



Q2 2020 | GLOBAL VIDEO INDEX



ENTERPRISE & RETAIL EDITION

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POINT OF VIEW

The COVID-19 pandemic has had an enormous impact on enterprises, marketers and retailers. Shelter-at-home restrictions prompted them to look for new ways to connect with customers, partners, vendors and employees.

Video has been at the core of that transition.

As I noted in the *Brightcove Q2 2020 Global Video Index: Entertainment and Media Edition* ([available here](#)), the disruption caused by the pandemic has been video's evolutionary moment, a time that has not just increased the use of video but pushed it to the forefront of our daily lives.

And as true as that is for media, where video views in the quarter increased more than 40%, the changes have been even more dramatic for enterprise, marketing and retail. That's why we're launching this separate edition of the Video Index for those segments.

ENTERPRISES, RETAILERS COPE WITH MASSIVE CHANGE

The pace of change with video in the enterprise, as a massive chunk of the world's workforce has transitioned to working from home, is enormous, as evidenced by the 93% increase in enterprise video views we saw in Q2.

For retailers and marketers, already trying to find their footing in a fast-growing "click and mortar" world, the pandemic meant [a 43% falloff in foot traffic](#) and an ensuing increase in ecommerce, one that meant many (most) retailers had to pivot from traditional hands-on selling to using video.

In the U.S., [eMarketer forecasts](#) that brick-and-mortar stores will see a 14% decrease in sales this year. But ecommerce is expected to see an 18% increase for the year and claim a 20.1% share of total retail sales. That consumer evolution is prompting retailers to radically change how they're doing business.

Nike, on the heels of a 75% increase in ecommerce revenues during the pandemic, now is shifting its strategy – and workforce – to leverage direct-to-consumer sales over its traditional brick-and-mortar approach.

Levi Strauss & Co. CEO Chip Bergh said [the pandemic's effect on ecommerce](#) has accelerated "what may have taken five or 10 years and compressed it into this very short period of time."

What's key to remember here is that this embrace of video by enterprise and retail isn't a short-term response to the pandemic. It's a change that, like most technology swaps, is permanent... until something better comes along.

AND, STILL, VIDEO IS ON THE RISE

Even as the grip of the pandemic eased in May and June, digital revenues continued to rise, [growing 71% in Q2](#), with Australia/New Zealand seeing a 140% Y/Y increase.

That doesn't sound like a fad to me.

I hope this inaugural edition of the Video Index: Enterprise and Retail Edition helps lend some clarity to the impact video is having. The bottom-line insights we include are based on the more than 400 billion anonymized data points from thousands of Brightcove customers we collect each quarter.

Want more insights? Check out our industry blog, [Videomind.com](#), which is updated often.

Or, reach out to me at joneill@brightcove.com – I'm always happy to talk about the video industry.

Stay tuned and stay healthy.

Jim O'Neill

*Brightcove Principal Analyst
Editor-In-Chief, [Videomind](#)*

ENTERPRISE & RETAIL VIDEO AT A GLANCE

93% Increase in Y/Y enterprise video views on all devices

216% Increase in Y/Y enterprise video views on smartphones

123% Increase in Y/Y enterprise video time watched on all devices

465% Increase in Y/Y enterprise video time watched on smartphones

114% Increase in Y/Y retail and marketing video views on all devices

136% Increase in Y/Y retail and marketing video views on smartphones

152% Increase in Y/Y retail and marketing video time watched on all devices

1060% Increase in Y/Y retail and marketing video time watched on connected TVs

ENTERPRISE

VIEWS/DEVICES

Enterprise video views were up on all devices globally during the second quarter – a combined 93% compared to a year ago – as business turned to video to connect with customers, partners and employees.

Smartphones saw the biggest increase year-over-year (Y/Y) with views increasing 216% in the quarter. In fact, views on smartphones increased Y/Y in every month in the quarter, more than doubling in April (+149%) and in May (+140%) before peaking in June with a massive gain of 344% over June 2019. The raw number of views increased in each quarter as well, with June seeing two times as many views as there were in April and May combined.



216%

Amount that **enterprise video views** increased on **smartphones** during Q2

Computers: While smartphones saw the largest increase in views for the quarter, computers maintained the lead in terms of share of all views by a 48% to 44% margin. That lead has narrowed considerably in the past year; in 2019, computers held a 63% to 27% edge over smartphones. Nonetheless, the number of views on computers increased 48% Y/Y, with April, May and June seeing increased views Y/Y (up 55%, 26% and 64% respectively). June was the only month where smartphones logged a greater share of views than computers.

Connected TVs saw consistent growth in the quarter. Video views in each month increased over the past month and over the previous year. Y/Y, views on CTVs increased by 54%, second only to smartphone growth, but by a large margin. April 2020 was up 43% over the previous year, with May increasing by 47% and June seeing the biggest Y/Y growth, 68%. Use of connected TVs overall was relatively low, with the devices' share of views registering below 1% for the quarter.

Tablets made up just 7% of all video views in the quarter. Despite their portability and ease of use and screen resolution higher than that of most desktop and laptop computers, tablets have yet to find a home in the office (or home office for that matter) beyond being used to track inventory, take orders and execute sales. As a video device, they just don't make the top tier... at least not during COVID-19. A year ago, tablets saw a 10% share of video views. This year's decline is likely to slow... but move steadily downward.

Mobile Operating Systems: In terms of operating systems for smartphones, Android smartphones have been a go-to for business for years, even as iPhones began to set sales records around the world. And declining prices for Android-based phones have revived their popularity and made them, once again, very business friendly. It shows in video viewing stats... depending on the region. Android views are dominant in five regions: The United States (barely), APAC, Europe, Latin America and the Middle East/North Africa. iPhone views are higher in Australia/New Zealand and in Japan.

TIME WATCHED/COMPLETION

Overview: With the increased dependence enterprises placed on video content during Q2, the volume of streaming content watched increased more than two-fold from a year ago (+123%). Year-over-year, April was up 123%, May increased by 71% and June saw time watched increase 182% over April 2019.

Smartphones, as with video views, saw the biggest increase in terms of time watched during the quarter, increasing by a massive 465% Y/Y. The biggest surge came in June, when smartphones saw views increase 712%. Nearly as impressive were the gains in April (355%) and May (311%).

Connected TVs also saw a big gain in time watched – more than 304% – but the scale of total time watched was just a fraction of time watched on smartphones. Smartphone time watched was 710 times that of connected TVs, which remain on the margin of enterprise video. CTV time watched growth resembled a bell curve during the quarter, increasing 285% in April, 392% in May and 244% in June, the opposite of all other devices, which saw their biggest gains in the first and third months, indicating CTV viewing was more of a failed experiment for many viewers. Lack of awareness – or urgency – during April, a willingness to try a different device in May and a return to a known quantity in June.

Tablets saw time watched increase a respectable 176% in the quarter, with gains in every month (the norm for time watched on all devices during the quarter). April was up 182%, May increased by 110% and June saw the biggest gain, 242%.

Computers also saw time watched grow, up 66% for the quarter. April time watched increased by 79% and May grew a modest 34%. June, in keeping with the other primary devices for watching video, saw the biggest increase, 90%. The relatively “small” growth for time watched on computers for the quarter was just that – relative.

Computers have been the dominant device in terms of share of time watched for, well, ever. For the quarter, time watched on computers was 60% of all time watched. Smartphones were next at 32%, and tablets trailed at 8%. CTV time watched was less than 1%. Still, here, again, we’re seeing smartphones push toward the category lead. A year ago, computers’ share of time watched was more than 81%. What’s the future look like? Smartphones will continue to grab share, eventually drawing even with, and then passing, computers in terms of share of time watched.

66%

Amount that **enterprise time watched** increased on **computers** during Q2



Operating systems for smartphones had a big impact on completion rates. Users were more likely to complete content on iPhones than on Android-based phones. On average, content watched on iPhones saw rates about 19% higher than Android smartphones. In North America, content watched to completion was two times higher on iPhones than on Android phones, with APAC rates 24% higher for iPhones. Only the Australia/New Zealand region saw completion rates lower for iPhones than Android-based phones, by about 5%. Based on the higher completion rates for content on iPhones, the average amount of content minutes watched obviously is also higher. The difference is significant, about 38%. Region-by-region, the difference is even more pronounced. In Europe, the average minutes of enterprise content on an iPhone is 249% higher than on Android phones. In the U.S., the iOS difference is 112%, and in the Middle

East/North Africa, the difference again favors iPhones by more than 128%. Only Australia/New Zealand saw Android outperform iOS in terms of average time watched... by about 5%.

THE BOTTOM LINE

Smartphones and computers – two devices that see the most normal business use on a daily basis – were at the heart of enterprise video growth during the quarter.

Even in a home-office setting, users are far more likely to watch video on their smartphones and computers than on any other device. The two devices combined saw more than 92% of all enterprise video views.

But, it's important to note that views are trending toward mobile devices as more content is consumed. The portability of a smartphone between rooms and to be used as a second screen can't be undervalued. During the past six months of working from home, [our work days actually got longer...](#) fitting more into that day carries a premium and smartphones are one of the smartest ways to cash in on it.

That connected TVs were used least of any device to watch enterprise video, making up less than 1% of all views, shouldn't come as a surprise at all. As the line between home and work continues to flutter, the biggest screen remains a focus for relaxation.

Tablets, meanwhile, once expected to be the replacement for office computers, haven't lived up to expectations. A device seemingly designed to be used for video consumption played – firmly – second fiddle to the device it was meant to replace. These are important considerations when planning to deploy or expand your enterprise communications.

While computers and smartphones are – essentially – neck-and-neck in terms of viewing share, the smaller screen is likely to continue to gain, and even pass, computers' share of views.

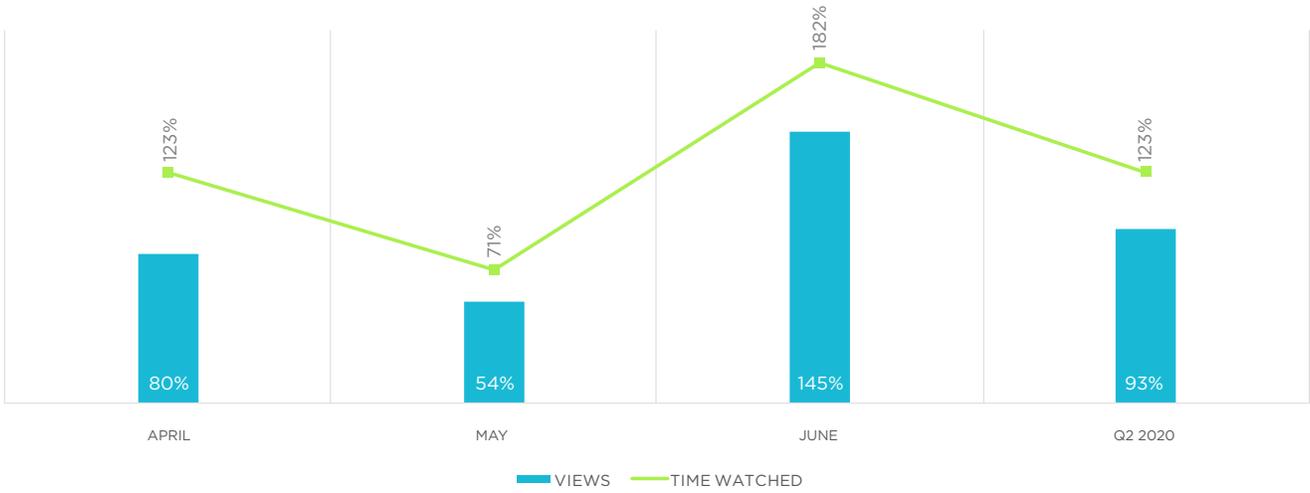
It's simply good business to make sure smartphones are at the core of your communications strategy, as they already are core to the viewers you're trying to reach.

In terms of operating systems for mobile devices, even though Android holds the edge in five of seven regions, making content available on both Android phones and iPhones remains crucial to growth.

What's the future look like? Smartphones will continue to grab share, eventually drawing even with, and then passing, computers in terms of share of time watched.

The device is simply too convenient and, hence, useful.

ENTERPRISE VIEWS & TIME WATCHED (CHANGE Y/Y)



16%
Amount that **enterprise time watched** increased on **computers** in **LatAm** during Q2

57%
Amount that **enterprise video views** increased on **smartphones** in **Asia-Pac** during Q2

71%
Amount that **enterprise video views** increased on **connected TVs** in **Japan** during Q2

RETAIL

VIEWS/DEVICES

Overview: Much like the first three months of this year, global marketing and retail video views more than doubled in Q2, up 114%. Retailers looked to video to connect with customers who increasingly turned to ecommerce rather than brick-and-mortar stores during a solid quarter of COVID-19-pandemic-induced worries and the stay-at-home edicts that accompanied them. Every month in the quarter had significant gains, with April (+140%) and May (+110%) seeing more than twice as many views as in April and May 2019. June barely missed the 2X plateau with a gain of “just” 95%. Regionally, the biggest year-over-year gains were seen in Japan (+223%), North America (+110%), Latin America (+107%) and Europe (+100%). “Smaller” gains were seen in Australia/New Zealand (+90%), Asia-Pac (+78%) and Middle East/North Africa (+63%).

114%

Amount that **retail video views** increased **globally** during Q2



Computers, both desktop and laptop, maintained the majority share of video views in the quarter, with 52% of marketing and retail videos starting on computer screens. The share was flat from a year ago. In terms of growth, views on computers more than doubled, growing 114% in Q2 compared to a year ago. And, while views were up in each month compared to a year ago, the scale of that growth declined through the quarter. In April, views were up 158%, in May, views increased 102% from a year ago, and in June they were up a more modest, but still remarkable, 89%.

Smartphones generated the second-most video views in the quarter and claimed a 43% share of all video views, up from 39% in Q2 2019. Views on smartphones increased 136% Y/Y. Smartphones have been chasing computers in terms of viewing share for several

quarters. Although computers' share remained at just more than half of all views, smartphones added momentum as the quarter wore on. Computers saw Y/Y growth decline from 158% in April to 89% in June, while smartphones saw a less precipitous decline in the growth profile, slipping from 145% growth in April to 138% in May and 124% in June.

Tablets lost share of views in the quarter (to smartphones), ending with a 5% share, down from 9% a year ago. Nevertheless, they saw an increase in overall views for the quarter, up 13% from a year ago. It was the smallest growth of any device, but it was an upward tick regardless.

Monthly Y/Y growth in tablet views were a modest 18% in April, 21% in May and, surprisingly, less than 1% in June.

Connected TVs saw the biggest Y/Y gain in video views at 307%, but the devices' share of overall views remains the smallest of all devices, less than 1%. Still, how video views on the device changed over the course of the quarter paints a clear picture of how consumers adjusted as the pandemic wore on. April saw the biggest change in views, an increase of 383% as consumers hunkered down and watched the pandemic worsen. In May and June, views declined in terms of raw numbers as they moved away from the biggest screen in the house. Still, Y/Y growth in May and June was better than any other device, with increases in views of 309% in May and 223% in June.

Mobile Operating Systems: Smartphone views by operating system globally lean toward Android, which finished the quarter with just under 62% of views compared to iOS's 38%. Asia-Pac, Europe, LatAm and Middle East/North Africa all had Android share above 73%, with Asia-Pac tops at 86%, in line with all types of video viewing in that region. Japan (61%), North America (52%) and ANZ (51%) all leaned, in some cases barely, toward iPhones.

TIME WATCHED/COMPLETION

Overview: Marketers and retailers turned to video in an effort to reach consumers who were – especially early in the quarter – reluctant to shop in (or banned from) brick-and-mortar stores. As a result, video viewing time increased by 152% for the quarter. April was huge, with viewers increasing time watched more than 220% from April 2019. It was the biggest monthly increase during the first six months of the year. The big viewing numbers continued in May (+148%) and June (+99%), despite relaxed shelter-at-home rules in most regions.

Smartphones saw time watched increase just under 178% during the quarter, seeing significant growth in every month. April 2020 saw a time-watched increase

of 190% compared to April 2019, with May up 203% and June coming in with a 137% increase. The quarter was so strong that total hours viewed on smartphones in June – the weakest month in the quarter – were higher than any month in 2019. Among all devices, smartphones’ share of time watched also increased in Q2 to 27% from 24% a year ago.

Connected TVs saw a massive gain in time watched, more than 1060% during the quarter, as viewers spent more time at home and with the big screen. In April, viewing time was up 1441% from April 2019. In May, the increase was nearly as large, 1065% compared to a year ago. But, June’s time-watched increase was 684%, an indicator that users were returning to more established viewing habits. Total time watched on CTVs in June was just 52% of total time watched in April. In recent months, CTVs’ share of time watched, compared to other devices, has been small, generally under 1%. But the surge in time watched during Q2 pushed its share to just more than 3%.

Computers saw a 139% increase in time watched from a year ago. Every month was strong, with April (+231%), May (+125) and June (+86%) all seeing year-over-year increases. Despite triple-digit growth in viewing time for the quarter, computers still lost share, slipping to 65% from 68% a year ago... that shows how strong the quarter was for connected TVs and especially smartphones in terms of time watched. Smartphone time watched was more than 40% of time watched on computers; compare that to the previous year, when smartphone time was just 31% of computers’, and it becomes more obvious smartphones are in their ascendancy.

Tablets remain a comfortable device when it comes to viewing marketing and retail video. In the quarter, time watched on tablets was up a solid 105% from a year ago, but the device still lost share to smartphones and CTV, finishing the quarter at less than 6% compared to 7% a year ago. Year-over-year comparisons were strong for April (+138%) and May (+118%). June saw a 58% increase over June 2019, behind all other devices for the month.

Mobile operating systems: Users were generally agnostic in regard to completion rates and operating systems. Globally, completion rates for marketing and retail content were just 3% higher on Android smartphones than on iPhones. Still, in two regions, North America and Australia/New Zealand, completion rates on Android smartphones are more than 11% higher than on iPhones. Only Japan shows higher completion rates on iPhones than on Android smartphones, and the spread is just 4 percentage points. While just 3% separates completion rates on iPhones and Android smartphones, average time watched is higher on iPhones, and the spread grew significantly in Q2 2020. A year ago, average time

watched on iPhones was 36% higher than on Android smartphones. This last quarter, that spread increased to 81%.

THE BOTTOM LINE

In Q2, much of the growth in marketing and retail was “front loaded,” coming in the first two months of the quarter before falling off somewhat.

The key here is “somewhat.”

Although June saw the lowest number of video views, they still were almost two times the number we saw in any month during Q1 and, obviously, are significantly higher than a year ago.

And that’s telling. The growth of marketing and retail video consumption Y/Y has been appreciable in nearly every month for the past dozen quarters. But those gains weren’t nearly as large as the growth we saw in the weakest month of the quarter.

For all the talk about relaxed shelter-at-home edicts, weariness of watching video, about consumers’ desire to resume a “normal” life, and about the weak economy, video continued to grow.

Marketers – and especially retailers – are recognizing that video really does have “super powers” with consumers.

But what’s going to be important moving forward is for marketers and retailers to start looking at video and video consumption like broadcasters do.

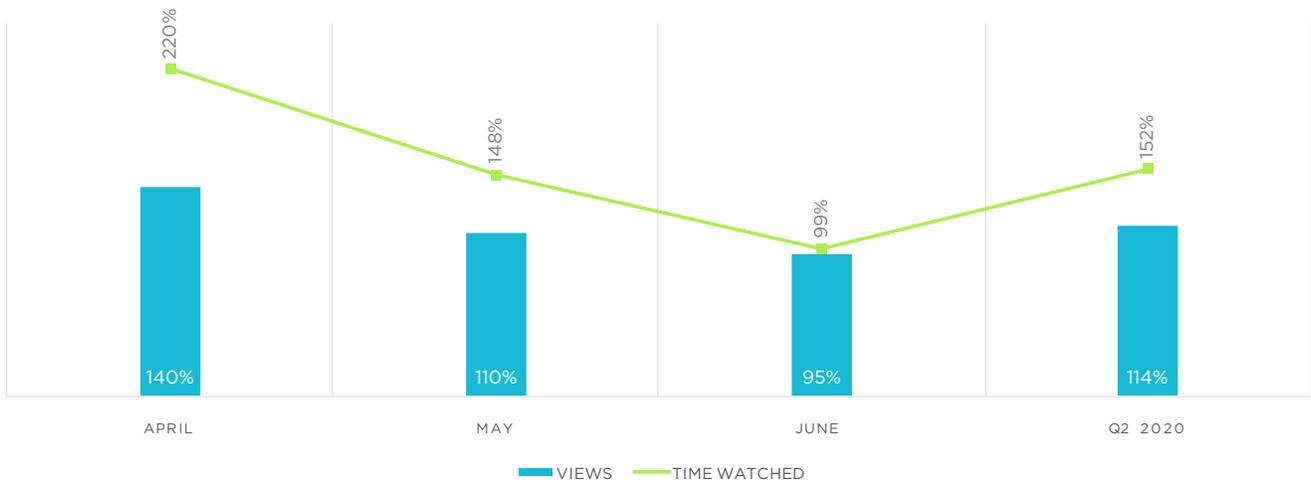
Capturing a consumer’s attention for 15 or 30 seconds may lead to more sales – or at least increased awareness – but using content to truly engage with a consumer is the future. Consumers, especially younger ones, are incredibly advertising averse. That’s one of the reasons subscription services like Netflix, Amazon and Acorn TV are seeing such traction. No commercials means being able to binge content the way creators intended – with no interruption.

How you adjust your outreach to them will determine if you’re going to engage with them – or not.

Brands and retailers that look at their audience more like broadcasters, who look to deliver content that drives engagement as well as curiosity and loyalty, will be the winners in our new video economy.

Video is incredibly hot right now, and marketers and retailers that see it as their primary strategy are likely to have better, more measurable access to consumers than with any other form of marketing. And, in times as volatile as these, being nimble – and welcome – is crucial.

RETAIL VIEWS & TIME WATCHED (CHANGE Y/Y)



110%

Amount that **retail video views** increased in **North America** during Q2

100%

Amount that **retail video views** increased in **Europe** during Q2

78%

Amount that **retail video views** increased in **Asia-Pac** during Q2

107%

Amount that **retail video views** increased in **Latin America** during Q2

223%

Amount that **retail video views** increased in **Japan** during Q2

90%

Amount that **retail video views** increased in **Australia /New Zealand** during Q2



ABOUT BRIGHTCOVE AND THE GLOBAL VIDEO INDEX

About Brightcove Inc. (NASDAQ:BCOV)

We are the people behind the world's leading video technology platform. With our award-winning technology and services, we help organizations in more than 70 countries meet business challenges and create strategic opportunities by inspiring, entertaining, and engaging their audiences through video.

Since Brightcove was established in 2004, we have consistently pushed boundaries to create a platform for people who are serious about video: one that is robust, scalable, and intuitive. Benefiting from a global infrastructure, unrivalled customer support, an extensive partner ecosystem, and relentless investment in R&D, Brightcove video sets the standard for professional grade video management, distribution, and monetization. To learn more, visit www.brightcove.com

The Brightcove Global Video Index reflects the anonymized, aggregated, online video metrics of Brightcove customers, whose collective audience of hundreds of millions of viewers spans nearly every country in the world. This report does not document the online video consumption patterns of the Internet as a whole. But the size of Brightcove's video footprint, along with the variety of our customers, delivers a representative view of global consumption and engagement trends.