

# CableFAX Daily™

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What the Industry Reads First

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## Mag Rack: Cable Nets Getting More Than Glossy Pages from Publishing Deals

Amid pervasive atrophy in the magazine industry, cable networks are spawning some of the hottest publications on the stand. For networks, that means burgeoning brand extension, a meatier online presence and integrated advertising nirvana. "We want to have a 360-degree relationship with viewers, and the magazine gives us that ability," says *Ron Feinbaum*, svp/gm of licensing and merchandising for the **Scripps Home** category. "Whether our head of marketing can use *HGTV Magazine* to promote future shows, or ad sales can work with Hearst to create multiplatform sales opportunities, the opportunities are truly endless." **Scripps Nets** is the current poster child for successful magazine spinoffs. Its 50/50 ventures with **Hearst Magazines**—*Food Network Magazine* and *HGTV Magazine*—are among the fastest-growing publications in their respective categories. *HGTV Magazine*, which launched with 2 test issues in Oct '11 and Jan '12, will undergo a rate base increase to 700K copies from 450K effective with the Jan/Feb 2013 issue, to be followed by another increase to 800K in July '13. Sister *Food Network Magazine*, launched in 2009, will also hike its rate base twice in the coming year. The Jan/Feb 2013 issue will see a rise from 1.45mln to 1.5mln, followed by another increase to 1.55mln. Other nets with complementary publications include **OWN**, which launched more than a decade after 12-year-old *O: The Oprah Magazine*, also published by Hearst. When Oprah Winfrey relaunched her book club in June as Oprah's Book Club 2.0, her magazine ran a feature with Winfrey's interview with author *Cheryl Strayed* and put extensive complementary content online. Winfrey's interview with *Strayed* will air on the July 22 episode of recent daytime Emmy winner "Super Soul Sunday." "It was the magazine's idea to bring back the Book Club, and it's worked really well," says **OWN** and **Harpo Studios** pres *Erik Logan*. But he's quick to remind, "The network is not O mag and O mag is not the network." If an integration occurs between the network and any platform, "the most important thing is that it is very organic and natural, and serves both parties," he says. *HGTV* execs recently approached Hearst to brainstorm about heightening buzz on its highest-rated series, "Design Star." The result? A "Design Star" feature in the upcoming issue, the addition of magazine editor Sara Peterson as a guest judge on the series in mid-July and a magazine spread for the winner of the segment Peterson helps judge. "It's a great way of extending out the 'Design Star' platform," Feinbaum says. While it's hard to connect direct dots between magazine subs and network viewers, the duopoly is shaping up to be a windfall for advertising deals. *HGTV*

## Corporate Licenses

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Magazine publisher *Dan Fuchs* says the advertising departments at magazine and networks are in “constant communication” about offering potential clients exposure on-air, in print and in the digital realm. In Sept, the first integrated advertorial program that sends magazine readers to the HGTV.com Website will debut, Fuchs says. October will see the first of several 360-degree TV, print and online integrations for a brand that “really supports the brand on all platforms,” he says. “When you’re dealing with a cable network, syndicated show and magazine and talking with a particular brand, inevitably the sales teams end up talking to one or two of the same people,” Logan says of the Winfrey dynasty. “Usually what happens is they say, ‘Hey, if I do XY and Z, can I get ABC with it. It’s really organic on the sales side as well. We aren’t trying to force it.’” Fuchs notes while HGTV Magazine’s subscription base largely comprises network viewers, its growing newsstand presence is funneling fans the other way. “There’s potentially a different reader who gets HGTV on the newsstand,” he says. “They may watch occasionally, but the magazine can help them really understand and respect the brand and that’s where we’re building a new segment of readers and potentially viewers.” – *Cathy Applefeld Olson*

**Retrans:** Nexstar on Fri filed an emergency petition at the **FCC** for injunction and sanctions over **Time Warner Cable** and **Bright House**’s importation of its broadcast signals in **Hearst** markets. The broadcaster is arguing that TWC and Bright House have violated FCC rules by not notifying customers at least 30 days prior that it would be deleting applicable in-market Hearst stations and replacing them with **WBRE, WTOO** and **WROC**. Nexstar made a similar FCC filing in Dec ’10 after TWC replaced blacked out **Mission** stations with Nexstar signals. That petition remains pending with the FCC. TWC claimed in response to the ’10 petition that notification isn’t required. Meanwhile, the 1 Hearst station Time Warner Cable didn’t lose on July 10 went dark for the MSO Fri morning. Hearst had allowed TWC to temporarily offer **WISN**, the **ABC** affil out of Milwaukee, because of its agreement to provide the signal to **Charter** in WI. However, Hearst has now established a direct feed of its signal for Charter’s outer Milwaukee DMA. At our deadline Fri, TWC was without 15 Hearst stations (**Bright House** lost the Hearst-owned ABC affil in Orlando). -- As **Cfax** previously reported, **Sen Commerce** is slated to hold a hearing on July 24 (**Cfax**, 7/11), though a spokesman said it would be broader than retrans, focusing on the ’92 Cable Act. Still, it’s a safe bet given the expected list of cable and broadcast witnesses that there will be plenty of retrans back and forth. Pop some popcorn!

**DirecTV-Viacom:** Nothing like a programming battle with **Viacom** to speed along a competitor’s channel launch. **DirecTV** had intended to launch preschool channel **Disney Junior** at some point. But things changed pretty quickly after it has been without **Nick** and **Nick Jr** since about 11:50 pm ET Tues. DirecTV said it would add the 24/7 Disney offering to its basic lineup Sat. In making the announcement, DirecTV’s *Derek Chang* proclaimed, “When it comes to children and families, nobody has the tremendous programming to compare with Disney.” (We’ll make sure to check back on that statement if DirecTV and Disney ever have a programming standoff...) As for Viacom, the 2 continued to have active discussions about a renewal Fri. And active tweets. Viacom wrote on **Twitter**, “It’s actually Day 3. More fuzzy numbers from DirecTV! RT @DirecTV: We can’t believe it’s now Day 4.” The DBS provider has shifted messaging to focus on complaints that Viacom is making kids cry by taking away their favorite programs. “Moms and dads are already fed up with Viacom using *SpongeBob* and *Dora* to frighten their children,” read DTV’s latest statement. “And Viacom’s full-page newspaper ads featuring *Jon Stewart* and *Steven Colbert* talking about ‘people’s freedom’ fell completely flat when Viacom themselves shut down both TV and Internet access to those very same shows.” Bets on how much longer this will last?

**At the Portals:** The DC Circuit Fri upheld the **FCC**’s decision to overhaul USF to help fund broadband. The **Rural Cellular Association** and the **Universal Service for America Coalition** challenged the order, contending that they were entitled to the relinquished funds. The court rejected their arguments and affirmed the FCC’s order in its entirety. The court’s decision ensures that the FCC will continue to “use funds on hand to rapidly implement the Connect America Fund...” without increasing contributions paid by consumers and businesses, chmn *Julius Genachowski* said. -- The **FCC** will consider a NPRM related to cable TV technical and operational requirements during its Aug 3 open meeting, according to the tentative agenda. The NPRM seeks to update the cable rules to facilitate the widespread transition from analog to DTV.

**People:** Former **Disney Channels Worldwide** pres *Carolina Lightcap* was named head of content for **Discovery Nets Latin America/US Hispanic** and gm for the Southern Cone, effective Aug 13. She’ll be based in Buenos Aires. *Gary Marsh* replaced Lightcap as the head cheese as Disney Channels in Sept. Previously, Lightcap was heading **Walt Disney Company, Latin America**.

**CableFAX Week in Review**

Company	Ticker	7/13 Close	1-Week % Chg	YTD %Chg
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BROADCASTERS/DBS/MMDS				
DIRECTV:	DTV	48.32	(1.87%)	13.00%
DISH:	DISH	27.33	(4.27%)	(4.04%)
DISNEY:	DIS	48.19	0.31%	28.51%
GE:	GE	19.77	(5.13%)	10.39%
NEWS CORP:	NWS	22.11	(1.16%)	21.62%

MSOS				
CABLEVISION:	CVC	13.10	(1.65%)	(7.88%)
CHARTER:	CHTR	72.87	1.10%	27.98%
COMCAST:	CMCSA	31.87	1.63%	34.42%
COMCAST SPCL:	CMCSK	31.36	1.65%	33.11%
GCI:	GNCMA	10.01	11.35%	2.25%
KNOLOGY:	KNOL	19.73	0.31%	38.94%
LIBERTY GLOBAL:	LBTYA	50.32	(1.08%)	22.64%
LIBERTY INT:	LINTA	17.91	0.79%	10.42%
SHAW COMM:	SJR	19.68	2.50%	1.60%
TIME WARNER CABLE:	TWC	83.46	1.66%	31.29%
VIRGIN MEDIA:	VMED	24.74	0.73%	15.72%
WASH POST:	WPO	355.65	(3.49%)	(5.62%)

PROGRAMMING				
AMC NETWORKS:	AMCX	42.59	10.28%	13.33%
CBS:	CBS	31.29	(3.9%)	15.29%
CROWN:	CRWN	1.73	14.57%	42.98%
DISCOVERY:	DISCA	50.39	(4.58%)	22.99%
GRUPO TELEVISIA:	TV	21.89	2.24%	3.94%
HSN:	HSNI	42.60	4.21%	17.48%
INTERACTIVE CORP:	IACI	46.55	(0.06%)	9.27%
LIONSGATE:	LGF	14.54	(1.09%)	74.76%
LODGENET:	LNET	1.28	(6.57%)	(46.44%)
NEW FRONTIER:	NOOF	1.59	(1.54%)	54.85%
OUTDOOR:	OUTD	7.24	(0.55%)	(2.95%)
SCRIPPS INT:	SNI	54.96	(1.82%)	29.56%
TIME WARNER:	TWX	38.19	(1.04%)	5.67%
VALUEVISION:	VVTV	2.34	(0.43%)	24.47%
VIACOM:	VIA	49.19	(3.78%)	(7.76%)
WWE:	WWE	7.81	0.00%	(16.2%)

TECHNOLOGY				
ADVANTAGE:	AEY	2.10	2.44%	0.00%
ALCATEL LUCENT:	ALU	1.43	(12.27%)	(8.33%)
AMDOCS:	DOX	29.80	0.00%	4.45%
AMPHENOL:	APH	52.08	(2.69%)	14.74%
AOL:	AOL	27.52	(3.1%)	82.25%
APPLE:	AAPL	604.97	(0.15%)	49.38%
ARRIS GROUP:	ARRS	13.84	(0.36%)	27.91%
AVID TECH:	AVID	7.70	(5.98%)	(9.73%)
BLNDER TONGUE:	BDR	1.20	16.50%	(1.64%)
BROADCOM:	BRCM	31.02	(4.76%)	5.65%
CISCO:	CSCO	16.31	(2.74%)	(9.79%)
CLEARWIRE:	CLWR	1.10	0.00%	(43.3%)
CONCURRENT:	CCUR	4.02	(4.51%)	6.07%
CONVERGYS:	CVG	14.69	(1.74%)	15.04%
CSG SYSTEMS:	CSGS	17.56	(1.07%)	19.37%
ECHOSTAR:	SATS	25.98	(8.39%)	24.07%
GOOGLE:	GOOG	576.52	(1.61%)	(10.74%)
HARMONIC:	HLIT	4.01	(4.07%)	(20.44%)

Company	Ticker	7/13 Close	1-Week % Chg	YTD %Chg
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INTEL:	INTC	25.25	(3.48%)	4.12%
JDSU:	JDSU	9.00	(14.93%)	(13.79%)
LEVEL 3:	LVLTL	20.12	(2.42%)	18.42%
MICROSOFT:	MSFT	29.39	(2.62%)	13.21%
RENTRAK:	RENT	20.40	(0.39%)	42.86%
SEACHANGE:	SEAC	8.07	3.20%	14.79%
SONY:	SNE	12.66	(7.18%)	(29.82%)
SPRINT NEXTEL:	S	3.33	2.15%	42.31%
TIVO:	TIVO	8.07	(2.3%)	(10.03%)
UNIVERSAL ELEC:	UEIC	13.97	1.82%	(17.19%)
VONAGE:	VG	1.90	1.06%	(22.45%)
YAHOO:	YHOO	15.74	(0.25%)	(2.42%)

TELCOs				
AT&T:	T	35.35	(0.25%)	16.90%
VERIZON:	VZ	45.21	1.78%	12.69%

MARKET INDICES				
DOW:	DJI	12777.09	0.04%	4.58%
NASDAQ:	IXIC	2908.47	(0.98%)	11.64%
S&P 500:	GSPC	1356.78	0.16%	7.89%

**WINNERS & LOSERS**

THIS WEEK'S STOCK PRICE WINNERS		
COMPANY	CLOSE	1-WK CH
1. BLNDER TONGUE:	1.20	16.50%
2. CROWN:	1.73	14.57%
3. GCI:	10.01	11.35%
4. AMC NETWORKS:	42.59	10.28%
5. HSN:	42.60	4.21%

THIS WEEK'S STOCK PRICE LOSERS		
COMPANY	CLOSE	1-WK CH
1. JDSU:	9.00	(14.93%)
2. ALCATEL LUCENT:	1.43	(12.27%)
3. ECHOSTAR:	25.98	(8.39%)
4. SONY:	12.66	(7.18%)
5. LODGENET:	1.28	(6.57%)

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