

CableFAX Daily™

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What the Industry Reads First

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Addressable Ads: Auto Marketer Says to Hit the Gas

If the industry needed any further kick in the pants to get addressable advertising off the ground, Chrysler chief marketing officer *Deborah Wahl Meyer* provided it during Tues' Cable Show general session. While Chrysler still spends most of its ad dollars with cable, the amount on a national, local and regional level has decreased, she said. "Dollars from all 3 tiers are moving to the Internet because of the addressable (nature)," Meyer told the crowd, explaining later how she can track a Web hit all the way down to a sale. Her comments are especially noteworthy considering that the automotive industry is cable's biggest ad spender. Meyer talked up the need for drilling down to target specific demos with different messages. Right now, Chrysler has 6-7 different messages it's trying to convey, and she said they just don't work with a 30-sec spot. "How can we work together to build something new and great? We want you to help push us to the next level as much as we need to be pushing ourselves," Meyer told attendees. Cable is getting closer to interactive advertising with its Project Canoe initiative. A CEO for the venture is expected to be announced any day (notably, rumored CEO candidate/former **Aegis Americas** CEO *David Verklin* was a no show for the Tues session). **Cablevision** COO *Tom Rutledge* said it will take time for the needed ad technology to be ubiquitous. "Shame on us in 2010 if it's not done," proclaimed **Cox** pres *Pat Esser*. In the meantime though, cable has other advertising solutions that will "be a home run," he said. Cox's platform is "on the verge" of being able to give viewers watching a commercial the ability to request more info on a product via email, snail mail or through a nonlinear file server (like VOD). He also pointed to the success Cox has seen with its VOD test that allows viewers to watch primetime programming immediately after it airs on demand, but without the ability to fast-forward ads. In Orange County, 25% have said they watched shows they otherwise wouldn't have, and 25% said they would now regularly watch those shows in prime. As for how DVRs fit into the ad mix, Esser said that too much time is probably spent worrying about a specific technology when consumers don't really care whether its VOD, DVRs, etc, as long as they have control over their viewing. "While the DVR is a bit of a speed bump for some networks, we think we can manage it to the point where we can maximize the number of people who are watching commercials," said **Fox Networks Group** pres/CEO *Tony Vinciguerra*.

Game On: The cable sports-media ecosystem is in good shape despite ongoing talks between distributors and content owners on cost, said panelists at a high-energy panel at the Cable Show. The panel—moderated by **Insight** CEO *Michael Willner*, who appropriately donned a referee's jersey—offered a mixed picture. "Business is healthy but under stress," noted *Jon Litner*, pres, **Comcast SportsNet**. "There's got to be some (financial) rationality brought into the equation." He said one solution is to partner with team owners to give licensees some "skin in the game," as Comcast is doing. With consumers complaining that prices are too high, **Cox** svp, programming *Robert Wilson* said: "Our primary objective is to maintain useful and productive consumer choices." *Sean Bratches*,

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evp, sales and marketing **ESPN**, contended that sports fans in America have never been better served. Noting that 90% of people consider themselves a sports fan, he shared that in Q4 '07, 209mIn Americans tuned in to one of ESPN's 4 networks. *Melinda Witmer*, evp/Chief Programming Officer at Time Warner Cable, lauded the spirit of collaboration in the industry but said: "We have to strike balances in how we manage the non-fan, to find ways to superserve the fan but allow the non-fan to not carry the freight." *Randy Freer*, president **Fox Regional Cable Sports Networks**, said the sports business "gets painted with a brush that isn't really fair. Price may actually be low when compared to how many people watch sports and how it's helped the cable business grow."

DTV Doings: **NAB, ACA, MSTV and NCTA** just released a **DTV Coordination Reference Book** to help broadcasters and cable ops make sure they are on the same page for the DTV transition when it comes to technical issues. Just how complicated a process are we looking at? **NAB** pres/CEO *David Rehr* said it includes a 14-page checklist. Broadcasters, including **Raycom's Paul McTear** and **Belo's Jack Sander**, joined **NCTA's Kyle McSlarrow** and **Advance/Newhouse's Bob Miron** at Tues' Public Policy lunch to proclaim their support for working together. "Together these industries can do just about anything they want to do," Sander said. -- In a report released Tues, the **GAO** offered a mixed assessment of the DTV transition readiness of TV broadcasters. Cited was "substantial progress" in transitioning, as 91% of full-power stations are currently transmitting a digital signal, with 68% of those transmitting a full-strength signal and the same percentage already transmitting on their post-transition channel. But the GAO also noted some technical, coordination or other issues that still must be solved by many stations, including the need of more than 13% of stations to install or relocate their digital or analog antennas, the former process requiring up to 9 months to complete. Also, some stations are awaiting pacts with the Canadian and Mexican governments regarding border-crossing signals that are required before digital facilities can be completed, while others must still coordinate with cable/satellite providers to ensure their receipt of digital signals after analog signals cease. "I believe that a closer examination of the report's statistics reveal that there remain a number of hurdles for industry to overcome," said Sen Commerce Cmte chmn *Daniel Inouye* (D-HI), who remains concerned about Americans' transition awareness. "There is no one-size fits all message that will adequately educate consumers," he said. The House Commerce Cmte will hold on Jun 10 a hearing on the transition's status.

Cable Really Cares: Nice to see N'awlins Mayor *Ray Nagin* take the stage at Cable Show Tues to thank the industry for their volunteer efforts and PSA campaign to boost tourism. "This industry... has stepped up to help this city in a way that we haven't seen from any other industry," the mayor and former **Cox** gm said. Nagin thanked cable for bringing its annual show back to New Orleans, noting that business from conventions and events for '08 is on track to meet that of '04, a record year, and for its CableCares volunteer efforts. "We can not pay you back," he said.

Show Notebook: The highlight from Tues' regulatory panel featuring **FCC** staffers was the twice-repeated question: where is the FCC's 13th annual video competition report that was voted on by commissioners in Nov? The answer from the 4 FCC staffers, for the record, "We don't know." -- With tightening travel budgets, probably not too surprising to hear that Cable Show attendance numbers dipped from '07. No official figures had been released at press time, but attendance was expected to be just below 14K. The show drew about 15K last year in Vegas. Exhibitors were down slightly, with 379 companies in 183K net sq ft. -- **Cox** on Tues said it will add new brand icons to its "Your Friend in the Digital

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Age” brand. Dubbed the “Digis,” the icons will debut in June in a new advertising campaign depicting their release from an enormous hangar in an unidentified region. -- We couldn't be happier. The winner of **The Sportsman Channel's** Fish n' Chips grand prize was *Lisa Brown* of **Charter**; her prize is a fishing trip to Alaska, where her son is stationed with the US Army.

Competition: **DISH** and **NBCU** have teamed up to provide interactive trigger capabilities to NBCU's 14 TV nets and 10 TV stations, allowing DISH subs to use their remotes to request more information from advertisers about products featured on the properties.

Deals: **NBCU** has tapped **OpenTV** to power, centralize and manage interactive TV apps for its broadcast and cable nets across the Web, mobile devices and set tops. -- **American-Life TV** and social networking/e-commerce site **Boomj.com** have forged a strategic partnership involving cross promotions, program streaming video, 30-sec promo spots and shared subscriber promotions.

Online: **CNBC** has become the primary content provider for AOL's new money and finance video site at **Money.AOL.com/videos**, and will offer analysis and actionable investor info throughout the day. -- Select **IFC Films** content is now available through **Amazon Unbox**, which allows digital downloads to a PC, **TiVo** box or portable media players.

CableFAX Daily Stockwatch

Company	05/20 Close	1-Day Ch	Company	05/20 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
ARRIS GROUP:	8.02	(0.29)	ARRIS GROUP:	8.02	(0.29)
BRITISH SKY:	42.33	0.02	AVID TECH:	22.35	(0.19)
DIRECTV:	27.54	(0.23)	BIGBAND:	5.94	(0.24)
DISNEY:	34.09	(0.63)	BLNDER TONGUE:	1.20	(0.05)
ECHOSTAR:	35.30	0.60	BROADCOM:	26.23	(1.55)
GE:	31.72	(0.68)	C-COR:	11.00	0.00
HEARST-ARGYLE:	20.62	(0.51)	CISCO:	25.85	(0.52)
ION MEDIA:	1.45	0.00	COMMSCOPE:	52.19	0.38
NEWS CORP:	19.69	(0.17)	CONCURRENT:	0.67	0.00
MSOS					
CABLEVISION:	24.79	0.01	CONVERGYS:	16.00	(0.12)
CHARTER:	1.19	(0.02)	CSG SYSTEMS:	12.78	0.19
COMCAST:	21.90	(0.17)	ECHOSTAR HOLDING:	34.66	(0.99)
COMCAST SPCL:	21.63	(0.16)	GEMSTAR TVG:	4.41	0.00
GCI:	6.74	0.07	GOOGLE:	578.60	1.08
KNOLOGY:	14.78	(0.49)	HARMONIC:	8.74	0.06
LIBERTY CAPITAL:	15.02	(0.2)	JDSU:	11.61	(0.19)
LIBERTY ENTERTAINMENT:	26.80	(0.12)	LEVEL 3:	3.38	(0.1)
LIBERTY GLOBAL:	35.23	(0.21)	MICROSOFT:	28.76	(0.7)
LIBERTY INTERACTIVE:	16.63	(0.06)	MOTOROLA:	9.82	(0.38)
MEDIACOM:	5.53	(0.04)	NDS:	55.11	(0.34)
SHAW COMM:	21.80	(0.26)	NORTEL:	8.10	(0.03)
TIME WARNER CABLE:	30.22	(0.6)	OPENTV:	1.46	0.01
VIRGIN MEDIA:	14.75	(0.3)	PHILIPS:	39.13	0.28
WASH POST:	636.50	(18.49)	RENTRAK:	13.70	(0.04)
PROGRAMMING					
CBS:	23.12	(0.13)	SEACHANGE:	7.30	(0.19)
CROWN:	5.02	(0.06)	SONY:	48.74	(0.96)
DISCOVERY:	25.50	(0.31)	SPRINT NEXTEL:	9.27	0.00
EW SCRIPPS:	47.01	(0.43)	THOMAS & BETTS:	42.50	0.62
GRUPO TELEVISA:	26.61	(1.07)	TIVO:	8.72	(0.05)
INTERACTIVE CORP:	23.60	(0.33)	TOLLGRADE:	4.61	0.16
LODGENET:	6.40	(0.26)	UNIVERSAL ELEC:	24.26	0.43
NEW FRONTIER:	4.92	(0.03)	VONAGE:	1.78	(0.04)
OUTDOOR:	7.85	(0.01)	WEBB SYS:	0.05	0.00
PLAYBOY:	5.74	(0.19)	WORLDGATE:	0.30	0.00
TIME WARNER:	16.15	(0.26)	YAHOO:	27.48	(0.2)
VALUEVISION:	4.17	(0.05)	TELCOS		
VIACOM:	39.12	(0.01)	AT&T:	39.37	(1.14)
WWE:	16.46	0.14	QWEST:	4.64	(0.08)
TECHNOLOGY					
3COM:	2.50	0.02	VERIZON:	37.83	(1.27)
ADC:	14.83	(0.49)	MARKET INDICES		
ADVANTAGE:	3.68	(0.01)	DOW:	12828.68	(199.48)
ALCATEL LUCENT:	7.28	(0.13)	NASDAQ:	2492.26	(23.83)
AMDOCS:	31.73	(0.19)			
AMPHENOL:	46.45	(0.66)			
APPLE:	185.90	2.30			

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