Dynamic Ad Insertion is Here
Turn your VOD Content into Gold

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BY JIM DUVAL

Dynamic Ad Insertion (DAI) is a concept that has been discussed in the cable TV industry for years. The reason is simple--DAI has the potential to create the largest single new revenue opportunity for content owners and cable TV multichannel video programming distributors (MVPDs) in many years. DAI is a breakthrough capability and is the financial engine for free VOD. This critical adaptation enables advertising sales to present fresh, relevant, demographically targeted ads within on-demand content over existing cable infrastructure. In this way, content owners can add millions of dollars to the bottom line of their content production network.

Previously, VOD content might have included ads baked into the video stream that are no longer able to generate revenue, no longer relevant, or otherwise out of date. Manually re-editing and adding fresh advertisements was a costly exercise and most VOD revenue to date could only be generated during the C3 window. Although multiple approaches have been proposed to extend the value to advertisers, they have either required significant changes to the hardware infrastructure or required too much manual processing and could not scale.

Thankfully, it's now possible to generate ongoing, profitable revenue with fresh, relevant advertising from VOD assets for content production networks of any size. DAI allows content owners and MVPDs to:

Refresh targeted advertising campaigns and optimize monetization value for any episode of any show

Provide free VOD to customers while generating more revenue than traditional Pay TV operations

Pitch the asset once and sell relevant advertising campaigns against the content throughout the duration of its lifetime

Update inventory for holidays, cross promotions and other current events up to the entire 35 days or more of the content lifecycle

Create content fully compatible with existing cable infrastructure. New hardware is not required.

Measure results with Nielsen

The key to unlocking this potential is in the automatic assembly and delivery of DAI-ready cable VOD media. Using an automated system, CableLabs compliant VOD media can be assembled from EDLs or XMLs from standard editing systems. Users can simply define DAI insertion points as well as regions of baked-in interstitial ads that must be skipped during DAI playback. National and local region specific requirements can be pre-defined. The key to a successful DAI workflow is to make it much more hands-free and cost effective without requiring wholesale infrastructure replacement.

The introduction of DAI on a broad scale requires a strategic approach.

This requires coordination between the content creator, the distribution network, and the agency managing ad campaigns. While DAI has global application potential, unique technology details and business policies of VOD monetization differ by region and delivery network. In North America, for example, cable television infrastructure is well established and wholesale changes to the components take years to implement. Therefore, it is critical that the solution provide different and new content formatting that is compatible with the installed base of networks and set top boxes. One of the most important decisions a content owner or Cable TV MVPD must make is the choice of technology platform and partner in developing its DAI strategy. ▶

Creating a normalized platform for advanced ads requires the right balance of process automation, scalability and human interaction. A system that provides a single connection point between the content providers, ad serving platforms and MVPDs is critical to the success of any DAI strategy. Doing this with a single interface for every service provider can make the solution scalable.

When creating VOD with DAI output it's important for a system to:

- Fully automate and scale the production of revenue generating content to maximize ROI
- Produce fully configured, CableLabs 1.1 compliant VOD assets
- Provision frame-accurate locations and value for dynamic ads
- Watermark content for Nielsen measurement and produce Nielson metadata
- Synchronize content definitions with Canoe Ventures and MVPD deliveries
- Create Canoe Ventures metadata
- Operate as a workstation or fully automated workflow component

Not only does DAI enable relevant, up-to-date ads to be inserted into VOD content, it also provides analytics and measurement tools that gauge the effectiveness of the ads for all stakeholders.

Throughout North America, Telestream has partnered with major broadcasters and cable TV MVPDs on DAI architectures that enable them to realize the promise of DAI. We have collaborated with the pioneers of the cable DAI initiative and have now succeeded in deploying a business focused solution. With our Vantage product, we have developed a workflow automation platform that is proven to achieve outstanding results in DAI applications of various size and scale. Telestream's VOD Producer DAI is the only system for content production networks that automates production of DAI provisioned CableLabs VOD content and integrates the entire DAI ecosystem of participants. The system assembles final output from audio, video, graphics and metadata components to produce and deliver content and metadata output that is fully DAI provisioned with:

- Network branding
- Dynamic Ad Insertion requirements
- Nielsen watermarking for viewership measurement
- Regulatory and technical requirements

It's a great time to own VOD content, and with the proper architecture, content owners and cable TV MVPDs can have a resilient and reliable solution, which will help them evolve and extend their business models, creating major new revenue streams and in essence, turn their VOD content into gold.

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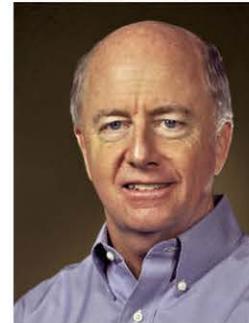
Telestream provides world-class live and on-demand digital video tools and workflow solutions that allow consumers and businesses to transform video on the desktop and across the enterprise. Telestream products span the entire digital media lifecycle, including capture and ingest; live and on-demand encoding and transcoding; captioning, playback and inspection, delivery, and live streaming; as well as automation of the entire workflow.