip”). Nothing is lost. In the image world, PNG files also use lossless compression. This is why they offer a smaller file size for images with lots of uniform space: that redundant information is represented using instructions.

[**Lossy Compression**](https://en.wikipedia.org/wiki/Lossy_compression)

Lossy compression or irreversible compression is the class of data encoding methods that uses inexact approximations and partial data discarding to represent the content. JPEG and MPEG 3 and MPEG 4 are typical examples for this type of compression.

[**Container**](https://en.wikipedia.org/wiki/Digital_container_format)

A container exists solely for the purpose of bundling all of the audio, video, and codec files into one organized package. In addition, the container often contains chapter information for DVD or Blu-ray movies, metadata, subtitles, and/or additional audio files such as different spoken languages. The typical container runs like an executable (.exe) file on Windows. It uses a .bat file to tell the operating system that there are executable commands that need to be run together in order to achieve the intended result. Popular container: Flash Video (.flv, .swf), .mkv, .mp4