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The National Football League just streamed its first regular-season game — from London, at the crack of dawn for most Americans — to some 15 million unique viewers across the globe. The NFL partnered with Yahoo to see if it could be done.

It can. It was.

I watched a stream on an iPhone, a tablet, an iMac and via an Apple TV to a 60-inch screen. Concurrently.

The video was — for the most part — flawless on all four devices. It was certainly as good as the traditional picture I get from my cable provider.

A couple of weeks later, CBS announced it was developing content — a Star Trek series — that was specifically for subscribers to CBS All Access, its year-old SVOD service. While the first episode will debut on the network, all following episodes will be exclusively on the $6/month streaming service.

Here’s the cool part: CBS isn’t planning to stream 10-minute long snackable content or content developed specifically for online audiences (TV-speak, I guess, for non-traditional shorts and bits and pieces of content that execs think will attract Millennials). It’s creating full-length content that it expects Millennials to watch “like normal people.”

Which is, after all, what they are.

Some recent research posits that SVOD and OTT services soon will have as many subscribers in the United States as do pay-TV operators... heck, Netflix is already halfway there by itself and both Amazon and Hulu (not to mention HBO Now, CBS All Access, Showtime and now Starz) all are seeing increases in subscribers. And, we all know, they aren’t just thriving on Millennials... a lot of Boomers and Gen Xers are on those lists, too. Of course, this isn’t just a phenomenon in the United States. SVOD and OTT services are launching across the globe, attracting audiences in their own territories and in other markets, too.

In Brazil this week, Globo became the first broadcaster to offer live and VOD content in an SVOD service. In Hong Kong, PCCW Media is going over the top with Viu, a global Internet video platform that will progressively roll out across Asia, including India, and the Middle East. The pace of content owners going over the top in Europe continues to accelerate: recent examples include the BBC going online-only for certain channels and the upcoming French OTT service, Molotov.

“The core concept of the channel is fragmenting, as audience behavior is changing and broadcasters are adapting to meet evolving viewer needs,” said Ted Hall, research director at IHS Technology. “The traditional linear channel will be around for a long time to come, but it will become increasingly marginalized by a plethora of online services, from catch-up TV to TV Everywhere, pay TV channels’ streaming offerings and YouTube multi-channel networks.”

While the third quarter saw plenty of OTT services launch, Q4 and the early part of 2016 likely will be even busier as content owners look over the top and see a bigger world.

Stay tuned.
EXECUTIVE SUMMARY

Highlights from Ooyala’s latest report include:

TABLET AND SMARTPHONE VIDEO TRENDS

- Mobile video views have increased 616% since Q3 2012, and now make up 45% of all video views globally — and more than half of all views in some regions.

- Q3’s mobile video share was up 50% in the past year.

- Smartphone views made up 88% of mobile video views during the quarter, compared to just 12% for tablets.

ENGAGEMENT PATTERNS BY DEVICE & LONG-FORM VIDEO

- Despite mobile growth, consumers still trend toward larger screens for longer content. Over the past nine months, for video over 10 minutes long, the share of time watched on connected TVs (CTV) has increased from 43% to 71%.

- For content less than 10 minutes in length, mobile is still getting the lion’s share of time watched, at 69%. For content longer than 30 minutes, CTV’s share of time watched was 61%, almost doubling since Q1.

- Tablets had the second-biggest share of overall time watched at 35%, down slightly from 40% in Q1. But tablets dominate share of time watched for content 10–30 minutes long, the length typical of episodic TV, at 20%.

SPOTLIGHT ON EUROPE

- The U.K. and Ireland are far ahead of the global mobile curve, with mobile and tablet combine to make up nearly two thirds of all online video plays; compared to the worldwide average for 45%.

- Connected TVs are by far the favored device for long-form content, representing 79% of time spent watching content longer than 10 minutes — that’s more than double the time spent with long-form video on tablets (38%).

- A look into sports consumption details a broad 3-day window to maximize fan engagement around game day.

PROGRAMMATIC TRADING UPDATE

- As with the prior two quarters, programmatic trading is cementing its place as a norm, not an exception, in video advertising.

- Confidence in programmatic among both buyers and sellers remains on the upswing as the number of Deal ID transactions and impressions both increased well over 100% quarter over quarter, while the amount of real-time bidding increased more than 200%.
VIDEO ADVERTISING TRENDS

- Tablets and smartphones made up nearly half (46%) of ad impressions across publishers, broadcasters and networks, combined, as PCs slid to 40% from 54% in Q1.

- For publishers specifically, tablet (32%) and smartphone (24%) ad impressions dominated at the expense of PCs. Publisher ad impressions on PCs have declined 22% since the first quarter.

- For broadcasters, 92% of ads begun on tablets completed in the quarter, better than the completion rate for smartphones (89%) and PCs (82%).
News flash! The rate of growth for mobile online video views is slowing down. Yep, you read that right; mobile growth — which had been on a tear for much of the first half of the decade — decelerated in the third quarter.

The reason is pretty simple: Video viewing on mobile devices has become ubiquitous, commonplace, the norm; it makes up, literally, nearly half of all views worldwide.

Over the past dozen quarters, mobile video views have gone from just 6.3% of all views in 2012, to 45.1% in Q3 2015, an increase of 616% as the world, led by Millennials, continues to turn away from viewing on traditional screens to watching content on whatever screen is most convenient, more often than not, a smartphone.

Mobile video has grown at a torrid pace for three years. In Q2, the 12-quarter growth was 840%; in Q1, mobile video views, over the three-year-period, grew more than 1,112%. Year-over-year, Q3 saw more pedestrian growth in comparison. Still, the share of mobile and tablet plays exceeded 45% of all online video. That’s half again as much as the 30% from a year ago, and 189% more than the mobile share in 2014.

Smartphones continue to be the go-to device for mobile video consumption.

The continued growth in mobile viewing has been driven by smartphones, as tablet share has remained relatively flat year over year. In the quarter, 88% of all mobile video views were on smartphones, leaving tablets with just 12%. That’s a broadening gap compare to a year ago, when smartphone views made up 79% of mobile views.
THE RISE OF MOBILE VIDEO
Q3 2015
THE BOTTOM LINE

Slowing mobile growth doesn’t mean growth is stopping, nor does it indicate a backslide in the adoption of mobile video.

Sales of mobile devices continue to be strong, and content companies, service providers and broadcasters continue to pour more content into the mobile ecosystem.

Apple sold more than 48 million of its new iPhone 6s in the third quarter, Virgin America announced it would make mobile Netflix streaming available on select flights and Verizon looked to leverage its massive wireless network by launching its Go90 ad-supported video service. Cable giant Comcast followed suit, rolling out an out-of-footprint play called Watchable. Comcast believes Watchable will provide a temporary respite while it continues to develop a more aggressive out-of-footprint OTT play, one that will be more attractive to cord nevers.

Globally, the continued expansion of fast 4G mobile networks is seen as another way to make user experiences on mobile devices more appealing. These networks are likely to outpace the expansion of wired networks in emerging markets like Latin America, where 4G LTE connections are expected to grow more than 1,500% by 2018.

To a degree, mobile viewing has reached a temporary point of stasis.

There remains a shortage of premium content available on mobile devices — specifically the live, linear and other premium content that continues to be in demand.

Content owners and publishers who can take advantage of that temporary shortage of supply will be well-positioned to reap the benefits of even more mobile growth.
We’ve been saying for the past several quarters that screen size increasingly was being “democratized” — that the size of the screen was less crucial than the proximity of the screen.

And, to an extent, that remained true in the third quarter, although our data over the past nine months suggests that larger screens are increasingly being used more for content longer than 10 minutes and less often for shorter video.

Over the past three quarters, CTV share of time watched for video over 10 minutes has increased from 43% in Q1 to 53% in Q2 and 71% in Q3.

But longer content remains a staple for other devices, with much less change over the same nine months.

In Q3, the overall share of time watched on tablets for video longer than 10 minutes was 55%, just off Q2’s 57% and Q1’s 59%. PC usage has remained, essentially, static, getting a 35% share in Q3, down from 40% in Q2, but on par with Q1’s 35%. Smartphones, meanwhile, have seen their share slip from 37% in Q1 to 33% in Q2 and 31% in Q3.

For content less than 10 minutes in length, smaller screens remain more popular, with mobile getting the lion’s share of time watched at 69%, PCs getting 65% and tablets 45%.

Most notable in Q3 data is the drop in share for CTVs in the 0-6 minute time watched range over the past three quarters; it’s declined to 27% from 55% in Q1.
SHARE OF TIME WATCHED BY DEVICE AND VIDEO LENGTH
Q3 2015
LONG-FORM VIDEO: SHARE OF TIME WATCHED BY DEVICE AND VIDEO LENGTH
Q3 2015

Taking a deeper dive into data on long-form content, the trends over the past three quarters have remained consistent, with the highest-quality, larger screens getting more use for the longest content.

Connected TV’s share of time watched for content longer than 30 minutes was 61%, almost double what it saw in Q1 (31%). The high-quality screens commonly found on tablets, meanwhile, had the second-biggest share of time watched, 35%, down slightly from 40% in Q1.

Not surprisingly, tablets, at 20%, continued to dominate share of time watched for content 10–30 minutes long, the length typical of episodic TV. Tablets have hovered near 20% for several quarters. CTV (11%), smartphones (11%) and PCs (12%) all were essentially unchanged from the first quarter, dipping slightly in share of time watched from 12%, 14% and 15% respectively.
THE BOTTOM LINE

Tablets remain a go-to device for long- and short-form content, with a share of time watched split nearly evenly for each. In a recent study of Americans 16 to 60 years old who say they watch online video, 50% said they do so on tablets, up from just one-third a year ago.

And, as more low-price tablets come onto the market (thanks in part to Amazon’s new push), video becomes an increasingly integral part of their daily use.

But consumers still like to watch the longest content — movies and longer-episodic TV, for instance — on the largest screens. And they may be spending less time searching for and previewing content on the big screen, opting instead to use smaller, more personal screens — specifically those tablets and smartphones — for those functions.

For publishers, broadcasters and service providers, those trends mean they need to have a strategy that addresses delivery of all content across all devices.
Ooyala’s Video Index tracks global trends in online video consumption, but it’s always interesting to drill down a bit and see just how much difference there is between regions.

For the past two years, for example, we’ve contended that the impact of Millennials has been global, and that their consumption habits are similar across geographies.

For the most part, they are, but not completely.

This quarter we looked into how consumption compares between the United States and Europe (basing the European numbers on the region’s top economies), and then a bit deeper into Great Britain and Ireland and in particular, those regions’ sports video trends.
While global figures show mobile video views closing in on 50% (they stood at 45% in Q3), Europe has moved more aggressively into mobile, with more than 53% of views taking place on mobile devices. As in the rest of the world (ROW), Europe sees far more views on smartphones than on tablets. But where ROW sees 7X as many smartphone views, Europe sees just 5X as many.

Mobile in ROW likely is pushed higher by emerging markets, where smartphone ownership is far more prevalent than tablet ownership.

When looking at how online video consumption spreads across devices in some of the largest European nations, it remains striking how mobile-forward some regions are compared to the rest of the world — in particular Ireland and Great Britain. Irish viewers have wholeheartedly embraced portables as a primary device, with over 60% of all video plays happening on mobile phones alone.

In both Ireland and Great Britain, mobile and tablets combine for just over 66% — that's right, two thirds — of all online plays. That's more than double the amount of portable plays in Sweden and France, where desktops still make up the vast majority of online plays. Germany and Spain fall more in line with the overall global trend, with portable device plays falling between 40% and 45%. With the exception of Great Britain, tablet consumption still falls well behind smartphones, averaging out at around 5% of consumption, just a bit below the global average for tablet consumption. Great Britain saw twice that amount, 10% of all online plays, during the quarter.
As in ROW, when it comes to screen size, consumers in Europe find bigger is better when content is over 10 minutes in length. Connected TVs have a 79% share, more than double that of tablets (38%). For ROW, those figures are 71% and 55%.

For content up to 6 minutes long, meanwhile, PCs in Europe rule the roost with an 81% share while smartphones, at 78%, follow closely behind.
LONG-FORM VIDEO: SHARE OF TIME WATCHED BY DEVICE AND VIDEO LENGTH, EUROPE Q3 2015

For content over 30 minutes long, CTVs have no competition in Europe: they garner more than a 76% share of time watched. Tablets, meanwhile, hold sway in the 10–30 minute range with a share of time watched near 28%, nearly half again as much as the ROW’s 20%.
SPORTS-RELATED ONLINE VIDEO PLAYS BY DEVICE TYPE Q3 2015

There’s no doubt that the love of sports, and watching sports video — live and VOD — is universal. Each quarter, some of the highest numbers of video plays Ooyala sees involve professional and amateur sporting events, whether it’s long-form actual competition or shorter clips like news and highlights.

In the U.K. and Ireland, more than 45% of sports viewing occurs on smartphones and tablets. Surprisingly, Ireland sees the most sports plays on mobile devices, at 51%. In the U.S. and throughout the rest of Europe’s largest countries, mobile sports consumption trails that engagement level slightly, with both regions coming in at 39%.

From those trends, it’s apparent that, in the U.S. and the rest of Europe especially, money is being left on the table in terms of mobile views. With smartphones nearly ubiquitous in all four markets, and with unit price declining and data costs following suit, content owners, broadcasters and operators should work to get more of their content — both live and VOD — in front of mobile viewers.
MAXIMIZING FAN ENGAGEMENT

Game day has always meant big dollars for sports video rights holders. At least at a league level, where most often, the rights for the distribution of live regular-season matches are pooled. But there’s a massive and largely still untapped opportunity for individual clubs and teams to maximize fan engagement through video not only on game day, but in the days leading up to, and following, a live match.

To demonstrate this, we looked at the fan engagement habits of a popular European sports club over a 45-day period during Q3. This sports club, as is typical with individual clubs, can distribute and monetize video content relating to live matches, but not the live streams themselves, which are subject to league distribution policies.

The traffic patterns — in terms of monetizable views (whether through advertising or subscription), were clear. Compared to the average baseline level of daily viewership, as measured by the number of views, fans generally play 75% more videos, on average, on the day prior to any given match, and more than 100% more on the day after, when they come looking for highlights, game summaries and match replays. For this particular club in our study, a set of matches played in a tournament on consecutive days drove an increase of more more than a 175% in the number of plays.

It's also worth noting that while the number of matches lost in our sample was statistically small, postgame engagement for wins was typically higher than postgame engagement for losses.
Before and after the game, the more videos the better, whether interviews, highlights, or game summaries. This is particularly true for the day after the game, where using this sample as a reference, viewers will tend to watch two to three times more videos than on an average day. Additionally, clubs should be sure to make the most out of every possible video asset they can produce outside of rights lock-ups; for example, pre-season matches, women’s teams, under 21s and charity matches — all great ancillary content options that can grab a fan’s attention and keep them engaged in an application or website.

THE BOTTOM LINE

For sports clubs everywhere, the opportunity to deliver engaging, high-value content to your fans occurs not just on match day, but across a three- to four-day span around which audiences are looking for information, keys to the match, results and highlights. To maximize profits, video pertaining to upcoming matches must be readily available at least 24 hours prior to the match.
As with the past two quarters, data from publishers and broadcasters using Ooyala’s programmatic trading platform, Ooyala Pulse SSP, shows continued confidence in programmatic among both buyers and sellers.

Publishers and broadcasters are making larger sets of inventory available for programmatic trading, having gained confidence throughout the first half of the year. In fact, Ooyala saw its number of Deal ID deals – agreements for executing fixed-price transactions programmatically – more than double quarter over quarter at a rate of 103%. As a result, the volume of Deal ID transactions — that is, paid ad impressions resulting from those deals — increased 150% quarter over quarter.

These statistics show that programmatic deals are becoming routine. They’re on a trajectory toward becoming a norm, rather than an exception, in video advertising.

Additionally, real-time bidding increased 235% quarter over quarter. This is a result of more premium inventory being made available via private marketplaces and Deal ID transactions. It’s also clear evidence of increased demand from buyers as more budgets shift to programmatic advertising.

**DEAL ID DEALS**

103%

**DEAL ID TRANSACTIONS**

150%

**REAL-TIME BIDDING**

235%
AD IMPRESSIONS

Where Q2 showed ad impressions gradually migrating toward mobile devices, Q3 showed an all-out rush into the mobile space. Tablets and smartphones combined for nearly half (46%) of all ad impressions across broadcasters, publishers and networks. PCs, meanwhile saw 40% of all ad impressions, down from 47% in Q2 and 54% in Q1. Ad impressions on IPTV tallied about 14%, down from 23% in Q2.

Publishers continued to see ad impressions grow on smartphones and tablets in the quarter. Tablets increased to 32% from 15% and smartphones were at 24%, down from 34% in the previous quarter. Together, ad impressions on mobile devices made up 56% of publisher ad impressions, up from 49% last quarter and 38% in Q1. Ad impressions on PCs saw another steep drop in the quarter, to 40%. In Q2, PC ad impressions for publishers were at 50%, and in Q1 they were 62%.

Broadcasters saw more balanced ad impressions across devices, with PCs (40%) leading IPTV (23%), smartphones (20%) and tablets (17%).

Publishers and broadcasters likely will see a continued erosion in ad impressions on PCs, as smartphones and tablets continue to be the devices of choice for those watching an increasing variety of video.
FILL RATES

Fill rates measure the percentage of a publisher’s inventory that was served by an ad. Fill rates showed strength this quarter as brands continued to bank on increased consumer spending while economies maintained headway in most regions.

Broadcasters saw PC fill rates of 74%, followed by smartphones (59%), tablets (47%) and IPTV (42%).

Publishers, meanwhile, saw smartphone fill rates at the top (87%), followed by PCs (82%) and tablets (72%).

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<th>Desktop</th>
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<td>Publisher</td>
<td>87%</td>
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FILL RATE BY SEGMENT AND DEVICE GROUP
Q3 2015
AD COMPLETION RATES

Ad completion rates — the percentage of all ads started that are played to completion — mirrored the last quarter for broadcasters. Rates for tablets were 92%, identical to Q2, and 89% for smartphones, within 1% of the previous quarter. Broadcasters saw completion of more than 82% of ads started on PCs.

For publishers, ad completion rates on PCs were highest at 84%, with smartphones at 71% and tablets at 67%.

Publishers often see lower rates of ad completion than broadcasters, because they frequently serve up shorter content that consumers “graze,” as opposed to broadcast content that often is more premium — and thus engaging — in nature.

THE BOTTOM LINE

Top-quality content tends to get top-quality results for advertisers. Consumers often are willing to trade time watching advertisements for access to premium content.

To deliver top results for brands, publishers and broadcasters need to commit to making the best content possible available, maximizing engagement — and monetization.

In addition to understanding consumers’ content demands, providers also need to know which screens drive the highest engagement, and be ready to leverage those insights.

Doing so will enable publishers and broadcasters to demand — and get — the highest CPMs.

COMPLETION RATE BY SEGMENT AND DEVICE GROUP Q3 2015
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, means this report offers a representative view of the overall state of online video.

ESPN, Univision, Sky Sports, Foxtel, NBCUniversal, RTL (Germany), M6 (France), TV4 (Sweden), Mediaset (Spain), STV (UK) and Singapore’s Mediacorp: these are just a few of the hundreds of broadcasters and media companies who choose Ooyala.

Ooyala is a subsidiary of Telstra, the largest telecommunications company in Australia, providing fixed and mobile services to millions of consumers, as well as advanced network applications and services to enterprise clients in Australia and overseas.

Headquartered in Silicon Valley, Ooyala has offices in New York, London, Stockholm, Sydney, Tokyo, Singapore, Cologne and Guadalajara, and sales operations in dozens of other countries across the globe.

For more information, visit www.ooyala.com.