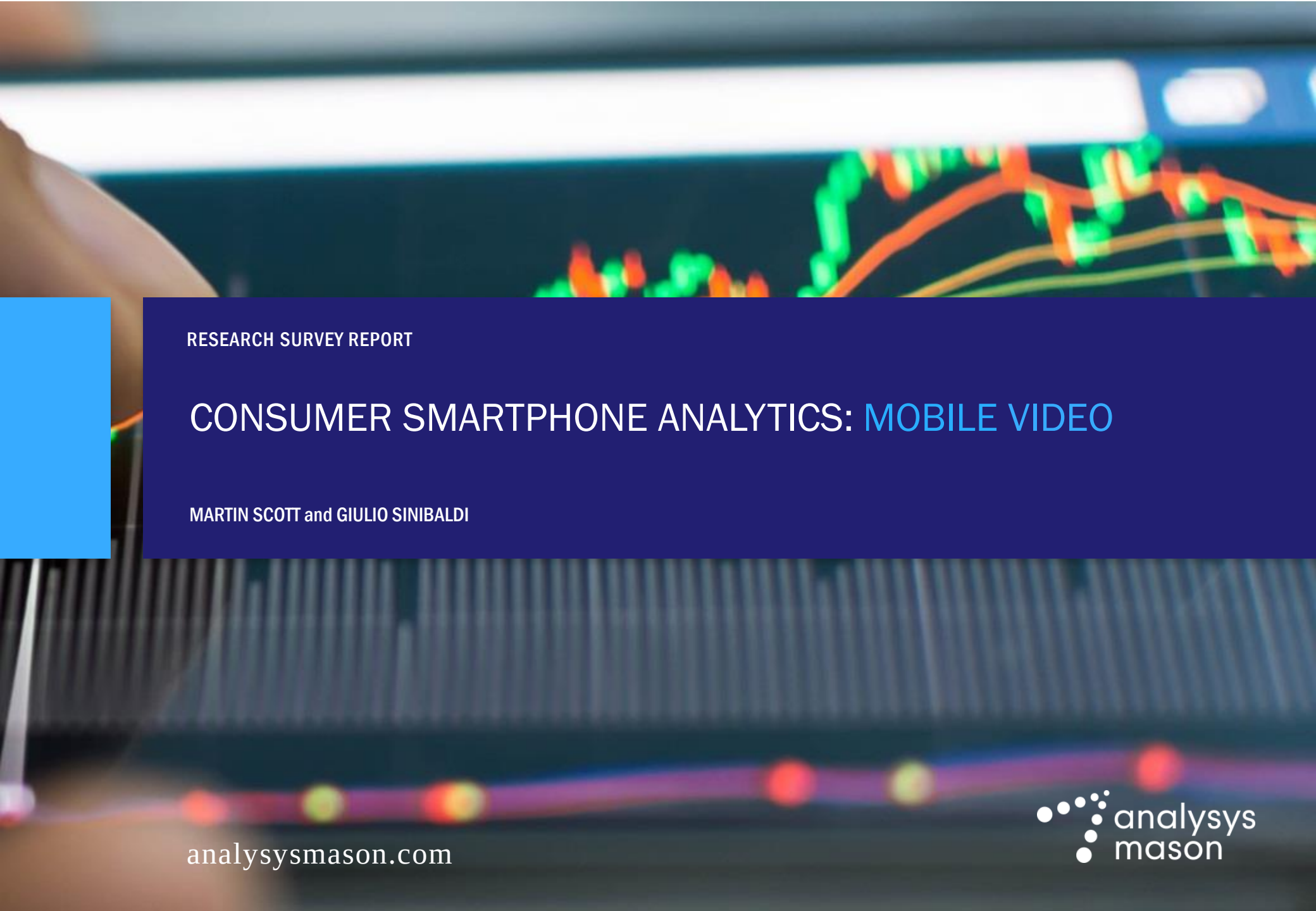

RESEARCH SURVEY REPORT

CONSUMER SMARTPHONE ANALYTICS: MOBILE VIDEO

MARTIN SCOTT and GIULIO SINIBALDI

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About this report

This report analyses real-world smartphone usage data to provide a detailed view of how consumers engage with mobile video apps on their handsets. The report examines both how usage varies by geography, demographic, content and service type and relationships between key usage metrics, such as data traffic, minutes of viewing and session duration.

The report also provides recommendations for operators on segmenting their customer base to take into account mobile video usage.

It is based on data collected by Verto Analytics using a passive on-device monitoring app during July and August 2016.

KEY QUESTIONS ANSWERED IN THIS REPORT

- How much does mobile video depend on the availability of Wi-Fi and how might that change in future?
- How does video consumption vary by time of day, country, network, and device?
- Which customers are using subscription (SVoD), transactional (TVoD) and advertising video on demand (AVoD) services[1] and how does that relate to traditional pay-TV providers' multi-screen services?
- How are direct-to-consumer (D2C) propositions from TV networks succeeding on mobile?
- How do services such as HBO GO compare to Netflix or Google Play Movies on mobile devices?

SURVEY OUTLINE

The analysis is based on data provided by Verto Analytics, collected using a passive on-device monitoring app called Smart Panel.

The app tracks:

- app downloads and usage
- system processes
- data traffic from each app/process
- voice traffic
- web browser activity.

GEOGRAPHICAL COVERAGE

- Germany
- India
- United Kingdom (UK)
- United States of America (USA)

WHO SHOULD READ THIS REPORT

- Strategy and planning executives who are responsible for mobile operators' video apps, services and strategies and their partnerships with OTT video players.
- Executives in fixed operators', mobile operators' or TV providers' technology and innovation teams who are responsible for developing video apps and services.
- Marketing and sales executives at vendors of communication services equipment and software, as it will help them understand the needs of their operator customers and their end users.

[1] See Methodology section for detailed definitions of SVoD, TVoD and AVoD services.

Younger adults contributed the majority of viewing minutes by a significant margin

Millennial adults (those aged 18–34) accounted for 71% of all minutes of video app viewing in our panel. This was due to a significant inverse correlation between age and the average daily video viewing time (Figure 13).

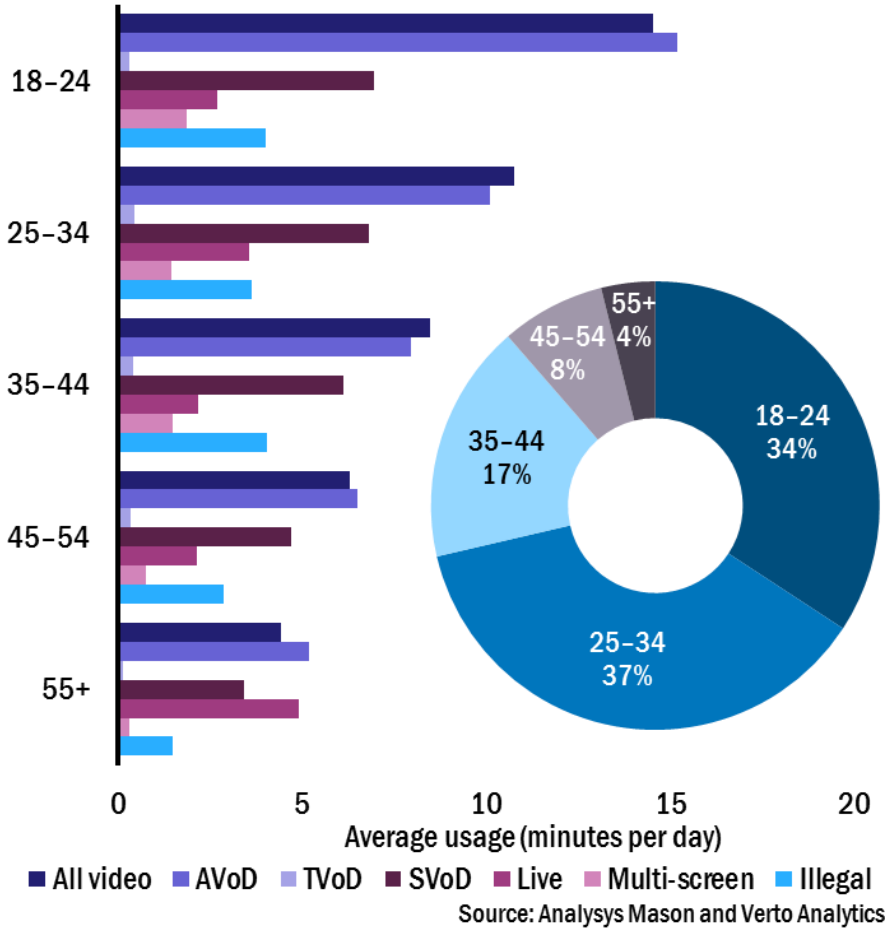
Penetration of video apps was higher among 25–34 year olds than 18–24 year olds, which counterbalanced the higher minutes of usage (MoU) of the younger group such that 25–34 year olds actually contributed the largest number of viewing minutes among our panel.

Life stage is a key factor in this difference: 25–34 year olds are more likely to commute, which may create demand for mobile video, and may also be parents who are introducing young children to video content on their mobile devices. We identified users of apps such as PBS KIDS Video and WATCH Disney Junior amongst our panel and this is considered a significant use case for the BBC iPlayer.

One notable exception to the general trend for lower engagement amongst older panellists was the use of video apps with live streaming capability among those aged 55 or over. Both penetration and average MoU were higher for this age category than for 45–54 year-olds. This is consistent with TV set viewing – older consumers watch more hours of video content.

We could not conclude that higher MoU among young people suggests a greater inclination to watching longer-form content – younger users are more likely to use playlists of short content.

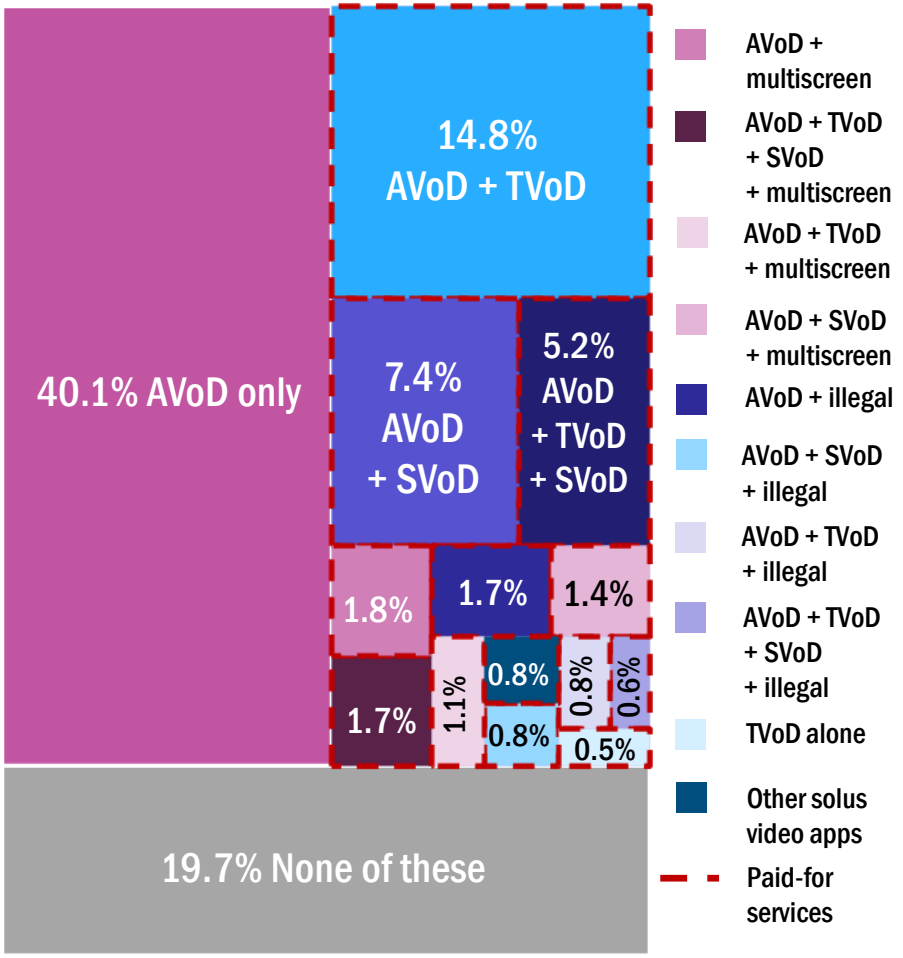
Figure 13: Average usage of mobile video by age category and video service category (main chart) and contribution of each age category of users to total video viewing (inset) [*n* = 8408]



Source: Analysys Mason and Verto Analytics

The average panellist used 1.9 video apps – not many consumers use paid-for services on mobile at present

Figure 17: Combinations of video apps used on each handset in the panel [*n* = 8408]



Source: Analysys Mason and Verto Analytics

The average smartphone user in our panel used 1.9 video apps, and one of these was almost always YouTube.

Only 39% of smartphone panellists used an app that was associated with a paid-for service.

AVoD, and players such as YouTube, are important. AVoD apps command valuable levels of engagement and are an ideal platform from which to launch paid-for services, following either a freemium model, TVoD, or associated SVoD or live streaming service. YouTube is now pursuing this strategy with YouTube TV.

The image of a 'typical high-powered user' who consumers Google Play, Netflix and YouTube content on-the-go (for example) only describes 8% of our panellists at most. Consumer strategy teams must therefore ensure that their segmentation of mobile video users is proportionate to the usage behaviour of these groups.

Operator initiatives have only low penetration in the context of the whole market, but can reach high penetration within individual operator bases.

[1] This varied from an average of 1.5 apps per user in Germany to 1.7 in India, 2.0 in the USA and 2.2 in the UK.

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About the authors

Martin Scott (Principal Analyst) co-ordinates Analysys Mason's research initiatives related to media, TV, fixed broadband and convergence. He manages the *Video Strategies* research programme. Martin has held numerous positions within Analysys Mason during the last 13 years, including heading the company's Consumer Services, Data and Regional Markets practices. He also launched Analysys Mason's Connected Consumer Survey and Consumer smartphone usage series of research. His areas of specialisation include telco TV strategy, OTT video and media, consumer smartphone usage, the bundling and pricing of multi-play services, including quadruple-play bundling, customer satisfaction and consumer-facing marketing strategy. He also specialises in statistics, surveys and the analysis of primary research.

Giulio Sinibaldi (Research Analyst) focuses on data collection and analysis for the Consumer Services research practice. Before joining Analysys Mason, Giulio was an intern at the Italian permanent mission to the United Nations in Geneva, and in the Market Intelligence team of Philips Electronics (H&W) in Amsterdam. He holds a BSc and MSc in Economics and Social Sciences from Bocconi University (Italy), which included an exchange at Georgia Institute of Technology (Atlanta).

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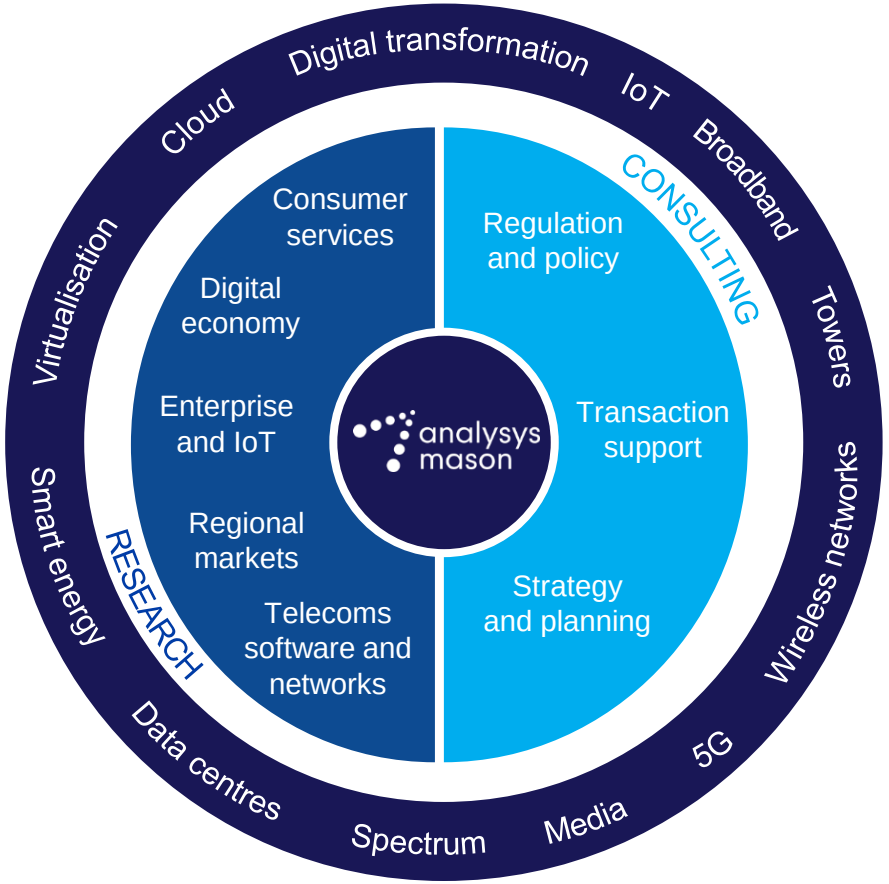

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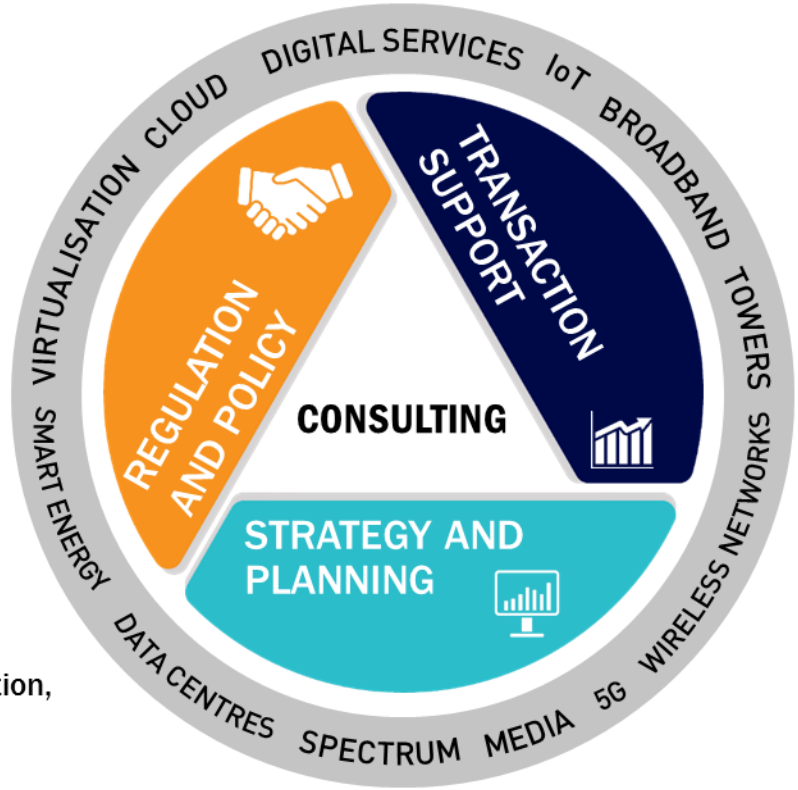

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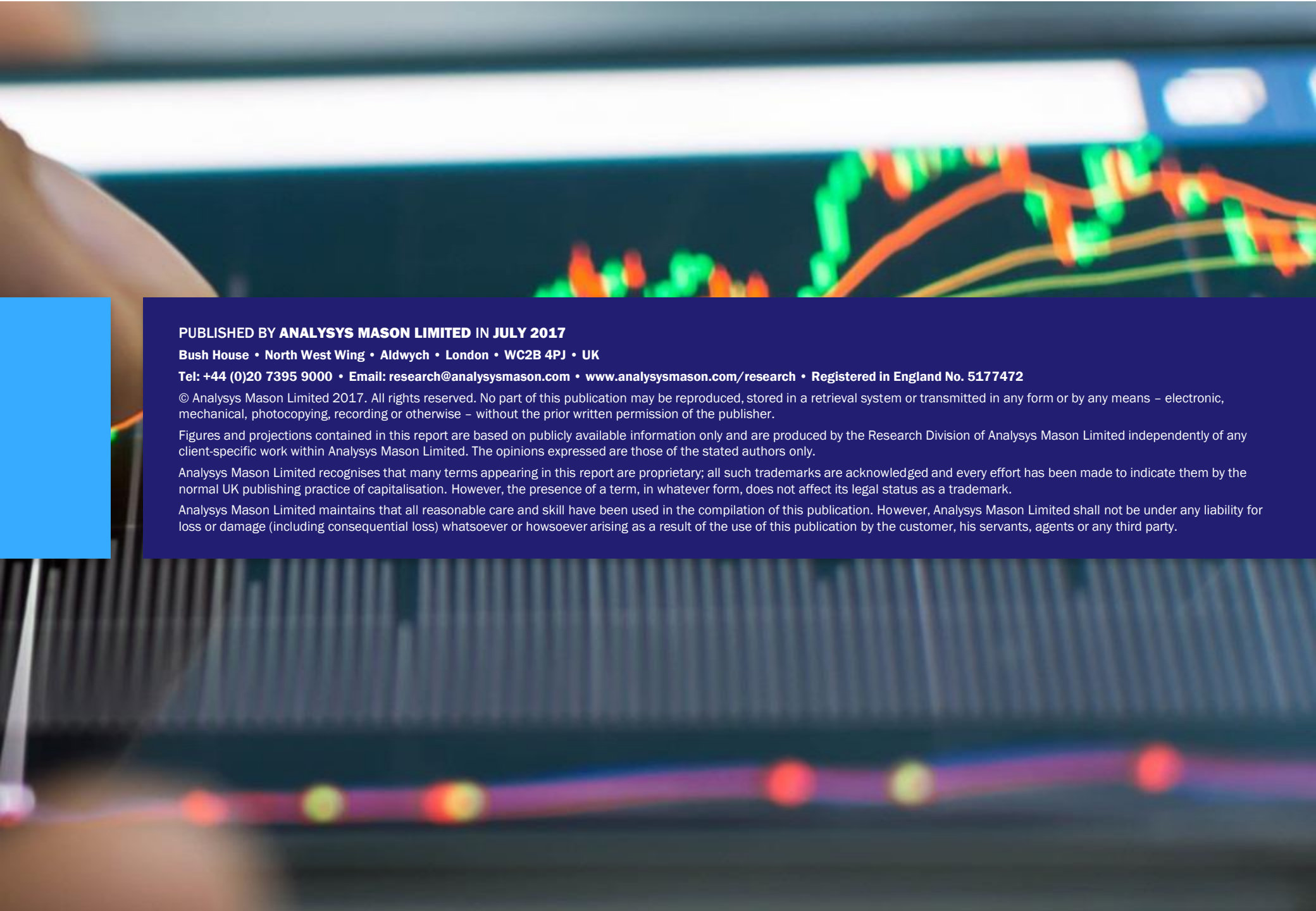

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