

DIRECTV
ADVERTISING

Maximizing fill-rates for live sports

Case study

YOSP▶CE®

Challenge

47% of DIRECTV STREAM subscribers spend at least half of their TV time watching sports. The dominant device is connected TV (CTV), which can be commonly defined as Smart TV, television connected via a dongle device or via a gaming station.

But monetizing live sports on CTV is a challenge because all viewers go to an ad break at the same time. As CTV sports audiences increase, so do the complexities of applying digital advertising benefits such as addressability and real-time measurement. Not to mention the unpredictability of sports, where ad breaks are dependent on the state of play at any given time.

Up to now, various versions of a “pre-fetch” system have been deployed by distributors to pace ad calls and ensure that ad servers don’t get overloaded. These have helped rights-holders open up inventory, but in many cases, such systems are not able to offer full addressability, and there are question marks over how well they will cope as CTV audiences ramp up in scale over the coming years. Also, they tend to struggle with unpredictable breaks in play that are part-and-parcel of live sports, such as injuries, penalties, and reviews.

Solution

DIRECTV Advertising embarked on an ambitious pilot project, in partnership with Yospace, to increase advertising revenues across several of its leading sports channels. It set out to do this by focusing on value generation of unscheduled ad breaks.

The project had two major beneficiaries:

1. DIRECTV Advertising, by maximizing technical fill-rates
2. The viewers, by improving the viewer experience during ad breaks (ensuring there were multiple relevant ads vs. repetitive ads, and no buffering/slates)

Technical fill-rate: The percentage of sold advertising inventory, including promo slots, successfully delivered to a viewer via dynamic ad insertion (DAI). When DAI fails on sold inventory, the viewer will often experience what the industry refers to as a “blank slate”—a message saying “commercial break in progress,” “we’ll be right back,” or some other placeholder to avoid a blank screen for the intended duration of the ad. The higher the technical fill-rate, the fewer blank slates—and the more complete and seamless the ad break will be for the viewer.

Prefetch: some background

Live streaming with one-to-one ad addressability at scale is challenging. Consider the load that a major live sports event creates. With such audience size, where all viewers go to an ad break simultaneously, a “just-in-time” strategy to ad calls would probably not give the Ad Decisioning Service (ADS) enough time to respond, meaning ad spots would go unfilled. Vital revenue opportunities would be missed and the viewer experience would be poor as they might see a blank slate or no ad at all.

The solution to the ad server overload problem is deceptively simple: rather than waiting until the last moment, Yospace begins to make ad requests earlier. Using such a prefetch strategy—fetching the ad before the actual point-in-time of the ad break itself—paces the requests over a longer period.

Introducing dynamic prefetch

Unscheduled breaks are the most difficult to handle with prefetch. After all, if you don't know if or when the break is going to happen, when do you start the prefetch cycle? There are two options:

1. **Use ads that have already been prefetched for the next scheduled break**

But the break length may not be the same as the next planned break, and filling as best you can may still result in some unfilled time. Also, ads in the break may have been specifically purchased for the next scheduled break.

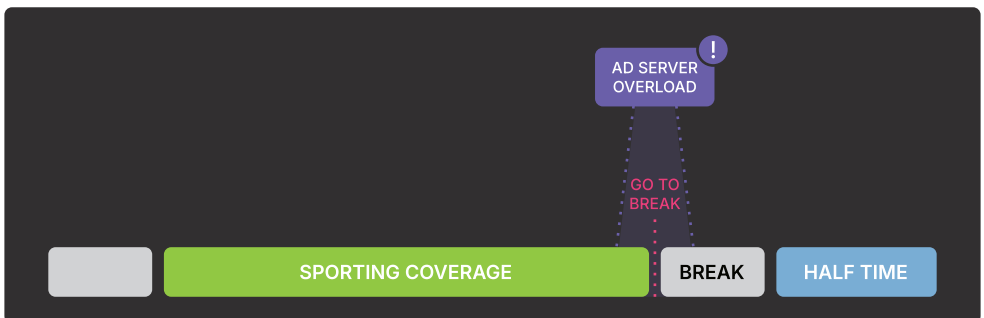
2. **Create a contingency pod**

When a new viewer starts watching the live stream, a contingency ad pod is created for unscheduled breaks. When the unscheduled break occurs, DIRECTV can use the ads in the contingency pod to fill it, leaving the ad pod for the next ad break intact.

Prefetch strategies allow the ADS the time it needs to fill all the ad requests, deliver a smooth viewing experience, and maximize ad revenue generation. Without it, the ad ecosystem can neither scale to very large audiences nor handle unpredictable audience sizes and ad breaks.

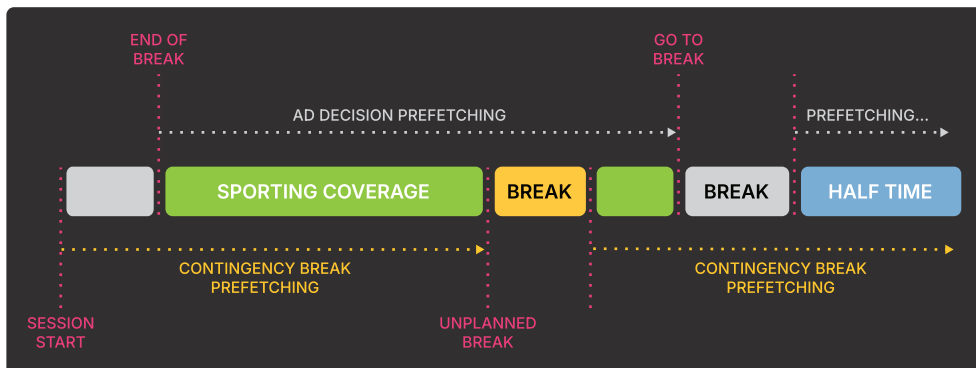
How dynamic prefetch works

1. **Requesting ads just in time doesn't scale**



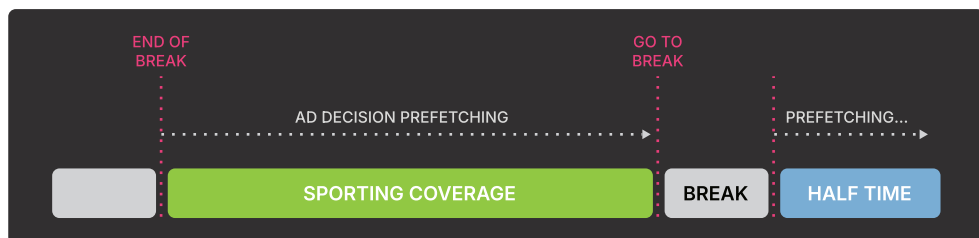
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2. Prefetching allows for addressable ad delivery at scale



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3. Dynamic prefetching caters for unexpected ad breaks



Unscheduled breaks are the most difficult to handle with prefetch because they're so unpredictable (in the event of injuries, penalties, or reviews).

You can't use the ad pod for the half-time break because it won't be the same length, there may not be time to replenish it, or ads may have been specifically purchased for half-time. Yospace's dynamic prefetch solution creates a contingency ad pod when a new viewer starts watching the live stream. When the unscheduled break occurs, ads in the contingency pod are used to fill it. This leaves the ad pod for the next ad break intact.

Automation and Real-time campaign management

DIRECTV Advertising was able to automate many processes that would otherwise be manual and made it far easier to handle variable lengths of ad breaks - which is crucial because it's near-impossible to predict how long an unscheduled break will last. Historically, the process was manual and labor intensive - with manually curated breaks and lots of snap decisions. But having contingency ad pods at the ready meant that handling the unexpected was a far easier task.

This is further facilitated by DIRECTV's Ad Break Scheduling System. DIRECTV's system works in coordination with Yospace's dynamic prefetching feature to dynamically adjust the duration of ads desired in the prefetch ad request, to match the actual duration of the upcoming ad break.

Additionally, for DIRECTV's ad operations to be more effective and to provide the most accurate metrics to advertisers, Yospace placed an SDK to meet DIRECTV's needs within the player to track real-time ad views.

As a result, DIRECTV Advertising was able to have a constant "life-cycle" of ad operations during the pilot, based on a live dashboard that presents all essential performance data in real time. Such accurate data allowed DIRECTV Advertising's ad operations team to constantly analyze ad performance and take action on the demand side (with third party partners and ad servers) in response.

Outcome

The combination of dynamic prefetch and real-time campaign measurement means that DIRECTV is able to open up more inventory, in a more efficient way, while ensuring they maximize its revenue potential. This combination of achievements sets a new standard for monetizing sports on CTV.

DIRECTV has consistently delivered fill rates well ahead of industry norms across its CTV channels, which is remarkable considering this is happening during the most notoriously challenging ad spots to access in live sports. And it's happening at a massive scale, with Yospace regularly transcoding 100,000s of ad creatives each week.

Matthew Van Houten, SVP, Product, Operations and Business Development at DIRECTV, said:

For live sports, you're looking at a situation that is notoriously difficult to monetize at scale. Integrating Yospace's dynamic prefetch solution with DIRECTV's Ad Break Scheduling System has demonstrated an increase in yield and there is huge excitement around it within DIRECTV. With Yospace's help, we've achieved our highest ever technical fill-rate with fewer tech failures and fewer issues for the end viewer. We've set a new benchmark for the rest of the industry.

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Matthew Van Houten SVP, Product, Operations and Business Development at DIRECTV

With the culmination of the pilot, DIRECTV has moved Yospace's dynamic prefetch solution into live 24/7 production.

Tim Sewell, Chief Executive Officer at Yospace, said:

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DIRECTV has built a truly innovative and impactful digital strategy that sets a precedent for how to consistently maximize the value of CTV inventory, while delivering a truly premium, engaging viewer experience. The DIRECTV team has a thirst for innovation to help solve common industry challenges and is paving the way for new growth in CTV advertising.

Tim Sewell Chief Executive Officer at Yospace

About Yospace

Yospace has been at the forefront of the digital video revolution for 25 years. From the early days of mobile delivery, to the mass consumption and monetisation of premium streaming, we have a history of driving business success for the world's biggest telcos, broadcasters, and media companies.

Our pioneering dynamic ad insertion technology has helped monetise six Olympic Games, five FIFA World Cups, and thirty-five Grand Slam tennis tournaments. We have over 2,000 live channels under management and stitch between 4-6 billion advertisements per month.

Yospace sits under RTL Group's adtech unit.

www.yospace.com

Find out more about dynamic prefetch in our latest white paper, entitled "Scaling up: Strategies to scale addressable advertising for live events in an all-streaming world." You can download it from Yospace's website here: www.yospace.com/insights/scaling-up

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Matthew Van Houten

SVP, Product,
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