

CableFAX Daily™

Monday — April 13, 2009

What the Industry Reads First

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5Qs: Cathy Hetzel, pres of Rentrak's AMI Division

VOD long ago went mainstream, but its prominence seems to increase with every passing day. We asked Rentrak's resident VOD guru about some of the growing trends as the on-demand consumer continues to demand more and more. **What are the biggest and/or most surprising VOD trends of the last year?** The increase in the time consumers are spending with VOD was more interesting than it was surprising. In the last quarter of 2008, consumers spent more than 732 million hours watching VOD content. Free On Demand content has seen the largest increase in playtime, up 30% when comparing Q4 '08 to Q1 '08. **How is the explosion of online video viewing on sites like Hulu, Fancast and YouTube affecting VOD usage? Or is it un-related?** Both online video viewing and on-demand viewing continues to increase as the library of content available continues to grow as a result of consumers spending more time viewing programs on the respective platforms. **Music and kids content seem to be consistent VOD favorites? Any data that indicates why that is?** Kids are the ultimate on-demand consumers. They have no concept of time and want to watch what they want, when they want, and they like to watch their favorite shows over and over again. Music content has always been popular and on-demand is the perfect outlet to check out new videos from your favorite bands or discover new talent from the wide array of VOD music networks. **How do you see gaming consoles such as the Xbox and PS3, as well as other "streaming" boxes like Roku and Apple TV, affecting the VOD landscape?** Rentrak will measure consumer interaction across these emerging multiple platforms. VOD will continue to experience double digit usage growth across Free, Subscription and Transactional On Demand even as content viewing is increasing on these emerging platforms. **What kind of targeted data will companies like Rentrak be able to provide to operators and advertisers as technologies progress?** Rentrak's OnDemand Ad Essentials can currently provide reporting for dynamically inserted or "baked in" ad campaigns. With dynamically inserted ads, Rentrak will be able to report view time, trick mode activity and reach and frequency for every ad. Networks will be able to compare which programs are the best fit for certain advertisements based on the average view time. Agencies and advertisers will be able to test the effectiveness and efficiencies of the ad placement and creative executions.

More Bluster: Controversy surrounding Time Warner Cable's planned trials of metered broadband pricing began ramping in earnest this week (*Cfax*, 4/9), apparently becoming loud enough to impel TWC COO Landel Hobbs to comment publicly on the plans—again. "Internet demand is rising at a rate that could outpace capacity within a few years," said Hobbs in a statement issued Thurs evening. "If we don't act, consumers' Internet experience will suffer. That's why we're beginning the consumption based billing trials." The trials will begin in Aug in Greensboro and Rochester, where 2 months of usage data will be gathered followed by a 1-month grace period in which overages

In our world,
when a ball rolls,
people watch.



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will be noted on customers' bills. "So, customers will have an opportunity to assess their usage and right-size their service packages before usage charges are applied," said Hobbs. TWC's set to offer several usage-based plans, including a 1GB/month tier for \$15 that carries overage charges of \$2/GB per month and a 100GB package for \$75/month with overage charges of \$1/GB per month and a \$75 cap, meaning tier customers may receive unlimited broadband usage for \$150. Additional trials will launch in Oct in San Antonio and Austin. Opposed to the trials, **Free Press** has urged its 500K members to voice their concerns to Congress through a petition at <https://secure.freepress.net/site/Advocacy?id=311>. "By putting the cost of Internet video at such a premium, Time Warner Cable is obviously trying to ensure that consumers continue to subscribe to the company's cable television service," said Free Press research dir S. Derek Turner.

New Game Plan?: A new carriage agreement between **NFL Net** and **DISH** calls for the net to be featured on the DBS op's Classic Silver 200 programming package, ending litigation between the pair that kicked off early last year (*Cfax*, 1/20). Oral arguments were to begin in Jun. Interestingly, however, NFL Net initially filed the suit to protest its movement by DISH to a 200-level package after the DBS op claimed breach of contract stemming from the enlarged over-the-air distribution of the net's exclusive Pats-Giants game in late '07. "We look forward to having our Network's upcoming coverage of the April 25-26 NFL Draft showcased on DISH Network," said NFL commish Roger Goodell. It will be interesting to see if NFL Net agrees to concessions this month with **Comcast**, which may drop the net May 1 because NFL Net remains unhappy with tier carriage on the MSO.

Competition: **DISH** has inked an agreement with **MTVN** and **BETN** to launch the HD feeds of **BET**, **CMT**, **Comedy Central**, **MTV**, **Nickelodeon**, **Spike** and **VH1**.

At the Portals: The **FCC** approved this week the transfer to **Liberty Ent** of satellite and earth station licenses held by **DirecTV**, **CA Broadcast Net** and **GSN**.

Marketing/Advertising: **Discovery Channel** inked a sponsorship deal with **Post Cereals** and **MediaVest** that taps Post's Trail Mix Crunch as the premiere sponsor of the net's "Alaska Week" (Sun-Sat) programming stunt. Minisodes created by the net and MediaVest will air throughout the week. -- **Suburu** signed on as an exclusive sponsor of **Sundance Channel's** original "Eco Trip: The Real Cost of Living" (Apr 21), exploring through 8 parts the origins and environmental impacts of common everyday products.

Online: **NCAA March Madness On Demand's** video player tallied 7.52mln (+58%) uniques this year, and the site delivered 8.6mln (+75%) hours of live streaming video and audio. Sponsored this year by **Comcast**, the site's "Boss Button" received 2.77mln clicks, up 11%.

Ratings: In 1Q, **Nat Geo** reached and delivered more audience members in prime than in any other Q ever while tying its record for quarterly ratings. The net reached 70mln 2+ and 38mln homes, and garnered a 16% increase in prime HH delivery to 360K and a 15% rise among 25-54s to 246K. -- **Comcast SportsNet Chicago's Blackhawks** coverage averaged a 1.26 this season, a 100% YOY increase and the best regular-season avg ever for a Chicago RSN. -- **NESN's** Thurs coverage of the Bruins-Canadiens earned a 4.7 HH rating in the Boston DMA to become the net's highest-rated Bruins game of the season.



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CableFAX Week in Review

Company	Ticker	4/09 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	24.96	(0.7%)	(12.1%)
DIRECTV:	DTV	24.26	(0.7%)	5.90%
DISH:	DISH	13.68	12.20%	23.30%
DISNEY:	DIS	19.88	(1.6%)	(10.9%)
GE:	GE	11.33	5.50%	(24.3%)
HEARST-ARGYLE:	HTV	4.28	(5.3%)	(28.2%)
NEWS CORP:	NWS	8.73	2.90%	(8.2%)

Company	Ticker	4/09 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	16.58	15.10%	(1%)
COMCAST:	CMCSA	14.62	0.30%	(13%)
COMCAST SPCL:	CMCSK	13.81	(0.6%)	(14.1%)
GCI:	GNCMA	7.47	2.60%	(7.7%)
KNOLLOGY:	KNOL	5.14	7.10%	(0.4%)
LIBERTY CAPITAL:	LCAPA	9.61	33.70%	104.00%
LIBERTY ENT:	LMDIA	22.11	2.80%	26.50%
LIBERTY GLOBAL:	LBTYA	17.28	9.20%	8.50%
LIBERTY INT:	LINTA	3.74	6.90%	19.90%
MEDIACOM:	MCCC	4.93	4.90%	14.70%
SHAW COMM:	SJR	15.43	(2.7%)	(10.9%)
TIME WARNER CABLE:	TWC	27.72		(52.1%)
VIRGIN MEDIA:	VMED	6.49	18.10%	31.70%
WASH POST:	WPO	388.85	1.80%	0.70%

Company	Ticker	4/09 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	5.36	15.60%	(33.9%)
CROWN:	CRWN	2.20	(3.5%)	(22.8%)
DISCOVERY:	DISCA	17.95	0.80%	26.80%
EW SCRIPPS:	SSP	2.09	11.20%	(5.4%)
GRUPO TELEVISIA:	TV	16.22	4.50%	8.60%
HSN:	HSNI	5.73	8.70%	(21.2%)
INTERACTIVE CORP:	IACI	16.51	4.30%	4.90%
LIBERTY:	L	24.55	6.50%	(12.9%)
LODGENET:	LNET	1.55	(4.9%)	121.40%
NEW FRONTIER:	NOOF	1.75	9.40%	2.90%
OUTDOOR:	OUTD	7.17	(4.4%)	(4.3%)
PLAYBOY:	PLA	2.07		(4.2%)
RHI:	RHIE	2.91	57.30%	(64.2%)
SCRIPPS INT:	SNI	25.92	(0.7%)	18.20%
TIME WARNER:	TWX	22.24	2.50%	11.10%
VALUEVISION:	VVTV	0.79	19.70%	139.40%
VIACOM:	VIA	20.38	(2%)	1.30%
WWE:	WWE	11.71	(3.1%)	12.20%

Company	Ticker	4/09 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	3.71	5.40%	62.70%
ADC:	ADCT	5.00	2.90%	(8.3%)
ADVANTAGE:	AEY	1.58		(11.2%)
ALCATEL LUCENT:	ALU	2.08	3.50%	(3.3%)
AMDOS:	DOX	19.98	4.60%	9.20%
AMPHENOL:	APH	30.32	(4.8%)	26.60%
APPLE:	AAPL	119.57	6.10%	40.10%
ARRIS GROUP:	ARRS	8.95	12.60%	12.60%
AVID TECH:	AVID	10.29	3.80%	(5.7%)
BIGBAND:	BBND	5.87	(14.3%)	6.30%
BLNDER TONGUE:	BDR	0.90		(10.9%)
BROADCOM:	BRCM	23.17	3.90%	36.50%

Company	Ticker	4/09 Close	1-Week % Chg	YTD %Chg
CISCO:	CSCO	17.82	(1.8%)	9.30%
CLEARWIRE:	CLWR	5.59	9.60%	40.80%
COMMSCOPE:	CTV	18.03	24.40%	16.00%
CONCURRENT:	CCUR	3.79	8.60%	11.80%
CONVERGYS:	CVG	9.59	6.80%	49.60%
CSG SYSTEMS:	CSGS	15.08	0.50%	(13.7%)
ECHOSTAR:	SATS	15.98	(0.5%)	7.50%
GOOGLE:	GOOG	372.50	2.80%	21.10%
HARMONIC:	HLIT	7.12	4.10%	26.90%
INTEL:	INTC	15.98	1.80%	18.50%
JDSU:	JDSU	4.30	12.50%	17.40%
LEVEL 3:	LVL	1.04		48.60%
MICROSOFT:	MSFT	19.67	2.00%	2.50%
MOTOROLA:	MOT	4.90	5.80%	11.70%
OPENTV:	OPTV	1.65	0.60%	34.10%
PHILIPS:	PHG	16.26	(1.3%)	(18.2%)
RENTRAK:	RENT	10.10	8.70%	(14.3%)
SEACHANGE:	SEAC	6.21	(1.1%)	(13.9%)
SONY:	SNE	25.99	6.70%	18.80%
SPRINT NEXTEL:	S	4.29	0.20%	134.40%
THOMAS & BETTS:	TNB	28.83	8.30%	20.00%
TIVO:	TIVO	7.49	4.50%	4.60%
TOLLGRADE:	TLGD	5.55	(3.5%)	16.10%
UNIVERSAL ELEC:	UEIC	19.10	(0.5%)	17.80%
VONAGE:	VG	0.40	(4.8%)	(39.4%)
YAHOO:	YHOO	13.47	4.00%	10.40%

Company	Ticker	4/09 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	26.10	(1.7%)	(7%)
QWEST:	Q	3.83	6.40%	9.60%
VERIZON:	VZ	32.10	(1.1%)	(4%)

Index	4/09 Close	1-Week % Chg	YTD %Chg	
MARKET INDICES				
DOW:	INDU	8083.38	1.30%	(7.9%)
NASDAQ:	COMPX	1652.54	3.10%	4.80%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. RHI:	2.91	57.30%
2. LIBERTY CAPITAL:	9.61	33.70%
3. COMMSCOPE:	18.03	24.40%
4. VALUEVISION:	0.79	19.70%
5. VIRGIN MEDIA:	6.49	18.10%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. BIGBAND:	5.87	(14.3%)
2. HEARST-ARGYLE:	4.28	(5.3%)
3. LODGENET:	1.55	(4.9%)
4. AMPHENOL:	30.32	(4.8%)
5. VONAGE:	0.40	(4.8%)



Awards Breakfast

June 11, 2009
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Customer Service?

Around here, we know a few people in the cable TV business... some old-timers, some newbies and more than a few with time-in-grade but not yet Pioneers.

Almost everyone agrees that "customer service" is a key to long-term success. And, as cable transitioned from a semi-monopoly service as the only multichannel video provider into existing in a competitive landscape, the



Paul S. Maxwell

customer service mantra gained real traction.

But it was kind of a too-little, too late as DBS gained more than a handful of subscribers.

As we began to track satellite penetration (as an aid to cable deregulation), we were always struck by how we could tell—just by looking at a penetration map—which cable operator served which franchise. We could point at **Cox** or **Cablevision** systems because DBS was a paler shade of whatever.

Cable was a little better prepared as **AT&T** and **Verizon** began rolling out.

Nevertheless, cable's best friend remained inertia.

But what happens when a long-time cable person has a problem? I won't tell you who this is, but this is an object lesson that needs attention by every cable operator...

"Hi, old friend. I feel like a terrible traitor now that I've gone over to the enemy, but [deleted—call if you think it's your company] pushed me there (and Verizon gave me \$150 to jump ship). Their service has been horrendous and their inability to correct problems has been disgraceful. Now, for \$60 less per month for my Triple Play I'm getting 24 more premium movie channels than with [deleted] and a hi-speed service that's so much faster that it's like the difference between driving a Model T Ford and a NASCAR entry. Sad but true. Here's hoping [deleted] gets their act together one of these days. My FiOS price is locked in for two years, but my commitment to the service is only for one year, so if there's a proven [deleted] turnaround perhaps they'll lure me back.

"Did I tell you about [deleted] billing me for two Pay Per View orders for *Howard Stern*? Howard Stern!! Me!!! (Well, maybe...). When I called to tell them that I certainly hadn't placed such orders and asked them to remove the charges, which were something like \$26, they told me I had ordered the programs. I said I didn't. They said I did because their computer said I did. Finally, I told them to refund the money or else. The next month they refunded

\$5. We have since gone round and round on it and after many months I received the full refund. Just one of so many lousy incidents with them." That sure doesn't sound like empowering CSRs.

Random Notes:

• **Ski-TAM:** Cool. As usual (megakudos to **ESPN's Steve Raymond** and **Cox's Joe Rooney** and all the volunteers). And just to make the schmoozing, skiing and fundraising (remember? for the US Adaptive Ski Team—cable is the major sponsor!) more relevant to cable's bean-counters, we had a panel discussion on social network marketing... you should've been there.

• **Reporting v. Aggregating:** Aggregators are coming under fire from newspapers, **AP**, **Reuters** and others... they're whining. With some justification. It wasn't such a problem before the ad market cratered; but it sure is now. The business model for real reporting is under stress; and the answer hasn't been found—yet (some of us are trying—this publication is one answer). Another might be to revisit the copyright "fair use" doctrine.

Paul Maxwell

T: 303/271-9960

F: 303/271-9965

maxfax@mediabiz.com

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