LIVE VIDEO DOMINATES VOD ON ALL CONNECTED SCREENS

THE FUTURE OF TV. TODAY.

THE RISE OF MOBILE VIDEO
Tablet and mobile viewing share grew 10X in two years.

EUROPE SPOTLIGHT: CONTINENTAL VIEWING PATTERNS REVEALED

Q2 2013 VIDEO INDEX

Is your mobile video strategy up to date?

Discover how the world watches TV online today.
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A MESSAGE FROM OOYALA

“The future is already here — it’s just not evenly distributed.”

– WILLIAM GIBSON

William Gibson wasn’t talking about online video when he spoke about the nature of change in The Economist 10 years ago. But his words reflect the state of multi-screen video today, and how our daily lives—as enriched by streaming video entertainment, sports and news—will evolve in the post-PC era.

Our Global Video Index consistently demonstrates how the future of TV is, in fact, already here—today.

The great majority of TV viewing still happens over traditional broadcast, cable and satellite, and a significant amount of media consumption still occurs on DVDs and Blu-ray discs. But the media shift is undeniable: more people are viewing more content over IP and on different devices every day.

The most telling signals of what the future of video will look like come from the fastest-growing segments in multi-screen viewing: mobile phones and tablets. The data in our Q2 Global Video Index makes crystal clear why broadcasters and media companies need an aggressive mobile video strategy.

Targeting content and advertising at the right time and on the right screen has never been more essential, or more achievable. In the past two years, the share of mobile and tablet video viewing has increased by a factor of 10.

With faster networks, ubiquitous smart devices and bigger phone screens, many providers see as much as one third of their views coming from mobile phones and tablets.

This quarter, we took a deeper look into when, exactly, these views were happening throughout each day, and discovered several recurring patterns. We found, for example, that on weekends certain publishers see close to half of all video plays occur on mobile phones and tablets.

Knowing the peaks and valleys of consumption throughout each day and week, and understanding how people shift from one device to another, gives us a cogent glimpse of the future. These habits of today’s early adopters are evidence of what TV viewing will look like on a massive scale a few years from now.

For broadcasters, operators, media companies and TV networks, these insights are critical for maximizing both engagement and revenue. Companies taking a one-size-fits-all approach to programming and advertising across all devices will soon find themselves well behind the competition.

This report looks at the continuing shift of viewing across multiple devices. It’s based on billions of analytics events collected daily throughout the second quarter of 2013, representing the anonymized viewing habits of 200 million people around the world who are already watching the future of TV, today.
The share of video viewing on phones increased 41% during the first half of 2013.

In Q2 alone, it grew 28%.

Mobile audiences watch live video nearly twice as long as on-demand video.

More than 20% of mobile viewer time was spent streaming content more than an hour long.

**MOBILE VIDEO**

Don't underestimate the power of mobile as a platform for monetizing long-form video content. Larger, 4G-enabled phone screens make it easier than ever to watch premium content on pocket devices.

Advertisers can now target a desirable, mobile-forward demographic with ads optimized for specific times, devices and locations.

Mobile video plays peak on Friday and Saturday nights. The number of mobile video plays surges between 8 and 10 PM, a time when many mobile devices are connected to Wi-Fi. Mobile video plays drop off sharply after 10 PM, when people tend to wind down their day.

The biggest increase in the percentage of mobile video plays occurs on weekday mornings, between 5 and 6 AM.
A sharp rise in evening tablet viewing happens throughout the week, with the most views occurring between 9 PM and 10 PM.

Tablet video views consistently spike at 7 AM, when people commute and prepare for the day ahead. This is a prime opportunity to move TV ad spend online and target tablet viewers.

The most tablet video plays occur on Friday night, when people use these devices as first and second screens. As with mobile video, people watch more daytime tablet TV on the weekends, when they are away from their office PCs.

Tablet video viewing increased 59% in the first half of 2013. Tablet audiences spent more than half of their viewing time watching premium long-form content. Nearly one third of their time was spent watching video more than an hour long.

Live and long-form video continue to captivate tablet TV viewers. Longer tablet viewing times present prime opportunities for mid-roll video ads.

Detailed analytics showing time of day, day of week and viewing device help content publishers demonstrate the value of their audience to advertisers and drive higher CPMs.
PC VIDEO

PCs are the only devices on which short-form content is still prevalent. In the past, viewers had no choice but to stream their favorite TV programs on their desktop or laptop. Today, audiences increasingly choose phones, tablets and smart TVs for long-form viewing.

The notable exception to this rule is live content. PC viewers tune in to live sports and news for extended periods of time, especially during daytime hours.

Audiences streamed live video on their PCs for an average of 41 minutes per play in Q2.

Over half of all time spent watching PC video involved short-form content of less than 6 minutes.

Many PC video publishers use auto-play to deliver a linear TV-like experience online and boost ad revenue. Publishers can better monetize their inventory by adding advanced discovery tools and experimenting with ad load and placement.

Live video ad insertion will drive increased monetization from these highly engaged viewers.

During the workweek, PC video plays rise steadily during office hours and peak at noon, as people watch more online video at work. This rise in PC viewing corresponds to a dip in mobile and tablet plays during working hours.

PC video views decline from 5 to 7 PM during the workweek, before picking back up later at night. This “oven mitt” pattern corresponds to the evening commute and also maps to an increase in mobile and tablet plays.

On the weekends, people watch more media on their phones and tablets, and PC video views decrease as people are less tethered to work computers.
CONNECTED TVs

Connected TVs, gaming consoles and other companion devices like Blu-Ray players and Roku boxes are changing TV viewing habits at home. While over-the-top viewing accounts for only a fraction of total TV consumption, people streaming content to their TV (directly with a smart TV or via any set-top box, game console or companion device) were consistently the most engaged, especially with live content. This is largely due to the “lean back” mindset and comfortable viewing environment inherent to this category.

Ooyala’s data reveals viewing patterns we expect to see take shape on a much larger scale in the coming years, as the connected TV ecosystem overcomes existing user interface and hardware fragmentation challenges.

Connected TV viewers spent 56% of their total viewing time watching videos longer than 10 minutes, and 45% watching videos longer than half an hour.

Combining end-roll ads with viewer-aware autoplay will increase revenue from content streamed on web-connected TVs.

Given the high engagement rates in this category, delivering TVOD and SVOD content to connected screens is a smart way to supplement or supplant video advertising revenue.

MORE THAN HALF OF ALL VIEWERS WATCHED VIDEOS TO COMPLETION compared with only a third of desktop viewers.
TV of Tomorrow

Tracking online video plays across all device types, patterns emerge in the way the world watches streaming media today.

Just as our phone calls became untethered from landlines years ago, our TV experience is no longer tied to a central location in the home. For the first time ever, people are spending more time with digital devices than they are in front of traditional television sets.

There are still challenges to overcome in the connected living room, including delivering content to fragmented devices, simplifying user interfaces, and improving search & discovery tools. But the growing number of streaming media viewers are the harbingers of tomorrow’s mobile, multi-screen TV experiences.

The data in this report reveals how a typical viewer consumes media throughout the day.

In the morning, they stream media on a mobile phone or tablet, as they prepare for their day and commute to work. PC video plays pick up in the later morning, and peak at midday, as people watch video at the office during the workday.

During the evening commute, viewers return to their phones and tablets, and PC video views decline sharply. Interestingly, each drop in computer views corresponds to a rise in mobile and tablet plays. These patterns repeat across days, weeks and geographies.

Tablets become the “first screen” on the weekends, as people watch more tablet TV throughout the day. PC video views dip significantly on Saturdays and Sundays, compared to weekday streaming.

Today, people are more in control of their viewing habits than ever before. In the future, TV will no longer be a single device in the living room.

Ooyala’s data shows that for at least 200 million people across the globe, the future of TV is already here.
Spotlight on Europe

The Global Video Index regularly looks at regional differences in IP-delivered video consumption. This quarter, we analyzed viewing habits in 10 European countries, providing an interesting cross-section of viewing habits throughout the continent.

In contrast to our Q1 report, which looked at online video viewing trends across the Asia Pacific region (and found dramatic differences between countries), most of the engagement trends across Europe compare very similarly, country to country.

We attribute this to the region’s mature networks and relatively homogeneous device penetration.

The following findings are based on anonymized data collected from European countries during the first half of 2013.

Around 40% of European viewers watch on-demand online video to completion. There is little variation from country to country for this trend. Every 100 times a video begins to play, roughly 35-45 people will view it until the very end—representing a great opportunity for mid-roll ad insertion.

Half of all on-demand video streamed in Sweden and Norway is over 30 minutes long—compared with 18% in the U.S.

Hungary watches twice as much live video online as the United States.

21% of all online video is streamed on smart phones and tablets in the United Kingdom, nearly double the global average.
LIVE VIDEO TAKES OFF

Here we have number of hours viewed live compared to hours viewed on-demand per country. Live video viewing varies greatly from country to country, with France and Ireland consuming the least live content online.

Engagement times are much higher for live streaming media, even though on-demand content still accounts for the majority of hours watched online.

As more broadcasters implement live video as part of their digital strategy, expect to see live video views continue to grow.

In Poland, Russia, Hungary and Greece, more than one third of total online viewing time is spent watching live content.

LONG-FORM VIDEO

Here we have number of hours viewed on-demand per country divided in short, medium and long format.

Short-form content still dominates the total number of plays by a wide margin.

Viewers in Norway, Italy, Ireland, Russia, and the U.K. spend more than half their total viewing time watching content more than 30 minutes long.
Visual Appendix

Rise of Mobile + Tablet Video, August 2011—July 2013

Mobile + Tablet Video: Share of All Time Played, Q2 2013

Data tables available upon request. Email press@ooyala.com
### Time Watched by Video Length and Device, Q2 2013

- **<1 min**: 60%
- **1–3 min**: 45%
- **3–6 min**: 30%
- **6–10 min**: 15%
- **>10 min**: 0%

### Long-Form Video Viewing By Device, Q2 2013

- **10–30 min**: 30%
- **30–60 min**: 22.5%
- **>60 min**: 15%

### Live, VOD Time Per Play, Q2 2013

- **Live**: 50
- **VOD**: 40

### Live, VOD Time Per Play (Minutes)

- **Desktop**: 40
- **Mobile**: 0
- **Tablet**: 10
- **Connected TV**: 8
Video Plays by Time of Day, Day of Week

**Mobile**

- **Monday**: 0%
- **Tuesday**: 0%
- **Wednesday**: 0%
- **Thursday**: 0%
- **Friday**: 0%
- **Saturday**: 0%
- **Sunday**: 0%

**Tablet**

- **Monday**: 0%
- **Tuesday**: 0%
- **Wednesday**: 0%
- **Thursday**: 0%
- **Friday**: 0%
- **Saturday**: 0%
- **Sunday**: 0%

**PC**

- **Monday**: 0%
- **Tuesday**: 0%
- **Wednesday**: 0%
- **Thursday**: 0%
- **Friday**: 0%
- **Saturday**: 0%
- **Sunday**: 0%
About Ooyala’s Global Video Index

ABOUT THE GLOBAL VIDEO INDEX

Ooyala measures the anonymized viewing habits of nearly 200 million unique viewers in 130 countries every month. We process billions of video analytics events each day. Our market-leading video analytics help media companies and consumer brands grow their audiences and earn more money from mobile, multi-screen broadcasting.

Ooyala helps TV networks, cable and satellite providers, movie studios and media companies monetize premium video content on all connected screens. One in every four Americans watches video on an Ooyala player, and more than half of our traffic comes from outside of the United States.

ABOUT OOYALA VIDEO PUBLISHERS

Ooyala video publishers include hundreds of forward-thinking brands, broadcasters and operators like Bloomberg, ESPN, Telefonica, Rolling Stone, Miramax, Pac-12 Networks, Sephora, Caracol TV, CJ Entertainment, and Yahoo! Japan.

This report reflects the anonymized online video metrics of these publishers. It does not document the online video consumption patterns of the Internet as a whole. But the size of the Ooyala video footprint, along with the variety of our customers, means this report offers a statistically representative view of the overall state of online video.
Turning Information Into Insights

When you optimize digital revenue strategies for each viewer, device and location, you deliver more relevant ads to the right screen at the right time.

The result is more money for online video publishers.

Ooyala uses Big Data and real-time video analytics to help you understand your audience like never before, and connect with them in meaningful ways.

Only Ooyala delivers a more personalized and profitable media experience that benefits viewers and content publishers alike.

That is the power of information. That is the power of Ooyala.
Methodology

DATA SOURCES AND SAMPLE SIZE

The data sample used in this report covers the second quarter of 2013, from April 1 through June 30. All data was taken from an anonymous cross-section of Ooyala’s global customer and partner database—an array of broadcasters, studios, cable operators, print publications, media companies and enterprises. These firms broadcast video to over 130 different countries from more than 6,000 unique domains. Nearly 200 million unique viewers watch an Ooyala-powered video every month.

This data sample is not intended to represent the entire Internet, or all online video viewers.

DATA COLLECTION

Ooyala’s video analytics technology collects all anonymized video data in real time.

During playback, Ooyala’s video player gathers information continuously and relays it to an analytics module, which then stores the data in a distributed file system, Hadoop.

Viewer statistics are then compiled and stored in a Cassandra data cluster, where the information is made readily available for analysis.

ANALYSIS AND METRICS

Ooyala’s video analytics module tracks a range of standard variables, such as:

- Displays, plays and time watched
- Viewer engagement and video completion rates
- Sharing by social network
- Geography (region, state, city, Designated Market Areas)
- Device type (mobile, desktop, tablet, connected TV devices & game consoles)
- Operating system (Windows, Android, iOS)
- Browser (Safari, Chrome, Firefox, Internet Explorer)
Glossary

**Conversion Rate:** The ratio of plays to displays. 10 displays with 1 play is a conversion rate of 10%.

**Completion Rate:** The rate at which viewers watch a specified portion of a given video. Sometimes used interchangeably with “play-through rate.”

**Display:** Each (and any) time a video is loaded in a browser and displayed to the viewer.

**Live Video:** An event that is streamed either as it happens (e.g. a sporting event, music concert or other ad hoc event) or as it is broadcast on another medium (e.g. a live linear TV channel).

**Mobile Devices:** All smart phones, including iOS, Android, Blackberry, and others.

**Video Play:** Each time a video starts playing.

**Tablets:** All media tablets, including iOS and Android.
Disclaimers & Assumptions

Data is not aggregated across all videos or providers for vertical data, and only publishers with a meaningful amount of videos watched are included. Publishers with incomplete data have been excluded.

When selecting items for inclusion in the report, Ooyala's data science team selected metrics that were clear and meaningful. Granular measures were broken down along many categories, which resulted in a large amount of data. Rather than reporting all of this data, the Ooyala team chose to highlight those measures that give a good impression for the data set as a whole.