

iWay Newsletter

Perspectives on Interactive TV



Canoe Ventures - Ad-ing Value

Arthur Orduna, Chief Technology Officer, Canoe Ventures

As the chief technology officer for the cable industry consortium Canoe Ventures, **Arthur Orduna** is paving the way for a new generation of advanced television advertising that promises to deliver more viewer engagement and more efficiency for advertisers. Among the mainstay tools in his kit: EBIF, the cable industry standard for interactive applications that will run over millions of digital set-top boxes. We spoke with Orduna, who was previously Advance/Newhouse's senior vice president of policy and product, about the role EBIF plays in supporting Canoe's ambitious agenda.

Can you provide an example of an advertising-enhanced application Canoe is bringing to the market, and describe how EBIF (or tru2way) contributes to making it possible?

I think EBIF initially is critical. Our first round of interactive applications are all being built to EBIF. And so what we're trying to do is add interactivity initially to linear 30-second spots as well as related programming. And to do that in scale, we're using EBIF.

So if I'm watching at home, what will I see?

If it's on a 30-second spot, you'd see a graphic overlay on top of the

spot; it would be either an RFI, or a request for information, and then if you choose to get more information or whatever the call to action is, then you'd get a second confirmation screen.

Why is EBIF the right platform?

It was designed or meant for bound linear programming. So in other



words it was designed to provide simple interactivity to where eyeballs already are watching. And so that's ideal. Because from an advertising perspective, we want to be present to where folks are watching.

And from a scale perspective, it was designed from the beginning as a specification to have a very small footprint; and it was designed and initially tested on low-end, common denominator set-top boxes. There are still a lot of those out there.

Can you give a sense of where you are in getting there?

EBIF has been out as a specification now for a couple of years; I chaired the group that put out the EBIF spec. And it's deployed to some degree in trial or test by cable, and has been—I say this through gritted teeth - actually been deployed by Verizon in Portland to their entire digital base. And so it's real; it's a real application. As a spec, we developed it quickly, we leveraged real-world parameters, it was proven and demonstrated very quickly, and now it's being deployed.

How specifically is Canoe working with EBIF?

From a Canoe perspective, what we're doing is creating EBIF-based templates, so that programmers and advertisers can create an interactive EBIF application that will work on the platform that Canoe is partnered with.

Is that application passed on directly by national cable TV networks, then?

The model we're using is that in the programming, whether it's a 30-second spot or a show, the actual EBIF trigger is going to be inserted at the national level. The broadcaster or the program network would actually do the insertion of the trigger into their stream. So when the trigger is received by the cable operator at



the headend, they don't have to do anything except pass that stream with its embedded trigger on to the set-top box.

And when a viewer does respond, or requests information, what happens?

There the local system comes into play, and so does Canoe, actually. Because whatever I click will be collected into a separate aggregation server by the MSO or

the system. That information would then be sent to a centralized Canoe aggregation server, because we'd be managing all the information for that particular campaign. And then whatever would need to be done with that data, whether it would need to be presented back to the subscriber, or whether it would be compiled for fulfillment or reporting, that would be Canoe's responsibility.

Where are you in the development process today?

Our target is to launch a national EBIF ad campaign with multiple MSOs and in multiple markets before the end of this year. And we're on track right now in terms of our development and our template, working with the MSO systems and starting to identify the initial set of networks and programmers that would be part of this initial campaign. We already did some national EBIF testing quietly with MSOs at the end of last year. And so I have a good degree of confidence that we're on track to launch with multiple DMAs and multiple MSOs at the end of this year.

Do you suppose EBIF will create new jobs?

I think there will be new jobs created, but volume is going to have to dictate that. We're taking as an industry a sort of crawl, walk, run approach to this, but I anticipate there will be new skill sets and resources required up and down the chain. But we're going to have to create the demand for that.

What advice would you offer developers who hope to work

with Canoe to introduce and deploy advertising-related applications using EBIF? Are there opportunities here?

I think there are. Probably the biggest opportunity is to work directly with the programmers and advertisers. I'd love to create a forum for how to make that happen and happen easily based on an initial set of templates and tools. That's something that we are definitely trying to figure out: What's the best way to support that approach. Obviously there's a lot of precedent with various kinds of developer forums and communities. But at the core of it, too, is obviously a chicken and egg situation. We need to have a very healthy business in order to generate a lot of these really cool applications, and get the creative set going. On the other hand we need a lot of creative and cool applications in order to get the click-throughs to fulfill the business models.

In your view, what difference or contribution will EBIF make to the category of advertiser-supported television at large over the next several years?

The way we'd see it happening on commercials or on advertising, if what we do works - and I hope that it does - there are really three key areas that will translate into a good viewer experience. One is that interactivity makes engagement more enjoyable, or increases the value of that spot to the advertisers themselves, because there's some degree of higher engagement than just watching something. So that translates into the value of the 30-second spot of X, with an

interactive element making that X plus Y. The second thing is, interactivity also implies data, and data is something we want to be able to utilize, in a safe manner and in a manner that protects and follows all privacy requirements, but creates more relevance. So in other words, we want to be able to use it for addressability; so that people are requesting things that are more relevant to them, as opposed to being bombarded by things that aren't. And the third area here is that with that relevance, you end up

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in the business model being able to make that piece of inventory that much more valuable.

And the final thought there is that, I think when you talk about the effectiveness of an ad as well, and being able to measure it, you've got interactivity which increases value, you have addressability which increases relevance, and then you have measurement, which again adds ROI back to the equation with a lot more specificity to the advertiser. So you put all of that together and there are two

big benefits; one, something that's more engaging, relevant and hopefully entertaining to the viewer; and you've just made the cable television platform the best place to spend your ad dollar.



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