

# Amplify Video Inventory Yield with These Ad Tech Innovations

The video ecosystem is evolving fast. Publishers need innovative solutions to combat traditional challenges in maximizing yield—the returns they see on their video ad inventory.

Fragmentation of audiences and devices, growing competition for content and ad dollars, and increasing complexities in ad inventory management are all impacting yield in a space that still sees **advertising** as the top form of U.S. digital video content monetization—to the tune of \$9.59 billion in 2016, according to *eMarketer*.

In this white paper, we take a look at focus areas for yield growth, leading-edge technologies that are supporting yield optimization, some core publisher recommendations, and one media company's success with innovation.

## THE BATTLE TO MAXIMIZE YIELD

Publishers today are constantly faced with balancing ad inventory and pricing across their sales channels. They generally have three main goals for improving yield, which are designed to increase ad revenues and efficiencies, reduce costs, and future-proof their business:

### Improve inventory sellout rate

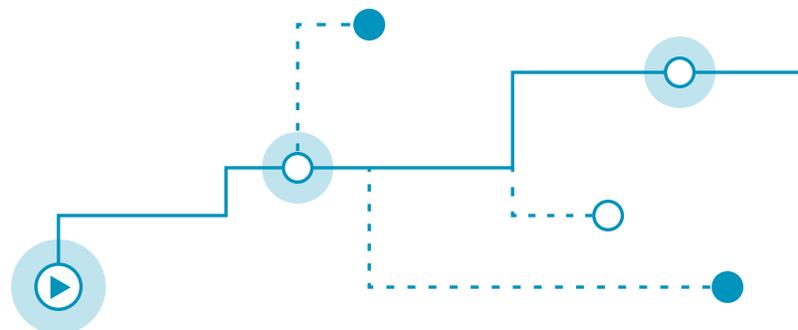
To gain the highest sellout rates, publishers must be able to accurately predict fill rates and site traffic, and monetize inventory effectively on multiple devices and platforms. They also need to reach new and international markets for growth, and employ the right tools and teams expertly across all of this activity.

### Raise effective CPM (eCPM)

Managing CPMs across campaigns creates a need for greater buyer access to inventory, improved audience targeting and planning, and solid metrics and performance analysis. In addition, publishers need to select the best ad formats for a particular audience and ad environment, and maintain tighter controls over CPMs across the board.

### Optimize inventory

Successful inventory management requires the ability to predict ad loads; balance multiple ad formats, placements, sales channels and pricing levels holistically; make real-time decisions; and implement an efficient campaign workflow. Furthermore, publishers of today need to create an environment that minimizes ad avoidance and video latency, while being able to provide ads in live, VOD and syndicated content on multiple platforms, and offering advertisers real-time and deep reporting insights on campaign results.



## 5 AD TECH INNOVATIONS TO WIN

The complexities around managing all of this has driven continued innovations in the space, including five key ad tech advances that forward-thinking publishers are exploring today:

### Private Marketplaces (PMPs)

Within data-driven programmatic environments, publishers are increasingly turning to PMPs. These private ad exchanges are attractive for the greater controls over inventory, ad rates, and partners that they afford. Publishers are also adding PMPs to their mix of transaction models (including programmatic direct deals and open exchanges) and analyzing results to see which combinations of inventory and trading methods optimize yield. During a four-month period in 2015, for example, clients using the Ooyala Pulse SSP programmatic platform **saw increases** in eCPMs of more than 25%, on average, driven in part by their greater use of PMPs for ad transactions.

### Simulation Forecasting

This forecasting method predicts future inventory based on historical traffic, and delivery based on current campaign activity. The result: a more realistic and detailed forecast to sell closer to capacity and boost inventory yield than allowed by standard calculation-based approaches. Using this data-driven tool, publishers can determine what inventory can be sold ahead of campaign bookings, to better plan and direct ad sales efforts to optimal site sections and audiences. They can also project delivery, determining whether or not a campaign will be able to deliver before and during its flight, and gain information on how to rebalance campaigns that might be at risk of under-delivery.

### Anti-Ad Blockers

Options for anti-ad blocker technology include server-side ad insertion (SSAI) and client-side video player plug-ins. Both of these support publisher efforts to prevent consumer ad blocking software from hiding available inventory—thereby freeing inventory to be shown, sold and presented, and improving overall yield.

With SSAI, ads are stitched into the video stream so ad blockers have to block content along with the ads, although sophisticated ad blockers can detect and spoof the ad segments to block them. SSAI cannot support ad formats like VPAID (a standard for most **digital video ads** today) and nonlinear ads like overlays, so they must be delivered separately. The SSAI model is often used within live and simulcast/linear content such as news and sports, providing flexibility and minimizing latency in fast-changing ad and content environments.

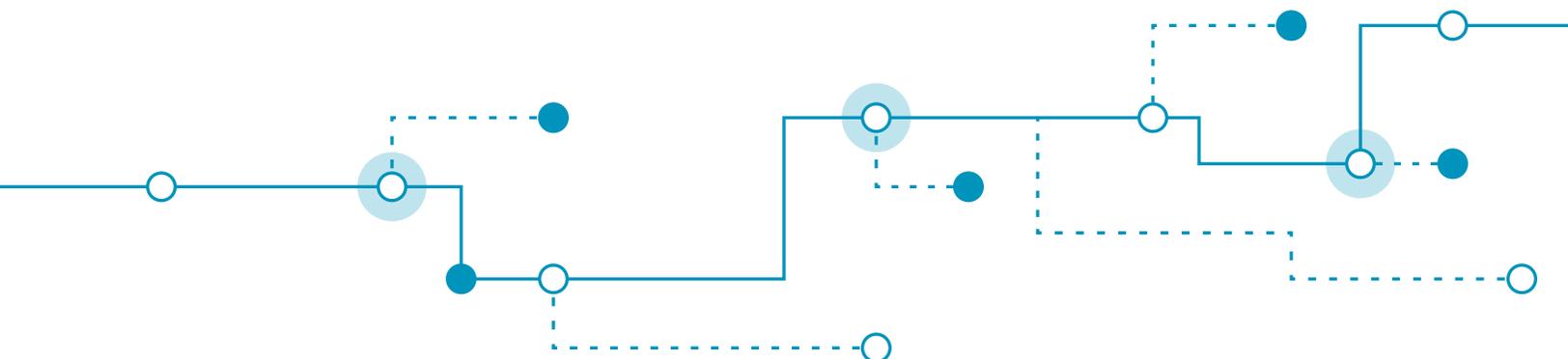
Client-side video player plug-ins, on the other hand, circumvent ad blockers immediately to allow ad server requests. In this way, they unlock the ad inventory to deliver advertising content. These plug-ins have little risk, as some can be implemented at low to no cost, but they perform best in owned and operated environments (vs. syndication) where providers have the most control over their traffic. They have been primarily Flash-based, but are moving towards HTML5 as the industry continues to shift to this protocol.

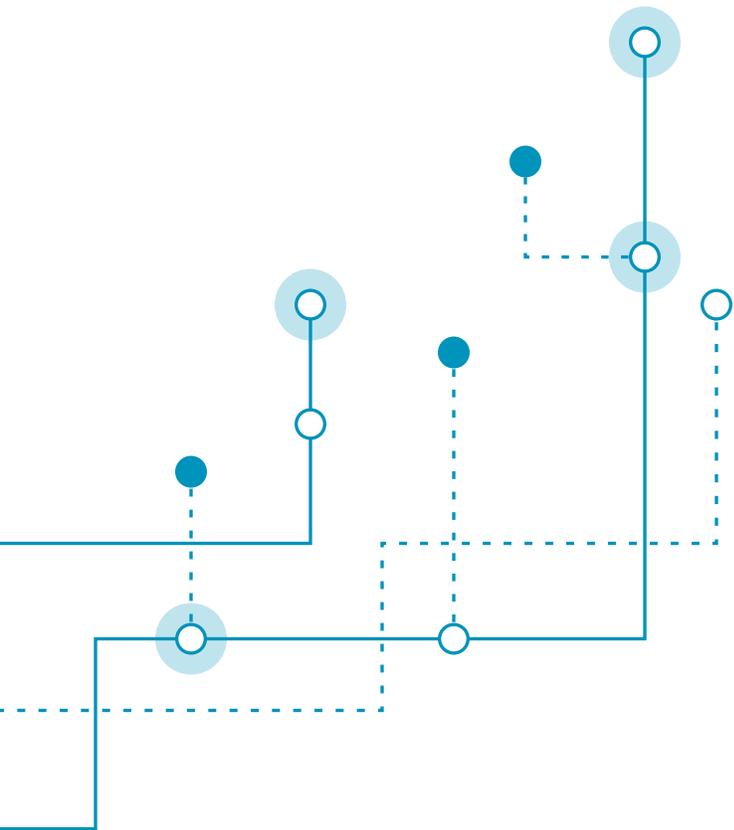
### Dynamic Ad Insertion (DAI)

Publishers today are exploring DAI to insert individually targeted ads within video streams. With this technology, they can insert pre- or mid-roll ads during a live or VOD stream when cue-points accompany the video. This allows them to leverage known parameters, such as location and device type, to personalize the ad to the viewer. This more precise audience targeting method can be used to increase CPMs and ultimately, yield.

### Ad Sequencing

Technology now lets publishers optimize the storytelling of a client's ad campaign by serving the proper sequence of ads to a viewer within a single program (generally long-form). By delivering ads this way, publishers can create more engaging and personalized ad environments to attract higher CPMs and improve yield, test which creative sees the highest results, and provide advertisers with stronger formats to reach their audiences.





## CASE STUDY

A leading European media group often saw inventory sellouts but still needed to increase revenues. They also saw existing budgets moving into programmatic platforms. At the same time, they were concerned about opening up to programmatic and risk decreasing CPMs and sellout rates. Ooyala's team of yield managers created a 360-degree strategy of private marketplaces (PMPs), open marketplaces (OMP), and direct deals, and actively worked with high price floors across the different models to minimize risk and optimize yield. They opened up OMPs to specifically address OMP-only budgets that often ended up at YouTube or in other long-tail environments. During the first five months of implementation, the company saw their sellout rate grow 10x and found that auction-based models generated 46% higher CPMs, on average, than direct deals. Leveraging the experienced team of yield managers enabled this company to increase their revenues and gain extensive programmatic knowledge very quickly.

## RECOMMENDATIONS

With all of this in mind, digital publishers can increase video ad yields by focusing on several core strategies:

- ◆ Implement a programmatic strategy, exploring a mix of sales and trading methods
- ◆ Raise the inventory game with simulation forecasting, improving campaign planning
- ◆ Enable anti-ad blocking technologies, unlocking inventory and audiences
- ◆ Employ dynamic ad insertion for targeted advertising, including live and VOD content
- ◆ Utilize innovative ad targeting formats, executing A/B testing for greater results
- ◆ Use data for overall decision-making, partnering with companies that have expertise in analytics and yield management

To sum up: Improving digital video ad yields is easier now than ever before with ad tech innovations that will continue to grow and evolve in an increasingly digital ad world.



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