As publishers and advertisers look to engage viewers, they need to be aware that online video (unauthenticated) and online TV (authenticated TV Everywhere) viewing behaviors are changing. With more access points, including mobile, Apple TV, and Xbox consoles, and an ever increasing supply of premium content, the number viewers of free online videos and online TV is reaching new record levels every quarter. Advertisers are also seeing much more value in digital audiences, which are also easier to quantify and target than with traditional broadcasting, and are finally able to reach mass scale via digital video marketing. With this shift in viewing habits, advertisers must adopt strategies to incorporate digital viewing.
Key insights

New record for total online video consumption

• **38.2 billion**—Online video (free access) achieves a record number of videos watched, up **43%** year-over-year (YOY) to 38.2 billion.

• **Smartphones overtake tablets**—Device preference swings back toward smartphones, with share of access via phones up **59%**. (Q2 ’13 versus Q2 ’14)

• **25.8% ad growth**—Ad growth follows as viewers now watch more than two ads per video start, a 25.8% growth YOY. (Q2 ’13 through Q2 ’14)

Online TV growth accelerates in 2014

• **388% YOY growth** for online TV video consumption.

• **85% unique visitor growth**—2014 has seen a surge in monthly unique viewership growing **85%** over the past six months, up **146%** YOY.
People are frequenting online TV more than ever before

- Frequency of authenticated video started on movie channel networks increased 125% YOY.
- Broadcast and cable networks realized a viewing frequency increase of 80.6% YOY.
- Number of online TV videos watched per visitor each month has increased YOY by 54.8% across all device types.

Android apps surpass desktop browsers for share of video authentications

- A 28% YOY gain in share of authenticated video starts accounting for 20% of video authentications.

Gaming consoles and OTT devices are becoming the new desktop in the online TV space

- In the realm of online TV, gaming consoles and over-the-top (OTT) devices are becoming a relevant medium for content consumption, with a share growth of 194%.
ONLINE VIDEO

Online video start growth

Online video starts continue to rise every quarter.

The findings:
• Q2 2014 set a new record for total online video starts of 38.2 billion.
• Total online video starts grew a staggering 47.3% YOY (Q2 ‘13–Q2 ‘14), a 9.4% quarterly acceleration in growth.
• Quarter-over-quarter growth in online video starts was 7.2%, up 46.9% from last quarter.

The opportunity:
Online video has become part of our lives as a primary entertainment medium. Producers, developers, and marketers need creative solutions for integrating their content into online videos.
ONLINE VIDEO

Device share of video starts

Market share of online video consumption continues to be carved out by mobile devices like smartphones and tablets and has now jumped higher with over 26% of online video views on a mobile device, a market share increase of 57% YOY.

The findings:
• Smartphone online video viewing has surpassed tablet video viewing.
• Video viewing on smartphones continues to gain popularity, with 59% YOY share growth.
• Tablet share growth is slowing down; it’s up only 29% YOY, compared to 42% in the previous quarter.
• Gaming consoles and OTT devices realized the highest market share growth, increasing 127% YOY.

The opportunity:
Mobile devices are becoming much more relevant in online video consumption. Developers need to be prepared to offer an array of options that cater to multiple platforms and an increasing buffet of screen sizes.
Online Video

Ad starts per video start

When coupled with the growth of video viewing, online video advertisement viewing is accelerating at a remarkable rate.

The findings:

• Viewers watched 2.08 ads per video start in Q2 2014; up 25.8% year-over-year (Q2 ’13–Q2 ’14).
• In Q2 2014, the ratio of ad starts per video start was 66.0% higher in sports content vs. non sports content.

The opportunity:

With ad views on the rise, content publishers need a way to ensure proper tracking and cataloging of ads to help develop an effective strategy around ad placement, as well improve how ad engagement is measured. Additionally, marketers need to be aware of opportunities surrounding different types of content. Knowing which type of media outperforms other types can help in reaching larger audiences.
ONLINE VIDEO

Video completion rates by device

Online video viewing behavior differs between device types. Online video completion rates on mobile devices (smartphones and tablets) lag behind completion rates on desktops, gaming consoles, and OTT devices.

The findings:
• A video that reaches 25% completion on a desktop was three times more likely to reach 75% completion compared to a mobile device.
• Only 16.6% of videos viewed on a mobile device reach 75% completion.

The opportunity:
Knowing when you are losing the attention of your audience can help developers, producers, and marketers execute a strategy that optimizes engagement across different platforms.

ADOBE DIGITAL INDEX | U.S. Digital Video Benchmark Q2 2014
Online TV gains traction in the home, shifting from the computer room to the living room via gaming consoles and OTT devices.

The findings:
- Browser-based access market share shrank 41% YOY.
- Gaming console and OTT access types had a 194% YOY gain in share of authenticated video starts.
- Android apps realized a 28% YOY gain in authenticated video starts.

The opportunity:
People are turning away from browser-based access types to stream online TV and instead using a variety of mediums to consume online TV content.
ONLINE TV

Online TV growth by share of access type

Online TV realized significant growth in authenticated video starts over the past year, with Android apps seeing a huge acceleration of growth in the most recent quarter.

The findings:

• The total amount of online TV authenticated videos grew 388% YOY.
• Peak viewing occurred in months that had a major sporting event, such as the Olympics, March Madness, and the World Cup.

The opportunity:

Online TV continues to become a 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.
ONLINE TV

Monthly unique visitor growth

Online TV continues to rapidly attract new users.

The findings:
• Monthly unique visitors are flocking to online TV for content consumption, growing 146% YOY.
• 2014 has seen a surge in monthly unique viewership, growing 85% over the past six months.

The opportunity:
Months that are not sports heavy slow down in video authentications, however viewers still stick around to watch other segments of content.
ONLINE TV

Video viewing frequency growth by access type

Online TV consumers are viewing content at an ever-increasing frequency.

The findings:

• The average authenticated video per visitor has increased 54.8% YOY.

• Android app access type viewers are frequenting online TV content 58.5% more than they were a year ago.

The opportunity:

Producers need to be aware of the shift in consumer viewing habits. Viewer behavior is changing from casual viewing to binge consumption, streaming multiple episodes in one session.
ONLINE TV

Video viewing frequency by genre

Not all content is created equal. Different genres of content exhibit different levels of viewing frequency, among other things.

The findings:

- Broadcast and cable networks realized a viewing frequency increase of 80.6% YOY.
- Viewing frequency on sports networks increased 31.3% YOY.
ONLINE TV

Movie network channel viewing frequency growth

Premium movie content is rising in the number of authenticated videos being watched.

The findings:
• Movie network channel viewing frequency realized a 125% increase YOY.

The opportunity:
As viewers look for more diverse content to stream, they appear to be turning to and engaging more with movie channels. Producers need to seize the opportunity and provide more content to keep viewers engaged.
Methodology

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

Sample information includes:

- 165 billion total online video starts
- 1.53 billion online TV authentications
- 235 different sites and apps in the United States and Canada acting as access points for online TV
- 1,300+ Adobe Marketing Cloud customers

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Ask a question or make a suggestion: digindex@adobe.com

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Glossary

• Online video start—Any browser-based, unauthenticated video start.
• Authenticated video—Includes both temporary and actual video authentications.
• Monthly unique visitors—Total number of unique visitors for the month.
• Access type
  – Browser includes Chrome, IE, Firefox, and Safari on both desktops and mobile devices.
  – iOS app is an app on any Apple mobile device.
  – Android app is an app located on any Android mobile device.
  – Gaming console and OTT includes data from apps on Xbox, PS4, Apple TV, Roku, Chromecast, Amazon Prime, and other similar devices.

• Online TV video viewing frequency—Authenticated video starts per monthly unique visitor.
• Online video—Any video on the Internet that doesn't require authentication from a paid subscription to a cable or satellite provider.
• Online TV—Any video viewed through a browser or an app that requires authentication from a paid subscription to a cable or satellite provider.
### Online Video Completion Rate by Device Type

<table>
<thead>
<tr>
<th>Device type</th>
<th>Video Start</th>
<th>25% Complete</th>
<th>50% Complete</th>
<th>75% Complete</th>
<th>100% Complete</th>
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</thead>
<tbody>
<tr>
<td>Desktop</td>
<td>100%</td>
<td>63%</td>
<td>53%</td>
<td>51%</td>
<td>20%</td>
</tr>
<tr>
<td>Gaming console or OTT</td>
<td>100%</td>
<td>61%</td>
<td>48%</td>
<td>34%</td>
<td>23%</td>
</tr>
<tr>
<td>Smartphone</td>
<td>100%</td>
<td>50%</td>
<td>42%</td>
<td>16%</td>
<td>10%</td>
</tr>
<tr>
<td>Tablet</td>
<td>100%</td>
<td>52%</td>
<td>45%</td>
<td>17%</td>
<td>12%</td>
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</table>

### Quarterly Online Video Starts

<table>
<thead>
<tr>
<th></th>
<th>Q4 2012</th>
<th>Q1 2013</th>
<th>Q2 2013</th>
<th>Q3 2013</th>
<th>Q4 2013</th>
<th>Q1 2014</th>
<th>Q2 2014</th>
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</thead>
<tbody>
<tr>
<td>Quarterly video starts</td>
<td>17,727.2</td>
<td>24,881.2</td>
<td>25,932.2</td>
<td>31,051.6</td>
<td>33,968.2</td>
<td>35,629</td>
<td>38,187.5</td>
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</table>

### Online Ad Starts per Video Starts

<table>
<thead>
<tr>
<th></th>
<th>Q2 2013</th>
<th>Q3 2013</th>
<th>Q4 2013</th>
<th>Q1 2014</th>
<th>Q2 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad starts per video start</td>
<td>1.65</td>
<td>1.88</td>
<td>1.76</td>
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### Share of Online Video Starts

<table>
<thead>
<tr>
<th>Device</th>
<th>Q2 2013</th>
<th>Q2 2014</th>
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<tbody>
<tr>
<td>Tablet</td>
<td>10.1%</td>
<td>13%</td>
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<tr>
<td>Smartphone</td>
<td>8.5%</td>
<td>13.6%</td>
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### Online Video Authenticated Video Growth

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<tbody>
<tr>
<td>100%</td>
<td>108%</td>
<td>128%</td>
<td>160%</td>
<td>148%</td>
<td>156%</td>
<td>150%</td>
<td>232%</td>
<td>260%</td>
<td>339%</td>
<td>235%</td>
<td>292%</td>
<td>488%</td>
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### Online TV Monthly Unique Visitor Growth

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<tr>
<td>100%</td>
<td>113%</td>
<td>139%</td>
<td>147%</td>
<td>136%</td>
<td>144%</td>
<td>133%</td>
<td>172%</td>
<td>176%</td>
<td>209%</td>
<td>208%</td>
<td>218%</td>
<td>246%</td>
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### Online TV Monthly Viewing Frequency by Movie Channel Networks

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<tbody>
<tr>
<td>21</td>
<td>19</td>
<td>2</td>
<td>2.5</td>
<td>3.1</td>
<td>2.2</td>
<td>2.1</td>
<td>2.6</td>
<td>2.8</td>
<td>2.5</td>
<td>2.9</td>
<td>3.4</td>
<td>3.2</td>
<td>4.9</td>
<td>4.5</td>
<td></td>
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