Alcatel-Lucent
Personalized and Interactive
IPTV Advertising Solution

Leverage IP networks to enhance the TV ad model and enrich the viewing experience
As advertisers turn toward new digital media to communicate their messages, service providers have an opportunity to generate revenue from a completely new source, play a key role in the emerging media market and offer greater value for subscribers. Uniquely positioned between advertisers and their customers, service providers can leverage the transformed IP network assets and their relationships with subscribers to create audiences — helping advertisers deliver targeted messages more efficiently and measure ad performance more precisely, while at the same time, preserving customer privacy.

Alcatel-Lucent helps service providers benefit from this opportunity with an advertising solution that leverages carrier-grade IPTV networks, interactive applications and its industry-leading IP video routing platform — providing the advertising capabilities service providers need with minimal incremental investment. The solution supports linear ad insertion with effective targeting, streamlines the development of interactive capabilities and positions service providers to benefit from emerging multi-screen advertising opportunities.
“In theory, the IPTV platform offers advertisers the best of two worlds,” said Annelise Berendt, senior analyst at Ovum. “It offers the immersive and proven impact of traditional television advertising with the added bonus of being able to enhance it with interactivity. It also offers the addressability and accountability of advertising in the Internet world, enabling the targeting of individual homes, personalized advertising, and more accurate measurement of an advertisement’s impact.”

Source: Daily IPTV, September 17, 2009

Moving beyond connection-based income

Service providers now have a valuable opportunity to complement existing IPTV and triple-play revenues, by adding income from personalized and interactive advertising. This new revenue stream can be increasingly important with the rapid growth of over-the-top (OTT) content, such as Internet video. By riding “for free” on the service provider’s infrastructure, OTT content removes the service provider from the value chain and calls average revenue per user (ARPU) into question. But advertising allows the service provider to go beyond the limits of “connection-based” and other commodity services. Advertising generates earnings from a completely new source, and positions the service provider into the advertising value chain — enabling them to further leverage their existing assets, and monetize their networks in innovative ways. Advertising offerings can include basic ad insertion into IPTV content or Video-on-Demand (VoD) sessions to attract local advertisers. Likewise, unique interactive capabilities can provide enhanced features for consumers and advertisers alike. In the near future, dynamic new multi-screen advertising options have the potential to increase revenue opportunities exponentially.
The service provider’s unique competitive role in the advertising value chain

Service providers are powerfully positioned between subscribers and the brands and content they care about. Geographic, demographic and behavioral data resident in the network can be used anonymously to identify and reach specific markets, while at the same time the service provider maintains control of the data, protecting the privacy of individual customers. The network can deliver advertisers’ messages, along with innovative interactive features that enrich the subscriber experience. And service provider’s intelligent network systems can measure the effectiveness of any advertising campaign in real time — providing granular and near real-time return-on-investment (ROI) feedback to the advertiser.

In other words, existing network assets provide a compelling competitive edge in today’s advertising markets, enabling service providers to become an integral part of the advertising value chain — instead of simply a “connection provider.”
Creating high-value advertising inventory

The Alcatel-Lucent Personalized and Interactive IPTV Advertising solution provides the fundamental capabilities service providers need to enter the advertising value chain. By leveraging the transformed IP network and relationships with subscribers, it allows service providers to more efficiently deliver ads and help advertisers to reach the right consumers at the right time. With comprehensive tools for more precise measurement of ad performance and IPTV usage, service providers can offer their media partners insight into the consumer to better tailor their advertising and content offerings. The result is a win-win-win situation — the consumer sees ads that are more relevant, the advertisers know they are reaching the right consumer, and the service provider unlocks new revenues. The combination of IP ad delivery with and granular metrics increase the value of the advertising inventory, help improve profitability and position service providers more competitively in the advertising marketplace.

Activating the ad insertion and interactive features in the Alcatel-Lucent solution enables operators to deliver more relevant advertisements and better content to consumers — which can help subsidize other services in the network through increased ad income.

Providing the right capabilities, at minimal cost

The Alcatel-Lucent IPTV advertising solution includes comprehensive carrier-class components and the industry leading 7750 SR IP video routing platform for delivering IPTV services.

The Solution Components

- Alcatel-Lucent 7750 Service Router with Multi-service Integrated Service Adapter (MS-ISA) provides highly scalable integrated video network linear ad insertion with cost efficiency.
- Alcatel-Lucent 8920 Audience Measurement Manager provides granular IPTV usage and audience measurement data to help advertisers and agencies better quantify their Return on Investment (ROI).
- Alcatel-Lucent 5930 Interactive Media Manager — enables dynamic interactive applications and advertising campaigns
- Robust advertising ecosystem for IP networks with best in class third parties to support cue tone processing, campaign management, ad serving and ad operations
- World-class professional and integration services
Leveraging an industry-leading infrastructure to enable new services with minimal investment

The Alcatel-Lucent IPTV advertising solution seamlessly integrates linear ad insertion functions into its industry leading Alcatel-Lucent 7750 Service Router, reducing OPEX for improved cost-effectiveness. The solution supports linear ad insertion with effective geographic targeting, with an evolution path to more personalized linear, video-on-demand (VoD) and interactive advertising while positioning service providers for the migration to multi-screen advertising. National, local, and zoned advertising can be implemented using standards-based, transport stream splicing allowing seamless splicing into encrypted streams in a very efficient manner.

The solution helps service providers reduce maintenance, power costs and floor space and provides the efficiency of single-system management of ecosystem elements.

Using a reliable, scalable and highly available infrastructure for IPTV service delivery from Alcatel-Lucent provides solid video performance with carrier-grade terabit-capacity edge routing, along with proven devices that dramatically simplify operations. Key features include per-subscriber, per application Hierarchical Quality of Service (HQoS), Assured Linear TV Delivery and Fast Channel Change.

Figure 1. Industry’s most robust, cost-efficient personalized and interactive IPTV advertising solution.
Preserving consumer privacy

Today, digital media are gaining a bigger slice of the overall advertising budget, because they offer better targeting, along with detailed metrics to reveal whether marketing efforts are reaching the desired consumers. The Alcatel-Lucent IPTV advertising solution provides more granular audience measurement capabilities with its 8920 Audience Measurement Manager to aid service providers and their media partners in understanding granular and massive aggregated IPTV usage and provide deep insight into viewing behaviours, while preserving subscriber privacy.

This process begins with the collection of aggregated real-time viewing data from multiple network sources, analyzes them and generates multiple types of reports that help marketing organizations to analyze viewing habits. In addition advertisers can see performance of their products in real time and can adjust and optimize their promotions and offering for maximum impact. This includes valuable data on aggregated consumer tune away information which a service provider can in turn sell to media agencies or measurement firms. Personally identifiable data is never used without permission (through opt-in), and the IPTV subscriber’s anonymity is always protected.
Reaching the right viewers

Because the Alcatel-Lucent solution leverages IP-enabled integrated linear ad insertion in its industry leading 7750 Service Router IP video routing platforms, it provides a highly efficient foundation for delivering personalized ads to the right consumers at the right time. Service providers can deliver national, local and zoned with an evolution path to personalized ads that reach selected viewer segments more cost effectively — increasing their value to advertisers. When deployed for local ad insertion, the solution can deliver advertising messages to more granular geographic areas enabling the capability of reaching selected audiences with more relevant ads. In some specific IPTV deployments where there is no distinction between national and regional video offices (i.e., Centralized Architecture), ads can be delivered to national and local audiences. Countries, regions and very large metropolitan areas can also be partitioned into zones and further subdivided into multiple segments. This gives an advertiser an opportunity to reach their target audience more efficiently and provides a higher value for the IPTV operator’s ad inventory.

Future integration with mobile TV, mobile communications and Internet advertising may open up further opportunities for targeting messages to the right consumer, over the right device.
**Interacting to enhance the consumer experience**

Alcatel-Lucent also simplifies delivery of interactive ad content with a comprehensive set of modules that industrializes development, management, testing and deployment of interactive applications and advertising campaigns for digital TV platforms. This template-based publishing tool allows service providers to start small and add interactive capabilities over time. The interactive solution is backed by end-to-end support ranging from consultancy and business case development to application design and development.

IPTV service providers gain a fast, cost-effective way to launch applications from their existing Electronic Program Guide (EPG) or Video-On-Demand (VoD) menu. These applications can include: click to vote, competitions, interactive entertainment portals with product or brand placement and dedicated advertiser locations (DALs). With a focus on entertainment, these applications create a new, more personalized relationship between advertisers and consumers, while helping to improve subscribers’ satisfaction with their service provider’s entertainment offerings.
The solution benefits

*Increased revenues* – Service providers gain the ability to sell high-value ads to selected viewer segments, leveraging the industry-leading Alcatel-Lucent 7750 Service Router with integrated linear ad insertion with an evolution path to more personalized linear, video-on-demand (VoD) and interactive advertising.

*Enhanced consumer experience* – Ensure privacy while adding flexible, best-in-class interactive applications and advertising to enrich content offerings and enable instant, anonymous feedback and response from consumers.

*Improved position in the advertising value chain* – Alcatel-Lucent delivers an end-to-end solution with all necessary components for service providers to immediately develop an IPTV advertising offer and play a key role in improving the relevance of advertising content, enhancing ROI for both service provider and advertiser.

*Greater value from existing resources* – Leverage existing investments in IP video routing platforms and IPTV subscriber-aware networks for integrated linear ad insertion with minimal incremental investment and OPEX efficiencies — Simplifies operations by supporting management of ad splicing in addition to subscribers, traffic, and QoS.

*Optimized network design* – Industry-leading services and integration expertise are focused on meeting service provider needs, developing the most effective design for service providers’ personalized and interactive IPTV advertising solutions.

Looking ahead: Extending personalized advertising to multiple screens

Today, some IPTV providers are expanding their triple-play services by offering an integrated communications and entertainment experience that can move seamlessly across multiple devices. Advertisers are already anticipating the opportunities that "multi-screen" capabilities will offer for delivering targeted messages to specific consumers — in any location, over any device. These messages can incorporate location and presence data into ad selection to make potential customers aware of specific products and services in their immediate area. For example, as a hungry family approaches a fast food restaurant, advertisers could deliver personalized video ads showing special menu items or offers. And as they leave a local movie theater, their teenager might hear a mobile message, offering ring tones based on the movie soundtrack. Multi-screen interactivity adds dynamic new media options for advertisers — and has the potential to increase the service provider’s revenue opportunities exponentially.
The Alcatel-Lucent advantage

The Alcatel-Lucent personalized and interactive IPTV advertising solution provides cost-effective, powerful ways for service providers to transform the relationship between advertisers and consumers — and be a key player in the advertising value chain. With proven expertise in the delivery of both unicast and multicast video QoS, interactive media, systems integration and multivendor support, Alcatel-Lucent is ready to help service providers take full advantage of this new opportunity.

This solution is part of Alcatel-Lucent’s broader Personalized Content and Advertising offerings, which is geared toward enabling the delivery of relevant, interactive and personalized advertising to consumers over communications networks of all kinds. Through a variety of initiatives, Alcatel-Lucent is increasing the value and quality of service provider advertising inventory through personalized, interactive, permission-based marketing, helping advertisers reach the right person, with the right message, on the right device at the right time. With innovative digital media formats, Alcatel-Lucent is enabling relevant conversations between consumers and brands that follow the consumer to the screen of their choice.

Alcatel-Lucent offers service providers:

- Industry-leading end-to-end IPTV and multimedia networks, with over 100 service providers worldwide
- Subscriber-aware service delivery, video networking and unparalleled processing capacity
- Precise measurement and instant audience response data to seamlessly deliver ROI metrics
- Simplified solutions for the delivery of interactive content across IPTV, mobile devices and the Internet
- A solution that is fully supported by Alcatel-Lucent world-class professional and integration services — collaborating with industry leading third parties to build a robust advertising ecosystem for IP, multimedia and multi-screen domains