

# CableFAX Daily™

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What the Industry Reads First

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## Slaying the Tech Dragon: Ad Execs Seek to Combat Fragmentation

Opportunity or threat? Friend or foe? The questions du jour surrounding technological innovation in the media sector logically surfaced Tues at the **4As** conference. Both advertisers and ad agencies, in fact, face particularly acute risk from that innovation due to rampant audience fragmentation. “Consumers are on the run, and while they’re on the run they are taking our clients’ brands hostage,” said **Horizon Media** pres/CEO *Bill Koenigsberg*. As a result, brand strength is becoming increasingly important, said **Unilever** chief marketing and comm officer *Keith Weed*, noting that an effective way to bolster that power is to “make [brands] more like media properties in their own right.” Similarly, myriad cable nets and individual shows are attempting to fortify their own brands by expanding their digital reach via social media and comprehensive Web plays. Unfortunately, programmers and advertisers also have in common 1 of the scariest technological beasts: the difficulty in audience measurement across platforms. “There’s a real crisis going on” in the media measurement arena, said **NBCU** pres, research and media dev *Alan Wurtzel*, stressing that attempts to aggregate measurement across set-tops, online and mobile is “the research equivalent of trying to put a man on the moon.” To combat the problem, a movement is afoot to promote an open architecture in measurement to produce similar data sets. **CIMM**’s Taxi project and **4As**’ Ad-ID, for example, champion the use of universal tags/coding on digital assets to track usage across the digital ecosystem. Quick, widespread adoption of open architectures is becoming even more critical, said Wurtzel, as “nobody knows what we’re going to have tomorrow.” To wit: whereas the iPad hadn’t even been intro’d but a year ago, approx half of the attendees at 1 conference session had the device in tow. “Platforms are growing exponentially,” said Ad-ID managing dir *Harold Geller*. “Not only is [open architecture] realistic, it’s mandatory.” Using an automotive analogy, **NCC** COO, digital media *Ken Little* said what’s required is a drive train or baseline covering similar data sets that could then be sent to various “body shops” for specific uses and implementations of the data. NCC interfaces with all MVPDs for set-top data, which importantly joins all other forms of customer usage data in subjection to the critical issue of consumer privacy when it’s used to more effectively target ads. “They’re not playing around here,” said **Evidon** founder/CEO *Scott Meyer* of the **FTC**. “Transparency [in data use] always wins.” Of note, he said, brands that embrace transparency are often rewarded by enhanced consumer loyalty. Similar to the open architecture push for measurement, ad execs in turn espoused the shar-

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ing of data for better targeting as opposed to arguing about who owns particular data. "There's a fantastic opportunity to expand the marketplace through sharing of data," said **GroupM Interaction** COO *John Montgomery*, adding that better targeting through shared data could help lower the costs associated with online campaigns, which are 3-5X more expensive to implement than offline campaigns. If all these considerations in the current ad environment seem chaotic, that's a dead-on assessment, said Koenigsberg, who's nonetheless in the "friend" camp where tech is concerned. "This is positive chaos," he said. "Good ideas are going to be a collaborative effort."

**VID:** Everyone wants to get in on streaming, including **Facebook**. The social networking site signed a deal with **Warner Bros** that makes "The Dark Knight" the 1st movie to be available for streaming (30 Facebook credits or \$3 for a 48-hour rental). -- **Avail-TVN** snagged **Bloomberg** and **Sportskool** as the 1st customers for its Content Prep Solution, a metadata creation, asset management and workflow automation system that is Web based.

**At the Portals:** **Comcast** and modem maker **Zoom Telephonics** have settled their dispute regarding the MSO's testing of Zoom modems sold at retail before allowing them to be attached to the Comcast network. Details of the resolution weren't disclosed, but the 2 said they believe it benefits both companies and furthers consumer choice in the cable modem marketplace. They filed a joint motion to dismiss the complaint Zoom filed in Nov with the **FCC** (*Cfax, Nov 30*).

**Open Internet:** **FCC** chmn *Julius Genachowski* defended the FCC's Open Internet order to **House Commerce** GOP leaders, writing that the order includes a market analysis to ensure the policy maximizes innovation and investment in broadband. Genachowski's letter was in response to a request last week from House Commerce chmn *Fred Upton* (R-MI), **Communications subcmte** chmn *Greg Walden* (R-OR) and vice chmn *Lee Terry* (R-NE) that asked the FCC to demonstrate how the order will not harm the economy or the ability to innovate. The chmn's response didn't satisfy the trio, which said the analysis does little more than summarize the comments of parties. The cmte is slated to mark up a resolution that would nullify the rules Wed after a subcmte hearing on legislation requested by Dems. **NCTA** pres/CEO *Kyle McSarrow* also responded this week to the GOP leaders' questions on the order, writing that the trade assoc supports it because it largely codifies what the industry is already voluntarily doing. McSarrow, who was part of the talks that helped develop the compromise solution, said it also provides language clarifying what constitutes reasonable network management and is much better than the FCC reclassifying broadband under Title II. There is always a caveat though. "If implemented and enforced in ways that are more expansive than the plain language of the Order supports, there could certainly be an adverse economic impact by chilling the willingness to deploy these new services," McSarrow wrote.

**Earnings:** **Insight** lost 7K basic customers in 4Q, resulting in a net loss of 24.7K for '10. Revenue for the full year increased 7% to \$1.1bln, while adjusted OIBDA rose 11% to \$344.4mln. Total customer relationships for '10 decreased YOY by 14.4K to 761.4K, but Total RGUs increased 4% to 2.1mln.

**Ratings:** *Snooki's* appearance on "Mon Night Raw" next week could be a perfect combo considering that the only cable program to outrank **WWE** on **USA** last week was **MTV's** "Jersey Shore" (5.5 HH rating/5.46mln HH delivery). **USA** was #1 in prime ratings (2.2/2.21mln), followed by ad-free **Disney** (1.8/1.81mln) and **Fox News** (1.6/1.54mln). In a 3-way tie for 4th place was **TNT** (1.3/1.34mln), **History** (1.3/1.31mln) and **ESPN** (1.3/1.27mln). **Brag Book:** The premiere of "Chopped All-Stars" on **Food** Sun (3/6) was the highest-rated, most-watched ep in series history (5.6mln total viewers) and the highest-rated Mar night in network history. -- The Sun (3/6) premiere of **A&E's** "Breakout Kings" became the net's most-watched original drama series bow ever among 25-54s (1.6mln) and 18-49s (1.5mln), plus delivered 2.8mln total viewers. -- The season 5 debut of **Lifetime's** "Army Wives" averaged 4.23mln total viewers, up 27% over its season 4 premiere, and with 1.44mln women 18-49 now ranks as ad-supported cable's number 2 original drama series premiere of '10-'11. The ep also garnered 1.96mln 25-54s, and 1.49mln women 25-54. -- **Fuel TV** (30mln+ HHs) becomes a **Nielsen**-rated network Mar 28.

**Technology:** **SeaChange's** multi-screen video streaming solution was named "Technology Most Likely to Succeed" at the **SCTE** Canadian Summit. It was 1 of 5 products demonstrated at the conference's Technology Challenge Tues. Attendees selected the winner by voting via mobile text messaging.

**Honors:** **AT&T** ranked 4th on *Diversity Inc's* annual Top 50 list of companies leading in diversity management. The telco was named as the top company for talent pipeline. **Cox** ranked 20th on the list, marking its 6th year on the list and 5th consecutive year in the top 25. **Verizon** (22), **Time Warner** (28) and **Time Warner Cable** (45) also made the cut. -- Several ca-



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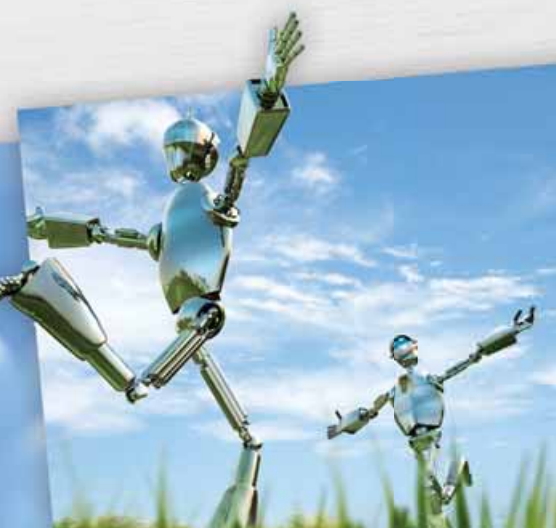
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# BUSINESS & FINANCE

ble names picked up wins at sister pub **PR News'** Corporate Social Responsibility Awards lunch Tues. **Viacom** was the overall leader in CSR practices for an organization with between 10K-25K employees. **Discovery's** "Discover Your Impact Day" won in the Employee Volunteer Program category. **Disney** got wins in environmental stewardship and video program.

**People:** *Josh Silver*, who has led the **Free Press** since its creation in '02, is stepping down as pres/CEO. Managing dir *Craig Aaron* will assume the position next month. Silver will be founding CEO of the **Democracy Fund**, a new foundation that aims to challenge the influence of corporate lobbyists over govt policymaking.

**Stork Visit:** Congrats to **Cablevision** PR hand *Sarah Chaikin Lyons* and husband *Joe* on the birth of *Sadie Harriet*. She tipped the scales at 8lb, 14oz and 21 inches long. Mom and her little lady are doing great.

**Business/Finance:** **TiVo** plans to offer \$120mln of convertible sr notes due '16 in a private offering. It intends to use the net proceeds to fund its ongoing intellectual property litigation (the **DISH** case over TiVo's Time Warp patent has been underway for 7 years now) as well as for general corporate purposes and development spending. TiVo expects to grant the initial purchaser of the notes an over-allotment option to purchase up to an additional \$18mln aggregate principal amount of notes.

## CableFAX Daily Stockwatch

Company	03/08 Close	1-Day Ch	Company	03/08 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDs</b>					
DIRECTV:	46.76	0.92	BROADCOM:	41.09	0.35
DISH:	23.67	0.35	CISCO:	18.22	0.02
DISNEY:	43.20	0.18	CLEARWIRE:	5.19	0.02
GE:	20.63	0.25	CONCURRENT:	5.67	(0.1)
NEWS CORP:	18.31	0.19	CONVERGYS:	13.96	0.33
<b>MSOS</b>					
CABLEVISION:	36.10	0.22	CSG SYSTEMS:	20.29	0.49
CHARTER:	48.15	(0.07)	ECHOSTAR:	36.41	0.01
COMCAST:	25.56	0.14	GOOGLE:	592.31	0.65
COMCAST SPCL:	24.10	0.08	HARMONIC:	9.57	0.09
GCI:	12.00	0.41	INTEL:	21.13	(0.08)
KNOLOGY:	13.79	0.42	JDSU:	25.38	(0.11)
LIBERTY CAPITAL:	74.17	0.91	LEVEL 3:	1.36	(0.03)
LIBERTY GLOBAL:	43.20	0.07	MICROSOFT:	25.91	0.19
LIBERTY INT:	16.28	0.24	RENTRAK:	26.06	0.16
SHAW COMM:	20.94	0.14	SEACHANGE:	9.29	0.21
TIME WARNER CABLE:	70.99	(0.08)	SONY:	35.32	0.16
VIRGIN MEDIA:	27.99	0.47	SPRINT NEXTEL:	4.70	0.22
WASH POST:	425.90	(6.12)	THOMAS & BETTS:	57.96	1.74
<b>PROGRAMMING</b>					
CBS:	23.70	0.08	TIVO:	8.75	(0.31)
CROWN:	2.98	0.18	TOLLGRADE:	10.07	0.06
DISCOVERY:	41.48	0.01	UNIVERSAL ELEC:	28.18	1.17
GRUPO TELEVISA:	23.43	0.15	VONAGE:	4.49	0.32
HSN:	30.23	0.65	YAHOO:	16.94	0.24
INTERACTIVE CORP:	30.62	(0.24)	<b>TELCOS</b>		
LIBERTY:	42.94	0.56	AT&T:	28.45	0.55
LIBERTY STARZ:	77.68	1.05	QWEST:	6.69	0.07
LIONSGATE:	6.15	0.02	VERIZON:	36.48	0.47
LODGENET:	3.19	0.06	<b>MARKET INDICES</b>		
NEW FRONTIER:	1.96	UNCH	DOW:	12214.38	124.35
OUTDOOR:	7.69	0.33	NASDAQ:	2765.77	20.14
SCRIPPS INT:	51.13	0.37	S&P 500:	1321.82	11.69
TIME WARNER:	36.43	(0.35)			
VALUEVISION:	6.59	(0.07)			
VIACOM:	52.71	0.13			
WWE:	13.39	0.15			
<b>TECHNOLOGY</b>					
ADVANTAGE:	3.18	0.01			
ALCATEL LUCENT:	5.52	(0.03)			
AMDOCS:	30.16	0.42			
AMPHENOL:	58.07	0.25			
AOL:	19.12	(0.14)			
APPLE:	355.76	0.40			
ARRIS GROUP:	12.85	0.13			
AVID TECH:	22.42	1.03			
BIGBAND:	2.59	0.02			

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