

Incentives for Viewing Advertisements

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Background:

As the popularity of Personal Video Recorders (PVRs) grows, the ability for customers to by-pass traditional television commercials is a concerning trend for both advertisers and broadcasters. Advertisers are losing access to millions of viewers, but more importantly cannot encourage viewers to watch commercials due to PVR technology. Broadcasters are concerned because traditional pricing models that rely on ratings and viewers are less appealing to advertisers since there is no guarantee that viewers are actually exposed to the message in a commercial, making them reluctant to pay previous advertising rates.

According to various embodiments of the present invention, incentives are offered to viewers for watching advertisements, and reports are generated concerning advertisement effectiveness.

Various embodiments of the present invention allow advertisers to provide incentives to the viewer such as loyalty points and/or discounts based on the commercials they view or listen to via PVRs or audio devices such as podcasts. This solution provides viewers with a way to select which commercials they wish to view and provides benefits to the viewers for doing so.

One embodiment of the present invention also provides a mechanism for viewers to specify which commercials they are willing to watch based on personal preferences, demographics, product associations or previous purchase history. Based on a viewers profile, commercials can be dynamically loaded and viewed that are specific and relevant to a viewers preferences.

As a benefit to the advertisers, this solution provides a compelling reason to watch/listen to a commercial, a way to connect to the action of watching/listening to custom offers, and a concrete mechanism for knowing which commercials are viewed and by whom. There is also a feedback mechanism in which viewers can provide information on their attitudes toward ads, products or advertisers for additional incentives.

Business Offerings:

Embedded Basic – Provide incentives to viewers for watching advertisements that are already embedded in network broadcasts by offering them value (loyalty points, discounts, etc.) for not skipping through commercials using PVR technology.

Freestanding Basic – Provide incentives to viewers for watching freestanding advertisements that are not embedded in a broadcast by offering them value (loyalty points, discounts, etc.). Incentives are provided to encourage viewers to watch these atomic advertisements or vignettes.

Commercial Replacement – Using a viewer's profile, commercial blocks can be dynamically created based on the likelihood of a viewer being interested in viewing the advertisement for incentives. Once the commercial block is created, viewers will be given incentives to view commercials by receiving value (points, discounts, etc.).

Special Content – By offering viewers access to restricted content (future trailers, actor interviews) and other incentives (special DVD sets, etc.), one embodiment of the present invention allows broadcasters encourages viewers to watch advertisements.

Commercial Splicing – This one embodiment of the present invention allows a broadcaster to display the most appropriate commercial to the viewer based on the viewer's profile. Advertisers would buy credits for airtime that would be redeemed for each targeted viewer to whom the commercial is broadcast. The benefit to viewers is that they are broadcast commercials that are relevant to them (and are more likely to be viewed for incentives). The benefit to broadcasters is they can sell the same commercial time to multiple advertisers and the benefit to advertisers is that their commercials are presented to a targeted audience, and the advertisers only pay for the airtime based on the actual number of viewers that watched the commercial. Since the commercials will be targeted, this allows advertisers to pay only for reaching their target audience.

Incentives:

Pay Per View Content – Viewers can redeem accrued value/points for other content.

Coalition Points – A coalition of multiple merchants, manufacturers, vendors, and service providers can be created for viewers can have multiple outlets for redeeming their accrued value.

Discounts – Viewers can receive discounts on products or services from merchants, manufacturers, vendors, and service providers, etc. When viewing/listening a commercial, a ‘coupon’ is added to the viewers account for the product, service or vendor related to the commercial, or to a retailer/distributor of the product or service.

Process:

Profile Creation – A viewer sets up a profile that indicates e.g., 1) they are willing to participate in the program 2) some demographic data about themselves and 3) preferences regarding products or advertisements they are willing to watch. Profiles will start with basic information and some assumptions, and then will be augmented based on actual customer behavior and purchase history. Viewers can also add information to their profile by themselves.

Viewing – As a customer encounters a commercial break during a program, the customer indicates their desire to view a given commercial. Using the viewer’s profile, the PVR can determine which advertisements are likely to be appealing to the viewer and dynamically configure the order and content of a commercial segment.

Incentive – Depending on the advertisement and length of commercial, the advertiser provides incentives to the viewer in terms of loyalty program points or product discounts. Additionally, the viewer can provide the advertiser feedback on the ad and their perception of the product or service being offered for additional incentives.

Reporting – Periodically, advertisers can review results of their advertising campaigns, including how many people viewed their advertisement (segmented by demographic group) as well as review feedback from viewers on the effectiveness of their advertising campaigns.

As will be understood by those familiar with the art, the invention may be embodied in other specific forms without departing from the spirit or essential characteristics thereof. Likewise, the particular naming and division of the modules, agents, managers, devices, functions, procedures, actions, layers, features, attributes, methodologies icons and other aspects are not mandatory or significant, and the mechanisms that implement the invention or its features may have different names, divisions and/or formats. Furthermore, as will be apparent to one of ordinary skill in the relevant art, the modules, agents, managers, devices, functions, procedures, actions, layers, features, attributes, methodologies, icons and other aspects of the invention can be implemented as software, hardware, firmware or any combination of the three. Of course, wherever a component of the present invention is implemented as software, the component can be implemented as a script, as a standalone program, as part of a larger program, as a plurality of separate scripts and/or programs, as a statically or dynamically linked library, as a kernel loadable module, as a device driver, and/or in every and any other way known now or in the future to those of skill in the art of computer programming. Additionally, the present

invention is in no way limited to implementation in any specific programming language, or for any specific operating system or environment. Accordingly, the disclosure of the present invention is intended to be illustrative, but not limiting, of the scope of the invention.

Interactive “Coupon Clipping”

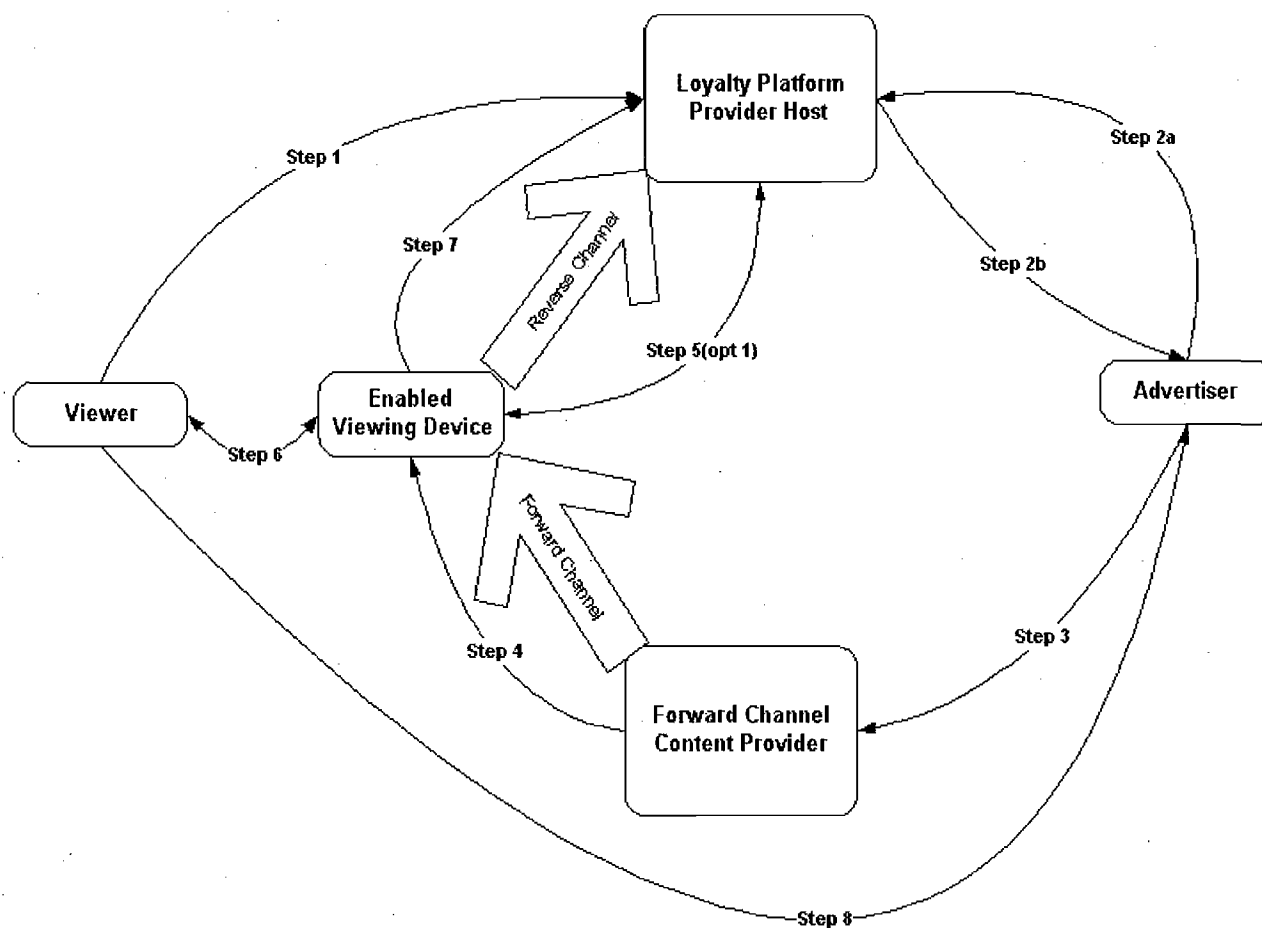
- The following explanations concern term usage according to some embodiments of the present invention
- “Enabled Video Broadcast Viewing Device” (or just “Viewing Device”) – a device capable of directly (TV) or indirectly (set-top box) displaying broadcast video signal. This includes live-only devices such as Television Set or Cable Box or time-shifted viewing device such as a PVR or on-demand set-top box. The “viewing device” in this context has a “forward” and “backward” communication channels as defined below
- “Forward channel” – means of delivering video data to the viewing device. This includes but not limited to aerial TV broadcast, cable and satellite TV feeds, as well as on demand video streaming and over-the-internet content delivery
- “Reverse channel” – means of communication between viewing device and the back office, including a path to loyalty program provider host. This is typically done by connecting viewing device to broadband Internet, but may be done via other means such as two-way cable transmissions, etc.

Interactive “Coupon Clipping”

- **Definitions (according to some embodiments of the present invention)**

- “Loyalty program provider host” – central clearinghouse for creating, processing and redeeming loyalty programs
- “Viewer” – Consumer of the “forward channel” (a.k.a. The Couch Potato)
- “Advertiser” – Owner of the commercial advertisement appearing delivered to viewer via “forward channel”
- “Loyalty Account” – a consumer account with loyalty program provider host that can contain promotional “coupons” and loyalty points which can be redeemed via Advertiser. Such an account can have multiple sub-accounts including branded loyalty cards
- “Forward Channel Content Provider” – Provider of content for forward channel – this could be TV network, local TV channel, cable operator, etc.

Interactive “Coupon Clipping”



Interactive “Coupon Clipping”

- **Step 1** – “Viewer” creates/links “loyalty account” to “Viewing Device”
- **Step 2a** – “Advertiser” creates promotion coupon offering via loyalty program provider host
- **Step 2b** – The coupon is assigned unique ID/SKU by “Loyalty program provider host” which is given back to “Advertiser”
- **Step 3** – “Advertiser” uses the ID to create and provide commercial to the “forward channel content provider” for inclusion in broadcast.
- **Step 4** – “Viewing Device” is notified with the promotion ID when the advertising airs
 - Option 1 – Advertisement contains promotion ID in embedded data via a standard data channel such as one of “Closed Captioning” sub-channels or addition data on digital transmission (e.g. HDTV)
 - Option 2 – List of promotions and air-times is provided to “viewing device”
- **Step 5 (Option 1)** – “Viewing Device” detects promotion ID when advertising is ready to air, and issues a promotion definition request transaction including promotion ID and viewer account number to the “loyalty program

provider host", getting in response a specific offering for this viewer based upon advertiser's specifications and viewer account profile.

- **Step 5 (Option 2)** – "Viewing device" detects promotion ID and basic promotion parameters in the transmission described in Step 4.
- **Step 6** – "Viewing device" generates the visual of the offering and superimposes the offer in the space provided in the video commercial and offers the "viewer" a option via remote control buttons to ether accept the offering or signal dislike of such offerings.
- **Step 7** – If a positive or negative response was received; an appropriate transaction is composed and sent to the "loyalty program provider host". A positive response will result in the offering being added to the viewer loyalty account or sub-account. A negative response may be passed through to the advertiser. Both responses may also be used to determine, via AI matrix, what future advertisements will be offered to this viewer. The action of response may also be used as a transaction of its own to earn participation points from the "loyalty program provider host" or "forward channel content provider"
- **Step 8** – At a later time, Viewer may redeem the promotions accumulated in the account based on promotion rules using the account card(s).

Registration

- Viewer registers as a member of, e.g., the TiVo loyalty coalition
 - Contact Information
 - Demographic Information
 - Product Preferences
 - Activities
 - Brands
 - Products

Incentive Notification

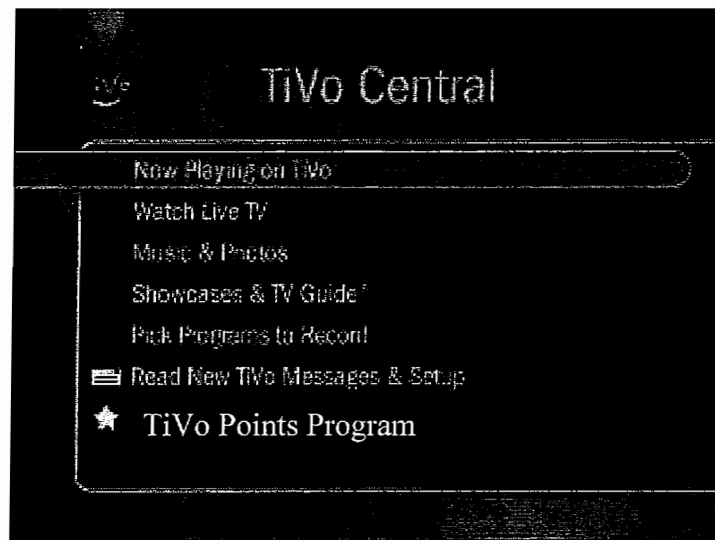
- Viewer forwards through Ad with incentives
- Viewer is notified with a \$ icon
- Viewer selects Thumbs Up button
- Fast-forward is halted and the viewer is presented with a screen notifying them of the incentive available for viewing the advertisement.
- View elects to view advertisement



Advertisement and Feedback

- Advertisement is played with fast forward disabled (viewer can still rewind and cancel).
- At end of advertisement, user is presented with questions regarding attitudes toward product, advertiser, advertisement, etc.
- When questionnaire is complete, viewer is provided TiVo points and/or merchant/product discounts.
- When questionnaire is complete, viewer is returned to regular TiVo viewing.

View Accrued Incentives



Premium Content Flow

- The idea before pvr was that people would watch advertisement b/c they would get something they wanted more (shows). With the advent of PVRs the link between the two is lost (commercials and content). This is an attempt at reconsiliating the pvr and the existing business model by giving people something they want in exchange for watching commercials.
- For each program a separate purse or holding area is reserved. When a customer does something the broadcaster wants (i.e. watch commercials) then they get something they want (i.e. premium content). In this aspect there is no overarching loyalty scheme, just earning of special content within the context of a given show or series.

Premium Content Flow

Passive Usecase:

1. Person signs up for the program by telling the tv (or pvr) provider that they want to take part in the program.
2. For all shows the person watches the service provider (size) will keep a purse in the system. The PVR will send size (using the XML API) information about all the commercials the person watched during the program.
3. The broadcaster can set up tiered rules (Using the size rules engine) to reward the customers for watching commercials based on how many they watched over the season of the given show.
4. Customer gets email when they reach a threshold with instructions on what steps to take to redeem.

Interactive Usecase:

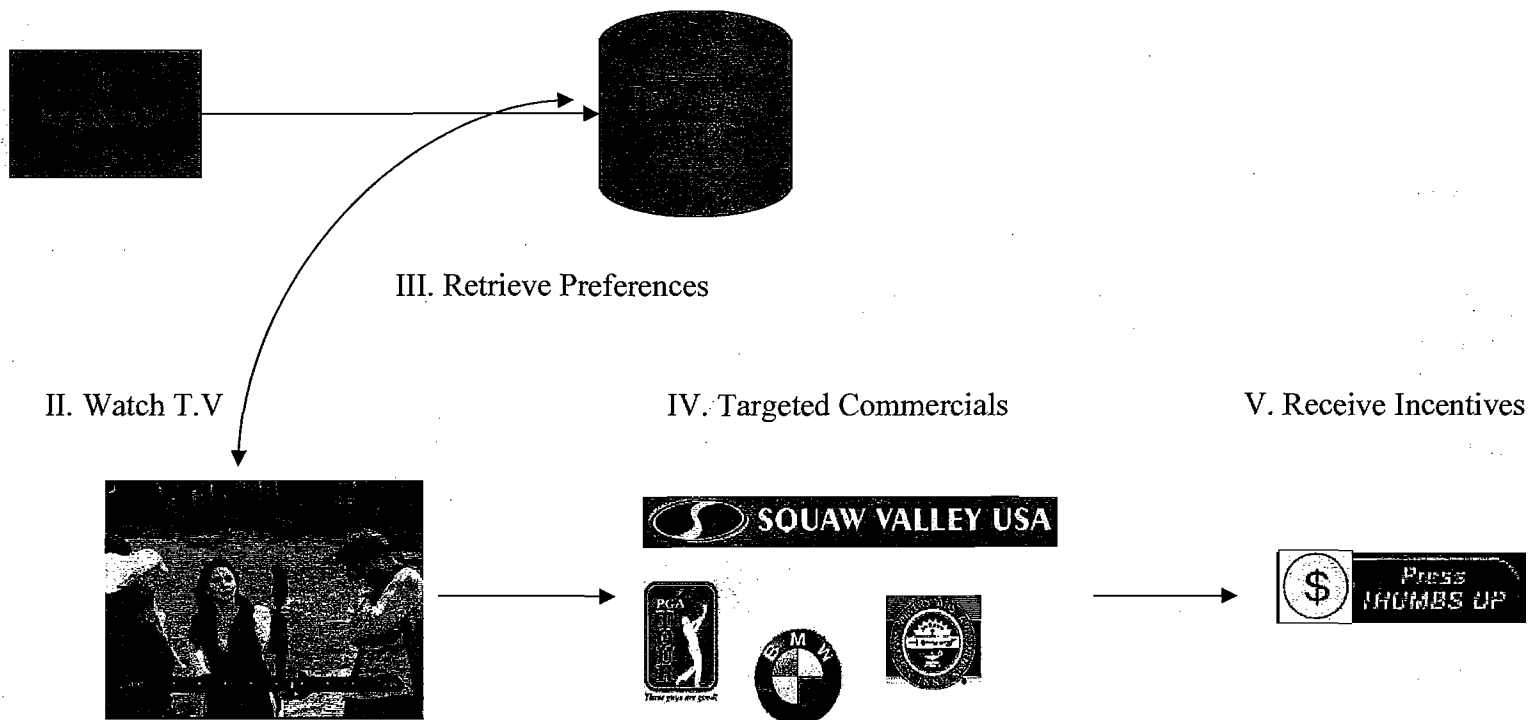
1. Person is watching show.

2. Person watches comercial (or skips it), an alert shows in the screen advising the user that further gains could be made (i.e double points for targeted commercials, or ability to get more info) the viewer selects via their remote control that they want more info and an email is triggered with more information.

Premium Content Flow

- The advertiser can choose their level of comitment during a show by paying into a tiered advertising, based on how they want their commercials to count. The broadcaster can charge a flat fee for regular commercials, or pay by views where the broadcaster encourage views by double points etc.
- Redemption examples: Person watches X% of the commercials (or fixed number) and they can go
 - to iTunes and download the show's sound track.
 - to the pay-per-view or video on demand and get an early release of the season finale or alternative endings/story boards.
 - to iTunes and get a podcast of the shows directors.
 - other extras from the show (the kind of things you put in the dvd).
- Redeming party can issue a query to the size system using our API to validate the request.

Commercial Replacement



I. Registration

- Viewer registers as a member of the TiVo loyalty coalition
 - Contact Information
 - Demographic Information
 - Product Preferences
 - Activities
 - Brands
 - Products

II. Watch T.V.

- As a viewer reaches a commercial block in a program ...

III. Retrieve Preferences

- The PVR builds a commercial block that ...
 - Has commercials viewer would likely watch for incentives
 - Are based on preferences, previous viewing and purchase history

IV. Targeted Commercials

- Viewer is notified with a \$ icon
- Viewer selects Thumbs Up button

V. Receive Incentives

- Viewer receives incentives based on commercials viewed

Dynamic Commercial Selection

- **Step 1:** Viewer Signup with Loyalty Provider and gives demographic info, interests, and other info to more customize the experience.
- **Step 2:** Viewer info uploaded to the “viewing device”.
- **Step 3:** Advertiser buys broadcast “points” from Loyalty Provider.
- **Step 4:** Advertiser provides a commercial with meta-info about subject, target demographic, etc. as well as rules about usage of “points.”
- **Step 5:** Primary Content Provider creates content with designated commercial breaks. Sets price in “points per second” for commercial space in content.
 - A system may automatically set “points per second” price based on combining known demographics of viewership, airtime, and demand for such content in existing advertising purchases.
 - Different commercial spots within same unit of content may be priced at different rates.

- **Step 6:** Commercial is delivered to “viewing device” ahead of time either inline with other programming (i.e. record commercial from earlier airtime) or out of band via Internet or dedicated/leased programming channel and stored along with meta-information for later playback.
- **Step 7:** Primary Content is delivered to “viewing device” with meta-information about the type of programming and available spots as well as price per second in points of various timeslots.
- **Step 8:** “Viewing device” decides which commercials to show based on viewer profile combined with available commercial meta-info and currently showing program meta-info.
- **Step 9:** Feedback gathered may be used to provide Viewer with offers, coupons, or points linked to the Viewer’s loyalty profile as well as adjust viewer preference profile for future commercial selection. Information gather on which commercials were shown in full and which were skipped may also be used to determine number of generic “viewer points” the viewer earns. Earning may be set based on “advertiser point” rates.
- **Step 10:** “Viewing device” may update info on shown commercials and viewer selections in real time or store this info and upload in periodic batches.

Sponsored electronic purse DVR promotion!

Person signs up for a Direct TV electronics purse promotion. The promotion will allow individual the ability to see certain electronic commercials (after being prompted with a "\$" sign) for value, some of these commercials may be instant win promotions such that a person can print off a coupon on their computer and present at a sponsoring retailer, such as Best Buy. These promotions could be potentially tied into merchant loyalty programs. These promotions can be cosponsored e.g., by Sony, Microsoft EA Sports or Intuit.

Individual is prompted to view certain electronic commercials allowing him to build loyalty points in his electronics purse. This person could also have other "purses" such as a snack purse or entertainment purse (beer, movies).

EA Sports, in conjunction with Pepsi decided to run a *March Madness* instant win promotion. The individual will receive normal prompts, but also be given a pass code or prompts to log into their on-line loyalty homepage at Direct TV.com or our loyalty website will generate an unique coupon that could allow them to win an array of prize such as new EA Sports video games or game stations, etc. This could also work the entertainment purse when McDonalds runs their Monopoly promotions.

After a person reaches certain thresholds the person can log on to their homepage and print coupons for discounts or priority entrance to certain sporting or gaming events at Best Buy or other electronic locations, as well as local and major sporting events. This would also allow DirecTV to create a pretty captive lifestyle group that could potentially be sold to marketers of similar products or services.

Points are redeemed at POS by placing a query into our system.

Individual logs into the website, enters promotion code and based on his profile, an e-coupon is created that allows for redemption at the POS, or potentially at sponsoring members website

Person presents coupon at merchant.

Retailer does a query into our system to see if the individual has "won."

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