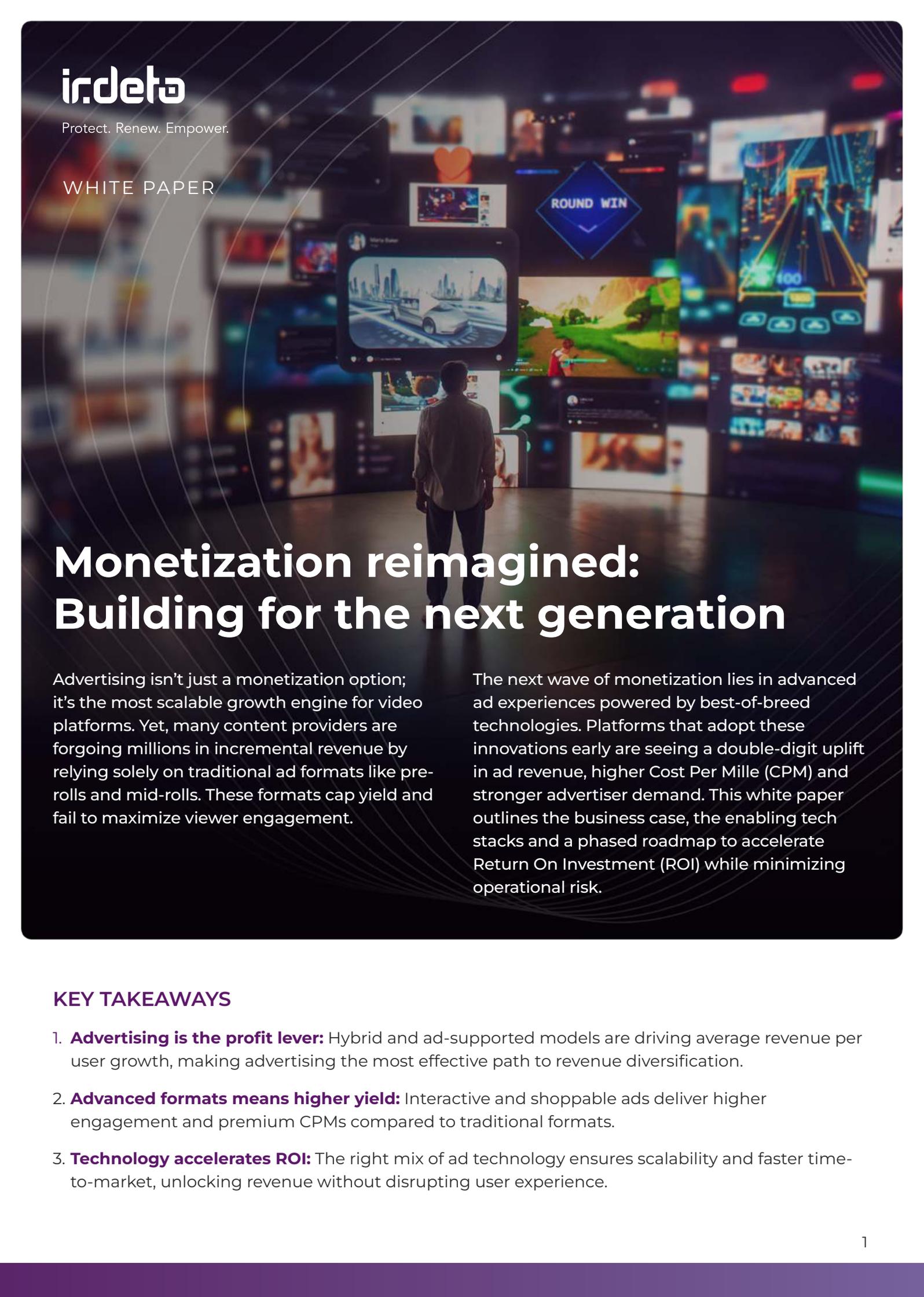




Protect. Renew. Empower.

WHITE PAPER



Monetization reimaged: Building for the next generation

Advertising isn't just a monetization option; it's the most scalable growth engine for video platforms. Yet, many content providers are forgoing millions in incremental revenue by relying solely on traditional ad formats like pre-rolls and mid-rolls. These formats cap yield and fail to maximize viewer engagement.

The next wave of monetization lies in advanced ad experiences powered by best-of-breed technologies. Platforms that adopt these innovations early are seeing a double-digit uplift in ad revenue, higher Cost Per Mille (CPM) and stronger advertiser demand. This white paper outlines the business case, the enabling tech stacks and a phased roadmap to accelerate Return On Investment (ROI) while minimizing operational risk.

KEY TAKEAWAYS

1. **Advertising is the profit lever:** Hybrid and ad-supported models are driving average revenue per user growth, making advertising the most effective path to revenue diversification.
2. **Advanced formats means higher yield:** Interactive and shoppable ads deliver higher engagement and premium CPMs compared to traditional formats.
3. **Technology accelerates ROI:** The right mix of ad technology ensures scalability and faster time-to-market, unlocking revenue without disrupting user experience.

The market reality: Monetization matters, but complexity is a challenge

The video entertainment industry is at a critical point. Streaming adoption continues to rise, but the economics of traditional subscription models are under strain. Leading analysts agree advertising is now the most powerful lever for growth, yet most platforms are not fully capitalizing on this opportunity. The result? Significant revenue is left on the table.

What's shaping the market - and the ROI implications?



1. Subscription fatigue is accelerating, resulting in revenue risk

Consumers are signaling clear limits on what they will pay for content. A [survey on US consumers reports](#) that 47% of users believe they spend too much on streaming and 41% say the value isn't worth the price. A modest \$5 price increase would push 60% of subscribers to cancel their favorite service. Churn is now becoming normalized, especially among younger demographic segments where 39% of Subscription Video on Demand (SVOD) consumers canceled at least one paid service in the past six months, rising to more than 50%.



2. Advertising is the growth engine

It is projected that the media and entertainment sector will continue to grow, with [advertising as a primary driver](#), fueled by evolving ad models and hyper-personalization. The industry's response to subscription fatigue is clear: Ad-supported tiers and hybrid models are becoming standard. This is clearly seen because a majority of the top 10 major US streaming services now offer ad-supported subscription tiers.

In addition, 54% of SVOD users in the US now subscribe to an ad-supported tier and two-thirds of younger demographic segments use free ad-supported streaming television services.



3. Traditional ad formats cap revenue potential

Pre-rolls and mid-rolls dominate most ad strategies, but they no longer deliver the engagement advertisers expect. Research shows that [the industry has focused on quantity of impressions rather than quality of attention](#), yet valuable attention, driven by focus and intent is what drives monetization.

In addition, [75% of media users multitask](#) while consuming content and over 60% use multiple media formats simultaneously, diluting ad impact and forcing a rethink of ad strategies toward formats that hold attention longer.



4. Technology fragmentation slows ROI

Legacy broadcast systems siloed Over-The-Top (OTT) workflows and device fragmentation continue to challenge the consistent deployment of advanced advertising strategies. These technical limitations are increasingly at odds with advertiser expectations as now [80% of advertisers now re-evaluate their platform choices annually](#). Meanwhile, accountability pressures are mounting, 77% of chief marketing officers feel compelled to prove ROI on ad spend. Together, these dynamics underscore the urgency for AI-driven personalization and unified ad delivery frameworks that can meet both operational complexity and performance demands.

The bottom line is...

Relying on subscriptions and standard ad pods is no longer sufficient to sustain growth. To remain competitive and unlock full revenue potential, providers need to adopt advanced ad formats, implement hyper-personalization and leverage the right enabling technologies. When executed effectively, these strategies can increase CPMs, enhance audience engagement and deliver the measurable outcomes advertisers expect.

It's time to create a targeted plan, driven by ROI, powered by the right technologies and focused on what matters most for your business.



So, what's next for monetization?

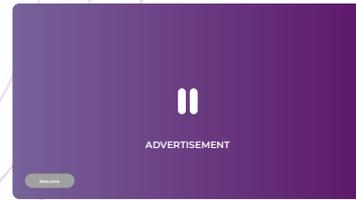
Looking beyond traditional advertising, today's video ads are often seen as disruptive as they are mostly unskippable, impersonal and breaking the flow of content rather than adding value. Viewers unconsciously tune out, signaling that the old model of simply inserting more breaks no longer works. Advertising in video is evolving, it's about creating contextual, value-driven moments that enhance the viewing experience while delivering measurable outcomes. The industry is moving beyond pre-rolls and mid-rolls toward formats that are dynamic, interactive, and commerce enabled.

Here's what we think are shaping the next wave of advertisement:



Overlay ads

Lightweight and non-intrusive, overlays allow sponsors to stay visible during live sports or premium video on demand without interrupting the action. They maintain engagement and deliver incremental revenue without viewer frustration.



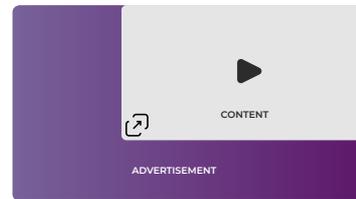
Pause ads

When viewers pause, attention is focused. Pause ads use this natural break to display static or animated creatives, achieving high completion rates and positive sentiment.



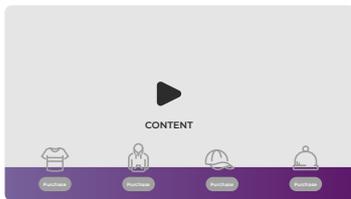
Interactive ads

From polls and quizzes to click-to-buy options, interactive ads turn passive viewing into active engagement. They work best in OTT and direct to consumer environments as well as command premium CPMs because they deliver measurable actions.



Squeeze-back ads

By shrinking the main feed during live sports or news, squeeze-back ads monetize downtime without sacrificing the sense of 'being there'. Broadcasters value this format for its broadcast-quality feel and strong completion rates.



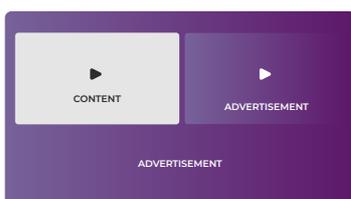
Shoppable ads

These ads bridge content and commerce. Viewers can scan a QR code or click to buy without leaving the stream ideal for lifestyle, fashion and sports content. This creates a new revenue stream beyond traditional ad spend.



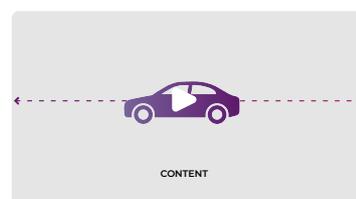
Shoppable squeeze-back ads

By shrinking the live feed and integrating interactive product placements, shoppable squeeze-back ads let viewers stay engaged while browsing featured items. A QR code or clickable overlay enables instant purchases without leaving the stream.



Double-Box ads

Picture-in-picture formats keep viewers connected to the content while introducing advertisers in a way that feels additive, not disruptive which is perfect for analysis or commentary segments.



Animation ads

Animated lower thirds and kinetic supers add visual energy without cutting away from the main content, making them effective for entertainment and youth-focused programming.

Hyper-personalization: The real differentiator

What makes these new formats truly effective is how they're delivered. Traditional advertising has relied on broad targeting often resulting in generic, one-size-fits-all messages that feel disconnected from the viewer's interest. The future of advertising moves far beyond that. It isn't just targeted; it's hyper-personalized. This means selecting the right ad for the right viewer at the right moment, using session context, content type, and behavioral insights to create relevance that feels natural rather than disruptive.

Hyper-personalization is not one-size-fits-all; it can apply differently across formats:

- **Interactive and shoppable ads** – Personalize product offers based on viewing history or regional preferences.
- **Overlay and pause ads** – Tailor creatives to match content genre or time of day.
- **Live Sports ads** (squeeze-back, double-box) – Serve region-specific sponsorships or dynamic promos in real time.

These ad innovations address fragmented attention, rising advertiser expectations and the need for measurable outcomes. For pay-TV operators, broadcasters, OTT platforms and content owners, the question is no longer if to adopt these capabilities, but how quickly they can be integrated into existing workflows.

These innovations are not just enhancing user experience they are unlocking incremental revenue streams and higher advertiser ROI. Platforms that adopt them early gain a competitive edge in monetization.



What are the technologies that make it possible?

Delivering next-generation ad formats requires more than creative innovation as it depends on a cohesive technology stack that can handle complexity across devices, networks, content formats and workflows. With Irdeto Experience at the core and Irdeto serving as both system integrator and trusted advisor, content providers can confidently deploy the right technologies, efficiently and without added operational complexity.

Each insertion method serves a specific purpose in the ad delivery chain. Understanding these technologies and how they map to different use cases are essential for building a monetization strategy that scales.

Server-side ad insertion

How it works: Ads are stitched into the video stream on the server before delivery, creating a single, seamless feed.

Best for: Live events and formats like squeeze-back or double-box ads, where frame accuracy and broadcast quality are critical.

Client-side ad Insertion

How it works: Ads are requested and rendered on the viewer's device enabling interactivity and detailed engagement tracking.

Best for: Interactive ads, shoppable ads and pause ads where user actions matter.

Server-guided ad insertion

How it works: Uses real-time session data such as device, location, content type to select the most relevant ad for each viewer.

Best for: Hyper-personalization across all formats, especially when combined with client-side ad insertion for interactive experiences.

Client-side playlist manipulation

How it works: Dynamically updates the manifest to insert device-specific overlays or animations based on ad decisioning rules.

Best for: Shoppable ads, interactive ads (including skippable ads) as well as content on linear channels and live sports/news, with hyper-personalization across all formats.

The best approach to smart monetization is multi-modal

Successful operators don't rely on a single ad insertion method. Instead, they combine these ad technologies to create seamless, personalized and scalable ad experiences across devices and formats. By embracing the full spectrum of technologies, they maximize reach, boost CPMs and deliver measurable outcomes, all while maintaining operational efficiency.



Irdeto as your trusted advisor in monetization

Monetization today is not about adding another technology stack; it's about making the right strategic choices. That requires a partner who understands your business model, your operational realities and the complexity of integrating advertising into diverse workflows.

Irdeto takes on that role as a trusted advisor. We don't just provide technology; we guide you through the entire monetization journey from defining objectives to implementing solutions that scale. Our approach is consultative:

- We start by understanding your business model and audience dynamics.
- We map your content types, delivery workflows and regional requirements.
- We design a monetization strategy that works today and evolves with your future needs.

Irdeto Experience unifies broadcast, OTT and live workflows into a cohesive, modular platform that supports all major ad technologies while ensuring security, scalability and operational efficiency.

Our technology partners

To deliver best-in-class outcomes, Irdeto works with a curated ecosystem of technology leaders, including:



By aligning strategy, technology and trusted partnerships, Irdeto empowers you to turn ad monetization into a future-ready growth engine.

Let's explore how we can help you unlock new revenue opportunities. Connect with us today to start the conversation.

About Irdeto Experience

Irdeto Experience is an end-to-end modular video streaming platform that allows content service providers complete control over how content is delivered, discovered and monetized. Irdeto Experience enables them to create a seamless user experience across devices, boost revenue through flexible ad and subscription models and streamline operations to reduce time-to-market and complexity. It's secure, scalable and ready for the future.

Unlock the power of Irdeto Experience.
Boost engagement, drive growth and streamline operations.