To configure and use Snagit 10, and improve the quality of the Cine AVI capture:

Open snagit by right-clicking on the desktop tray icon

Use the input menu to set to “region” (see the orange highlight below), and decide whether to include the cursor.
Use the output menu to set where you want the output to go, and whether you want to first see the images in the preview window.

Use the mode menu to set to either image capture or video capture.

These settings can also be found at the bottom of the main snagit window, in the panel marked profile settings (the mode is the drop-down next to the capture button).
Video Settings

You can use the printscreen button on the keyboard to start and stop video captures (if in video mode), and also to capture a static image into snagit using the current settings (if in image capture mode).

Before you capture video for the first time on a given machine, you likely will want to improve the video capture settings. The default is 5 frames per second, with only 32 levels of gray.

To change video capture to 10 frames per second, with 256 levels of gray, do the following:

1) Open snagit.

2) Set capture mode to video, using the drop-down at the left of the big red capture button.

3) In the capture menu at the top, go to output  properties, and uncheck autoconfigure. (If you don’t see the video capture settings box, you are not in video capture mode.)

4) Change frame rate to 10

5) Click video setup, and change from “Microsoft video 1” to “Cinepak Codec by Radius”, leave compression quality at 100, and click OK.

6) Click apply, then click OK.

7) Under input, make sure “record audio” and “include cursor” are not checked (unless you want them checked).

8) These settings will likely persist for your account on this particular machine, but I would double check them if you are making a critical recording.

9) Be sure to review your AVI files, since I’ve seen some artifacts occasionally. However, in my experience, the cinepak codec gives the best trade-off between file size, fewest dropped frames (smoother video), good grayscale, and best compatibility (able to play on nearly any machine you are presenting on).