Personalization is the Future of Linear Channels

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As video delivery shifts from broadcast to streaming, the role of the linear TV channel is evolving. Traditionally, linear TV channels were created and distributed for the masses. However, the concept of delivering one-size-fits-all content doesn't resonate well with today's audiences, who crave a targeted experience. As a result, we are seeing linear channels delivered as a personalized linear stream. When different regions or demographics of people connect to watch the same linear channel, they receive a slightly altered version of the content.

Unlocking the Different Types of Content Personalization

Advancements in video processing and data collection enable content owners to accurately predict viewer preferences and automate personalization.

One way that content owners can personalize their linear streams is through regionalization. With regionalization, different content is sent to different geographical areas based on local interests, customs, content rights, and more. In some cases, channel variants and personalized content streams are delivered directly to affiliates instead of end users.

Another path that content owners can take is to customize content for different demographics. Content related to viewing preferences is delivered based on age, content genre, and the viewing devices being used.

Targeted advertising is another approach that content owners can utilize to personalize linear channels. Ads are targeted at viewers according to personal interests. The targeted ad market is maturing in LATAM. An already effective and sophisticated targeted ad ecosystem exists in other regions, allowing content owners to insert advertising into linear streams at scale through leveraging dynamic ad insertion (DAI) technology.

Full personalization is at the far end of the spectrum of what content owners can achieve and the future for linear TV. In this case, a linear channel is targeted toward an individual viewer. By leveraging metadata and explicit user behavior, content owners can build a fully personalized playlist.

Key Advantages of Delivering Personalized Content

The fundamental benefits of delivering personalized content include higher viewer engagement and increased ad revenue. When content owners deliver a linear stream that is personalized, regionalized, and relevant to viewers, the quality of experience is superior, and viewers are more engaged. Targeted ads can result in about five to 10 times higher revenue. For premium linear content, content owners in countries like the U.S. can charge up to $50 or $60 CPM, compared with single-digit CPMs for a traditional broadcast ad with a similar number of impressions.

Building a Foundation for Content Personalization

Most of the technology for delivering personalized linear streams is already in place and accessible. There are three main components to delivering personalized linear services.

First, cloud infrastructure is essential simply because content owners need a lot of compute to generate personalized streams. An enormous amount of analytics, machine learning (ML) and data are required to identify what ad or content is most relevant for each viewer. The flexibility of the cloud makes it the ideal foundational tool for delivering evolutionary services such as channel variants.

Second, ad stitching is imperative for delivering targeted ads. The ad marketplace, stitching, mapping and ML is already up and running successfully at an enormous scale. There are hundreds of millions upon billions of advertisements inserted into video streams per day around the world.

Third, content stitching is necessary and uses the same exact same stitching technology as advertising. Content stitching is the ability to change a base channel on the fly using a manifest file for different audiences. The only potential limitation is ML on the back-end to identify what content is best suited for what demographic. Content programmers and owners are experimenting with ML and content stitching. In the imminent future, more companies will offer sophisticated ML-based tools for content stitching, enabling personalization on a grander scale than is possible today.

Conclusion

Personalization is the future of linear channels. Through personalized linear streams, content owners can drive viewer engagement and tap into lucrative new revenue sources.

Proven pathways exist for creating personalized, lean-back television experiences. With the cloud, advanced ad stitching and content stitching technology, content owners have an agile and flexible way to process and manage even the most complex video workflows.

For more details on why personalization the future of linear TV, check out our recent blog post:
https://www.harmonicinc.com/insights/blog/personalized-tv/ .