



GLOBAL VIDEO INDEX Q1 2014

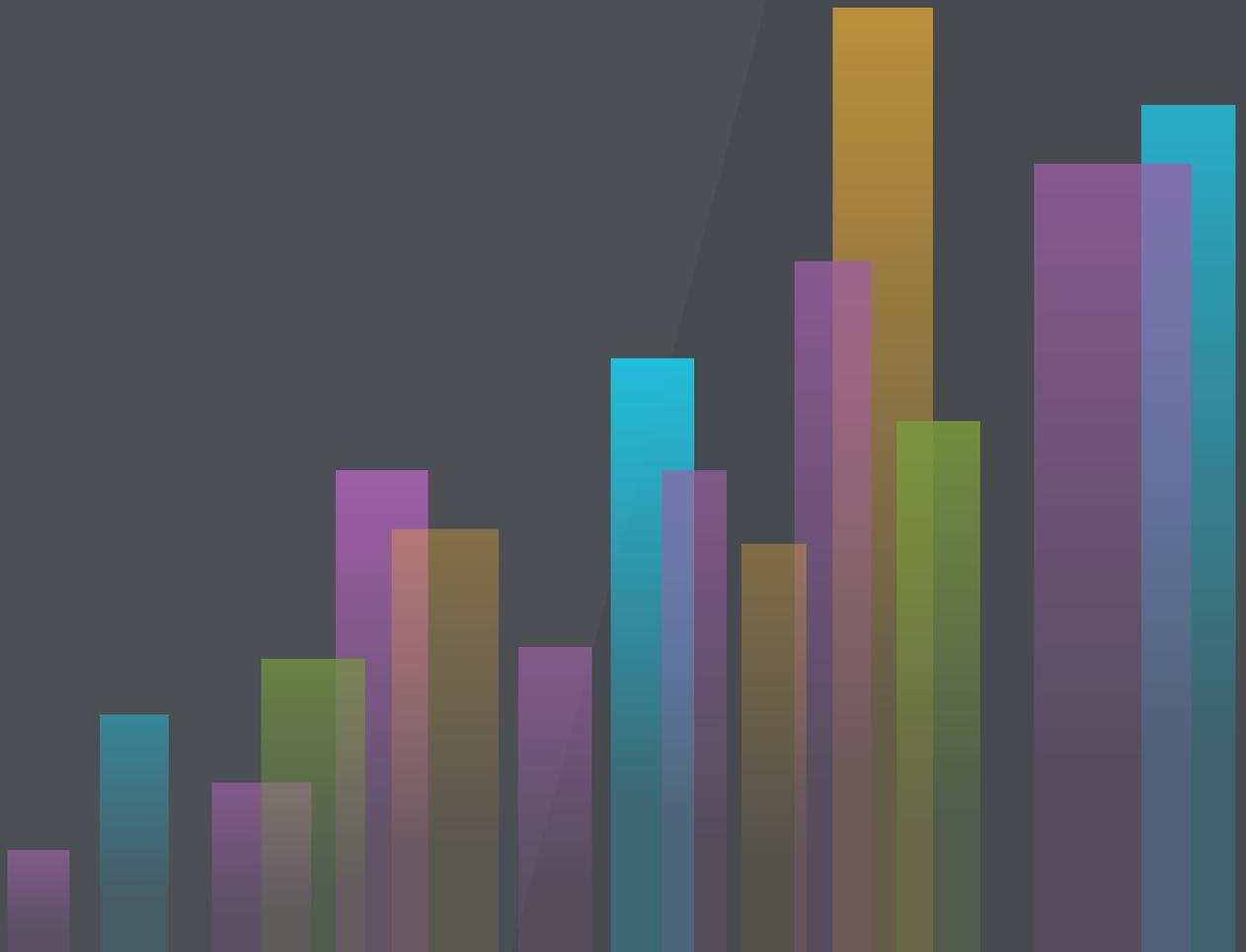


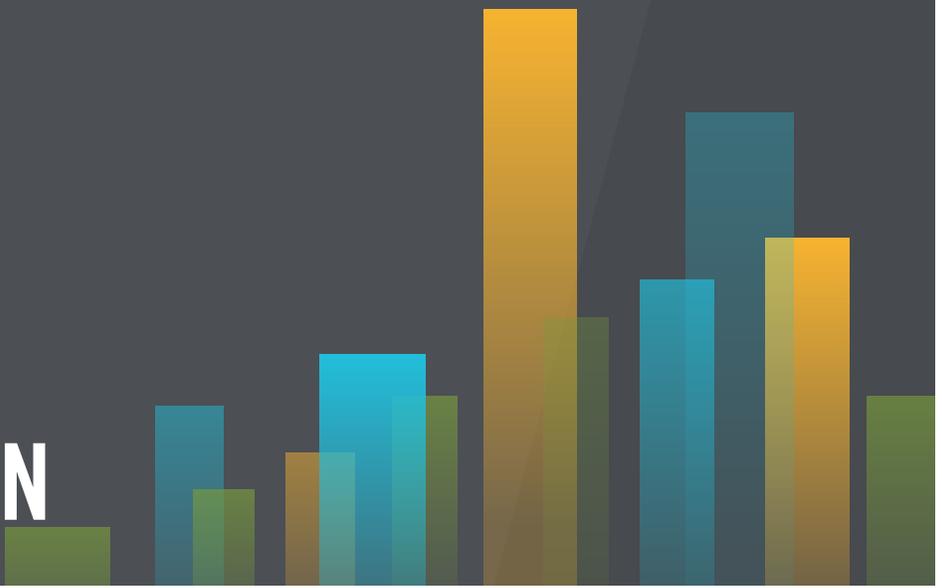


TABLE OF CONTENTS

| | |
|---|----|
| Introduction..... | 3 |
| Executive Summary..... | 4 |
| Mobile + Tablet Video..... | 6 |
| iOS vs. Android: Smartphone Video Comparison..... | 7 |
| Multi-Screen Engagement..... | 9 |
| Long-Form Video..... | 10 |
| Live Video vs. VOD..... | 11 |
| Turning Information into Insights..... | 12 |
| About Ooyala's Global Video Index..... | 13 |



INTRODUCTION



“I’m going home, and when I want to go home, I’m going mobile.”

PETE TOWNSHEND, THE WHO

Was rock legend Pete Townshend predicting the future of OTT video consumption habits when he penned this iconic lyric over 40 years ago?

Probably not, but the opening line of “Going Mobile” does sum up key elements of a foundational shift in the video market today: viewers increasingly turn to mobile devices to view video of all forms, at all times of day, even at home.

These days, mobile viewing isn’t just about watching outside the home, it’s about freedom of choice within the home. The advent of always-available-anywhere video has made viewing a more personal experience, allowing family members and flatmates to watch precisely what they want to watch, regardless of the number of TV sets in the household. Smartphones and tablets are no longer just the “second screen,” but increasingly are the primary devices of choice for video.

Ooyala’s Q1 2014 Global Video Index illustrates this mobile viewing trend and more, crunching billions of bits of multi-screen video data from the first quarter of a year that will continue to see online video set new records. Indeed it has already this year, with the NFL Super Bowl in the U.S., the Sochi Olympic Games and now the World Cup in Brazil.

With the transformation of video consumption habits in full swing, any company in the video business is faced with challenging new questions. *It’s midnight. Do you know where your audience is? Where is your audience watching? On which devices and on which platforms? What is their tolerance for advertising? Where should you place ads, and how many?*

Data provides the answers to these questions and the intelligence that helps drive key business and programming decisions for video creators and distributors. In a world that’s increasingly going mobile, data drives dollars. Now more than ever.





EXECUTIVE SUMMARY

MOBILE AND TABLET VIEWING SEE HIGHEST OTT GROWTH RATE

The great migration to portable devices continues, as people take their video to go more frequently — on their commute to work, on vacations and from room to room. While the big screen in the living room maintains its dominance as the screen of choice for most viewers, today smaller screens are seeing the biggest increases in video traffic.

- Since 2012, mobile phone and tablet viewing has increased at a CAGR of 152%
- Between Q1 2013 and the end of Q1 2014, mobile and tablet viewing increased 133% year over year, based on the number of video plays
- Mobile viewing in Europe and Latin America outpaced mobile viewing in North America

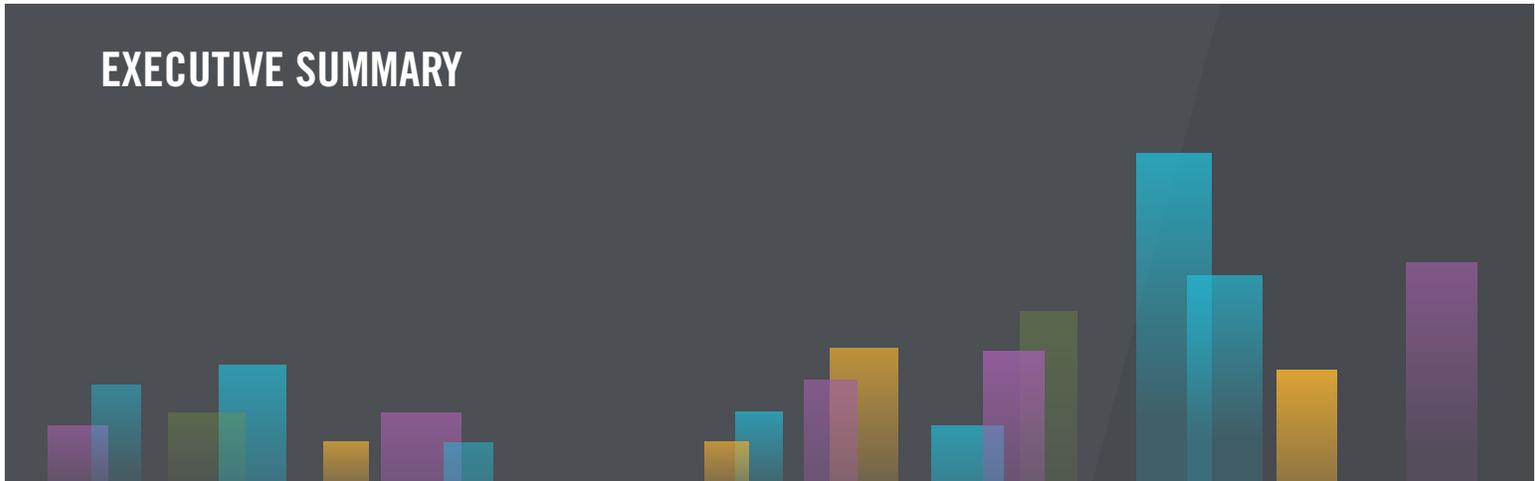
iOS STILL PREVAILS IN SMARTPHONE VIDEO, BUT ANDROID IS CATCHING UP

In the never-ending smartphone wars, video was once an easy battle for iOS, with the vast majority of video delivered to mobile devices being viewed on Apple products. That's begun to change. When looking at the number of video plays on each platform:

- APAC is overwhelmingly Apple, with 82% of video views occurring on iOS devices
- In North America, iOS-based phones dominate video viewing with a 60% share
- In EMEA, viewers prefer iOS just slightly, with 55% compared to 45% for Android
- Android edged out iOS in Latin America, earning 53% of smartphone plays



EXECUTIVE SUMMARY



ENGAGEMENT REMAINS HIGH ACROSS ALL SCREENS

Viewers who watched video for 10 minutes or more tended to be somewhat device-agnostic, although the size and quality of the display likely factored into viewing choices.

- Nearly 80% of time watched on connected TVs — the largest screen — was done for videos longer than 10 minutes in length.
- 77% of time watched on tablets was for videos longer than 10 minutes, possibly drawn by the quality of the screen
- 37% of the time watched on mobile phones was “bite-sized” sessions dedicated to videos less than 6 minutes.

LONG-FORM CONTENT THRIVES OVER THE TOP

Long-form video, especially events or programs of more than 30 minutes, was most often consumed on connected TVs, as audiences settled in for extended viewing.

During the quarter:

- On connected TVs, viewers spent 61% of their time watching videos 30 minutes or longer
- Among those video sessions, viewers watched for an hour or longer 39% of the time

Surprisingly, mobile phones were also popular for watching long-form video. While the majority of plays on smartphones were short-form videos, viewers clocked 35% of their overall mobile viewing time watching videos of 30 minutes or more.

LIVE VIDEO KNOWS NO BOUNDARIES

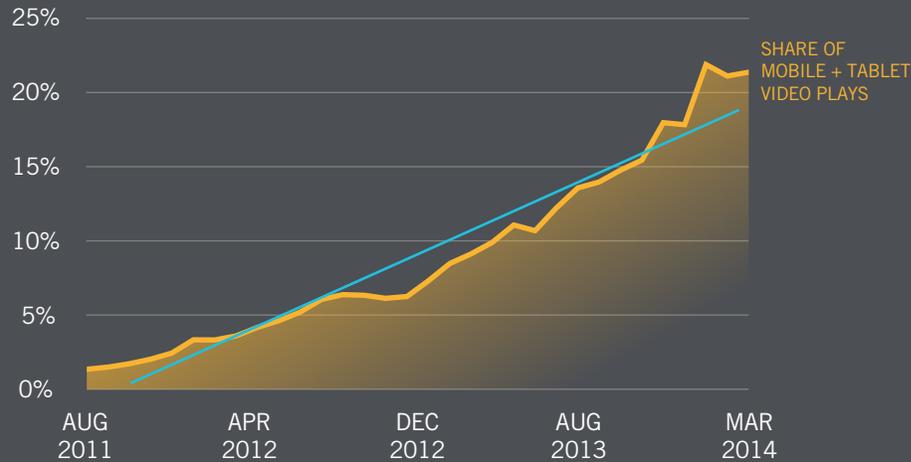
On every device, people watch live video for longer periods of time than video on demand, an important consideration for any publisher looking to put assets online.

- Across Ooyala’s global footprint, viewing time of live video on connected TVs was more than 11X more than VOD content
- On computers, viewing time of live content was nearly 13X as long
- Tablet users watched live content nearly 3X as long
- Mobile users watched live content nearly twice as long as VOD



MOBILE + TABLET VIDEO

THE RISE OF MOBILE + TABLET VIDEO Q1 2014



CHANGE IS CONSTANT... AND GOOD

The more things change, the more things remain the same. Nowhere is that more evident than in the world of online video. The latest numbers from Ooyala's Q1 2014 Video Index show that the torrid love affair consumers have with online video hasn't lost any heat. In fact, the ardor is ongoing, and growing in intensity.

In Q1 2012, for example, mobile phones and tablet video combined for a 3.4% share of all video plays. By Q1 2013, that number had grown to 9.2%.

But the first quarter of 2014 showed growth that simply outpaced previous years. A whopping 21.5% of all video plays were on mobile devices and tablets — an increase of 133% year-over-year and 532% since 2012.

THE BOTTOM LINE

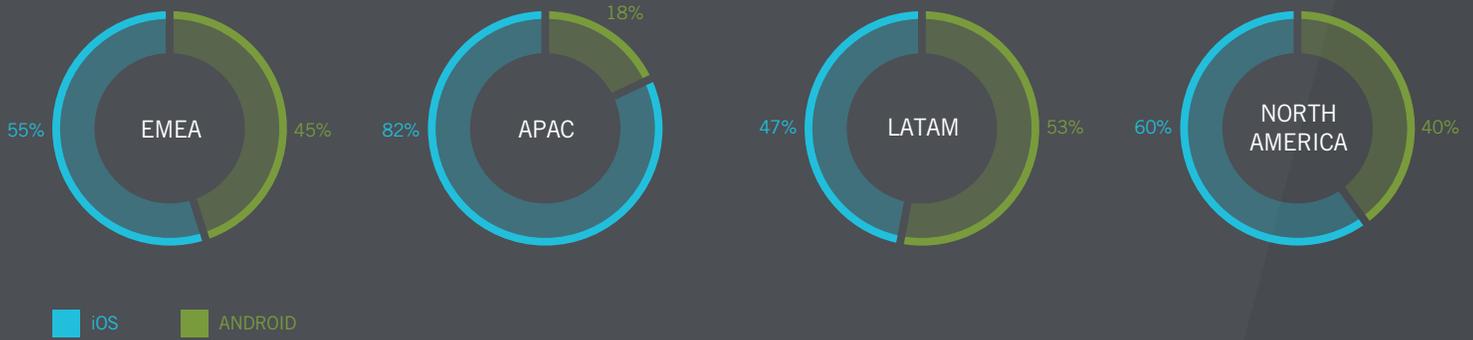
We've become a mobile society, one that is accustomed to watching video on any device, anywhere and anytime. As economic conditions and wireless broadband continue to improve globally, more and more consumers are joining the "mobile club."

In fact, data from eMarketer shows that there were 1 billion smartphones worldwide in 2012. That number stands at 1.75 billion today and is expected to reach 2.5 billion by 2017, or more than one phone for every three persons on the planet.



iOS VS. ANDROID: SMARTPHONE VIDEO COMPARISON

SHARE OF SMARTPHONE VIDEO PLAYS
Q1 2014



ANDROID IS CATCHING UP, BUT iOS IS STILL KING

Video consumed on smartphones still trends toward iOS for several reasons, the most critical being ease of publishing to iOS devices, an ecosystem seemingly designed for video. Publishing to Android is more complex and time consuming, hence, more expensive.

Nevertheless, as markets and platforms mature, Android video is becoming more important to publishers.

And it shows.

In Q1, Android outstripped iOS in Latin America (53% to 47%) in terms of smartphone video plays.

Globally, as measured in video plays, iOS retains the lion's share of smartphone views at 64%, with a huge advantage in APAC (82% of views in Q1 were on iOS devices). iOS took 60% of the views in North America and 55% in EMEA.

Currently, iOS accounts for some 40% of the U.S. market in terms of sales. Android, meanwhile, has about 50% of sales.

In terms of video, however, iOS remains dominant with 60% of plays and Android about 40%, a significantly higher number than it had just a year or so ago.

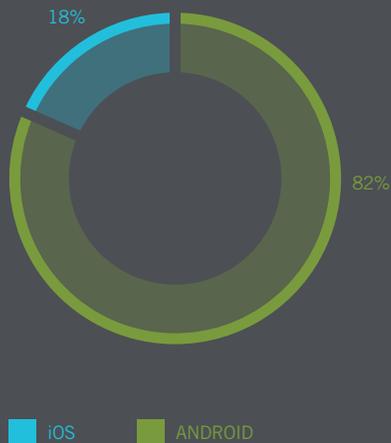
Spain and France, meanwhile, already tend toward Android. Video plays on that OS took a 69% and 59% share there respectively, but the overwhelming popularity of iOS in the U.K., Germany, the Netherlands, Ireland and Nordic countries give Apple devices a distinct edge in Europe as a whole.

Android won out in a few other regions, overtaking iOS with a larger share of plays in Malaysia (64%), India (79%) and Pakistan (81%). But iOS usage in Japan (76%) and Australia (90%) make it the dominant smartphone OS in Asia Pacific and Japan for video today.



iOS VS. ANDROID: SMARTPHONE VIDEO COMPARISON

WORLDWIDE MARKET SHARE
BY SHIPMENTS
Q4 2013



WORLDWIDE SHARE OF
SMARTPHONE VIDEO PLAYS
Q1 2014

OOYALA



While the smartphone discussion may sound incomplete without mention of other platforms such as Blackberry and Windows 8, it's worth noting that these platforms represent a small minority of global smartphone shipments today, and a statistically insignificant percentage of video consumption among Ooyala's footprint.

THE BOTTOM LINE

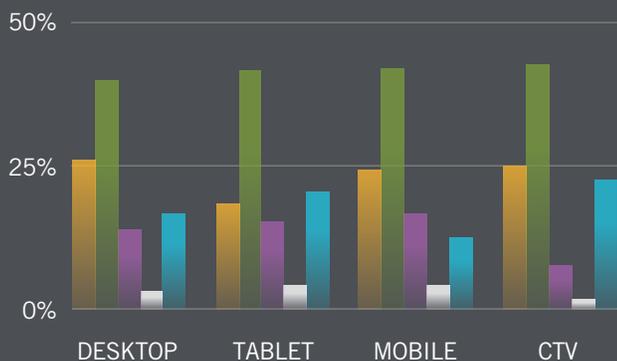
With a new iPhone rumored to be due as early as August, and a larger-format iPhone expected a month later (not to mention an iPad 6 before the end of the year), it would be easy to suggest there will be a surge in viewing on iOS devices.

But increasingly, viewing of mobile online video has become platform-agnostic, especially in emerging markets where the price of a device is a bigger determinant of its popularity than in more mature markets. Economic factors like these will help keep Android very much at the core of mobile device video growth. And that, of course, means publishers need to make sure they have a mobile strategy that addresses both iOS and Android.

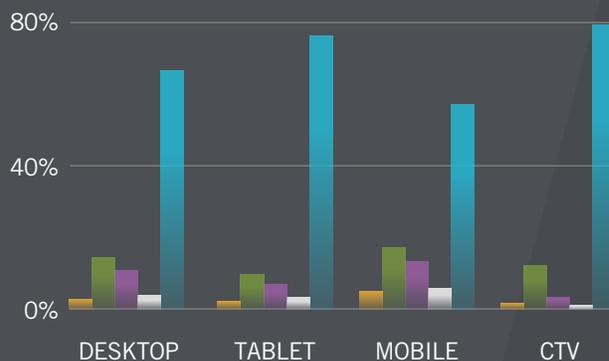


MULTI-SCREEN ENGAGEMENT

SHARE OF PLAYS BY DEVICE AND VIDEO LENGTH
Q1 2014



SHARE OF TIME WATCHED BY DEVICE AND VIDEO LENGTH
Q1 2014



0-1 MINUTES 1-3 MINUTES 3-6 MINUTES 6-10 MINUTES 10 MINUTES OR MORE

CONSUMING MORE VIDEO ON ALL DEVICES

Increasingly, no matter what device people use to watch online video, they watch video that goes well beyond short-form web content. The majority of video plays on smartphones, for example, were short-form videos less than 10 minutes long. However, more than half of all actual time spent viewing was with video lasting more than 10 minutes, regardless of device.

But on connected TVs, the largest of all screens, viewers turned into video lasting more than 10 minutes a whopping 80% of the time.

On tablets, which Ooyala data shows are used more like connected TVs than like smartphones when it comes to video viewing, viewers watched videos lasting longer than 10 minutes more than three quarters (77%) of the time. In fact, tablets were used for longer-form content even more than computers, where viewers tuned into 10+ minute content 67% of the time.

Among all device types, mobile phones had the lowest share of time watched for long-form video. Even so, well over half the time (57%) spent watching video on smartphones was with videos more than 10 minutes long.

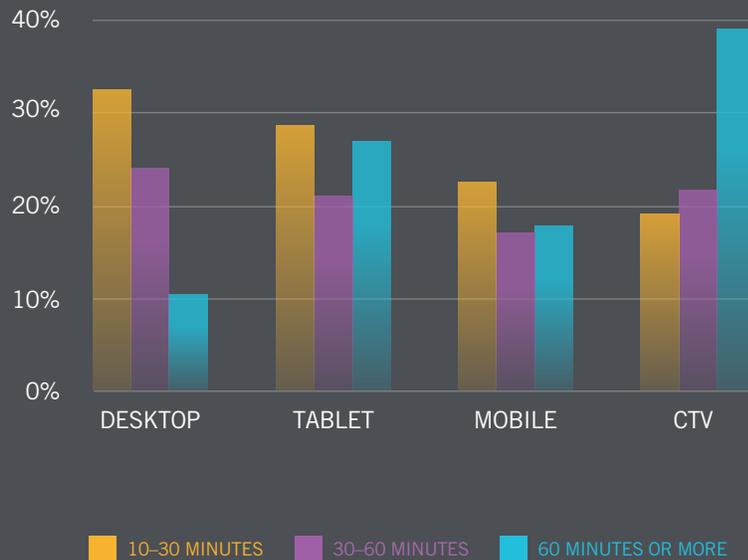
THE BOTTOM LINE

Consumers increasingly take large bites of entertainment content in many different locations throughout each day. Delivering to the living room screen is no longer enough. Regardless of the kind of content you deliver, it needs to go to every device to address changing consumption patterns. Habits are shifting; video viewing has become a much more personal experience. Where viewing at home once was the norm, more people now find time to watch a video clip, or an entire movie, in many different places and circumstances and on a variety of devices.



LONG-FORM VIDEO

SHARE OF TIME WATCHED BY DEVICE
AND VIDEO LENGTH
Q1 2014



PREMIUM CONTENT PLAYS WELL REGARDLESS OF SCREEN SIZE

Not only are consumers watching video longer on all devices, they're *watching longer video on more devices*. While the vast majority of clicks on video — 83% in Q1 — occur on videos less than 10 minutes long, more time is actually spent watching longer-form video.

On connected TVs for example, viewers spent 61% of their viewing time with videos longer than 30 minutes. 39% of that time, viewing sessions were an hour or more.

In Q1, 48% of video sessions on tablets were with videos of 30 minutes or longer (27% of which was 60+ minute content and 21% 30–60 minute content); mobile phones saw a 35% share, split almost equally between 60+ minute content and 30–60 minute content; and computers saw a 34% share, with 30–60 minute content at 24% and 60+ minute content at 10%.

On desktops, one-third of time consumed was with content 10–30 minutes in length, a category that also reached a 29% share of time watched on tablets, 23% on mobile phones and 19% on connected TVs.

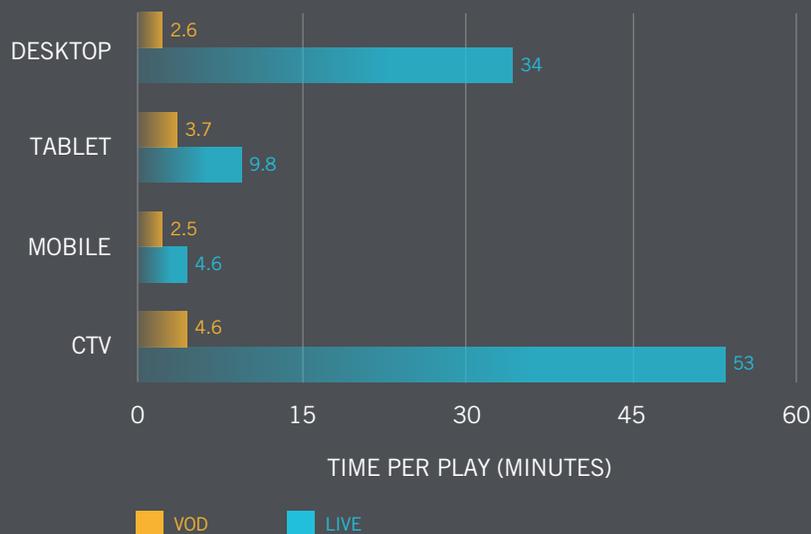
THE BOTTOM LINE

Size still matters: a big screen still is the “display of choice” for most people when it comes to lengthier videos. But there's a growing trend toward watching video on the go. When you combine views of videos of a half hour or longer that occur on tablets and mobile phones, the total share of views trumps connected TVs. This data underscores the need for content owners, broadcasters and service providers to have a solid mobile strategy or risk losing audience.



LIVE VIDEO VS. VOD

LIVE VS. VOD TIME PER PLAY
Q1 2014



LIVE VIDEO TRENDS TOWARD BIGGER SCREENS

When it comes to live video — whether live news and events or live linear programming — viewers tend to watch for longer periods of time at home on a connected TV than on any other device. But across all device types, live video continues to engage viewers for longer periods of time compared to VOD.

In Q1, viewers tended to watch live video for nearly an hour per play on connected TVs compared to just more than a half-hour per play for computers, 10 minutes for tablets and less than five minutes on mobile phones.

Video on demand follows a similar pattern, although at remarkably lower levels. The average time spent watching VOD content per play on connected TVs is 4.6 minutes, compared to 3.7 minutes for tablets, 2.6 minutes for computers and 2.5 minutes on mobile phones.

THE BOTTOM LINE

Appointment television isn't dead. Engagement with both connected TVs and computers indicates that viewers prefer larger screens for live events and live linear TV. And, as in previous quarters, live content captures viewers' attention longer than VOD.



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, 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, from Argentina to Zimbabwe, around the world. 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.

