

CableFAX Daily™

Friday — February 11, 2011

What the Industry Reads First

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Measuring Success: Advertisers Work Toward Better Metrics, Uniformity

ANA and **Google** on Thurs treated the TV advertising community to a star-studded conference in NYC as ad gurus mulled massive consumer shifts in media consumption. The **TV & Everything Video Forum** event, which featured luminaries ranging from the former Vice President and **Current TV** chmn *Al Gore* to “American Idol” runner-up *Crystal Bowersox*, hinged on the theme of embracing change and, to some degree, loss of control. But it also came the same day that **Nielsen** and key ad assns endorsed the **Ad-ID** universal ad encoding platform as the industry standard, promising to add more sanity to the convoluted process of creating media for TV, online, mobile, etc. “We are now on the path to eliminate costly, time-consuming steps in the supply chain,” said ANA pres/CEO *Bob Liodice*, who added the tech will launch in ’11. “Once coded, Nielsen will be able to report brand-specific commercial ratings... We need to get everyone on the same page, using the same coding... We need to make measurement the focus of everything we do.” In addition to Nielsen, a dozen major trade orgs including the **IAB** and the **Advanced Media Workflow Assn** (whose members include **Discovery Comm** and **Turner**) also endorsed Ad-ID as the industry standard. In a wide-ranging keynote, Current TV co-founder Al Gore agreed that “measurement has not yet caught up to the new era; it’s not up to speed.” And he said cable’s authentication strategy is “a very clever and innovative strategy” that—when combined with better multiplatform measurement—will only strengthen its viability as advertisers come on board. According to Google dir, video advertising *Mike Steib*, there’s “value going untapped” when it comes to cable nets and even “long tail” online content such as that found on Google’s **YouTube**. “There are some 50 cent dollars out there today,” he said, arguing that Internet connectivity is “more interesting than the size of that screen... You can do some pretty cool things with your message when you know the person watching it can talk back.” Of course, interactivity remains in its infancy. And *David Levy*, **Turner** pres, sales, distribution and sports, said iTV, while promising long term, needs to become more scalable before nets will participate in a widespread way.

Barackband: Pres *Obama* unveiled Thurs a plan to boost wireless broadband coverage across the US and create a nationwide public safety wireless network. The plan includes an initial \$5bln federal investment into the **USF** and enactment of voluntary incentive auctions of commercial and government spectrum that would return a portion of the proceeds—expected to be approx \$28bln over 10 years—to license holders that relinquish spectrum. *Stifel Nico-*

CableFAX Webinars

Profiting from Transactional TV

VOD • SVOD • ITV

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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laus sees the plan as a positive for the wireless industry, but said “it could raise some concern for rural wireline and cable providers that could face further wireless broadband competition, though some money would also be targeted for rural wireline broadband.” **House Commerce Cmte** chmn *Fred Upton* (R-MI) cautioned against overspending on broadband deployment as the **Comm and Tech Subcmte** convened a hearing Thurs to begin congressional oversight of the approx \$7bln already allocated for broadband services in the stimulus package. “Before we target any more of our scarce taxpayer dollars for broadband, it is critical to examine whether the money already being spent is having an impact, as well as how we can minimize waste, fraud, and abuse,” said Upton.

Weekend 3D Launch: **3net** is set to launch Sun (8pm ET) in millions of **DirectTV** homes. The 24/7 3D net from **Discovery Comm/Sony/IMAX** will kick off its programming with the world premieres of native 3D originals “China Revealed” and “Forgotten Planet,” plus the world 3DTV premiere of “Into the Deep 3D.” The net plans to roll out original series and new programs every night during Feb at 9pm. “We are excited to be the first distributor to announce the launch of 3net and we look forward to continuing to provide our customers with the largest and most compelling 3D programming lineup available,” said DirecTV evp, content strategy and dev *Derek Chang* in a release. The DBS op also offers **ESPN 3D** and its own 3D net with **Panasonic, n3D**.

Earnings: Excluding **Travel Channel, Scripps Nets'** lifestyle media segment reported a 17% increase in overall rev, 10% rise in ad rev and 39% jump in affil rev. With the net, those metrics tallied respective growth of 32%, 23% and 61%. Segment profit rose 48%. Scripps chief *Ken Lowe* said “viewership growth paused a bit” in 4Q, but he noted building momentum in '11 while touting the integration of Travel and “immediate success” of **Cooking Channel**. Scatter pricing across the nets was up mid-high teens in the Q and is trending even higher currently. Net rev results include **HGTV** (+13%), **Food Net** (+23%), Travel (+5.4%), **Cooking** (+28%), **DIY** (+23%) and **GAC** (+1.9%). Travel Channel has 40 new series on tap for this year. The segment's digital businesses grew rev by 5.1%. Scripps expects the segment to deliver overall rev growth of 10-12% in '11, along with double-digit ad rev growth and affil fee growth in the mid single digits. -- **WWE's** North American rev increased 8% on a 17.4% increase in TV rights fees because of improved contract terms and contractual increases from existing programs. *WWE.com* rev rose 15.3%.

Madness: For the 1st time in the **March Madness** tourney's 73-yr history, all the games will be available live in their entirety, across **CBS, TBS, TNT** and **truTV**. Also, the 4 nets will stagger start times and extend programming hours to allow for more viewership of each contest. **Turner** will feature 41 total games, more than CBS' 29, although the broadcaster will carry the Final Four and championship matchup. CBS will continue to air those 3 games through '15, but they'll begin alternating between TBS and CBS the following yr. TBS gets 16 contests, including games in the 2nd and 3rd rounds and Sweet 16, TNT 12 (2nd and 3rd), and truTV will provide coverage of the tourney's 1st 4 games plus 9 additional in the 2nd round. tru TV will also air the **Reese's College All-Star Game** on Apr 1. **March Madness On Demand** will return (perhaps with different branding), with online coverage plans slated to unfurl early next month.

ANA Notebook: Former Vice President and **Current TV** chmn *Al Gore* said he's “extremely excited” by Current's hiring of ex-**MSNBC** star *Keith Olbermann*, who is joining the net as its main primetime personality and equity partner. Calling him a “unique talent” with “a passionate following,” Gore said Olbermann also has “an eye for talent... finding others who share that X Factor.” -- **Best Buy** evp/CMO *Barry Judge* said the retailer plans more in-store demos of 3DTV and smartphones to help consumers understand new video options. “You have to experience that,” he said. “You have to see it.” -- **NBA** commish *David Stern* told ANA that the “digital watercooler” including social media and online video “does have a positive impact on viewership.” He also said the NBA's “excited” about 3DTV. “We think anything that enhances the experience of our game viewing is great,” he said, arguing that the combo of 3D functionality and Internet connectivity “is going to drive TV sales.” -- In an ANA pre-conference on Wed, Google senior acct exec, mobile *Elliot Nix* said 1 of 3 Google searches now come from mobile devices with most searches focused on local businesses. He said '10 was a key year for mobile media. “We hit a tipping point,” he said. “And there's no going back.” -- The upfront system remains a touchy subject, with **Horizon Media** pres/CEO *Bill Koenigsberg* calling it “a huge problem” because the media landscape shifts too quickly these days to lock in ad buys so far in advance. “It needs to change and in a big way,” he said. *Pam Zucker*, pres, marketplace ignition and innovation at **MediaVest USA**, said the upfronts are useful for long-term buying, but the system must strike “the right balance” between upfront purchases and the more oppor-

BUSINESS & FINANCE

tunistic scatter market. "Are parts of [the upfront] broken? Sure," she said. However, despite continuing debate over the upfront's usefulness, they and other panelists predicted the upfronts will still bring in more money this year than in '10.

Mobile Broadband: Clearwire plans to exit the retail sector to focus solely on its wholesale business, a move that **Sprint** boss *Dan Hesse* intimated Thurs smoothes out the operational differences with which the pair has grappled recently. **Sanford Bernstein's Craig Moffett** said Clearwire's plan is "a positive step for Sprint—it never made much sense to have a majority-owned subsidiary spending its scarce capital to compete with its own parent." Investors now seem to expect Sprint to give Clearwire much-needed buildout funding, sending shares of Clearwire up 3.63% Thurs. But Hesse said nothing's imminent. "We have good discussions going back and forth, good faith discussions with respect to wholesale rates and wholesale pricing, but I would not read anything more into that with respect to funding," he said. "We are not at that point where we've made any decisions in that regard moving forward."

Business/Finance: Verizon commenced its tender offer for all outstanding shares of **Terremark Worldwide** for \$19/share in cash, an offer that expires at midnight on Mar 10.

CableFAX Daily Stockwatch

Company	02/10 Close	1-Day Ch	Company	02/10 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	43.58	0.14	AVID TECH:	22.47	0.04
DISH:	23.49	1.31	BIGBAND:	2.72	0.01
DISNEY:	43.31	(0.05)	BLNDER TONGUE:	2.32	(0.13)
GE:	21.27	(0.04)	BROADCOM:	43.72	(0.09)
NEWS CORP:	17.89	(0.42)	CISCO:	18.92	(3.12)
MSOS					
CABLEVISION:	37.30	0.16	CLEARWIRE:	5.71	0.20
CHARTER:	46.10	0.79	CONCURRENT:	5.40	(0.01)
COMCAST:	23.78	0.25	CONVERGYS:	14.04	(0.27)
COMCAST SPCL:	22.33	0.17	CSG SYSTEMS:	20.09	(0.17)
GCI:	12.25	UNCH	ECHOSTAR:	29.75	0.27
KNOLOGY:	15.08	0.25	GOOGLE:	616.44	(0.06)
LIBERTY CAPITAL:	72.11	0.59	HARMONIC:	9.52	0.04
LIBERTY GLOBAL:	42.11	0.23	INTEL:	21.80	0.34
LIBERTY INT:	16.63	(0.01)	JDSU:	25.25	0.83
MEDIACOM:	8.80	(0.03)	LEVEL 3:	1.26	0.01
SHAW COMM:	21.89	(0.02)	MICROSOFT:	27.50	(0.47)
TIME WARNER CABLE:	70.32	0.82	RENTRAK:	26.04	(0.87)
VIRGIN MEDIA:	26.59	1.12	SEACHANGE:	9.21	(0.02)
WASH POST:	431.98	2.73	SONY:	34.83	(0.22)
PROGRAMMING					
CBS:	21.62	0.08	SPRINT NEXTEL:	4.60	0.25
CROWN:	2.46	0.09	THOMAS & BETTS:	55.73	0.99
DISCOVERY:	43.25	0.37	TIVO:	10.62	0.18
GRUPO TELEVISA:	23.85	0.03	TOLLGRADE:	9.61	0.06
HSN:	29.20	(0.52)	UNIVERSAL ELEC:	26.00	(0.24)
INTERACTIVE CORP:	31.22	UNCH	VONAGE:	3.69	(0.06)
LIBERTY:	43.00	UNCH	YAHOO:	16.62	0.19
LIBERTY STARZ:	70.18	0.53	TELCOS		
LIONSGATE:	6.24	(0.1)	AT&T:	28.24	0.27
LODGENET:	3.50	0.03	QWEST:	7.36	0.04
NEW FRONTIER:	2.11	(0.02)	VERIZON:	36.42	(0.26)
OUTDOOR:	8.45	0.32	MARKET INDICES		
PLAYBOY:	6.13	UNCH	DOW:	12229.29	10.60
SCRIPPS INT:	49.87	(0.5)	NASDAQ:	2790.45	1.38
TIME WARNER:	36.37	(0.56)	S&P 500:	1321.87	0.99
VALUEVISION:	7.23	(0.18)	TECHNOLOGY		
VIACOM:	51.07	(0.34)	ADVANTAGE:	2.73	(0.07)
WWE:	12.13	(0.29)	ALCATEL LUCENT:	4.48	0.92
TECHNOLOGY					
AMDOCS:	29.14	(0.21)	AMPHENOL:	58.01	0.61
AOL:	20.59	(0.01)	AOL:	20.59	(0.01)
APPLE:	354.54	(3.62)	APPLE:	354.54	(3.62)
ARRIS GROUP:	13.73	0.54	ARRIS GROUP:	13.73	0.54

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

The Flip Side

Cable sports programmers' gaudy success with viewers and advertisers (*Cfax*, 2/10) doesn't mean the sports genre is all sunshine and roses. Camps including MVPDs and cable subs who aren't sports fans bear much of the negative brunt through higher content and video costs, and even programmers such as **Disney (ESPN and ABC)** and **News Corp (Fox and RSNs)** must shell out billions of dollars to obtain the rights to major sports content. According to **Needham** analyst *Laura Martin*, Disney alone spends \$1.85bln/yr for content from the **NFL, NBA and MLB**. But monetization of such content has become largely profitable—multiple platforms and the dominance of live viewing helps immensely—so I'll stick to the op and sub sides in tabbing "losers" from sports. Martin said MVPDs typically pay \$0.25-1.00/month per channel for almost all non-sports nets, yet by comparison gives ESPN \$4-5/month. Several small ops, she added, have said they're paying up to 40% their total programming costs for sports-related content and that more than half of the growth in cable net affil fees is attributable to sports. At last week's **MIT Enterprise Forum**, **HDNet** boss *Mark Cuban* said pay TV ops likely spend approx \$10/month on licensing fees for only sports-oriented channels, and estimated the total to account for approx one-quarter of their overall monthly content spend. Still, as myriad recent earnings results can attest, most ops aren't hurting financially or operationally. They could probably be doing even better without exorbitant sports content costs, but they are by no means in the poor house. That leaves pay TV subs who don't watch sports as the odd persons out. I'm a sports enthusiast so I can't empathize with the group to any substantive degree, but it's obvious non-sports fans are the #1 danger to a cord cutting problem. *CH*

Highlights: "Jamie's Food Escapes," premiere, Wed, 8p, **Cooking Channel**. One cure for winter doldrums is laid-back *Jamie Oliver* cooking simple but gorgeous dishes outdoors in summery Venice. Beautifully shot. *SA*

Worth a Look: "Our America with Lisa Ling," premiere, Fri, 10p, **OWN**. *Oprah* loves docs, we're told. Since OWN is hers, she plans to show plenty of them (originals and acquired). First is *Lisa Ling's* series, OWN's best work to date. Ling's homey, serious but not overbearing style fits perfectly. Tonight she looks at faith healers. Ling injects her feelings, but lets viewers draw conclusions. -- "The Sunset Limited," Sat, 9p, **HBO**. *Samuel L Jackson* is outstanding as he and *Tommy Lee Jones* bring *Cormac McCarthy's* troubling, 2-man play to the screen. It's wordy and preachy, but these old pros make it worth the trip. -- "Bar Karma," pilot, Fri, 10p, **Current TV**. The time-traveling fantasy set in a bar begins well. Its premise—a new time traveler drops in each week—perfect for the planned incorporation of viewers' plot ideas. Will *Olbermann* drop in? *SA*

Notable: No football this weekend? Wrong. **NFL Network** feeds your fix with sounds of the game via strategically-placed mics on the field and sidelines. Catch sounds of last week's Super Bowl (Fri, noon ET). *SA*

Basic Cable Rankings (1/31/11-2/06/11) Mon-Sun Prime			
1	USA	2.4	2362
2	DSNY	1.8	1800
3	HIST	1.5	1508
3	FOXN	1.5	1476
5	TNT	1.4	1397
6	NAN	1.2	1212
7	A&E	1.1	1116
7	ESPN	1.1	1108
7	FX	1.1	1047
10	TBSC	1	1028
10	MTV	1	1022
10	HGTV	1	1010
10	DISC	1	1008
10	ADSM	1	969
15	FAM	0.9	925
15	AMC	0.9	917
15	TLC	0.9	887
15	LIFE	0.9	867
15	TRU	0.9	824
15	HALL	0.9	772
15	NKJR	0.9	654
22	SYFY	0.8	798
22	BRAV	0.8	717
24	FOOD	0.7	747
24	CMDY	0.7	733
24	TVLN	0.7	701
24	SPK	0.7	667
24	MSNB	0.7	640
24	BET	0.7	626
30	CNN	0.6	635
30	LMN	0.6	472
30	ID	0.6	423
33	EN	0.5	524
33	OXYG	0.5	354
33	NGC	0.5	343
33	HMC	0.5	215
37	TWC	0.4	424
37	APL	0.4	378
37	TRAV	0.4	354
37	GSN	0.4	279
37	NKTN	0.4	223
42	HLN	0.3	332
42	VH1	0.3	302
42	ESP2	0.3	293
42	WE	0.3	250
42	WGNA	0.3	250

*Nielsen data supplied by ABC/Disney

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