



GLOBAL VIDEO INDEX Q4 2013

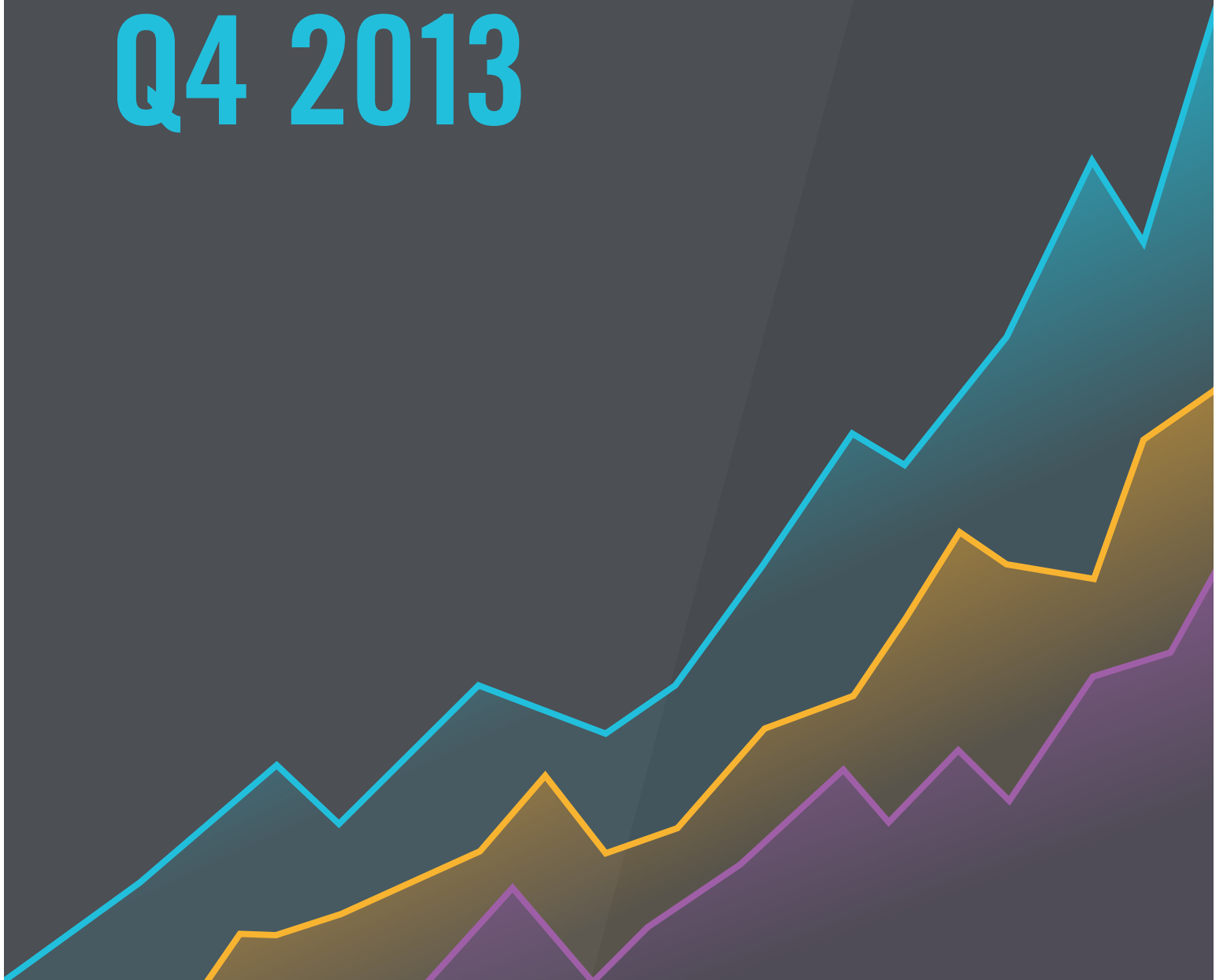




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INTRODUCTION

“Any sufficiently advanced technology is indistinguishable from magic.”

ARTHUR C. CLARKE

Clarke’s third “law of prediction” is right on. We’re living in the magic world of mobile television, when science fiction has become science fact. Widely doubted as a viable TV platform by critics less than a decade ago, mobile today is the fastest-growing segment of online video. It has been for the last two years, and will be for the next two.

In fact, mobile video is growing so fast, it could make up half of all online video consumption by 2016.

This is true especially for sports video. This quarter, in addition to discussing the evolving viewing habits of nearly 200 million viewers around the world, we take a look at how sports video viewing compares to online video viewing as a whole. The results validate two beliefs we’ve held for years: that sports broadcasters are among the most progressive in pushing advanced technology — and its magic — to their audiences, and that sports fans are among the hungriest consumers of video, whatever the screen.

Access to these types of insights help video publishers and broadcasters of all shapes and sizes maximize their revenue with online video. You’ve heard this from us, and this quarter you’ll hear it directly from publishers themselves. In a new survey conducted for Ooyala by TechValidate, we asked hundreds of video publishers around the world how they felt about their current and future business of monetizing video across all screens. Their responses throughout this report closely align with our findings.

Whether or not you believe in magic, when it comes to online video on screens ranging from the size of a wristwatch to the latest 4K living room displays, it’s more apparent every day: the world is watching.





EXECUTIVE SUMMARY

VIDEO VIEWING TIME ON TABLETS AND MOBILE SAW RECORD GROWTH

- Year over year, share of time spent watching videos on tablets and mobile devices has increased 719% since Q4 2011, and 160% year-over-year since Q4 2012
- Mobile and tablets combined for over 18% of time played in October, and reached over 26% by the end of December 2013, a 43% increase

LONG-FORM VIDEO IS GAINING POPULARITY ACROSS ALL DEVICES

- More than half (53%) of mobile viewers' time was spent watching video longer than 30 minutes
- Tablet users spent more than one third (35%) of their time watching video longer than 30 minutes
- Connected TV users spent much of their viewing time (39%) watching content more than an hour long. For mobile viewers, nearly one third (31%) of viewing time was with content longer than an hour, and for tablet viewers nearly one-fifth (19%)

LIVE VIDEO, PARTICULARLY SPORTS, IS SURGING ON ALL DEVICES

- Viewers watch an average of more than 42 minutes of live video per play streamed over the top on connected TVs, and nearly 35 minutes per play on PCs
- Based on average time per play, live streaming video consumption is nearly two times greater than VOD on tablets

SPORTS VIDEO IS POPULAR IN ALL FORMS, ON ALL DEVICES

Sports are extremely popular across mobile, tablet, desktop and connected TVs. Viewers are especially engaged with live sports on mobile, watching 3X more live sports video than video on demand. Sports video viewers on tablets, meanwhile, watched live sports more than twice as much as viewers of all live video as a whole.

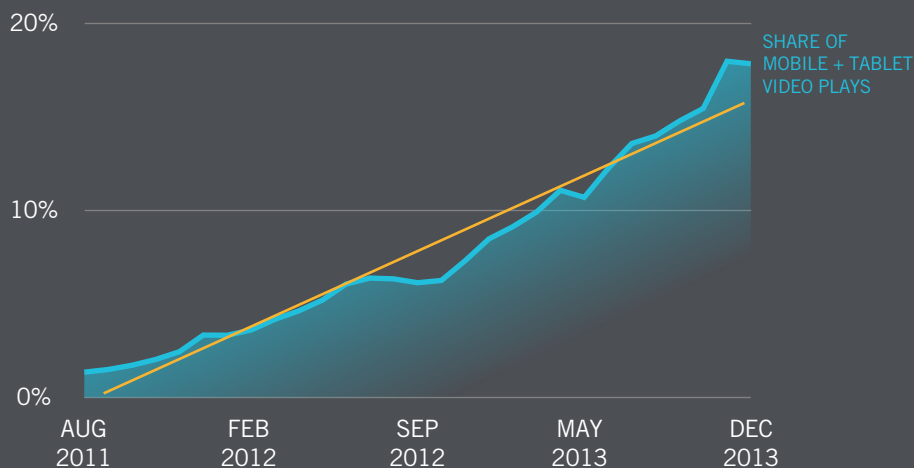
When it comes to sports video exclusively:

- Mobile viewers spent nearly two-thirds of their time (62%) watching content longer than 10 minutes, often staying connected for long periods of time to highlight shows and game recaps
- Nearly 39% of time spent viewing sports-related content on mobile phones was with videos of 1-10 minutes in length
- 60% of tablet users' viewing time was spent with content 1 to 6 minutes long



MOBILE + TABLET VIDEO

THE RISE OF MOBILE + TABLET VIDEO Q4 2013



THE PACE OF MOBILE ADOPTION IS ACCELERATING

More phones, more tablets, more wi-fi hotspots, more multiscreen deployments by operators; all four contributed to record-breaking growth of mobile and tablet video over the last two years. It's not hard to see why: in a recent Ooyala survey of online video publishers and broadcasters, 99% said delivering video to mobile and tablet devices was "critical" or "important."

The share of videos played on tablet devices continued to rise:

- Tablet share grew 6% over the course of the year
- Mobile share of all videos played grew at 10X that rate

While time spent watching video on mobile and tablets exceeds one fourth of all online viewing, mobile video share of plays in Q4 reached 17%, up 21% from Q3, meaning people are not only watching more often on those devices, but engagement is increasing, too.

From the beginning of Q3 2012 until the end of 2013, the share of time spent on mobile and tablets increased 190%, and grew a whopping 719% since Q4 2011.

PUBLISHERS SURVEY

How important is reaching mobile and tablet devices?

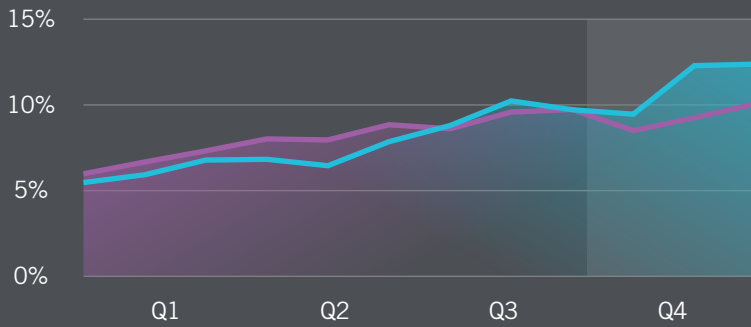
21% "Important"

78% "Critical"

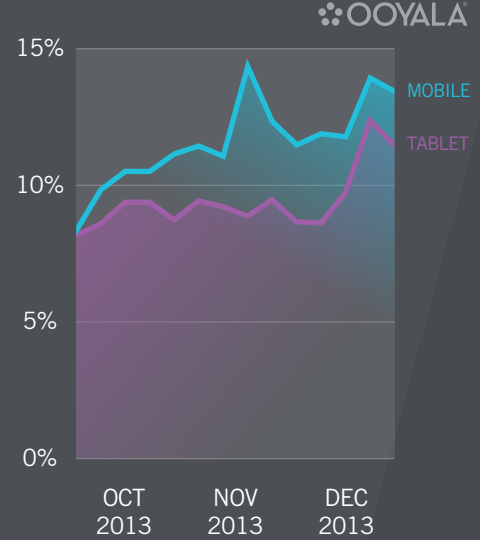


MOBILE + TABLET VIDEO

SHARE OF TIME WATCHED 2013 MONTHLY AVERAGE



SHARE OF TIME WATCHED Q4 2013 WEEKLY AVERAGE



CONSUMERS SPEND MORE TIME ON MOBILE DEVICES

Mobile viewing increased as the holiday season neared, likely from shoppers turning to their phones to compare the merits of last-minute gift purchases, and sports fans catching highlights and scores from college and professional football games.

The end of the quarter saw mobile video viewing shine brightest. An influx of new tablets and mobile phones, extended holiday vacations, and an increase in the consumption of premium content pushed mobile phones to a double-digit share of all time played.

Mobile and tablets combined for 18% of time played in October, reaching 26% by the end of December, a 43% increase.

The week of December 23 saw tablets earn a 12% share of time played, dropping only slightly to 11% the week of December 30.

Mobile phone share was in the double digits for all but the first two weeks of the quarter, peaking at 14% at times in November and December.

PUBLISHERS SURVEY

34% of digital media brands told Ooyala they felt they knew their audience “extremely well.”

59% said they knew “a little” about them.

83% of publishers said they saw huge opportunity in monetizing video content on mobile devices.

THE BOTTOM LINE

Mobile phones and tablets have become as critical to consumers as packing a toothbrush and a good read for the beach.

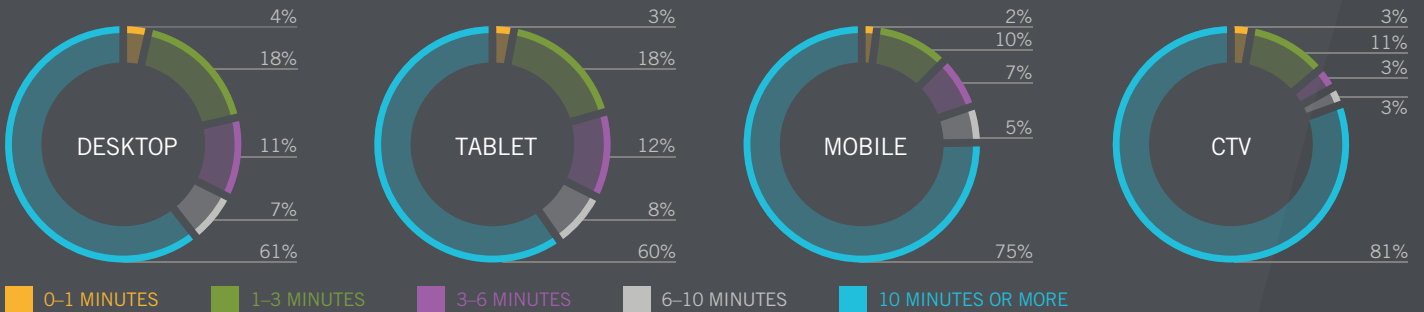
Brands and broadcasters looking to take advantage of accelerating mobile adoption to leverage their video inventory need to understand who’s watching, when they’re watching and on what device they’re watching.



LONG-FORM VIDEO

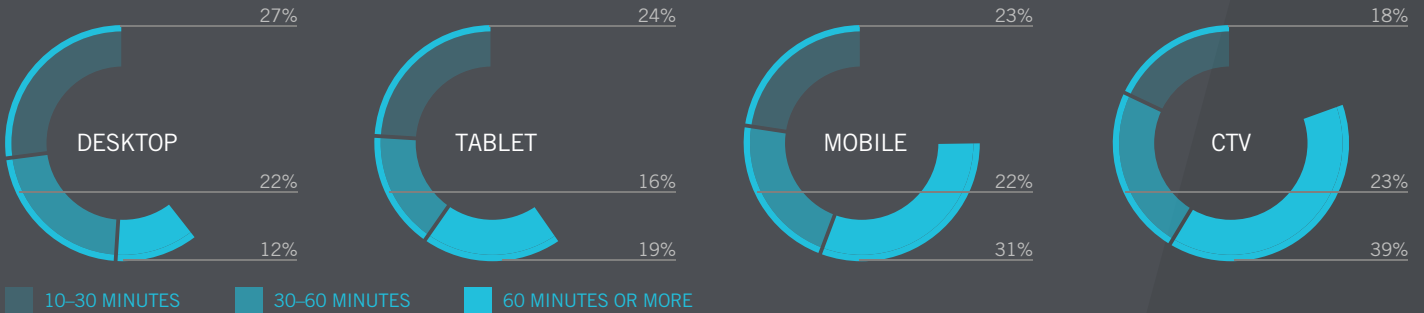
SHARE OF TIME WATCHED BY DEVICE Q4 2013

OOYALA



LONG-FORM VIDEO SHARE OF TIME WATCHED BY DEVICE Q4 2013

OOYALA



Viewers are more engaged than ever with premium, long-form content across all devices, but they're increasingly turning to mobile devices and tablets.

- Easy access to premium, long-form content has "democratized" access to content, making virtually any device the screen of choice for viewers
- Connected TV users spent a majority of their viewing time (39%) watching content more than an hour long; mobile phone users spent 31% of their time watching content more than an hour long; tablet users, 19% of their time

- Connected TV users spent three-quarters of their viewing time watching video more than 10 minutes long, and 62% of their viewing time watching video in excess of 30 minutes
- More than half (53%) of mobile viewers' time was spent watching video longer than 30 minutes, compared to 35% for tablet users
- Tablet viewers spent 40% of their viewing time watching video between 10 and 60 minutes long

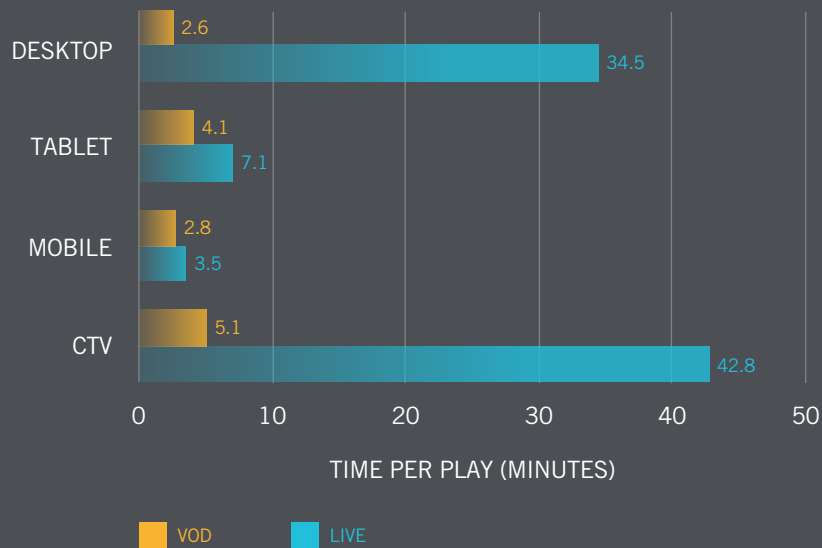
THE BOTTOM LINE

As viewers spend more of their time watching premium, long-form video on multiple devices, it becomes increasingly important that content owners look to maximize monetization opportunities on all screens, from the smallest to the largest.



LIVE VIDEO

LIVE VS. VOD TIME PER PLAY Q4 2013



Live sports, breaking news, live linear streaming and special events continue to be a major draw for viewers across all devices.

- Viewers watch an average of more than 42 minutes of live video per play streamed over the top on connected TVs, and nearly 35 minutes on PCs
- Based on average time per play, live streaming video consumption is nearly 2X greater than VOD on tablets
- On PCs, live video kept viewers more engaged than VOD on any other device – including connected TVs in Q4 – with an 11:1 ratio in the amount of time spent watching
- Mobile viewers watch live streams 1.5X longer than VOD

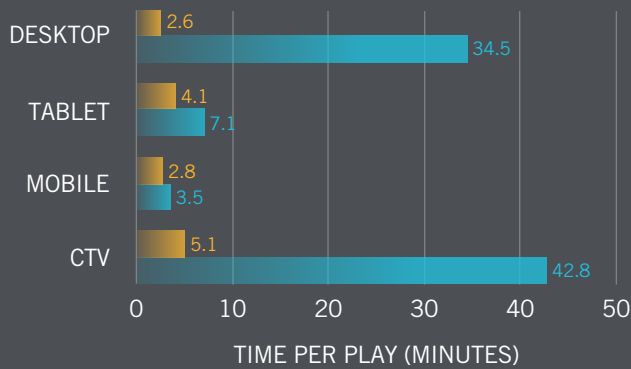
PUBLISHERS SURVEY

Nearly half of content owners Ooyala surveyed said they were leveraging data to improve content programming (**48%**), distribution (**45%**), engagement (**45%**) and monetization (**33%**).



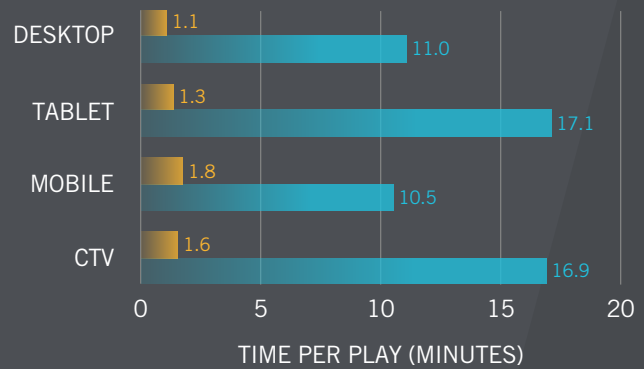
SPORTS VIDEO

LIVE VS. VOD TIME PER PLAY
ALL CONTENT
Q4 2013



VOD LIVE

LIVE VS. VOD TIME PER PLAY:
SPORTS CONTENT
Q4 2013



VOD LIVE

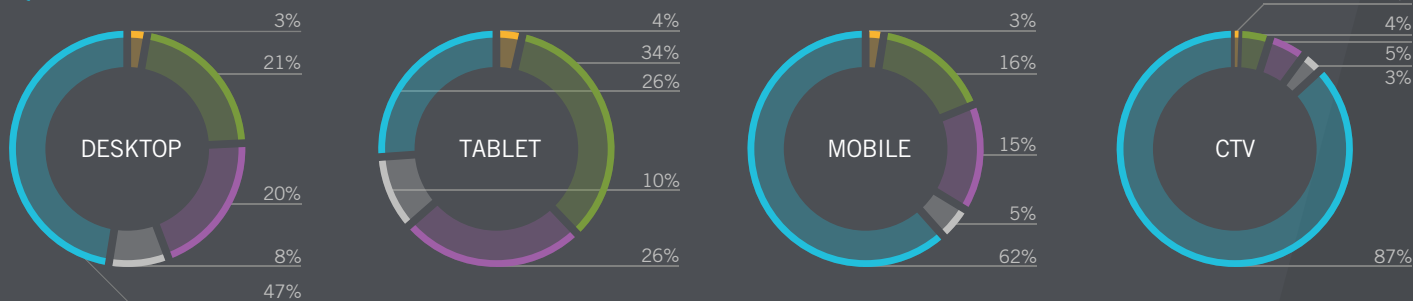
World Cup Soccer, the Olympic Games, college football, the Super Bowl and cricket: few things draw as broad an audience – or one as hungry for video – as do sports. The growing availability of live action, video on demand highlights and other premium content is driving a wave of growth in online video viewing.

- Viewers show a clear favorite when watching live events, news and linear programming over the top, choosing Connected TVs and PCs more often than mobile devices. Not so with sports, where all screens show significant adoption
- Viewers watch live sports about one-third more on tablets and Connected TVs than they do on PCs and mobile devices
- The average time spent viewing live sports is just under 20 minutes per play

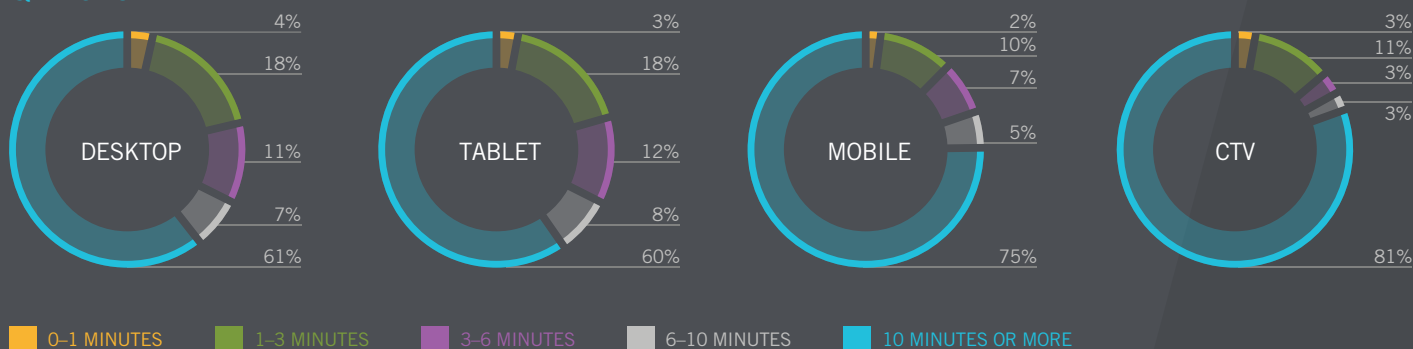


SPORTS VIDEO

SHARE OF TIME WATCHED BY DEVICE: SPORTS CONTENT Q4 2013



SHARE OF TIME WATCHED BY DEVICE: ALL CONTENT Q4 2013



SIZE MATTERS, ESPECIALLY WHEN WATCHING LIVE SPORTS

- When viewing sports-related video, connected TV watchers spent 87% of their total viewing time watching videos longer than 10 minutes in Q4

AWAY FROM HOME, MOBILE IS A SPORTS LIFELINE

- Also for sports-related video, mobile viewers spent 62% of their time watching video longer than 10 minutes, often staying connected for long periods of time to highlight shows and game recaps
- Nearly 36% of mobile viewer time was spent watching sports-related videos of 1-10 minutes in length

TABLET USERS TAKE SPORTS IN MEDIUM-SIZED BITES

- When it comes to sports video, 60% of tablet users' viewing time was spent with short-form content 1 to 6 minutes long
- Tablet viewers spent 26% of their viewing time watching video longer than 10 minutes



ONLINE VIDEO OUTLOOK

Mobile phones and tablets are increasingly becoming the go-to devices for watching online video, especially when it comes to live sports.

Global sporting galas, like the 2014 Sochi Winter Olympics, the 2014 World Cup in Brazil, and the 2016 Rio Summer Olympics, will continue to generate increased mobile viewership worldwide.

89%

A recent study from Infonetics points out that 47% of pay-TV service providers currently support tablets as part of their multiscreen service, a number expected to grow to 89% by 2015.

21 hrs/month

ABI Research, meanwhile, said it expects mobile video viewing per user to reach more than 21 hours a month by 2019, up from 12.7 hours in 2013.

All of these factors will contribute to drive mobile and tablet viewing higher in coming quarters, doubling the time viewers spend watching those devices by the end of 2015, to **37%** and making up **50%** of all online video viewing by the end of 2016.





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 more ads served, more PPV purchases, and more money for 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 video technology.





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 Univision, Bloomberg, ESPN, Rolling Stone, 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.

