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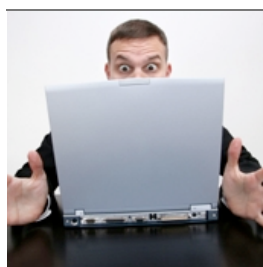
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## The Changing Face Of Advertising

03.04.09, 09:36 AM EST

As content takes new forms, advertising will be coming to you in ways you may never have imagined.



In Pictures: Five Ways Advertisers Are Targeting You

New media is changing the face of online advertising, for as content takes on new forms, such as mobile and video, so does advertising. Online advertising is a nascent area, but one thing is sure: Advertising will continue to grow and evolve online, where the audience and the metrics are better. There is much experimentation and creativity

taking place as companies seek to optimize advertising in a world of new media.

### Connecting the Dots

The more relevant the ad, the more it is perceived as content and welcomed by the consumer. Targeting online ads through location and context is growing. Placecast, an advertising service from [San Francisco](#) and New York-based 1020 Inc., combines location information with contextual information to "put audience in place," as its slogan says.

If you are at a hotel in Manhattan, Placecast's software can let advertisers know that you are attending a conference, that you are probably in a certain income bracket and that it is almost [Valentine's Day](#), for example. Through Placecast, advertisers can recommend a shop near the hotel for purchasing a gift and send that ad, called a PlaceAd, to your mobile phone or laptop. Placecast gives anonymous location information context that can be converted into a revenue stream. It connects the dots to help advertisers target their audience.

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Mobile ads, another form of targeting, are ads sent to you on a mobile device, customized to your location. If you are walking down the street past a department store, you might get an ad on your cellphone that jackets are on sale.

Advertisers are salivating at this form of advertising because they get much closer to the customer and the point of sale than if using mass advertising outlets like TV and newspapers. CBS Mobile is testing cellphone advertising in a partnership with the social network service Loopt, which lets families and friends keep track of each other on their cellphones. Members of Loopt who have GPS-equipped cellphones and have chosen to participate might receive an ad for a nearby restaurant or movie theater. There are privacy issues, of course, as people may find this form of advertising highly intrusive, so offering mobile ads on an opt-in basis will no doubt be required. Still, location-based mobile ads put advertisers a huge step closer to the customer purchase.

**Online Ads Go Video**

Like content on the Web, advertisements are evolving from text to images (banners) to video. Video ads take on a new look and feel as they are incorporated into video content in different ways:

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--viral ads, which are appended to video

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--geo-targeted overlays, which are additions to video ads that reflect your location (for example, what stores are nearby in your state)

--interactive overlays, which let you click to a Web site or video for more information

--branded video players, which frame the content on your screen with an advertiser's logo

As downloadable video content increases--whether TV shows, short clips or movies, and whether to laptops, cellphones or other mobile devices--dynamic video ads can be part of the downloaded content. On the belief that most people would rather have ad-supported content than pay for content,

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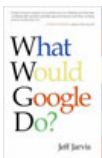
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advertisers are gearing up for this and for being able to track these offline views for their ad metrics. Poddadies helps advertisers do that and has a system to change ads on the desktop once the video file has been downloaded. Adobe also has a system to change ads in its new Media Player.

### Shop the Show

There may be ads aplenty, but there still lurks the age-old question: How effective is the ad? Especially in a world of time shifting and ad skipping? If advertisers fear their ads are being ignored, they can try an ad-less approach.

New technology lets people "shop the show" and buy products they see on a TV program right from their TV screen. If you like the shoes the actress is wearing, using technology from ICE Innovative Technologies, you can buy them instantly with a few clicks of your TV remote. The Internet-commerce-enabled technology provides a standard format for listing products, presented as a menu next to the show, that you navigate through to make a purchase. While it's not clear if clicking and shopping is a major distraction from watching the show, it's sure to satisfy [impulse buying](#)--and the product company is selling directly to the consumer at retail, not wholesale, prices.

The ICE technology works on standard TV (cable, satellite) and Internet protocol television (IPTV), and will be available for TV content on the Web. Further, producers can change the products in the show based on its sponsors. Technology from i3media, a consortium of media companies in Spain, lets you manipulate individual objects in a video frame. For instance, you could change a bottle of wine from a Monte Rosso Vineyard label to a Seven Springs Vineyard label if that grower is sponsoring the show. The proviewer can click on the wine bottle to obtain more information and purchase it.

### In Pictures: Five Ways Advertisers Are Targeting You

#### New Ad Age

Though online advertising is in its infancy, it is clear that advertisers are moving from a scattershot approach to, ultimately, 1-to-1 marketing and buying direct from the ad itself (no more Web page redirects). The traditional (TV) ad network, with neatly delineated spots and breaks, has given way to a new ad network supporting Internet content that features wildly irregular spots and breaks, if any. Internet content is flexible and interactive, and advertising must follow suit.

Key questions are: Who is in charge of IPTV channel programming, and thus advertising? Will there be a bidding system for ad time, or will advertising follow an entirely different business model? How do we get IPTV, the Web and television to accept and display each other's ads when proprietary, incompatible video players and formats make integration--and therefore an effective overall ad strategy--difficult?

Stay tuned as industry, audience and technology work out these and other online ad issues. YuMe is one company

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offering these kinds of ad services;16 of its ad platforms will also power NBC Direct, the first site to offer free downloads of prime time TV shows.

**In Pictures: Five Ways Advertisers Are Targeting You**

*Excerpted from the report, Digital Disruptions: Technology Innovations Powering 21st Century Business, developed by CSC, a global information technology services firm. Copyright: 2008 CSC. All Rights Reserved. Printed in USA. 10/08*

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