4K: taking the lead to TV’s future

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Editor’s view

Looking ahead to NAB

For those in the broadcasting industry April really only means one thing: NAB. As ever, North America’s pre-eminent trade show for the sector promises a treasure trove of things that will go on to define the landscape for the remainder of the year. But looking at what is happening in the industry — and putting aside the almost incessant M&A activity of the last few years— the two themes that stand out are 4K/Ultra HD and monetisation.

It’s interesting that at NAB 2018 and IBC 2018, 4K/Ultra HD was the dog that didn’t bark. Technology supporting it was there but there was no fanfare like there was over the past three or four years. What makes this more interesting is that at a device level at least, unprecedented numbers of people can now display 4K/Ultra HD content due to the fact that capability is now embedded more or less as standard in new TVs. It would be difficult to buy a set over 40 inches in size that did not support 4K/Ultra HD. So given the hardware gating factor seems to have been addressed, why is 4K/Ultra HD service uptake so slow? This is something we investigate in this issue and get the view of leading 4K/Ultra HD content company Insight TV, which has maintained a steady momentum over the last couple of years. We look at why it has been successful and what its future prospects look like.

And from compelling content creation we go to how to make money from it. High-quality content such as Insight’s needs paying for. What are the leading business models right now? And as the content quality bar gets higher, and production costs keep going up, it is vital to get a handle on what levels of tolerance paying audiences have to increased costs of service. How will content service providers cope with the monthly fee hikes? Will audience numbers tank? How will those with less universally known content fare?

These are things we will focus on this month and we haven’t even touched upon IP-based broadcasting and the advance, or maybe not, of cord-cutting. Such things are here in this issue. To TS Eliot April was the cruellest month. In broadcasting it may be the most important. Do enjoy what we have for you.

Joseph O’Halloran
Editor, Rapid TV TV Everywhere
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The numbers don’t lie: it’s looking very good for 4K/Ultra HD. Research from Strategy Analytics at the end of 2018 calculated that 222 million global homes owned an Ultra HD TV by the end of 2018, an increase of nearly 50% over the previous 12 months.

Furthermore, and showing exactly how strong the demand for such technology would be going forward, it forecast that more than 600 million homes will own an Ultra HD TV by 2023, with North America continuing to lead in terms of adoption with 71% of homes set to own one by 2023. A similar tracking report by Futuresource Consulting has found that as 2018 drew to a close, consumer interest in Ultra HD continued to climb, receiving a further push due to average retail prices reaching parity with HDTV sets.

Sounds good? Well certainly in terms of the number of devices in homes. Yet when one considers the number of Ultra HD services in use right now and indeed going forward to 2013 it is a different story. There just aren’t that many and despite 2018 having a World Cup to kick off demand, growth in service numbers has plateaued. And what makes this even more curious is the amount of content now filmed using 4K cameras. The recent
Superbowl LIII was a prime example but with rights holder CBS shooting the landmark event in 4K but not broadcasting it.

So what is going on? The good news is that there are actually some service providers doing rather well right now. Let us give you some Insight.

Addressing one of the key 4K-specific events of the TV conference calendar in November 2018, Kagan senior analyst Mohammed Hamza told an audience of industry professionals that not only was the 4K device ecosystem growing fast but that ultimately the debate around the viability of 4KTV screens was no longer an issue; instead the industry would plough its own path according to what people could watch. He said: “The consumer acceptance is there... The competitive environment has changed: the development path for 4K is not the same as that of HD before it. Online platforms and streaming growth offer a significant contribution. The key discussion centres on content, an issue that will persist as consumers and platforms transition.”

The transition, and why everything now centres on content, was also covered by Futuresource, which noted that broadcast Ultra HD had enjoyed a strong 2018, with February’s Winter Olympics and the FIFA World Cup accelerating many broadcasters’ plans to introduce 4K Ultra HD coverage, making high quality streams available. But as things stand now in this non-sporting year, plans have not translated into mass service deployment.

Indeed, Futuresource highlighted subscription video-on-demand (SVOD) as the likely primary gateway for consumers to access Ultra HD content, with Netflix in particular driving spend. The survey found that some 20–30% of subscribers have opted for the SVOD leader’s Ultra HD premium tier. However, Futuresource cautioned that for wider uptake, a reduction in the cost to deliver Ultra HD and HD broadcasts simultaneously was needed. It regarded IP delivery would be key to this, at least in the short to medium term.

“Surely there’s more to driving the uptake of content than having technologically sound, high quality content”

But there are firms already doing well in Ultra HD content, one of which has been Insight TV. The 4K Ultra HD HDR broadcaster and producer of native Ultra HD content has announced a number of shows crossing several genres over the last 12 months including Travel With a Goat, Road to Gymkhana GRID, King of the Hammers, THRU, Breaking Limits, and DarkFEST. And in addition to content launches there have been numerous carriage deals with leading cable operators and telcos.

So where and how has Insight TV seen the Ultra HD industry develop over the last year? “We saw a growth over the last 12 months and growth in [all parts] of the business,” noted Arun Maljaars, director of content and channels.

“We grew our side of distribution on 4K channels, which sell the main products of premium content 4K for a broadcast fee. We also have our HD channel, which has also grown. We’ve just launched [with US cable operator] RCN in 4K. We’re doing deals with Samsung TV Plus and LG channels digital aid stream there as well. So in terms of uptake it’s really growing and you see the demand for 4K, you know, growing month by month. Also, from the content side, because [in addition to] our 4K channel and our HD channel we’re doing content sales partnerships and you see the demand in [uptake for] 4K content in our specifications, which is 50 frames HDR. [It is] really rising.”

But surely there’s more to driving the uptake of content than having technologically sound, high quality content. What is it that makes a 4K programme worth watching? Maljaars stressed that it is all about telling the story. “With [some] other 4K channels sometimes you get only the visuals but what we deal with, we look at the creative side first. So it shows to be an interesting [story], regardless if it’s SD, 4K or whatever it will be. So after we’ve said all that, we take the right concept, we take the right talents and then we add in the 4K. So [we focus on] where we go, are we going to shoot it, how are we going to shoot it, adding that aspect to the programming. So we get really interesting programming [in what we do with] 4K.”

Over the last few months, Insight TV has expanded from its home territory of Europe and reached out in the US and China. Each market has its own challenges but Maljaars believes that there are a lot of commonalities.

“In the end we think we make the best shows in the higher specifications and we’re always a front runner both in creative and in technical. So we do like to see our channel carry across the world,” he remarked. “But maybe there are more similarities than you would think between China and the US. Not in terms of doing business, maybe — that is different — but in terms of consumers watching it. We see interest in the same titles in China as the US and of course [there are local] features there as well. So that’s
a thing we’re working on, but there are a lot of similarities rather than differences.”

But if that is the case with individual territories, what is the situation with the different types of companies such as cablecos and telcos that Insight TV is increasingly doing business with? How does Insight gain a business edge when a lot of the production technology is commoditised? The key focuses for the company are 4K aspect and frame rate, which for Insight is in the range of 50–60 fps. Plus HDR. And naturally the thorny issue of standards arises.

Maljaars revealed that Insight TV has a working partnership with Technicolor regarding HDR. It also recognises the role played by Dolby Vision in the ecosystem and HDR10+, the standard from Samsung and Amazon. “I’m not saying one is better than the other, but I think it’s a smart move from Amazon and Samsung to take the HDR10+ standard, which is free for everyone,” Maljaars noted.

“Hollywood productions will be using Dulby Vision probably because they have the funds. But for the TV producers and the channels just below that segment it is [important to work with] Dolby Vision and also Technicolor. So we’re experimenting [with it].”

The key sales target for Insight TV content has been cable operators and telcos which are looking at 4K services to gain a differentiator among customers in the 25-35 age range. Yet increasingly Insight TV is involved in the streaming world with the likes of Roku and Samsung Plus online service. Maljaars sees such companies’ business models as interesting from a return point of view. What could be even more interesting for Insight TV is if its content is increasingly delivered via a streaming app rather than as part of a traditional cable or telco pay-TV operator’s bouquet.

“Well, I wouldn’t say it doesn’t cannibalise each other,” says Maljaars. “At least we share from our point of view. The telcos might think different about that, of course. But definitely you see the digital, you know; players challenging the status quo. But at the same time everyone’s working together. So you see Roku apps on the various broadband telco devices. There’s a new service out there and everyone needs to think about how we’re dealing with it and how we all can benefit from it. So it’s interesting to see how that develops, but it doesn’t take business away from the telcos for us right now.”

So just what is likely to happen with 4K development? Maljaars made the bold prediction that maybe within five years almost all channels will be broadcast in 4K in some regard. This he believes will bring about a point at which content will separate Insight TV from the rest.

“That’s why we’re looking at focussing on the story telling itself more rather than the technical part first,” he explains, “and because we’re focussing on all the millennials between 25 and 35 we’re growing with them. So everything: the subjects, the shows they are interested in - we’re growing naturally with them. When they are 40 or so they will know Insight and they will accept [our content], so it will be a standard that will still exist.
I think that next year will be even more 4K [in the] market than it was last year because all the operators are bringing out 4K boxes, and it becomes more of a standard and for me, personally, or for Insight TV, the buyers, or the acquisition managers, directors, they need to do more in my opinion towards what kind of content they are buying. You know, is it interesting for the consumers? Is it real storytelling stuff, which you are going to offer to the consumers, and secondly, is it real 4K HDR?”

Standards aside, there’s a lot of heft to HDR and its adoption by the mainstream consumer electronics industry. The standards battle is obscuring the fact that whatever format wins, HDR will win overall.

The other current future technology with a less clear future is 8KTV. This technology is receiving a huge push as the Tokyo Olympic Games in 2020 approaches. Yet as 4K adoption is painfully slow, it will likely be near glacial for 8K. That said, Insight TV’s development team is involved in the technology and made its first 8K HDR production during the summer of 2018 and Maljaars adds that it was currently shooting more 8K HDR material in current productions in order to make its content future proof.

Knowing exactly what this future to be proofed against is hugely difficult to predict. One thing that is less speculative is that there will be more and more 4K Ultra HD sets out there and that Insight TV will be cranking up the production engine to make sure that for Ultra HD applications they are not all dressed up with nowhere to go.
Complex content distribution models raise the bar for TV Everywhere

With the advent of adaptive bit rate streaming/OTT distribution and consumer demand for TV Everywhere functionality, things have become more interesting – and complicated. It is a race to get more compelling content out to more consumers. As a result, new categories of video services and new consumer engagement models have been introduced. The latest case in point is the Apple TV subscription service that basically bundles existing streaming video services with its own original content under a single app storefront (sounds a lot like a traditional MSO!).

Not surprisingly, this growth of online content distribution has resulted in a corresponding expansion in technical and commercial challenges to enable OTT video services. Content providers, with proven expertise in video production and marketing, are now faced with additional distribution requirements, like encoding and multiple streaming formats.

With premium OTT video services, security and DRM have become of paramount importance. Whether high-value content is delivered via traditional pay-TV networks or via the internet, the security must ensure that only paid subscribers have access to these valuable assets, and that all content policies (output copy controls, offline storage, etc) are strictly enforced.

Amplifying these technical challenges for video DRM are the complex modes of video distribution used by content providers. Some content providers choose to go directly to the consumer, taking ownership of video distribution, DRM and billing. Others may want to deploy the video delivery solution, including DRM servers, but still rely upon and leverage an existing commercial/billing relationship between the subscriber and a video service operator. Still another segment of content providers choose to act solely as content publishers, relying upon downstream traditional pay-TV operators for video and DRM solutions in support of video streaming to the end user.

Quite often, content providers and operators opt for a hybrid approach using multiple of the above models to rapidly maximise geographic and subscriber footprint for new video services.

Securing the TV Everywhere promise

In the case where content providers have established their own video distribution head-end, including video encryption and DRM licence servers, they can provide the TV Everywhere experience with their own branded application. Subscribers can watch all their pay-TV content any time, anywhere and on any device without having to log in repeatedly.

However, to deliver on that promise, content providers can choose to leverage the existing commercial relationships that video service operators have with subscribers. The myriad proprietary content provider-operator relationships make it hard to achieve a friction-free user experience due to the need to entitle subscribers repeatedly. Users do not want to be forced to log-in multiple times to watch their favourite content, whether at home or on the go.

The key is to move both content and business models to the cloud creating a connected content distribution workflow. Content providers achieve greater agility and responsiveness and can quickly connect compelling content with audiences anywhere, any time.

TV Everywhere authentication is not new. But we are approaching the challenge with a new perspective with our nTitleMe solution, which offers an exciting new alternative that provides greater flexibility in a more comprehensive package.

See nTitleMe in action at the Verimatrix booth at NAB – #SU3110, www.verimatrix.com/NAB2019
OTT is everywhere. With service providers such as Amazon Prime and Netflix showing no signs of disappearing any time soon, and Disney releasing an OTT service in 2019, it seems the future of on-demand TV is already here.

When it comes to content delivery, creating an OTT infrastructure that provides effective direct-to-consumer capabilities is unfortunately easier said than done. Service providers often underestimate the technical challenges and dive straight into developing apps and user interfaces, sidelifing the technical stuff until later on in the process. It’s great to have back catalogues of films, viral shows and the hottest series, but if the content doesn’t load, is continuously buffering or doesn’t resume from where you left off, what’s the point in having it? Ultimately, if service providers don’t get the groundwork right, they risk losing viewers.

Today, user experience is everything. But the main issue for many service providers is that they believe the content delivery network (CDN) is the engine room of user experience, so they focus their attentions there. But it’s the wrong way of going about things; there’s more to delivery than designing an app and configuring the CDN. The drivers of user experience are determined far earlier in a complex process that bridges multiple players, locations and viewer-specific variables. It’s a monster. But it can be tamed. Here
are four steps that must be optimised to deliver video, at scale, directly to those consuming it.

1. Platform architecture
OTT infrastructure is multi-faceted and involves multiple vendors, skillsets and technologies that all add value across the delivery chain. With so many actors in the process, it’s important to map everything out up front. Often, however, service providers don’t ‘own’ the process but instead take best practice from all their vendors and hope everything comes together in the end. Unfortunately, it rarely does. Poorly conceived, piecemeal planning generally leads to suboptimal architecture and inefficiencies that reveal themselves in the user experience. These inefficiencies are magnified when providers try to scale delivery to mass audiences across multiple countries.

A good plan will set out the vision and map the vendors and technologies required to establish the optimal architecture. Best led by a technical architect, it will outline how all the components inter-relate and provide a foundation for the processes needed to (quite literally) deliver the vision. The roadmap doesn’t need to be set in stone, but it does need to be in place from the beginning. The best plans are proactive, adaptive and iterative – but they’re all anchored to a defined vision.

2. Media preparation
This is central to the user experience. Building on the roadmap, media preparation is about understanding and optimising the various technical components required to deliver high-quality video at scale. In a complex world with no single encoding standard, preparing content for delivery requires a granular understanding of a range of variables; devices, screen sizes, bitrates, frame rates, sequencing and configuration. It’s highly technical and often goes beyond the skillsets of a technical architect. It requires the input of a true video expert. The slightest misalignment will inevitably lead to poor quality streams and suboptimal user experience.

3. Apps and control planes
The foundation for building effective applications is, once again, enshrined in the roadmap. Unfortunately, applications are often designed by great software developers who are, sadly, unfamiliar with the peculiarities of video delivery and the idiosyncrasies in how users browse and view content. Simple things like the order in which components load in an app can massively impact the speed of delivery. The development of intelligent rules around aspects like pre-buffering or pre-caching content can help create a smoother experience. Conversely, when apps aren’t optimised for the way your services work, it can kill the experience altogether.

Control planes also dictate the quality of the user experience. They sit in the background, validating user entitlements, authorisation, location and licensing rights to make the app work quickly and effectively. However, a poorly configured control plane can play havoc with content delivery, delaying or interrupting the user experience. For example, if 100,000 people hit the same server at the same time – and each time the system must go through a convoluted series of steps before serving content – the experience will lag and the viewer will become frustrated. That spinning wheel on the player at the time of playback isn’t only a result of CDN interaction. Once again, configuring the platform to avoid delay requires specific knowhow and expertise.

4. Media delivery and playback
This represents the delivery of the product to the consumer – but it’s still so easy to get wrong. It’s frequently assumed that the CDN is the only actor in the delivery phase and that delays in playback are entirely the CDN’s fault. However, as outlined above, there are numerous steps in between that can cause delay and ruin the experience. It’s important to remember that a CDN can only start playing video once it’s had a request to do so. If that request takes too long, it’s commonly down to misaligned processes or suboptimal sequencing earlier in the delivery chain.

The CDN is the end game of video delivery and a crucial determinant of user experience. However, although its configuration undoubtedly needs optimising, it shouldn’t be the first area of focus. Taking the wrong approach to designing OTT infrastructure will invariably mean overlooking common drivers of inefficiency are overlooked that can ruin user experiences. To avoid [such experiences], it pays to partner with experts who know how to build successful video services in the cloud and can help you journey to a parallel dimension. They’ll do all the groundwork and make taming the monster look like child’s play.
Deliver high-quality, global experiences with the right digital media platform

Mary Kay Evans, chief marketing officer, Verizon Digital Media Services

Global consumption of digital media is growing at unprecedented rates. In 2018, there were four billion internet users spanning every region of the world — half the globe’s population.¹

In North America alone, IP traffic will reach 108.4 EBytes per month by 2022.² At this rate, internet growth will outpace population growth. The one dominant driver behind it all? Video. Handling video’s unique demands can be challenging. Most broadcasters and content providers are forced to work with several services to stream their content. Cobbling together providers can prevent you from getting to global markets quickly, lead to inconsistent video quality, and take a toll on your service and support team.

There is a simpler way — a single partner with an integrated platform. Verizon Digital Media Services is the easiest way to manage your streaming business with our feature-rich streaming product that makes it simple to deliver exceptional quality at scale.

Built for the future of media, our streaming technologies deliver high-quality video to global viewers. Thanks to a single, integrated workflow, we’ve solved multiple workflow challenges, including ingest and encoding, dynamic ad insertion and delivery. This is backed by engineering service and support teams with a 97% customer satisfaction rating. We make it simple to scale your audiences through live events. Our Live Event Streaming solution was built for broadcast and offers complete flexibility. We can deliver to millions of concurrent viewers in seconds, with fast video start-ups, low latency and high quality. All of this happens on our global delivery network, which enables us to deliver high-quality online video content at scale. We have one of the highest capacity networks available; we’re currently at 71Tbps and are working toward 100Tbps by the end of the year. So no matter the size of a traffic spike, there’s no degradation in service. And because we own the network, we can ensure your website and apps are always available to your viewers.

We employ multiple caching optimisations specifically geared for streaming video and use massive data collection and machine learning algorithms to help us shift traffic across our global network based on capacity requirements to ensure high availability and a great quality of experience on every device around the world.

Delivering TV-like quality viewing experiences to meet the world’s growing demand for video is simple when you work with a single platform from a single provider. Visit us at NAB in booth SU3605 to get started

Pioneered by start-ups and backed by venture capital, the subscription model has penetrated a wide variety of industries from video streaming (Netflix, Hulu) to news (The Economist) to file sharing (Dropbox) and beauty (Birchbox). Even consumer giants such as Unilever are getting in on the action with their $1 billion investment in the Dollar Shave Club.

All subscription businesses face three goals in the pursuit of recurring revenue growth; the desire to acquire more customers, the desire to monetise customers through higher prices and the desire to retain customers by reducing churn.

Sounds like it should be easy. For example, businesses aiming to monetise through increased prices face the challenge of implementing these increases without suffering a drop-off in new customer acquisition rates or a rise in churn of their loyal customer base.

Today, Netflix provides a textbook example of a company that has evolved to successfully beat the subscription trade-off. However, it was not always such a subscription success story, and perfecting its pricing strategy has been a long journey.

Back in 2011, Netflix restructured its pricing, unbundling streaming plans from the traditional DVD business and increasing the price of the combined offering from $9.99 to $15.98 a month. The public reaction was overwhelmingly negative. Netflix lost 800,000 subscribers in the third quarter of 2011 alone. Since then it has worked to systematically transition from a single streaming option to the multi-tier offering with which we are all familiar today.

Fast forward to October 2017 and Netflix took a new step in evolving its pricing strategy. It raised the price of its core standard pack from $9.99 to $10.99 per month, surpassing a critical psychological consumer threshold. On this occasion the price increase was a significant success, with no impact on subscriber growth. Both new and existing customers were happy to absorb the price increase, resulting in a substantial increase in profits for the company.

Following on from the success of its previous increase, in January Netflix announced its most substantial price increases to date, raising the price of all three US plans, constituting a jump of 13-18%. All US customers either have been or will be affected by the move, with new subscribers immediately impacted. Early indications are that Netflix was right to raise the price in the pursuit of profit, with Wall Street welcoming the increase. This serves to highlight that a well thought through price strategy can be what differentiates a good from a great company.

So, what can other subscription businesses learn from Netflix’s successful pricing strategy?

Wrong way round
ongoing pricing strategy. After the experience of 2011, Netflix could have decided to never touch pricing again. Instead, it used it as a learning opportunity. The experience demonstrated that in any consumer-facing businesses there is only one shot at landing pricing and therefore it needs to be right from the start. It takes a lot of time to build customer trust, but only seconds to destroy it. Future pricing efforts must therefore always be evaluated through the lens of the customer to understand the likely reaction. This means doing the required due diligence ahead of implementation to have full transparency over the likely impact.

Netflix recognises that pricing is not a one-time fix. It needs to be owned and nurtured within an organisation; something that requires time and resources in order to prepare, measure and track across the product lifecycle. As the product becomes more established and matures within the market, so must the pricing strategy.

In recent years, Netflix has invested heavily in expanding its content selection. Today’s subscribers get more value for their money than they did two years ago; this is reflected in their willingness to pay. Customers are typically rational; they understand that content expansion comes at a significant cost and expect commensurate price increases. Any service like Netflix that continues upgrading its product must keep prices moving in the same direction as value.

One of the key reasons for the smooth implementation of Netflix’s 2017 price increase was its pairing with the launch of new original content. Linking the price increase with an increase in the value delivered to the customer is a smart and effective price management approach that ensures customer loyalty in the longer term.

When it comes to pricing, Netflix takes a gentle approach with its customers. Most recently, new customers faced the price increase with immediate effect; however, for existing subscribers the price increase will be rolled out gradually across the back book over a number of months. This measured approach allows Netflix to quantify the impact that pricing is having across the business. Furthermore, the approach of being open and transparent with customers when it comes to any price change helps to avoid outright customer rejection.

Finally, it is critical to understand that customers respond better when they have choices. Good portfolio management will always involve multiple offerings, unlocking both revenue and volume and thereby leveraging maximum willingness to pay and ensuring that all customer needs are covered. For those customers who reject a price increase, having multiple offerings also means that there is a potential downtrade path to help manage the churn risk.

For those subscription businesses that want to raise prices but fear losing customers, Netflix is the poster child of a company that has mastered the trade-off. Learning from its mistakes, taking a long term view and continually investing in the product keeps customers coming back.
Advertisers must follow their audiences, and those audiences are moving to streaming TV. Revenue for streaming advertising is growing rapidly, with global digital video expected to exceed $35.6 billion in 2019 and $58.8 billion by 2023, according to Statista. Apart from the brand, virtually everything about streaming ads is different from linear TV or digital display ads, including how they are purchased, placed and interacted with. So why measure streaming ads using systems and technology designed for other formats?

As a global leader in streaming measurement and intelligence, Conviva developed Conviva Ad Insights to address the deficiencies of legacy systems. It’s purpose-built to address industry needs unique to the streaming advertising experience and maximise outcomes for publishers and advertisers.

Typical systems, based on linear TV ad models, were created solely to determine if advertisers should pay for their ad buys. They focus on simple interval markers that verify whether some portion of the ad played. Ads for the dynamic streaming environment are predicated on a much more complex delivery system, one that can’t be measured in a rudimentary, binary way.

Conviva’s new system of measurement addresses the multi-dimensional factors unique to streaming that determine ad effectiveness and the ability to monetise inventory. This gives advertisers and publishers real-time visibility and control over the quality of the entire ad experience, across every second, every stream, and every screen.

Those that ignore and fail to act on the depth of insights now available put their bottom line at risk. For example, buffering and delayed starts aren’t just annoying, they lead to viewer abandonment. Conviva measured consumer impatience and after just a 5 second delay, 13.6% of viewers gave up and abandoned content.

And that’s just the beginning, as viewers drop, so does brand impact and publishers’ ability to monetise across subsequent ad breaks. Even if an ad does play, advertisers can still get stuck footing the bill for ads that didn’t deliver on quality expectations due to factors like buffering and playback errors. Conviva data indicates that as high as 47% of ad attempts may not make it to the viewers’ screens as intended, resulting in billions of dollars in lost revenues. To maximise engagement and revenue, industry leaders must adopt a dynamic approach that allows them to identify and address issues in real-time. Unlike the set-it-and-forget it of linear TV ads, the quality of every moment of a streaming ad matters.

Even 1% failure rate carries high cost and brand risk. The winners are separated from the losers in the streaming ad market when they accurately know what percent of ads are failing, identify issue causes in real time, and immediately act to address problems. With so much at risk – revenue, operational efficiency, customer retention, competitive advantage – publishers and advertisers can’t afford to not pay attention.

To learn more about how the continuous, comprehensive, real-time streaming ad measurement and intelligence of Conviva Ad Insights can improve your quality, engagement and ROI, visit: www.conviva.com/ad-insights
2018 was a ground-breaking year for Ultra HD/ high dynamic range (UHD HDR) with many significant events being broadcast/delivered in the format. These included the World Cup in Russia, Wimbledon and the French Open, as well as many platform launches.

According to statistics released by satellite operator Eutelsat, where there were just 99 UHD channels in April 2018, this had grown to 142 by November 2018. In addition, the Ultra HD Forum’s list of commercially available UHD services had over 50 separate platforms in place by the end of 2018.

In choosing a TV to receive UHD, and particularly one with HDR, you will invariably hear discussions about there being ‘many formats’, ‘format confusion’ and ‘incompatibility’. These may make it look like there are major problems, but the reality is not so bleak.

In making any analysis it is essential to distinguish between the issues that affected UHD HDR pre-2016 standardisation and the current situation. The first point is that there are only really two main HDR formats that should be considered — PQ and HLG — not the many formats as reported. These two formats are the foundation for UHD HDR services deployed to consumers.

- PQ is the HDR format that acts as the foundation for HDR10, Dolby Vision, HDR10+ and Advanced HDR. All HDR TVs support PQ, which is mostly used for over-the-top content delivery, but it is not unheard of in broadcast. HDR10, Dolby Vision, HDR10+ and Advanced HDR are collections of technologies that provide production enhancements to the rendering of PQ HDR video through the application of metadata and additional capabilities on some displays/devices.

- HLG is the HDR format developed by the BBC and NHK which provides, among many characteristics, a degree of backwards compatibility with SDR displays. This makes it a popular choice for those who offer HDR broadcast/linear delivery. A significant majority of displays already support HLG, and that number is growing. An important thing to understand about HLG is that a TV that does not support HLG in HDR will generally support the format as delivered as SDR, as will all those TVs that are SDR.

It should be noted that consumers can still have an HDR experience without the two standards mentioned, particularly with the content provider designing their service to provide the fullest support for all consumers, whether they have enhanced capabilities or not.

More crucially, HDR TVs made after 2016 will support both PQ and HLG either from post-manufacture firmware update or straight from the factory. There may be some variation in specific regions where HLG support has been held back, but that is only a firmware update away.

Where there may be compatibility issues is with in-market pre-2016 HDR displays that pre-date HDR and other UHD technology standardisation and where the manufacturer hasn’t provided updates or where hardware is too limited. Examples include higher frame rates, support of HDCP2.2 or HDMI2.0. Thankfully the incidence of these issues is small and does not apply to the later displays.

The bottom line is that buying an HDR TV today will provide you with the full-featured experience without issue through the support of the foundation capabilities of UHD HDR.
Nearly a quarter of the US no longer has a set-top box; however, those eyes aren’t gone. Instead, they are just watching OTT.

So, with younger consumers coming of age - cutting cords and gaining spending power at an exponential rate - they are becoming much more attractive to brands and advertisers.

The other appeal is that OTT can be secured programmatically, leading to many instances where there are non-existent minimums both for spend and duration. It also means that campaigns can be optimised mid-flight towards higher performing channels and audiences.

This continued growth will also lead to granular audience targeting for OTT, which advertisers can already do with pre-roll and display channels, providing the impact of a commercial, full screen, non-skippable, large format ad spot, with the hyper-targeted audiences you’d find on a traditional programmatic unit.

As the amount of money being spent on OTT continues to grow, fraud verification vendors continue to find more forms of fraud being created within the OTT space. It is a growing concern that advertisers need to be aware of. The platform is still being developed, and therefore creates a lot of uncharted territory that needs to be explored to stabilise the landscape.

OTT allows ads to be delivered to individuals while they are already engaged with video content. As is the case with traditional TV advertising, they are integrated seamlessly into the viewing experience and they provide less disruption than other digital advertising tactics, like mobile. While there is less engagement to be had, the size of screen, location and delivery of content allows for much more creative leverage and is great for overall brand awareness.

As video continued to grow as a channel, advertisers looked for new, ‘TV-like’ inventory, allowing OTT and CTV to gain momentum in 2018. In 2019 the focus will shift from finding more inventory to finding quality inventory as brands seek valuable engagements, transparency, audience targeting and exposure metrics.

Additionally, OTT is going to be scrutinised much more. While it still serves as a premium channel for advertisers, people will need to be more critical of the number of users consuming the content from smaller providers who claim to have a lot of scale. Advertisers are going to want to make sure their messaging and branding align properly with the ad inventory the provider has. Being more critical will ensure that they don’t pay high CPMs to run on inventory that doesn’t align with their branding.

While traditional video ads can refer to metrics like CTR (click through rate) and VCR (video completion rate) to provide insight into a campaign’s branding success and overall quality, advertisers need to dig a little deeper and keep their original campaign goals in mind when looking for metrics that track ROI in OTT ads.

Since viewers can’t click on these ads, advertisers need to think one step further than click-based metrics and acknowledge viewers’ actions to provide a more rounded view of campaign progress. If sales are ultimately the measurement of success for that campaign, it doesn’t matter how many clicks it receives if it’s not generating conversions.

Therefore, advertisers can take OTT ads a step further by creating a designated site, landing page, or social media profile to coincide with the campaign, and use them to monitor traffic and measure engagements as users navigate to those channels, only after seeing an OTT ad. Using these insights can provide context into creative impact, and help ensure the marketing strategies continuously improve so that dollars are properly allocated.
Over the last couple of years, the demand for 4K UHD content has increased and this is due to a number of factors. For one, the cost of 4K TVs has declined since they first hit the market. There’s also more UHD content available to viewers now, and this drive is being pushed by the demand to see live sports and other action-packed content at the highest quality. With this, production costs are dropping as cameras, production and post tools, workflows and services are more prevalent, and consumers have a greater understanding of UHD and HDR technology. This is great news for a television industry that’s seeing disruption from huge OTT players.

For broadcasters and content owners, the relationship with consumer electronics manufacturers is critical to the growth of 4K UHD. As consumers demand quality content through the increasing numbers of UHD smart TVs sold, we’ll see a stronger move to UHD. And because the global acceleration of broadcast technology is speeding up the consumer cycle, consumer electronics manufacturers are under pressure to enhance and entice consumers to switch to newer devices. Broadcasters and electronics manufacturers need to keep pushing forth with their R&D investment in technology that provides the highest picture quality with stunning content to showcase it.

As well as major delivery platforms, this increase in UHD content will translate to smaller OTT platforms that serve niche audiences. While the sharp shift that we experienced with HD is unlikely, major content producers are already beginning to invest a portion of their annual production spend on UHD programming.

Broadcasters need to be creative with their content and find innovative ways to tell their story through each new device so that they can live up to viewers’ expectations. Continuing the story via all the different platforms is the key to this. But this isn’t always easy. Broadcasters need to consider the different platforms, devices and the small communities within social media to be successful in today’s TV market, which generates huge demand when it comes to content creation.

For us, this means telling authentic stories through global influencers that target our millennial audience. While focusing on creating stories around trending topics that are relevant to this demographic, we also provide our content to the platforms that they regularly use including influencers’ and show talents’ own channels, affiliate channels and advertisers’ channels, events and sponsorships, experiential activations as well as Insight TV’s own social media channels, VOD platform and linear channels.

We produce all of our own content and thereby own all of the rights to it. This means we can deliver our content everywhere and anywhere, and by that we mean regionally as well as taking different routes to market – including our linear channel and VOD services. This means we are not hampered by the territorial restrictions that a regional broadcaster, for example, might have.

In Q4 2018 a Futuresource Consulting 4K UHD Research and Analysis Report highlighted that nearly half of all TVs shipped worldwide last year would be 4K capable, making 2018 the year that UHD became mainstream. The 4K UHD march is on and we’re enjoying the ride.
GOING BEYOND MULTISCREEN CONTENT DELIVERY

More content is being consumed on more platforms than ever before. But how can service providers ensure that customers’ increasing demands are met? Simon Trudelle, senior product marketing at NAGRA shows how providers have the opportunity to develop cloud-based solutions that rapidly evolve on request.

The way people consume video content is changing drastically, especially for younger generations and other demographics that appreciate the convenience of any time, on-demand watching.

We’ve heard plenty about the growth of OTT services and multiscreen. With over 500 million hours of YouTube content alone being watched on mobile devices per day and over 130 million viewers subscribing to Netflix worldwide, leading pay-TV operators have responded by offering multiscreen services, meaning that content is being consumed on more platforms than ever before. But are service providers doing enough?

Annual research by the Pay-TV Innovation Forum has shown that as of April 2018 over 86% of the top 233 services providers worldwide had deployed multiscreen TV everywhere services, a 4% increase compared with 2016. This is a reaction to growing consumer demands, and it’s driven by increased access to high-speed broadband, 4G networks and smartphone capability. The result is that consumers expect high-quality content to be available on every screen, wherever they are. This is a great start, but those that don’t develop or keep evolving such offerings risk losing market share if they don’t innovate fast enough.

While still interested in linear TV, and live sports particularly, a growing segment of TV viewers have also started to associate OTT with both on-demand content and start-over functions, navigating as they wish through shows, without constraints. Inspired by what they get on their mobile, they expect the same experience from their traditional TV service provider, across devices.

So what can service providers do to adapt to the shifting and rising demand for a better, all-screen experience? First, too many service providers went multiscreen but failed to get their subscribers to fully embrace the experience, either because the content (only long form, no premium content), the service offering (no on-demand features, limited catalogue) or the features (no multi-audio, no subtitling, poor UI etc) were missing or insufficient. Conducting proper consumer market research and fixing these issues is a key first step and another vital element is to take steps to market such services to consumers more effectively. This especially refers to educating and informing subscribers so that they are aware of the value of the new multiscreen capabilities on offer.

Let’s not forget, as the Pay-TV Innovation research findings tell us, with consumer expectations rising and differentiation based on content exclusivity alone waning, it’s becoming more challenging in most markets. UX (user experience) is now one of the key factors that consumers will consider when choosing a multiscreen-enabled
operator. From easily providing access to on-demand content, start-over, catch-up TV and cloud DVR, to on-boarding OTT apps and content like Netflix, voice search and serving linear channels to any screen, industry leaders have successfully started to evolve their TV platforms to provide more convenience and better access to content.

Operators and content providers can also deliver better value to their subscribers by enriching the video experience with multi-audio and subtitled content. VOD syndication and contribution platforms enable service providers to quickly enhance their on-demand catalogue with compelling international and national movies and series. The most compelling offerings for multicultural markets must be made available in multiple languages, with subtitles and close captioning.

However, increased amounts of content creates its own challenges and more has to be done to address the needs of different subscriber demographics through a simplification of the UX with a multi-journey experience that appeals to a multi-generational audience. Providers should also offer efficient mobile-to-TV casting capabilities so that mobile devices can fulfill their roles in improving awareness and access to content, seamlessly bridging the connection to the big screen. Similarly, Android TV STBs can help lower the content integration cost and provide seamless access to rich services and multiple content sources.

Another key priority for operators today is enabling multiscreen access through leveraging an elastic and scalable cloud infrastructure. An increase in OTT content consumption also means operators can gain access to usage and technical data that can be used alongside artificial intelligence to optimise the user experience, content catalogue and accelerate the take-up of multiscreen services.

Without doubt, the next generation of content delivery will be an all-screen play. Facebook, Twitter, Google and other global and regional silicon giants are trying to capture eye share on smartphone, tablet or laptop mobile devices and extend their presence from the big screen. Pay-TV operators cannot afford to let this digital transformation movement pass them by.

This highlights two risks facing incumbent providers. If they move too slowly, OTT video distribution may disintermediate them, leaving them irrelevant in a new media landscape. They also have to deliver tangible value and make it known to their subscribers, if they don’t make their multiscreen play a success, they could waste money on deploying infrastructure and marketing services that will only serve a limited audience while potentially losing long-term subscribers and not gaining enough new ones.

But if they do invest in smart multiscreen solutions, the opportunities are considerable. Properly executed, multiscreen will open up new revenue streams and potentially attract a whole new mobile-first customer base. The transition will be easier with the help of fully-featured, secured multiscreen TV solutions that offer access to premium Hollywood and sports content, as well as new content types and formats, including short-form material that the 12-35 demographic will appreciate.

If investments are made effectively, pay-TV service providers have the opportunity to develop cloud-based solutions that rapidly evolve on request, in the same way pure-play OTT video platforms do, while also providing a next generation big TV screen solution.
2018 was the busiest year yet for EPG trading on the Sky platform, with record prices achieved and a constant flow of transactions involving broadcasters from the biggest to the very smallest. Yet despite this, expert industry pundits and online gurus are calling out again, as they have wrongly for the last decade, the end of days for the linear EPG.

I think not only are they wrong, but that they are missing the most powerful factor at work here, which is that the unexpected mechanism of commercial trading of channel numbers has worked and, as a consequence, I suspect that new commercial markets in OTT and VOD platform app-based EPGs are only just over the horizon.

Since 2003, the UK’s largest pay-TV platform has seen non-PSB channels choose their own prominence on the platform through a system of commercial trading of channel numbers, or EPG numbers as they have come to be known. These channel numbers are now significant assets owned by the broadcasters themselves, and which they can and do frequently buy or sell. It started as a dark and secret market, with mysterious moves appearing on the platform, and both buyers and sellers often agreeing with Sky to keep the nature of these deals confidential.

When this market started, the lawyers and commercial channel managers at Sky felt a little uneasy about such trades taking place on their platform, which they had invested billions in to launch, and Virgin saw their lack of a regulator need to follow suit as a commercial advantage. At that time EPG trading was a secret exercise in which only a few insiders had worked out how to make it work. Unexpectedly, however, over the next five years both Sky and other broadcasters, with a little help from one or two independent brokers, found that this new system of trading channel numbers seemed to work and the trades became increasingly visible. When Sky bought its first position on the open market in the wake of the Setanta collapse, it was clear that this was now the established and acceptable way for channels to move up and down the Sky EPG.

A decade ago, the older set-top boxes started to struggle with the huge number of new channel launches and Sky closed the platform to new SD channel launches. That was when the EPG market went mainstream and after consultation and discussions with market players, Sky published a ‘Listings Methodology’ that facilitated EPG trading within a clear and structured process. Since then the majority of broadcasters on the platform have either bought or sold positions, and even Virgin has begun to change its own methodology to allow its first EPG trade.

Once broadcasters realised that channel numbers were standalone assets, contracts were studied and another commercial opportunity emerged, based on the right many broadcasters had exercised to hold one or more positions adjacent to their primary channel. There were dozens of empty numbers and after a clear ‘use-it-or-lose-it’ instruction by Sky, many chose to use it and launched time-shifted versions of their primary channel. The existence of, and the subsequent proliferation of +1 services was a unique development and was driven by the value that the EPG market had created in the channel numbers. As a method of maximising the value of content, these services proved hugely successful in delivering incremental ratings from existing programming that was already on air just a click away.
In 2017 Sky started another consultation that sought to improve the platform and the viewer experience, which saw timeshift and secondary channels moving out of the main entertainment genre. The new layout has created a clear entertainment premier league with the top 100 now including factual entertainment channels, which were previously situated in a separate part of the EPG under documentaries.

If the drift away from linear viewing had created as profound an impact as many market experts suggest, then the value of these positions would have dropped, whereas in fact the opposite proved to be the case. There is an argument that in a world of less linear viewing, the premium slots with significant audience become more valuable; just as the Atlantic bluefin tuna will no doubt find its highest prices shortly before extinction, the scale of the investment in the ‘new look’ entertainment section surprised many.

In the last two years, broadcaster investment in EPG positions on Sky’s platform has exceeded £50MN; this is the highest level of investment in EPG assets since the market began. New players to the market, if they are serious, need to acquire prominent space in the right section, just as Smithsonian Channel has done.

The commercial value of BARB-measured audiences is enhanced rather than diminished by the measurement of total viewing across a day when it is enhanced by time-shifted viewing on broadcasters’ VOD services. I would argue that the existence and prominence of the linear channel remains the key driver for time-shifted and catch-up viewing.

At the moment the commercial forces behind the user interfaces on VOD and OTT services are invisible handshakes and confidential agreements between, for example, YouTube, Netflix, Amazon and their many content partners. I detect a shift towards a more linear experience on these interfaces; notice, for example, the way Netflix now starts the content once your cursor has sat on the listing. The reality is that viewer behaviour has and will continue to want the curation and delivery of content in what looks and feels like a linear experience.

I still want to flick up and down and find content that appeals to me, even if my next step is then to find it in an SVOD or pay platform. On some smaller OTT platforms you can now easily see the categorisation of content into sections that five years ago would have been channels:

crime, travel, adventure, history. The next logical step here is the creation of linear channels in a VOD world.

So rather than soothsaying the end of the linear EPG, I predict that the newer platforms and interfaces will shortly start to emulate it, and the birth of real channels in SVOD platforms will be the next big thing. I believe that channels that are curated and delivered in a traditional way will start to appear on VOD platforms, with names like Netflix One, Amazon Wildlife or YouTube Sports 3, and I know that the first thing I would do when watching Now TV would be to flick through the linear experiences, with a channel that had Black Mirror on at 9pm or The Good Doctor on at 10pm.

If that is right, then the prominence arguments will emerge again, and the market will have to decide, does it want these giants to determine the value of the real estate in menus and interfaces? Or should the fair, reasonable and non-discriminatory market dynamic that has created the premier league of entertainment channels on Sky underpin this developing relationship between viewers and content?

As a managing partner of the UK’s largest broker of EPG positions, my own view on this is fairly obvious, but after 10 years of hearing that the traditional EPG is dead, and then witnessing the biggest year of EPG trading in history, I suspect that the market may be slowly coming round to my way of thinking.

“There is an argument that in a world of less linear viewing, the premium slots with significant audience become more valuable”
Once upon a time, TV was the undeniable gold standard for advertisers. No other medium could deliver its reach, effectiveness or creative possibilities.

Today, the plethora of mediums, channels and devices consumers are now using poses a challenge for advertisers and media planners. Which of these platforms delivers the greatest reach? Which ad formats are most effective? How can brands truly engage consumers with relevant messaging and creative?

The industry continues to struggle with measurement in today’s environment. Relying solely on exposure fails to account for the fact that often consumers’ attention is divided among multiple screens and media at one time. Eight in ten TV viewers (80%) say they multitask on another device at least some of the time while watching TV, and more than half (54%) do it a lot or all the time. With the majority of audiences using multiple platforms simultaneously, mere exposure to an ad is unlikely to move the needle forward for advertisers.

What’s more, consumers have more choices than ever about what they pay attention to and what they do not. So, while the ad might have reached the intended target, was it able to cut through the clutter and deliver the brand message effectively?

Horowitz Research’s recent study, State of Consumer Engagement, explores consumers’ evolving attitudes and preferences when it comes to advertising and provides insight on how brands can be more successful at effectively engaging today’s multiplatform audiences. Which platforms deliver advertising most effectively, according to consumers?

Despite concerns about consumers skipping ads on TV, they report that across all the platforms they use, TV remains the platform on which they see the most ads. There are important nuances by age, with about half of 35 to 49-year-olds (49%) and 50-plus consumers (61%) saying they see most ads on live television compared with one-third (33%) of younger (18-34 year-old) consumers. Social media is approaching TV as the most ad-rich platform, with 42% of younger consumers and 41% of 35 to 49-year-olds saying they see the most ads in their social media feeds. 50-plus audiences are less likely to say social media (24%).

REIMAGINING TV ADVERTISING

Exclusive to Rapid TV News, Adriana Waterston, senior vice-president, Insights & Strategy at Horowitz Research, offers her thoughts on the future of TV advertising.
Seeing ads is only part of the story. About four in 10 (41%) of consumers also feel that TV remains an effective way for a brand to communicate with its consumers.

However, other forms of advertising are perceived to be just as effective as TV or much more effective, among younger audiences. Many of the forms of advertising that rise to the top for younger consumers imply a certain amount of curation or opt-in on behalf of the consumer, such as watching user reviews/unpacking videos, reading product reviews or articles, emails or text message ads, or having an active social media presence:

This data underscores that consumers have rising expectations for curated advertising; for TV advertising to remain effective, the industry must deliver it. The idea of curated advertising on TV is not new. It has existed forever, in the form of home shopping networks and infomercials. Indeed, though some may consider it “old school”, the Horowitz survey found that 29% of consumers purchase products they see advertised in an infomercial at least occasionally and 11% do so frequently (20% and 10%, respectively, among 18 to 34-year-olds) on a par with purchasing an item based on an unpacking or YouTube review video.

Today, effective communication is all about personalised messaging. The one-way, “broadcast” nature of traditional media platforms required messaging and creative that resonated with as wide an audience as possible. Personalisation, on the other hand, presumes and requires a much more intimate conversation between brands and the consumers they hope to reach. Over half of younger consumers find personalised ads appealing (51% of 18 to 34-year-olds, 53% among 35 to 49-year-olds); one in three finds them very appealing.

Brand communication is about transparency as much as it is about positioning. Today’s consumers are less interested in transactional relationships and more interested in building meaningful relationships with brands with which they are aligned socially, culturally and politically. For example, the majority of consumers - about 3 out of 4 - say that it has a positive impact on their decision to buy a product from a brand when a company’s values match their own; for about one in three, it has a big positive impact. For over half of consumers, it would have a big positive impact if a company shows support for environmental causes (57%), goes out of its way to hire diverse employees (54%), and/or shows diversity in advertising (53%). In our polarised socio-political environment, understanding the issues that your audiences care about, and their points of view on those issues, is critical.

With addressable advertising on digital TV and customised advertising in streamed video, the technology exists right now to deliver personalised TV advertising experiences that feel curated to the consumer. What's more, from a creative perspective, there is an untapped opportunity to reimagine TV as an advertising medium overall.

By taking better advantage of new technology, big data and consumer insights, TV can once again be the gold standard for delivering advertising that not only reaches, but resonates, with its target audience in creative and highly relevant ways.
There was an air of uncertainty about this year’s Oscars. The winners seemed less clear-cut than in other years, with the main awards at the Golden Globes and BAFTAs going to different winners. This was the first Oscars to go ahead without a host since 1989. And, for many in the industry, all eyes were on viewing figures, which in 2018 had fallen to an all-time low.

This may not immediately seem important to the advertising industry. Why does a hostless Oscars impact advertisers and agencies? The answer is that the Oscars is a mainstay of annual advertising plans and budgets. As an event, it prides itself on maintaining tradition and is often a throwback to old Hollywood. It has been assumed year after year that this is what audiences want to see.

A move away from much of the tradition left many wondering whether viewing figures would drop further and, ultimately, whether the Oscars was still the advertising fixture it once was. The answer, in my opinion, is an unmitigated “yes, it is!” But with some caveats…

The Oscars is on the receiving end of a lot of criticism – sometimes rightly so. The continued diversification of the Academy itself is vital. And there is no doubt that, as a programme aimed at a huge audience, format refreshers are important in making sure, like any show, it is relevant.

**OSCARS 2019 AD SPOTS – WORTH THE INVESTMENT?**

This year’s Oscars saw the usual amount of haute couture and tears as the gongs were given to the great and the good. What it didn’t see though was the same type of TV coverage. Josh Krichefski, CEO of MediaCom, finds out whether this new approach damaged TV box office.
and appeals to the public. But, as a moment in time where the eyes of the world fall on one event, the Oscars remains priceless.

Even at its lowest viewship in 2018, it attracted a live TV audience of 26.5 million people in the US. In 2019 that audience rose to just under 30 million – showing that the change in format didn’t put off the public at all. In an age where viewers are scattered across traditional TV, tablets, mobile and then also across streaming and catch-up, that kind of live audience needs to be respected.

This is especially true when you consider how many additional viewers will later watch highlights or the full ceremony online, providing even more opportunity for advertisers. In short, the Oscars remains one of the key mass-audience draws of the year and smart brands are taking advantage.

Once brands have decided the Oscars is worth the investment, the key is to make sure the content they’re putting out there in their ads is going to truly resonate. We often talk about the importance of creating content that isn’t just clever but that is developed with a specific audience in mind. With the Oscars, you know that the people staying up late to watch on TV are film fans, die-hard film fans in most cases.

This year it was noticeable how tailored the ads appearing during breaks in the show were. The likes of Walmart, Google, Samsung and Budweiser all delivered ads tailor-made for the exact audience they’d be reaching, focusing on the movie industry and its stars.

Google’s ad was arguably the most talked-about of the night and the buzz was based solely on its central creative concept – “what if Google Assistant had been invented early enough to help the characters in classic Hollywood movies including Scream, 2001: A Space Odyssey and Psycho?”

It’s a clever idea that was clearly going to appeal to the audience watching. In getting an ad so right, Google has not only connected with the 29+ million people who were watching live, the ad has also trended on YouTube and been talked about on social media for days. It’s a perfect example of how an ad slot can be hugely powerful but that power is multiplied if the content really connects.

It’s not enough to throw a celebrity into an ad or just run your usual ad in a prime slot. To really maximise the return on investing in the Oscars, the Superbowl or any other similar event, advertisers need to really commit to a creative concept. They need to dedicate time and money to this one moment in time, working with their agencies to utilise audience insights and creative teams to deliver relevant, time-perfect ads. Advertisers, and the agencies working with them, mustn’t lose sight of that. They must be brave, bold and determined in their assessment of the audience and the creative they believe will connect to them.

It sounds simple but it’s amazing how often simplicity and clarity disappears when high-price slots have been secured and the pressure is on to make the most of them. The key is to remember that the most valuable ads make a statement and create a genuine reaction – laugh or cry. Are the Oscars worth the investment? Yes… but only if the content is worthy of it.
Recently, Swedish broadcaster TV4 announced that in 2018 it had delivered its best financial results in terms of turnover and profitability in the history of the company. COO Mathias Berg credited it to a platform-agnostic approach to advertising.

TV4 is not the first to treat OTT and traditional viewing as one and the same but it has taken the principle a little further than most through widespread adoption of server-side ad insertion (SSAI) across all its online content. This burgeoning medium is delivered to the same high user experience standard as broadcast, ensuring it is regarded as the same premium product.

SSAI provides frame accuracy, which is fundamentally important to providing a true television experience. The technology has been a staple of live monetisation for a number of years and now we’re seeing more and more broadcasters, like TV4, implement SSAI for VOD as they seek to deliver a consistent, premium level of service across all their video.

WHY IS THERE A MOVE TOWARDS SERVER-SIDE AD INSERTION TO MONETISE VOD?

Until recently server-side dynamic ad insertion was only considered for live monetisation, but now it’s crossing over to VOD as well. David Springall, founder and CTO, Yospace, explains why this is happening.

Until recently server-side dynamic ad insertion was only considered for live monetisation, but now it’s crossing over to VOD as well. David Springall, founder and CTO, Yospace, explains why this is happening.

Why does SSAI provide a better experience? Because intrinsic to SSAI is ad copy normalisation, which means that ad content is transcoded with the same bitrates, frame rates and audio levels as the original content. This provides a seamless TV-like experience for the viewer, without the buffering that can often be generated by client-side ad insertion (CSAI), which many broadcasters have used for monetising VOD up to now.

Another weakness of CSAI is that substantial effort is required to implement it because code has to be continuously duplicated from one device type to another. In an environment where developer resource is often limited, many broadcasters using CSAI are finding it increasingly hard to maintain. Here’s an outline of the other key considerations:

Implementation
The inventory and ad decisioning engine is de-coupled from an SSAI system. This allows broadcasters to separate business decisions (ad sales) from technical ones (ad stitching).

Control
With SSAI in place across all content there can be a single point of contact for all ad calls, a single interface providing access to a single set of broadcast streams, promotions and VOD assets, and a single API providing real-time analytics.

Interactivity
Client-side SDKs that complement the server-side stitching can support the use of clickable linear content, dynamic overlays and interactive formats. The SDKs also allow broadcasters to customise viewer enhancements such as scrubbing and interactivity.

Ad blockers
By performing the stitching on the server side, ad blockers are unable to decipher where the call to the server is being made. CSAI makes the ad call from the player and is therefore more detectable.

Security
With SSAI, a middleware layer is provided that enables control over the systems that viewers are interacting with. By contrast, with CSAI the viewer’s device is touching the ad server and presenting its IP address (and potentially other information), which risks exposing the broadcasters’ viewer data, undermining its value and potentially falling foul of GDPR legislation.