



The State of Online Video

Dan Piech




OMMA VIDEO - January, 2010



89 MILLION PEOPLE
**IN THE UNITED STATES
ARE GOING TO WATCH**



89 MILLION PEOPLE
1.2 BILLION VIDEOS
IN THE UNITED STATES
ARE GOING TO WATCH



89 MILLION PEOPLE
1.2 BILLION VIDEOS
TODAY
**IN THE UNITED STATES
ARE GOING TO WATCH**

2006



`<embed src="video.swf">`



2006

\$324 MILLION (ad spend)

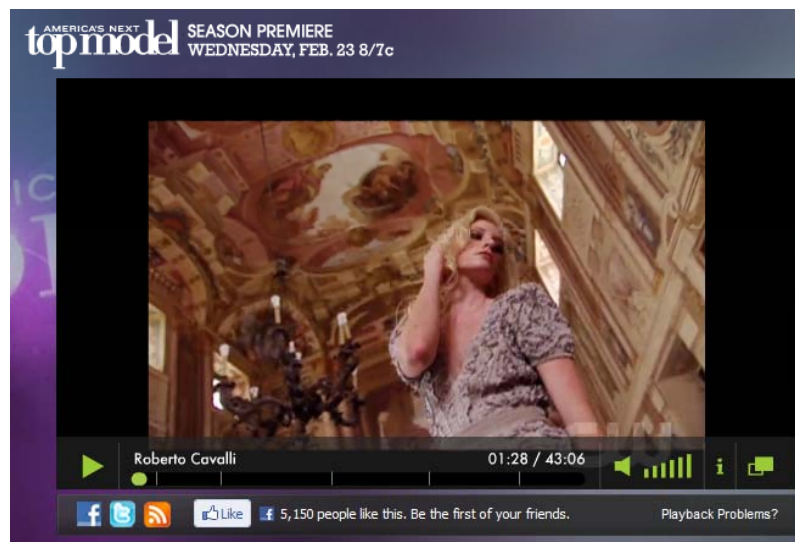
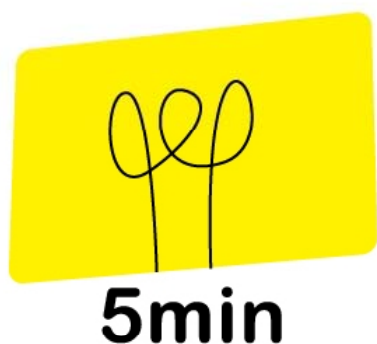
63 BILLION VIDEOS

¢0.7 PER VIDEO

2010

VEVOSM

Justin.tv



<video>

2010

\$1,440 MILLION (ad spend)

441 BILLION VIDEOS

¢0.4 PER VIDEO



2006 – 2010



2006 – 2010

\$ Ad Spend: +344%



2006 – 2010

\$ Ad Spend: +344%

Videos: +600%

AGENDA



THE STATE OF ONLINE VIDEO



THE FUTURE OF VIDEO MONETIZATION



WHY VIDEO?



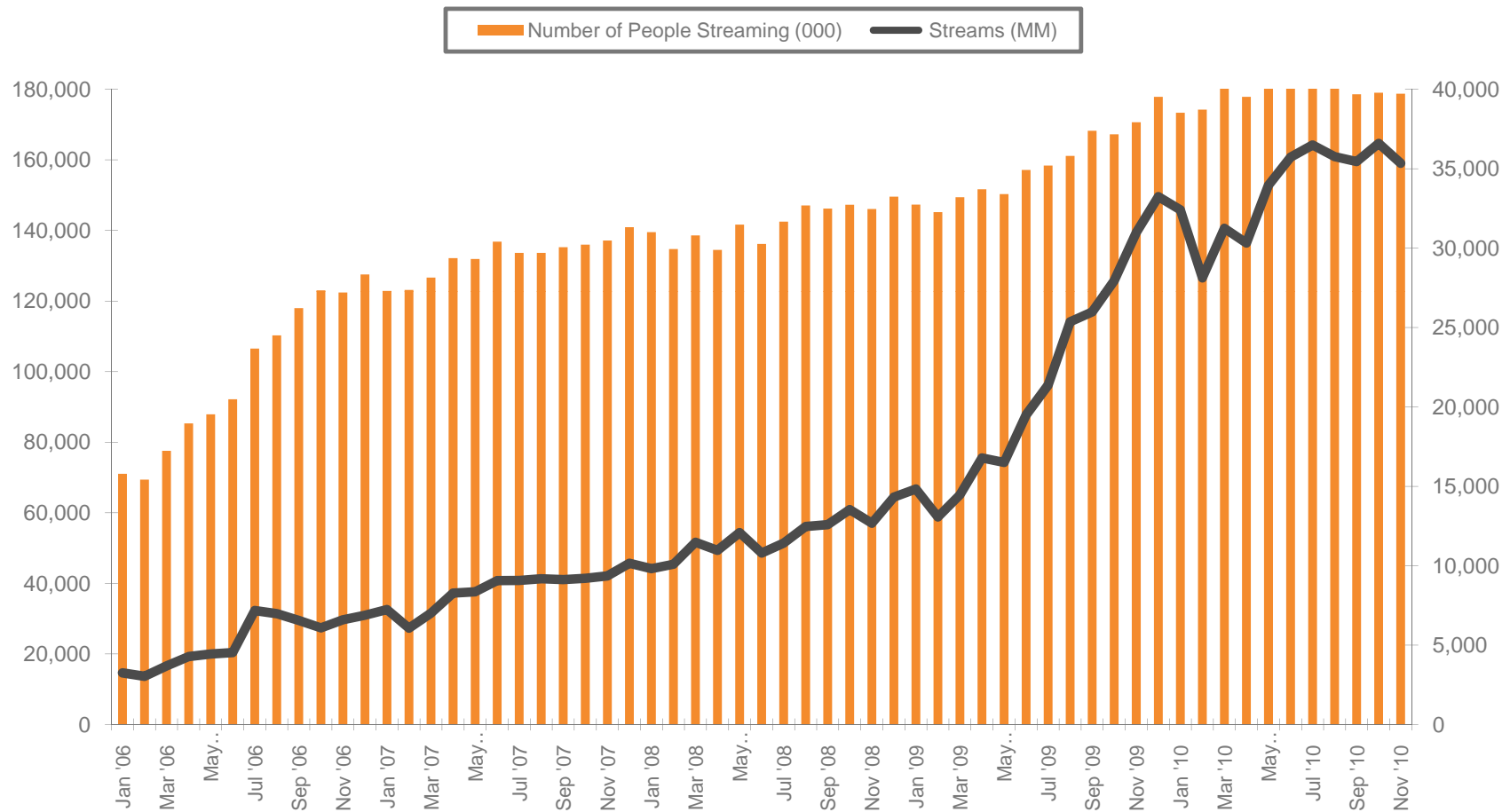
THE STATE OF ONLINE VIDEO

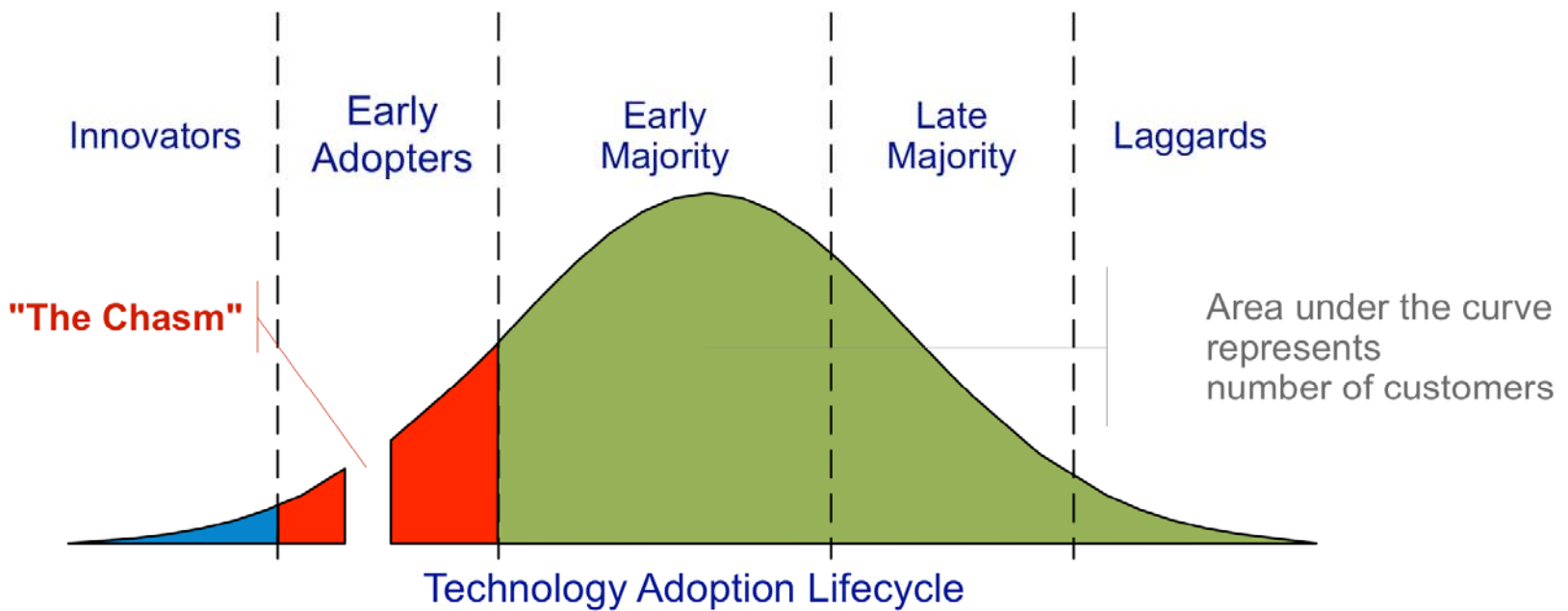
Ubiquity

The rise of long-form

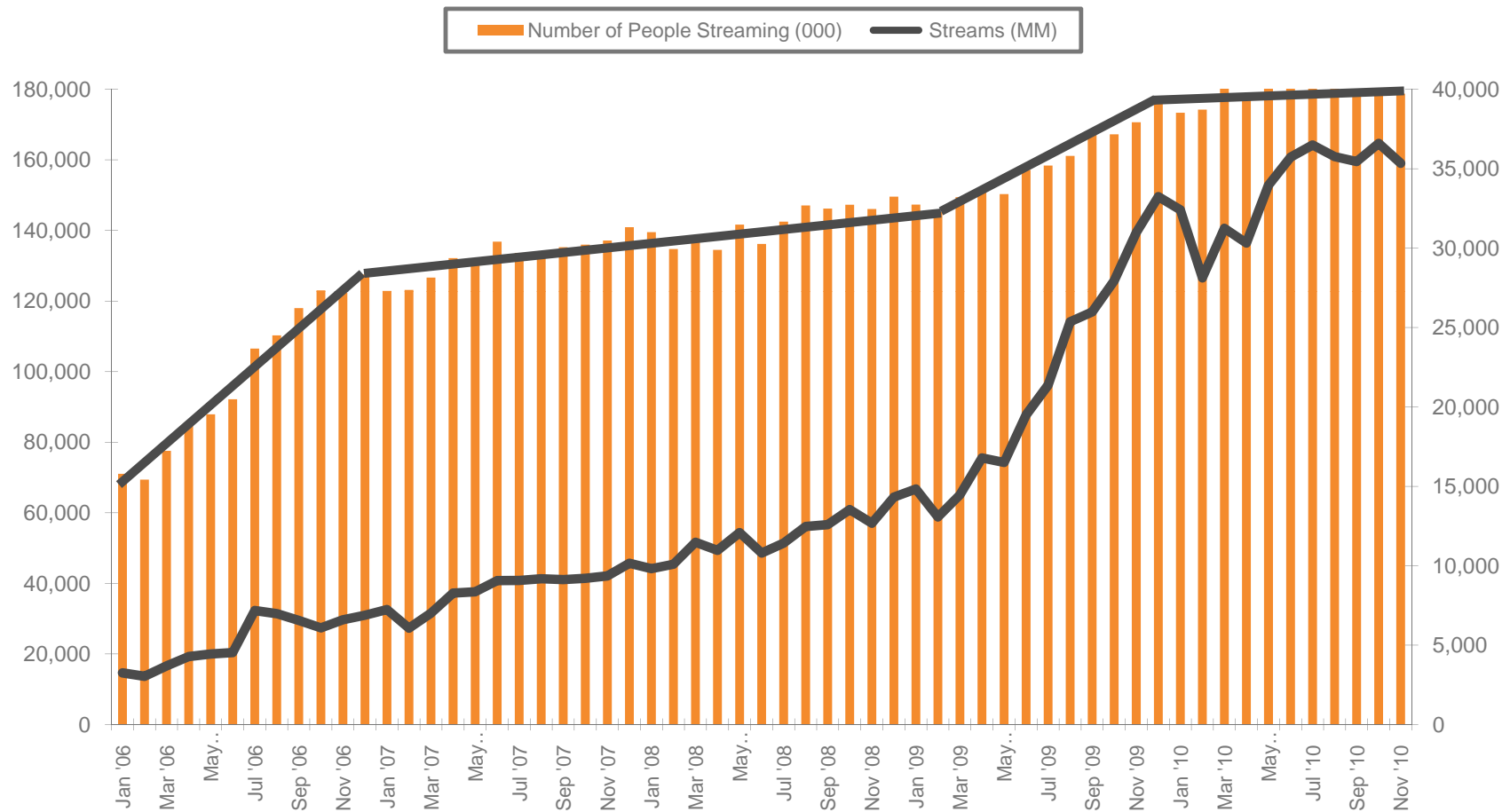
Video advertising

The growth of the online video universe





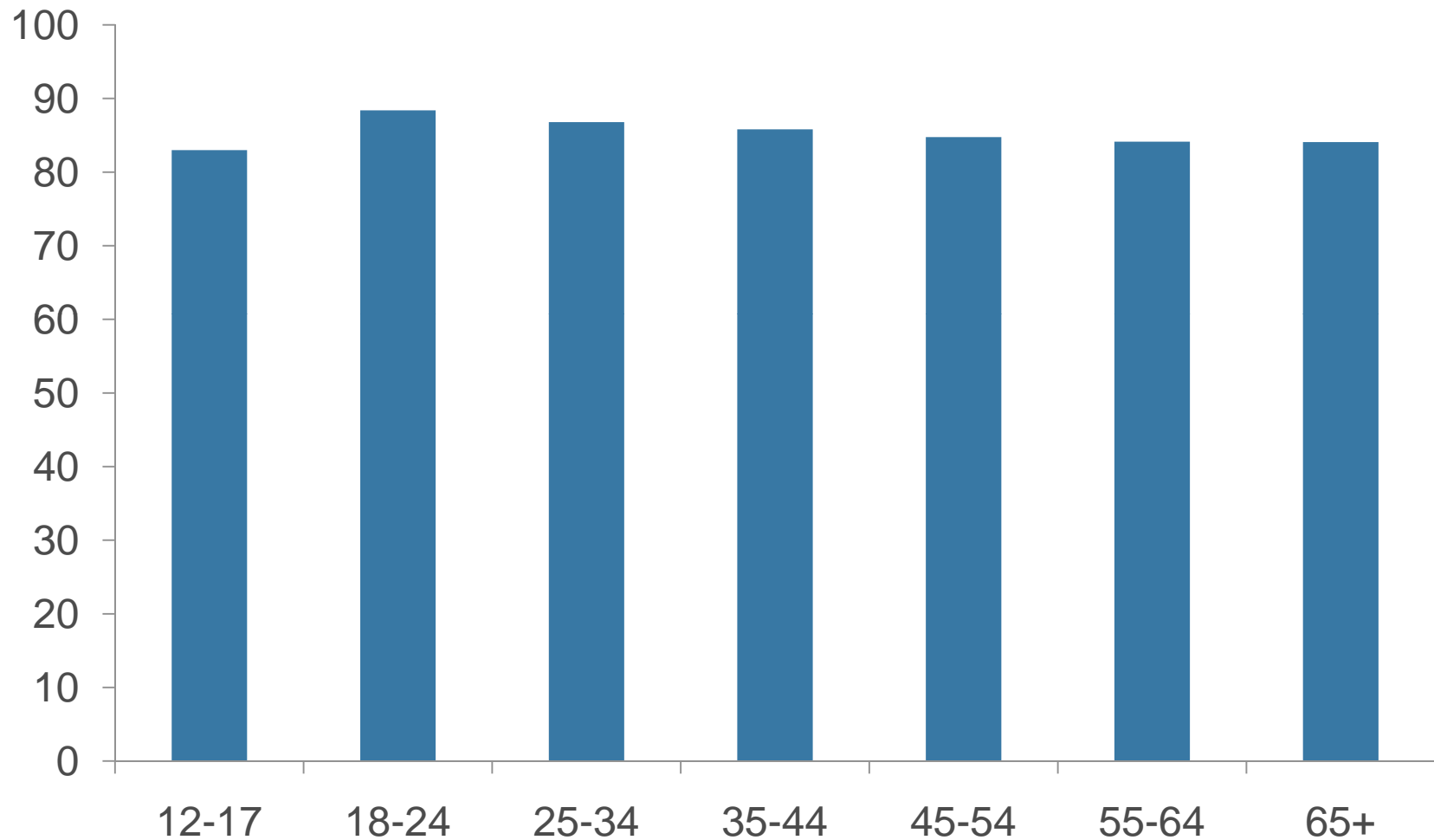
The growth of the online video universe



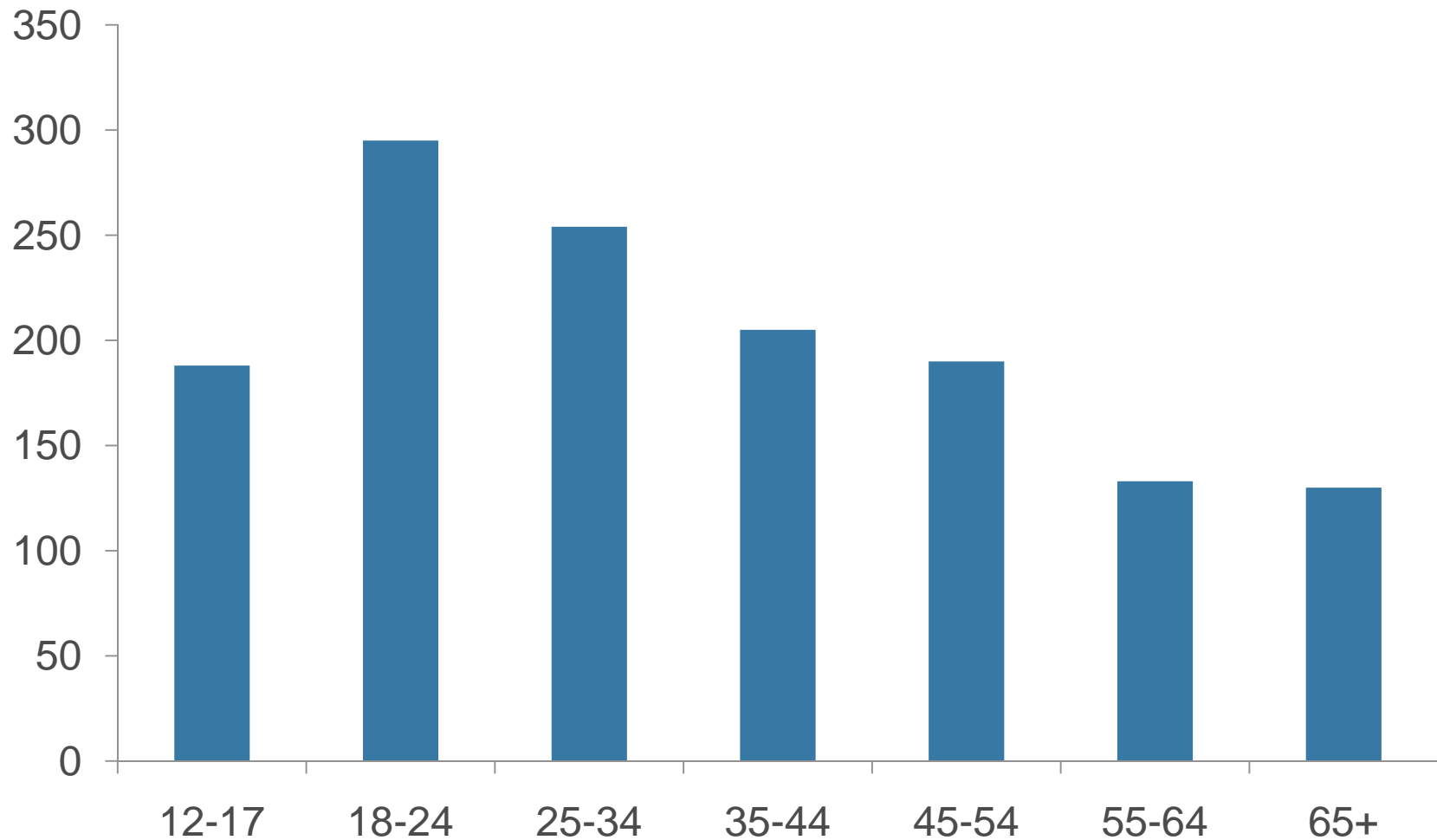
Every month:

NUMBER OF VIEWERS	180MM
% OF INTERNET AUDIENCE	85%
VIDEOS VIEWED	36B
VIDEOS PER PERSON	200
VIEWING TIME PER PERSON	13 hr

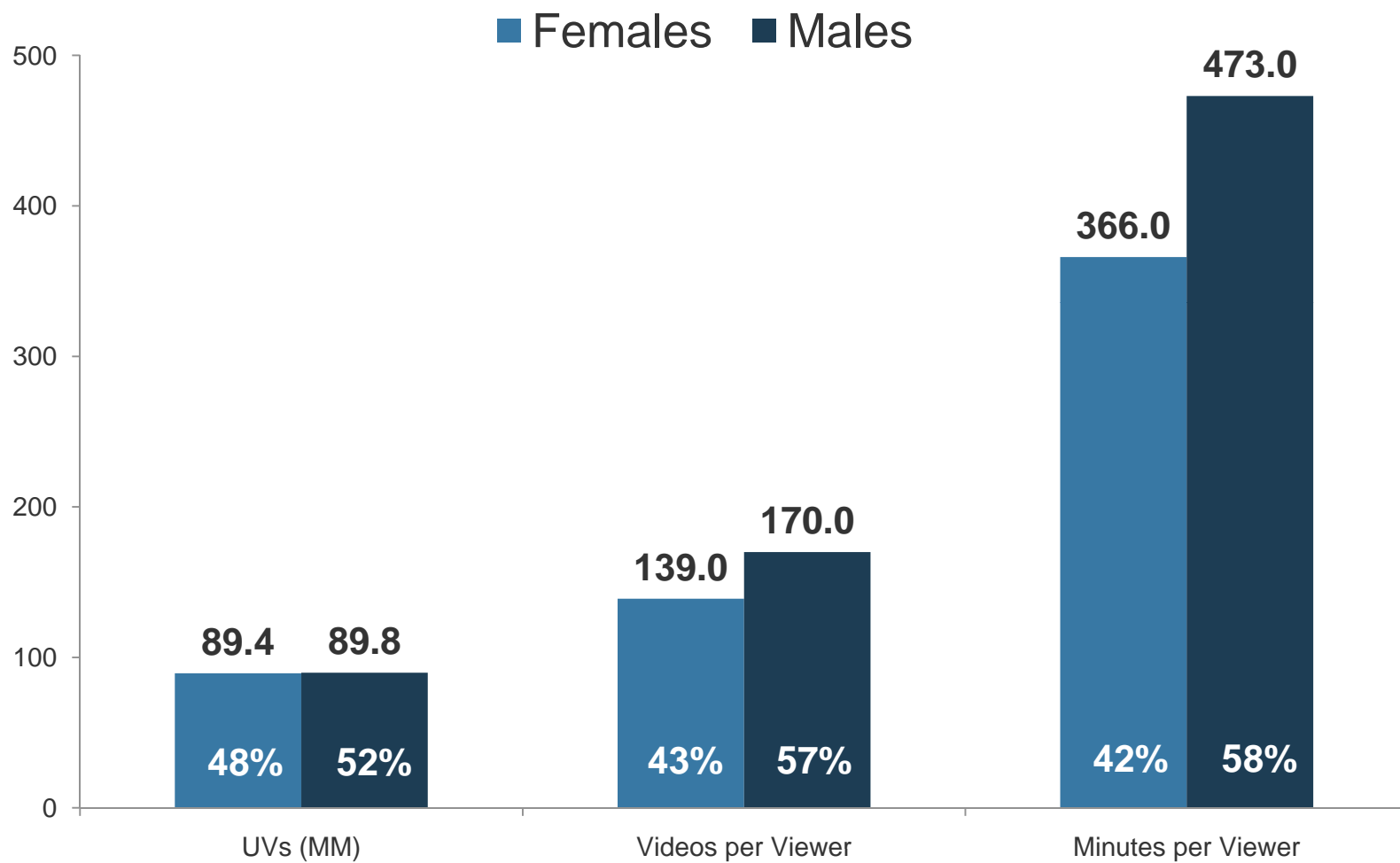
Age breakdown: Percent of Internet audience that view video



Age breakdown: Videos per viewer



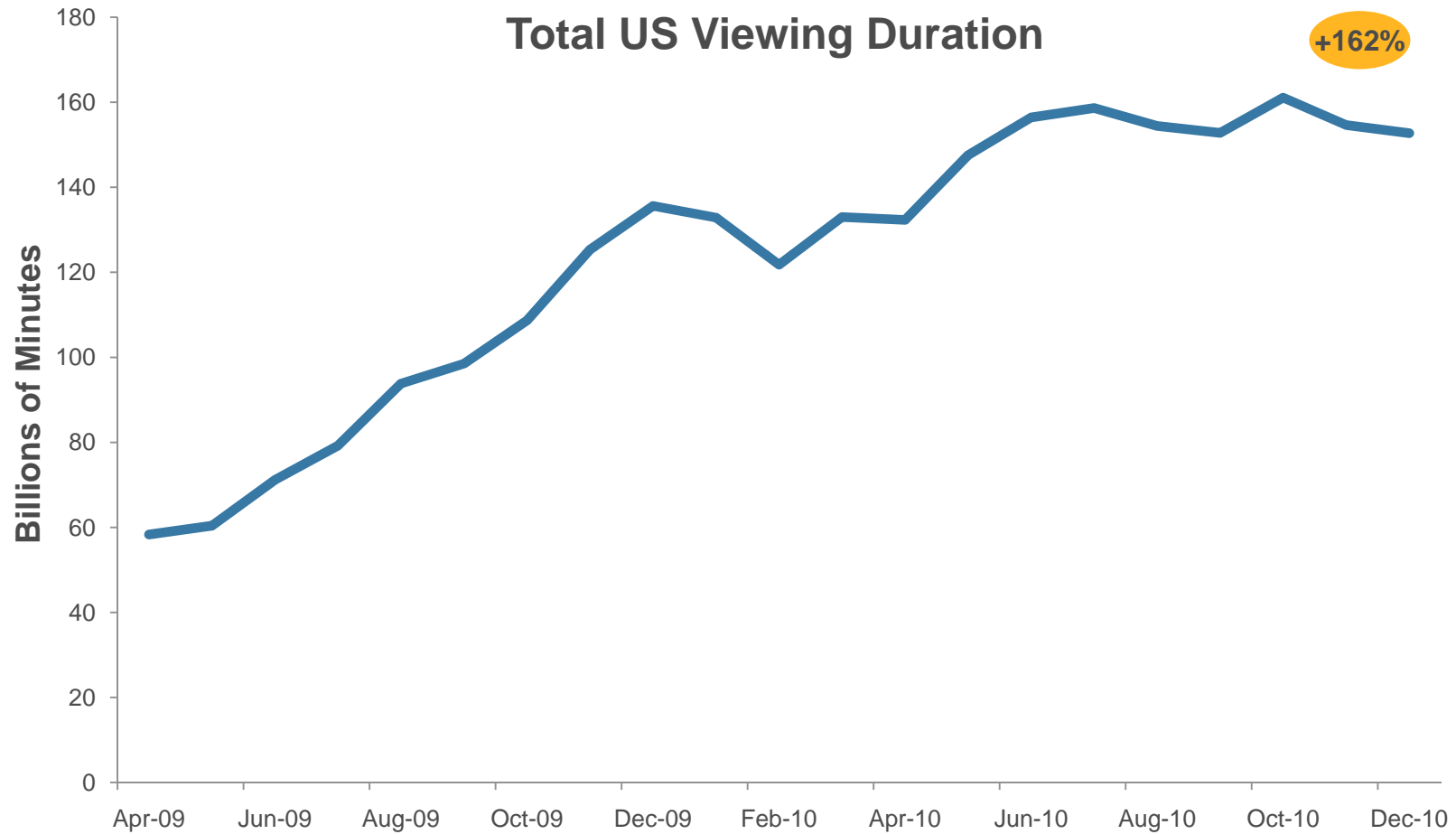
Viewing by gender (Top 100 Video Properties)



Where are viewers watching content videos?

Web Property	Total Unique Viewers (000) (of content videos)
Google Sites	145,829
Yahoo! Sites	61,803
VEVO	50,320
AOL, Inc.	47,687
Viacom Digital	47,282
Facebook.com	42,500
Microsoft Sites	35,348
Fox Interactive Media	31,552
NBC Universal	29,192
Turner Digital	27,714

Duration moves upwards as long-form TV content moves online



Growth in long-form TV programming online

- Yearly growth in videos viewed on long-form TV programming sites

Videos Viewed



104%
increase

Videos per Viewer

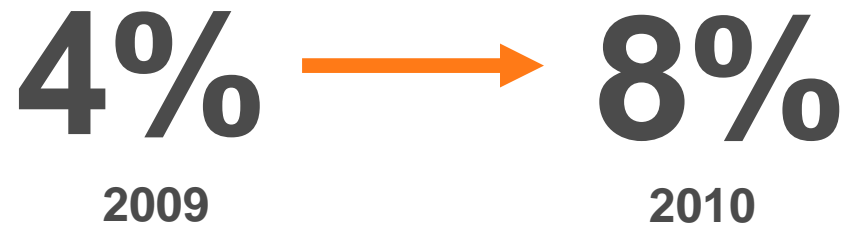


75%
increase

Growth in long-form TV viewing repeat engagement

**Average percent of a site's viewers that
view videos on any given day**

(long-form sites only)



Ad impressions per month

5.9 Billion video ad impressions per month

2.4 Billion video ad minutes per month

148 Million viewers exposed to video ads

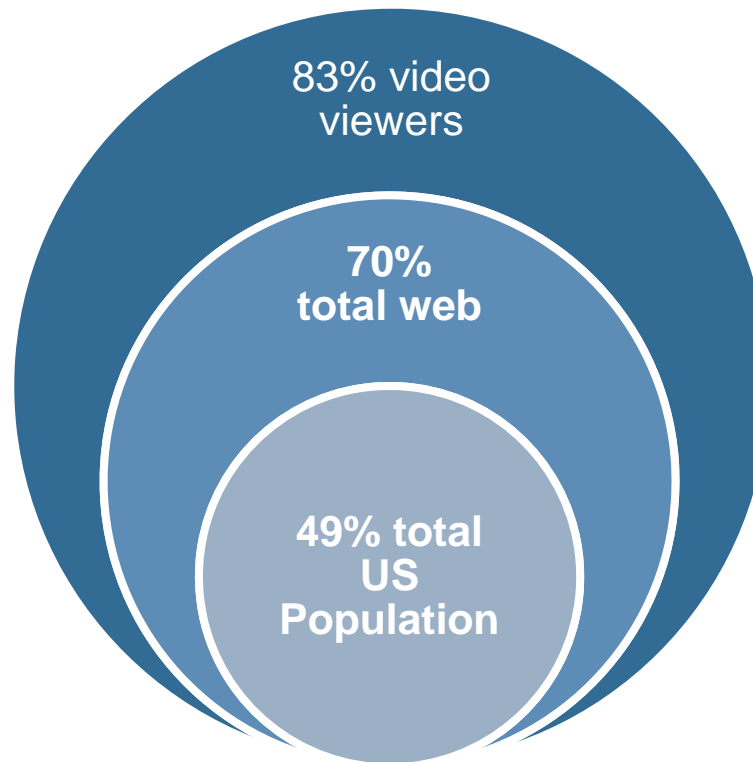
Ad Impressions per month – 6 month variances

36% Growth
video ad impressions per month

30% Growth
video ad minutes per month

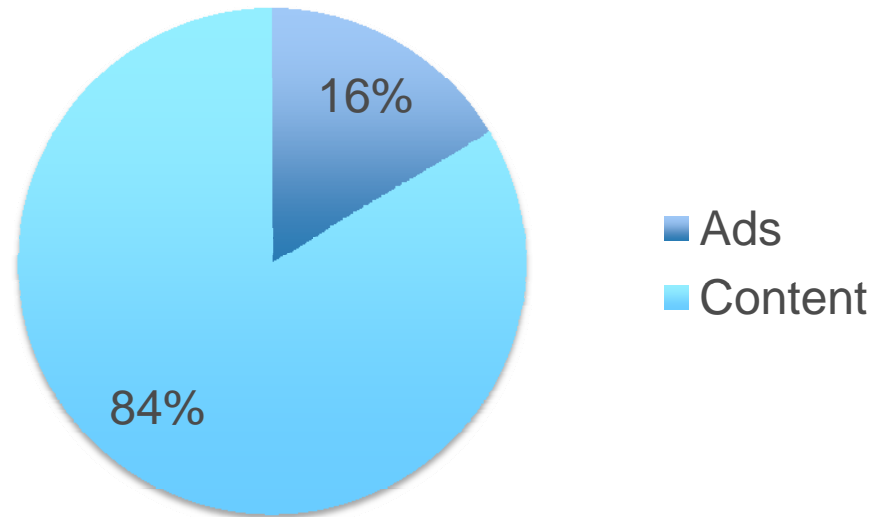
8% Growth
viewers exposed to video ads

Video advertising reach



Linear video ads are served across the web in a month reach the average video viewer 40 times

Ad Percentage



16.4% of videos viewed are ads



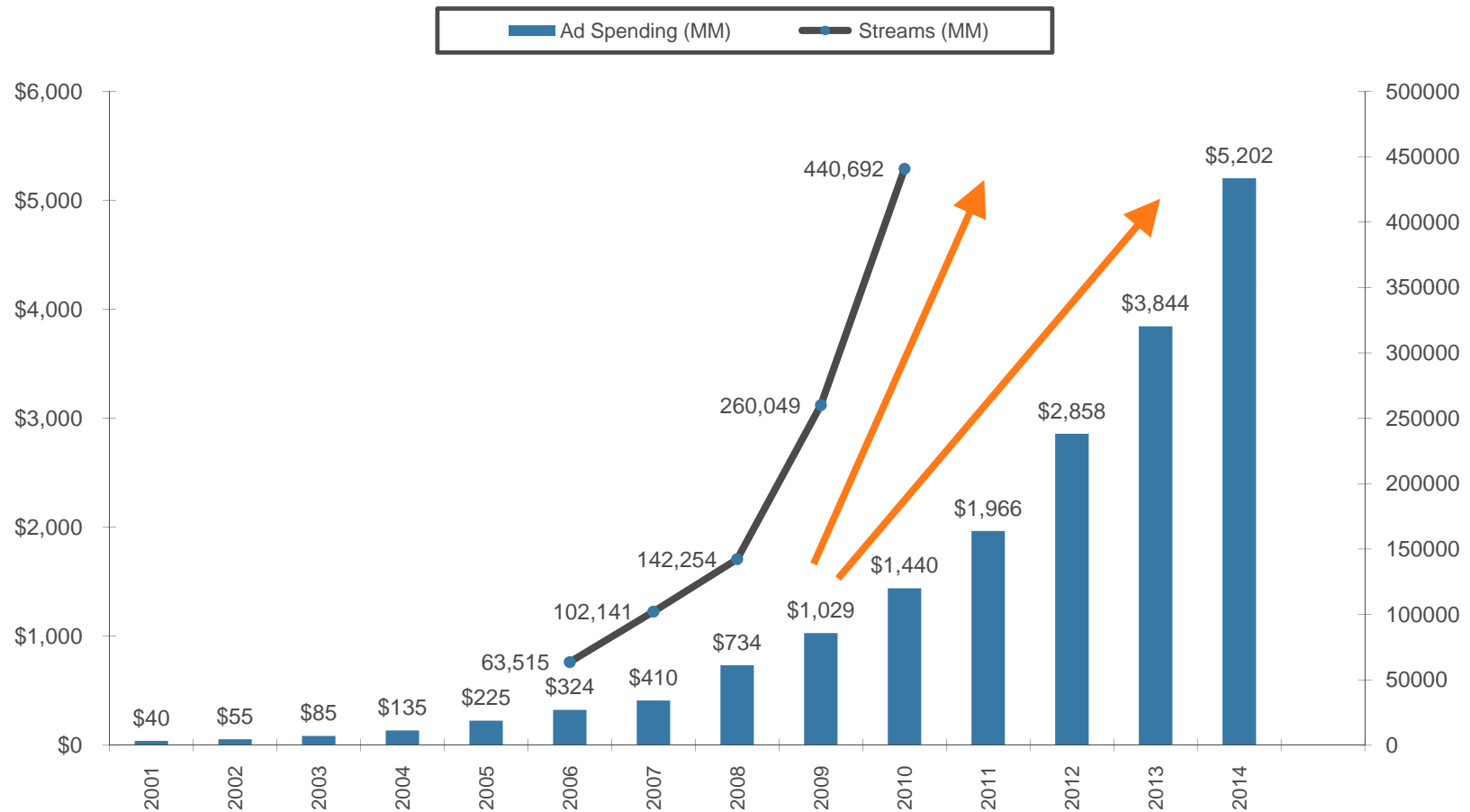
THE FUTURE OF VIDEO MONETIZATION

Are we monetizing to the degree we could be?

Comparison to television

Viewer expectations are being molded as we speak

Online video viewing growth is outpacing ad spending growth

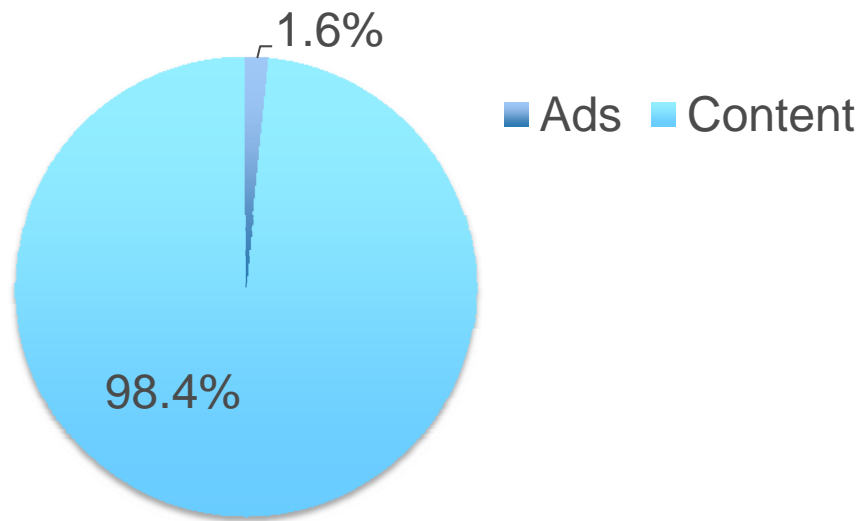




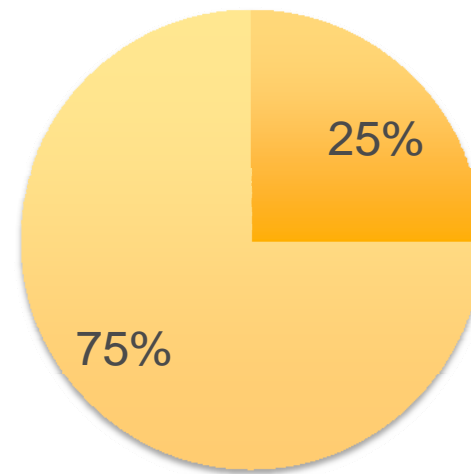
Not enough ads?

Ads too cheap?

All Online Video

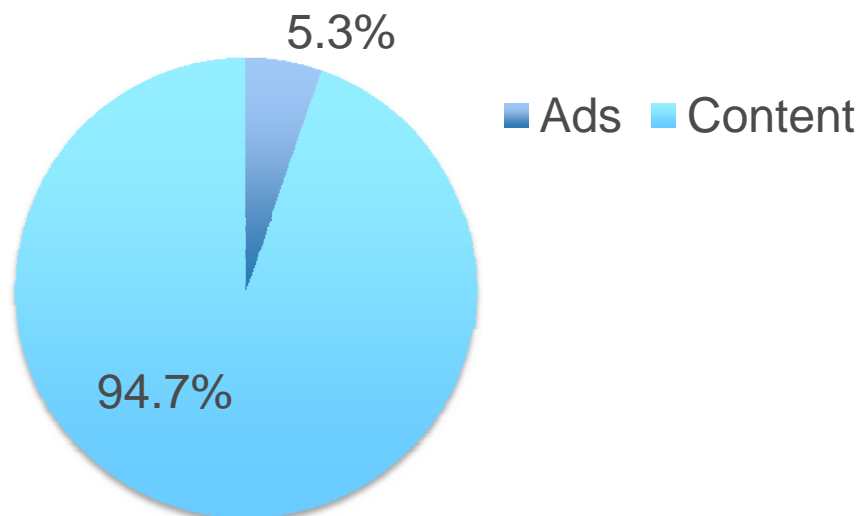


Television

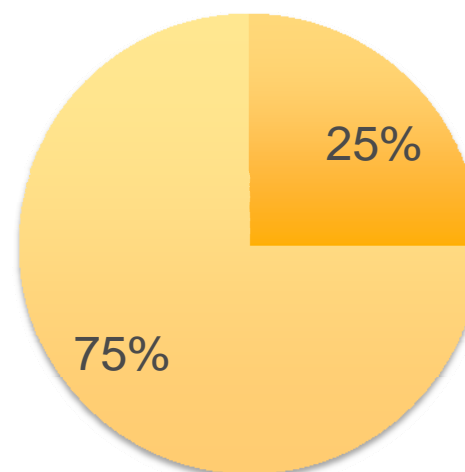


1.6% of time spent viewing video online is spent viewing ads compared to 20-30% on TV

Entertainment Sites

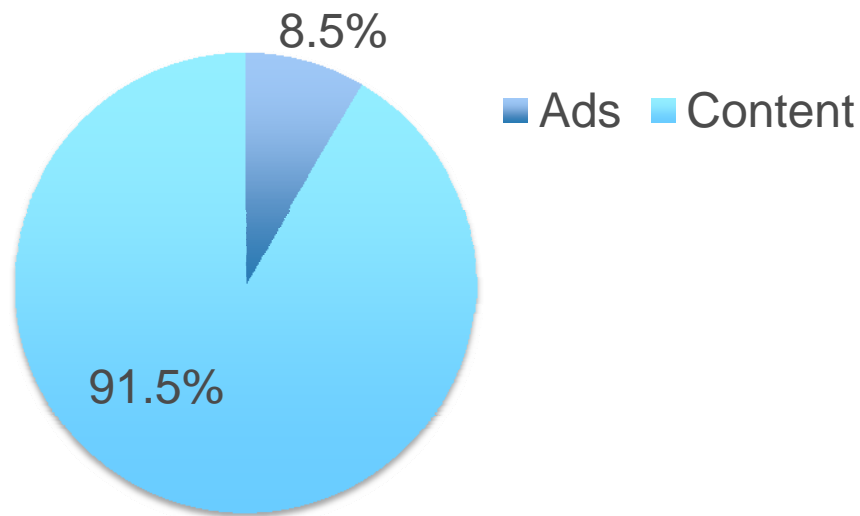


Television

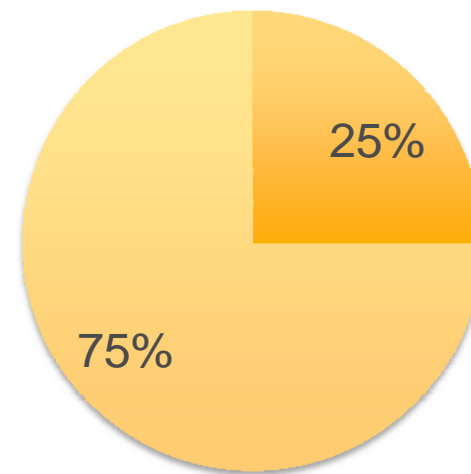


5.3% of time spent viewing video online on entertainment sites is spent viewing ads compared to 20-30% on TV

Long-Form Premium TV-content



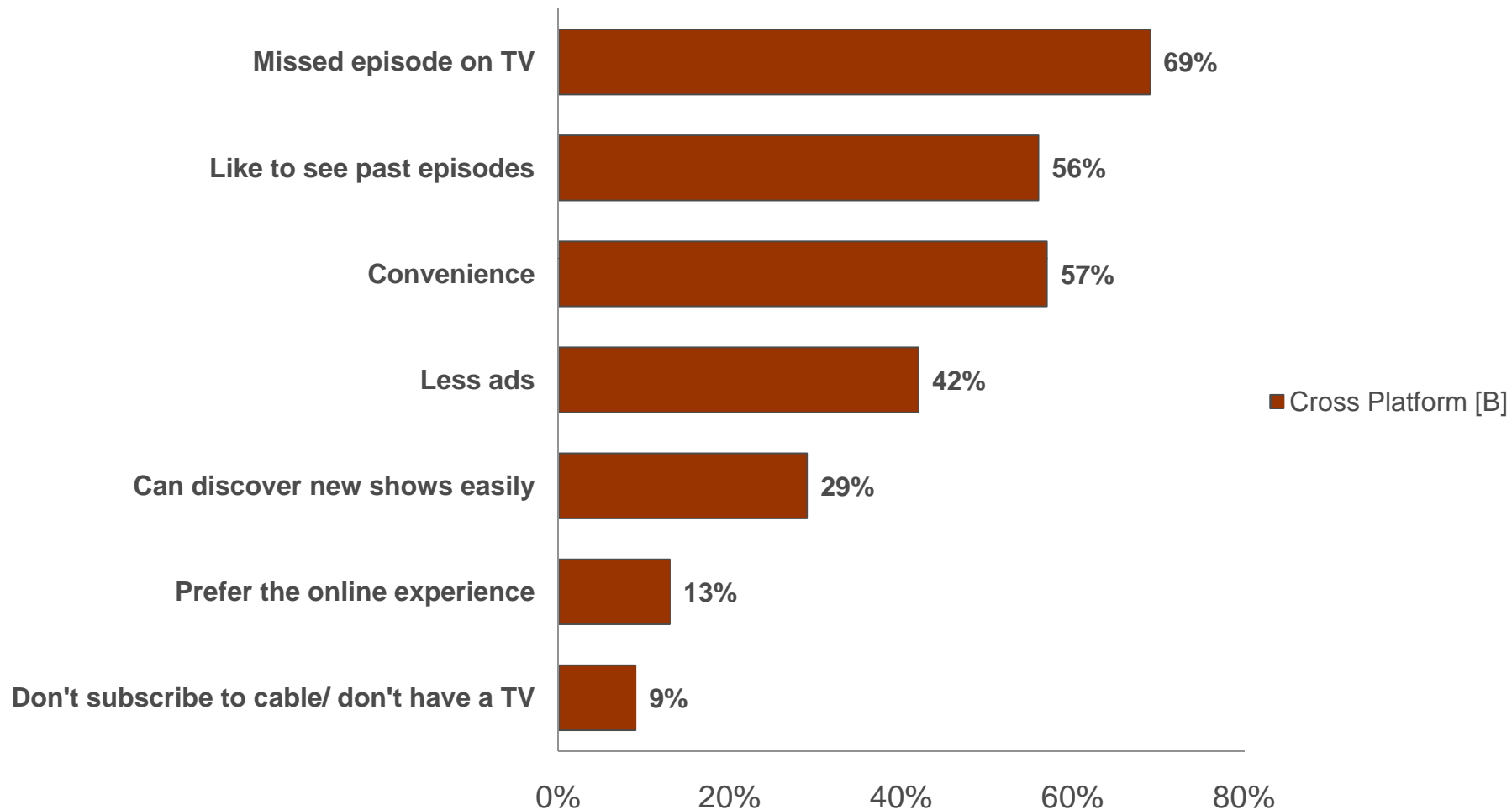
Television



8.5% of time spent viewing video online on long-form premium TV content is spent viewing ads compared to 20-30% on TV

What do our Viewers Really Value?

Reasons to Watch Online



Q12. What are the reasons why you like to watch Original TV shows online? Check all that apply.



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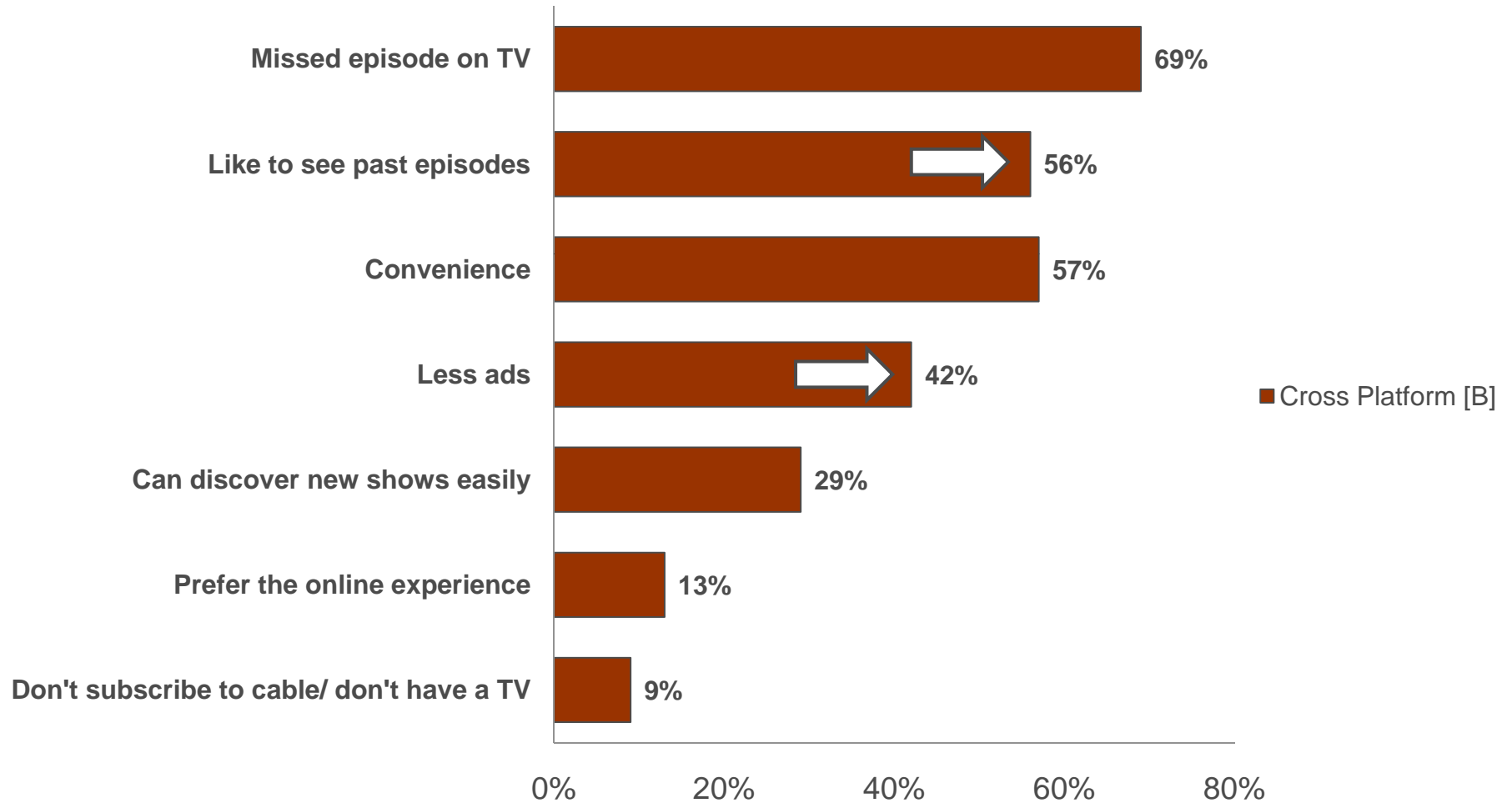
35

Source: comScore TV Everywhere Survey, 2010

Base sizes:
Total=617
Online Only= 115
Both TV/Online= 502

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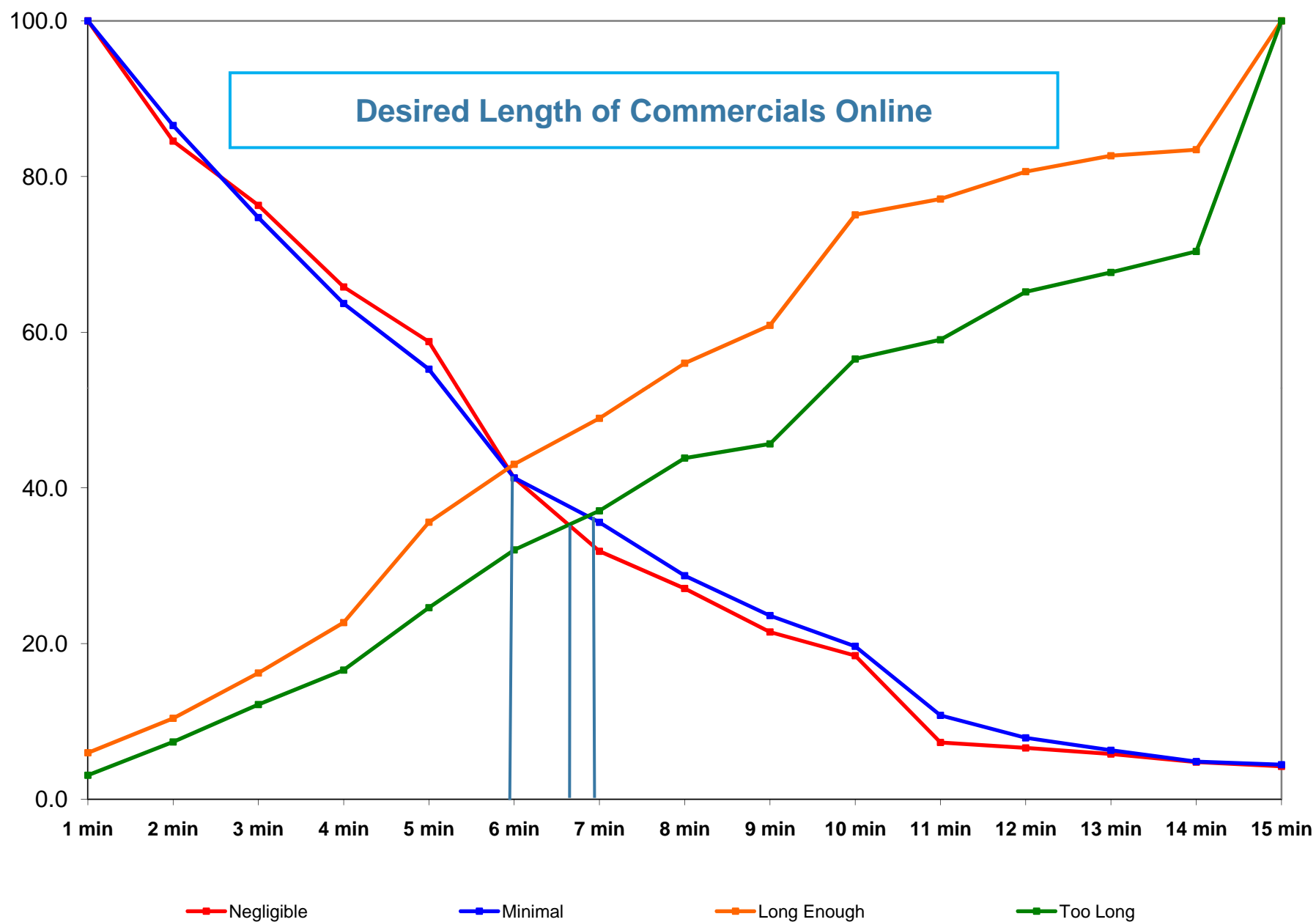


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36

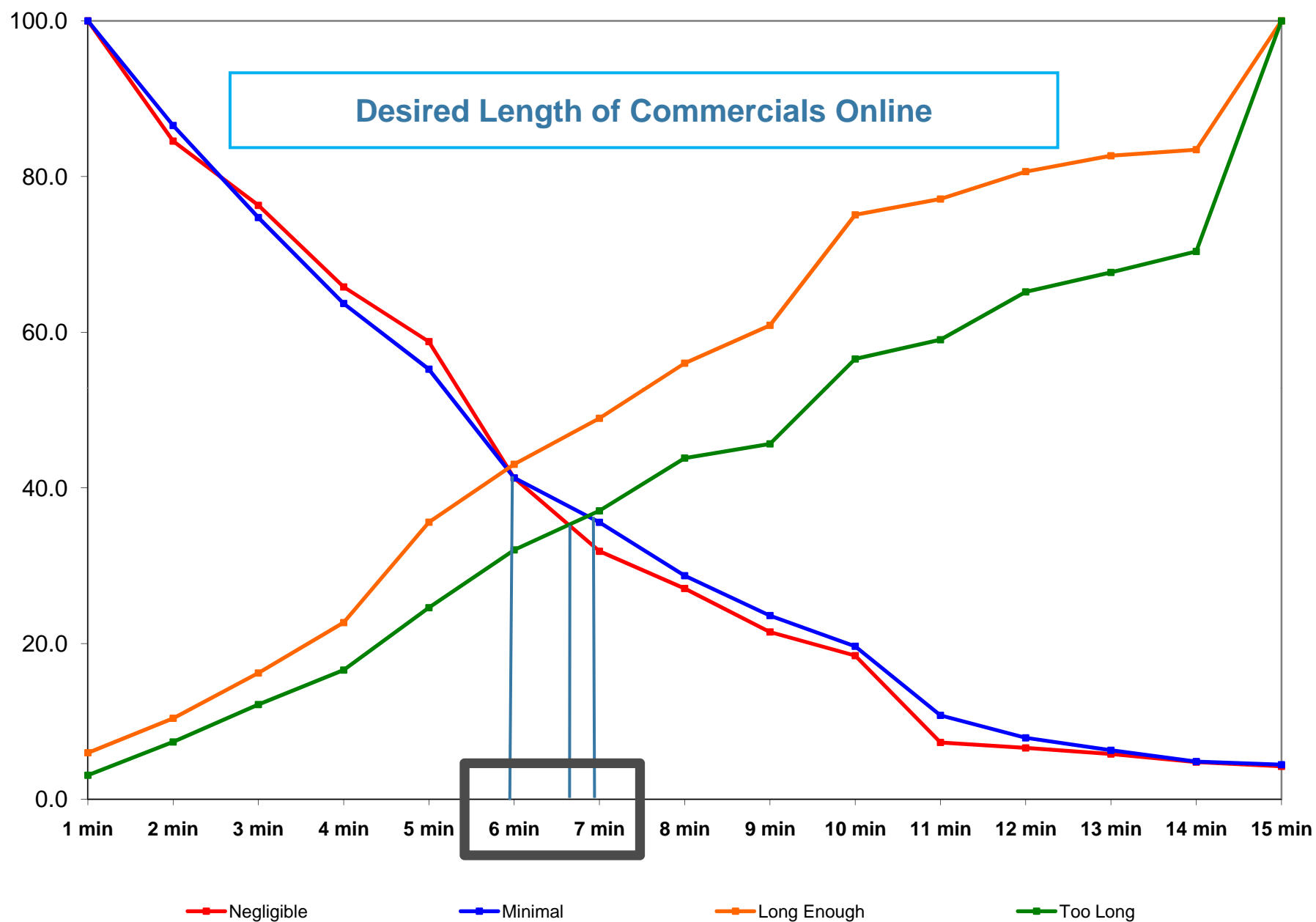
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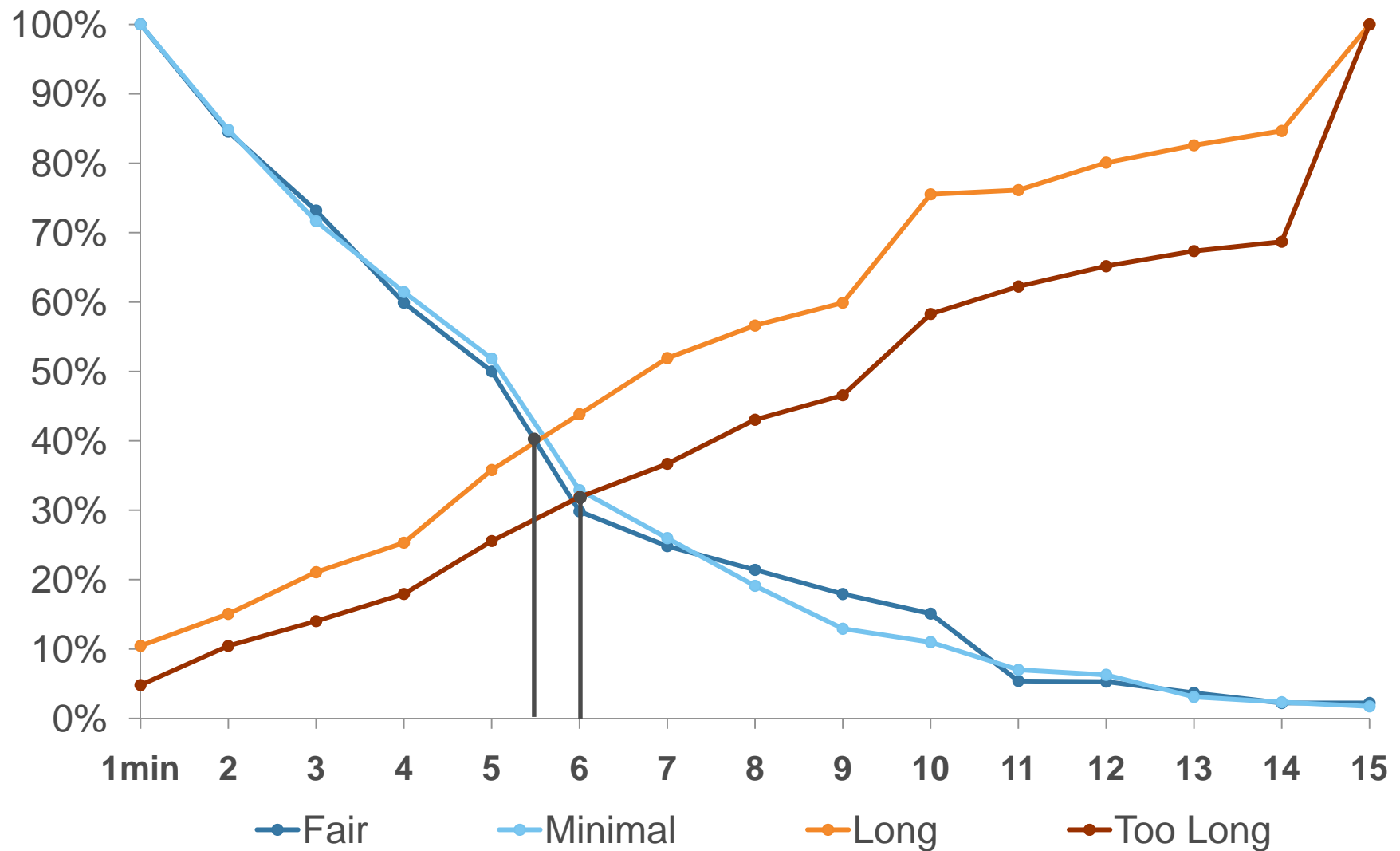
Base sizes
Total=640



Source: comScore TV Everywhere Survey, 2009

Base sizes
Total=640

Amount of Advertising is:





Are we conditioning our viewers to fewer ads?

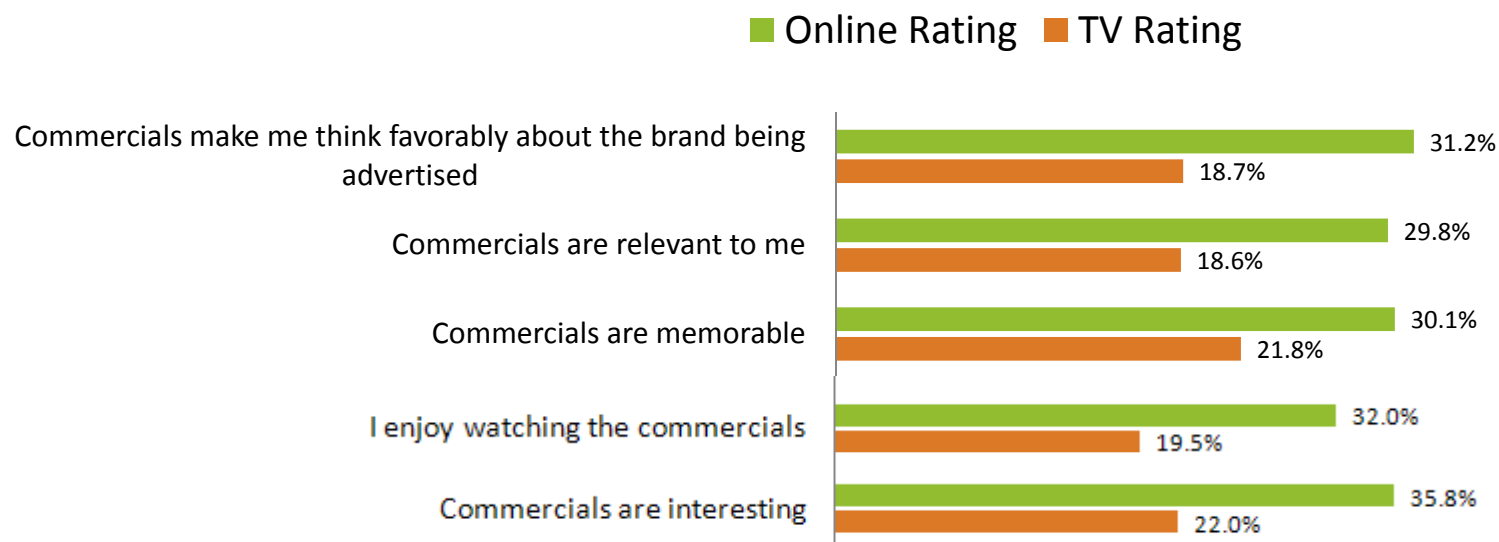


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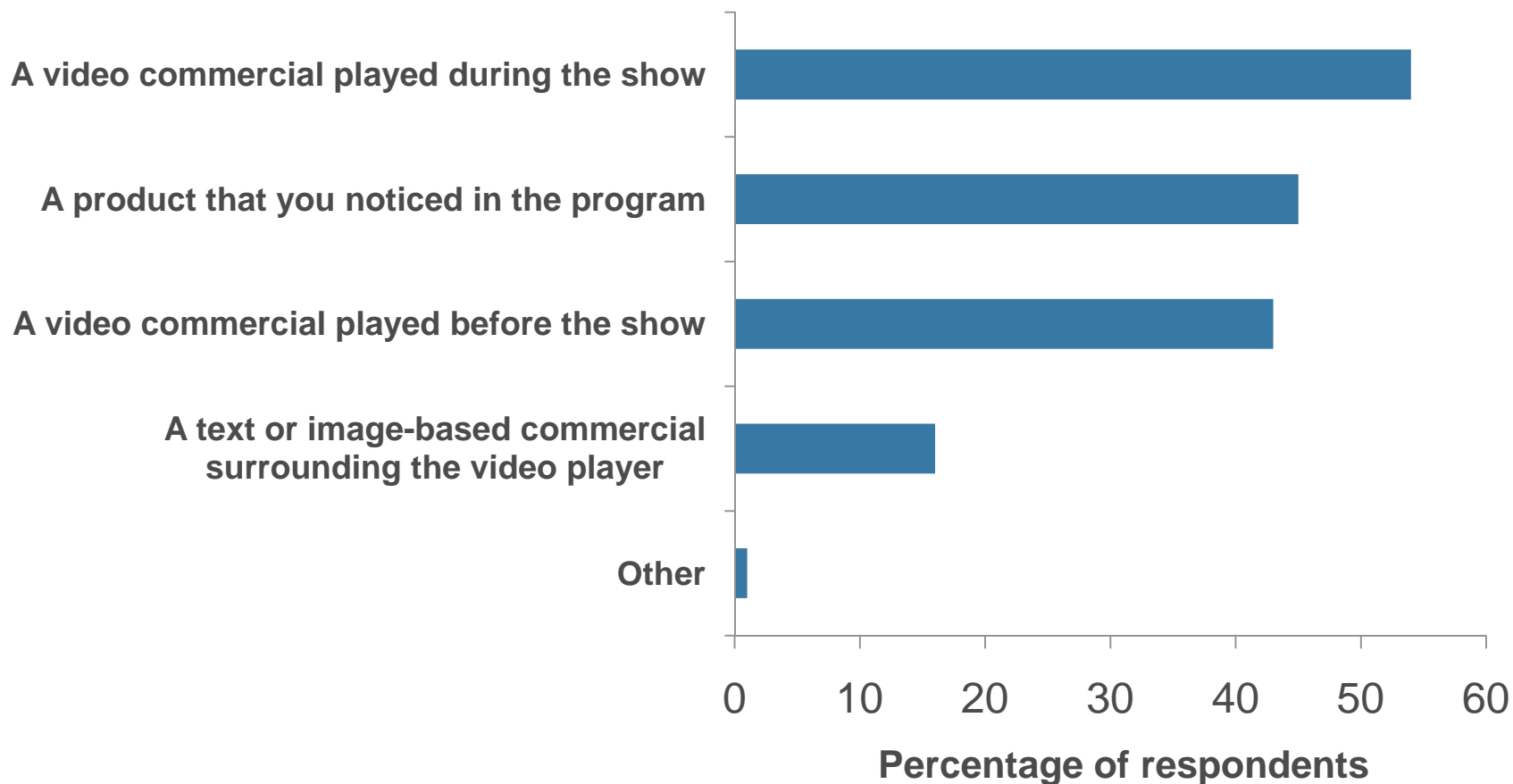
What makes the video universe uniquely powerful?
The social nature of online video

And it works

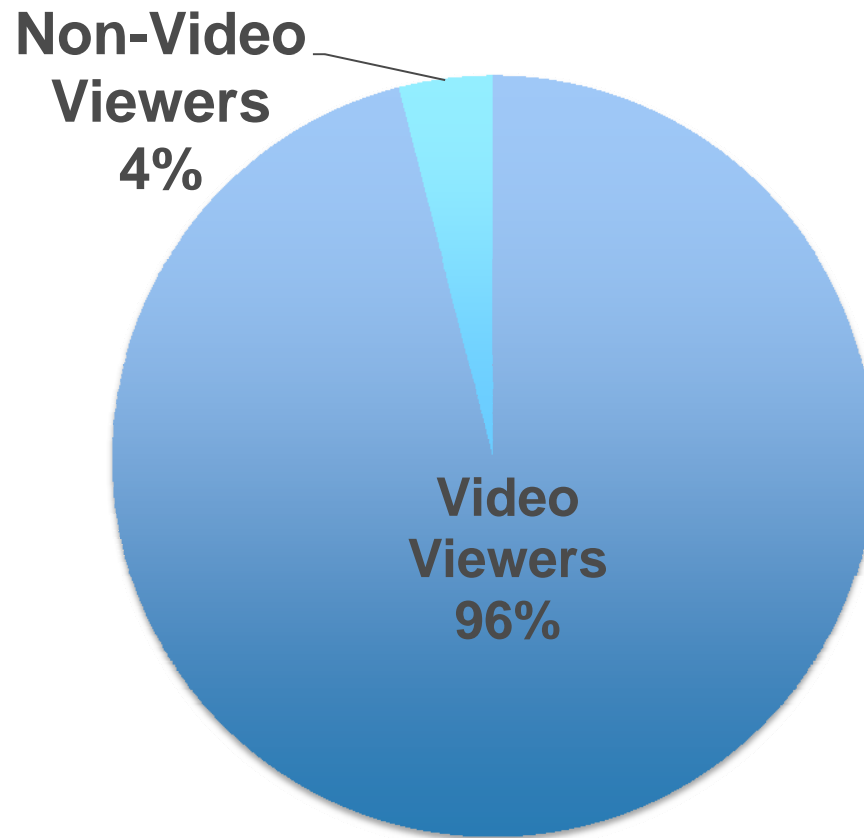
How would you rate the commercials you see when watching original TV shows on ONLINE vs. TV? **Completely Agree – Top 2 Box**



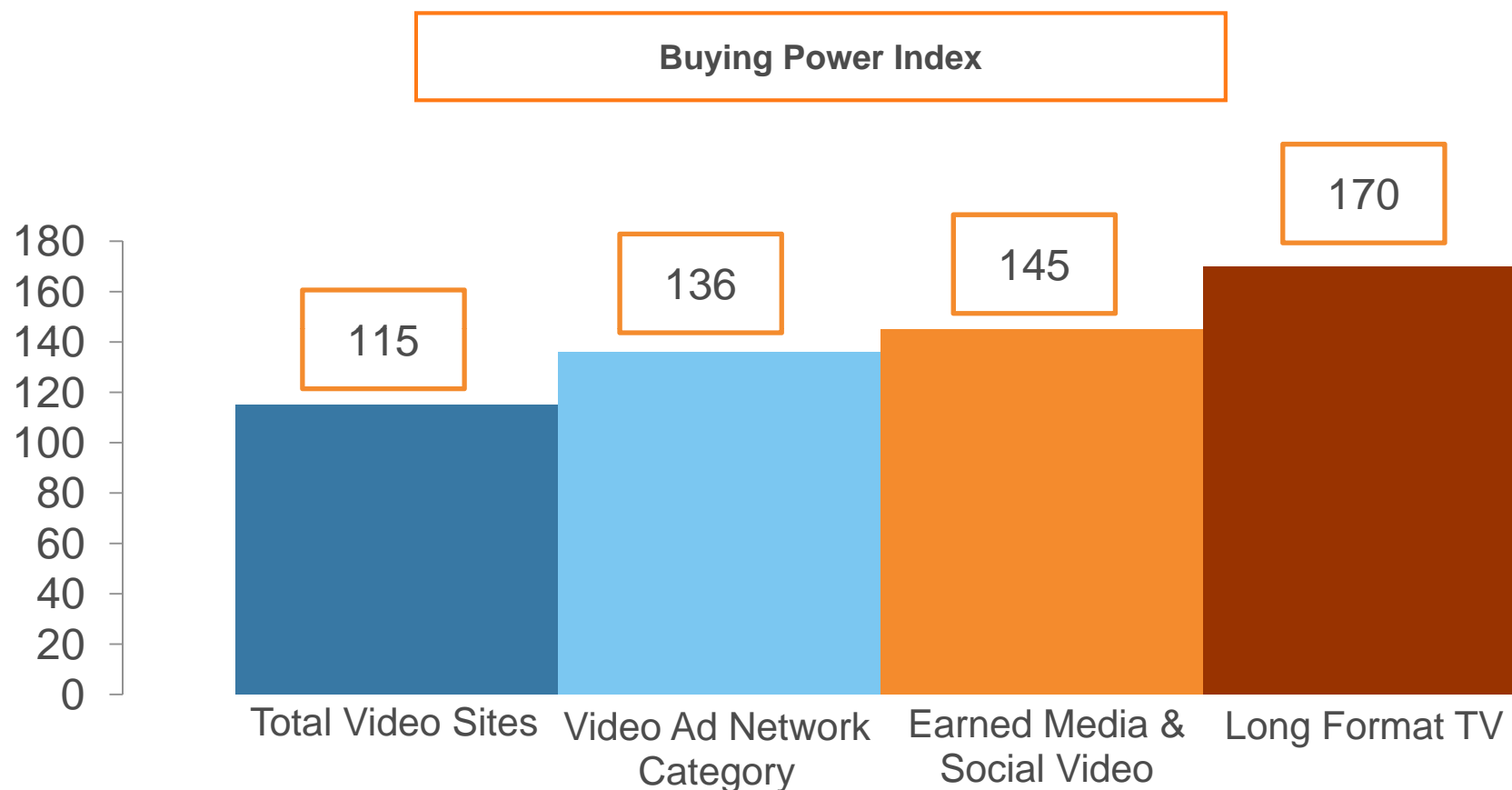
What are the reasons you visited an advertiser's website while watching a show online?



Nearly 100% of online spenders are video viewers



Not all video audiences are created equal when it comes to video advertising and retail spending at a category level



Video is social, interactive, lean forward...

Note the clichéd clip-art graphics



1 in 3 video viewers comment



2 in 5 upload videos



1 in 2 regularly share videos



More than 1 in 2 view online video with others



Among 18-34's, more than 2 in 3 view with others





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Ubiquity

The rise of long-form

Video advertising



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Thank you!

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