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In May, comScore released its *Reaching the Elusive OTT Consumer* report that focused on the U.S. market and found that 63% of U.S. Wi-Fi households (HHs) streamed an average of 50 hours of OTT content in February, an average of nearly 1.8 hours every day. The study put streamer HHs into two buckets based on consumption, with the 50% of those that streamed the most content going into the “heavy streamer” category, and the rest into the “light streamer” group.

Heavy streamer HHs consumed more than 9x as much content online as did light streamer HHs: 90 hours compared to 9.5 hours during the month, or 3.2 hours vs. just 20 minutes per day.

Among all streamer HHs, 67% had a traditional pay TV subscription, 18% were categorized as cord cutters and 14% as cord nevers. Nearly 59% of heavy streamer HHs had a traditional pay-TV service, 23% had cut the cord and 16% were cord nevers compared to 76% of light streamer HHs who had pay TV, 12% who had cut the cord and 11% who were cord nevers.

The report showed the age of the Head of Household impacted how much – if any – streaming occurred, but to a lesser extent than one would imagine.

The youngest HHs, not surprisingly, were more likely to stream, with nearly half (46%) of HHs with a Head of Household between 18-34 identified as heavy streamers. But, older HH also were significant streamers, with 39% of HH with an HoH between 35-44 also identified as heavy streamers. But on the farthest edge of the demographic divisions, streaming remained a major player, as one-in-five HH where the Head of Household was 65+ years old also were classified as heavy streamers.

comScore’s findings underline the growing impact streaming is having on how we enjoy entertainment, sports and news: All are increasingly being streamed and, as we’ve regularly pointed out, all are increasingly being watched on mobile devices. The Q1 2018 Global Video Index shows that mobile video – again – is flirting with a 60% share of all video starts.

This quarter’s Index also shows that longer content is being enjoyed on all screens and that not only is long-form content being started on mobile devices, it’s being completed at a much higher rate than we had expected.

I’m often asked about the data we use for the Video Index each quarter, where it comes from, whether it’s a survey and whatnot. The report is based on the anonymized metrics of the vast majority of our customers, whose collective audience of hundreds of millions of viewers spans nearly every country in the world. The size of the Ooyala video footprint, along with the variety of our customers, results in a representative view of global consumption and engagement trends.

Here’s what’s inside this Q1 2018 Global Video Index...
Rising tide of streaming video content:

- Q1 2018 saw even larger increases in terms of content creation than Q4
- Top customers processed nearly 3x as much content in Q1 as they had the year before
- Processing of long-form content (20+ mins.) jumped 189% Y/Y
- Medium-form content (5-20 minutes) was up 171%
- Short-form content (0-5 mins.) was up 178%
- The growth occurred among an expanding universe of creators and distributors

The rise of mobile video & regional mobile video:

- The number of online videos viewed on mobile devices was 58%. Y/Y growth in this traditionally weak quarter was 1.8%, one of the smallest increases in 14 quarters
- **EMEA** saw mobile video plays hit 58% in the first quarter of 2018, a 22% Y/Y increase from 47.8% in Q1 2017, and 39% better than two years ago.
- **Asia-Pac** saw the share of video plays on mobile devices hit 60.7%, up from 52.3% a year ago. It was the region’s fourth consecutive quarter with mobile >60%
- **North American** mobile plays made up 56.6% of all video plays, up 9% from a year ago

- **Latin America’s** share of video plays on mobile devices reached an all-time high of 59.5%

Time watched by device and video lengths:

- Long-form video (20+ minutes) time watched exceed 50% on every screen
- It was the third time in the past five quarters long-form topped 50%
- Long-form content made up nearly 99% of time watched on connected TVs, 75% on tablets, 55% on PCS and 55% on smartphones
- Medium-form time watched on smartphones, tablets and PCs all came in below 10%, with smartphones (9%) just slightly ahead of tablets and PCs (7% each)
- Short-form during the quarter made up only 38% of time watched on smartphones, down from 44% last quarter and back to a level it’s seen since Q2 2016. It’s clear the one-quarter increase in Q4 was an anomaly
- Short-form time watched reached 24% on tablets, down from 29% last quarter
- PCs saw short-form time watched settle at 38%
Mobile long- & ultra-long video completion trends:

- Viewers watched long-form content (20-40 mins.) on PCs to completion slightly more than 71% of the time, on tablets 61.3% of the time and on smartphones 56.6% of the time.
- The highest smartphone completion rate by a single broadcaster was 69%.
- The highest completion rates for ultra-long form content (40+ mins.) was on PCs at 59.3%, tablets at 51.3% and smartphones at 45.4%.

Video advertising trends:

- Broadcasters saw mobile devices account for more than half (58%) of all pre-roll ad impressions. PCs (37%) and connected TVs (5%) made up the other 42% of all pre-roll ad impressions for broadcasters. Publishers saw a slight increase in pre-roll ad impressions on PCs, climbing to 72%.
- Mid-roll ad impressions stayed flat for broadcasters, with publishers seeing growth.
- Mid-roll ad completions continue to track higher than pre-rolls for broadcasters and publishers.
The Rising Tide of Streaming Video

In Q4 2017 we began reporting Y/Y growth in the amount of content being created by our top customers. We found that content owners more than doubled their output during the previous 12 months. Long-form content (assets longer than 20 mins.) grew 159% during the year, medium-form (5-20 mins.) was up 87% and short-form (0-5 mins.) grew 112%.

The growth, obviously, is in response to the wave of streaming adoption among nearly all demographic groups.

After all, according to research from PwC, between 2015 and 2017, the percentage of Americans who access TV content via the Internet increased to:

- 87% among 18-24 year olds, from 77%
- 90% of 25-34 year olds, from 76%
- 78% of 35-49 year olds, from 53%; and,
- 63% of 50-59 year olds, from 49%

In short, every demographic group in the U.S. watched more streaming content. Globally, viewing habits grew across the board as well.

So it comes as no surprise that Ooyala’s top customers created even more content in Q1 2018.

How much? Nearly three times as much content in Q1 as they had the year before.
Processing of long-form content (20+ mins.) jumped 189% Y/Y in Q1 2018 compared to Q1 2017, with medium-form content (5-20 minutes) up 171% and short-form up 178%.

That expansion in content creation and processing isn’t just among a select group of customers. It’s happening to an expanding universe of creators and distributors across sports, news, entertainment and enterprise. We’ve come a long way from the days where a modest selection of niche content was enough to launch – and grow – an OTT service.

Content, obviously, is expensive. Headlines about the largest creators and distributors talk about billions of dollars being invested on a recurring annual basis. According to the Diffusion Group, Netflix, Hulu, and Amazon Prime Video are expected to triple their combined investments in originals by 2022 and the number of scripted TV series in production in the U.S. could top 500 this year, more than double the number just six years ago.

That tide of content is unlikely to ebb anytime soon. It underscores how the ecosystem is evolving, and how critical it is to get more content out more quickly. But ramping up a content supply chain can be extremely complicated and expensive. Having flexible, extensible content processing and management tools is essential. Having a platform that can help streamline operations, reduce costs, maximize revenues and provide insights into how the process – and content – is performing is more crucial as the content supply chain grows.

For example, Ooyala’s Flex Media Platform, when used by a typical broadcast or production company, has been shown to reduce time per project by 58%, increase productivity 3x to 4x, reduce cost per project by 71% and cut the time to onboard new projects by half.

Content suppliers are at the top of today’s food chain, and it just makes sense to keep feeding the big dogs, adding to the supply while demand is strong.
TABLET AND SMARTPHONE VIDEO TRENDS

The number of online videos viewed on mobile devices continued to increase in the first quarter.

Year-over-year, mobile’s share of plays was 58%, an increase of 1.8% from a year ago. The jump was one of the smallest we’ve seen in terms of Y/Y growth, but, before we tell Chicken Little that the sky is falling, consider this: Q1 Y/Y growth always has been smaller than Q4 growth – since at least 2014 – and some differentials have been significantly larger.

For example, while the difference between Y/Y growth in Q4 2017 (11%) and in Q1 2018 (2.8%) is 9.2%, the spread between Q4 2015 (34.5%) and Q1 2016 (14.5%) was more than twice as large at 20%. Quarterly fluctuation is normal; growth spurts – and slowdowns – are to be expected.

Q1 also marked the first time we’ve seen a quarter-over-quarter decline in mobile’s share of plays, in this case nearly 4.6%. While we’ve seen Q/Q growth slow to a near standstill (0.35% in Q2 2017, 1.22% in Q4 2015 and 2.1% in Q3 2015), red has never been a color associated with mobile.

So, have we reached the limit on mobile video growth? Not at all. It likely is just momentarily stalled, as there is every indication it will return to more normal growth in Q2.

According to Gartner’s global smartphone tracking service, the fourth quarter of 2017 marked the first ever Y/Y quarterly decline in smartphone sales. This was due primarily to a slowdown in consumer upgrades from feature phones to smartphones, primarily because quality low-cost alternatives weren’t available. Another factor: The replacement cycle for high-priced smartphones is lengthening. Neither of those factors will get in the way of consumers using smartphones to consume more video content in the future.

But smartphone sales are expected to return to an at least marginally nominal 3% growth rate for 2018, with emerging markets seeing more substantial growth. And, according to GSMA Intelligence, global mobile device connections are expected to reach 77% in the next seven years, up from 57% in 2017. In fact, the organization said, every region of the globe will see smartphone connections exceed 67%.

Another boon to mobile video growth is the increasing number of wireless companies offering unlimited data plans, making it easier for consumers to be comfortable watching data-hungry video on their phones.

As media measurement company Zenith said, it expects video plays on smartphones and tablets to increase 25% this year after an increase of 20% in 2017.

THE BOTTOM LINE

Eliminate the outliers in the record of mobile video plays and it’s clear to see a steady rise in the use of mobile devices on which to consume content. If not the core of a content supplier’s business, mobile at the very least needs to be a pillar of any streaming video strategy. Ignore mobile, or allow lower-quality standards for your video stream, and you’re likely to lose a significant portion of your business.

Mobile is no longer simply a screen for younger viewers, it’s completely made the jump to the mass market.


GLOBAL MOBILE CONSUMPTION TRENDS

LatAm saw significant quarter-over-quarter gains in mobile’s share of video plays in Q1. Asia-Pac grew, but not as quickly as in recent quarters, while EMEA and North America saw declines in the share of mobile plays. But while Q/Q numbers were generally less-than-stellar (with the exception of LatAm), year-over-year gains stayed on track. In fact, EMEA, which saw Q/Q growth tumble 8%, still had Y/Y growth of 22%.

An increase in the amount of premium content – especially the recent uptick in sports availability as an OTT product – will continue to drive up mobile video views as consumers more routinely turn to their smallest screens to watch some of the world’s best entertainment and its biggest events.

Sports will be a catalyst for mobile video growth on a couple of fronts. One, teams and leagues are looking to recoup some of their ratings losses in recent years, primarily due to “Millennial flu,” a.k.a. younger viewers’ lack of interest in hours-long sporting events carrying massively intrusive ad loads. Executives hope that a mobile offering will at least get casual interest from on-the-go viewers.

And, two, more sports venues are adding high-capacity Wi-Fi in their stadiums and supplying fans with live video feeds of content only available to fans attending events. Leagues are betting that content like sideline interviews, behind-the-scenes features and unique camera angles will carry additional value and help get fans into seats and re-energize flagging fan support.

All of that, of course, will help drive mobile video viewing as well.

Consumers are increasingly “mobile only” when accessing the Internet, with emerging markets most likely to see that behavior, according to comScore. More than two-thirds of users in Indonesia and India only use mobile devices to access the Internet, while that segment is significantly smaller in more mature markets like France (6%), the United Kingdom (8%) and Canada (8%). In the U.S., meanwhile, 12% of the digital population is mobile only, an increase of 2% between May 2016 and May 2017. In Brazil, which is an emerging market in transition, nearly one-third (29%) of the digital population is mobile only, up from 22% in the same time period.

Equally of interest is comScore’s finding that the mobile-only population isn’t dominated by younger users. While 25% of 18-24 year olds are mobile only, older age groups show similar leanings, with 28% of 25-34 year olds, 26% of 35-44 year olds and 24% of users 45 years old and older all declaring themselves mobile only.
EMEA saw mobile video plays hit 58% in the first quarter of 2018, a 22% Y/Y increase from 47.8% in Q1 2017, and 39% better than in Q1 2016. Video plays on smartphones have increased nearly 35% in the past two years and 15% in the past year. Plays on tablets, meanwhile, were up nearly 55% in the past two years and 44% since Q1 2017.

There's still plenty of room for growth in Europe, where the previously-mentioned GSMA Intelligence report says Europe's current smartphone share of connections (70%) will increase to 81% by 2025.

Europe is taking a leading role in the deployment of next-gen wireless networks. 5G will become an industry standard by 2020, but several wireless providers in Europe already are rolling out extended trial deployments. The 5G networks are expected to dramatically increase the bandwidth of mobile devices, making them even more likely to be used as video viewing devices and even whole-home video hubs.

There is, perhaps, an even more compelling side to a 5G evolution. Not only is the technology capable of increasing network speed and bandwidth, the increased efficiency means that it can be as much as 10x more cost efficient than 4G, according to Vodafone Group CTO Johan Wilbrigh.
SHARE OF PLAYS BY DEVICE IN ASIA-PAC

The share of video plays on mobile devices remained above 60% for the fourth consecutive quarter, the longest run of any region. The 60.7% share was up slightly from Q4, and up substantially from 52.3% a year ago, a Y/Y increase of 15%.

Asia-Pac has seen mobile plays above 50% since Q3 2016, tied with North America for the longest run above 50%.

Video plays on smartphones totaled 47.7% of all video plays, up from 43.3% a year ago, an increase of better than 10% Y/Y. Over the past two years, smartphone plays are up nearly 31%.

Tablets, meanwhile, saw their highest share ever at 13%, up from 9.3% a year ago, an increase of nearly 40% Y/Y.

Asia is seeing a blossoming of OTT services. While Netflix and Amazon fight a battle for dominance in each of the world’s regions, Asia is chock full of smaller players looking for a major share in the region, or to dominate a country market.

Tik Tok, iFlix and Tencent are just three examples of companies that don’t need to dominate an entire region to be relevant... or profitable.

And it’s not just SVOD and AVOD that are making an impact in the region. Twitter recently announced the launch of nine premium video sports content partnerships in APAC, adding a huge shot of live original programming.

“Asia Pacific is a growth engine for Twitter and we could not be prouder to extend our success with more in-stream premium video content from both headline events, and exciting underserved content, from sports leagues across the region,” said Aneesh Madani, head of sport partnerships for Twitter in the Asia-Pacific region. “Digital video consumption in Asia Pacific is growing rapidly. Introducing these new in-stream video sponsorship deals for sports to advertisers in Asia Pacific will strengthen the success of our partners in the region, and give fans an easy way to keep up with the sports they care about most.”

Obviously, much of that content will be consumed on mobile devices.

SHARE OF PLAYS BY DEVICE IN NORTH AMERICA

Mobile video plays in North America made up 56.6% of all video plays, up 9% from a year ago and 18% over the past two years. But mobile’s shares were actually down from Q4, the first time over the past eight quarters that mobile video plays have declined.

The decline was led by smartphones, which were flat Y/Y at 43.3% compared to 43.5% in Q1 2017, and down from Q4’s 46.8%. Tablets – at 13.1% – actually saw their highest share of mobile plays ever, but their 58% Y/Y increase wasn’t enough to shore up the weak quarter from smartphones.

Mobile’s decline in the quarter shouldn’t be seen as an end to the halcyon days of just a quarter or two ago, but rather as a brief hiccup in the continued migration from desktop devices to mobile devices, especially smartphones.

In fact, consumers appear to be trending toward using their mobile devices more liberally, leaning more on their mobile network data than on Wi-Fi, according to OpenSource, which analyzes network performance. The company said consumers are taking advantage of the unlimited data plans many major network operators like AT&T, Verizon, Sprint and T-Mobile are offering. Wi-Fi usage was down on all but Sprint, which was unchanged in the 90-day period from Dec. 1.

“As unlimited data plans in the U.S. become more ubiquitous, customers appear less concerned about finding a ‘free’ Wi-Fi connection, leaning more on their ‘unlimited’ 3G and 4G networks for connectivity,” according to a company blog.

That surge in mobile data use also indicates that users are less willing to hunt for a Wi-Fi connection when they want to connect to services offering video of sports and news, two content types that consumers are likely to watch “on the fly.” That behavior that will increase as faster networks – like 5G – become available.
SHARE OF PLAYS BY DEVICE IN LATIN AMERICA

Latin America saw strong growth in the share of video plays on mobile devices, missing by just one-half of a percent reaching the 60% plateau for the first time. LatAm’s 59.5% total was up more than 18% from 50.1% a year ago, and up nearly 31% over the past two years.

The quarter’s growth was driven by a surge in tablet plays this quarter to 9.8%, up 78% Y/Y and 85% over the past two years. For the quarter, tablets made up a record 17% of all mobile plays, eclipsing the 12% the device saw in the first half of 2016.

Latin America’s emerging market is an attractive one for mobile streaming video services. Mexican consumers, for example, are more than 2x as likely to watch video on a mobile phone than on a computer, while Columbian consumers are 1.59x as likely, according to an Ipsos Connect survey for Facebook.

Cisco’s Visual Networking Index posits that 78% of global mobile data traffic will be video by 2021. In high-growth markets like LatAm, Asia-Pac, the Middle East and Africa, it’s far more likely that consumers will use a mobile device than any other hardware to access the Internet, comScore said in its 2017 Global Mobile Report. In Mexico, Brazil and Argentina, in fact, mobile accounts for about three-quarters of all digital markets, with consumers using more mobile minutes per person in Argentina (5,653) and Brazil (4,489) than in any other economy. Subscribers in the U.S., the third-largest user, watch an average of 4,419 minutes. The bulk of those minutes for all three countries are consumed through apps, more than 90% in each country.

THE BOTTOM LINE

While there may be some disparities between regions in terms of mobile uptake, they actually are very small – but that will change. While mature markets will continue to see slow and steady growth, emerging markets – especially the high-growth markets of India, Indonesia, and several countries in Latin America – will see much more dramatic growth in coming quarters.

Expanding 4G – and eventually 5G – networks, falling prices or unlimited mobile data plans and a migration of more content of all sorts to mobile devices will be keys to steady growth. But, be prepared for sports to act as a catalyzing agent that accelerates that growth in 2018.
The first quarter saw long-form video (20+ minutes) time watched exceed 50% on every screen – connected TVs, tablets, PCs and smartphones – for the third time in the past five quarters. That expansion of long-form video onto every screen is no longer a trend, it’s the status quo.

Only in Q4 2017, when long-form time watched was 47% on smartphones and 37% on PCs, and in Q3 2017 when PCs registered 48%, has long-form not been the majority of time watched on every device since Q1 2017.

Many factors contribute to the evolution in how we consume content: the amount of premium content available, lower prices on feature-loaded smartphones in emerging markets, the expansion of mobile bandwidth, the reduction in prices for data plans globally – with more operators offering unlimited high-speed data plans – and nearly five-nines quality in how video on demand and live content are delivered.

Much of the change also can be attributed to the increase in the number of OTT services available.

In the U.S., for example, the number of OTT services has increased to 214 during Q1 2018, more than two-and-a-half times the number in 2014. That availability of content through multiple services has prompted more than 60% of U.S. broadband households to subscribe to at least one SVOD service. The most rapidly growing segment? Households with four or more services.

The plethora of content, services and bandwidth gives users more options of what content to watch and how to watch it.
LONG-FORM CONTENT (20+ MINS.)

Long-form content makes up nearly 99% of time watched on connected TVs. That’s been the case since Q4 2016. Tablets this quarter came in with long-form making up 75% of time watched on tablets this quarter, an uptick from last quarter’s 71%. Tablets have been the second most popular device for watching long-form since at least Q1 2016.

As mentioned above, long-form time watched has been above 50% in all but one quarter since the start of 2017, when time watched on smartphones hit 55%.

This quarter, long-form time watched on smartphones was 54%. PCs, which for the past two quarters have seen long-form time watched dip below 50%, this quarter saw it hit 55%.

MEDIUM-FORM CONTENT (5-20 MINS.)

Medium-form time watched on smartphones, tablets and PCs all came in below 10%, with smartphones (9%) just slightly ahead of tablets and PCs (7% each).

Smartphones have been between 9% and 11% for the past five quarters while tablets have been between 5% and 9% over the same period. This is only the second time since Q1 2016 that medium-form time watched on PCs hasn’t broken 10% (it was at 6% in Q1 2017). After averaging between 2% and 3% for six quarters, connected TVs medium-form time watched has been below 1% for the past three quarters.

Any decline in medium-form time watched generally is due to the increases in long-form.

SHORT-FORM CONTENT (0-5 MINS.)

Short-form made up only 38% of time watched on smartphones in Q1, down from last quarter and back to a level it’s seen since Q2 2016. It’s clear the one-quarter bump to 44% in Q4 was an anomaly.

Short-form time watched reached 24% on tablets, down from 29% last quarter. It’s likely that as tablets become a natural device on which to “graze” for content before flicking it to the big screen, short-form time watched will increase, albeit slowly.

Short-form content may be an increasingly large ingredient of viewing on PCs, as those devices are nearly as comfortable on which to browse content. This quarter, PCs saw short-form time watched settle at 38%.

Connected TVs, meanwhile, saw just 1% of time watched by short form. That numbers has been flat for the past five quarters.

REGIONAL TIME WATCHED

Long-form time watched dominated as more and more premium content made its way online. Developed markets saw long-form clearly dominate every screen. In EMEA, long-form time watched was highest on CTVs (99%), tablets (95%), PCs (90%) and even hit 88% for smartphones. North America long-form time watched topped 99% for CTVs, followed by tablets (86%), smartphones (86%) and PCs (77%).

Data from emerging markets saw long-form dominate every screen except smartphones, which nevertheless was close to 50% in both APAC and LatAm. Specifically, APAC saw long-form time watched near 94% on CTVs, 56% on tablets, 51% on PCs and 45% – the lowest of any region – on smartphones. In Latin America, long-form time watched dominated CTVs (96%), tablets (77%), PCs (74%), and smartphones (49%).

THE BOTTOM LINE

Anyone who’s spent any time flying domestically or internationally knows that – even before the plane reaches 10,000 feet and Wi-Fi kicks on – smartphones and tablets in all cabins already are playing video of some kind. We’ve become a tribe that equates travel downtime with video entertainment, entertainment that’s most accessible on our portable devices. It’s not that different at home, or in the car, commuting to work on a train, subway or bus, or just filling in time while we wait our turn in line.

For video providers, that means it’s vital to make sure that your service is optimized for a mobile experience, because if it’s not, video grazing consumers will simply move on to a service that is.
Q1 2018 EMEA TIMEWATCHED

Q1 2018 LATAM TIMEWATCHED
Let’s face it, a baseball game is waaaay better to watch on an 80” ultra-high def screen than it is on a six-inch smartphone, right? The action seems closer and you can actually see the ball. Or at least venture an educated guess as to where it is.

But what’s a New York Yankee fan going to do when he’s having dinner in an Asheville, N.C. sports bar and the screens are full of nothing but the Coca-Cola 600 NASCAR race from the Charlotte Motor Speedway?

Obviously, he’s going to watch the game on the biggest screen he has control over at the moment: his iPhone.

For the past several quarters we’ve seen a democratization of screen sizes in terms of what content gets watched on what devices. Where the biggest screens often were seen as the screens most likely to be watched, now it's the screen that's closest at hand, whether it’s a PC, tablet or smartphone.

This quarter, for the third time in the past five quarters, we’ve seen long-form content (20+ mins.) make up more than 50% of time watched on all devices, connected TVs, PCs, tablets and smartphones.

Using data from broadcasters, we compared PCs, tablets and smartphones to see how often long- and ultra-long content was watched to completion, which we defined as 75% or longer.

Here’s what we found:

**LONG-FORM CONTENT (20-40 MINS.)**

Viewers watched long-form content on PCs to completion slightly more than 71% of the time. The highest completion rate we saw was 74.7% of the time; the lowest was 67.3% of the time.

Tablets were the next likely to see viewers stay to completion, with a mark of 61.3%. The highest percent completed was 69.3, the lowest completion rate was 51.7%.

Not surprisingly, viewers were least likely to complete long-form content on smartphones, likely due to both the size and the likelihood that they were most easily distracted or engaged in something else. Still, completion rates here not that far off tablets, at 56.6%. The high was 69%, the lowest completion rate was 46.7%.

MOBILE LONG- & ULTRA-LONG CONSUMPTION

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ULTRA-LONG-FORM CONTENT
(40+ MINS.)

While long-form content generally includes most half-hour episodic TV, sitcoms and the like, ultra-long form is made up of just about everything else including hour-long episodic dramas, movies, longer news shows, etc. It’s content that demands a little more focus and commitment from viewers.

PCs again had the highest completion rates for broadcasters at 59.3%, with the highest completion rates coming in at 65% and the lowest at 56%.

As with long-form content, tablets held viewer interest for the next longest span and produced a completion rate of 51.3%, just 8% behind PCs.

Smartphones came in with a completion rate for ultra-long content of 45.4%.

THE BOTTOM LINE

While short-form content (0-5 mins.) and medium-form content (5-20 mins.) have clearly found a home on all devices, regardless of screen size, conventional wisdom would suggest that long-form content and ultra-long-form content might not be as widely accepted.

As often is the case, conventional wisdom isn’t clearly correct. Both formats are watched – all the way through – on devices including smartphones.

Content suppliers with longer forms of content would be wise to make sure their strategies include mobile devices.

Otherwise they risk losing a significant share of the potential audience.
VIDEO ADVERTISING TRENDS

PRE-ROLL AD IMPRESSIONS

**Broadcaster** pre-roll ad impressions on smartphones were 44% in the quarter, a decline from 54% a quarter earlier, but an improvement over a year ago when the number was 31%. Tablets, meanwhile reached 14%, up from 6% in the previous quarter but still behind the 16% share of pre-roll impressions it saw a year ago.

Overall, mobile devices accounted for more than half (58%) of all pre-roll ad impressions for broadcasters, slipping from 61% in Q4 but an increase from 47% a year ago. PCs (37%) and connected TVs (5%) made up 42% of all pre-roll ad impressions for broadcasters, flat from a quarter ago and down from Q1 2017’s 49%.

**Publishers** saw a slight increase in pre-roll ad impressions on PCs, climbing to 72% from 69% a quarter ago. But pre-roll impressions on PCs were up significantly from a year ago when they saw a 56% share. Tablets saw share decline slightly to 5% in the quarter, a drop from 7% last quarter and 14% a year ago.

Smartphones were flat from a quarter ago at 23%, down from 31% a year ago.

MID-ROLL AD IMPRESSIONS

**Broadcasters** saw mid-roll ad impressions on PCs stay essentially flat from last quarter’s 40%, grabbing a 39% share in Q1. That’s actually up substantially from a year ago when they earned a share of just 27%.

Mid-roll ad impressions on smartphones continued to climb in Q1, with a share of nearly 33%, compared to 28% last quarter and just 12% a year ago.

Tablets – at 10% - were unchanged from a quarter ago and have made up no ground on their previous share of 54% in Q1 2017.

Connected TVs were big winners – of a sort – reaching an 18% share, up from 8% a year ago. They were still down slightly from last quarter’s 20%.

**Publishers** saw mid-rolls on PCs climb to 59%, up substantially from 47% in Q4 and Q1 2017. Mid-rolls on smartphones, which topped 50% last quarter, settled to just 40% in Q1, a drop from 53% a year ago. Tablets, which saw virtually no mid-roll ad impressions in Q4, rebounded slightly to 1.4% this quarter.
**PRE-ROLL AD COMPLETIONS**

Pre-roll ads have been essentially bulletproof for broadcasters, as the nature of their premium content has consistently managed to keep completion rates significantly higher than those for publishers. But the lack of growth – and some Y/Y declines in completion rates for PCs and connected TVs – may be signs of a softer market ahead.

**Broadcasters:** For the quarter, broadcasters saw completion rates for pre-roll ads on PCs decline to 84% from 87% in Q4 and from 90% in Q1 2017. Connected TVs stayed flat at 91% in the quarter, where they’ve been since Q2 2017; rates were just slightly off the 93% they achieved in Q1 2017.

Smartphones saw pre-roll completions increase marginally to 87% from 86% in Q4, but remain flat from a year ago, while tablets duplicated last quarter’s 89%, just slightly ahead of the year-ago pre-roll completion rate of 86%.

**Publishers:** Pre-roll ads continue to be a tough sell to consumers who are comfortable with looking for general content that’s pre-roll ad free. Publishers have routinely seen lower completion rates for their pre-roll ads than broadcasters for the entire time we’ve tracked those metrics.

This quarter was no different, with pre-roll completion rates significantly lower than for broadcasters. Publishers saw PC rates top 83%, up slightly from Q4, but down from the 78% they saw a year ago.

Pre-roll completion rates on smartphones hit 74%, a slight improvement over last quarter’s 72%, but still down from a year ago where they hit 76%. Tablet rates were 83%, up from 77% a quarter ago and just 71% last year.

**MID-ROLL AD COMPLETIONS**

**Broadcasters:** The value of premium content to consumers continued to shine through in the strong completion rates for mid-roll ads, which have exceeded 90% on every device for more than five quarters in a row.

PCs saw 98% of all mid-rolls completed in the quarter, up from 97% in Q4 and Q1 2017. Smartphones, too, saw a rate of 98%, continuing to see gains from 97% a quarter ago and 91% in Q1 2017. Tablets, meanwhile, remained stable from a quarter ago at 97%, and improved from 94% a year ago.

Only connected TVs showed a decline, to 95% from 98% a quarter ago and 99% in Q1 2017, a one-quarter anomaly that likely will resolve itself in Q2.

**Publishers:** Mid-roll completion rates continued a mild year-long rally with PC completion rates reaching 92%, flat from last quarter but up from 88% in Q2. Smartphone completion rates topped 80% for the first time, up from 75% last quarter and 73% the previous quarter. Tablets, meanwhile, had their best quarter ever, reaching 87%.
ABOUT OOYALA’S GLOBAL VIDEO INDEX

This report reflects the anonymized online video metrics of the vast majority of Ooyala’s 500+ customers, whose collective audience of hundreds of millions of viewers spans nearly every country in the world. This report does not document the online video consumption patterns of the Internet as a whole. But the size of the Ooyala video and advertising footprint, along with the variety of our customers, results in a representative view of global consumption and engagement trends.

Ooyala is a leading provider of software and services that simplify the complexity of producing, streaming and monetizing video. Ooyala’s comprehensive suite of offerings includes one of the world’s largest premium video platforms, a leading ad decisioning platform and media logistics solution that improves video production workflows. Built with superior analytics capabilities for advanced business intelligence, Ooyala’s solutions help broadcasters, operators, media and production companies get content to market faster, build more engaging and personalized experiences across every screen, and maximize return for any video business.

Vudu, Star India, Sky Sports (U.K.), ITV Studios (U.K.), RTL Group (Germany), TV4 (Sweden), Mediaset (Spain), America Television (Peru), and Media Prima (Malaysia): these are just a few of the hundreds of broadcasters and media companies who choose Ooyala.

Headquartered in Silicon Valley, Ooyala has offices in Chennai, Cologne, Dallas, Guadalajara, London, Madrid, New York, Paris, Singapore, Stockholm, Sydney, Tokyo, and sales operations in many other countries across the globe.

For more information, visit www.ooyala.com.