

2H 2023

VIDEO MARKETPLACE REPORT

REALIZING THE LIVE OPPORTUNITY



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The FreeWheel Video Marketplace Report (VMR) highlights the changing dynamics of how enterprise-class content owners and distributors are monetizing premium digital video content.

The data set used for this report is one of the largest available on the usage and monetization of professional, rights-managed ad-supported video content worldwide and is based on aggregated advertising data collected through the FreeWheel platform.

In this edition of the VMR, we explore video advertising trends for the second half of 2023 (2H 2023). This report includes findings that build on the insights unveiled in the previous VMR (1H 2023) and will include new insights from the United States (U.S.) and Europe (EUR).*

#FreeWheelVMR

**European countries included: Belgium, Denmark, Estonia, Finland, France, Germany, Italy, Latvia, Lithuania, Netherlands, Norway, Spain, Sweden, and the United Kingdom*

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INTRODUCTION

BACKGROUND

The power of live video content to drive viewership is undeniable. Live, real-time broadcasts are essential for news and sports audiences who require timely and accurate information. For tentpole events like the Olympics and political debates, millions of viewers tune into simultaneous broadcasts across traditional and digital formats.

INDUSTRY DYNAMICS

The National Football League (NFL), a major U.S.-based player in the expansion of live digital, has licensed exclusive rights for *Thursday Night Football* to Amazon Prime and simultaneous airings of *Sunday Night Football* across Peacock and NBC. With 2023 NFL games pulling an average of 17.9 million viewers during the regular season, audience reach across linear and digital is significant.¹ Digital sports coverage is also expanding in Europe, as seen during the 2023 Tour de France with Warner Bros. Discovery viewership growing 12% YOY across platforms including Eurosport.com and Discovery+.² And for U.S. soccer fans across the globe, Major League Soccer (MLS) launched a 10-year partnership with Apple to stream comprehensive coverage of the MLS season on Apple TV, leveraging complimentary digital offerings on the Apple News app.³

In 2024, live premium video is taking further steps forward. NBC's Peacock aired the first exclusively streamed NFL Wild Card game (plus linear local markets), marking it the "most-streamed event ever in the U.S." at around 23 million live viewers.⁴ And this February, Disney, Fox, and Warner Bros. Discovery announced plans for a sports streaming platform collaboration.⁵

THE DIGITAL OPPORTUNITY

The growth of live video content on streaming presents a synergistic opportunity to bridge traditional live TV with the digital ecosystem. This combination opens doors for publishers to diversify monetization strategies by capitalizing on digital reach through direct sold and programmatic transactions. Publishers are in the early stages of this transition, exploring how to optimize the growing opportunity of live across digital distribution platforms, devices, and transaction types. Meantime, advertisers are diversifying their media plans and capitalizing on the opportunity to reach audiences in a multiscreen TV fashion.

Throughout this report, FreeWheel analyzes premium video viewership during the second half of 2023 to dissect video on demand (VOD) and live streaming (live) ad views, with a focus on the unique value proposition of the live, ad-supported environment.

KEY TAKEAWAYS

- 1 | LIVE PREMIUM VIDEO EXPANDS ACROSS DIGITAL:** Publishers expand live premium video across digital platforms, capitalizing on the value proposition of large, simultaneous viewership during major sporting and news events.
- 2 | CONNECTED TV GROWS:** CTV usage grows by 10% in the U.S. and 24% in EUR year over year (YOY). CTV notably dominates in the U.S. market, facilitating 68% of on demand and 84% of live ad views during the second half of 2023.
- 3 | VIEWERS ENGAGE IN REAL TIME:** The live environment presents a unique opportunity to reach engaged viewers in real time at scale. By leveraging a mix of transaction types, publishers continue to refine diversified monetization strategies for live events.
- 4 | FAST CHANNELS PRESENT OPPORTUNITY:** Free ad-supported streaming television (FAST) channels have expanded the opportunity to reach viewers in real time. This distribution platform type accounts for 25% of U.S. ad views and a modest 7.5% in EUR.
- 5 | LIVE LEVERAGES PROGRAMMATIC:** Ad views on live content are transacted programmatically 38% of the time in the U.S. and 22% of the time in EUR. As supply path optimization and reliable demand partnerships are prioritized, the value of programmatic as a transaction type in the live environment rises.

Data Notes: VMR categorization of "live" includes FAST channels. Mechanically, ad requests for FAST set "mode = live." Linear addressable is not included in report data.

AD VIEW GROWTH CONTINUES

While macroeconomic conditions softened the year's ad market, digital premium video viewership continued to expand. Ad views have grown 8% YOY across geographic regions with 6% growth in the U.S. and 17% in EUR.

According to France's Médiamétrie, programming that attracts catch-up audiences of 500K+ has increased twofold over five years.⁶ This behavior shift aligns with the continued double-digit ad view growth seen in EUR.

CHART 1 AD VIEW GROWTH

2H 2022 vs. 2H 2023

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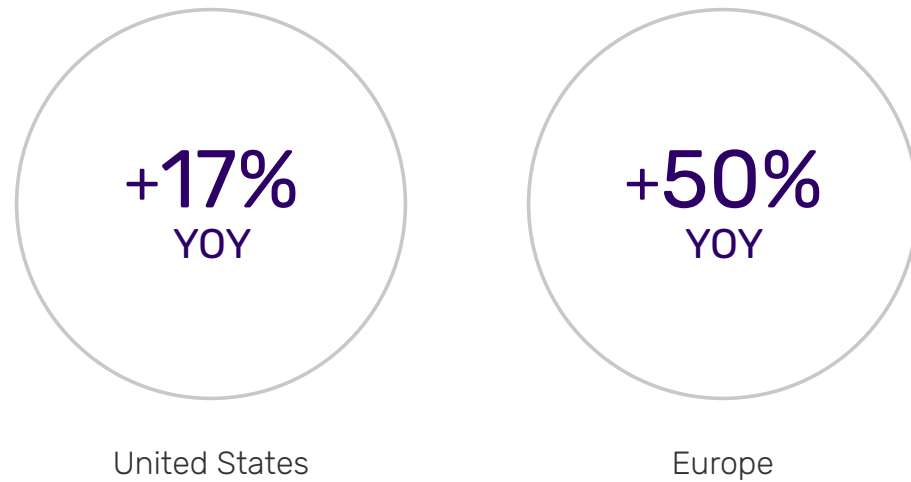
From a programmatic perspective, the U.S. and EUR have experienced impressive growth, at 17% and 50% respectively. Though EUR has experienced higher growth YOY, the U.S. remains the wider adopter of programmatic transactions. As more programmatic guaranteed and programmatic non-guaranteed deal capabilities unlock, the upward trend of programmatic is anticipated to continue.

CHART 2

PROGRAMMATIC AD VIEW GROWTH

2H 2022 vs. 2H 2023

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U.S. and EUR ad view data sets are not equivalent in size.

Source: FreeWheel Video Marketplace Report, 2H 2023. Realizing the Live Opportunity.



WHERE AUDIENCES ARE WATCHING

Audiences in the U.S. and EUR have different behaviors when choosing a preferred viewing device. 82% of U.S. viewing occurs on large screens, primarily CTV. Meanwhile, EUR sees an even split between small (47%) and large (53%) screens, with set-top box devices continuing to be prevalent across the region.

The subset of programmatic data shows a similar device breakdown, with the U.S. heavily relying on CTV and EUR experiencing more device type variation. Programmatic ad views in the U.S. overwhelmingly occur on large screens (87%), while programmatic ad views in EUR expand small screens usage to 60%, partly due to an increase in mobile.

Source: FreeWheel Video Marketplace Report, 2H 2023. Realizing the Live Opportunity.

CHART 3
AD VIEW COMPOSITION BY DEVICE

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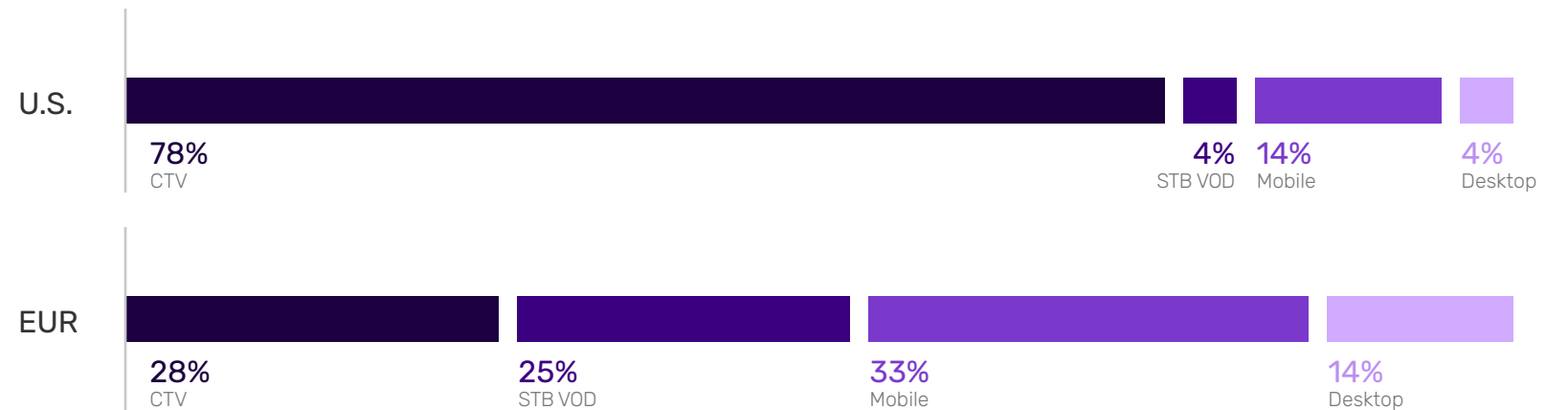
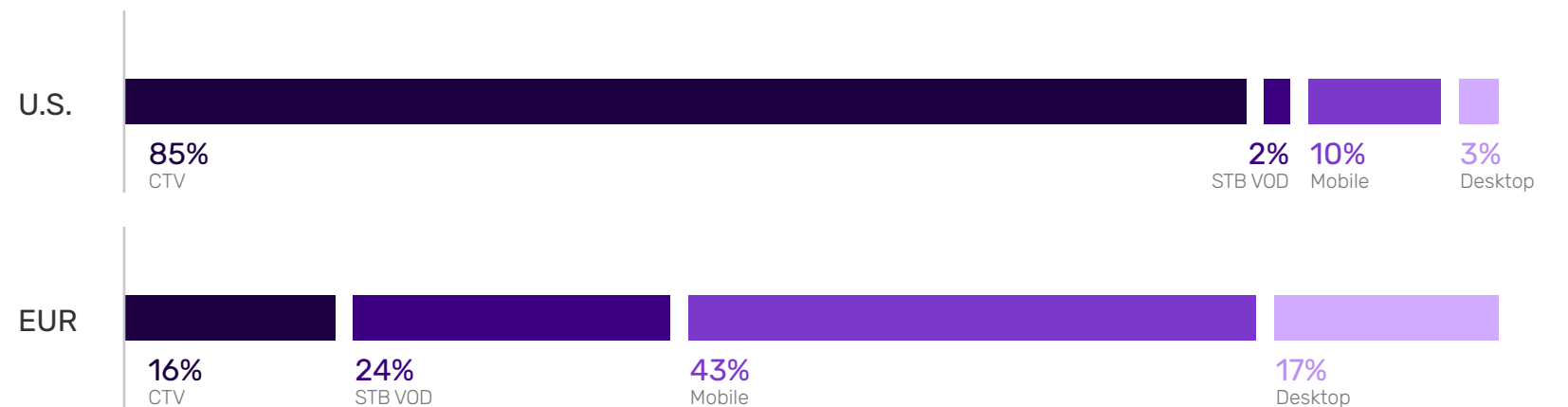


CHART 4
PROGRAMMATIC AD VIEW COMPOSITION BY DEVICE

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Spotlight on Connected TV

Ad views on CTV have grown substantially since 2022. With this expanding device opportunity, advertisers are adjusting budgets to increase CTV spend.

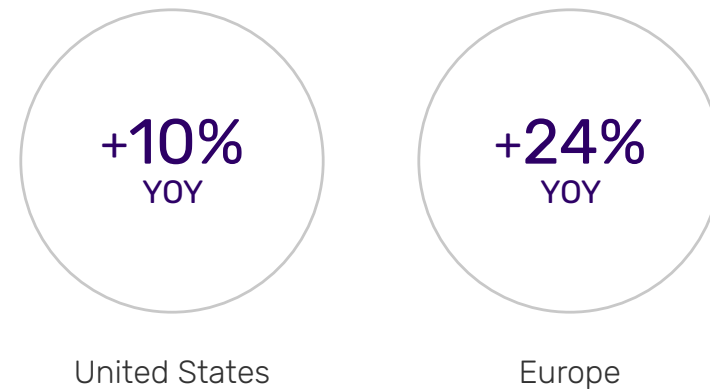
Linear TV ad spend still tops that of CTV, yet some project that U.S. linear spend will decrease by about \$5 billion while CTV is predicted to rise by \$15 billion over the next four years.⁷ In EUR, further CTV growth is expected in 2024 as a number of players launch new types of streaming offerings, including census-based measurement from broadcaster TF1 (with TF1+) to account for co-viewing.⁸

CHART 5 CTV GROWTH

2H 2022 vs. 2H 2023

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U.S. and EUR ad view data sets are not equivalent in size.



Source: FreeWheel Video Marketplace Report, 2H 2023. Realizing the Live Opportunity.





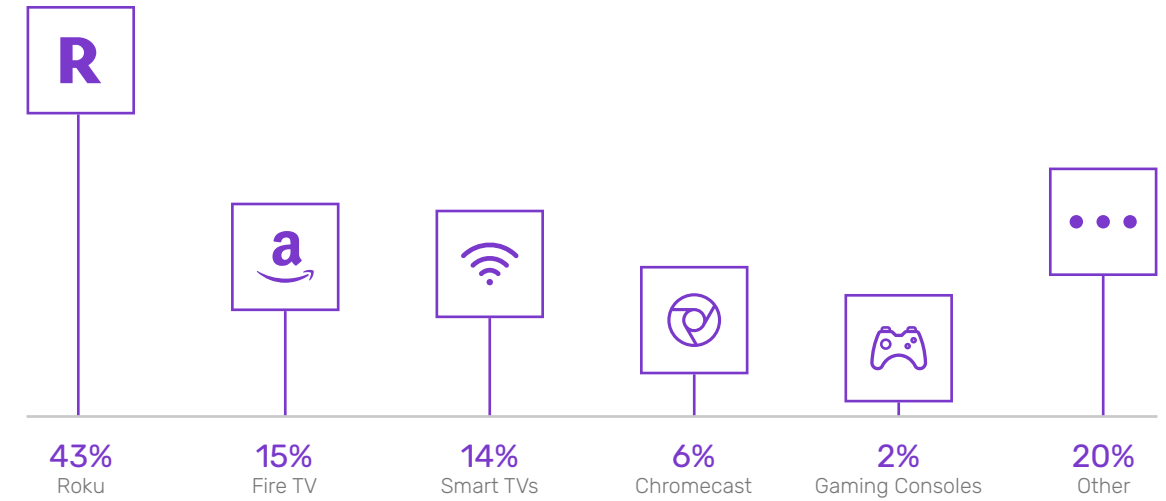
CHART 6

AD COMPOSITION BY CTV DEVICE

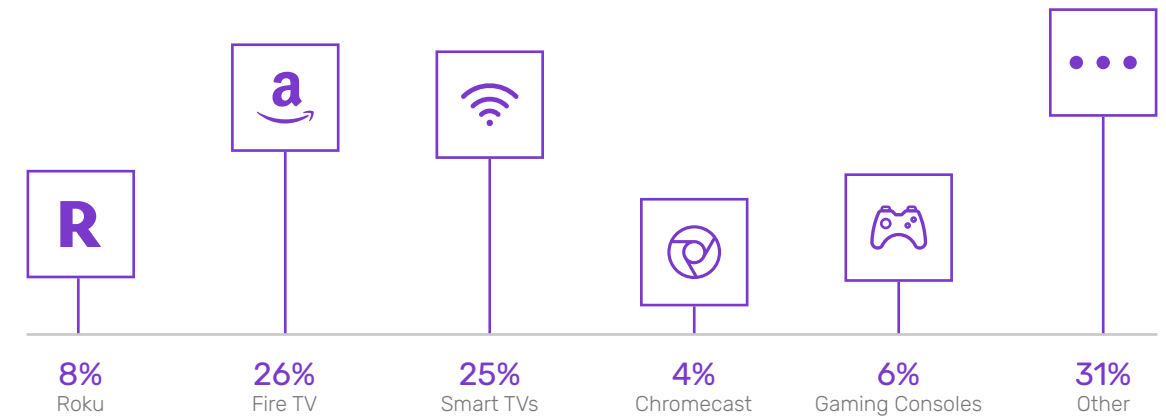
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United States



Europe



Source: FreeWheel Video Marketplace Report, 2H 2023. Realizing the Live Opportunity.

LIVE CONTENT VIEWING

Device Preferences & Real-Time Engagement

For live content viewing, device usage varies between the U.S. and EUR. However, real-time engagement beyond the primary screen remains a commonality. Major live streaming events create unique opportunities for publishers and advertisers because of the uptick in social media engagement, live sports betting, and more.

According to Deloitte's 2023 Sports Fan Insights survey, 58% of U.S. viewers participating in sports betting use mobile or desktop devices to place bets while simultaneously viewing the live games. Additionally, 44% of survey respondents said they research sports statistics during live sporting events, while many scroll through related sports content on social media.⁹ The real-world time of live events proposes a distinct value proposition for both publishers and advertisers to engage audiences across multiple screens.

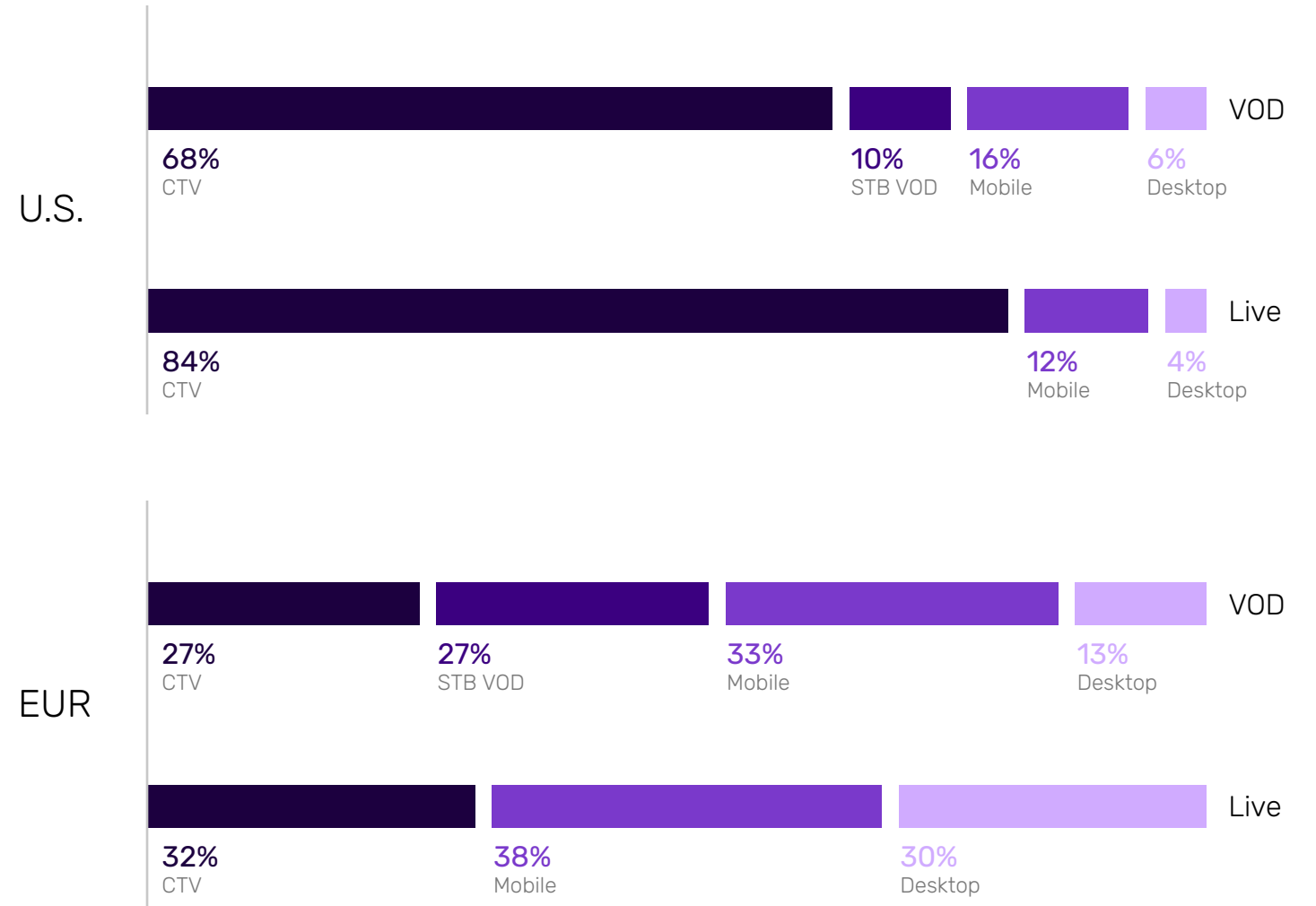
Source: FreeWheel Video Marketplace Report, 2H 2023. Realizing the Live Opportunity.

CHART 7

AD VIEWS BY DEVICE: CONTENT TYPE

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Set-top box live (linear addressable) is excluded from VMR data. U.S. and EUR ad view data sets are not equivalent in size.

DISTRIBUTION PLATFORM BREAKDOWN

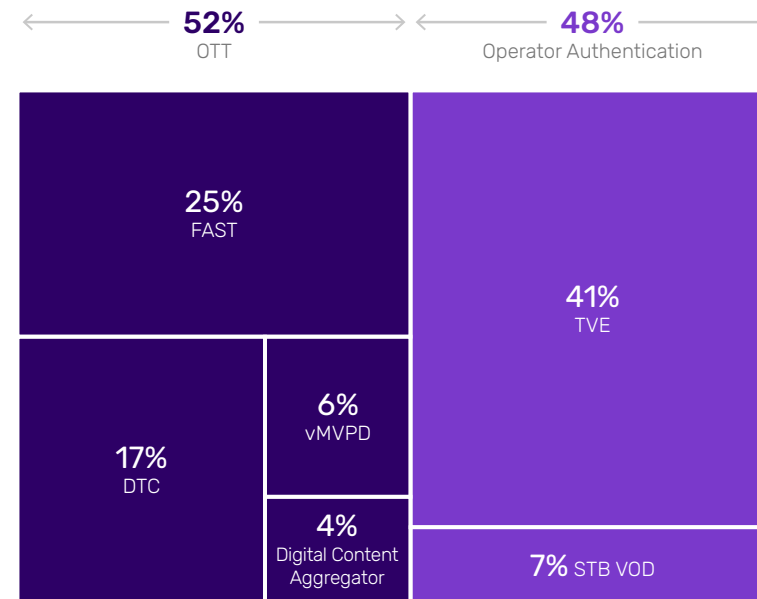
Free ad-supported streaming television (FAST) channels account for 25% of U.S. distribution platforms. In EUR, FAST adoption remains relatively flat at 7.5% as operator authentication platforms across TVE (52%) and STB VOD (28%) continue to dominate.

FAST channels can reach sports viewers on digital devices with both live events and pre-recorded content (documentaries, match replays) on a 24/7 stream. In 2023, numerous sports-related FAST channels launched including global announcements from the PGA Tour, FIFA, and DAZN. The news genre has also sparked FAST channel growth, providing both live coverage and recaps, with local news as a primary driver of these services.¹⁰

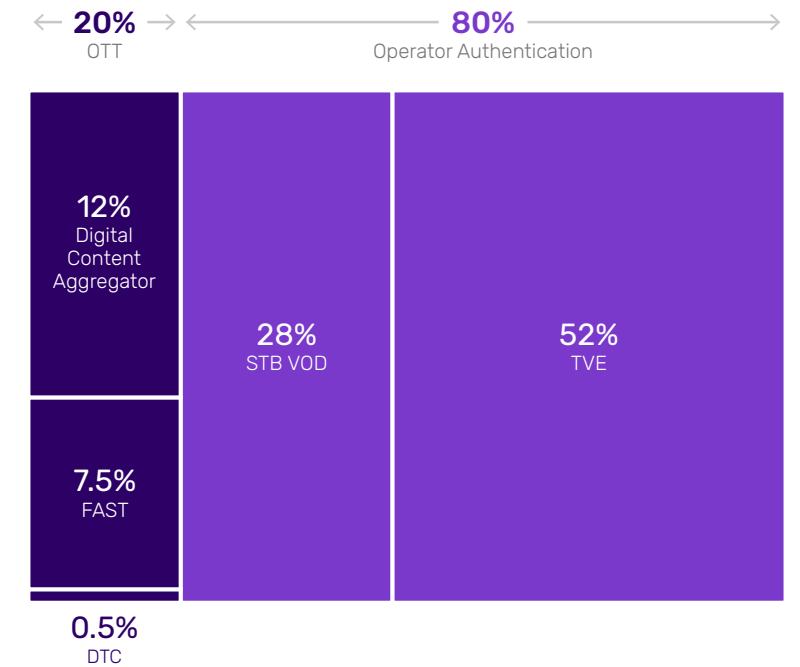
CHART 8
AD VIEWS BY DISTRIBUTION PLATFORM
 2H 2023

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United States



Europe



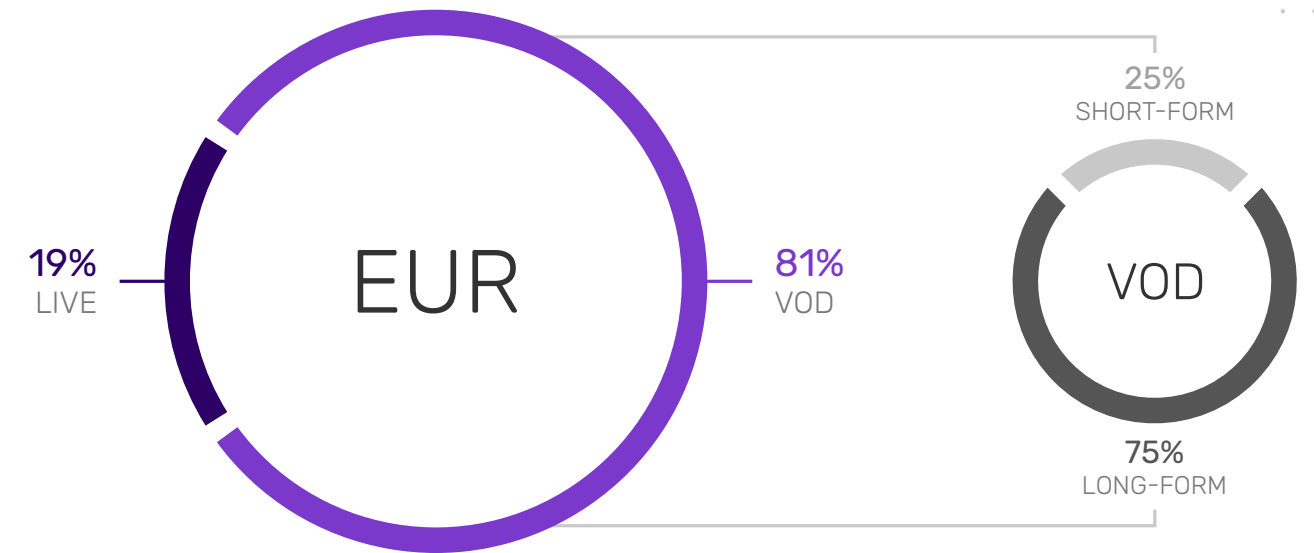
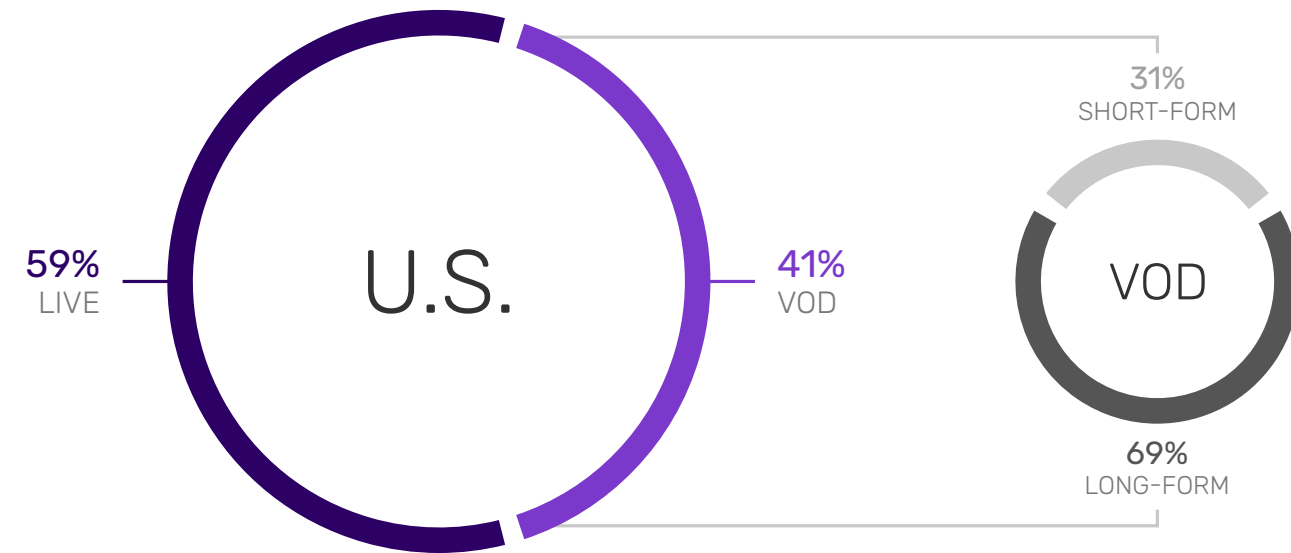
Source: FreeWheel Video Marketplace Report, 2H 2023. Realizing the Live Opportunity.

WHAT AUDIENCES ARE WATCHING

As more opportunities across OTT and operator authenticated devices expand, a stark difference remains between the amount of ad views across live digital premium video in the U.S. (59%) compared to EUR (19%). A portion of this disparity likely stems from the free access to linear broadcasts in most European countries, which often includes major sporting events.

CHART 9
AD VIEW COMPOSITION BY CONTENT TYPE
2H 2023

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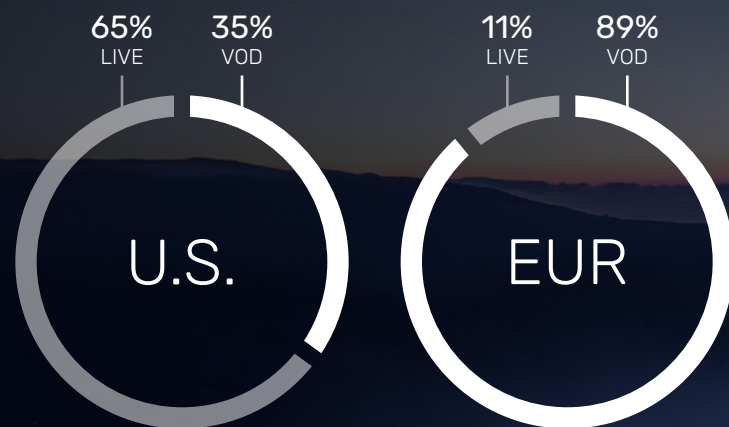
Short-form video is classified as video content under 6 minutes in duration.

Source: FreeWheel Video Marketplace Report, 2H 2023. Realizing the Live Opportunity.

With the growth of digital viewership and the increase in live offerings, publishers can utilize programmatic as a supplemental transaction type to expand diversity of advertisers, while maintaining frequency capping and industry separation during live streams. Since comprehensive information can be passed about specific end users for programmatic transactions, the number of advertisers interested in an opportunity has the capacity to increase when transacting in the biddable market.

CHART 10
**PROGRAMMATIC
BY CONTENT TYPE**
2H 2023

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Source: FreeWheel Video Marketplace Report, 2H 2023. Realizing the Live Opportunity.

LIVE NEWS & PROGRAMMATIC METADATA

Brand safety is a topic often associated with the news genre as many advertisers have business content requirements that limit their ability to run advertisements against hard news. Currently, metadata passed by publishers commonly uses the broad genre of "news." From this metadata, DSPs cannot distinguish what type of news inventory is available. Ultimately, both buyers and sellers miss opportunities. When publishers pass more granular genre data, the result allows buyers to better make confident purchases on soft news, rather than avoiding the broad "news" genre.

AUDIENCE TARGETING

Ad views using audience targeting experienced significant growth in both the U.S. (76%) and EUR (25%) YOY. The geographic regions have opposite approaches to the type of audience targeting utilized, with the U.S. leveraging 61% behavioral and EUR relying 68% on demographic. This is partially due to differences in data regulations that result in more limited capabilities around behavioral targeting for European audiences as compared to the U.S.

CHART 11 AUDIENCE TARGETING GROWTH

2H 2022 vs. 2H 2023

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U.S. and EUR ad view data sets are not equivalent in size.

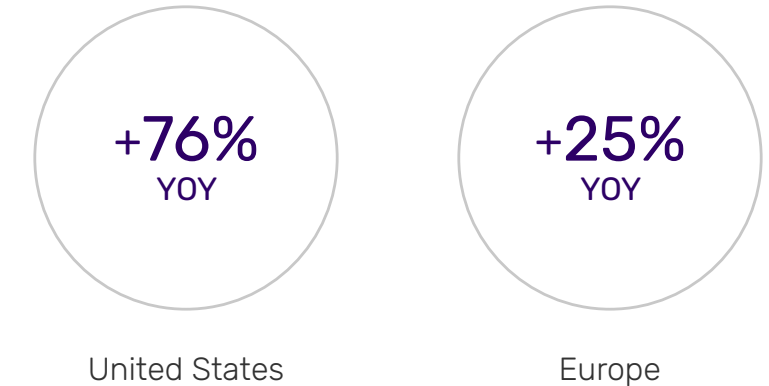
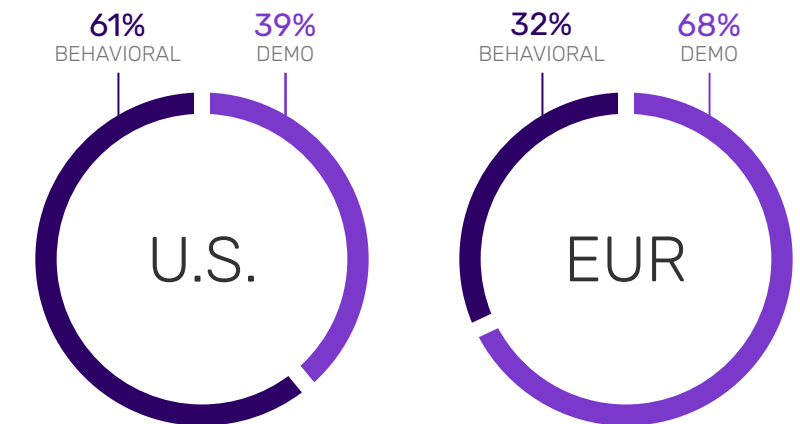


CHART 12 AUDIENCE SHARE OF TARGETED CAMPAIGNS

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Source: FreeWheel Video Marketplace Report, 2H 2023. Realizing the Live Opportunity.

PROGRAMMATIC & NON-PROGRAMMATIC

Non-programmatic transactions (direct, reseller, and Marketplace Platform Private) account for the majority of ad views across the U.S. (66%) and EUR (78%).

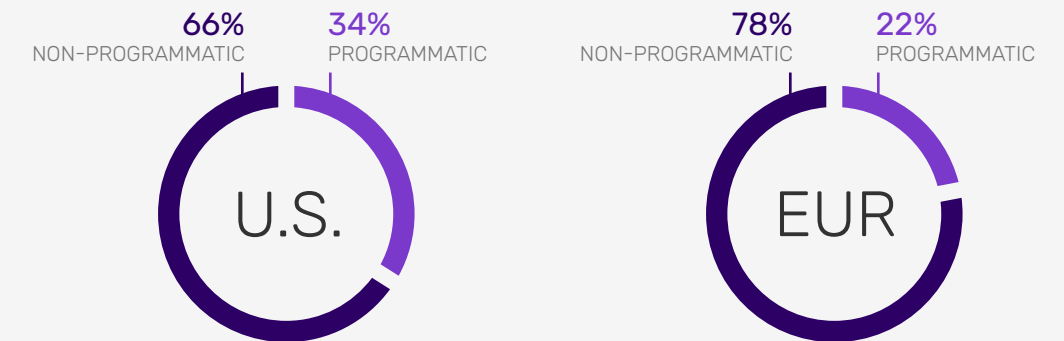
Popularity of programmatic deal types differs between the U.S. and EUR. 79% of U.S. programmatic ad views come from non-guaranteed deals. EUR sees strict constraints from programmers for live content to comply with legal regulations, so guaranteed deals (53%) allow publishers to transact one-on-one with pre-approved creative that adheres to these policies.

Source: FreeWheel Video Marketplace Report, 2H 2023. Realizing the Live Opportunity.

CHART 13 PROGRAMMATIC VS. NON-PROGRAMMATIC

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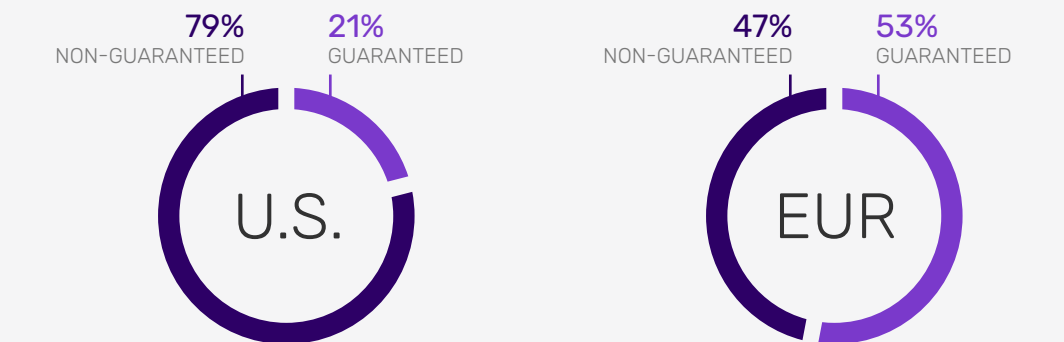


*Programmatic: Programmatic and Marketplace Platform Exchange (MPE)
Non-Programmatic: Direct Sold, Reseller Sold, and Marketplace Platform Private (MPP)*

CHART 14 PROGRAMMATIC VIEWS BY DEAL TYPE

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*Guaranteed: Deal type includes Programmatic Direct
Non-Guaranteed: All other programmatic deal types*

Opportunity of Live Programmatic

The 2H23 FreeWheel Video Marketplace Report introduces new data focused on live ad viewership. In the U.S., an impressive 38% of live ad views are already being transacted programmatically, with EUR following at 22%.

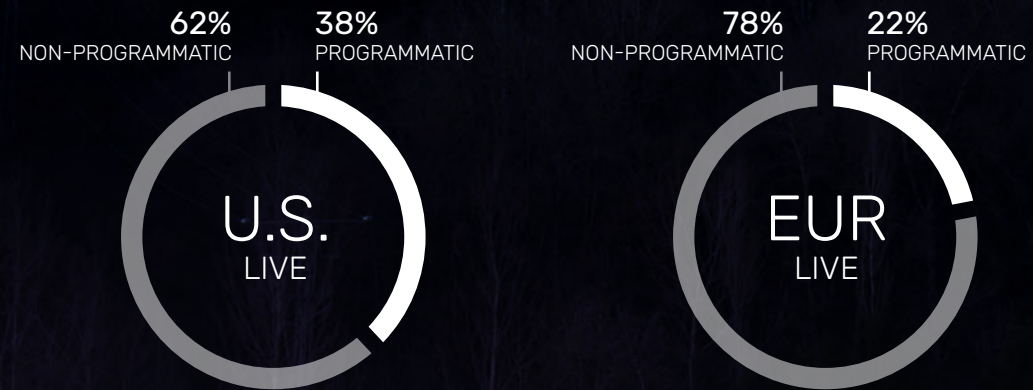
Programmatic transactions help publishers reach scale during live events, while limiting over-delivery on direct sold campaigns.

CHART 15

PROGRAMMATIC VS. NON-PROGRAMMATIC: LIVE CONTENT

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Programmatic: Programmatic and Marketplace Platform Exchange (MPE)
Non-Programmatic: Direct Sold, Reseller Sold, and Marketplace Platform Private (MPP)



CONCLUSION

The 2024 Paris Summer Olympics and coverage of the U.S. presidential election are notable live events for which publishers will look to reach engaged, simultaneous viewers at scale this calendar year. Some publishers have already announced Olympic coverage plans – with France TV leveraging France.tv as the digital touchpoint to pair with linear Olympic broadcasts across France 2 and France 3 channels,¹¹ and with NBCUniversal planning to reach U.S. viewers across both linear channels and Peacock.¹²

With live content accounting for 59% of U.S. and 19% of EUR total ad views, live video will be a critical growth area for advertisers and publishers. Continuing to unlock benefits from programmatic transactions is a critical piece to realizing the value of live content on digital.

Currently, programmatic experiences some technical challenges in the live environment as millions of ad requests and responses ping back and forth simultaneously. But publishers can mitigate risk by partnering with reputable demand sourcing partners who have experience with ORTB compliance and quality control of creatives. As the industry leverages supply path optimization and more reliable creative quality control, programmatic transactions will become an increasingly important monetization strategy for live tentpole events.

In the years to come, the unique opportunity of live premium video opens a world of possibilities for both publishers and advertisers to reach, engage with, and captivate audiences.

ABOUT THE AUTHORS



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GLOSSARY

Ad View – Occurs each time an ad is displayed

Behavioral Targeting – Targeting consumers based on their activities (e.g., shopping habits)

CTV (Connected Television) – A television set that is connected to the internet via OTT devices, Blu-ray players, streaming box or stick, and gaming consoles, or has built-in internet capabilities (e.g., a Smart TV) and can access a variety of long-form and short-form web-based content

Deal – A programmatic transaction between advertisers and publishers

Demo Targeting – Targeting consumers based on demographic information such as age and gender

DTC (Direct-to-Consumer) – Subscription-based service offered directly from Content Owner to watch owned content without a distributor subscription

EUR – Includes the following countries: Belgium, Denmark, Estonia, Finland, France, Germany, Italy, Latvia, Lithuania, Netherlands, Norway, Spain, Sweden, and the United Kingdom

FAST (Free Ad-Supported Streaming Television) – Ad-supported live streaming without a subscription (e.g., Tubi, PlutoTV)

Guaranteed Deals – A transaction priority that ensures available supply by guaranteeing purchase of a set number of impressions

Live – Content that viewers are watching in the same real-world time and experience simultaneous commercial breaks

Long-Form – Video content 6 minutes or longer

Mobile – Content viewed on mobile devices and apps

MPP (Marketplace Platform Private) – A transaction type in FreeWheel's Marketplace that allows for private transactions between a specific buyer and seller

Non-Programmatic – Direct sold inventory that is not programmatic (i.e., Direct Sold, Reseller Sold, MPP)

OTT (Over-the-Top) – Content distributed to viewers over the internet

Programmatic – The use of automation software or managed services to execute an advertising deal

Publisher – Owner or licensor of content (content rights owner)

Short-Form (Clips) – Video content less than 6 minutes

STB VOD (Set-Top Box VOD) – Accompanies a cable/broadcast/satellite setup; contains a cable input and outputs to a TV

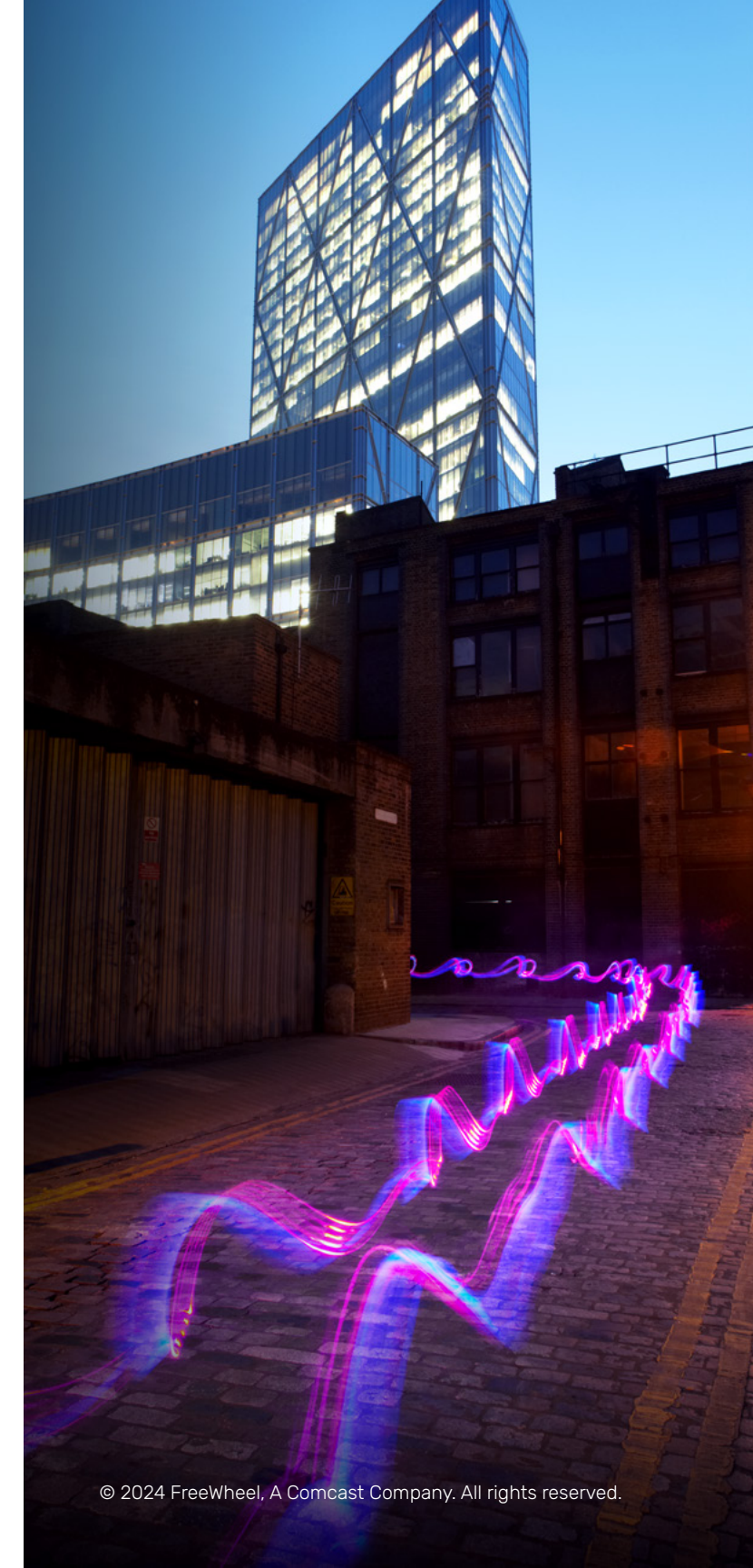
TVE (TV Everywhere) – Services that accompany a cable/satellite subscription, allowing a customer to watch the channels in their package anywhere, both inside and outside the home, without a set-top box

vMVPD (Virtual Multichannel Video Program Distributor) – Streaming services that deliver live and on demand content over the internet in a linear fashion without a Multiple Systems Operator subscription

VOD (Video on Demand) – Programming that lets a viewer select and watch a video (e.g., movie, TV episode) whenever they choose, rather than at a scheduled broadcast time

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2H 2023

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More Information

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