

CableFAX Daily™

Friday — March 27, 2009

What the Industry Reads First

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Myth Busters: Comprehensive Study Uncovers the Truth on Video Viewing

If you think online video is where it's at these days, think again. An unprecedented study conducted on behalf of the Nielsen-funded **Council for Research Excellence** blew that and other myths out of the water. The \$3.5mln, year-long study observed participants during an entire waking day to determine what media they consumed and for how long. Observers logged participants' activities in 10-sec increments for 1 day in the spring and another in the fall, producing 952 observed days worth of data. While online video and mobile video show up strong in self-reported data, this study found that their usage was way over-reported (TV viewing, by the way, was underreported). For example, a physician participating in the study raved about his **iPhone** and said he used it for 2-3 hours for video. In truth, he used it for 24 minutes. The study, conducted by **Ball State Univ** and **Sequent Partners**, found that Internet video usage was smaller than 1%, but measurable. Computer video usage averaged about 2 mins/day. Mobile video data was too small to even measure without a larger sample. Another interesting finding was that every age group consumes about 8.5 hours of media (through a combination of TV, computer, mobile, etc). But—and here's the myth buster—younger Baby Boomers (45-54) actually consume more (9.5 hours) because they are adopting the older generation's TV habits but the younger generation's PC habits. Other revelations: TV users were exposed to 72 mins/day of TV ads/promos, dispelling the belief that everyone is channel hopping or fast-forwarding; early DVR owners spent much more time with DVR playback than newer DVR owners; new HDTV owners watched more TV, although that tended to fall off over time. Not every revelation was surprising: TV does remain the predominant way of consuming media. *Ira Sussman*, CRE's vice chmn and **CAB's** vp, research & insight, said the study will affect future research. "The biggest surprise to me was how much we relied on in the past some of the research that we've done in understanding consumer behavior and then seeing... that people don't have a clue what they did... They know that they did it, but they don't know how much they did it," he said. "That's a real red flag for us as we go forward and when we do our own research." Some data is at: <http://www.researchexcellence.com/vcmstudy.html>.

Retrans: **Cox Media Group** may pull 2 Charlotte-area stations from **Time Warner Cable's** lineup when the contracts expire Apr 1 because "we have exhausted all avenues," said *Joe Pomilla*, gm of **ABC** affil **WSOC** and indie station **WAXN** at **WSOCtv.com**. Statements at the site claim the stations are seeking less than 30 cents/sub combined, or less than a local contract between TWC and **LIN TV** calls for, and stress the possibility that local subs may miss the forthcoming **NBA** playoffs on ABC. The MSO said the real issue is Cox's demand "that Charlotte customers pay millions more on unexpired contracts for other Cox stations in Texas, Florida and Ohio... that's like asking you to pay extra rent now when your lease isn't up until the end of the year, just because the landlord isn't earning enough money from other tenants."

Ad Wars: The ongoing dispute between **Cablevision** and **Verizon** over ads continues, with the **Natl Advertising Div of the Council of Better Business Bureaus** on Thurs recommending that the MSO modify or discontinue

Beta Research says:

Scripps Networks has the #1 and #2 favorite channels!




Female viewers are passionate about Scripps Networks,
ranking HGTV and Food Network as their best-loved channels.

Passionate Viewers Live Here 

Source: 2008 Beta Brand Identity Study, Women 18+



GUY FIERI
SUNNY ANDERSON
CANDICE OLSON

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ads claiming that its Optimum Online service is “the fastest around.” This latest news follows similar NAD recommendations from last year deeming certain VZ ad claims insufficiently supported (**Cfax**, 12/1). NAD noted that CVC voluntarily pulled certain claims prior to or during its inquiry, including “best HD picture,” “sharpest HD picture and sound” and the use of “five times faster” in direct marketing to FIOS customers. Of note, NAD said “advertisers must take steps to ensure that their claims remain accurate, particularly in a market... where the technology evolves so quickly.” Verizon said the “ruling is great news for consumers, who’ve been misled for too long by Cablevision’s false and misleading ads.” Said CVC: “It is worth noting that in this and other recent proceedings, the NAD has firmly supported a number of Cablevision’s marketing statements... while rejecting a number of Verizon’s positions.”

Grapevine: The *NY Times* reports former **CNBC** CEO *Bill Bolster* may soon be named CEO of **Weather Channel**.

Competition: **Verizon** has introduced various protection plans covering customers’ home electronics, including a \$10/month plan that covers all HH TVs or PCs and a \$20/month plan covering all HH TVs, PCs and phones. The latter package provides repair and replacement coverage, including on-site service for larger devices, and power surge protection.

Carriage: **Time Warner Cable** will launch **SportSouth** next week in the Myrtle Beach, SC, area. In Buffalo, the MSO has bowed 24-hr local news channel **Your News Now**. -- **WealthTV** renewed its distribution agreement with **NCTC**.

At the Portals: The **ACA** is asking the **FCC** to adopt a rural broadband strategy designating small and mid-sized cable ops as the chief recipients of federal grants and loans to close the broadband gap in rural areas. “Federal agencies should give weight to existing broadband providers that already serve smaller markets and rural areas during the application process for broadband grants and loans,” ACA pres/CEO *Matt Polka* said. A rural broadband strategy report, which is expected to address the disbursement of \$7.2bln in new broadband loans and grants, is due to Congress on May 22.

Research: A recent **ChangeWave** survey of video consumers found that consumers looking to switch providers most favor **DirectTV**, with 26% saying they were (as of Dec) most likely to switch to the DBS op. **FIOS TV** and **Universe TV** were next with 21%, then **DISH** (14%), **Comcast** (5%) and **Time Warner Cable** (3%).

Technology: **Motorola** said it now offers the 1st commercial receiver/decoder to deliver 3-channel MPEG-4 to MPEG-2 HD transcoding, allowing cable ops to increase HD throughout by up to 50%. -- **SeaChange** announced a partnership with **BIAP** to enable cable ops to deliver enhanced ads on linear channels using the **SCTE 130** standard, as well as a partnership with **Sigma Systems** aimed at easing the technical hurdles endemic to widespread use of cable VOD for targeted ads using the same standard.

Intl: **TiVo** will launch its service in New Zealand later this year.

Programming: **Discovery Channel** greenlit “Stephen Hawking’s Universe” (wt), a 3-part doc that will use CGI, live action, archive and visual effects to chronicle the scientist’s vision of the cosmos. -- On Apr 4, **USA** presents the induction ceremony of the ’09 **WWE Hall of Fame Class**, including “Stone Cold” *Steve Austin*, *Ricky “The Dragon” Steamboat*.

Honors: Non-partisan org **The White House Project** will honor (Mar 30) **Lifetime Nets’** public affairs campaign **Every Woman Counts** with a ’09 **EPIC Award** for encouraging women to speak out on the issues they care about.



CableFAX Awards Luncheon

Celebrating: The Faxies Finalists, Women on the Move, and CableFAX's 20th

Don't miss this year's Awards Luncheon where we honor top marketing and PR in cable. Plus we'll celebrate Women on the Move and CableFAX's 20th. A can't miss event!

March 30, 2009
12:00 PM - 2:00 PM EST
National Press Club
Washington, DC

15503

Register Now: www.cablefax.com/events/

BUSINESS & FINANCE

At CableFAX.com: In anticipation of her WICT Leadership Conference panel "Beyond Survival: Thriving in Tough Times" (Wed, 11:20am), cable jobs guru *Ann Carlsen* argues that employees who follow the "new rules" will be the only ones to survive.

Oops: *Michael Warsaw* succeeds *Deacon Bill Steltemeier* as CEO of **EWTN** (*Cfax*, 3/25). Steltemeier remains chmn of the board.

Business/Finance: Lionsgate's board asked noteholders Thurs to consider all aspects of *Carl Icahn's* offer to buy \$325mln of convertible debt. The board said it has no opinion and will remain neutral toward the unsolicited offer. Icahn's offer came earlier this month. The board noted that Icahn has not announced any intention to make an offer for common shares of Lionsgate's parent entity.

-- **Hearst** in mid-Apr plans to make a tender offer for all the outstanding shares of **Hearst-Argyle TV's** Series A common stock that it doesn't own for \$4/share in cash. The shares had been trading at approx \$2 before the announcement, and closed Thurs at \$4.18. -- **DirectTV** pres/CEO *Chase Carey* has entered into a written Rule 10b5-1 trading plan to exercise up to 764,296 options that are scheduled to expire this year and to sell the stock acquired through the exercise of such options, assuming certain price targets are reached. The plan commenced Thurs, according to an **SEC** filing.

CableFAX Daily Stockwatch

Company	03/26 Close	1-Day Ch	Company	03/26 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	25.32	(0.51)	AMDOCS:	18.78	1.14
DIRECTV:	23.59	0.45	AMPHENOL:	30.54	1.17
DISH:	12.12	0.40	APPLE:	109.87	3.38
DISNEY:	19.06	0.53	ARRIS GROUP:	7.84	0.24
GE:	10.90	0.41	AVID TECH:	9.83	0.23
HEARST-ARGYLE:	4.18	0.15	BIGBAND:	6.42	(0.14)
NEWS CORP:	8.10	0.34	BLNDER TONGUE:	0.90	0.04
MSOS					
CABLEVISION:	14.13	0.38	BROADCOM:	20.89	1.09
CHARTER:	0.04	0.00	CISCO:	17.31	0.74
COMCAST:	14.55	0.61	CLEARWIRE:	4.98	0.58
COMCAST SPCL:	13.58	0.51	COMMSCOPE:	11.46	1.55
GCI:	7.14	0.82	CONCURRENT:	3.50	0.19
KNOLOGY:	4.08	0.11	CONVERGYS:	8.61	0.36
LIBERTY CAPITAL:	7.25	0.37	CSG SYSTEMS:	13.90	0.46
LIBERTY ENT:	20.67	0.57	ECHOSTAR:	15.84	0.40
LIBERTY GLOBAL:	15.38	0.69	GOOGLE:	353.29	9.22
LIBERTY INT:	3.41	(0.07)	HARMONIC:	6.99	0.49
MEDIACOM:	4.65	0.15	INTEL:	15.82	0.88
SHAW COMM:	16.71	0.62	JDSU:	4.17	0.17
TIME WARNER CABLE:	27.80	1.07	LEVEL 3:	0.79	0.09
VIRGIN MEDIA:	5.18	0.11	MICROSOFT:	18.83	0.95
WASH POST:	384.28	6.93	MOTOROLA:	4.55	0.35
PROGRAMMING					
CBS:	4.71	0.32	OPENTV:	1.45	0.00
CROWN:	1.96	(0.03)	PHILIPS:	17.13	0.13
DISCOVERY:	16.52	0.28	RENTRAK:	8.80	(0.2)
EW SCRIPPS:	1.69	0.08	SEACHANGE:	5.99	0.16
GRUPO TELEVISA:	14.62	0.96	SONY:	22.86	1.24
HSN:	5.40	0.35	SPRINT NEXTEL:	3.91	0.21
INTERACTIVE CORP:	15.86	0.98	THOMAS & BETTS:	27.29	2.49
LIBERTY:	23.18	0.06	TIVO:	7.46	0.26
LODGENET:	1.36	0.13	TOLLGRADE:	6.01	0.02
NEW FRONTIER:	1.37	0.07	UNIVERSAL ELEC:	19.63	0.56
OUTDOOR:	6.74	(0.08)	VONAGE:	0.39	(0.01)
PLAYBOY:	1.98	0.06	YAHOO:	13.35	(0.2)
RHI:	1.24	(0.09)	TELCOS		
SCRIPPS INT:	23.20	1.02	AT&T:	26.35	0.17
TIME WARNER:	8.85	0.29	QWEST:	3.81	0.13
VALUEVISION:	0.58	0.14	VERIZON:	30.54	0.39
VIACOM:	19.70	0.12	MARKET INDICES		
WWE:	12.08	0.16	DOW:	7924.56	174.75
TECHNOLOGY					
3COM:	3.08	0.13	NASDAQ:	1587.00	58.05
ADC:	4.09	0.69			
ADVANTAGE:	1.52	0.00			
ALCATEL LUCENT:	1.98	0.03			

ACA's 16th Annual Summit

On April 27-29 in D.C., independent operators will give policymakers a different perspective

Hosted by the American Cable Association Register and review sponsor opportunities at www.acasummit.org

PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

The 411 on The 101

Typically defined by its interactive sports coverage including **NFL Sunday Ticket**, **DirecTV** continues to bolster the content slate featured on its 24/7 ent channel **The 101**. Within the last 2 weeks, the DBS op has picked up the rights to former broadcast series "The Nine," "Smiths" and "Eyes;" announced the Apr return of "Hometown Heroes," featuring host *Joan Lunden* and focused on the work and humanity of nationwide DirecTV subs; and perhaps most importantly lured sports personality *Dan Patrick* to the net for a partially-scripted show (M-F) based on the former **ESPN** anchor's radio show. "Definitely in the past 6 or 9 months, we have figured out what the real target demo of The 101 should be," said DirecTV evp, entertainment *Eric Shanks*, noting how the net previously went after younger demos before settling on upscale men 35+, which mirrors DirecTV's overall sweet spot. In-house, The 101 is viewed as mostly a value-add that helps more with customer retention than acquisition, he said. Live music such as coverage from Austin's SXSW music festival remains "important to the net," he said, as do content previews staged in concert with programmers including **Showtime** and **IFC**. When choosing broadcast retreats, Shanks looks for shows enjoying awareness and buzz, and they must have never-before-seen eps for feature. Some perform better than others, of course, but viewership can blaze: when "Friday Night Lights" aired on The 101, for example, it was common for 600K to tune in during any given week, said Shanks. British and Canadian programming is being considered for feature on the net, but the near-term buzz is really about Patrick. Set for a July premiere, the show "will really be like 'The Office,'" in production and feel, said Shanks, and certainly won't be akin to the typical linear versions of radio programs featuring mics and headphones. Just more sports, er... ent programming on DirecTV. *CH*

Highlights: "The No. 1 Ladies' Detective Agency," series premiere, Sun, 8pm, **HBO**. Is this the new HBO? A series sans sex and violence and one that begins at 8pm? Whatever. Grammy winner *Jill Scott* proves she can act as literary sleuth Precious Ramotswe in this adaptation of *Alexander McCall Smith's* Africa-based mystery series. But it's *Anika Noni Rose* ("Dreamgirls") and the bucolic Botswana countryside that leave the biggest impression. (*Amy Maclean*). -- "Locked Up Abroad," season III premiere, Wed, 10pm, **Nat Geo**. This compelling series begins its junior year with an enthralling tale of an innocent Brit jailed in an awful Peruvian facility on drug charges. You'll be screaming at your TV at the end. Don't say we didn't warn you. *SA*

Worth a Look: "My Boys," season III premiere, Tues, 10:30pm, **TBS**. In each succeeding season of this pleasant comedy, tomboy P.J. (*Jordana Spiro*) is allowed to be more of a lady. In season 2, we saw her legs for the first time; in season 3, her neckline plunges (how do I know these things?). Beyond wardrobe, Spiro's charm and a possible love connection combine for pleasant viewing. -- "Thrillbillies," Sun, 8pm, **Fuel TV**. This low-brow series about thrill seekers was pitched as family friendly. It's not, but fun for teen males. *SA*

Basic Cable Rankings (3/16/09-3/22/09) Mon-Sun Prime			
1	USA	2.4	2354
2	DSNY	1.8	1741
3	FOXN	1.7	1659
4	TBSC	1.3	1331
4	NAN	1.3	1257
6	TNT	1.2	1191
6	A&E	1.2	1179
8	LIFE	1.1	1087
8	TOON	1.1	1064
8	HALL	1.1	943
11	ESPN	1	993
11	SCIF	1	940
13	HIST	0.9	902
13	CMDY	0.9	887
13	HGTV	0.9	851
13	TRU	0.9	805
17	DISC	0.8	833
17	FAM	0.8	798
17	SPK	0.8	766
17	CNN	0.8	765
17	FOOD	0.8	763
17	FX	0.8	755
23	VH1	0.7	710
23	TVLD	0.7	702
23	AMC	0.7	700
23	MSNB	0.7	695
23	TLC	0.7	678
23	LMN	0.7	499
23	NOGG	0.7	469
30	MTV	0.6	548
30	BRAV	0.6	502
30	BET	0.6	495
33	ESP2	0.5	533
33	HLN	0.5	515
33	APL	0.5	483
33	OXYG	0.5	373
33	NGC	0.5	326
38	EN	0.4	426
38	TTC	0.4	343
38	CMT	0.4	336
38	SOAP	0.4	273
38	WE	0.4	259
43	WGNA	0.3	239
43	GSN	0.3	233
43	DHLT	0.3	221
43	DXD	0.3	202

*Nielsen data supplied by ABC/Disney

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