CONVIVA

Q2 2020

Conviva's State of Streaming

Europe

This regional report includes streaming traffic measured from the following countries and territories in Q2 2020:

Northern Europe	Southern Europe	Eastern Europe	Western Europe
Aland Islands	Albania	Belarus	Austria
Denmark	Andorra	Bulgaria	Belgium
Estonia	Bosnia and	Czech Republic	France
Faroe Islands	herzegovina	Hungary	Germany
Finland	Croatia	Moldova	Liechtenstein
Guernsey	Gibralter	Poland	Luxembourg
Iceland	Greece	Romania	Monaco
Ireland	Vatican City State	Russian Federation	Netherlands
Isle of Man	Italy	Slovak Republic	Switzerland
Jersey	Macedonia	Ukraine	
Latvia	Malta		
Lithuania	Montenegro		
Norway	Portugal		
Svalbard and Jan	San Marino		
Mayen	Slovania		
Sweden	Spain		
UK	Serbia		

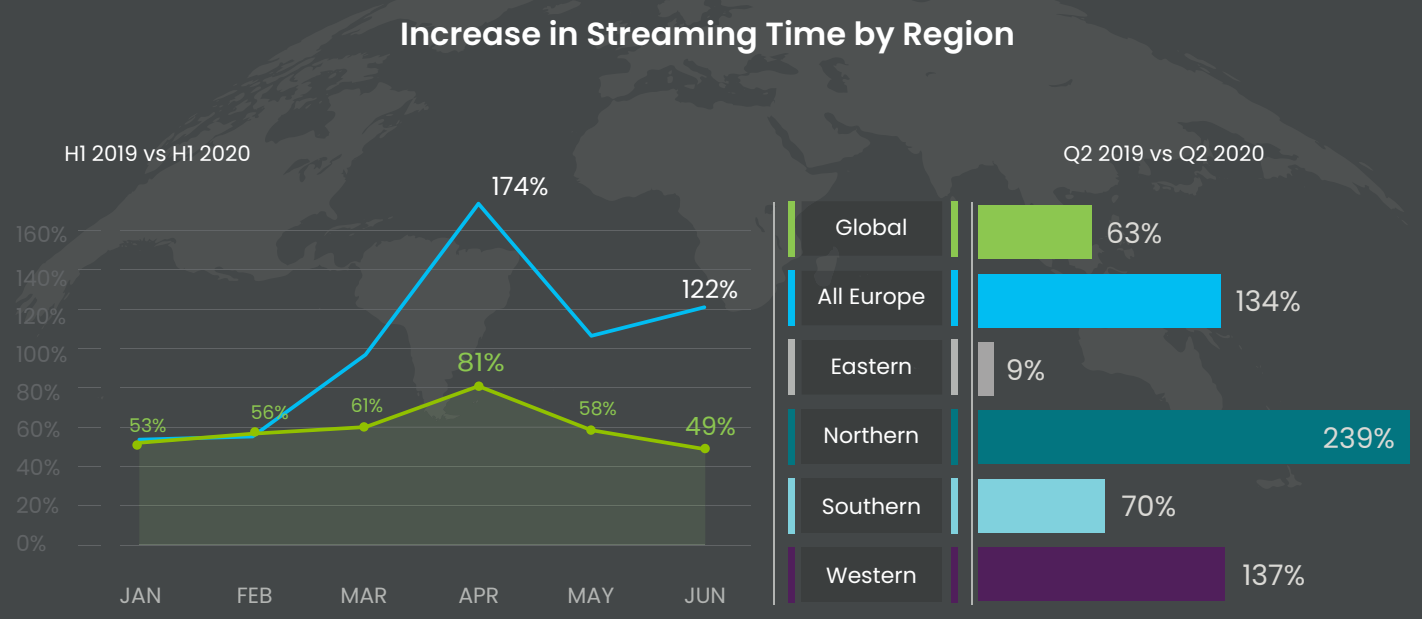
Q2 2020 – Conviva's State of Streaming: Europe

Despite the COVID-19 pandemic, and likely because of it, Europe led the world with the greatest streaming growth and quality improvements in Q2. National shelter-in-place mandates transformed streaming device usage, as mobile phones dialed down in favor of less portable connected devices and smart TVs. On-demand video further commanded market share from live video as the dearth of sports impacted viewing habits. And while the games did not go until deep into Q2, European sports leagues valiantly defended their social turf with a steady cadence of video posts.

Quantity …

Europe's growth in time spent streaming soared a staggering 134% in Q2 overall, with growth for the single region totaling more than the rest of the world combined. North America saw 57% growth, followed by South America with 35%, then Africa at 30%, and Asia with 2%. Within the quarter, April witnessed the zenith of Europe's streaming viewership, up 174% coinciding with a period of COVID-19-induced national lockdowns. This growth rate continued to climb, albeit at a slower clip, in May and June as shelter-in-place restrictions lessened.

Despite Europe's 134% surge in streaming for the quarter, the growth rates varied considerably by region. Northern Europe, headlined by the United Kingdom, dominated with a 239% increase in streaming viewing hours year over year. The region also netted the largest increase in minutes per play, up 16%. Western Europe, buoyed by France and Germany, ranked a distant second with a 137% growth, however this rise is impressive given the region's more mature media market. Streaming patterns diverged in Southern and Eastern Europe. While Southern Europe, including Spain and Italy, experienced a 70% increase, Eastern Europe tallied the most modest gains with 9% growth.



... And Quality!

Not only did Europe lead the world in streaming growth in Q2, the continent also enjoyed the world's best quality improvements in streaming as well. European viewers experienced 29% less time spent waiting for buffering, 38% better picture quality, and 39% fewer video start failures. In all categories Europe was the most improved of any region in Q2.

Video start time was among the few quality metrics Europe did not lead, slowing 2% to 4.01 seconds. The region was runner up to Asia with 3.8 seconds average video start time. However, this shift to longer start times is likely more reflective of the increased adoption of connected devices and smart TVs, which typically entail longer start times than mobile devices.

Higher quality streams tend to encourage longer viewing times. Accordingly, European viewership rose 9% to 23.3 minutes per play for the highest average in the world. Europe's total was followed by North America with 21.7 minutes per play, South America, 19.5 minutes per play, Asia, 11.4 minutes per play, and Africa, 4.7 minutes per play.

	Min/Play	Video Start Failure	Video Start Time	Buffering	Bitrate
Global	**7% More** 20.9	**27% Improved** 0.64%	**5% Worse** 4.24	**28% Better** 0.33%	**33% Better** 6.11
Africa	**17% More** 4.7	**25% Improved** 3.17%	**15% Faster** 6.66	**9% Better** 4.73%	**9% Better** 2.61
Asia	**0.4% More** 11.4	**5% Improved** 0.83%	**9% Worse** 3.10	**24% Better** 1.14%	**11% Better** 1.86
Europe	**9% More** 23.3	**39% Improved** 1.20%	**2% Worse** 4.01	**29% Better** 0.35%	**38% Better** 5.09
N. America	**3% More** 21.7	**23% Improved** 0.41%	**4% Worse** 4.39	**20% Better** 0.26%	**32% Better** 6.60
S. America	**46% More** 19.5	**36% Improved** 3.58%	**9% Faster** 6.21	**23% Better** 1.08%	**33% Better** 6.11

Europe enjoyed substantial streaming enhancements across the continent, as video start failures decreased 39%, buffering decreased 29%, and bitrate improved 38% across Europe. Nonetheless, some regions prospered more than others. Northern Europe tallied the best streaming improvements, leading other regions with 55% reduction in video start failures and buffering improved 43%. While quality improved in Eastern Europe and Southern Europe, the two regions recorded the smallest improvements in video start failures with Eastern Europe down 30%, and Southern Europe down 19%. Northern and Western Europe each netted 34% improvement in bitrate while Eastern Europe's only saw marginal 2% improvement in bitrate. Yet, Eastern Europe was rewarded with the largest video start time improvements as viewers in that region saw 8% improvement in time spent waiting for the video to play.

Picture Quality (Bitrate in Mbps)	38% Better	2% Better	34% Better	44% Better	34% Better
Buffering	29% Improved	9% Improved	43% Improved	18% Improved	13% Improved
Video Start Time	2% Slower	8% Faster	7% Slower	2% Faster	6% Slower
Video Start Failures	40% Improved	30% Improved	55% Improved	19% Improved	35% Improved

EUROPE REGIONS

	All Europe	Eastern	Northern	Southern	Western
Video Start Failures	1.18%	1.32%	0.98%	1.19%	1.42%
Video Start Time	4.01 sec	3.88 sec	3.91 sec	4.15 sec	4.08 sec
Buffering	0.35%	0.61%	0.30%	0.40%	0.34%
Picture Quality (Bitrate in Mbps)	5.08	2.82	5.24	4.61	5.55

The Revolution Was Televised

Europeans didn't only stream much more in Q2. They streamed more on decidedly different devices. As a general rule, the larger the screen, the larger the streaming growth, coinciding with more sedentary, shelter-in-place viewers at the start of the quarter.

In Q2, mobile plummeted from first to worst as the least-watched device with a mere 10% share. To take its place in Q2, connected TV devices like Roku, Amazon Fire TV, Apple TV, and others dominated with 32% share of viewing, followed by native viewing in smart TV applications which captured 21%, desktop which tallied 14%, and gaming consoles with 12% share. These less portable, larger screens were more compatible with the region's shelter-in-place restrictions at the beginning of the quarter. Conversely, the smaller screens and more transportable devices lagged, with tablets at 11% share and aforementioned mobile phone the least popular device with 10% share.

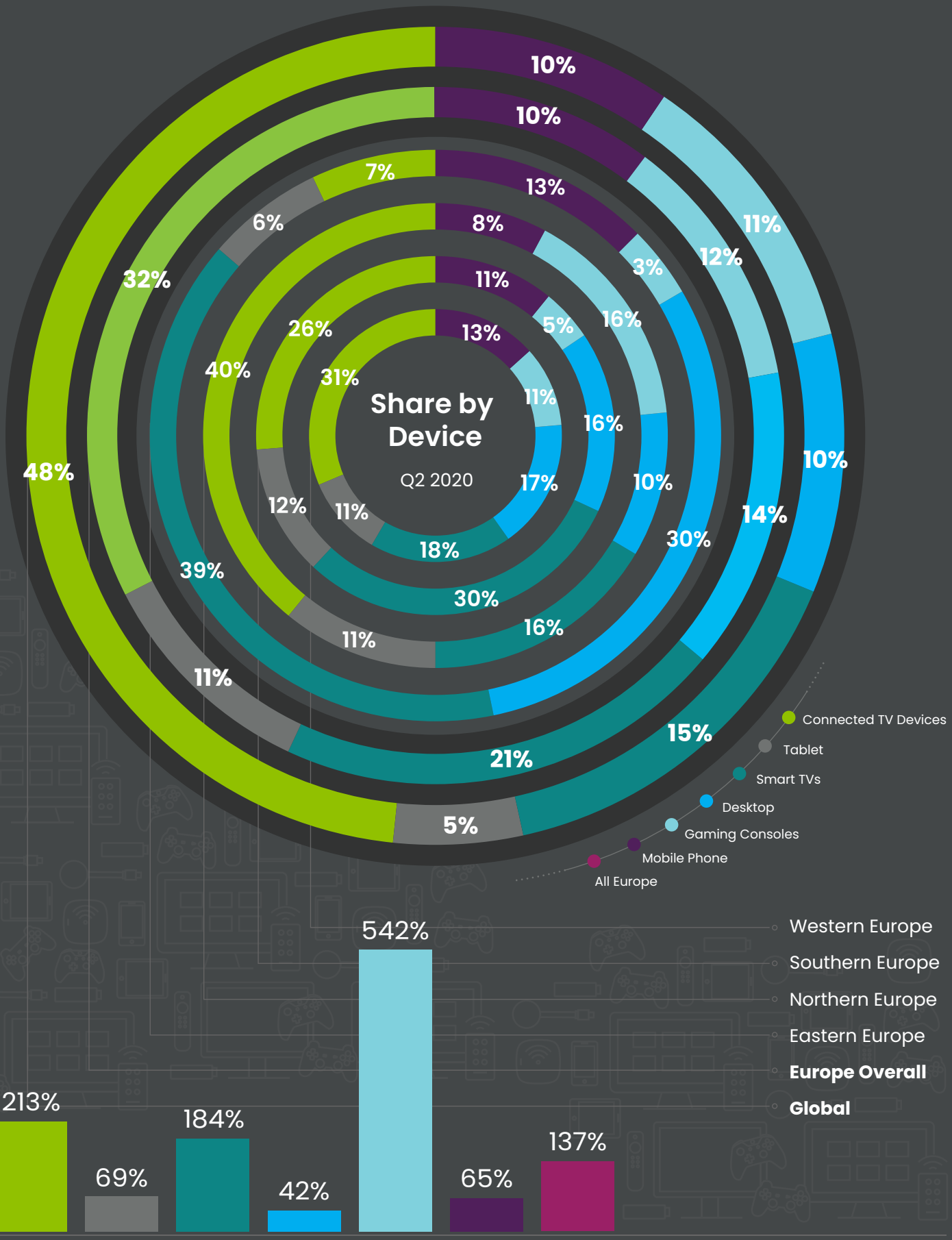
- **Despite connected TV devices'** leadership in the continent, the device's prevalence varied unevenly by region. Connected TV devices proved the main device in Northern Europe with 40% share and 323% growth year over year and Western Europe with 30% share and 179% growth year over year. However, connected devices finished second to smart TVs in Southern Europe with 26% share although the category more than doubled, up 102% year over year. Eastern Europe has not seen the widespread adoption of connected TV devices which tallied 7% share with 45% growth year over year.

- **Smart TV** in-app native viewing proved the second most popular European streaming device in Q2 and was top two in every region. Smart TVs led in Eastern Europe with 39% share and in Southern Europe with 30% share. Viewing on smart TVs ranked second in Western Europe with 18% share and Northern Europe with 16% share. The year-over-year improvements for smart TVs were eye popping with time spent viewing on smart TVs up 363% in Northern Europe, 287% in Western Europe, 116% in Southern Europe, and 44% in Eastern Europe as compared to Q2 2019.

- **Desktop** earned the spot of third most popular device for streaming at 14% share of time spent viewing in Europe. The device fared best in Eastern Europe with 30% share, but still trailed smart TV in the region. Desktop was less popular in Western Europe where it captured 17% share, Southern Europe with 16%, and Northern Europe with 10% share.

- **Gaming consoles** landed as the fourth most popular streaming device in Europe at 12% share. These devices particularly languished in Eastern Europe with just 3% share and Southern Europe with 5% share.

- **Mobile phones** disconnected as the market laggard with a mere 10% overall share in Q2. Mobile devices especially struggled in Northern Europe with only 8% share. Despite these trends, streaming via mobile phone still grew in every region with Western Europe doubling time spent on mobile devices, up 100%, Northern Europe up 87%, and Southern Europe up 35% year over year. Eastern Europe was the only region to record a drop in mobile viewing, down 6% year over year. While mobile continued to grow year over year, the on-the-go device did not nearly match the expansion of stationary devices which flourished with shelter-in-place restrictions.

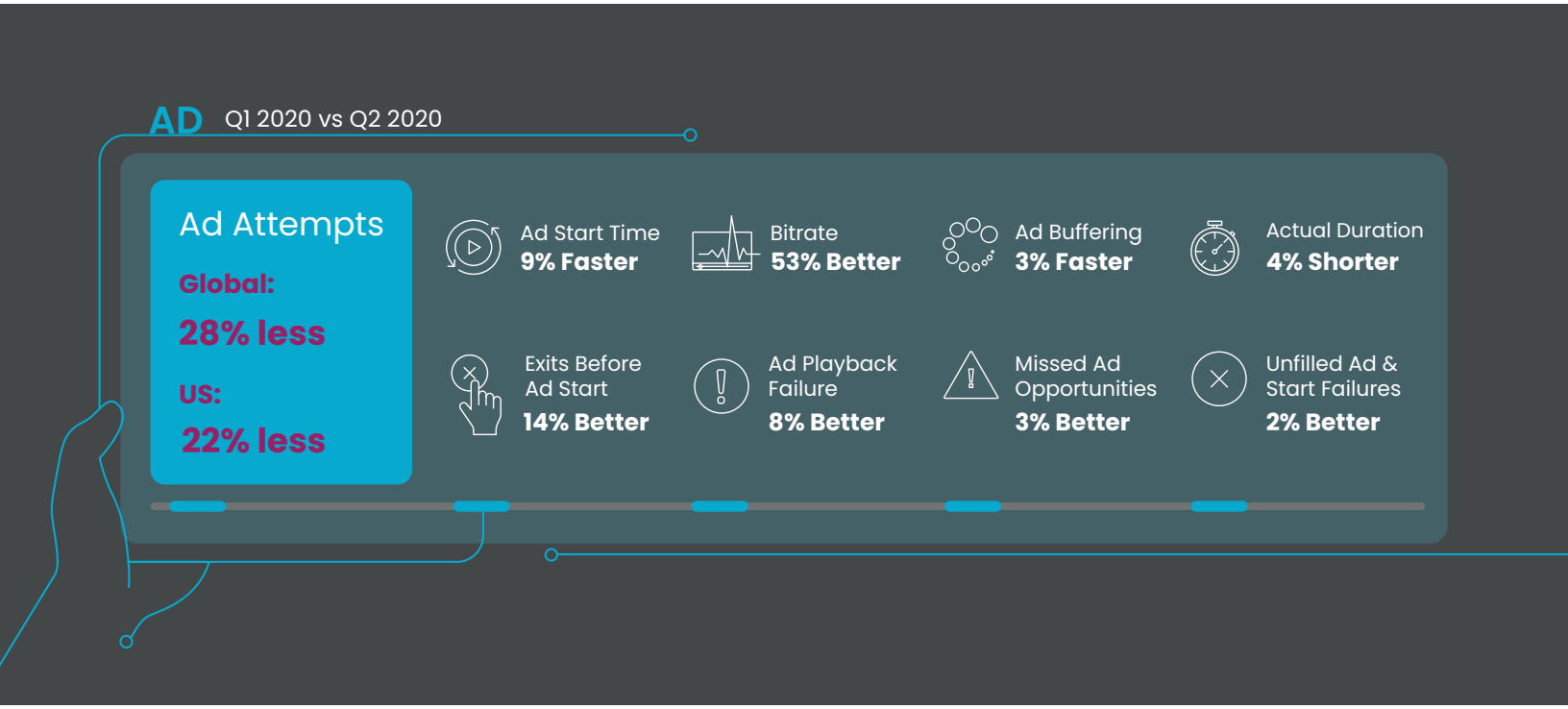


Increase in Viewing Time by Device - Europe

Q2 2019 vs Q2 2020

Demanding Ad Demand

Ad demand was heavily impacted by the COVID-19 pandemic in Q2, particularly with the lack of live sports. This dearth of games helped cause global ad attempts to plummet 28% in a single quarter comparing Q2 to Q1 2020. The United States fared slightly better, but advertising still ebbed 22% over the same time period in that region. Recent launches of subscription-based services may have drawn eyeballs from hybrid and wholly ad-supported services in Q2, but we expect this will also revert to the norm as sports return and recession-conscious viewers increasingly guard their purse strings.



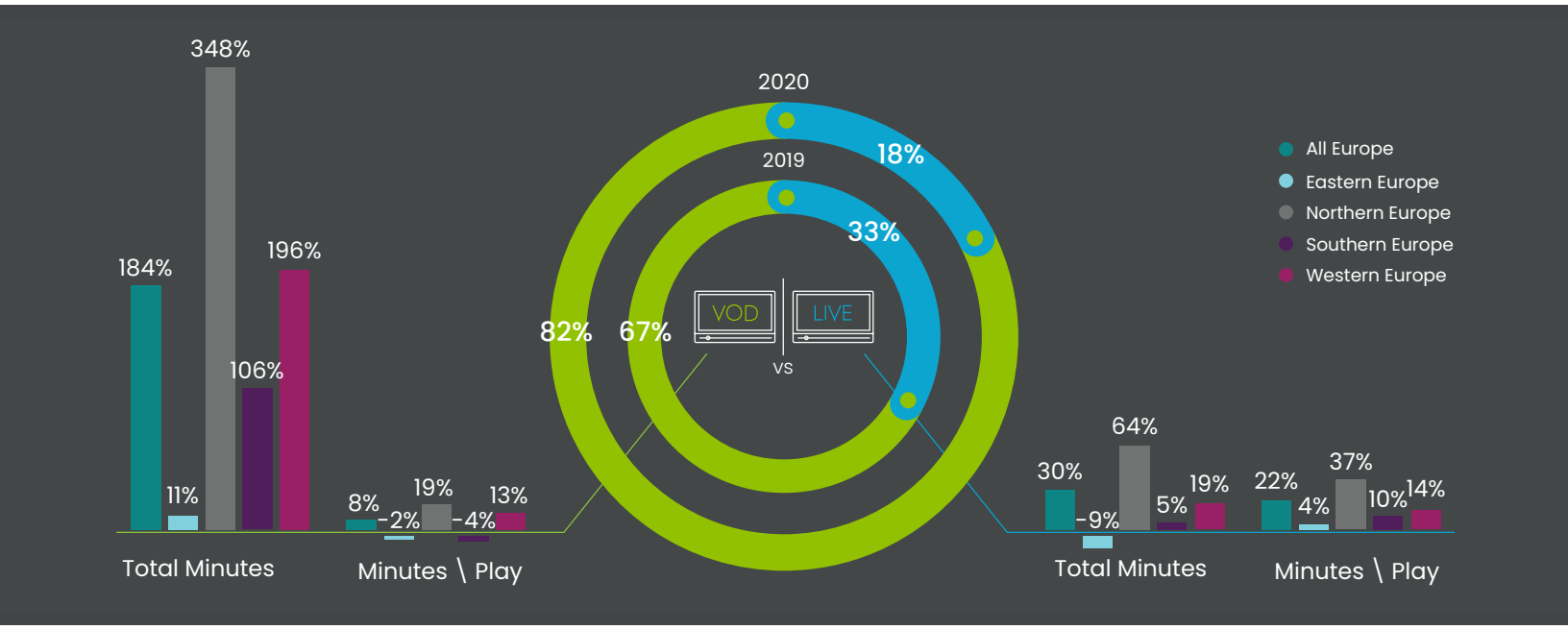
Advertising Inroads

On the quality front, streaming publishers and the ad ecosystem made considerable progress in delivering higher quality advertising to viewers. Ad start times improved so that viewers spent 9% less time waiting for the ad to start in Q2 as compared to Q1 2020. Consequently, viewer-initiated exits before ad started dropped 14% in the same time period. In Q2, ad buffering improved marginally, down 3% while ad picture quality improved significantly, with bitrate up 53%. Higher bitrate is often driven by increased consumption on large screens, as bitrate is significantly higher on these devices. Q2 brought a 12% increase in ad impressions served on connected TVs and a 12% drop in ad impressions on desktop and mobile.

Even with improvements in quality, streaming advertising still struggled with missed ad opportunities. Although slightly improved from 46.3% in Q1, nearly 45% of ad opportunities were not capitalized upon in Q2. The most common issue continued to be the lack of ad demand leading to wrapper and VAST errors as publishers tried to fill ad slots, but no ads were available. These errors adversely affected the experience as viewers often faced a lag in waiting for multiple requests that ultimately went unfilled. As viewing increases, advertisers and the streaming industry need to better deliver successful ad opportunities.

Stayin' Alive

Video on demand (VOD) further widened the gap on live viewing with 82% share of all viewing in Europe compared to live's 18% share of time spent streaming in Q2 2020. Live was a third of viewing the same period the year prior with 33% share of time spent viewing in Q2 2019. This growing divergence illustrates the impact of the suspension of live sports and events at the start of the quarter.

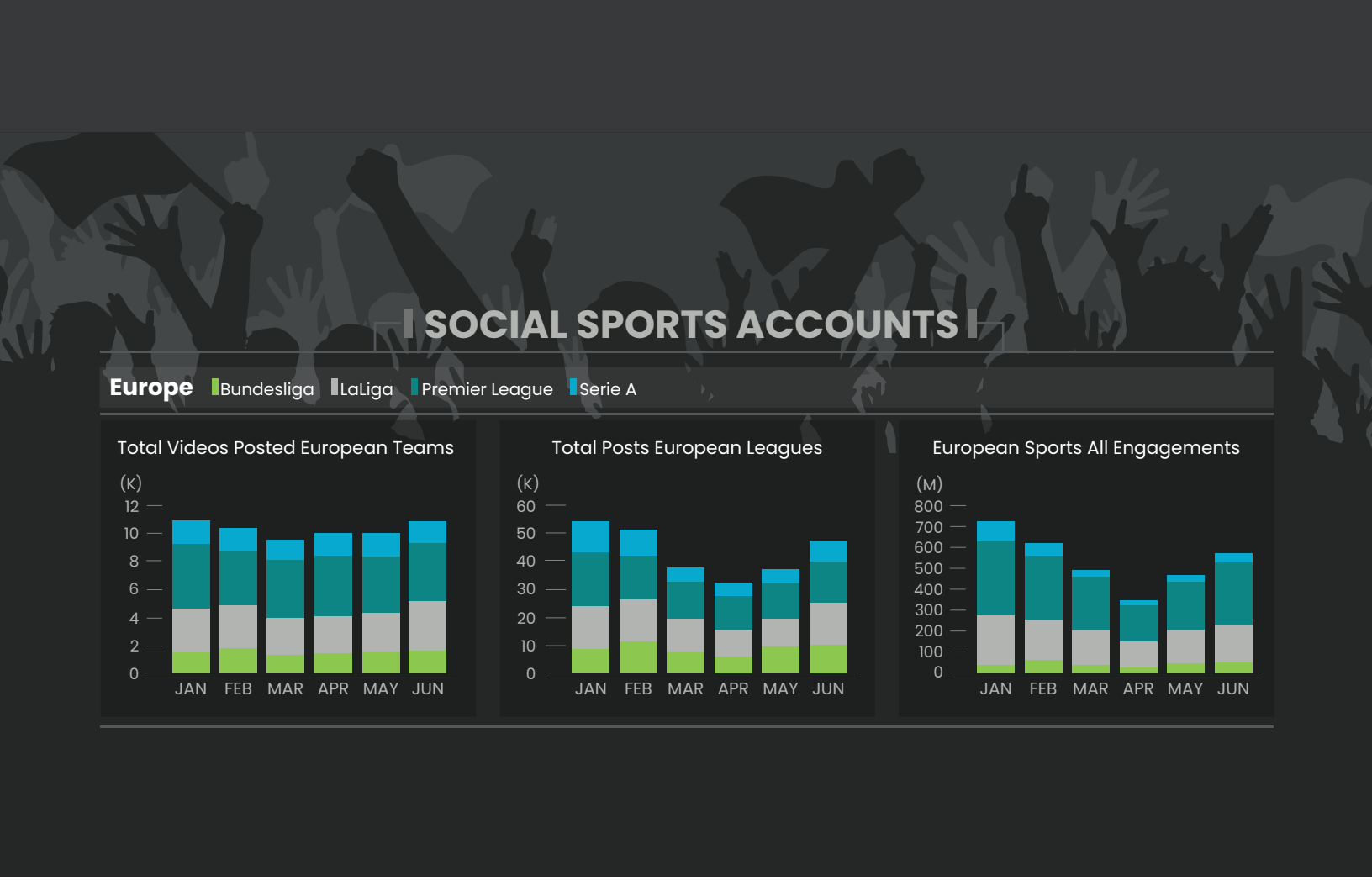


Europe Live Vs VOD

Even though live streaming increased 30% year over year, this rise could not keep pace with video on demand's astonishing 184% ascent. Indeed, video on demand viewing spiked in every region, fueled by Northern Europe's stunning 348% growth. This eclipsed the growth for all other European regions combined with Western Europe up 196%, Southern Europe up 106%, and Eastern Europe up 11%. While total play time spiked in each of the regions, the length of plays was less homogenous. Northern Europe experienced the greatest jump in minutes per play, up 19%, with Western Europe also tallying a double-digit increase of 13%. Meanwhile, Southern Europe was down 4% and Eastern Europe was down 2% in time spent per play as they watched for shorter sessions.

Despite live video's loss in market share to video on demand, viewing time picked up in all but one region. As with video on demand, Northern Europe attained the most gains in live streaming viewership with 64% more viewing time and 37% longer minutes per play. Western Europe ranked second with a 19% climb in viewing time and 14% longer minutes per play. Southern Europe finished third with a 5% uptick in total minutes and 10% more minutes per play. Eastern Europe lagged behind as the only region with a drop in live video viewing time, down 9%, but with 4% more minutes per play.

We anticipate Q2 to be the high-water mark for video on demand's dominance. With the return of live sports and events in late Q2 and beyond, live video's is certain to rebound with more share of viewing time, albeit video on demand's edge will likely remain for the foreseeable future.



Mind The (Sports) Gap

While the games did not go on for European football leagues until deep into Q2 with Bundesliga returning May 16, LaLiga June 11, Serie A June 13, and Premier League June 17, the league teams bridged the gap and beyond with a steady cadence of video posts on social media. Without live sporting matches, practices, or even access to players, social media marketers were presented with a unique challenge in Q2. Maintaining social content cadences and engagement proved a worthy opponent but professional sports teams' game-planned creative social media tactics to keep scoring with fans during months when most athletes were isolated in their homes.

While total videos posted by the European Leagues remained relatively consistent through Q2, the total posts proved uneven. Post volume sank to an April nadir, down 40%, a month before Bundesliga's mid-May return. While post volume rebounded with the aforementioned league restarts, post volume still lagged 11% below their pre-COVID-19 January heights.

Total engagements across the league teams charted a similar trajectory as total posts in the first half of 2020. Team engagements plummeted to an April low before scoring a 64% uptick into June. However, total engagements in June still trail January levels by 20%.

European leagues will continue to win back social engagement with the eventual resumption of games and fans in the stands. But the crafty social marketer tacticians who weathered the sports absence with engaging content were truly the men and women of the game-less match in Q2.

Conclusion

The 2020 COVID-19 pandemic has upended society mores across Europe as we know them, and media consumption was no exception. With shelter-in-place mandates across much of Europe in Q2, Europeans streamed more and longer than any other continent. But streaming providers proved up to the task with the most significant quality improvements in the world. European sports leagues creatively tackled the dearth of live sports to keep fans engaged until the resumption of matches later in the quarter. While we anticipate several of the Q2 trends-reduced mobile streaming, video on demand's hegemony over live sports, and sports leagues social engagement, to eventually normalize, more and higher quality viewing as well as more viewing on-the-go is here to stay.

Methodology

Data for Conviva's State of Streaming report was primarily collected from Conviva's proprietary sensor technology currently embedded in three billion streaming video applications, measuring in excess of 500 million unique viewers watching 150 billion streams per year with 1.5 trillion real-time transactions per day across more than 180 countries. Year-over-year comparisons were normalized at the customer level for accurate representations of industry growth. The social data is comprised of data from over 1200 accounts, over 5 million posts, and over 7 billion engagements across Facebook, Twitter, Instagram, and YouTube.

About Conviva

Conviva is the leader in streaming media intelligence, powered by its real-time platform. More than 250 industry leaders and brands – including CBS, CCTV, Cirque Du Soleil, DAZN, Disney+, HBO, Hulu, Sky, Sling TV, TED, Univision, and WarnerMedia – rely on Conviva to maximize their consumer engagement, deliver the quality experiences viewers expect, and drive revenue growth. With a global footprint of more than 500 million unique viewers watching 150 billion streams per year across 3 billion applications streaming on devices, Conviva offers streaming providers unmatched scale for continuous video measurement, intelligence, and benchmarking across every stream, every screen, every second.

Any Questions?

Visit www.conviva.com or contact Conviva at pr@conviva.com.