

# CableFAX Daily™

Friday — March 9, 2012

What the Industry Reads First

Volume 23 / No. 046

## Spot Check: Innovation Key as Advertisers Meld Traditional, Digital

The 30-second spot still rules, and even dictates what brands bring to the digital realm. But it shouldn't, according to agency and network execs discussing the challenges to innovation and scale of video advertising at Digital Hollywood NY this week. *Ashley Swartz*, svp, marketing/lead, iTV practice, **Digitas**, said traditional and digital campaigns must be planned together lest "the value of a fully integrated campaign is lost." *Patrick Lafferty*, COO, North America, **McCann Erickson** (and former CMO of **Travel Channel**), said that "the continuation of silos" is "slowing some of the process" as clients continue to administer separate TV and digital ad operations. "There's still a lot of inertia," he said. *Mark Marvel*, senior director video monetization, **MSNBC.com**, noted some traditional agencies aren't thinking "from the inside out... They think TV down, where the money is today. And those are hard habits to change." Execs said innovation may need to come from smaller companies. "What's interesting is that the start ups don't have anything to lose," Marvel said. "We live in a very risk-averse world right now. There needs to be a focus on creating a proof point," given that brands are unwilling to take risks to innovate. The reason for that: "TV is where the bucket of money is," according to *Jeff Siegel*, svp, worldwide advertising at **Rovi**, and it's not economical to scale across platforms. "You need a certain ROI, so you can't make a move," he said. **AOL** svp, video *Ran Harnevo* said the consumer shift toward online video is forcing everyone's hand. "With the demos today, you have to advertise on the Web," he said. "I think the shift is serious enough. The question is, how to do it?" Marvel is optimistic: "There's a growing and emerging significance of digital, though the dollars are not the same."

**Verizon-Cable:** The **FCC** wants more info from cable companies and **Verizon Wireless** on their marketing agreements and spectrum deal. The Commission is requesting 37 bits of info from Verizon Wireless, including current and project capacity and bandwidth requirements for mobile wireless and LTE fixed wireless and plans for using the SpectrumCo (**Comcast**, **Time Warner Cable** and **Bright House**) and **Cox** spectrum. It wants the cable ops to provide all wireless plans and a timeline of discussions concerning the proposed transition. The FCC wants responses back by Mar 22. In addition to the requests for more info, the Commission asked Verizon Wireless to remove redactions from some of the documents filed, including parts of the Comcast, Cox, Time Warner Cable and Bright House commercial agreements. Comcast also received a request to unredact some parts of its FCC filings. Those docs are due to the FCC by Mon (they will still be under a protective order). **DirecTV**, **Public Knowledge** and others have complained that the redacted material omitted some key info. "We have presented compelling evidence that **SpectrumCo's** proposed sale of spectrum to Verizon Wireless will promote the public interest by transferring spectrum to a company that will efficiently put it to use to meet consumers' increasing demand for broadband mobility, consistent with the Commission's, Congress', and the Administration's policy goals, and that the commercial agreements provide substantial consumer benefits without any reduction in competition," a Comcast spokesperson said, adding that the company will continue to cooperate with the FCC's review and looks forward to a timely resolution. Similarly, TWC said it believes the spectrum and commercial agreements are in the best interest of consumers

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and it will work with the reviewing agencies. Groups like **Free Press** and Public Knowledge applauded the FCC's move.

**At the Portals:** It's not just cable operators hoping the **FCC** will follow through with a proposed rule change to allow cable ops to encrypt the basic service tier in all-digital systems. **Disney/ABC, CBS, NBCU** and **News Corp** want it to happen too. "Our companies create compelling, high-quality video programming, much of which is distributed by cable operators on their basic service tiers. The transmission of this valuable programming to consumers' homes in unencrypted digital format increases the risk of service theft and unauthorized copying," the Big 4 said. They also believe the public will benefit because failure to protect the basic tier could lead to high-quality programming migrating to a more expensive tier of service.

**iTV:** **Canoe's** iTV efforts might be kaput, but cable operators continue to go it alone. **Time Warner Cable Media** announced Enhanced iTV, which will let cable viewers interact with targeted ads in more ways. It's available immediately in existing TWC iTV markets, including NYC, Charlotte and Cincinnati. Enhanced iTV allows advertisers to deliver a targeted message based upon the time of day or reach demographically targeted audiences on a variety of networks. "iTV is a proven advertiser solution that is working for our clients right now," said *Joan Gillman*, evp, **Time Warner Cable** and **Time Warner Cable Media** pres. In other words, iTV isn't dead, with Charlotte-based **Brownlee Jewelers** and the **OH Lottery** both planning to launch additional iTV campaigns with TWC Media this year. As for Canoe's decision to ditch iTV and concentrate solely on dynamic VOD insertion, **Digitas' Ashley Swartz** said cable decided to invest in **Black Arrow** instead. "VOD will straddle the chasm between digital and TV. We're involved in a study with Black Arrow and the 4As on iTV—testing branded content, and it works very well in VOD," she said during the Digital Hollywood Summit in NY Thurs.

**On the Hill:** Retrans reformers have to be high-fiving over a *Roll Call* article that quotes Sen *Jim DeMint* (R-SC) as saying if he becomes chair or ranking Republican of Commerce next year, he'll focus on updating and modernizing broadcasting and telecom regulations. DeMint and *Steve Scalise* (R-LA) introduced a bill in late Dec that would repeal retrans consent provisions, ownership limits on local media and the Copyright Act's compulsory license provisions. "I'd very much like to run the Commerce Committee, much rather it be a chairman than a ranking position," DeMint told *Roll Call*. "I'd also like to be on the Finance Committee, which I was in line for last time."

**Putting on the Glitz:** **Comcast** rolled out the red carpet literally Wed night, putting on a glam event at DC's **Newseum** for 4 upcoming minority owned and operated nets with more than 900 RSVPs, dozens of members of Congress as well as newbie net founders *Ervin Magic Johnson* (**Aspire**), *Sean "P Diddy" Combs* (**Revolt**), *Robert Rodriguez* (**El Rey**) and *Said Schwarz* (**BabyFirst Americas**). Rodriguez told the crowd that the addition to Comcast's lineup "is not a gift," but a "challenge." Comcast evp *David Cohen* agreed it wasn't a gift, but said challenge isn't the right word. "We're in a partnership. We're going to work together," he said. Comcast hasn't given much info on distribution plans for the nets, but at least one exec has said it will result in carriage of just under 10min (*Cfax*, 2/22). Johnson told the packed crowd that he knows what African Americans want, and will deliver. The first net to launch is **BabyFirst Americas**, which is slated to roll out next month.

**VOD:** A free preview is set for this weekend of **MLS Direct Kick**. The soccer package from In Demand and Major League Soccer retails for \$79 for the '12 season (up to 233 regular season games).

**Programming:** **Time Warner Cable** and the **CA Interscholastic Federation** entered into a 5-year deal for TWC to become the official content distributor of all L.A. City and San Diego high school sporting events beginning with the

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# BUSINESS & FINANCE

'12-'13 season. The deal allows it to deliver programming for games through TV, Internet and mobile platforms. -- **Comedy Central** is capitalizing on its successful roast specials by picking up weekly roast series "The Burn" starring *Jeff Ross*. It's slated to premiere this summer. The net also greenlit 2 originals for '12: "Review with Forrest MacNeil" (stars "Eastbound & Down's" *Andrew Daly*) and "Nathan For You" (starring Canadian writer-comedian *Nathan Fielder*). -- House flipping series live on. **A&E's** latest incarnation, "Flipped Off," features former "Survivor" cast member *Russell Hantz* (premieres Apr 9, 10pm). -- **Bravo** debuts 1-hour, weekly pop culture talk show "Kathy," starring *Kathy Griffin*, Apr 19, 10pm.

**Business/Finance:** **DirecTV** completed its previously announced \$4bln debt financing, receiving approx \$3.97bln in net proceeds that it intends to use for general corporate purposes, which may include share repurchases. -- **ISI Group** initiated coverage of **Liberty Global** with a "hold" rating and a '12 price target of \$56. "Although Liberty Global presents a dually compelling story of both revenue generating unit growth and faster free cash flow generation, a ~30% move on its shares since mid-December 2011 lends credence to the view that investors are already discounting a good portion of LGI's strong near term fundamental performance," the firm said.

## CableFAX Daily Stockwatch

Company	03/08 Close	1-Day Ch	Company	03/08 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	46.42	0.34	CLEARWIRE:	2.20	0.02
DISH:	31.35	0.13	CONCURRENT:	3.65	(0.02)
DISNEY:	42.02	0.27	CONVERGYS:	12.35	0.16
GE:	19.03	0.26	CSG SYSTEMS:	15.80	(0.06)
NEWS CORP:	19.95	0.20	ECHOSTAR:	29.27	(0.24)
<b>MSOS</b>					
CABLEVISION:	14.23	0.30	GOOGLE:	607.14	0.34
CHARTER:	61.04	0.50	HARMONIC:	5.77	0.07
COMCAST:	29.62	0.38	INTEL:	26.84	(0.07)
COMCAST SPCL:	29.11	0.38	JDSU:	13.15	0.35
GCI:	10.22	(0.18)	LEVEL 3:	24.47	0.37
KNOLLOGY:	18.15	0.09	MICROSOFT:	32.01	0.17
LIBERTY GLOBAL:	50.44	0.68	MOTOROLA MOBILITY:	39.75	0.09
LIBERTY INT:	18.82	0.12	RENTRAK:	20.15	(0.01)
SHAW COMM:	20.57	0.23	SEACHANGE:	6.85	(0.05)
TIME WARNER CABLE:	79.29	1.16	SONY:	20.42	UNCH
VIRGIN MEDIA:	24.87	0.14	SPRINT NEXTEL:	2.60	0.17
WASH POST:	390.96	0.59	THOMAS & BETTS:	72.11	UNCH
<b>PROGRAMMING</b>					
AMC NETWORKS:	44.56	0.26	TIVO:	11.21	0.20
CBS:	30.54	0.85	UNIVERSAL ELEC:	18.91	0.20
CROWN:	1.23	UNCH	VONAGE:	2.24	0.04
DISCOVERY:	47.08	0.53	YAHOO:	14.62	UNCH
GRUPO TELEVISA:	20.69	0.32	<b>TELCOS</b>		
HSN:	37.38	0.12	AT&T:	31.00	0.12
INTERACTIVE CORP:	48.04	1.17	VERIZON:	39.22	0.35
LIONSGATE:	13.37	0.03	<b>MARKET INDICES</b>		
LODGENET:	3.38	0.08	DOW:	12907.94	70.61
NEW FRONTIER:	1.13	UNCH	NASDAQ:	2970.42	34.73
OUTDOOR:	7.60	0.20	S&P 500:	1365.91	13.28
SCRIPPS INT:	44.74	0.84			
TIME WARNER:	36.86	0.27			
VALUEVISION:	1.68	0.01			
VIACOM:	54.39	1.13			
WWE:	8.87	0.08			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.08	UNCH			
ALCATEL LUCENT:	2.43	0.09			
AMDOCS:	30.57	0.27			
AMPHENOL:	56.35	0.34			
AOL:	17.60	0.57			
APPLE:	541.99	11.30			
ARRIS GROUP:	11.22	0.10			
AVID TECH:	10.80	0.26			
BLNDER TONGUE:	1.29	(0.01)			
BROADCOM:	35.84	0.69			
CISCO:	19.68	0.27			

## CALL FOR ENTRIES



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# PROGRAMMER'S PAGE

## \$4 Bet

Can incremental revenue perfect perfection? **Turner** and **CBS Sports** seem to think so. During a conference call this week, Turner pres, sales, distribution and sports *David Levy* gushed about how well the coverage of March Madness went off last spring during the tourney's 1st joint feature by Turner and CBS. Games on **truTV** "definitely outperformed our expectations as far as exposure" for the net, he said, and "we're thrilled to see the returning and the new advertisers that are in this year." CBS Sports chmn *Sean McManus* took the back-patting to another level, claiming he's never witnessed a level of synergy achieved by Turner/CBS last year. Things went so swimmingly, he said, that a lot of time has been spent recently on keeping employees sharp and focused heading into the start of Madness next week. Levy did allow that too many hosts cluttered last year's 1-hour selection show on CBS, so this year truTV will feature a 2nd hour dubbed "Infiniti NCAA Hardcore Brackets" for additional analysis of the big dance. Admittedly, March Madness was presented with aplomb a year ago, particularly via March Madness on Demand (now NCAA March Madness Live). Over the next few weeks, we'll see whether the online offering is enough of a value add to warrant strong uptake despite the institution of a \$3.99 fee. It nevertheless appears a winning proposition for all involved since games will be available for free streaming on Turner Websites and CBSSports.com—even if **Time Warner Cable** subs will be shut out of the online Turner tilts—and more platforms means more ad dollars. If a fan isn't concerned with online extras, they can just watch the games. The available online features, most notably access to games via mobile devices, will likely intrigue many fans. Interestingly, Levy said social media is playing a starring role in the growth of sports content ratings, and is therefore an "integral part of our sports strategy." Which begs the question: Will The **Coke Zero** NCAA March Madness Social Arena help drive adoption of NCAA March Madness Live and incremental revenue by extension? That would be perfect. *CH*

**Fan Appreciation:** **FX** was featured twice at the **Paley Center's** annual "PaleyFest" in L.A., last Fri with "American Horror Story" and on Wed with "Sons of Anarchy." Our favorite tidbits: *AHS* creator *Ryan Murphy* vowing "our only real rule on the show is no werewolves and no vampires." (Cue applause). And *Sons* creator/writer *Kurt Sutter* on why he gave himself a recurring cameo: "I am the only one who will employ me as an actor." The last cable show being featured is **AMC's** "Mad Men," whose session is Tues night.

**Reviews:** "Game Change," Sat, 9p, **HBO**. *Julianne Moore* should clear shelf space now. She'll need room for a bevy of coming accolades recognizing her outstanding yet respectful portrayal of former Gov *Sarah Palin* (R-AK). After months of watching Palin tapes, Moore's nearly a clone. In addition, *Woody Harrelson* as strategist *Steve Schmidt* and *Ed Harris* as a nearly saintly Sen. *John McCain* (R-AZ) join Moore in a fascinating look inside a flawed campaign. -- "The Announcement," Sun, 9p ET, **ESPN**. Another terrific "30 for 30." This time it's an inside and poignant look at *Magic Johnson's* Nov '91 HIV-positive shocker.

Basic Cable Rankings (2/27/12-3/04/12)			
Mon-Sun Prime			
1	USA	2.2	2157
2	DSNY	1.7	1649
3	TBSC	1.6	1592
4	FOXN	1.4	1403
4	HIST	1.4	1376
6	ESPN	1.3	1279
6	A&E	1.3	1251
6	TNT	1.3	1246
9	LIFE	1.1	1071
9	AMC	1.1	1034
11	DSE	1	69
12	HGTV	0.9	916
12	ADSM	0.9	909
14	DISC	0.8	824
14	FOOD	0.8	818
14	FX	0.8	806
14	FAM	0.8	802
14	MSNB	0.8	766
14	SYFY	0.8	760
14	MTV	0.8	755
14	TRU	0.8	746
14	NKJR	0.8	625
23	TLC	0.7	724
23	CMDY	0.7	702
23	BRAV	0.7	661
23	NAN	0.7	657
23	HALL	0.7	649
23	TVLD	0.7	641
23	BET	0.7	606
23	ID	0.7	550
31	CNN	0.5	512
31	SPK	0.5	510
31	EN	0.5	483
31	VH1	0.5	458
31	APL	0.5	456
31	LMN	0.5	397
37	HLN	0.4	369
37	NGC	0.4	357
37	OXYG	0.4	342
37	DXD	0.4	297
37	NKTN	0.4	245
37	HMC	0.4	169
43	TRAV	0.3	289
43	ESP2	0.3	283
43	TWC	0.3	279
43	OWN	0.3	253

\*Nielsen data supplied by ABC/Disney

## CableFAX's Customer Experience Management Guidebook Lessons and Insights for the Cable Industry

CableFAX and The Cable Center collaborated to publish this 150-page guidebook on customer experience management for the cable industry. The guidebook includes case studies, tips and articles on understanding the foundations of customer experience management and gaining insight to use it to improve your business. You also will learn about the latest measurement strategies, research insights, personnel and compensation strategies, social media tactics and communications techniques for implementing customer experience management in your company.



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