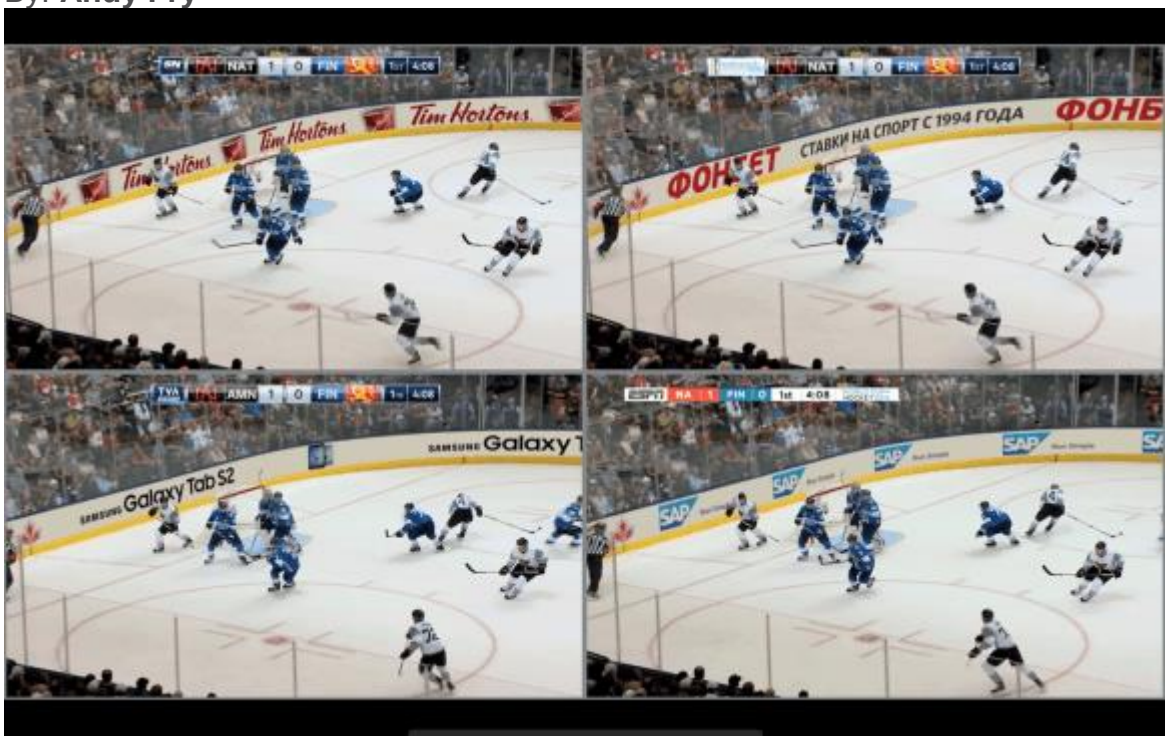
On-screen | Rivals race to perfect Digital Replacement Technology before Qatar 2022

By: **Andy Fry**



It’s more than 20 years since companies including Princeton Video Image and Orad started evangelising on the benefits of digital replacement technology for the sports sector. But it’s only now that DRT, or Virtual Advertising as it is sometimes called, seems to be making major inroads, following the news that the German Football League (DFL) has approved its use in top-flight competition, the Bundesliga.

True, there have been high-profile uses of DRT down the years, such as Major League Baseball’s long-established digital ad insertion activities around the batter’s home plate. But what has been missing so far is the kind of large scale, league-sanctioned deployment that the DFL approval represents. Charlie

Marshall, chief operations officer of Supponor, the company providing the technology to the DFL, says: “The league put our system through rigorous testing before agreeing to this, so it’s a really powerful endorsement of its quality, stability and robustness.”

Marshall says Supponor’s breakthrough is partly down to the fact it is a DRT specialist, “wholly devoted to this field of technology and how it can transform the market for sponsors, broadcasters and rights-holders”. But not to be overlooked are the links it has built with sports marketing agencies, which are often the gatekeepers to leagues and events. In the case of the DFL deal, for example, Supponor is working in partnership with Lagardère Sports. Another DRT partnership with LaLiga,

which is less far-reaching but has been up and running for the last four seasons, is facilitated by Mediapro.

While Supponor is able to ‘virtualise’ advertising on static perimeter boards – which continue to be relevant in sports like F1 – its big innovation is the creation of a DRT system compatible with LED Boards, an increasingly common feature of high-end football competitions. “Our ability to create seamless virtual advertising on LED boards, irrespective of light conditions and player movement, is what really sets our technology apart,” Marshall adds.

This system, he says, has been devised in partnership with LED signage specialists ADI and is currently unique to the marketplace. Another thing that makes Supponor’s tech stand out, he argues, is that “we built the technology so that the virtual overlays are the last element of the video composition to be inserted. This makes it highly scalable, in that any number of targeted feeds can be produced without overloading the workflow with graphics engines and complex switching.”

In addition to its Bundesliga and LaLiga work, Supponor has trialed its LED technology with the English Premier League. But Marshall stresses it is not just football where DRT can have an impact. The company has worked with Formula One and ice hockey’s NHL among others. Going forward, he sees basketball as a big opportunity – pointing to the popularity of NBA in China as a scenario where DRT could be effective.

The competition

Of course, Supponor is not the only player in the DRT market. While its LED-based system is at the cutting edge of the business, expansion in the US will inevitably bring it face-to-face with established players like Brand Brigade and SMT (which recently acquired Sportvision).

Should it look to Asia-Pacific, then it will encounter companies like China’s AOTO Electronics and Australia’s Namadgi. Back in Europe, meanwhile, it has to contend with the likes of Vizrt and uniqFEED – both of which are seeking to steal a march with the introduction of software-based or ‘lighter touch’ virtual advertising technologies.

At recent technology trade shows, for example, Vizrt has been talking up Viz Eclipse, a “non-intrusive technology that utilises a fully software and image-based approach, and therefore, does not require any modifications of cameras or boards on site.”

There is not much to report yet in terms of use cases for Viz Eclipse, but there’s no question that this kind of light-touch technology would challenge Supponor, which has to modify both boards and cameras for its system to work. Also worth noting is that Viz Eclipse is being distributed exclusively by sports marketing agency Infront, which has described it as “a game changer”. Echoing the point about Lagardère’s

involvement in the DFL deal, this could give the Vizrt system a competitive edge in any situations where Infront has strong rights-holder relationships.

Switzerland-based uniqFEED says its own entirely software-based system, AdApt, is already robust enough to be deployed in court sports, with a football solution planned for 2020. “Right now our focus is court sports,” says company chief executive and co-founder Lukas Gysin, who adds that the tech solution has been successfully tested at tennis [the ATP 500 Swiss Indoors in Basel and the Laver Cup in Prague], badminton and table tennis events [the BWF Swiss Open in Basel]. “The solution is ‘product ready’ to implement immediately. By 2020, we will be ready to handle the higher levels of motion and zooming you get in football.”

Gysin claims several advantages of uniqFEED’s system over existing hardware-based rivals (some of which also relate to Vizrt), such as the ability to manage the system remotely and cost-efficiently, the scalability to many cameras, the flexibility of having a lean operation, no LED time-code necessary, access to real-time analytics and efficient use of bandwidth. He also stresses that no equipment needs to be touched to use the system. “Hardware-based systems reduce the flexibility and scalability of the production. Setting them up is also labour-intensive, which means they are not practical for sports that are constantly moving venue to venue, or where you need to set the system up quickly because you are following on from another event the previous night.”

Fifa's regional sponsors

Gysin’s reference to 2020 as a football-ready date is significant, because that would give uniqFEED enough time to convince Fifa that its technology could be deployed at the 2022 World Cup in Qatar. This mega event is also a target for Vizrt and Supponor which, like uniqFEED, are keen to help Fifa finally implement its much-discussed regional sponsorship packages.

First broached after Brazil 2014, the original idea was that DRT would help Fifa raise around $200m in new sponsorship revenue through the creation of 20 regional packages for Russia 2018 – five regions, four brands per region. Partly because of the internal upheaval that has dogged Fifa in recent years, the regional packages ceased to be a commercial priority. But DRT sector specialists expect the topic will be revisited before Qatar.

As to who will get the job of providing DRT support, Infront’s relationship with Fifa might appear to give Vizrt the edge – though uniqFEED has also taken advantage of its Zurich location to start showcasing its solution to football decision-makers.

Supponor’s Marshall believes his company’s Bundesliga involvement will stand it in good stead. While the points raised by Gysin might militate against Supponor’s tech in some scenarios, Marshall argues that it is ideally suited to a flagship event with a specified number of dedicated venues. A previous

SportBusiness International analysis of this subject estimated Supponor-style infrastructure at Qatar 2022 would have an operational cost of around $10m – a reasonable sum if the ultimate return is $200m.

On the more general challenge from software-based solutions like Viz Eclipse and uniqFEED's AdApt, Marshall says: "We welcome the development because no market is a real market until there are credible competitors. But there is not enough data and evidence on lighter touch tech. As you'd expect, we are also investing in this area. We have terabytes of real-world video experience from the last seven years that we have been using to design and test these solutions, but even so I'd still call this area experimental. Our existing technology is up and running but software-based systems could take another 20 years."

Of course, Fifa may decide to wait another four years to 2026 to introduce DRT. Or it may turn out that brands are not convinced that the packages on offer are worth $10m. But what seems clear is that the technology is finally at a point where it can play a meaningful role in rights-holder calculations – and that should benefit all the leading DRT players.

The ABC of DRT

Fundamentally, DRT is about the more efficient use of onscreen advertising inventory to generate additional revenues. Most frequently, it involves overlaying a digital image on a pre-existing physical perimeter board. But it can involve inserting a digital image onto the field of play or other TV-visible locations, like behind the goal.

In the case of perimeter boards, a key rationale for this would be better regional targeting, says Joel Seymour-Hyde, head of Octagon UK. Let's say, for example, five regional TV feeds of a match are being sent out around the world. DRT would mean that 90 minutes of perimeter advertising becomes 450 minutes from a sales point of view. "Chinese or Latin American viewers could see different ad executions to Europeans," he says. "You might use different language ads or replace an alcohol ad in markets where alcohol is banned. It strikes me as especially relevant with events like the Cricket World Cup, where fan bases around the world know different brands."

You can also carve up the time that a brand has on a board, he adds, sharing out the 90 minutes of a football game between different sponsors. Take the technology to its logical extreme and you could add real-time or topical messages.

Other positives include the opportunity to use DRT as a way to commercialise sports highlights on social channels. There's also the positive connection that is created when fans see brands and messages they recognise. A Middle Eastern bank advertising in Arabic to the region's audience could have a halo effect by making the event seem more locally connected.

Addressing why DRT hasn't penetrated the market as quickly as might be expected, Seymour-Hyde cites various factors. "The first is that rights-holders have to be 100 per cent sure that it isn't going to disrupt the broadcast signal in any way. Broadcasters pay a lot for their live rights and place great store by image quality, so DRT simply can't be allowed to impact on that – especially in the context of an event like the Fifa World Cup."

Even if the tech is now up to the required level, he adds "it's complicated to come up with a commercial model everyone agrees upon". In particular, he says, there's a risk that rights-holders over-estimate just how much sponsors would be willing to pay for what DRT offers: "Media rights have a value, of course, but with the way brands think about sponsorship these days, there's a limit to what they'll pay for this inventory."