

Russell Jarman Price, creative partner at Ogilvy and Mather, doesn't subscribe to the 'advertising is dead' school, but recognises that it is taking "a horrible pasting without any likelihood of a respite." He considers that advertising is tough to kill off, will always have a role and is already evolving to provide a different function, in which it is used to support the new technologies by driving viewers from the 30-second TV spot to longer form content. "A good example of this is Nissan where the ads invite you to view the on line programme. I think this model will increasingly become the norm," he predicts.

According to Stephen Reeder, MD and VP, Business Development at ICTV International, few would deny that current linear television advertising is losing ground to Internet advertising. He suggests that this could stem from what he describes as the two significant drawbacks that linear advertising has: "It's intrusive in that the programming has to stop in order for the advertisement to run, and viewership can only be measured through channel viewing numbers. Some current technologies are helping to address this; interactive advertising technologies provide increased measurement capabilities, even when applied to linear programming and the 1:1 nature of on-demand programming further allows targeting and measurement of demographically matched advertising, but this is still largely intrusive."

Serge François, senior product manager at Terayon, suggests that the infrastructure for accurately measuring ad viewership, as well as tracking the skipping and fast-forwarding taking place, is only now being established – and is being met by considerable political resistance from various parties. "Once accurate ad tracking is accepted and deployed, 'per-viewer' pricing may very well emerge as the new ad model for television. Until then content providers of all types

will have to provide advertisers with additional value through the localisation of ads to a specific demographic or geographic location," he says.

ONE-TO-ONE. Paul Delzio, senior director of business development for BigBand Networks, notes that technology developments such as switched broadcast and edge processing, can ultimately give video service providers the ability to establish one-to-one connections with subscribers for the delivery of TV programming, similar to the 1:1 Internet communication. "These technologies can allow service providers to increase the amount of content they make available to viewers. They are intended to make it possible for video service providers to personalise television services, content and advertising for individual households."

In this new television model, suggests Delzio, advertisers will be able to develop individual ads that are more compelling to specific

If technology can eliminate the ads, can it put them back again? Colin Mann looks at creative solutions to the advertiser's dilemma.

NAME CHECK

promotion in the digital age

viewers, and thus improve the effectiveness of overall campaigns. "Technologies available from BigBand and its partners can dynamically select appropriate ads and messages for delivery to individual households, a concept known as 'addressable advertising'. Measurement systems can provide the advertiser with specific ad delivery results. These new technologies should lend the same kind of accountability to television advertising that currently exists in Internet advertising models.

Sam Kershaw, BigBand's VP, EMEA, notes that much as advertisers today pay more for Internet 'clicks' than for each impression of a TV commercial, they may be willing to pay more for customised ad placements. "These developments may help traditional media properties and television service providers recoup some of the advertising revenue they have been losing to Internet media companies," he suggests.

MEASURE FOR MEASURE. Jonathan Wilson, senior account director at Red Bee Media, feels that whatever the technology or platform, the best model for advertising (which has been in place for over fifty years) is the tripartite symbiotic relationship between the broadcaster (content owner), the advertiser and the viewer. "As long as this remains in the digital TV/IPTV, broadband web or mobile world then advertising and brand promotion will have a strong future," he predicts. "Aside from all the new formats and functionality that will emerge on these platforms, perhaps the biggest impact to strengthening this relationship will be reach and relevance - targeted advertising and promotion that is both impactful and truly measurable."

Reed Barker, group product director for content and advertising at



"Interactive advertising technologies provide increased measurement capabilities, even when applied to linear programming."

- Stephen Reeder,
ICTV



Tandberg Television, notes that the company's AdPoint on-demand advertising platform enables the sharing of inventory across multiple ads and owners. "You can take advantage of real viewing statistics.

Advertisers need to know how things can be quantified. It's more productive when they have the tools. However it's not the death-knell for the 30-second spot."

Richard Thomas, software development director at Abit, notes the creative use by German broadcaster RTL which

squeezes the ad window to allow the viewer to follow progress during a broadcast of Grand Prix motor racing, but agrees that not all broadcasting authorities – such as the UK's Ofcom, would permit such a cross-over of programme content and advertising. He stresses the importance for broadcasters of having automation systems sufficiently dynamic to allow the selling of commercials close to broadcast, for instance, when there's late-running events, or a late programme switch. Charlie Horrell, CEO of addressable advertising specialist Packet Vision, suggests that the company's delivery platform is "more than a technology, it's a service which enables sales and data mining. We target and build a profile of the customer, for instance, whether they watch kid's programmes or not." For Horrell, the end-game is to reduce waste and provide focus for the advertiser. "IPTV allows niche advertising; you don't need mass volume. It's about relevance to viewer interests."

BRANDED CONTENT. In the anytime, anywhere media age, advertisers are faced with the dilemma of how best to target consumers and get them to interact. For Jarman Price, the solution is to reach them through relevant, engaging content. "If the content is good enough the consumer will find it," he asserts. "The difficulty for clients lies in finding people who can span the bridge between brand advertising and entertaining content to create 'Branded Content'. In reality those two words span three entirely different industries and therefore the entirely different skill sets that lie within advertising, TV and film. Few people have worked in all three and therefore understand how to merge the three elements into a cohesive package."

Reeder notes that targeting technologies on the Internet are fast becoming mature and re-inventing those for the medium of TV seems to hold little merit. "Instead, harnessing the power of Internet targeting and coupling that with the additional information which can be gained about a consumers behaviour when cross portfolio service bundles (triple and quad play offerings) are considered, would seem to offer an almost utopian amount of targeting data."

For Reeder, the problem of how to get to the customer anytime, anywhere, then becomes an issue of taking those back-end Internet

technologies and providing front end technologies which maximise the characteristics of each media. "This certainly isn't as simple as putting a Web browser onto every device, but rather taking each media, be that TV, portable media devices, cellphones or whatever, understanding its behaviour and usage characteristics and ADDING the Internet's targeting and advertising technologies in a way that they become part of the devices extended behaviour."

NICHE CONTENT. Terayon's François believes the best way is a 'Localisation on Demand' approach that takes advantage of the efficiencies of the digital infrastructure. "With Localisation on Demand, programming and ads can be personalised within a fraction of a second for targeted delivery to a subscriber or a group of subscribers. These include spots that are appropriate for a specific individual, region or demographic group, or similarly targeted graphic overlays or branded logos that are inserted into national ads or programming."

BigBand's Kershaw notes that niche content creates a smaller, but more devoted and definable audience for the advertiser. "BigBand's innovations make it possible to deliver niche content on TV more efficiently. Addressable advertising takes the concept of relevance one step further, by allowing the advertiser to tailor ads for the specific viewer. Traditionally, television advertising has only made sense for advertisers with large budgets. 'Long tail' content and addressable advertising may allow small businesses such as local retailers, or sellers of specialised, low-volume goods such as tractors, yachts or private jets, to find a relevant audience on television, cost-effectively. These technologies should fuel new creativity in video ad creation, as agencies and advertisers begin to experiment with tailored messages. The less compelling an ad is, the more likely it is to get skipped by the DVR."

Wilson's advice is to give them free content on all platforms, "be it pushed or pulled via VOD services that are targeted via subscription allowing for permitted advertising models where users/viewers are sent relevant ads tagged onto free content. A slight alternative is to give the viewer *ad hoc* choice where they can consume the content free with ads or PPV without ads. This could work for broadband web or IPTV now and eventually mobile once the issue of carriage cost has been sorted."

USER-GENERATED CONTENT.

One issue exercising the minds of the advertising community is what impact will the user-generated content revolution have on overall consumer behaviour - and future ad spending. According to Reeder, most of today's user generated content is of significantly shorter duration than commercially produced programming. "The wide range of content also means that targeting



"Advertisers need to know how things can be quantified. It's more productive when they have the tools."

**- Reed Barker,
Tandberg Television**



“IPTV allows niche advertising; you don’t need mass volume. It’s about relevance to viewer interests.”

**- Charlie Horrell,
Packet Vision**

still evolving, and media companies have not yet determined how best to leverage user-generated content to generate ad revenue. “Google’s acquisition of YouTube was largely based on potential. The best user-generated content should attract significant audiences, much as the best bloggers have. However, most user-generated content will probably need to be aggregated with other niche video to create an attractive audience for advertisers. Today, UGC is difficult to categorise,” he states.

VIRAL VIDEO. François expects that user generated content will attract an increasing number of viewers, but considers the viewing experience of a 40-second, poorly encoded clip to be entirely different from that of watching a television programme. “Save for the rare ‘viral video’ hits, most user-generated content goes unwatched and unnoticed. While there may someday be possibilities for user-specific targeting with user-generated content for advertisers, these possibilities will remain untapped until distributors of user-generated content are able to reliably and accurately ensure the quality and subject-matter of user-generated media.”

According to François, mass-market content reaches the mass market for simple reasons: “Decent production values, high-quality distribution and a market size still not reached by the Internet. Until user-generated content can possess the same qualities, it will remain a small part of the total advertising spend. This will be especially true if ‘traditional’ advertising successfully adapts itself to the new Localisation on Demand model.

Jarman Price suggests that user generated content will force brand owners to have a true dialogue with their consumers rather than deliver a monologue. “By definition this will give the consumer more power. This will make the brand owner even more answerable to his customers and more exposed. For smart marketers with good brands, this will be seen as a great opportunity to increase market share, for the less inventive with tired brands, it will make life increasingly difficult.”

the consumer based upon what they are watching becomes difficult and potentially unviable. It is unlikely therefore that ‘spot based’ advertising models have meaning within the world of user generated content.

He recommends that instead, banner style advertising which can persist in a non intrusive way throughout the selection and viewing experience is likely to find most favour with the advertiser, and that the opportunity also exists for highly creative ad companies to produce pseudo-user generated content, the entire purpose of which is to advertise a product or service, but he warns that such a campaign would be extremely high risk in that, unless the clip becomes popular, it could secure almost no viewers.

Delzio observes that the ad model for user-generated content is

NEW MODELS. How then should advertisers best exploit traditional and new distribution models to reach viewers? According to Kershaw, television attracts the largest budget in aggregate, but Internet advertisements typically generate more revenue per click than TV commercials generate per impression. “To increase revenue generated per ad, television can begin to incorporate greater levels of interactivity and addressability,” he suggests. “BigBand has already developed technology, with partners, that is intended to allow advertisers to deliver different television ads to different viewers who are simultaneously watching the same programme.”

François feels that advertisers need to work with network operators, programmers and equipment vendors to create opportunities that engage the viewer and minimise skipping. “As the Internet has shown, it is important that ads be matched as closely as possible with personal profiles that are created through subscriber feedback, viewing, purchasing habits, or a combination of all three. Viewers who are in the market for a car, for example, are more receptive to auto ads. The key is to create and deploy the technology that can help advertisers identify those viewers, and to deliver to them the messages that are relevant.” Jarman Price suggests that new technologies such as Intel’s new Viiv platform will have a major impact on what the box in the corner does and how it is used. “Viiv moves from a two feet interface to a ten feet one. It allows consumers to watch what they want when they want. For advertisers it opens up a whole new field of opportunities. At Ogilvy we are working with Intel and their Miomni partner to develop branded channels for our clients, but of course Viiv can be used as a traditional advertising platform as well.”

Reeder considers that enabling highly effective PC models, such as ‘click-thru’ banner advertising, to be part of the television experience will help advertisers get the traceability and targeting they seek at the same time as being able to address the mass TV viewing population in a non intrusive way. He adds that thinking beyond programming, to consider user selection/navigation services (such as EPG and VoD navigation) as advertising opportunities, also opens up a whole new area for the television operators in addition to that already enjoyed by the channel providers. “As long-tail, user-generated and VoD programming expands, time spent in search and navigation is bound to increase, and in some cases be an entertainment experience in its own right. Supporting these services through ad funding will encourage the operators to make the investment needed to ensure navigation and selection is an enjoyable experience,” he concludes.



“Most user-generated content will probably need to be aggregated to create an attractive audience for advertisers.”

**- Paul Delzio,
BigBand Networks**

