

CableFAX Daily™

Wednesday — July 23, 2008

What the Industry Reads First

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Sneak Peek: CTAM Looks at Consumer Usage of All Things Cable

It's July. It's hot. It must be time for **CTAM Summit**. But wait! The marketing association took mercy on us and moved its big conference to Nov 9-11 in Boston. Still, some may feel like something's missing. July with no Summit? So, CTAM held a free Webcast Tues to tease us with new research. On the HD front, it was good to see that 45% of those surveyed in CTAM's Co-Op study said they make it a point to watch HD programs most of the time. The bad news? Of the 35% of respondents with HDTVs, only 41% subscribed to HD programming. CTAM also looked at how VOD usage has increased, with viewing of paid content climbing to 55% last year from 46% in '05. Viewing of free content jumped to 71% from 49% during that period. During the Webcast, CTAM chief *Char Beales* asked the panel of marketers/Summit speakers present if the VOD numbers were high enough. Consultant *Lee Hunt* said the much needed answer is improved search navigation, while Discovery vp, digital media distribution *Rebecca Glashow* talked up the importance of combining VOD with linear and doing it consistently so viewers will return to both platforms. One especially startling finding from the study: 68% of adults say they'd rather have a TV than the Internet, but only 34% of kids made the same choice. That stat led Hunt to muse that he worries about the day when kids want to get all their programming from video game consoles. "How does a **Cablevision** box or a **Time Warner** box compete with the coolness of an **Xbox** or **Playstation**?" he asked. But Glashow said the fragmented environment of the Internet would make it hard for someone using a game console to figure out what they want to watch. The CTAM study found that DVR ownership was up 11% to 33% in '07 from '05, leading to yet another discussion on how advertisers cope with the device. Hunt pointed to research suggesting that people who fast-forward through commercial breaks can actually recall a lot of the commercials. "It sort of makes sense. When you're fast-forwarding through a break, you're leaning in and paying a lot of attention," he said. Another DVR solution is to make your spots creative and entertaining, said *Jonathan Hargis*, Cablevision svp, marketing & advertising, pointing to a CVC triple-play commercial that's netted thousands of views on YouTube. -- Meanwhile, CTAM on Tues announced that *Cam-mie Dunaway*, evp, sales & marketing at **Nintendo**, will be a keynote at the Summit.

Lobbying Shuffle: NCTA was mum on reports that svp, govt relations *Steve Vest* will leave the trade group to fill a senior lobbying job at **Time Warner Inc**, as reported by our pal *Teddy Ballgame* late Tues. Official word is expected Wed.

On the Hill: US Telecom Assn svp *Jonathan Banks* was in the hot seat Tues as House telecom subcommittee chmn *Ed Markey* (D-MA) pondered why it supposedly takes telcos up to 4 days to port telephone numbers when voice customers switch to competitors like cable. He noted that the wireless divisions of the same telcos can port numbers within 2 hours. "It's all the same people," he said. "Why can't they figure out how to cut it down?" Banks said it usually doesn't take 4 days but added that wireless units' more modern systems are the "envy" of their wireline compatriots; Markey joked that slow porting was perhaps "revenge" directed at the wireless side for stealing wireline customers. Meanwhile, **Comcast Cable**

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Source: Simmons 2007 Custom Prototype

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svp/gm, voice services *Cathy Avgiris* said slow number porting is one of many telco tactics, arguing that "as more consumers choose Comcast, the incumbents become more creative in developing roadblocks to competition." Also at the hearing was plenty of wonky talk about streamlining the **FCC** forbearance rules, a primary goal of Markey's bill.

Advertising: Impulse buyers beware! **TiVo** teamed up with **Amazon** to allow customers to purchase products from Amazon.com using their TiVo remotes. Advertisers will be able to market products sold through Amazon on any broadcast/cable network, a show or via any of TiVo's interactive ad features. For example, if a guest on **Comedy Central's** "Daily Show" has a book, a customer could purchase it on Amazon using their remote, whether the show was live or recorded.

Network Management: **Comcast** in an **FCC** filing accused **Free Press** of making inaccurate allegations about the MSO's network management. Comcast said current practices manage less than 10% of P2P uploads, with only 6-7% of customers use P2P applications in an average week. "Comcast's network management practices are not discriminatory and are entirely agnostic as to the content being transmitted, where it is being sent from or to, or the identity of the sender or receiver," the MSO told the FCC, saying its service agreements have always disclosed that it managed the network.

Carriage: **Time Warner Cable** Brooklyn, Queens and Staten Island will get 4 new HD channels on Wed: **Biography HD**, **Starz Edge HD**, **Starz Kids & Family HD** and **Starz Comedy HD**. DTV en Espanol customers will now get **Ec-uavisa**, **Telemicro** and **WAPA America**. Soccer net **GOL TV** will be available to customers Aug 6. Later this month, the MSO will add a free "News & World" channel featuring **CNN** programming.

In the States: **Comcast's thePlatform** will provide its online video management service to **Time Warner Cable**, aggregating and publishing video content and advertising for TW's Road Runner portal. -- **WWE** subsidiary **WWE Films** is changing its name to **WWE Studios** to better reflect projects under it (films, series and reality programming, etc).

Ratings: **USA's** Season 7 Fri premiere of "Monk" notched a 4.2 HH rating/5.6mln total viewers. "Psych" also returned for a new season Fri, scoring a 3.6 HH rating. USA had 5 original series on the air last week, including "In Plain Sight," which beat out **ABC** and **CBS** in its timeslot for 25-54s. The week's highest-rated cable telecast went to **ESPN's** Home Run Derby coverage Mon (6.4 HH rating), with **TNT's** "The Closer" once again drawing big numbers (6.2 HH rating). USA won the week (2.3 HH rating/2.25mln HHs), followed by **Disney** (1.9/1.8mln), **TNT** (1.8/1.77mln), **ESPN** (1.6/1.5mln), **Nick at Nite** (1.4/1.37mln) and **Fox News** (1.4/1.26mln). **Brag Book:** **YES** said its Yankees telecast ratings for the 1st half of the season are the highest ever for a NY-based RSN, averaging a 4.52 TV HH rating (435K total viewers) in the NY DMA.

Marketing: **IFC** launched a competition asking for original short films to interpret songs on McCoury Music's new album "Moneyland." Fans can submit films at www.LivinginMoneyLand.com. The winner gets exposure on IFC and IFC.com.

DTV Doings: **CEA** will give more than 100 digital converters to residents in long-term care facilities in Wilmington, NC, which transitions to all-digital broadcasting 5 months ahead of the Feb 17 nationwide conversion. The boxes, which will be for residents who don't subscribe to pay TV, are provided by CEA members **Best Buy**, **EchoStar** and **LG Electronics**.

Internet Safety: **Cox** held its 3rd annual summit on Internet safety in DC Tues, with 16 teens from Cox communities nationwide participating. This year's event focused on the behavior of tweens. A Cox survey of the age group found that 90% of tweens have used the Net by the time they are 9 years old. Most spend 1-2 hours/day online, but 1 out of 10 spend



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* Source: Simmons National Consumer Study Fall 2005 vs. Fall 2007. Read: "The number of Adults 55+ who have a cable modem at home has grown +45% in the last 2 years, while Adults 18-54 show only 24% growth in this area."

BUSINESS & FINANCE

more than 3 hours/day. Of the 28% of tweens who have been contacted online by a stranger, 18% didn't tell anyone about it and 11% have chatted with the unknown person. The tweens head to Capitol Hill Wed to meet with members of Congress.

Honors: Former **NBC News** DC bureau chief and **MSNBC/CNBC** contributor *Tim Russert* will receive a Lifetime Achievement award at the News & Documentary Emmy Awards, Sept 22. **CBS'** *Bob Schieffer* and **PBS** documentarian *Ken Burns* will also receive the honor.

On the Circuit: **ESPN Radio's** "Don't Give Up ESPYs V Foundation Auction" raised a record \$1.13mln for cancer research—up 323% from the 1st auction 4 years ago. -- **Comcast** and the **Rock the Vote** campaign have teamed up to encourage young people and minorities to vote in the upcoming presidential election. The partnership will involve the use of PSAs on Comcast's networks, as well as online material.

People: **Cable in the Classroom's** *Frank Gallagher* was recently appointed to the **National PTA's** board.

Business/Finance: **S&P** is maintaining a "buy" on **Verizon** shares. Ahead of the telco's full 2Q report next week, its majority owned **Verizon Wireless** announced that it added 1.5mln net subs in 2Q. That number likely keeps VZ as the industry leader in customer growth, S&P said.

CableFAX Daily Stockwatch

Company	07/22 Close	1-Day Ch	Company	07/22 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	36.07	(0.57)	ADC:	13.37	0.24
DIRECTV:	26.48	(0.44)	ADVANTAGE:	2.76	(0.02)
DIRECTV:	30.41	(0.08)	ALCATEL LUCENT:	5.96	(0.04)
ECHOSTAR:	28.17	0.06	AMDOCS:	29.25	(0.54)
GE:	28.50	0.81	AMPHENOL:	49.35	(1.43)
HEARST-ARGYLE:	19.43	0.38	APPLE:	162.02	(4.27)
ION MEDIA:	1.44	0.00	ARRIS GROUP:	9.01	0.39
NEWS CORP:	14.41	0.08	AVID TECH:	20.29	1.28
MSOS					
CABLEVISION:	21.65	0.12	BIGBAND:	4.16	0.16
CHARTER:	1.14	0.10	BLNDER TONGUE:	1.05	(0.05)
COMCAST:	19.83	0.07	BROADCOM:	27.64	0.20
COMCAST SPCL:	19.68	0.06	C-COR:	11.00	0.00
GCI:	8.61	0.27	CISCO:	21.90	0.06
KNOLOGY:	11.43	0.52	COMMSCOPE:	53.28	3.35
LIBERTY CAPITAL:	15.53	0.16	CONCURRENT:	6.30	0.00
LIBERTY ENTERTAINMENT:	23.96	(0.62)	CONVERGYS:	14.08	0.09
LIBERTY GLOBAL:	29.52	(0.33)	CSG SYSTEMS:	15.51	0.26
LIBERTY INTERACTIVE:	13.88	0.39	ECHOSTAR HOLDING:	32.15	(0.06)
MEDIACOM:	5.77	0.30	GOOGLE:	477.11	8.31
ROGERS COMM:	42.97	0.00	HARMONIC:	9.46	(0.07)
SHAW COMM:	22.42	(0.1)	JDSU:	11.16	0.17
TELEWEST:	24.20	0.00	LEVEL 3:	3.13	0.24
TIME WARNER CABLE:	26.52	(0.25)	MICROSOFT:	25.80	0.16
VIRGIN MEDIA:	11.90	0.34	MOTOROLA:	7.41	0.23
WASH POST:	600.50	1.51	NDS:	57.52	0.09
PROGRAMMING					
CBS:	17.30	0.53	NORTEL:	6.91	0.00
CROWN:	4.26	0.18	OPENTV:	1.71	(0.06)
DISCOVERY:	21.28	0.05	PHILIPS:	35.34	0.45
EW SCRIPPS:	8.85	0.26	RENTRAK:	14.05	(0.03)
GRUPO TELEVISIA:	23.67	(0.23)	SEACHANGE:	6.99	0.08
INTERACTIVE CORP:	18.19	0.47	SONY:	41.50	0.08
LIBERTY:	44.11	0.61	SPRINT NEXTEL:	8.42	(0.16)
LODGENET:	3.31	0.52	THOMAS & BETTS:	38.78	1.63
NEW FRONTIER:	3.19	(0.07)	TIVO:	7.63	0.09
OUTDOOR:	6.85	0.14	TOLLGRADE:	4.30	(0.2)
PLAYBOY:	4.65	0.10	UNIVERSAL ELEC:	23.01	1.26
RHI:	12.77	(0.02)	VONAGE:	1.59	0.02
SCRIPPS INTERACTIVE:	39.09	0.78	WEBB SYS:	0.03	0.00
TIME WARNER:	14.51	0.15	WORLDGATE:	0.30	0.00
UNIVISION:	36.23	0.00	YAHOO:	21.40	(0.27)
VALUEVISION:	3.15	0.06	TELCOS		
VIACOM:	29.88	0.16	AT&T:	31.82	(0.01)
WWE:	16.62	0.43	QWEST:	3.76	0.00
TECHNOLOGY					
3COM:	1.97	0.00	VERIZON:	34.68	(0.47)
MARKET INDICES					
DOW:				11602.50	135.16
NASDAQ:				2303.96	24.43

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

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