Premium Video Makes Inroads Across Devices And PlatformsPremium Video Makes Inroads Across Devices A

Contributed by eMarketer
Monday, 16 January 2012

Rising audience levels spell marketer opportunity

The US online video ecosystem is thriving and poised for continued growth. Audience levels, technology adoption and premium content availability are reinforcing each other in a positive feedback loop that will continue for at least the next four years.

The venues people use to watch premium video are also gathering steam. Established destinations such as YouTube, Yahoo! and Facebook continue to build on already sizeable audiences, while emerging sites such as the music video channel VEVO are attracting top advertisers thanks to their ability to aggregate large numbers of viewers around premium content. Even services that have struggled in recent months, including Netflix and Hulu, are maintaining market leadership and brand strength in their respective content areas.

â€œThe convergence of audience growth, technology advances and content availability has provided marketers with a wealth of opportunities to attach brands to premium video,â€• said Paul Verna, eMarketer senior analyst and author of the new report, â€œPremium Video: Audience, Devices and Content.â€• â€œThis trend will continue in the coming years, but will be tempered by challenges, including piracy, a lack of standardization in ad types and cost structures, and a tendency by program owners, device-makers and service providers to silo their content.â€•

eMarketer expects the number of US online video viewers to reach nearly 170 million by the end of 2012. The numbers of young children (ages 11 and under) and seniors (ages 65 and older) who watch video are growing at above-average rates as these groups catch up with the rest of the viewing public.

Much of this audience is watching premium content. The number of US adult internet users who watch TV shows online will rise by double-digit percentages in the next two years before growth slows to single digits in 2014. Meanwhile, nearly 60 million US adults will watch full-length feature films online at least once per month next year.

â€œFrom movies and full-length TV shows to sports streams and made-for-web programming, video is finding receptive audiences on all types of connected devices,â€• said Verna. â€œMost of this content carries advertising, even when it lives behind a paywall, as is the case with live sports and TV subscription packages such as Hulu Plus. This gives marketers many options to participate in this ecosystem, ranging from standard video ads to branded content.â€•

The full report, â€œPremium Video: Audience, Devices and Content,â€• also answers these key questions:
~ How many people will view online video, including full-length TV shows and movies, in the next several years?
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~ How will technology adoption affect the video content landscape?
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~ What types of premium content are most viable online and on mobile devices?
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~ What are the leading venues for premium video content?
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~ How should marketers approach brand opportunities around video content?

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