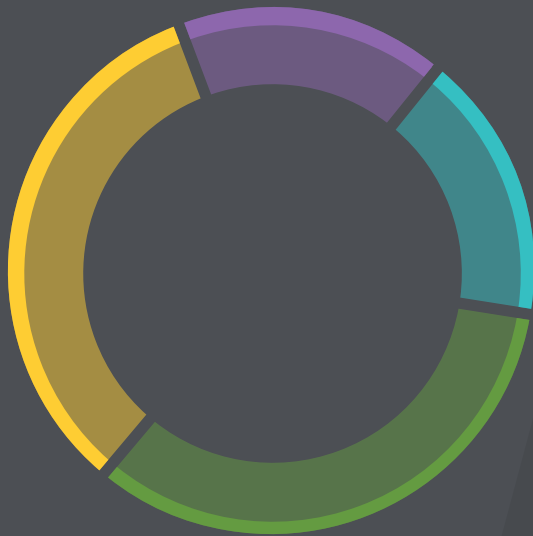




# GLOBAL VIDEO INDEX

## Q2 2014





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# INTRODUCTION

“You don’t need a weatherman  
to know which way the wind blows.”

**BOB DYLAN**

But you *might* need a weatherman to know which way your viewers are going. To test that theory, this quarter we took a fun snapshot of the potential impact weather may have on video viewing patterns. And there’s much more in store in this quarter’s Global Video Index.

While the definition of TV blurs across a multi-device landscape, the industry is still scratching the surface in terms of how big data can be applied to maximize personalization and profits. As the one-to-many broadcast world converges with the one-to-one world of web-delivered content, it’s clear that there is virtually no end to the ways in which data can help providers make the most out of every video asset.

Whether time of day, type of device, or specific geographic location, video businesses now have more access than ever to granular data that can provide new levels of insight into how, when and where people are watching.

And with the right kind of analytics for driving personalized content and ad optimization, that data translates into delight for your audience and dollars for your bottom line.





# EXECUTIVE SUMMARY

## THE PACE OF MOBILE VIDEO GROWTH IS ACCELERATING

There's never been a doubt that mobile video is becoming a more important part of the online video ecosystem, but there also has never been a time of such rapid growth.

- In the past year, mobile video viewing has more than doubled to become over 25% of all online viewing.
- Mobile video share has increased 127% year-over-year and 400% in the past two years.
- In February, mobile's share of online video was 21%; by June, its share increased to 27%.
- Globally, faster networks, more bandwidth and an increasing number of ever smarter devices are helping to grow online video's adoption, which in turn is driving the mobile ecosystem's growth.

## MULTISCREEN ENGAGEMENT AND LONG-FORM CONTENT

Seasons may change, but the continuing growth of online video seems to be a constant. Even as broadcasters and brands prepared for reduced television consumption during the summer months, online video continued to push forward.

Users are watching an increasing amount of video on all screens. When watching videos of 10 minutes or longer in length, all devices get a healthy share.

- 81% of time watched on the largest screen, connected TVs, was with videos longer than 10 minutes. That's a nod to viewers' inclination to look to big screens for big chunks of their entertainment.
- 70% of time watched on tablets was with videos longer than 10 minutes.
- Mobile phones remain the favorite "snacking tool." Viewers registered 45% of their time watching videos of 6 minutes or less in length.

When it comes to long-form content, screen size matters most.

- On connected TVs, viewers spent 65% of their time watching videos 30 minutes or longer; and over half of that time (54%) was with content longer than 60 minutes.
- On tablets, viewers spent 23% of their time watching video of 30–60 minutes in length, more than on any other device.



# EXECUTIVE SUMMARY



## WEATHER, OR NOT?

In our Index we report on lots of trends in viewing, many driven by the smart publishing decisions of our customers. This time around we thought we'd take a look at factors external to and out of the control of our customers to see how they affected viewing. And what could be more out of our control than the weather?

There's a saying: "If you don't like the weather, wait five minutes... it'll change."

What's that got to do with online video? Let's look at the results comparing two different data viewing weeks on Boston, Massachusetts (USA) — one from a cold, rainy week in April and one from a warm, sunny week in June.

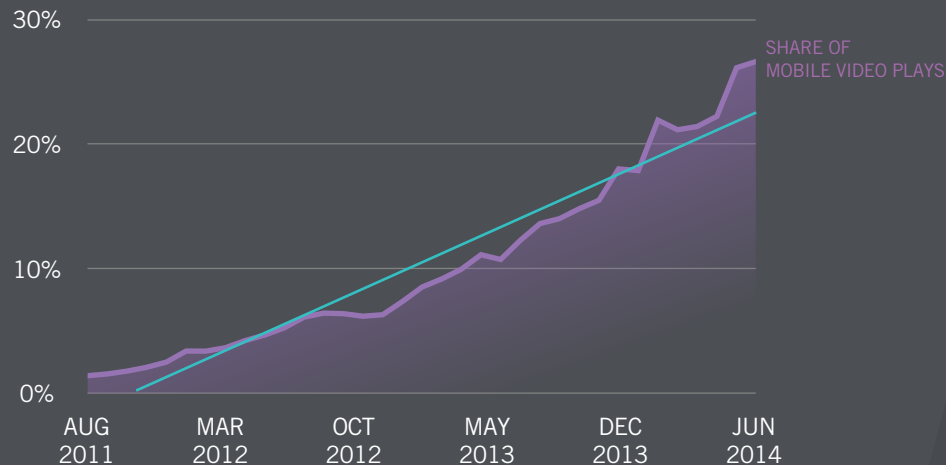
While there actually were more video plays in Beantown during nice weather than on cold, wet days, the colder days saw much more engagement in terms of total time watched. For example, people spent 40% more time watching videos on desktops when the rains came. Engagement among users on tablets also increased by roughly 5%.

Warm days, meanwhile, saw an increase in the raw number of video plays on all devices, especially mobile devices you can carry outside the house. Plays on desktops increased 4%, but mobile phone plays increased nearly 6X more, about 23%. Tablet plays increased at about 10%.



# MOBILE VIDEO

## THE RISE OF MOBILE VIDEO Q2 2014



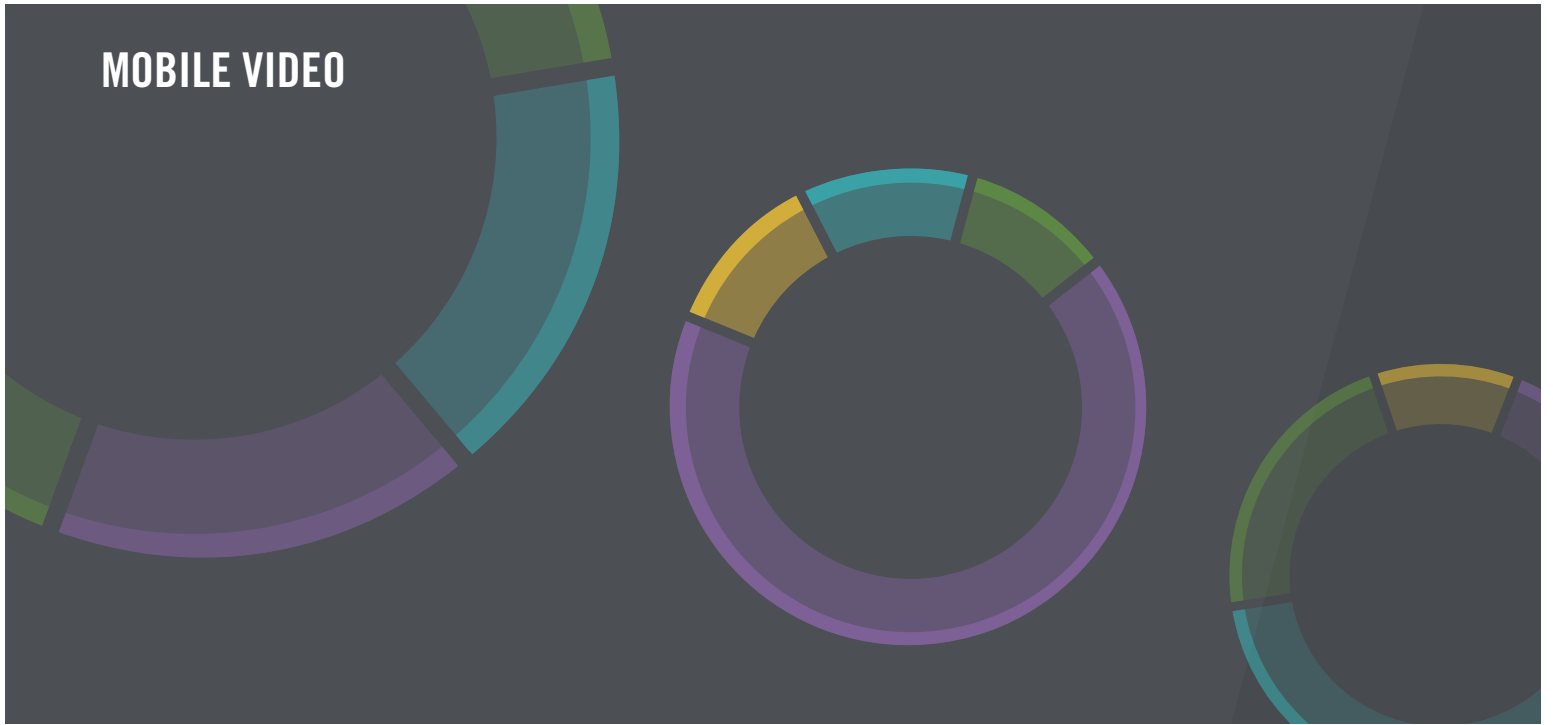
Viewing of online video on mobile devices is on track to make up more than half of all online video views by the beginning of 2016, according to our forecasts.

There are several reasons for this, including:

- A rapid shift toward smarter devices — tablets, smartphones and ultrabooks that make watching video easier — and bigger screens that make the experience more enjoyable.
- An increase in the amount of video available for mobile devices. Cisco forecasts that by 2018 mobile video traffic could make up 69% of the world's Internet traffic.
- Increasing deployments of TV Everywhere (TVE) by operators — it's estimated in the U.S., for example, that more than 90% of pay-TV subscribers have access to a TVE product — and direct-to-consumer deployments by content owners, focusing on mobile devices.
- An increasing realization that younger users, specifically Millennials, are looking to their mobile devices for the majority of their video entertainment. Recent research from Nielsen, for example, shows Millennials watching 4.5 fewer hours of traditional TV than they did a year ago, and Deloitte's annual Digital Democracy Survey found Millennials spend more time watching movies and TV shows on devices other than TVs.
- Faster, more robust networks are available in more parts of the world. 4G is quickly becoming ubiquitous in more markets, including emerging ones. That means network speeds will continue to increase. Most estimates expect mobile Internet speeds to grow dramatically. Akamai found that U.S. users can expect an average of 5.5 Mbps on mobile networks and said that 21 countries had connection speeds above 4 Mbps in Q1 2014.



## MOBILE VIDEO



Ooyala has witnessed the explosion of mobile video firsthand.

In the past 12 months, mobile video views have doubled, from 11% of all online viewing to more than 25% in the most recent quarter, a 127% increase. As recently as Q2 2012, mobile views made up just 5% of the total, meaning that over eight quarters mobile share increased more than 400%.

And the pace appears to be quickening. Over the past five months, growth in the percentage of mobile video views

hasn't faltered, growing from 21% in February to nearly 27% in June.

A report from The Diffusion Group found that 49% of U.S. adult broadband users use mobile video at least monthly, with 17% engaging with a mobile video app weekly and 16% daily.

Fully 63% of late Millennials (18–24) say they use mobile video apps at least once a month.

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## THE BOTTOM LINE

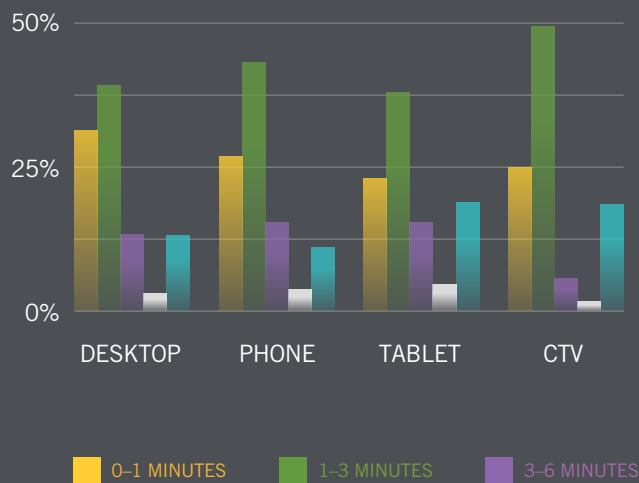
Even a year ago, the increase in mobile video viewing was just a phenomenon on track to eventually play a role in the decisions operators and broadcasters made about their video strategy. It was on the radar, but a safe distance away.

Today, it has become a stark reality, challenging existing TV-centric business models. Virtually every industry pundit now realizes that mobile video will impact service provider and broadcaster business models. Mobile must be seen as core to their business, not just incremental revenue.

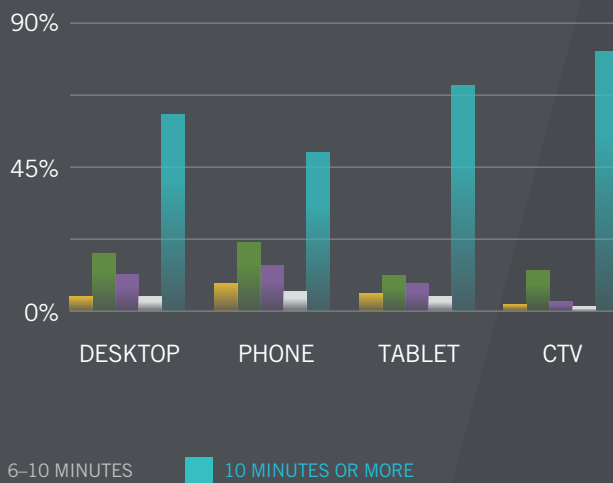


# MULTI-SCREEN ENGAGEMENT AND LONG-FORM VIDEO

SHARE OF PLAYS BY DEVICE AND VIDEO LENGTH  
Q2 2014



SHARE OF TIME WATCHED BY DEVICE AND VIDEO LENGTH  
Q2 2014



The second quarter is a time of change for television. Seasons are wrapping up and the last of the sweeps months (May) passes. Broadcasters and brands begin to transition toward summer, with new lineups, more reruns and an assumption that viewers, too, are in transition, moving outside after a winter of cabin fever.

The online video world, isn't as closely tied to that schedule. Ooyala found that seasons may change, but online viewing habits appear pretty much the same.

In the first quarter, Ooyala found that, regardless of device, longer videos — those of 10 minutes or more — received the greatest share of time watched.

Ditto in the second quarter, where the share of time watched for videos over 10 minutes in length was 81% for

connected TVs, 70% for tablets, 62% for desktops and 49% for phones.

As in the previous quarter, the biggest screen (connected TVs) remained the most popular, the highest quality portable screen (tablets) was next, and desktops remained third, with 62% of share for longer videos. Mobile phones had the smallest share of time watched for longer video.

Online video segments ranging from 1-3 minutes long still get the lion's share of plays on all devices, between 38% (tablets) and 49% (connected TVs), with content lasting up to 1 minute next most popular in a range of 23% (tablets, again) to 31% (desktops).

The highest number of plays for video 10 minutes long or longer? Tablets, tied with connected TVs at 19%.



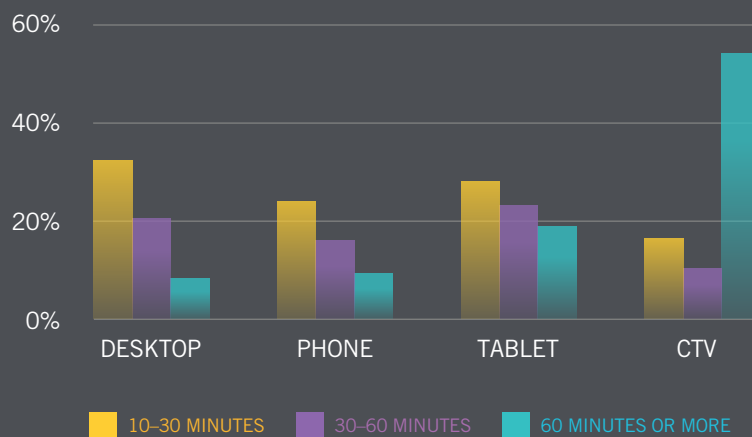


# MULTI-SCREEN ENGAGEMENT AND LONG-FORM VIDEO

## SHARE OF TIME WATCHED BY DEVICE AND VIDEO LENGTH

Q2 2014

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### LONG-FORM VIDEO

Once viewers get to that long-form content, however, it's all about screen size.

More than half the time spent watching on connected TVs is with video longer than 60 minutes; tablet users spent 19% of their time with content longer than 60 minutes, while desktops and phones were a virtual tie at 8% and 9% respectively.

For video longer than 30 minutes, time spent on connected TVs was 65%, tablets 42%, desktops 29% and mobile devices 25%.

On a vage basis, desktop, mobile and tablet users all spent more time watching 10–30 minute videos than any other form, followed by 30–60 minute videos.

## THE BOTTOM LINE

Say “snacking” to a connected TV user and they’ll likely think popcorn rather than short video.

The size of the screen and the comfort of the living room remain important factors when watching long-form video. And the increasing size of mobile phone screens — and the quality of the image they deliver — is helping those devices make significant inroads in the realm of consuming content longer than 60 minutes.

This quarter, for example, 25% of the time mobile phone users spent watching video on their devices was with video longer than 30 minutes.

Service providers and broadcasters still need to concentrate on delivering premium video experiences everywhere, but increasingly, even to the smallest screens.



# WEATHER: ITS IMPACT ON VIEWING



## Views drop

People didn't watch as many videos in cold weather.



## Phones rise

Mobile phone views increased 23% in warm weather.



## People watch longer

In cold weather, viewers watched 29% longer.

The sun is shining, a warm breeze is wafting the scent of roasted peanuts to you from Fenway Park and you're... watching video on your mobile phone as you ride the T.

You're not alone. Ooyala looked at data that compared a warm spring week with a cool, wet week in Boston, as a representative sample of how weather could impact video consumption. While weather clearly wasn't the only determining factor in this more whimsical study, it's interesting to see how people may change their viewing patterns based on what it's like outside.

While it's somewhat incongruous that there were more video plays during a week of warm weather than on days that were less pleasant — traffic as measured in the number of plays across all devices was up about 8% — part of the explanation lies in the amount of mobile phone video plays that took place. In June, plays on desktops were up 4%,

but mobile phone plays surged nearly 23% from April. Add to that a 10% bump in the number of tablet plays and it becomes apparent that mobility is a crucial issue during pleasant weather.

But digging deeper: although there were fewer video plays on all devices during the week of inclement weather in April, actual engagement — as measured in total time spent watching online video — was up significantly as viewers generally stayed out of the rain and glued to their screens for longer periods of time. In the case of desktops, viewing time was up nearly 40%; time watching video on tablets, meanwhile, increased 5%. Only mobile saw a decline in viewing time, about 3%. It's a reasonable assumption that smartphones are more likely to be used for short video snacking in any kind of weather.

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## THE BOTTOM LINE

There are a number of insights that can be generated from data like “what kind of weather viewers in a particular market are experiencing.”

One of the most critical may be that operators and content owners shouldn't accept the norms when considering seasonal programming — especially when it comes to online video. There are more than a few business plans and models built off assumptions that, while they may generally be true, aren't always.

That can be devastating to a business. Data is always important, but it becomes crucial in a changing market or where results may be counterintuitive.





# TURNING INFORMATION INTO INSIGHTS

When you optimize digital revenue strategies for each viewer, device and location, you deliver more relevant content to connected viewers, who, in turn, watch more media.

The result is greater monetization — more ads served, more transactions, lower subscriber churn and ultimately more money for video publishers.

Ooyala uses Big Data and real-time video analytics to help our clients understand audiences 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 video technology.





# ABOUT Ooyala's GLOBAL VIDEO INDEX

## ABOUT THE GLOBAL VIDEO INDEX

Ooyala measures the anonymized viewing habits of viewers in 239 countries and territories around the world, from Argentina to Zimbabwe. 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.

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 Univision, ESPN, Rolling Stone, Pac-12 Networks, Sephora, Caracol TV, CJ Entertainment and Sky Sports.

This report reflects the anonymized online video metrics of all of Ooyala's 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.

