MOBILE VIDEO MONETIZATION:

Advice for Content Owners on Decisions and Best Practices

brightcove

CHRONICLING THE SHIFT IN VIEWING TOWARDS MOBILE

Consumers are watching increasing amounts of video content on their mobile devices and the data shows that this transition persists across content type, format, length, and device. Setting the stage for this discussion of monetizing mobile video, here is a snapshot of recent trends:

- comScore reports a **100+% year-over-year increase** among people watching TV/video via smartphones daily (comScore Mobilens, April 2015).

- An Interactive Advertising Bureau (IAB) survey of consumers from 24 countries reported that **35% of respondents watch more video on their smartphones** versus last year. Examples of countries with higher upticks include the U.S. (50%), Canada (42%) and South Africa (42%).

- This same IAB survey also revealed a **growing appetite for watching long-form content via smartphones** with 36% of respondents stating that they watch videos that are five minutes or longer on their phones daily or more frequently.
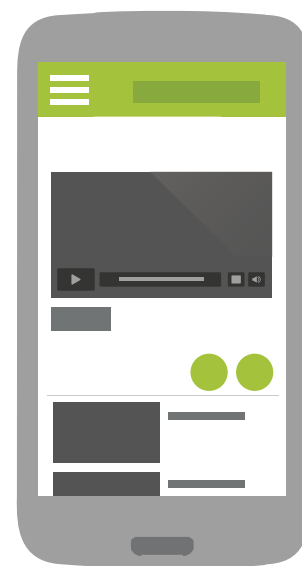
THE GAP BETWEEN MOBILE VIDEO VIEWING AND ADVERTISING REVENUE

This growth in mobile video viewing should represent a significant revenue opportunity for media companies. However, according to a recent survey from eMarketer from June, 2015, growth in mobile ad spend lags behind growth in viewing. eMarketer also reports that in 2015 users will spend an average of **39 minutes each day** watching video on their mobile devices (including tablets and smartphones), accounting for more than half of the total 76 minutes of average time spent with digital video content. While that translates into **51% of the viewing minutes, mobile currently represents just one-third of total advertising dollars**.

At Brightcove, we recognize there are tough decisions and inherent challenges around mobile video advertising that contribute to this revenue gap. This whitepaper outlines **5 key questions** every content provider needs to consider and offers insights, recommendations, and best practices to help close the gap and develop and execute a successful mobile monetization strategy.

MOBILE VIDEO MONETIZATION: 5 KEY DECISION POINTS FOR CONTENT OWNERS

1. Which mobile devices and platforms should we support?
2. How do we ensure success on both native apps and the mobile web?
3. What type of ads are we delivering?
4. Are we running first party-sold ads and/or third party advertising?
5. How do we ensure we get proper credit for our advertising?

Industry video viewing data and Brightcove customer reporting continue to show a strong consumer preference for iOS and Android devices. At the same time, media brands need to review their own internal data to have a strong understanding of the devices their customers are using, and those users' viewing habits and preferences. For example, we have seen certain content brands, who, perhaps due to their geographies, over index with audiences whose behavior necessitates support for a Windows phone or Blackberry. Additionally, with some operating systems being more highly fragmented than others among the different types of devices that run them, providing a unified user and ad experience on a new OS doesn't always require the same level of effort.

Example:

Brightcove customer Azubu delivers premium live and on demand eSports content. Azubu's global audience consumes eSports whenever and wherever it can. With 1 in 7 streams currently viewed on mobile, Azubu took a page from Brightcove's book and was determined to 'Leave No Screen Behind'. With a dedicated team in place, Azubu focused on an overhaul of their mobile UX that saw video plays, viewed hours and weekly sessions more than double in three months.

The next decision is whether to focus on delivering video via mobile web or native applications. The main benefit of building with a native SDK is that it enables greater control over the playback experience, whereas with mobile web there are more restrictions imposed upon the experience by the iOS and Android platforms. However, a drawback with native apps is that they can require extensive resources and also run the risk of losing customers who don't want to download an app and would prefer to view content via the mobile web. Once again, these decisions all tie back to customers' viewing habits. We've seen both sides of the equation with our customers. Some start out with a mobile web approach and find that their users are so dedicated to their content that it warrants the development of a native application to provide a better experience. Others launch native apps and end up more deeply investing in supporting the mobile web experience because they find that their customers are less inclined to download a standalone application and typically access the content via channels like social and RSS.

Example:

A Brightcove customer that is the leading provider of sports programming with a large and dedicated fan base developed a terrific native mobile app to showcase their content with all of the monetization capabilities of their desktop. However, they were concerned about targeting and delivering advertising on the mobile web in the same way. For a long time, their approach was to show video thumbnails on mobile web that actually opened their app— if a user had it installed— or direct users to get their app for users who didn't have it installed. This greatly limited the volume of video views and ads for their video content.

To ensure delivery of ads to the mobile web, the team leveraged Brightcove Once for its server-side ad insertion capabilities. With the interaction with the ad server taking place in the cloud and the ad arriving in a mobile web player stitched to the content, the risks that this firm had been concerned about were mitigated. Mobile web is now a huge volume of this customer's viewing with consistent monetization to support it.

Picking an ad server is a big business decision driven by a lot of factors other than how well it monetizes mobile video but, that said, the choice of ad server should figure in a content owner's approach to mobile web and native app experiences. Google and FreeWheel, as well as many other ad servers, offer SDKs for both mobile web and native applications, but the functionality available may differ between the two environments. This is related to the limited control available in mobile web scenarios (as opposed to native apps), and can limit the types of ads that may be utilized, as well as the overall targeting capabilities of the solution. A large number of the ad servers and ad networks offer support for the mobile web and native SDKs, and in the cases where they do not, they typically support the VAST standard. There is no silver bullet for being able to deliver every type of ad perfectly in every environment, but understanding the capabilities of ad serving into both app and mobile web inventory is part of informed decision making.

The next decision for a content owner is "what ad formats do we wish to enable against our content?" One of the first questions that customers typically have is the optimal length of ads for mobile experiences. This is an area where we continue to see a lot of experimentation and the latest industry trends reveal a preference toward a shorter length ad. Vessel, a new subscription video service, utilizes pre-roll ad units that run just three to five seconds when shown to subscribers. Twitter offers the Amplify program to help publishers monetize video content on their service and suggests that publishers encourage their advertisers to produce 6-second ads in addition to industry-standard 15- and 30-second creatives.

Example:
Tastemade

Brightcove customer Tastemade is a video network focused on food and travel content with a large global audience. Tastemade collaborates with leading brands and organically weaves them into their content. A study commissioned by Tastemade and Nielsen showed that these brands integrated into the content resonated better with users. The tested brands, sponsoring original Tastemade programming, achieved better brand recall (+71%), brand affinity (2x), purchase intent (+31%), and positive brand perception (12x) compared to their respective 30-second pre-roll and TV ads.

The fourth decision point concerns how successful a content owner thinks they can be using third-parties to help monetize their mobile video. For mobile video viewing in particular, redirected ad calls (requesting ads from multiple sources) can seriously impact the consumer experience and yield. Based on what Brightcove sees across our customer base, if the loading of ads and any associated redirects forces the content to be delayed by more than three seconds, publishers often decide to forego monetization altogether and allow the user to go directly to the content so as not to cause brand risk. What we see with Brightcove customers is that our premium brand publishers that sell largely first-party ads and work with a well-integrated ad server like Google or FreeWheel, typically avoid some of the common technical glitches that can occur.

The bottom line is that whatever approach you choose to use, ads must be served quickly as delays in getting content load is a key driver of bounce rate.

Lastly, how do we ensure we get proper credit for our advertising? There are two components to this: 1) Getting credit and recognition for the volume of views and audience you are delivering via comScore or Nielsen (Brightcove provides native SDKs to plug into these services), and 2) Getting credit for the ads being delivered. This is dependent on the player being able to fire the proper beacons to the ad server during delivery, to measure the view-through of the ad for example, and Brightcove ensures that customers are able to do that whether they go native or mobile web, client-side or server-side.

BRIGHTCOVE SOLUTIONS

As advertising technology continues to evolve, server-side ad insertion has emerged as a critical solution to help media companies improve delivery and monetization of online video across devices. The standard client-side approach can involve many steps and requests back and forth between the player and ad server that can cause delays and buffering between ads and content, errors with different creative formats, and inconsistent rendering quality. This may result in a bad experience both for the consumer viewing the video and the content provider looking to monetize that video.

This is where server-side ad insertion can help. Every time a device requests content to be viewed, a single video stream is returned. This video stream contains all of the advertising stitched into the content. Not only is the advertising still dynamically targeted for the user on each stream request, but the ad content is transcoded and inserted seamlessly into each rendition. As a result, there is no more buffering between ads and content, incompatibility of formats, or disjointed viewing experiences.

Brightcove is pleased to enable optimal ad experiences with Once, our server-side ad insertion and stream stitching solution. Brightcove Once helps media companies deliver this seamless and consistent ad-supported video experience across devices to maximize reach, ad inventory, and revenue. Pre-, mid- and post-roll ads placed strategically throughout the content and targeted on a per-user-basis enable you to generate greater monetization and a more engaging, TV-quality experience for your viewers.
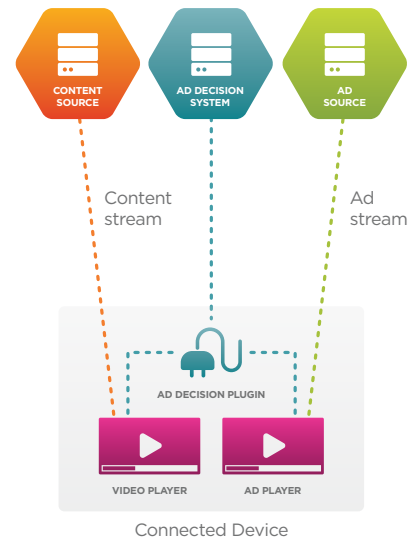
Another solution that Brightcove provides to optimize mobile web experiences is the combination of Once with Perform, our player management service. This powerful blend of Brightcove products abstracts the ad insertion technology to the server as detailed above, while enabling control of the player experience, reporting, and measurement. Brightcove Once streams HLS smoothly into our HTML5 Player and iOS and Android SDKs, while offering content providers a highly-configurable in-player ad solution.

The Once + Perform combination not only enables our customers to optimize mobile ad delivery, but also helps them circumvent ad blockers on the desktop side. We have strong data and results from customers to share on both of these fronts, feel free to **contact us** to discuss how Once + Perform can help your organization.

CLIENT-BASED AD INSERTION

CONTENT SOURCE

AD DECISION SYSTEM

AD SOURCE

Content stream

Ad stream

AD DECISION PLUGIN

VIDEO PLAYER

AD PLAYER

Connected Device

SERVER-SIDE AD INSERTION

CONTENT SOURCE

AD DECISION SYSTEM

AD SOURCE

brightcove ONCE

A single, stitched content and ad stream

VIDEO PLAYER

Connected Device

LEARN MORE

To learn more about how Brightcove's mobile SDKs, Once, and other Brightcove solutions can help close the mobile video monetization gap by extending audience reach and increasing ad revenue, visit **brightcove.com/media**.