

U.S. Digital Video Benchmark

Adobe Digital Index Q1 2014



Engaging the multi-device user

Online video viewing and TV Everywhere authenticated video is being led by mobile devices, gaming consoles, and OTT devices as broadcasters, pay-TV service providers, and advertisers look for ways to engage the multi-device consumer. To meet the evolving needs of these demanding viewers, who are watching more video online than ever before, media and entertainment companies must understand the trends. Equipped with the latest insight, they can improve content, sell targeted ads and get better results.

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Key insights

New record for total online video consumption

- Online video consumption across mobile devices (smartphones and tablets) is at an all-time high of 25%, with **57%** year-over-year share growth in the U.S. (Q1 2013 vs. Q1 2014).
- Q1 2014 set a new record with **35.6 billion** global online video starts, and a 43% year-over-year increase (Sample size: 1,300+ Adobe Marketing Cloud customers).
 - Gaming consoles and OTT devices continue to be the fastest growing devices for online video with a **123%** year-over-year increase (Jan 2013 vs. Jan 2014).
 - Smartphone online video starts grew: 48% year-over-year and 6% quarter-over-quarter.
 - Tablet online video starts grew: 16% year-over-year and 8% quarter-over-quarter.

TV Everywhere growth outpaces online video start growth

- TV Everywhere video consumption grew **246%** year-over-year across devices.
- TV Everywhere authenticated video from gaming consoles and OTT devices grew **539%** year-over-year.
- **21%** of Pay-TV household in the U.S. now access TV Everywhere content across devices and browsers, an increase of 31% over the last six months.

Key insights

More people watch more TV Everywhere content

- The number of unique TV Everywhere visitors per month increased by **157%** year-over-year across all access points (Q1 2013 vs. Q1 2014) quarter-over-quarter increase: 49% (Q4 2013 vs. Q1 2014).
- The number of TV Everywhere videos watched per visitor each month has increased year-over-year by **133%** across all device types.
 - iOS™ apps: 9.2 videos per month vs. 5.1 (Q1 2013 vs. Q1 2014).
 - Android™ apps: 9.6 vs. 3.9.
 - Gaming consoles and OTT: 7.2 vs. 2.1 (a **3.5x** increase).
 - Browsers: 5.5 vs. 2.4.

iOS apps surpass browsers as most popular access type for TV Everywhere

- iOS apps now lead as access types for TV Everywhere consumption with **43% market share** in Q1 (up from 41% in Q1 2013).
 - Browsers have fallen with 36% share (down from 47% in Q1 2013).
 - Android apps are in third place with 15% share (up from 11% in Q1 2013).
 - Gaming consoles and OTT devices have a 6% share (up from 1% in Q1 2013).
- Over **80%** of children's TV Everywhere content was viewed through iOS apps.
 - iOS apps were also the access type for over **50%** of broadcast channel authenticated videos.
 - Over **50%** of news authenticated videos were viewed on browsers.

ONLINE VIDEO CONSUMPTION

Online video start growth

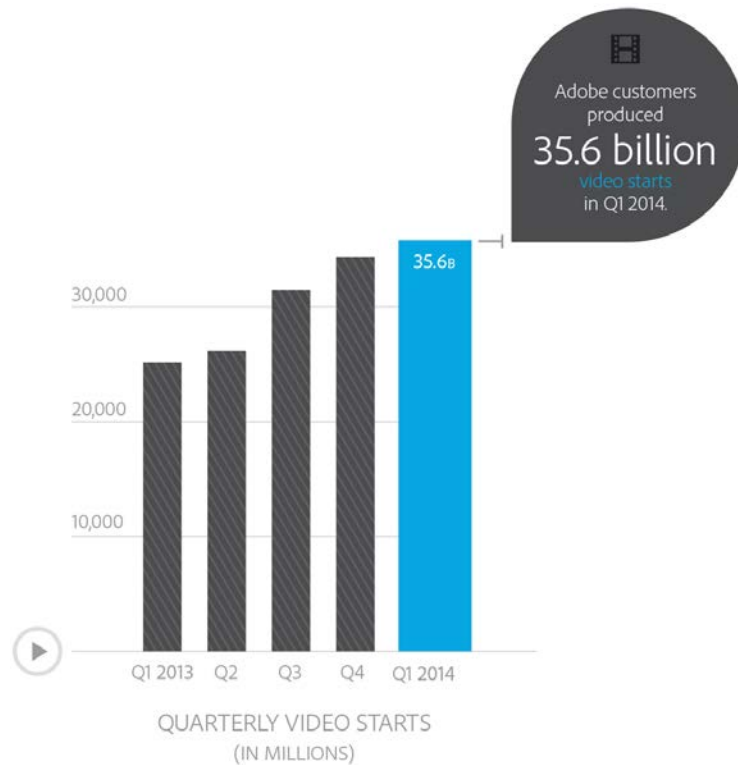
Online video starts continue to rise quarter after quarter.

The findings:

- Q1 2014 set a new record with 35.6 billion total online video starts.
- Total online video starts grew a staggering 43% year-over-year (Q1 2013 through Q1 2014).

The opportunity:

Online video is a part of our lives more today than it has ever been before. With consumers using video as a primary entertainment medium, marketers need creative solutions for integrating their content into more online videos.



Device share of video starts

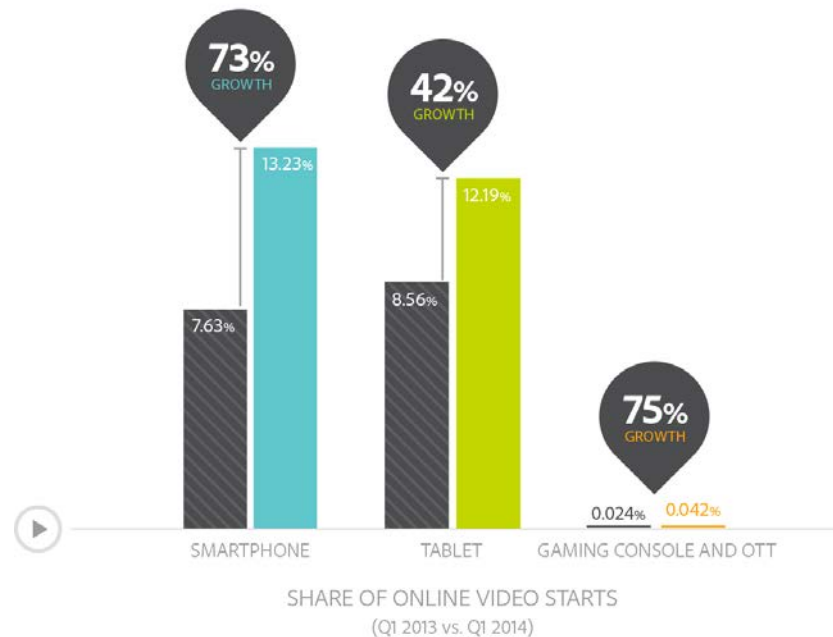
Market share of online video consumption continues to be carved out by mobile devices like smartphones and tablets, and it has now etched higher with over 25% of online video views on a mobile device, a market share increase of 57% year-over-year.

The findings:

- Smartphones are rapidly gaining popularity with 73% year-over-year growth.
- Tablets are also taking market share with 42% year-over-year growth.
- Gaming consoles realized the highest market share increase, growing 75% year-over-year.

The opportunity:

Mobile devices are becoming much more relevant in online video consumption. Marketers need to be prepared to offer an array of options that cater to multiple platforms.



ONLINE VIDEO CONSUMPTION

Video start growth by device

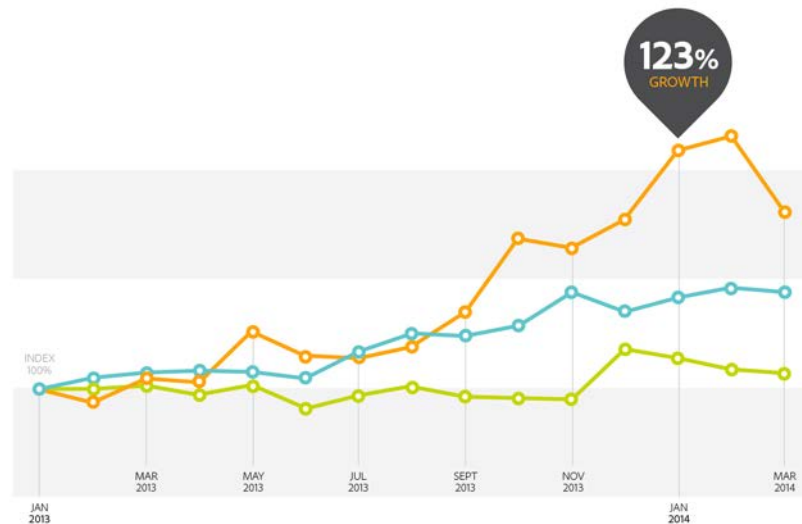
Gaming console video starts saw a huge jump in growth during the latter part of 2013 and exploded in Q1 2014 after the holiday season.

The findings:

- Gaming console video starts grew 123% year-over-year.
- Smartphones video starts increase during Q1 2014 with growth accelerating 6.4 quarter-over-quarter.
- Tablet video start growth was unable to keep up with smartphones, growing only 16% year-over-year.

The opportunity:

Although a very small segment of video starts comes from gaming consoles, their growth continues to outpace other devices. Marketers can get ahead of this trend by preparing now to provide content for these devices as they continue to become more and more relevant.



ONLINE VIDEO START GROWTH BY DEVICE
(Q1 2013 vs. Q1 2014)

SMARTPHONE GAMING CONSOLE AND OTT TABLET

TV EVERYWHERE

Authenticated video growth by share of access type

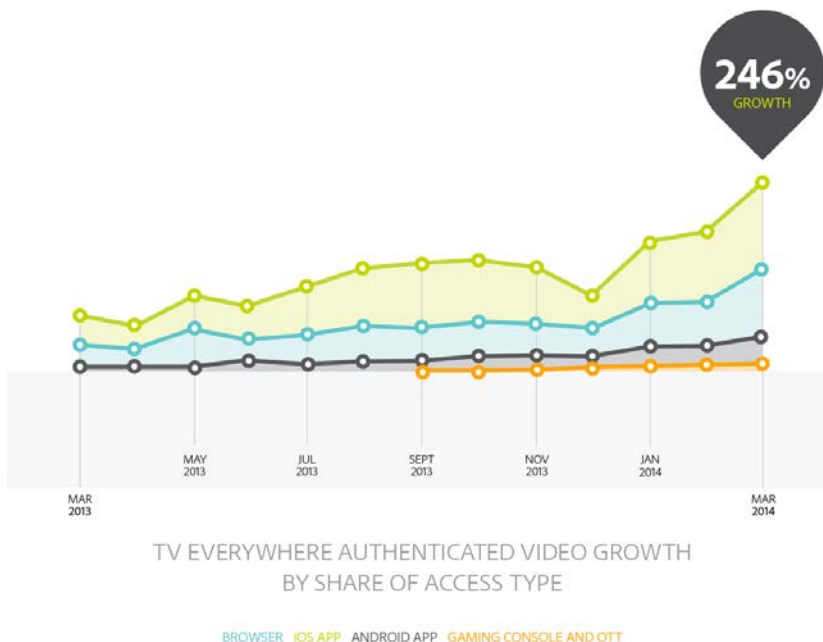
TV Everywhere realized a significant growth in authenticated video over the last year, with the Android app seeing the highest percentage of that growth.

The findings:

- The total amount of TV Everywhere authentications grew 246% year-over-year

The opportunity:

TV Everywhere continues to become a more and more relevant part in broadcast consumption. Advertisers need to shift their strategy and create more targeted ad campaigns that fit with this new medium of broadcast content.



Share of authenticated video by access type

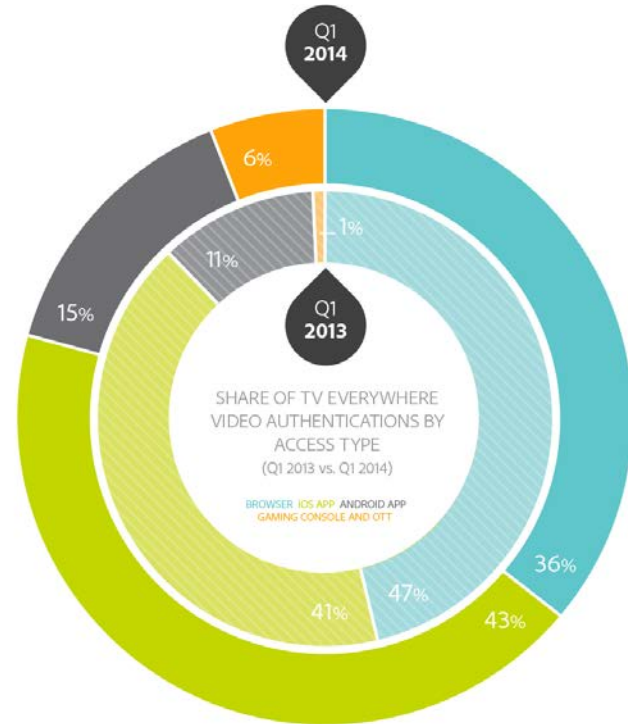
Gaming consoles, OTT devices, and Android apps gained a large portion of the total TV Everywhere authentication market share year-over-year.

The findings:

- iOS app market share grew 4% year-over-year.
- Gaming console and OTT access types had a huge 539% year-over-year gain in share of authenticated video.
- Android apps realized a 32% year-over-year gain in authenticated video share.

The opportunity:

People are turning away from browser-based access types to stream TV Everywhere and using a larger variety of mediums to consume TV Everywhere content.



TV EVERYWHERE

Access type growth

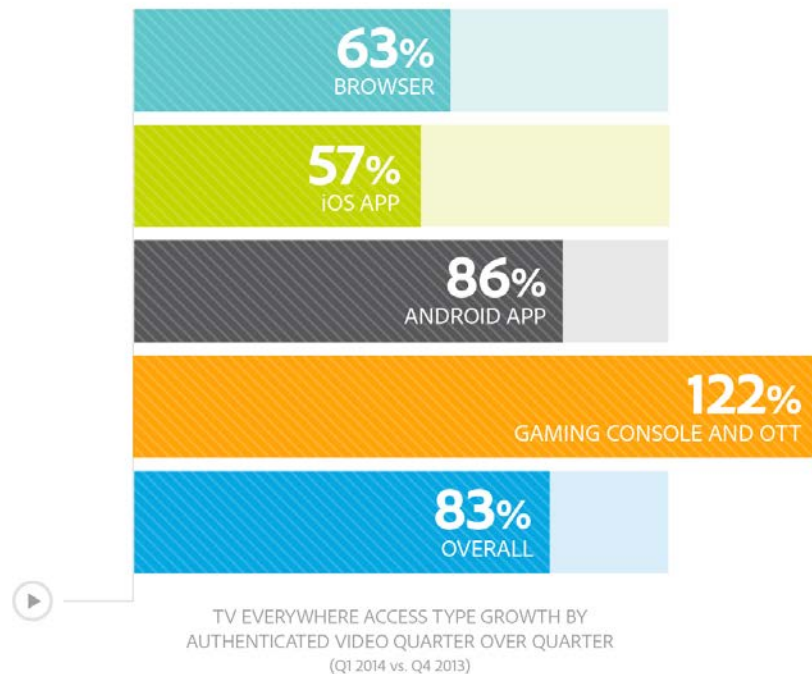
TV Everywhere authenticated video access type growth continues to accelerate especially during the most recent quarter.

The findings:

- Gaming console and OTT access type authenticated videos grew 122% quarter-over-quarter outpacing overall authenticated videos by 39%.
- Android apps grew 86% quarter-over-quarter outpacing iOS app growth by 51% and browser growth by 37%.

The opportunity:

Q1 2014 saw the largest quarter-over-quarter growth in TV Everywhere authenticated video starts. This was driven by a combination of special sporting events as well as an increased amount of non-sporting content available to consumers.



TV EVERYWHERE

Monthly unique visitor growth

New users, along with returning unique visitors are flocking to TV Everywhere each month for content consumption.

The findings:

- Monthly unique visitors have grown 157% year-over-year.
- Q1 2014 saw a surge in monthly unique viewership growing 49% quarter-over-quarter.



TV EVERYWHERE MONTHLY UNIQUE VISITOR GROWTH

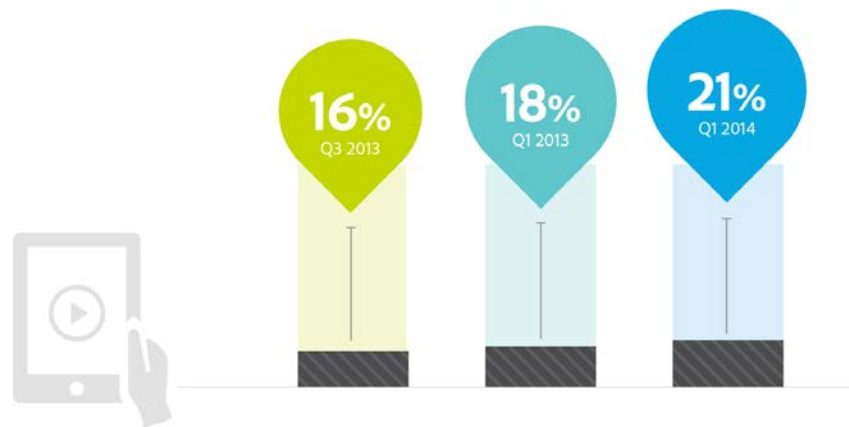
TV EVERYWHERE

Share of customers using TV Everywhere

A record amount of Pay-TV households in the U.S. now access TV Everywhere content across devices and browsers.

The findings:

- The share of Pay-TV subscribers who set up TV Everywhere accounts and authenticate has grown by 31% over the last six months.
- 21% of U.S. households who subscribe to Pay-TV accessed TV Everywhere content.



SHARE OF PAY-TV HOUSEHOLDS THAT ACCESS TV EVERYWHERE

TV EVERYWHERE

Video engagement by access type

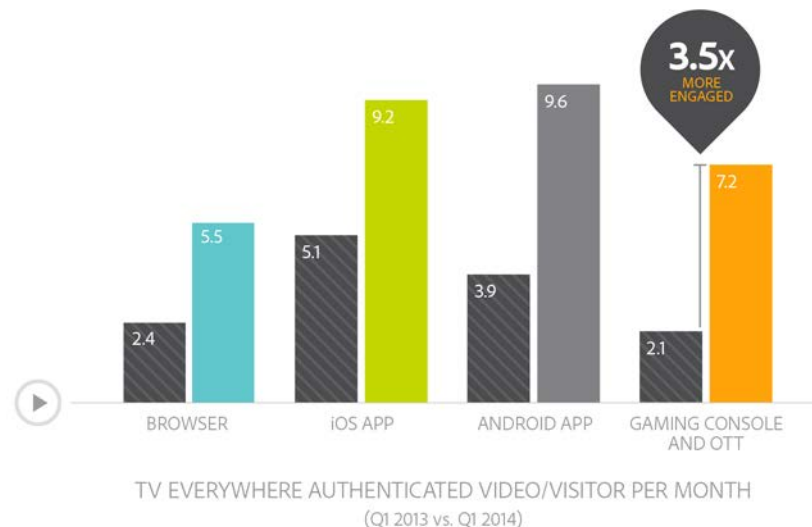
TV Everywhere consumers are becoming increasingly more engaged, especially on gaming consoles and OTT devices.

The findings:

- The average authenticated video per visitor has increased 133% year-over-year.
- Gaming console and OTT viewers are 3.5x more engaged now than they were a year ago.

The opportunity:

Advertisers need to provide a larger variety of content so that the “more engaged consumer” does not get bored with repetitive advertising. Producers need to be aware of the shift in the viewing habits of consumers. Viewer behavior is changing to a binge consumption approach, where users stream multiple episodes at once.



Methodology

This report is based on consumer video viewing in 2013 and 2014. It is comprised of the aggregated and anonymous data from media and entertainment sites gathered from Adobe Analytics and Adobe Primetime.

Sample information includes:

- 151 billion total online video starts
- 1.3 billion TV Everywhere authentications (Temp plays and authenticated plays)

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*Note: TV Everywhere data excludes NBC Olympics

Glossary

- Online video start: any browser-based, unauthenticated video start.
- Authenticated video: includes both temporary and actual authentications.
- Monthly unique visitor: total number of unique visitors for the month.
- Access type
 - Browser includes Chrome, IE, Firefox, and Safari on both PC and mobile devices.
 - iOS app is an app on any Apple mobile device.
 - Android app is a TV Everywhere app located on any Android mobile device.
 - Gaming console and OTT includes data from apps on Xbox, PS4, Apple TV, Roku, and other similar devices.
- TV Everywhere video engagement: authenticated video starts/monthly unique visitor.

Tables

Quarterly Video Starts

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
Total online video starts	24,881,120,533	25,932,174,336	31,051,488,539	33,967,911,006	35,630,944,683

Online Video Start Growth by Device

Device	1/1/2013	2/1/2013	3/1/2013	4/1/2013	5/1/2013	6/1/2013	7/1/2013	8/1/2013	9/1/2013	10/1/2013	11/1/2013	12/1/2013	1/1/2014	2/1/2014	3/1/2014
Gaming console and OTT	100.0%	93.8%	106.0%	104.3%	129.9%	116.7%	116.3%	121.9%	139.6%	177.3%	172.3%	187.3%	222.6%	230.3%	190.9%
Smartphone	100.0%	105.6%	107.9%	109.9%	109.0%	106.0%	119.3%	129.0%	127.7%	133.2%	149.9%	140.2%	147.6%	151.8%	149.7%
Tablet	100.0%	100.3%	102.1%	97.2%	101.7%	89.8%	96.9%	101.1%	96.2%	95.3%	94.9%	121.1%	116.4%	110.4%	108.3%

TV-E Authentications Growth by Access Type

Access type	3/1/2013	4/1/2013	5/1/2013	6/1/2013	7/1/2013	8/1/2013	9/1/2013	10/1/2013	11/1/2013	12/1/2013	1/1/2014	2/1/2014	3/1/2014
Browser	100%	76%	114%	96%	115%	140%	176%	159%	148%	124%	215%	155%	226%
iOS app	100%	96%	88%	102%	136%	155%	179%	139%	167%	118%	202%	186%	220%
Android app	100%	121%	149%	141%	170%	150%	194%	177%	162%	110%	137%	161%	303%

TV-E Access Type Authentications Growth (quarter-over-quarter for Q1 2014)

Access type	Average
Browser	63%
iOS app	57%
Android app	86%
Gaming console and OTT	122%
Overall	83%

TV-E Access Type Share of Authentication Growth

Access type	3/1/2013	4/1/2013	5/1/2013	6/1/2013	7/1/2013	8/1/2013	9/1/2013	10/1/2013	11/1/2013	12/1/2013	1/1/2014	2/1/2014	3/1/2014
Baseline Growth	100%	83%	140%	119%	151%	189%	197%	203%	192%	139%	237%	256%	346%
Ratio of Browser	41.200%	38.455%	48.215%	33.803%	35.810%	32.300%	30.861%	32.877%	31.332%	34.293%	31.788%	32.508%	34.637%
Ratio of iOS app	51.080%	52.211%	44.503%	50.193%	55.368%	57.060%	58.390%	53.141%	52.303%	43.934%	47.656%	48.929%	45.865%
Ratio of Android app	7.466%	8.666%	6.586%	15.452%	8.042%	9.615%	9.439%	11.946%	13.508%	15.012%	15.612%	12.942%	14.794%
Ratio of G. C. and OTT	0.255%	0.668%	0.696%	0.551%	0.781%	1.025%	1.310%	2.037%	2.857%	6.761%	4.944%	5.621%	4.703%

TV-E Access Type Share of Authentications

Access type	Q1 2013	Q1 2014
Browser	46.47%	36.27%
iOS app	41.41%	42.99%
Android app	11.18%	14.71%
Gaming console and OTT	0.94%	6.03%

TV-E Authentications/Unique Visitor

Access Type	Q1 2013	Q1 2014
Browser	2.4	5.5
iOS app	5.1	9.2
Android app	3.9	9.6
Gaming Console and OTT	2.1	7.2

Share of Online Video Starts

Device	Q1 2013	Q1 2014
Gaming Console and OTT	0.024%	0.042%
Smartphone	7.63%	13.23%
Tablet	8.56%	12.19%

Share of Pay-TV households using TV Everywhere

	Q3 2013	Q4 2013	Q1 2014
	16%	18%	21%

TV-E Monthly Unique Visitor Growth

3/1/2013	4/1/2013	5/1/2013	6/1/2013	7/1/2013	8/1/2013	9/1/2013	10/1/2013	11/1/2013	12/1/2013	1/1/2014	2/1/2014	3/1/2014
100%	83%	122%	98%	130%	165%	168%	152%	160%	148%	207%	200%	257%

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