

CableFAX Daily™

Monday — January 31, 2011

What the Industry Reads First

Volume 21 / No. 019

ADVERTISEMENT

USA CHARACTERS RULE (AGAIN)



#1 FIVE YEARS IN A ROW

- #1 cable network in 2010 A18-49 & A25-54
 - +8% A18-49 & +17% A25-54 vs. ESPN
 - +24% A18-49 & +50% A25-54 vs. TBS
 - +27% A18-49 & +29% A25-54 vs. TNT

LEADER IN ORIGINALS

- 5 of top 10 scripted original series A18-49 & A25-54
 - *Royal Pains*, *Burn Notice*, *Covert Affairs*, *White Collar*, & *Psych*
- New original series *Covert Affairs* soars
 - #1 new series of the summer A18-49 — 5th consecutive year

characters welcome. 

Source: Nielsen; Annual & Scripted Original Series: 2010 = 12/28/09-12/26/10, MC Data = L7 thru 12/12, LS thru 12/26, M-Su 8p-11p, A18-49 & A25-54 (000). *Covert Affairs* & 5th Consecutive Year: 2006-2010, Summer 2010 = 5/31/10 - 8/29/10, original premiere trackages, L+SD (000), A18-49, M-Su 8p-11p. Subject to Qualifications.

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Retention Strategy: Some Subs Bigger Than Others

Some major cable operators are running tests in their customer service call centers of new software that directs CSRs on how much of an effort should be made to retain a subscriber based on how profitable the customer has been. **CSG Systems**, which supplies call center software to **Comcast, Time Warner Cable, Charter, Cox, Mediacom** and **DISH**, wouldn't disclose which MSOs are testing the new call center program that assigns scores to each sub based on factors ranging from the amount of revenue the sub has generated in the last 90 days to the number of truck rolls and calls to CSRs he has made. "The trials are occurring in some pretty major clients," said CSG vp, business dev *Ron Vernon*. Cable MSOs are stepping up retention efforts as they face increased competition from telcos and DBS providers, and the threat of subs cutting the cord on cable to rely on Web video for home ent. Vernon said the software CSG is testing instructs a CSR on how to respond if a subscriber calls his cable company to disconnect service by assigning a score to each customer. If a sub has been highly profitable for an MSO, has had outages in his neighborhood, or has shown through repeated calls to customer service that he is likely to churn, the CSR will see "retain" displayed on his screen. The system would supply the CSR with retention offers such as credits to a monthly bill. If the sub has been a customer for multiple years, and hasn't called previously to complain, the CSR may be prompted to "maintain or upsell" the subscriber when he calls a CSR, Vernon said. The program builds a profile for each sub based on several factors. "We look at their past purchases. Did they add equipment, delete equipment, are they upgrading service, downgrading service, are they paying bills on time, are they buying on-demand events, multiple services—all that stuff," said Vernon. Retention strategy is a topic most MSOs won't discuss publicly, though virtually all of them have recently noted efforts to improve customer service. **Stifel Nicolaus** managing dir *Tom Roderick* said he expects MSOs to increase spending on analytical software for call centers. "The notion of using analytics to gain a better understanding of your customer is one that is becoming more and more critical," Roderick said. "The large MSOs that are sniffing around this—how quickly they can roll it out across their customer care organization is a big question," he added. Perhaps they're all following **DirectTV** in this matter. In accounting for churn improvement last summer, DirectTV CFO *Pat Doyle* cited the use of tech allowing the DBS op to target customers with a higher propensity to churn and treat them differently when they contact call centers. - *Steve Donohue*

CableFAX Webinars

Profiting from Transactional TV

Thursday, February 17

1:30-3:00pm ET

Content creators and distributors are starting to grasp the power of transactional TV (aka, "T-Commerce"), which melds advertising and sales into a single feature that lives on the TV set. This Webinar will explore this burgeoning field and share the best ways that cable operators, programmers, agencies and brands can capitalize on transactional TV now and as the market evolves.

During this Webinar, You will learn:

- How transactional TV is evolving in light of new players and technologies.
- How consumers are responding to the idea of buying through their remotes.
- How to market transactional TV—and how the relationship between programmer and operator is evolving.
- The latest trends when it comes to windowing.
- Tips on how to increase usage and revenue generation from transactional TV.



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Register at www.cablefax.com/webinars

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Regime Change: Comcast was set to take over NBCU Fri following the transaction's lengthy approval process, and incoming CEO Steve Burke spoke with his new charges in a town hall meeting Thurs. Layoffs weren't discussed, according to reports, and each NBCU employee received 25 Comcast shares and a family pass to 1 of the **Universal** theme parks. Comcast ditched NBCU's old logo featuring the recognizable peacock separating NBC and Universal in favor of a new version that simply says NBCUniversal. Comcast reports 4Q'10 earnings on Feb 16.

Technology: Concurrent earned a US patent for network DVR-related tech that it says solves the challenges of resource allocation and management for the storage and distribution of content from a centralized, network-based system. Using factors such as demand, consumption level and timeliness of content, the tech enables automatic prioritization of resources for the ingest and delivery of content.

Ratings: A&E's "Storage Wars" delivered a series-high 3.3mln total viewers Wed night, and the net's "Dog the Bounty Hunter" earned 3mln viewers for its 200th ep, the most since '06. -- **IFC** comedy originals "Onion News Network" and "Portlandia" scored nearly 1.5mln combined total viewers during their premiere weekend, Jan 21-23. -- **Syfy's** competition series "Face Off" premiered to 1.4mln total viewers and 896K 18-49s, marking the net's best debut night for a reality franchise in the latter metric since '04.

Programming: Wedding Central announced its first original project, a 1-hr special about the upcoming royal nuptials between *Prince William* and *Kate Middleton*. "William & Kate: The Wedding of the Century" premieres in Apr in the week leading up to the Apr 29 event, and will be co-produced with UK indie **TwoFour Broadcast** and co-funded and distributed worldwide by **DRG**. -- More examples that cable programmers do more than create content. **The Ski Channel** has founded a Hall of Fame and was set Sat to induct its first members: *Greg Stump* and his ski film "Blizzard of Aahh's." The induction was scheduled for Ski Channel's Film Festival in Denver. And on its 3rd anniversary, **Investigation Discovery** is helping track fugitives. After seeing the case of *Michelle McMullen* on ID's missing-person series "Disappeared" (Mon, 9pm ET), a viewer tipped off Oakland, CA, police. McMullen disappeared in '08 from Harrisburg, PA, leaving a 6-year-old child. Feared for dead, she'll now be extradited to Harrisburg to face forgery and theft charges.

Demanding Season: As Hollywood's "Awards Season" continues, **iN Demand** is launching a national campaign around the star-studded events on its Movies On Demand platform in Feb and Mar. Starting this week, a mix of integrated sponsorships, sweepstakes and paid media placements will promote the VOD platform as the "go-to destination" for movie watchers, said Chief Creative Officer *Stacie Gray*. "This 'Awards Season' campaign was designed to deliver maximum national exposure for cable's Movies On Demand during a time when high-profile movies are getting massive buzz," she said. "Visitors to the biggest entertainment sites can't miss the message of the immediate availability of these nominated titles on cable's MOD." Indeed, users can access through brand partners myriad features around nominated titles such as *Inception* and *The Social Network*, including interactive MOD tie-in "Oscars Pick Em' Challenge and Sweepstakes" at **TVGuide.com**, a MOD micro-site on **EW.com** (*Entertainment Weekly*), MOD messaging on nomination title pages at **IMDB.com**, and other social media sweepstakes and giveaways. Cable ops will get spots, billboards, banners, emails and even a **Facebook** app they can roll out.

On the Circuit: The Hollywood Radio and TV Society's **Cable Summit '11 Newsmaker Luncheon**, slated for Feb 23 in Beverly Hills, will include an all-star panel comprised of: **HBO** Programming pres *Michael Lombardo*; **FX** pres/gm *John Landgraf*; **Showtime Nets** pres, ent *David Nevins*; **USA** pres, original programming and **Universal Cable Prod** co-head *Jeff Wachtel*; and *Michael Wright*, evp/head, programming, **TBS**, **TNT** and **TCM**.

People: Elected to **The Cable Center** board were **Rainbow Media** pres/CEO *Josh Sapan*, **Cox** svp, customer operations *Kimberly Edmunds*, **CableLabs** pres/CEO *Paul Liao* and **CSG Systems** pres/CEO *Peter Kalan*.

Business/Finance: **Liberty Media** shareholders will vote Mar 13 on the proposed spinoffs of the **Liberty Capital** and **Liberty Starz** tracking stocks into 2 distinct, publicly traded companies: 1 holding a controlling interest in the Atlanta Braves and minority investments in **Sirius XM**, **Live Nation**, **Time Warner**, **Time Warner Cable** and **Sprint**, the other **Starz Ent**, **Starz Media** and **Liberty Sports Interactive**. Liberty Media Interactive will remain trading under the ticker LINTA. -- **Verizon** agreed to acquire managed IT infrastructure and cloud services provider **Terremark** for \$19/share in cash for a total equity value of \$1.4bln.

CableFAX Week in Review

Company	Ticker	1/28 Close	1-Week % Chg	YTD %Chg
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BROADCASTERS/DBS/MMDS

DIRECTV:	DTV	42.17	0.76%	26.45%
DISH:	DISH	21.03	(2.68%)	1.25%
DISNEY:	DIS	38.85	(2.24%)	20.47%
GE:	GE	20.20	2.33%	33.51%
NEWS CORP:	NWS	16.70	(1.24%)	4.90%

MSOS

CABLEVISION:	CVC	34.05	(0.53%)	31.87%
CHARTER:	CHTR	42.04	2.21%	0.00%
COMCAST:	CMCSA	22.84	(2.93%)	35.47%
COMCAST SPCL:	CMCSK	21.46	(2.94%)	34.04%
GCI:	GNCMA	12.04	(0.5%)	88.71%
KNOLOGY:	KNOL	14.49	1.15%	32.74%
LIBERTY CAPITAL:	LCAPA	65.05	3.47%	172.40%
LIBERTY GLOBAL:	LBTYA	40.58	3.65%	85.38%
LIBERTY INT:	LINTA	15.85	0.70%	46.22%
MEDIAIACOM:	MCCC	8.62	0.47%	92.84%
SHAW COMM:	SJR	21.06	(0.75%)	2.38%
TIME WARNER CABLE:	TWC	67.12	(0.24%)	62.16%
VIRGIN MEDIA:	VMED	24.93	0.00%	48.13%
WASH POST:	WPO	438.52	1.02%	(0.25%)

PROGRAMMING

CBS:	CBS	19.28	(6.86%)	37.22%
CROWN:	CRWN	2.39	3.46%	64.83%
DISCOVERY:	DISCA	38.66	(3.45%)	26.05%
GRUPO TELEVISIA:	TV	23.46	(4.48%)	13.01%
HSN:	HSNI	28.43	3.80%	40.81%
INTERACTIVE CORP:	IACI	28.17	(0.18%)	37.55%
LIBERTY:	L	39.96	(0.67%)	9.93%
LIBERTY STARZ:	LSTZA	67.00	3.06%	45.18%
LIONSGATE:	LGF	6.08	(8.3%)	4.65%
LODGENET:	LNET	3.44	2.99%	(37.79%)
NEW FRONTIER:	NOOF	1.88	6.21%	(0.53%)
OUTDOOR:	OUTD	7.95	4.61%	37.07%
PLAYBOY:	PLA	6.13	0.49%	91.56%
SCRIPPS INT:	SNI	45.99	(2.34%)	10.82%
TIME WARNER:	TWX	31.72	(3.26%)	8.85%
VALUEVISION:	VVTV	6.45	3.53%	34.38%
VIACOM:	VIA	47.76	(0.93%)	51.62%
WWE:	WWE	11.97	(11.33%)	(21.92%)

TECHNOLOGY

ADVANTAGE:	AEY	3.06	(2.86%)	55.33%
ALCATEL LUCENT:	ALU	3.31	2.48%	(0.3%)
AMDOCS:	DOX	29.51	2.89%	3.43%
AMPHENOL:	APH	55.02	3.25%	19.14%
AOL:	AOL	23.82	(0.13%)	2.32%
APPLE:	AAPL	336.10	2.87%	59.49%
ARRIS GROUP:	ARRS	12.35	2.83%	8.05%
AVID TECH:	AVID	16.50	(2.88%)	29.31%
BIGBAND:	BBND	2.58	(0.77%)	(25%)
BLNDER TONGUE:	BDR	2.42	0.41%	112.28%
BROADCOM:	BRCM	44.32	(0.43%)	40.83%
CISCO:	CSCO	20.93	0.96%	(12.57%)
CLEARWIRE:	CLWR	5.29	(3.99%)	(21.75%)
CONCURRENT:	CCUR	5.20	(0.74%)	31.34%

Company	Ticker	1/28 Close	1-Week % Chg	YTD %Chg
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CONVERGYS:	CVG	13.96	0.07%	29.86%
CSG SYSTEMS:	CSGS	19.26	4.16%	0.89%
ECHOSTAR:	SATS	26.89	(0.04%)	33.52%
GOOGLE:	GOOG	600.99	(1.77%)	(3.06%)
HARMONIC:	HLIT	8.15	2.52%	28.96%
INTEL:	INTC	21.46	1.80%	5.20%
JDSU:	JDSU	16.92	5.62%	105.09%
LEVEL 3:	LVLT	1.17	(7.87%)	(23.53%)
MICROSOFT:	MSFT	27.75	(1.94%)	(8.95%)
RENTRAK:	RENT	26.98	3.57%	52.69%
SEACHANGE:	SEAC	8.37	(3.35%)	27.59%
SONY:	SNE	34.78	(3.07%)	19.93%
SPRINT NEXTEL:	S	4.45	3.25%	21.58%
THOMAS & BETTS:	TNB	47.28	(2.13%)	32.10%
TIVO:	TIVO	9.36	(2.09%)	(8.06%)
TOLLGRADE:	TLGD	9.38	2.74%	53.52%
UNIVERSAL ELEC:	UEIC	26.78	(0.26%)	15.33%
VONAGE:	VG	3.18	0.32%	127.14%
YAHOO:	YHOO	15.83	(0.81%)	(5.66%)

TELCOS

AT&T:	T	27.49	(3.31%)	(1.93%)
QWEST:	Q	7.05	2.03%	67.46%
VERIZON:	VZ	35.63	1.95%	7.55%

MARKET INDICES

DOW:	DJI	11823.70	(0.41%)	13.38%
NASDAQ:	IXIC	2686.89	(0.1%)	18.41%
S&P 500:	GSPC	1276.34	(0.55%)	11.50%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. NEW FRONTIER:	1.88	6.21%
2. JDSU:	16.92	5.62%
3. OUTDOOR:	7.95	4.61%
4. CSG SYSTEMS:	19.26	4.16%
5. HSN:	28.43	3.80%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. WWE:	11.97	(11.33%)
2. LIONSGATE:	6.08	(8.3%)
3. LEVEL 3:	1.17	(7.87%)
4. CBS:	19.28	(6.86%)
5. GRUPO TELEVISIA:	23.46	(4.48%)



Best Advice/Motto Series



"The best way to predict the future is to create it."

- Abraham Lincoln

Ken Lowe
Chairman/President/CEO,
Scripps Network Interactive

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