

# CableFAX Daily™

Wednesday — July 16, 2008

What the Industry Reads First

Volume 19 / No. 136

## YouTube, WeTube: Despite Growth, Online Video Provides Few Answers

Irrespective of the various questions concerning online video provision and viewership—monetization, outlets, content, etc—one point is clear: Web watching is steadily growing. 3mln additional Web users viewed online video from Jan-May, according to **comScore**, upping the total to 142mln and leading to a 22% increase in the number of videos viewed over the 5-month span to 12bln. Over that same time period, however, the avg monthly viewership/user rose just 11% to 228min, or approx 7.6min/day—suggesting that, despite the recent proliferation of full TV eps online, short-form content still reigns in cyberspace. Indeed, what continues to work best online are “bite-sized morsels,” said *Bruce Leichtman* of **Leichtman Research**, who cautions content companies to treat the Web as a “different medium, not a replacement medium [for TV].” Testing this theory is **Hulu.com**, the **NBCU/News Corp** portal offering not only TV and movie clips, but numerous full eps and movies. The site hit comScore’s ranking of the top US online video properties (based on views) for the 1st time in May, garnering more than 88mln video views. That’s well shy of leader **Google’s** 4.21bln views, mainly on **YouTube**, yet begs the question whether surfers are increasingly interested in long-form Web content. Hulu declined to comment on usage data, saying only that it’s “excited about the promising numbers.” In a Tues blog, **HDNet’s Mark Cuban** argued that the Web is a poor substitute for TV, regardless of content length. “There is a lot of money being spent trying to turn Internet video into something it’s not. It’s not TV,” wrote Cuban at **BlogMaverick.com**. “There is no reason to re-invent TV over the net when TV distributed as TV works, and all the technology is in place to move video from the net to TV distribution networks.” Of course, companies such as **Sling Media**, **TiVo**, **Microsoft** and **DirectTV** already allow customers to view Web content on their TV screens through various tech. But Cuban goes a step further, arguing that Internet plays such as Hulu should provide their content through multichannel ops instead of via the Web. Recall that **Time Warner Cable** boss *Glenn Britt* has repeatedly warned content owners such as **CBS** about placing too much content online, lest they lose leverage in retrans talks. But risks from online video apply to content owners too, said Leichtman, including potential product devaluation. It’s all about “maximizing value,” he said, a universal formula for which has yet to be devised, adding to the great unknown of online video.

**Competition:** **FiOS TV** has begun its assault on WA, earning Mon night its 1st state franchise approval from the community of Lynnwood, where the telco plans to begin offering the service later this summer. -- **AT&T** has joined the **Microsoft Partner Solutions Center** to demonstrate its mobility technologies to Microsoft and other enterprise customers. The telco will develop and demonstrate solutions in the MSPC briefing centers and gains the ability to provide on-site customer briefings, design sessions, proof of concept engagements and training. -- **FiOS TV** has launched **The Jewish Channel On Demand** (\$5.99/month) nationally.

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**Googling a Compromise:** Google will turn over usage records related to its YouTube site to Viacom but won't disclose specific user names and IP addresses, according to a compromise struck Mon. Viacom last year sued Google for failing to stop the posting of copyrighted clips on the popular video posting site and requested viewing records. Earlier this month, the U.S. District Court for the Southern District of NY ordered Google to turn over a copy of its logging database to Viacom. The compromise struck Mon should allow Viacom to document which copyrighted material YouTube users are viewing while keeping the company from identifying or going after specific users. Some consumer advocates had raised privacy concerns over the prospect of including user names and IP addresses.

**VOD:** CBS College Sports Network is partnering with 23 providers including Time Warner Cable, Cox and Charter to deliver free on demand content dedicated to the Collegiate Nationals, an event featuring collegiate championship competitions in sports, such as beach volleyball and ultimate frisbee.

**Online:** CBSSports.com will stream live action from 3 holes during the 1st 2 rounds of the British Open (Thurs-Fri), and will offer related on demand videos such as highlights and course flyovers. -- The Disney Online network of sites attracted more than 30mln uniques in Jun, according to ComScore, eclipsing the group's historical monthly best from May by 6%. (For more details and analysis, go to [www.cablefaxcontentbusiness.com](http://www.cablefaxcontentbusiness.com)). -- Nat Geo has built a virtual room surrounding new series "L.A. Hard Hats" at Lively By Google, which allows customizable interaction among people. The show represents the 1st brand to use the new tech.

**Ratings:** USA's original series sizzled yet again last week, dominating the telecast medal stand and helping the net maintain its typical perch atop the net prime rankings with a 2.1/2.03mln. The 2nd-season premiere of "Burn Notice" (4.0/3.86mln) led cable, and was followed by "In Plain Sight" (3.9/3.76mln) and a fresh ep of "Law & Order: Criminal Intent" (3.9/3.65mln). A replay of "Camp Rock" (3.0/2.88mln) powered Disney Channel (1.9/1.83mln) to a 2nd-place tie with TNT (1.9/1.81mln), which continued to enjoy viewership fuel from NASCAR races (3.7/3.57mln). In each of the 6 weeks of TNT's race schedule, the races have been the top-ranked cable program among 25-54s and men 25-54. TBS (1.4/1.32mln) notched 4th, followed by Lifetime (1.3/1.23mln) and Fox News (1.3/1.18mln) in a tie for 5th. Other notable telecasts: Lifetime's "Army Wives" (3.0/2.89mln) and ABC Family's original movie "Picture This!" (3.1/2.96mln). **Brag Book:** The Mon night season premieres of TNT's "The Closer" and "Saving Grace" garnered a respective 7.81mln and 5.16mln total viewers. The former became ad-supported cable's #2 season premiere YTD among HHs (5.19mln). -- **Outdoor Channel's** Fri night block of fishing content (7pm-midnight) has delivered YTD a 77% increase in HH delivery. -- **Oxygen** enjoyed its highest-rated and most-watched week ever in prime (0.7) and total day (0.4), and among all key demos including 18-49s (303K) and women 18-49 (222K). -- **Comcast SportsNet's** coverage of the **Cubs** is averaging a 4.9/170K, up 53% YTD, and **White Sox** games on the net are averaging a 1.9/66K (+27%).

**Programming:** BETN and Marvel Animation are co-producing animated series "The Black Panther" (1Q), adapted directly from the **Marvel Comic**. -- **Retirement Living TV's** mag program "Viewpoint with *Lea Thompson*" (Fri) will examine topics such as medical marijuana and hospital infections. -- **Military Channel's** "Satellite Showdown" (Sun) chronicles **Operation Burnt Frost**, the US military's Feb mission to destroy a failed Natl Reconnaissance Office spy satellite.

**Emmys:** Nat Geo led cable with 12 News and Doc Emmy Awards noms, but top earner PBS (38), ABC (17),

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Source: Nielsen Media Research, Live Data, Prime M-Su 8p-11p, delivery percent change for W18-34, W18-49 and W25-54 from 2007 (4/2/07-6/24/07) to 2008 (3/31/08-6/22/08) among ad supported cable networks with universes of 65 million or more households and excluding sports networks, subject to qualification upon request.

# BUSINESS & FINANCE

CBS (17), and NBC (14) all received more. Other cable tallies: HBO/Cinemax (10), History (6), CNN (5), Current TV (3), Discovery Channel (3), Smithsonian Channel (3), HDNet (2), MSNBC (2), VH1 (2), Animal Planet (1), Discovery Times (1) and Oxygen (1). A pair of HDNet/PBS collaborations received noms.

**On the Circuit:** The keynote speaker at the **CTAM Summit** in Boston (Nov 9-11) will be *Jeffrey Rayport*, author of "Best Face Forward: Why Companies Must Improve Their Service Interfaces with Customers."

**People:** TNT named *Brett Weitz* vp, series development. -- Web media-to-TV provider **ActiveVideo Nets** tapped *Todd Nisbet* as svp, strategic relations. -- **NTN Buzztime** appointed *Peter Boylan* evp, sales. -- Cable vet *Sandi Castro* has joined **Big Fresh Pictures** as a consulting partner charged with structuring distribution deals for the co's TV/Web div.

**Business/Finance:** **Lehman Bros** analyst *Vijay Jayant* has reinitiated coverage of **Cablevision** with an "equal weight" rating and \$24 price target. -- **Goldman Sachs** has removed **AT&T** from its "America's Conviction Buy List," citing near-term pressures such as seasonal 2Q woes and EPS revisions. GS maintained its "buy" rating on the telco's shares, but lowered its 12-month target price to \$42.

## CableFAX Daily Stockwatch

Company	07/15 Close	1-Day Ch	Company	07/15 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BROADCASTERS/DBS/			AMDOCS:	28.72	0.07
BRITISH SKY:	33.68	(0.59)	AMPHENOL:	44.59	(0.12)
DIRECTV:	25.92	0.43	APPLE:	169.64	(4.24)
DISNEY:	29.43	0.33	ARRIS GROUP:	7.89	0.34
ECHOSTAR:	27.15	0.46	AVID TECH:	18.22	1.20
GE:	26.65	(0.53)	BIGBAND:	4.03	0.03
HEARST-ARGYLE:	18.92	(0.66)	BLNDER TONGUE:	1.10	(0.02)
ION MEDIA:	1.44	0.00	BROADCOM:	28.94	1.17
NEWS CORP:	14.44	0.02	C-COR:	11.00	0.00
<b>MSOS</b>					
CABLEVISION:	19.67	0.19	CISCO:	21.04	(0.26)
CHARTER:	1.01	0.02	COMMSCOPE:	49.30	0.36
COMCAST:	18.41	0.12	CONVERGYS:	14.00	(0.31)
COMCAST SPCL:	18.26	0.13	CSG SYSTEMS:	15.44	2.68
GCI:	7.88	0.00	ECHOSTAR HOLDING:	30.87	0.39
KNOLOGY:	10.27	(0.19)	GOOGLE:	516.09	(5.53)
LIBERTY CAPITAL:	15.09	(0.08)	HARMONIC:	9.39	(0.05)
LIBERTY ENTERTAINMENT:	23.61	0.31	JDSU:	10.61	0.13
LIBERTY GLOBAL:	29.32	(0.25)	LEVEL 3:	2.77	(0.08)
LIBERTY INTERACTIVE:	12.99	0.08	MICROSOFT:	26.15	1.00
MEDIACOM:	4.91	(0.16)	MOTOROLA:	6.76	(0.04)
SHAW COMM:	21.22	0.37	NDS:	57.35	(1.15)
TIME WARNER CABLE:	26.08	0.63	NORTEL:	6.43	(0.02)
VIRGIN MEDIA:	11.10	(0.6)	OPENTV:	1.51	0.04
WASH POST:	575.56	2.06	PHILIPS:	32.62	(0.08)
<b>PROGRAMMING</b>					
CBS:	17.09	0.23	RENTRAK:	13.79	(0.15)
CROWN:	3.84	(0.3)	SEACHANGE:	6.61	0.01
DISCOVERY:	21.18	0.02	SONY:	40.38	0.06
EW SCRIPPS:	3.20	(0.19)	SPRINT NEXTEL:	9.04	0.78
GRUPO TELEVISA:	22.30	0.17	THOMAS & BETTS:	33.65	0.24
INTERACTIVE CORP:	17.34	(0.28)	TIVO:	7.18	0.21
LIBERTY:	43.77	(1.01)	TOLLGRADE:	4.57	(0.13)
LODGENET:	2.90	(0.31)	UNIVERSAL ELEC:	19.74	(0.31)
NEW FRONTIER:	3.84	0.22	VONAGE:	1.51	0.02
OUTDOOR:	6.76	0.10	WEBB SYS:	0.04	0.00
PLAYBOY:	4.52	(0.17)	WORLDGATE:	0.30	0.00
RHI:	12.57	(0.43)	YAHOO:	21.54	(1.03)
SCRIPPS INTERACTIVE:	40.40	(0.61)	<b>TELCOS</b>		
TIME WARNER:	13.92	(0.02)	AT&T:	31.95	(0.42)
VALUEVISION:	2.94	(0.06)	QWEST:	3.54	(0.15)
VIACOM:	28.15	(0.11)	VERIZON:	35.04	0.16
WWE:	15.22	(0.28)	<b>MARKET INDICES</b>		
<b>TECHNOLOGY</b>					
3COM:	1.86	(0.14)	DOW:	10962.54	(92.65)
ADC:	13.28	(0.17)	NASDAQ:	2215.71	2.84
ADDVANTAGE:	2.80	0.01			
ALCATEL LUCENT:	5.34	(0.01)			

Wednesday, July 23, 2008  
1:30-3:00 pm (ET)

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Senior Fellow, The Cable Center, University of Denver
- Joanne Wolf**  
Director, Customer Care, Time Warner Cable
- Pamela Clifton**  
President, RPM Frontline Solutions

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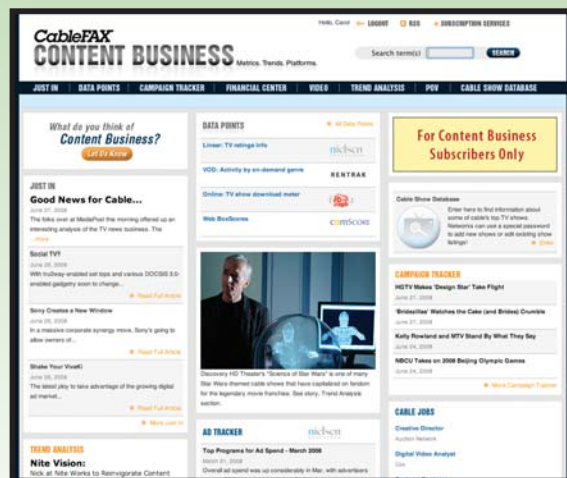
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