

RESEARCH BRIEF: The State of Online Video: Usage Statistics & Marketing Data

Overview

Widespread adoption of online video seems eminent. 67% of online Americans have now streamed or downloaded digital video content and 21.4 Billion online videos were watched in the U.S. in July 2009. (Ipsos MediaCT, September 2009)

Even if all of the cable networks joined together, they would not be able to provide even a percentage of the amount of video content that can be accessed online. Add in the increased functionalities of interactivity, on-demand viewership, and social integration and online video certainly seems to be a far superior product to the viewer than standard television.

So, what is happening with online video today? Who's watching it? How much is being watched? What are the top properties besides YouTube?

And for marketers, how is online video marketing performing as a channel?

Yes, online video is going to be a dominant force in media consumption but what is the state of online video right now?

Usage: Widespread and Growing

Online video has become a mainstream form of media and is growing rapidly. Year-over-year, unique viewers, total streams, streams per viewer and time per viewer were up, led by a 49 percent growth in time per viewer. (Nielsen Online, May 2009)

Monthly Online Video Usage by Demographic

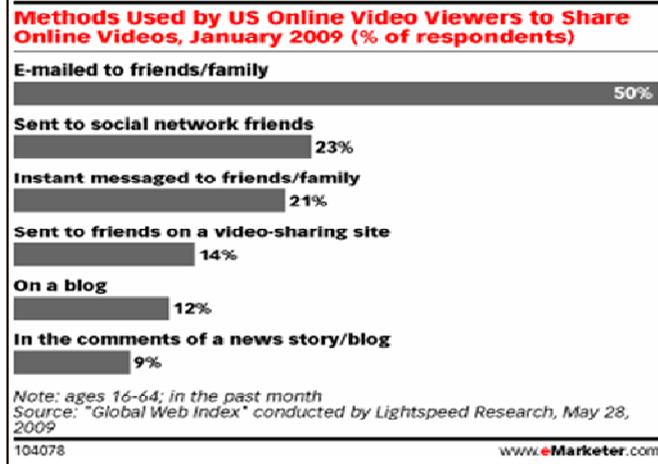
Demographic	Nov-08 Time Per Viewer (Minutes)	Apr-09 Time Per Viewer (Minutes)	% Change Over 6 Months
Total	178	206	16%
Male	209	249	19%
Female	151	170	12%
2 - 11	113	116	3%
2 - 11	178	190	7%
18 - 24	303	349	15%
25 - 34	253	296	17%
35 - 49	187	243	29%
50 - 64	122	139	14%
65+	67	81	21%

-Nielsen Online, April 2009

In April 2009, the average online viewer watched 206 minutes of online video which was up 15% just from November 2008. (Nielsen Online, June 2009)

Usage (con't.)

Users are also sharing online video with each other. 50% of users surveyed in January 2009 have emailed a video link to friends and family.



-eMarketer, May 2009

Overall awareness is increasing as well. For example, the video site Hulu.com - only 9% of digital video users were aware of Hulu in September 2008, but its awareness is at 41% one year later. (Ipsos MediaCT, September 2009)

Online Video Facts from July 2009

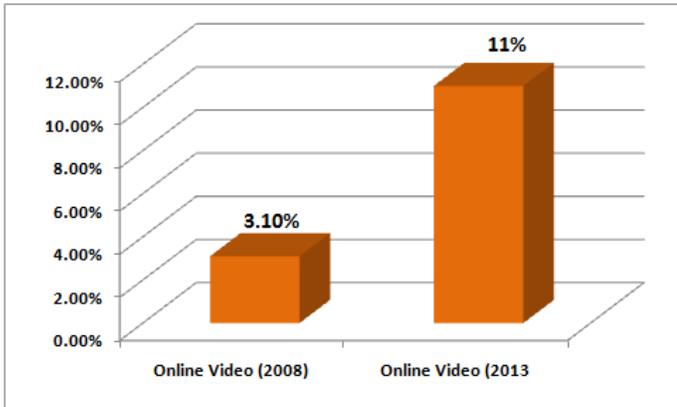
- The top video ad networks in terms of their actual delivered reach were: Tremor Video Network (20.1 percent viewer penetration), Brightroll Video Network (17.4 percent), and BroadbandEnterprises.com (14.4 percent).
- 81% of the U.S. Internet audience viewed online video.
- The average online video viewer watched 500 minutes of video during July 2009, or 8.3 hours.
- 120.3 million viewers watched 8.9 billion videos on YouTube.com (74.1 videos per viewer).
- 48.2 million viewers watched 518.6 million videos on MySpace.com (10.8 videos per viewer!).
- The average Hulu viewer watched 12.0 videos, totaling 1 hour and 13 minutes of videos per viewer.
- The duration of the average online video was 3.7 minutes.

-comScore, August 2009

Online Video as a Marketing Channel

Marketers are buying into online video as a true channel. Although only 4.6% of total online advertising spending this year, it's estimated that online video will represent 11% of online budgets by 2013.

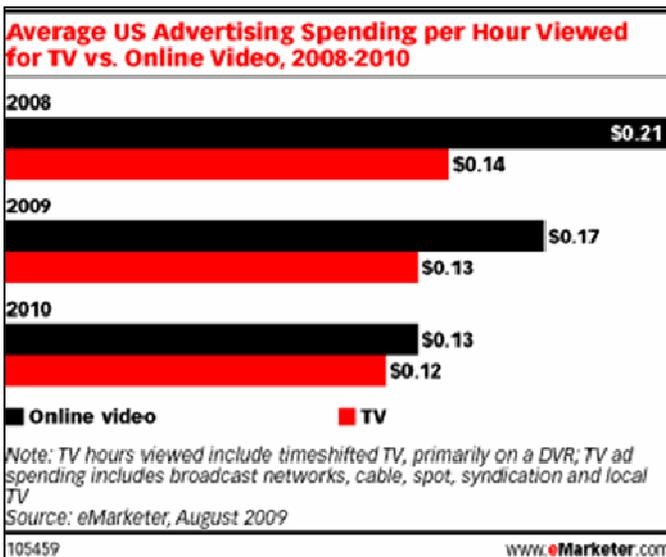
Projected Percentage of Digital Media Budgets



-eMarketer, April 2009

Online Video Spending Per Hour Viewed Almost Matches TV

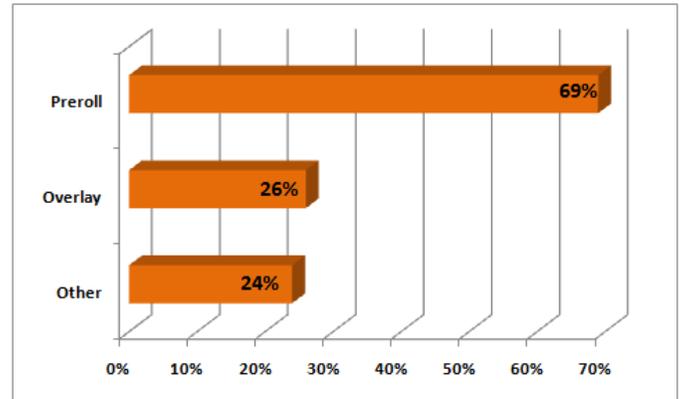
Video advertising is growing rapidly, and although it remains a relatively small share of overall Internet ad spending, online actually outpaces TV when measured by the ad dollars marketers spend relative to the amount of time individuals spend viewing video.



-eMarketer, August 2009

Formats of online ads include pre-roll, overlay, and various custom models. Pre-roll is still the dominant format with 69% of all video ads purchased.

Types of Video Ads Purchased by US Agencies and Advertisers Feb–March 2009



-eMarketer, April 2009

Online Videos Provide Strong Brand Lift

In recent studies, online ads that contain video marketing had the highest performance in brand lift compared to rich media or flash ads. Users are also showing acceptance to video ads. More than 50% of users surveyed said that video advertising is as acceptable as or more acceptable than standard television ads. (Magid Media, July 2009)

	Rich Media with Video	Rich Media w/o Video	Simple Flash
Aided Brand Awareness	1.9	0.9	0.4
Online Ad Awareness	2.6	2.1	2.2
Message Association	—	0.7	1.0
Brand Favorability	2.3	0.5	—
Purchase Intent	1.2	0.5	—

-Dynamic Logic, August 2009

Online video marketing still has more room to grow. When marketers were asked what effect various tactics would have on their video ads, greater interactivity and creating more versions for more consumer targets proved to be the most popular. (Marketing Sherpa, June 2009)