

Blog for RGB Networks

Hyper-targeting: The Holy Grail of Advertising

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It's no secret cable operators have long earned important supplemental revenue by inserting local and zoned ads into their programming. In most cases, such local commercials have been delivered in a less than targeted approach—the same ad sent to a fairly broad audience, with only a region or neighborhood in common. In turn, many smaller businesses have been repeatedly scared away from cable, uncertain of the cost-effectiveness of buying multiple ad spots in such a wide viewing area.

For years, operators have dreamed of ways to streamline ad insertion through a virtual microscope—from a region, to a city, to a neighborhood, to ads specifically tailored to the individual viewer (dog food ads for dog owners!). But it just wasn't feasible within the broadcast environment...at least not without spending enough to send astronauts back to the moon (or close anyway).

But as more of the well-heeled consumers that advertisers dream of use smartphones and iPads and other devices for viewing IP video, operators now see hyper-targeting—a one-on-one relationship with the end user—as the lucrative future of ad insertion. Have you ever Googled “Acapulco” when planning a vacation and later noticed the subtle appearance of banner ads for attractive coastal destinations in Mexico as you surf the web? Similar concept.

How can IP-based ads be targeted so precisely? In short, today's IP video utilizes adaptive HTTP streaming—downloading to the client a sequence of video files (or “chunks”) of network content recorded at different bitrates and resolutions to compensate for the routine variations in network bandwidth. This method offers much more flexibility than the standard broadcast infrastructure, and in concert with the aforementioned direct consumer relationship, allows the operator to insert tailored video ads in a similar fashion to Internet advertising—influenced by clear-cut demographics and viewing patterns.

The result: The advertiser gets the highest possible “bang for the buck” with a laser focus to their target market. The viewer in turn is allowed to “cut through the clutter”—

eliminating irrelevant commercials in favor of specific ads best suited to their individual interests. And the video service provider reaps the added revenue from perhaps the most effective advertising in the Digital Age. Call it a “triple win.”

For more information on how you can achieve your quest for the Holy Grail of advertising, download our white paper now and visit with us at TelcoTV and Cable-Tec Expo.