



HbbTV TA in action: The final breakthrough

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Contents

- Looking back: Evolution of the HbbTV advertising business
- The TV advertising business is under pressure
- The TV ad business goes digital
- The arrival of the addressable TV ad break

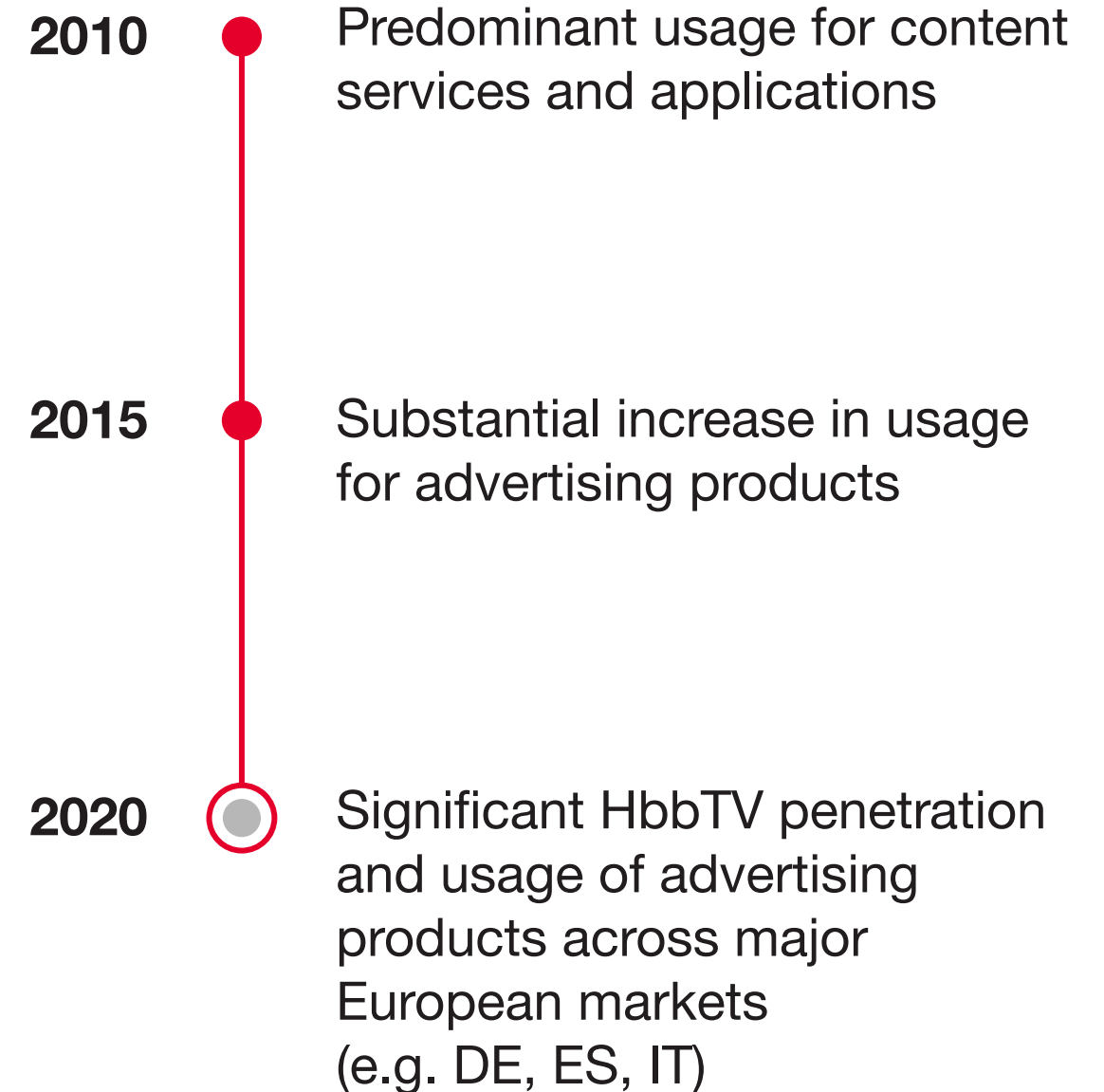


Looking back: Evolution of the HbbTV advertising business



The evolution of targeted advertising via HbbTV

HBBTV EVOLUTION IN EUROPE



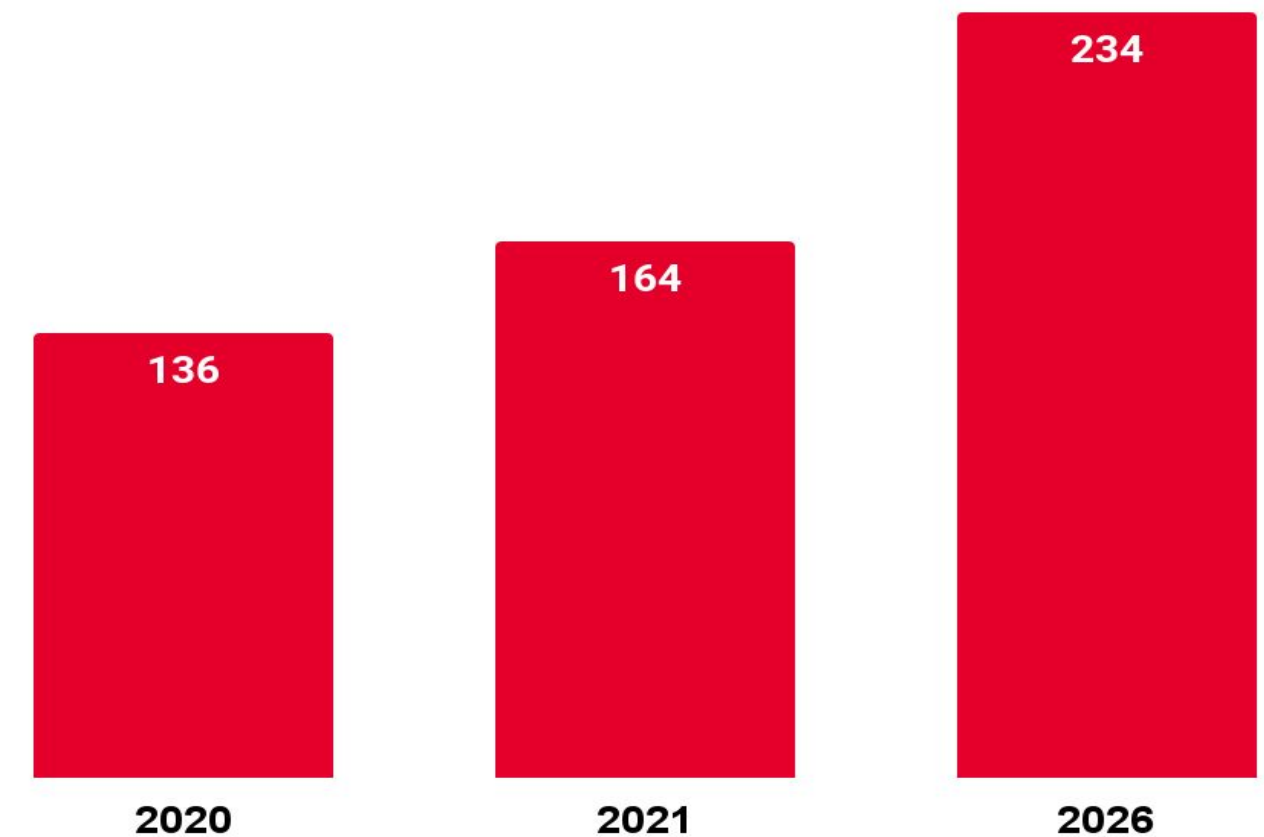
The TV advertising business is under pressure

The Amazon logo is displayed on a white, angled banner that overlaps the background image. The logo consists of the word "amazon" in a black, lowercase sans-serif font, with a curved orange arrow underneath it pointing from the letter 'a' to the letter 'z'.The Netflix logo is shown on a dark blue, angled banner. It features the word "NETFLIX" in a bold, red, sans-serif font, oriented diagonally.The Google logo is prominently displayed on a light blue, angled banner. The logo is in its classic multi-colored font (blue, red, yellow, blue, green, red) and is oriented diagonally.The Facebook logo is visible on a blue, angled banner. It shows the word "facebook" in a white, lowercase sans-serif font, oriented diagonally. Below it, a portion of the tagline "Facebook helps you connect with people in your life" is visible in a smaller, lighter font.

Change in consumption

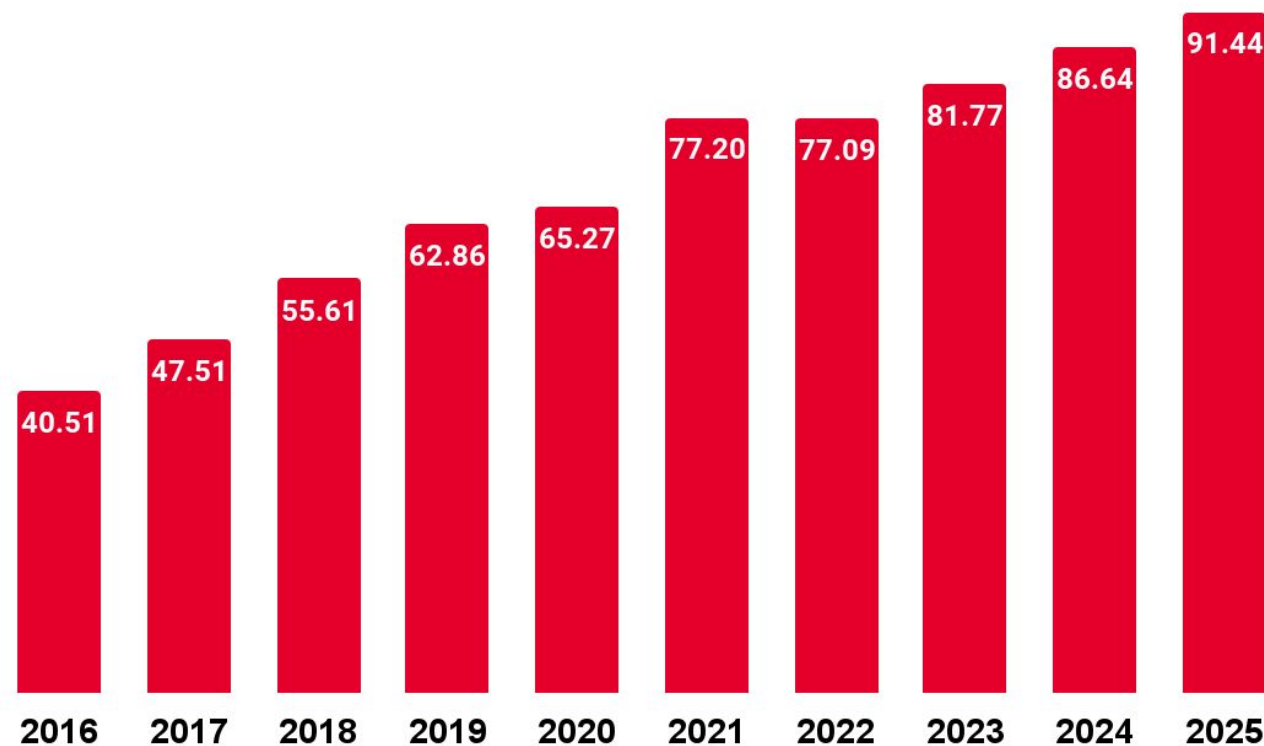
**+72% VoD
subscribers**

VOD SUBSCRIBERS
WESTERN EUROPE
(in million)



DIGITAL AD SPEND WESTERN EUROPE

(bn \$)



Sources: Magna Global; S&P Global Market Intelligence

**80% of all new
online advertising
revenues go to
Google and
Facebook**

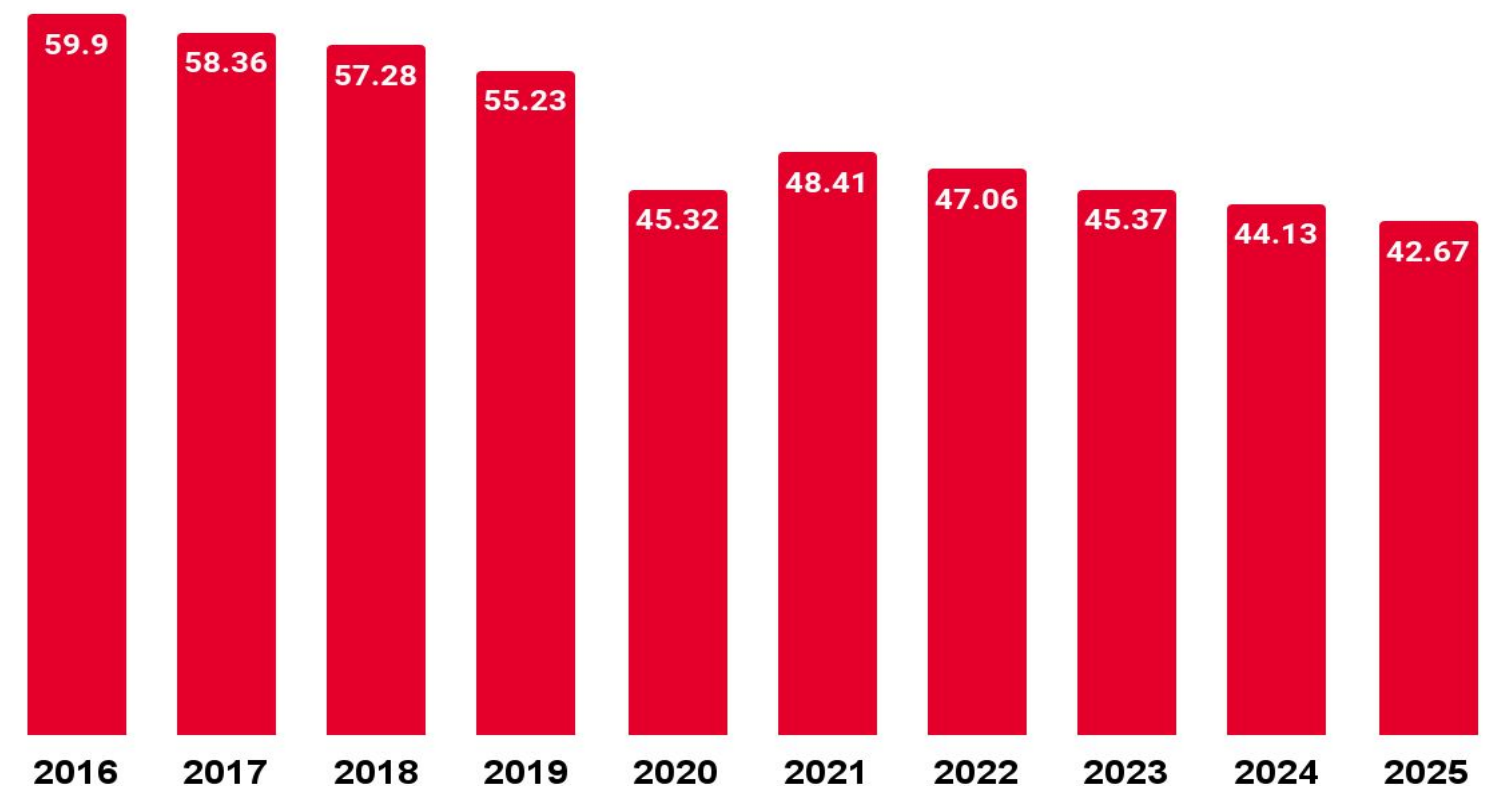
Source: European Commission

Decline in ad budgets

**-39%TV
ad budgets**

LINEAR TV BUDGETS WESTERN EUROPE

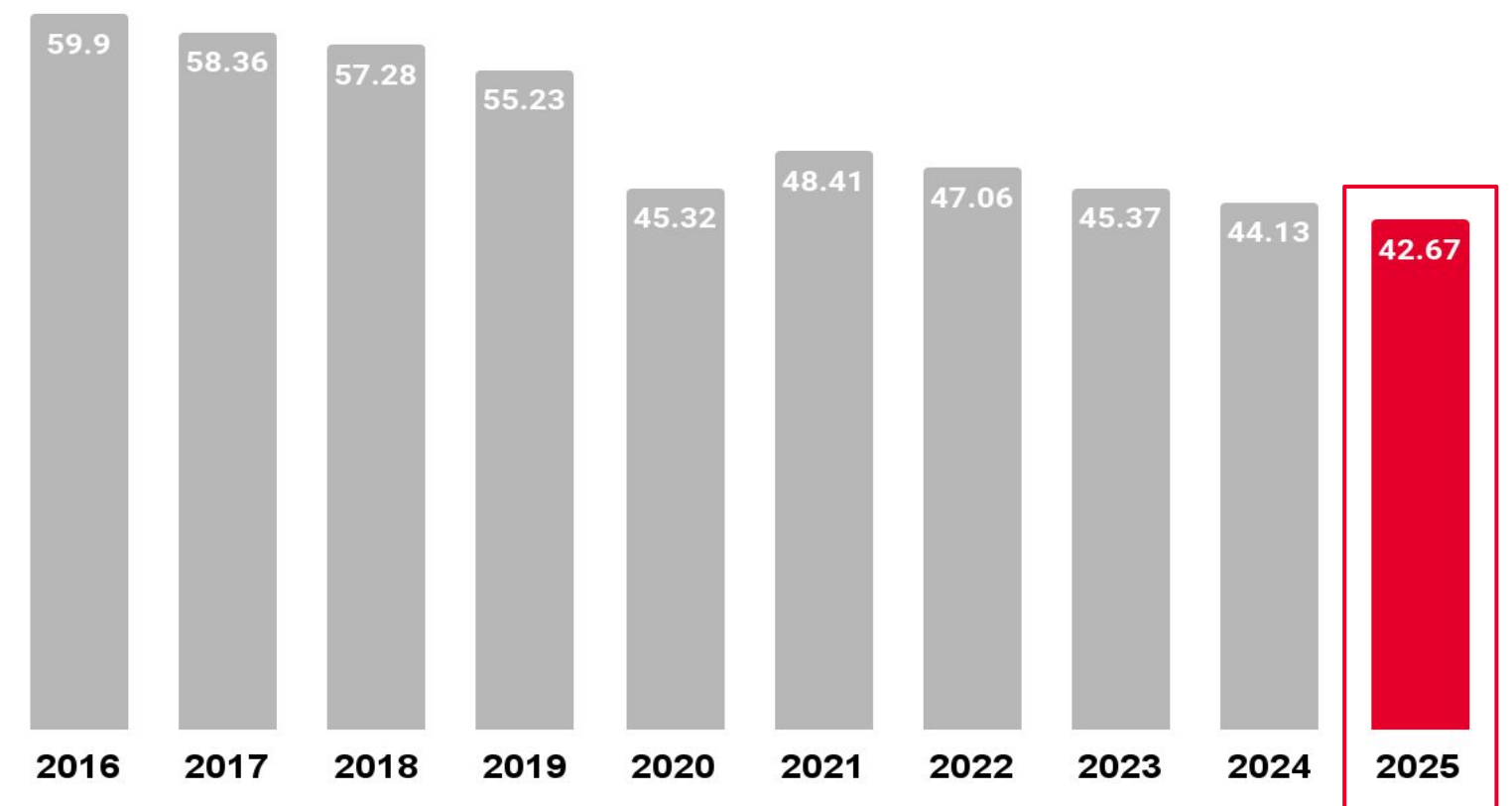
(bn \$)



**TV is still a
multi-billion dollar
market!**

LINEAR TV BUDGETS WESTERN EUROPE

(bn \$)



The TV ad business needs to go digital



**Necessary factors
for a successful
transformation of
the TV business
towards digital**

- ✓ Scalability
- ✓ Reasonable tech set-up
- ✓ Standardised ad formats
- ✓ Market acceptance

2016

Display ads: Kick-off for a multi-million euro business

- All HbbTV versions
- Easy integration
- Several display formats
- Scepticism at first



550m

impressions/month in Germany

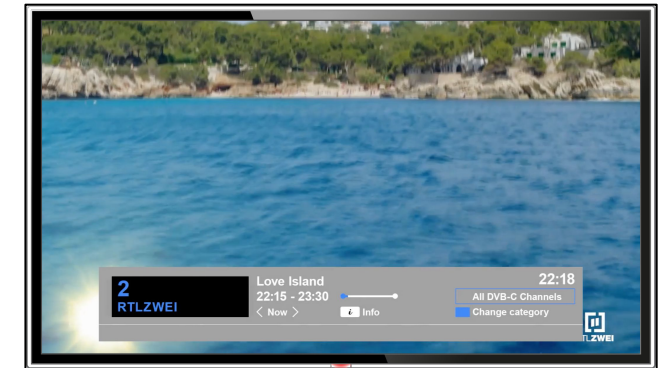
2018

Concept of pre-roll for TV

- All HbbTV versions
- Easy integration
- Full-screen video
- Overlay of TV content

SWITCH-IN SPOT

1. Switch TV Channel



2. Ad Insertion after 3 sec.



3. TV Program will continue



2019

Single ad substitution

- Requirement of custom ad placements in addition to standard ad break
 - Start landing zones are required
- Limited reach and scalability

SINGLE SPOT



The arrival of the addressable TV ad break



2020: First time replacing ads within TV ad break. The ATV Spot.

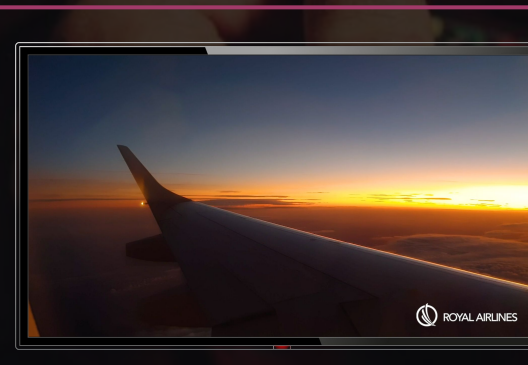
Broadcast

Start Zone (3-5s)



UNSOLD INVENTORY

Ad Server
Delivered



Landing Zone (3-5s)

Substitution

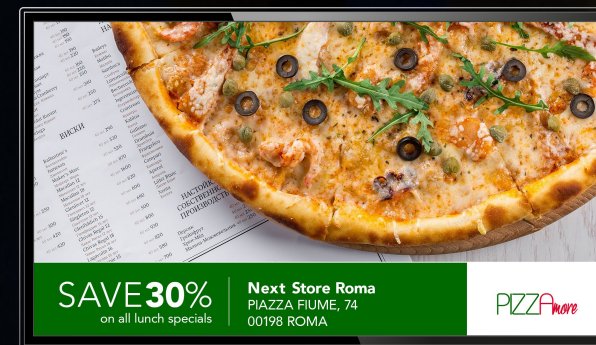
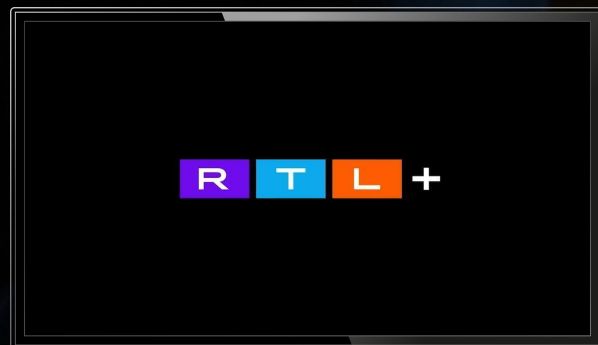
Full ad break replacement

Status quo of the addressable TV ad break

- **Complex and custom integration into broadcaster infrastructure**
- **Start/landing zones are required**
- **No frame accuracy**
- **Full ad break has to be replaced and delivered via ad server**

2021/2022: With HbbTV TA we create seamless addressability of the TV ad break

Broadcast



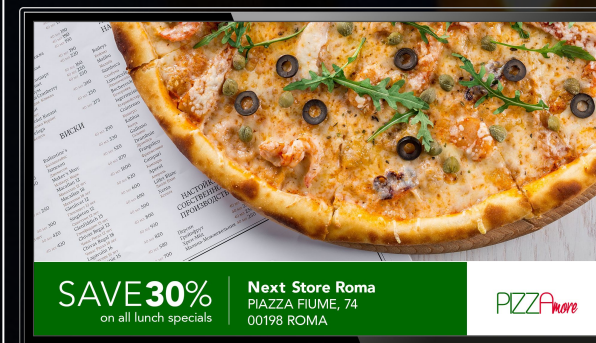
UNSOLD INVENTORY

BROADCAST

TARGET GROUP

BROADCAST

HbbTV TA



Substitution
Ad Server Delivered

Substitution
Ad Server Delivered

HbbTV TA offers a reliable solution for fully flexible ad substitution

- **Frame accuracy through TEMI timeline support**
- **Flexible substitution of any number of placements within an break**
- **Only substituted placements are delivered via ad server**
- **Reliable standard through agreements between BCs and OEMs**

Broadcasters and TV manufacturers are collaborating to bring HbbTV TA to market.

Breaking News
from today

**RTL partners
with Panasonic**

RTL and TP Vision bring HbbTV TA to smart TVs in Germany

JUNE 17, 2013 10:29 EUROPE/1, LONDON BY BROADBAND TV NEWS CORRESPONDENT



German broadcaster Mediengruppe RTL Deutschland is working with TV set manufacturer TP Vision to drive the rollout of addressable TV in

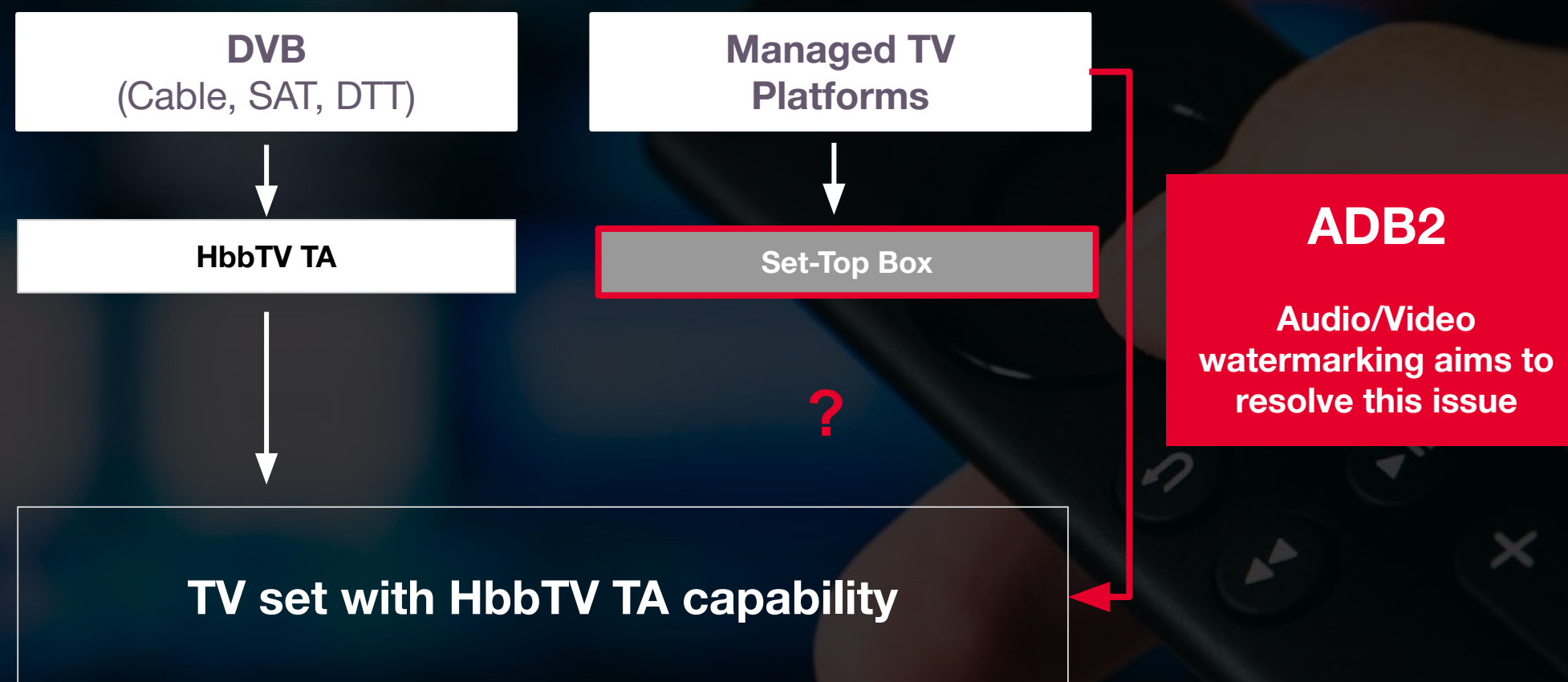
Germany.

The two companies have concluded a cooperation agreement based on the implementation of the HbbTV specification for targeted advertising (HbbTV TA) in Philips smart TVs.

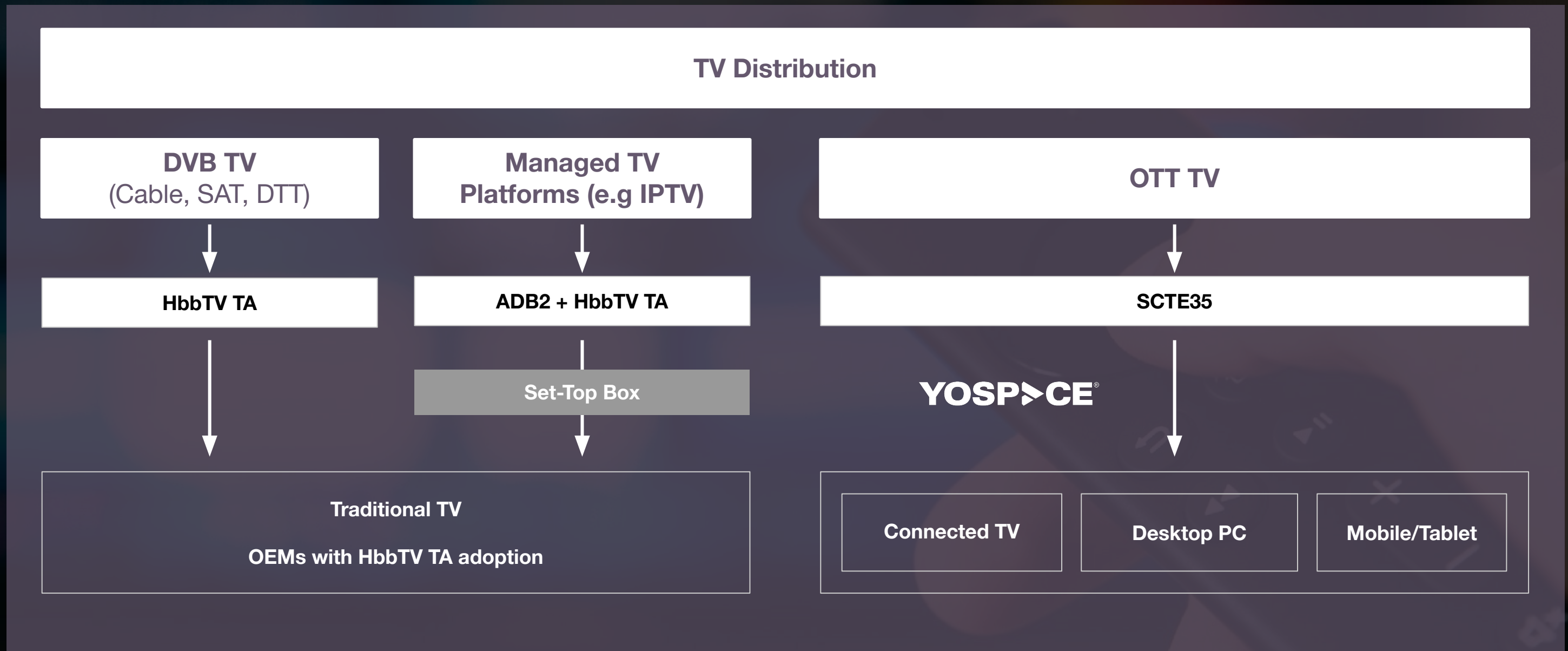
HbbTV TA enables a new level of addressable TV implementation, where, during commercial breaks, linear content can be precisely switched to addressable content via broadband internet. This enables a seamless transition between broadcast content and targeted advertising, according to RTL.

"Addressable TV is one of the defining features of smart TV. Mediengruppe RTL Deutschland, for example, has strong partnerships are an important part of our strategy. With the implementation of the HbbTV TA standard in TP Vision smart TVs, we are laying the foundation for significantly improving targeted advertising deployment", said Andre Probst, Managing Director of Mediengruppe RTL Deutschland.

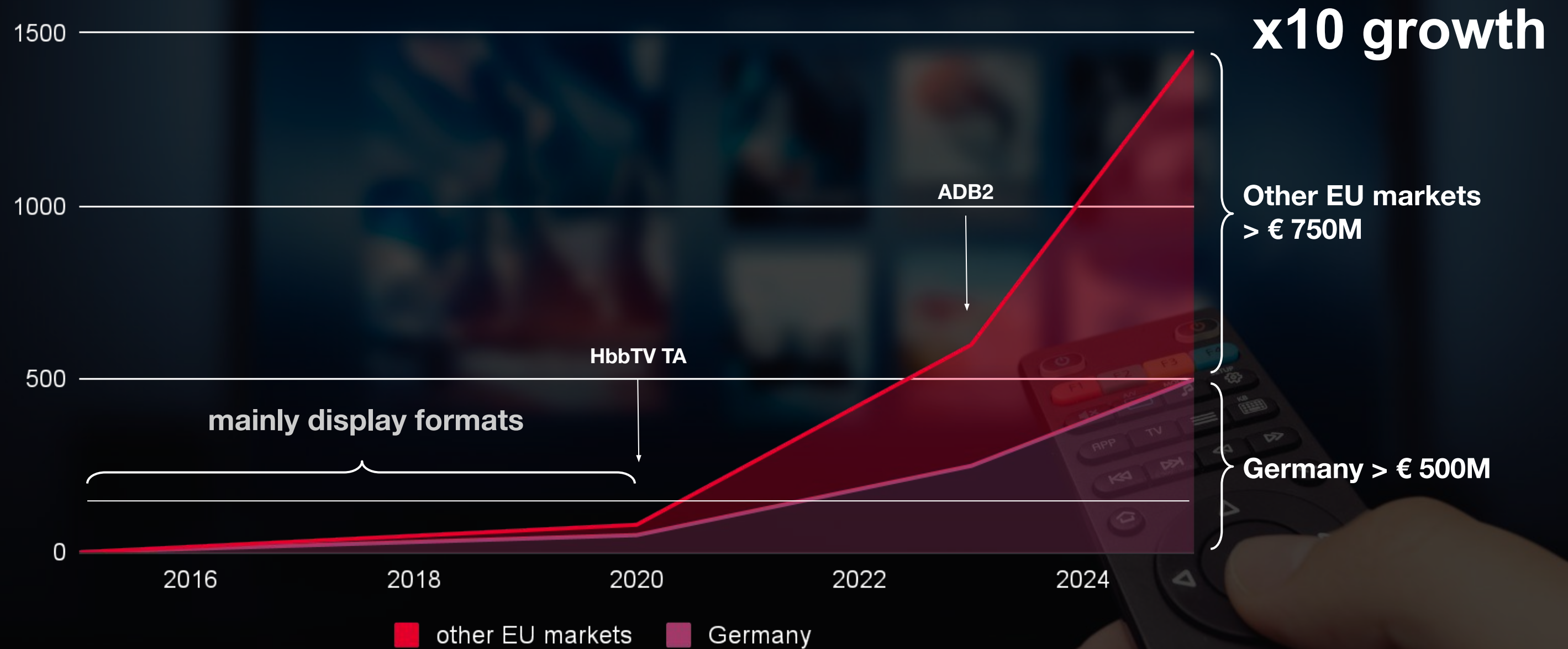
In many markets, broadcasters still face limitations due to low DVB penetration and strong operator influence



HbbTV TA + ADB2 are important milestones in holistic addressability across all platforms and devices - but also watch out for OTT!



The current HbbTV advertising market is worth €50-100M and will grow by 10 times in the next 5 years - WE ARE SET TO TAKE OFF.





smartclip

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