

Cable's Ad Conundrum

June 21, 2007 - The quickly changing nature of advertising has caught up with cable operators. And that's requiring the MSO business to think about the next steps it needs to take to fulfill an advertiser's requirements.

For starters, small MSOs are looking for a quick and cheap solution to get ads in front of their customers. And to address the demand, [AdGorilla] earlier this year took the wraps off its [AdGorillaq] division to deliver ad-insertion equipment to medium and small cable operators.

Cable veteran Dan Ryan founded [AdGorilla], which is based in the Denver suburbs. The company's RevGen division is building ad-insertion equipment starting as low as \$5,500 per system, which compares favorably to some systems that can cost as much as \$100,000. The system takes up less than a foot of rack space, which the company says is ideal for a small headend.

"There are still many cable systems across the country bypassing their local ad insertion avails, thus missing out on ad insertion revenues and system marketing promotions," said Ryan. "[AdGorillaq] will focus on developing custom fit, low-priced, reliable hardware and software solutions for commercial advertising insertion equipment that will allow more systems to capitalize on the many benefits of local ad insertion."

The Comcast Media Center also is lending a helping hand to MSOs with its advertising distribution network.

The "ADN" is an internet-based technology that delivers advertising content directly to a headend. The service allows for a more timely distribution of advertising content. It also provides reports on spot previewing and usage tracking for programmers and MSOs.

"The ADN gives tremendous advantages to cable systems, especially when it comes to dropping ads in (to channels or shows) that are much more topical," said Gary Traver, COO of the Comcast Media Center. "It's a much more convenient advertising mechanism."

The center started testing the ad network last summer. Traver says the ADN will make a strong push in the third quarter.

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