



IPTV World Forum 2009

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Optimising advertising in the VOD Model

Why should telcos bother?

- Because the provision of a TV service has a different cost profile to the provision of a phone line or broadband and all additional revenue streams are welcome
- Because broadband enables more sophisticated targeted advertising and hence avoids a “me-too” type television ad model
- Because advertising revenue can drive new VoD consumption models and can fund more sticky broadband-delivered services
- Because the IPTV World Forum is packed with suppliers of exciting advertising-related capabilities
- Whatever the primary reason, advertising should be part of the telco’s core TV business model from day one

Ad-supported VoD



Pre-roll

- Must be short
- Can be targeted
- Fast-forward disabled
- Requires VoD playlist capability

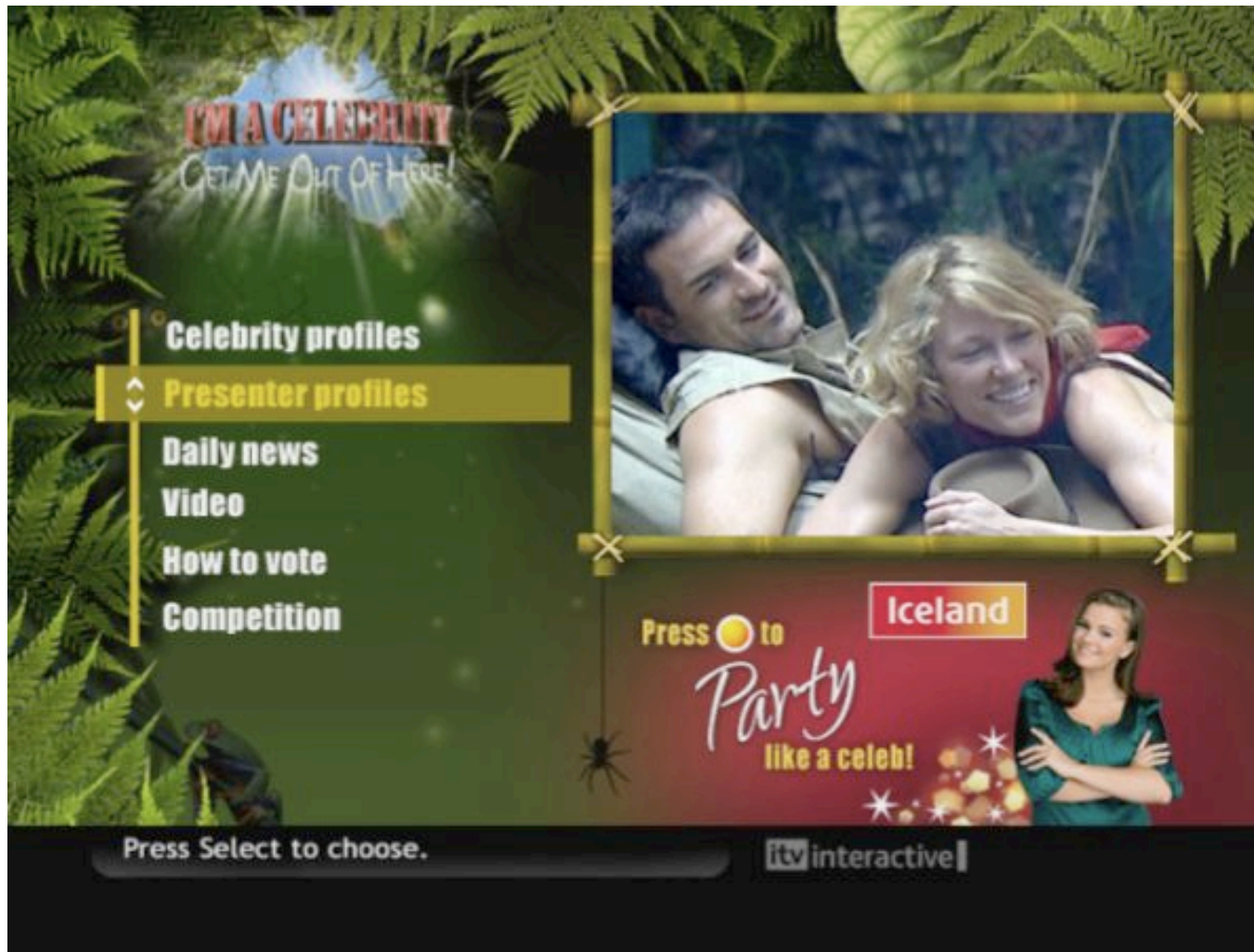
Mid-roll

- Ad breaks usually available in commercial TV shows
- Can be targeted
- Fast-forward disabled
- Requires VoD stream insert capability

Post-roll

- Has anyone, anywhere ever watched a post-roll advert?

Enhanced VoD



Thanks to ITV and emuse

Enhanced Advertising



Littlewoods Direct
the home of big brands

- Home of Big Brands
- Order a Book
- Trinny & Susannah Range
- Back to Trinny and Susannah

Shop online for over 400 of the
World's most desirable brands -
With more than 50,000 products
available you'll find exactly what
you want at the home of big
brands.

www.littlewoodsdirect.com
or call 0870 166 2215

Press 'back up' to return

ITV interactive MORE...

The advertisement is presented as a zipper opening into a scene from the Trinny & Susannah show. The zipper pull is visible at the bottom center, and the zipper teeth run vertically down the right side of the text area. The background of the zipper opening shows two women, Trinny Wood and Susannah Constantine, in a room.

Thanks to ITV and emuse

Interactive Advertising (and DALs)



Gillette *The Best a Man Can Get™* www.gillettechampions.co.nz

Gillette Champions

WIN WITH GILLETTE

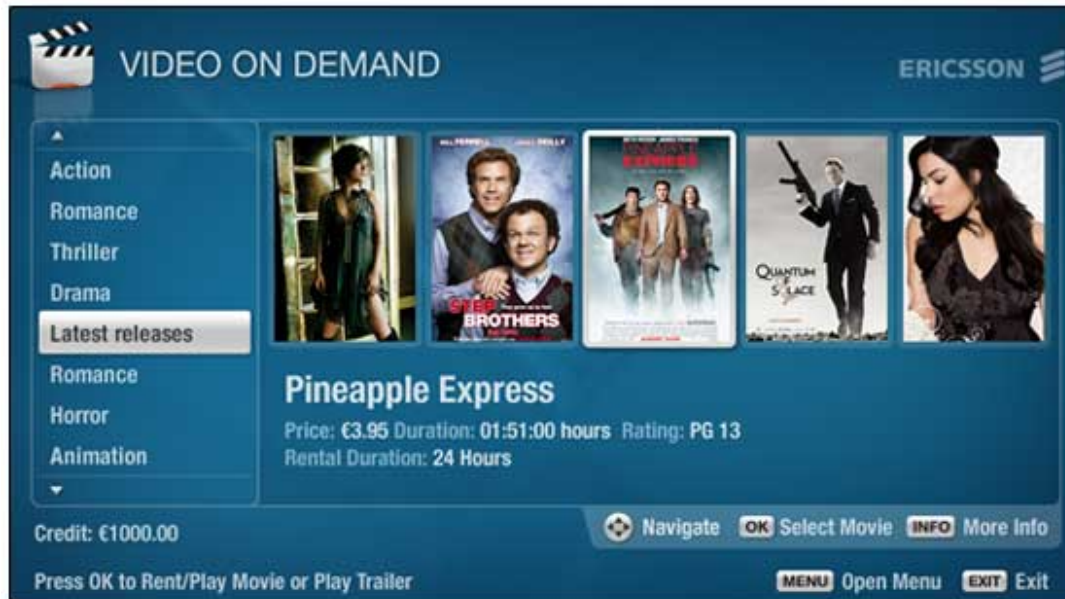
- Flights & Accommodation for two people to Melbourne for three nights and meet Roger Federer at an exclusive party.
- \$450 Gillette grooming packs.
- Free Gillette Fusion when you respond using your SKY Set-Top Box

Press **SELECT** to find out more

➤ Exit ? Help + / i Terms & Conditions

The advertisement features three men in suits at the bottom, each holding a Gillette razor. The background is dark with orange and yellow light streaks.

Sponsorship of VoD categories



- VoD Store categories are crude target markets for advertisers
- “Latest Releases” sponsored by Butterkist Popcorn?
- “Romance” sponsored by Milk Tray?
- “Horror” sponsored by Andrex?
- Must be able to tailor the screen real estate and offer red button links to the advertiser’s DAL

Ads in the EPG/TSG



- Sky, Foxtel pioneered commercialising links in EPG and enthusiastically taken up by many others including FetchTV
- Includes banner-style adverts promoting VoD or other services
- Includes direct links to advertiser DALs from EPG listing numbers
- Must be able to dynamically tailor EPG channel numbers, their functions and the screen real estate

Capabilities Required



Rights/Content Management System

Advertising Management System

Editorial/Interactive

Service Delivery Platform/Middleware

**Customer Identity
Customer Presence
Entitlement & History
Video Playlists
Advertising/Recommendation Engine
VoD Storefronts
Flexible TSG UI
VoD-Stream Triggers
Open, standardised, performant runtimes**

Delivery Platforms



With apologies to the system architects in the audience

Outcomes

- With the traditional TV companies that are reliant on advertising for their revenue being hit so hard this year...

...should the telco still bother?

- VoD-related advertising is more flexible than the traditional 30 second slot
- VoD-related advertising can be smart and targeted to specific audiences from day one
- VoD-related advertising business starts with annual revenues of €0.00
- Cost of launching a TV business with these capabilities can be the same as the cost of launching a TV business without them
- So, yes, the telco should bother on day one to ensure their platform has the capability to enable all these business models