Video Services

Transitioning Advertising to IP Video

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CommScope
Agenda

- Growth of IP Video
- Legacy QAM STB Advertising vs. IP/ABR Advertising
- QAM and IP Advertising Technology
- Challenges of the Current Siloed Model
- Business Goals for the Transition to IP
- Transition Strategies
Growth of IP Video

QAM Video is Shifting to IP

- Technology widely accepted—76% of consumers have OTT service
- Support for multiple devices types
- Enables addressable advertising
QAM Video is Shifting to IP

- QAM – Bulk of cable viewers, ad dollars and established processes
- IP – Most flexibility and ability to target
- Goal: the best of both worlds
QAM Ad-Tech Stack (Network-based Insertion)

- Schedule-based ads
- MPEG-2 Transport Stream content and ads
- Leverages in-band SCTE 35 markers
- Targeting limited to regional ad zones
- Static process, ads locked in 24 hours in advance
IP Ad-Tech Stack (Server-Side Ad Insertion)

- Segments in an ABR video stream are identified by a manifest
- Manifest Manipulator can insert/replace ads by modifying manifest
- Using VAST or SCTE-130, Manifest Manipulator passes metadata and requests decision from Ad Decision Service (ADS)
- Unicast nature of ABR enables addressable ads
- Dynamic decisions made at time of ad break
Challenges of Siloed Model

- Today most systems are run in parallel silos
- Results in separate systems for:
  - Ad decisions
  - Ad insertion
  - Content preparation (ads and entertainment)
Business Goals When Transitioning to IP

Defend the Current QAM Advertising Business

- Don’t break business process that work
- Maintain ad revenue
- Extend ad zone-based sales to IP devices (IP parity)
Maximize Revenue

- Monetize unsold inventory
- Allow mix of scheduled and dynamic Ads
- Expand ads to more channels
- Improve QAM targeting capabilities
- Enable campaigns that cross QAM and IP
Business Goals When Transitioning to IP

Improve Operational Efficiency

- Unify ad decisions
- Unify entertainment and & preparation workflows
- Unify ad Insertion systems
- Transition to virtualized solutions
Enable New Business Models

- Insert ads on behalf of content providers
  - Leverage network to enable addressable ads on national ad avails
- Enable programmatic sales through third parties
  - Supplement in-house ad sales
Siloed Model Strategy

- Progress can be made without fundamentally changing architecture
- Enable IP parity by transcoding/packaging output of existing splicers
- Replicates ad zones in IP
- Relatively costly for large numbers of ad zones
- Requires little change to existing ad insertion systems
Transition Strategy

Hybrid Model

Maintain both systems but make improvements to legacy system

1. Achieve IP Parity by Importing Schedules into the ADS
   - Deliver scheduled ads to IP devices using IP system

2. Add dynamic decision support to legacy ad servers
   - Sell previously unsold inventory
   - Scheduled and dynamic ads

3. Add Support for IP ads to existing ad servers
   - Start to unify ad preparation

Enhancements in Hybrid Model
**Unified Model**

Consolidated system that supports both QAM and IP Devices

1. Unify ad decisions on ADS(s)
2. Unify ad Insertion on Manifest Manipulation
3. Unify Ad and content preparation on IP content
4. Enhanced targeting of QAM ad insertion leveraging DAA/SDV
## Summary of Stages and Business Goals Addressed

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Thank You!

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