

CableFAX Daily™

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What the Industry Reads First

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Speaking Upfrontly: A Look at the Upcoming Ad Season

Given the dismal state of advertising, is there anything for cable to be excited about this upfront season? "They are not going to get hurt as much as broadcast nets. Unfortunately, I think broadcast is in for a correction this year," said *Larry Novenster*, evp and dir for natl electronic media for **Optimedia**. He predicted that the upfronts will break for cable and broadcast around roughly the same time. "There are more primetime ratings points on cable than broadcast. And they are cheaper from a CPM standpoint," Novenster said. With it being a tight year, advertisers are looking at redistributing their ad dollars either marginally up or down or keeping things flat, said **CAB** pres *Sean Cunningham*. "We feel quite strong going into the upfront on the basis of ratings performance, strength of brand, amount of original programming," he said. "The things we are finding ourselves constantly sending more information to agencies about is the mix of original programming and the programming investment." 67% of programming on all ad-supported cable nets is original, and agencies want to know more details, Cunningham said. In years past, a few cable nets have beat others out of the gate by holding their upfront presentations early. In '07, **Oxygen** held its 1st upfront Jan 23; last year, **Gospel Music Channel** opened up the season with a small-scale gospel brunch in Chicago on Mar 5. There have been a few small events (ie, **Fine Living** held a mini-upfront presentation in NY last month), but the '09 schedule won't really pick up until late March. "It looks typical in terms of timing and number of presentations. Every upfront is a little different, but the buyer-seller dialogue is constant," according to Cunningham. Given the leaner times, will nets have less lavish upfronts? Sounds like it will depend on the net. "People are thinking a great deal about this. Each net is going to make decisions that will best suit their base," Cunningham said.

At Deadline: **News Corp** pres/COO *Peter Chernin* plans to depart the company, according to reports. Chernin is expected to accept a movie/TV prod deal at **Fox** made available by his current contract that expires Jun 30.

Research: **Nielsen's** latest data proves what was previously conjectured: during this rocky economic period, Americans are spending more time at home and watching an increasing amount of TV. In 4Q, according to Nielsen, the average American viewed more than 151 hours/month of TV, an all-time high that translates to approx 5 hours/day

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and represents a 7% increase over 3Q. Time-shifted TV viewing in 4Q, meanwhile, jumped 11% sequentially to more than 7 hours/month. People 65+ led in traditional TV viewership with more than 207 hours/month. As each demo grew younger, the amount of TV viewed became less, to just under 104 hours/month for 12-17s. Video viewing on the Web and mobile devices also increased in 4Q.

At the Portals: The FCC will issue a single report on the state of competition in video programming covering '07, '08 and '09. It's required to issue an annual report to Congress, but it's terribly behind so it's decided to combine those 3 years. The most recent report (for 2006) wasn't released until last month. The comment period for '07 has been extended to Apr 28 from Feb 27, with replies due May 28. '08 comments will be due around that same time. -- Peeved over a NY Post editorial cartoon that he perceived as racist, Al Sharpton wants the FCC to pull News Corp's waiver to run 2 papers and 2 TV stations in NYC. In addition to the Post, News Corp owns the WSJ, WNEW and WWOR. Sharpton's National Action Network is collecting signatures in support of a review of the waiver. "This seems to give an imbalanced monopoly to the public airwaves and an imbalance in commercial speech..." the petition reads.

Competition: AT&T plans to invest \$1bln this year to expand its global and domestic service offerings, including a roll out of mobility solutions and apps for businesses and delivery of network-based on demand solutions. -- FiOS TV has launched in beta a portal allowing certain subs to schedule DVR recordings via mobile devices.

Servicing Subs: The Cable Center has created "Customer Care Central," a collection of programs and initiatives aimed at improving customer care management across the cable industry. Included: the Cox Customer Experience Management Program, providing graduate-level curricula focused on managing the total customer experience; the Cable Center Customer Care Cmte, which convenes industry customer care professionals for industry trend forecasting and future opportunity networking; and a curriculum designed by MSOs and The Cable Center for dir-level execs and above that cover topics such as customer experience management and customer perception analysis. Also, the Center will present a Customer Care Seminar in conjunction with The Cable Show in Apr.

In the States: Buckeye CableSystem has selected BigBand's switched digital solution to execute bandwidth reclamation and HD strategies across its footprint of 150K subs. -- Cavalier Telephone has launched Intellifiber Networks, a wholly-owned subsidiary that owns more than 16K miles of fiber and aims to serve the enterprise, cable/Internet/wireless and govt markets.

Carriage: Bright House Central FL launched Gospel Music Channel Sun, helping to put the net's sub count at approx 41mln. -- RCN has added TV Korea 24 to its intl programming tier. -- Comcast Media Center and Motorola have launched an enhanced version of the HITS Quick Take Plus service, which now allows affils to launch from HD and SD platforms and features impulse PPV capability.

Technology: Broadcom has integrated into its DTV, set top and Blu-ray Disc system-on-a-chip solutions chumby's rich media Internet platform featuring more than 1K widgets in 30 different categories from partners such as MTVN, CBS and The Weather Channel Interactive.

Mobile: Mobile photo-sharing site SnapMyLife has agreed to offer content from eps of Travel Channel series "Anthony Bourdain: No Reservations" ahead of their linear premieres. -- Samsung and Paramount are now offering a 2G card



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Now Accepting Entries

BUSINESS & FINANCE

pre-loaded with the "Mission Impossible" trilogy with the purchase of a Samsung Dolve handset from **Alltel Wireless**.

Ratings: E!'s "Live from the Red Carpet: The 2009 Academy Awards" attracted more than 3.2mln viewers on Sun night, up 14% vs last year, and delivered 12% growth in HH rating and 8% growth among women 18-49. -- **MTV's** "America's Best Dance Crew" latest Thurs ep drew 2.28 12-34s to lead cable in the demo that day and help the net deliver its strongest Thurs demo result (live+SD) since Aug.

Programming: **CNBC'S** "Who's Protecting Our Money? A Town Hall Meeting With **FDIC** chmn *Sheila Bai*" (Wed, 10pm ET) features a Q&A moderated by personalities *Jim Cramer* and *Erin Burnett*.

Honors: "Man On Wire," a doc co-produced by **Discovery Channel Films** that chronicles Frenchman *Phillippe Petit's* '74 high wire walk between the World Trade Center's twin towers, earned both an Academy Award and Independent Spirit Award for best doc.

People: **Comcast Sports Sales** named *Steve Margosian* svp, marketing solutions and sports sales, Comcast Nets.

Business/Finance: **Clearwire** shares closed Mon at \$2.79 (-8.5%), both a 52-week and historical low. The stock has slipped 47% in '09.

CableFAX Daily Stockwatch

Company	02/23 Close	1-Day Ch	Company	02/23 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	25.46	(0.4)	AMDOCS:	16.86	(0.95)
DIRECTV:	20.81	(0.67)	AMPHENOL:	25.00	(0.81)
DISH:	10.94	(0.22)	APPLE:	86.95	(4.25)
DISNEY:	16.97	(0.56)	ARRIS GROUP:	5.99	(0.46)
GE:	8.85	(0.53)	AVID TECH:	9.86	(0.15)
HEARST-ARGYLE:	1.75	(0.1)	BIGBAND:	5.00	(0.29)
NEWS CORP:	6.39	(0.29)	BLNDER TONGUE:	0.78	0.09
MSOS					
CABLEVISION:	11.92	(0.2)	BROADCOM:	15.35	(1.1)
CHARTER:	0.03	0.00	CISCO:	14.36	(0.72)
COMCAST:	12.69	(0.15)	CLEARWIRE:	2.79	(0.26)
COMCAST SPCL:	11.91	(0.31)	COMMSCOPE:	12.48	(1.1)
GCI:	5.27	(0.32)	CONCURRENT:	2.97	(0.3)
KNOLOGY:	4.47	0.03	CONVERGYS:	6.28	(0.3)
LIBERTY CAPITAL:	5.68	(0.04)	CSG SYSTEMS:	13.52	(0.35)
LIBERTY ENT:	16.93	(0.5)	ECHOSTAR:	16.07	0.06
LIBERTY GLOBAL:	10.85	(0.39)	GOOGLE:	330.06	(16.39)
LIBERTY INT:	3.08	(0.14)	HARMONIC:	5.22	(0.22)
MEDIACOM:	3.36	(0.29)	INTEL:	12.08	(0.7)
SHAW COMM:	14.39	(0.36)	JDSU:	2.74	(0.16)
TIME WARNER CABLE:	17.55	(0.07)	LEVEL 3:	0.68	(0.05)
VIRGIN MEDIA:	4.21	(0.18)	MICROSOFT:	17.21	(0.79)
WASH POST:	374.02	(16.28)	MOTOROLA:	3.63	0.02
PROGRAMMING					
CBS:	4.90	0.01	OPENTV:	1.01	(0.03)
CROWN:	1.59	(0.04)	PHILIPS:	15.58	(1.25)
DISCOVERY:	12.71	0.03	RENTRAK:	11.31	0.12
EW SCRIPPS:	1.33	(0.07)	SEACHANGE:	5.04	(0.31)
GRUPO TELEVISA:	11.83	(0.24)	SONY:	15.72	(0.88)
HSN:	4.15	(0.11)	SPRINT NEXTEL:	3.31	0.09
INTERACTIVE CORP:	14.92	(0.13)	THOMAS & BETTS:	22.11	(1.33)
LIBERTY:	19.64	(0.51)	TIVO:	7.09	(0.11)
LODGENET:	0.62	(0.01)	TOLLGRADE:	5.66	0.17
NEW FRONTIER:	1.50	0.00	UNIVERSAL ELEC:	14.50	(0.42)
OUTDOOR:	3.80	(0.16)	VONAGE:	0.39	0.02
PLAYBOY:	1.60	0.07	YAHOO:	11.97	(0.17)
RHI:	3.39	(0.46)	TELCOS		
SCRIPPS INT:	20.03	(0.44)	AT&T:	22.68	(0.9)
TIME WARNER:	7.54	0.19	QWEST:	3.35	(0.15)
VALUEVISION:	0.20	0.02	VERIZON:	27.85	(0.96)
VIACOM:	15.86	(0.51)	MARKET INDICES		
WWE:	9.32	(0.22)	DOW:	7114.78	(250.89)
TECHNOLOGY					
3COM:	2.02	(0.18)	NASDAQ:	1387.72	(53.51)
ADC:	2.84	(0.1)			
ADVANTAGE:	1.74	0.00			
ALCATEL LUCENT:	1.32	(0.18)			

From The CableFAX 100: Greatest Hits of 2008

the best business advice Jeff Shell has received...



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Jeff Shell
President
Comcast Programming Group

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EYE ON ADVERTISING

Not Slacking, Just Being Judicious...

The chorus of voices lashing the television industry, cable included, for slacking too long in addressing advertising's evolution can seem deafening at times. Here, cable gets some support from what may seem an unlikely ally—the head of Internet and mobile media agency VideoEgg. The digital shop's CEO Matt Sanchez tells Cathy Applefeld Olson why cable's time is just arriving now, and how operators can benefit from other companies' experience.

Cable operators are certainly making strides now toward new ways to reach consumers with advertising. But as the head of an agency that works completely in the digital space, do you think the industry lagged too long?

MS: That criticism is not fair to those guys. There have been a couple of things happening when you think about the continuum of choice. We started with a couple of channels from the broadcasters and then cable brought hundreds of options, and now we've moved on to the Internet and effectively infinite choices. In the last five years the rate of advance in the IT-based environment has been almost inconceivable. To have expected the cable industry as a whole to have kept up with deployed product at that scale—given number of customers they are supporting and their quality of service—is impossible.

So, in other words, cable didn't have the luxury to jump on as early as, say, Internet-only companies?

MS: Much of the innovation has been shaping up in the startup community. That has been necessary to the evolution of the media platform. Early on, it would have been a fool's errand for cable to do it. They have a business to manage and at this point that kind of [in-

teractive advertising] is not a business for them; it was an early-adopter activity. Today I think we're starting to see that vision realized. And as we see where trends are going, there will be more of a role for cable to play.

So where are the trends going?

MS: Audiences are becoming more distributed around niche content. Rather than those four original networks to pick from, we've now got 100,000-plus different Web properties, and viewers are able to explore interests specific to themselves. The trend is away from homogeneity.



VideoEgg provides an advertising network across specific Internet and mobile spaces today. But addressability and interactivity will come to the television at some point, no?

MS: Convergence is the ultimate destination. Look at what's happening on the phone, the Internet, projects like Canoe. They all seem to be heading toward each other. If you're looking at that question from the perspective of addressability, there are going to be a lot of lessons cable providers can learn in terms of what they need to make available to marketers.

What types of lessons should cable operators be on the lookout for?

MS: For one, it's easy to go too far on what's possible in the addressable world. Like trying to get down to the 7,000 moms who bought rolls of Saran Wrap last week. It can quickly get into the theater of the absurd. There's a lot of spaghetti being thrown against the wall on the Internet, and cable providers need to look at the Internet as a great testing ground of expected value vs. addressability.

(Longtime entertainment industry reporter Cathy Applefeld Olson is delighted to be documenting media's wild ride into the 21st century)

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