

CableFAX Daily™

Tuesday — February 22, 2011

What the Industry Reads First

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Vying for Virality: As Videos Proliferate, Nets Work to Nail Down Value

As cable nets scramble for new ways to promote their shows and juice viewership, social media has changed the way videos proliferate across the Web. But with clips flourishing in online environments far removed from their homepage's origins, content's total value increasingly links back to sharing and re-posting. That can affect site traffic—and potentially linear ratings. “The thinking has been, if we can bring people to one sticky place on our site, we can put the magnifying glass on them, analyze their behaviors from a content development standpoint, and show our advertisers,” says Peppercom dir, digital strategy *Sam Ford*. “That’s the way the majority of the media industry thinks, but it runs counter to how and where people want to experience content. The less that content can travel, the less value it has to the audience.” With networks pushing clips through various social media sites, tracking exactly where they land and valuing its reach is tough to grasp. *Gabe Vehovsky*, evp, strategy & client solutions, digital media at **Discovery Comm**, said he wants “to ensure that our online clips are easily shared through our embeddable players, which are used across our posts on **Facebook**, our outreach to online media and in our content partnerships. We can track video streams and understand how our social media strategies and other promotional efforts ultimately impact video streams.” Vehovsky attributes over 500K streams per month to Discovery’s social media posts. But tying buzz generated by spreadable clips to linear ratings remains elusive. “Although we’re always honing social media management strategies that allow us to better understand the cause and effect relationship between our efforts and key business metrics, it remains virtually impossible to isolate the various influences on viewer behavior,” adds Vehovsky. A 2010 **CTAM** study found that recommendations from peers seem to influence viewing decisions, as 79% of regular social network users said they’d be likely to watch a show based on a friend’s recommendation through a social network. Meanwhile, 33% of regular social network users said that they have discovered a new TV show via something they saw or read on a social network. To monitor the dynamics of spreadable content, **Hill Holiday** created Jerzify Yourself, a site where users could upload their headshot onto a stylized body packed with “Jersey Shore” references. The results showed that links have a much longer gestation period and a longer shelf life on Facebook compared to **Twitter**. Over 5 months, 83% of Facebook referrals to Jerzify Yourself were after the first week, while 97% of Twitter referrals were during the first week, suggesting that viewing behaviors are unique to each platform. — *Billy Miltenberg* [**Editor’s Note: CableFAX will hold an all-day “boot camp” on Facebook and Twitter on Feb 23. Info here: <http://www.cablefax.com/cfp/training-20110223.html>**].

On the Hill: Late Thurs, the House passed the amendment to the continuing resolution offered by *Rep Greg Walden* (R-OR) Tues that would prohibit the **FCC** from using funds to implement the net neutrality order it approved in Dec. “The amendment is simply a stop gap measure while we work towards passing a more permanent solution,” said Walden, while also stumping for a current Congressional resolution proposing to nullify the net neutrality rules. -- *Sen Mark Warner* (D-VA) introduced a bill to create wireless spectrum incentive auctions. The Spectrum Optimization Act would let license



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holders return underutilized spectrum and authorize the FCC to set up incentive auctions for specific types of spectrum that cannot be freed-up under current law. The bill envisions proceeds going to reduce the deficit, expand rural broadband and create a public-safety network for 1st responders.

5Qs with Kevin Kay, President, Spike TV: *In an effort to broaden its reach, Spike TV will try to augment its young male audience by tapping into a slightly older demo, says pres Kevin Kay. Women are welcome, too. CableFAX spoke with him earlier this month. We're all getting older daily, but networks generally get younger. Why does Spike want to get a bit older?* We've spent a lot of time focusing on the young guys. We've made a pretty loyal audience out of them with a lot of our shows. So now there's an opportunity to go a little broader and a little older, to recapture guys 35-49, who clearly love the channel, but we have to program to them... We have to show the journey from guy to man. **And women?** I think it's important that we are open to women watching Spike. We should never do programming that makes women feel uncomfortable or not part of the program or that makes them want to say to their husband or partner, 'Turn that off!' So Spike always says it's TV for men and the women who love them. **Do you use a strict brand filter on all your programs?** We're very conscious about it. In the past we used to say the brand filter was guys talking to guys, the way guys talk to guys, which is a great way of saying we're authentic... For example, "Coal" (April premiere) is a show about real coal miners... We document what happens to them, listen to their stories... it's unfiltered. That's an important part of the brand. Now, not every single show has to [go through the brand filter]... Sometimes you'll see a show and say, 'Hey, I gotta do that one.' That one's gonna be a hit not because it's about the journey [from guy to man], but because it's just good, entertaining TV. **Who will your bar makeover series "Bar Rescue" (July premiere) appeal to?** To guys who are interested in the entrepreneurial spirit. We hear all the time guys want to start their own businesses. They don't like having bosses. And the bar is a place they feel comfortable in. And we're trying to infuse the show with a lot of information. So they get an entertaining show about owning a bar and a guy coming in to take your bar and turn it into a more successful place. But along the way you learn a great deal about the restaurant and bar business and the social activities that make them successful. And we cast an older guy [40-something bar/restaurant consultant Jon Taffer]... In trying to get an older audience, casting is a key element. **What are your goals at RealScreen Summit [a recent DC-based conference of independent producers and networks]?** It's a lot of meeting with producers and agents and taking a lot of pitches. But it's also a good time to spend time with people and build relationships. **[Kay discusses the cable-broadcast divide, his '11 wish list and the journey from guy to man at cablefax.com]**

Earnings: Clearwire added 1.5mln subs in 4Q to end the yr with 4.4mln total, and now covers approx 119mln people. The company expects to double its sub base in '11, primarily through wholesale channels, and while still operating in the red, it foresees reaching positive EBITDA during '12. The latter outlook is based on the key assumption that Clearwire and Sprint will soon iron out their differences regarding wholesale pricing initiatives. "We're confident that our wholesale revenue and ARPU will see a significant increase following the imminent settlement with Sprint," said CEO Bill Morrow. In 4Q, Clear's wholesale ARPU was an anemic \$3.52. Once the Sprint situation has smoothed, Clearwire will again focus on raising addition cash, said Morrow, who has a "strong preference" for strategic equity investments but may decide to sell some of the company's spectrum. Though Time Warner Cable chief Glenn Britt recently said uptake of mobile broadband service has been slow, Morrow said TWC and Comcast "are beginning to gain traction selling USB modems and hotspot devices."

CableFAX Social Media Boot Camp

February 23, 2011 8:45am-4:00pm NYC

How Cable Can Leverage Twitter & Facebook to Advance PR & Marketing

CableFAX's one-day social media boot camp will focus on how to create the best strategy for a cable operator or programmer's social media presence, how to be sure it is integrated with the overall communication presence and what audiences want and need from the brand, and—ultimately—how to create a social media infrastructure that can expand to new places online as its audiences migrate.

Questions: Elizabeth Brown at ebrown@accessintel.com or 301-354-1610.

Register Today! www.cablefax.com/feb23



CableFAX Week in Review

Company	Ticker	2/22 Close	1-Week % Chg	YTD %Chg
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BROADCASTERS/DBS/MMDS

DIRECTV:	DTV	44.30	1.86%	32.83%
DISH:	DISH	23.50	0.43%	13.14%
DISNEY:	DIS	43.56	0.35%	35.07%
GE:	GE	21.44	0.52%	41.71%
NEWS CORP:	NWS	18.76	2.35%	17.84%

MSOS

CABLEVISION:	CVC	37.62	(0.19%)	45.70%
CHARTER:	CHTR	46.44	(1.19%)	0.00%
COMCAST:	CMCSA	25.67	6.96%	52.25%
COMCAST SPCL:	CMCSK	24.18	6.99%	51.03%
GCI:	GNCMA	12.07	(2.19%)	89.18%
KNOLLOGY:	KNOL	15.99	4.31%	46.43%
LIBERTY CAPITAL:	LCAPA	71.88	(2.08%)	201.01%
LIBERTY GLOBAL:	LBTYA	42.19	(0.33%)	92.74%
LIBERTY INT:	LINTA	17.41	4.52%	60.63%
MEDIAIACOM:	MCCC	8.78	(0.11%)	96.42%
SHAW COMM:	SJR	21.32	(2.11%)	3.65%
TIME WARNER CABLE:	TWC	71.89	1.10%	73.69%
VIRGIN MEDIA:	VMED	28.27	3.10%	67.97%
WASH POST:	WPO	451.17	5.07%	2.63%

PROGRAMMING

CBS:	CBS	22.91	4.42%	63.06%
CROWN:	CRWN	2.40	5.73%	65.52%
DISCOVERY:	DISCA	43.91	0.37%	43.17%
GRUPO TELEVISIA:	TV	24.70	1.48%	18.98%
HSN:	HSNI	30.99	3.47%	53.49%
INTERACTIVE CORP:	IACI	31.93	1.04%	55.91%
LIBERTY:	L	43.19	0.37%	18.82%
LIBERTY STARZ:	LSTZA	71.90	1.60%	55.80%
LIONSGATE:	LGF	6.12	(2.39%)	5.34%
LODGENET:	LNET	3.40	0.00%	(38.52%)
NEW FRONTIER:	NOOF	2.11	0.47%	11.63%
OUTDOOR:	OUTD	8.06	(4.62%)	38.97%
PLAYBOY:	PLA	6.12	(0.33%)	91.25%
SCRIPPS INT:	SNI	53.36	9.91%	28.58%
TIME WARNER:	TWX	38.18	4.49%	31.02%
VALUEVISION:	VVTV	7.15	2.73%	48.96%
VIACOM:	VIA	51.95	0.80%	64.92%
WWE:	WWE	12.33	1.99%	(19.57%)

TECHNOLOGY

ADVANTAGE:	AEY	2.97	10.00%	50.76%
ALCATEL LUCENT:	ALU	5.00	6.61%	50.60%
AMDOS:	DOX	29.60	0.89%	3.75%
AMPHENOL:	APH	57.39	(1.93%)	24.27%
AOL:	AOL	21.99	3.63%	(5.54%)
APPLE:	AAPL	350.56	(1.76%)	66.36%
ARRIS GROUP:	ARRS	13.63	(0.58%)	19.25%
AVID TECH:	AVID	22.48	1.17%	76.18%
BIGBAND:	BBND	2.62	(3.68%)	(23.84%)
BLNDER TONGUE:	BDR	2.20	(7.95%)	92.97%
BROADCOM:	BRCM	42.09	(3.53%)	33.75%
CISCO:	CSCO	18.85	0.80%	(21.26%)
CLEARWIRE:	CLWR	5.64	(4.24%)	(16.57%)
CONCURRENT:	CCUR	6.00	8.11%	51.52%

Company	Ticker	2/22 Close	1-Week % Chg	YTD %Chg
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CONVERGYS:	CVG	14.71	3.30%	36.84%
CSG SYSTEMS:	CSGS	19.80	(1.83%)	3.72%
ECHOSTAR:	SATS	33.40	11.78%	65.84%
GOOGLE:	GOOG	630.08	0.89%	1.63%
HARMONIC:	HLIT	9.55	(2.3%)	51.19%
INTEL:	INTC	22.14	1.75%	8.53%
JDSU:	JDSU	25.20	(10.51%)	205.45%
LEVEL 3:	LVL	1.46	19.67%	(4.58%)
MICROSOFT:	MSFT	27.06	(0.7%)	(11.22%)
RENTRAK:	RENT	28.07	4.97%	58.86%
SEACHANGE:	SEAC	9.59	2.02%	46.19%
SONY:	SNE	36.41	4.33%	25.55%
SPRINT NEXTEL:	S	4.50	(2.17%)	22.95%
THOMAS & BETTS:	TNB	56.51	0.77%	57.89%
TIVO:	TIVO	10.41	(3.34%)	2.26%
TOLLGRADE:	TLGD	10.08	2.13%	64.98%
UNIVERSAL ELEC:	UEIC	26.53	(0.11%)	14.25%
VONAGE:	VG	4.26	16.08%	204.29%
YAHOO:	YHOO	17.66	4.81%	5.24%

TELCOS

AT&T:	T	28.57	0.35%	1.93%
QWEST:	Q	6.79	(8.49%)	61.28%
VERIZON:	VZ	36.62	0.63%	10.53%

MARKET INDICES

DOW:	DJI	12391.25	0.96%	18.83%
NASDAQ:	IXIC	2833.95	0.87%	24.89%
S&P 500:	GSPC	1343.01	1.04%	17.32%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. LEVEL 3:	1.46	19.67%
2. VONAGE:	4.26	16.08%
3. ECHOSTAR:	33.40	11.78%
4. ADVANTAGE:	2.97	10.00%
5. SCRIPPS INT:	53.36	9.91%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. JDSU:	25.20	(10.51%)
2. QWEST:	6.79	(8.49%)
3. BLNDER TONGUE:	2.20	(7.95%)
4. OUTDOOR:	8.06	(4.62%)
5. CLEARWIRE:	5.64	(4.24%)

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EYE ON ADVERTISING

Pizza On Demand

Dinner and a movie, one of the oldest pairings in the book, have hit the digital age. The Entertainment Hut, the aptly titled new partnership between **Pizza Hut** and VOD distributor **iN Demand**, unites the ability to watch film trailers while ordering food at www.pizzahut.com under one roof. Visitors to the site also see movie clips, trivia games and get their local cable provider's current VOD movie lineup. *Baron Concors*, Pizza Hut chief information and digital officer, tells *Cathy Applefeld Olson* why the restaurant chain is hungry for a more robust online presence.

Can you provide details about the Entertainment Hut and how exactly it works?

BC: The Entertainment Hut took approximately six months from concept stage to going live nationally last December. The Pizza Hut Entertainment Hut features trailers that run between 15 and 30 minutes, and are refreshed weekly. The idea behind the Hut is to offer our customers additional value while they are placing their order in an online environment. The entertainment helps to fill up the time it takes to get their pizza delivered with fun content and brand interaction. The Entertainment Hut also provides valuable content around ideas for game night, party planning tips, etc. There are three different games—Quarterback Challenge, Menu Matchup, a memory game, and Pizza-Party Panic—that consumers can play at the site.

Which cable operators are participating? Is this across the country or just in certain markets?

BC: The Entertainment Hut is available nationally to anyone who orders online.

Did Pizza Hut approach iN Demand or did they come to you?

BC: The idea was conceived mutually with iN Demand.

Are there discounts for the VOD movies whose trailers are being shown for Pizza Hut customers?

BC: Right now the Entertainment Hut is really about

providing additional value through compelling content, but discounts and other promotions may be considered in the future.

What does Pizza Hut hope to get out of this partnership, and how will you measure success?

BC: We first and foremost hope to provide valuable content for our online customers, as well as offer entertainment while they wait for their pizza. Additionally, through the Entertainment Hut, we hope to determine what type of engagement is most valuable with our customers. In other words, we want to learn from measuring site activity, what our customers would like as value-content from our brand.

Have you or are you planning any similar partnerships with other content providers?

BC: For competitive reasons, we can't discuss publicly what we have in the works. We can tell you that Pizza Hut wants to be wherever our customers are and that increasingly means turning to new and emerging forms of media.

Pizza Hut is branching out into new partnerships with cable and broadcast networks. How would you categorize the types of marketing that are most effective these days? How do your traditional ad spots dovetail with these more integrated branding campaigns?

BC: We've learned that the online customer doesn't always behave the same way a "traditional" customer does. We have taken the stance of wanting to be everywhere our customers are. If they want to order from an iPhone app, we'll create that. If they want to order while they're gaming, we need to be inside their gaming experience.

Pizza Hut works with Triad for digital advertising placements. How long have you been working with Triad, and what percentage (loosely is fine) of PH's ads are in the digital realm these days?

BC: We've been working with Triad for several years. Triad is just one component of our digital ad mix, which includes strategic online media partners and social media.



CableFAX

Sales Executive of the Year Awards

saluting cable sales leadership

Questions: Mary Lou French at
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Saluting sales excellence at cable programming networks, cable operators, and ad agencies.

The CableFAX Sales Executive of the Year Awards recognizes sales forces across cable who work tirelessly behind the scenes to drive revenue and keep our dynamic marketplace growing and business moving forward.

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Late Entry Deadline: Feb. 25, 2011

Visit: www.cablefaxsalesawards.com