

CableFAX Daily™

Wednesday — August 20, 2008

What the Industry Reads First

Volume 19 / No. 161

Mystery Shopper: DTV Details Still Fuzzy

Despite countless DTV transition news conferences, workshops, press statements, studies, Websites and so forth, misinformation is still trickling out to consumers. With much of Washington enjoying the last couple weeks of summer vacation and the **FCC** just announcing plans to hyper-target 81 markets with DTV education efforts, **Cfax** decided it was probably a good time to dust off its mystery shopper guise and hit our neighborhood **Best Buy**. The scenario we presented was simple: We were an antenna-only home unsure about what exactly we needed to do to prepare for the digital transition. A salesman at the Rockville, MD, store approached us immediately and when we explained our problem, he ushered us over to a display of **Insignia** digital-to-analog converter boxes. Best Buy also has a few **Apex** boxes in stock, but we had to ask to learn about them. Both boxes retail for about \$60, and the sales associate told us we could get a \$40 coupon for the boxes if we visited the Website printed on the box. Could we get more than one coupon? "Yes, I think so," he said. "Could we get 3? Because we have 3 TVs," we pushed. "I think so," he wrongly informed us, since the government has limited the number to 2 per HH. Still, he hedged the incorrect information and told us we'd have to check the Website to be sure. What was a glaring error—and something that should grab cable operators' attention—was his response to whether subscribing to cable would solve our DTV woes. He told us we would have to subscribe to digital cable. We checked with him twice to make sure we heard him correctly. Yup, it had to be digital, he said. The moral of the story mirrors what the FCC and industry players have been saying for months: people know about the Feb 17 transition, but they don't have all the details down pat. While our salesman did a good job explaining to us the difference between digital and analog signals and the Feb cutoff, it surprised us that Best Buy—or at least this particular sales associate—didn't have any sort of handout that we could take with us (especially something with the DTV coupon application Website/phone number on it).

From Aspen: With a simple consumer interface, a differentiated product and technology that appears seamless to consumers, a cable-backed wireless product could gain 20 percent share of the wireless market, **Cox's Pat Esser** said during the **Progress and Freedom Foundation's Aspen Summit** in CO Tues, according to a story that will appear in Wed's *Morning BRIDGE*. On the public policy front, Esser hinted at his concern about the potential for a govt-backed program arbitration effort targeting the cable business. More on the Aspen Summit in the SkyFILES blog at www.mediabiz.com.

Competition: **DirectTV** will launch **The Inspiration Net** nationwide on Aug 27, growing the channel's distribution to approx 41mln HHs. -- **FiOS TV** has bowed **WFN: World Fishing Net HD** in NYC. -- **Voxofon** has emerged as a new VoIP player, offering no-fee intl calling services beginning a 1.3 cents/min. The service works on Windows and Linux systems with a Java app.

In the Courts: The **Electronic Frontier Foundation** has asked a federal court to reject **EchoStar's** efforts to get

TENNIS CHANNEL

We **serve** the best deal

No rate increase since our launch
 All 4 Grand Slams including the 2009 US Open
 3000 hrs. of live, world-class tournaments a year
 Over 750 hours in HD
 Ranked #1 in HH income*

Presented in **HD**

tennischannel.com

Source: Simmons 2007 Custom Prototype

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● fax:301/738-8453 ● Editor-in-Chief: Amy Maclean, 301/354-1760, amaclean@accessintel.com ● Exec Editor, Michael Grebb, 301/354-1790, mgrebb@accessintel.com ● Assoc Editor, Chad Heiges, 301/354-1828, cheiges@accessintel.com ● Asst VP, Ed Director, Seth Arenstein, 301/354-1782, sarenstein@accessintel.com ● Publisher: Debbie Vodenos, 240/753-5696, dvodenos@accessintel.com ● Advertising Mgr: Erica Gottlieb, 212/621-4612 ● Marketer: Doreen Price, 301/354-1793, dprice@accessintel.com ● Marketing Director: Carol Bray, 301/354-1763, cbray@accessintel.com ● Prod: Joann Fato, 301/354-1681, cdaily@accessintel.com ● Diane Schwartz/VP and Group Publisher ● Paul Maxwell/Columnist.Subs/Client Services: 301/354-2101, fax 301/309-3847 ● Group Subs: Angela Gardner, 757/531-1369, cfaxgroupsub@accessintel.com

the names and addresses of every customer that purchased a free-to-air satellite receiver. While EchoStar claims the receiver can be modified to receive pirated **DISH Network** programming, EFF claims the request violates user privacy and impacts all purchasers, whether they pirated DISH or not.

Research: Interactive and overlay ads are top ad performers online, according to data from **Break Media** and **Panache**. Participants in the pair's study of ad usage at **Break.com** included **Honda** and **T-Mobile**, and results showed the following: click-thru rates for interactive pre-roll ads were between 11% and 35% higher than non-interactive pre-roll, depending on the call to action; 77% of users viewed campaigns with an overlay ad for at least 15 sec and click-thru rates were 5x industry averages for standard in-page media; and click-thru rates were 4x as high when the entire ad was clickable versus just the call to action.

Online: **CartoonNetwork.com** pressed the play button Tues on "Ben 10 Alien Force: Bounty Hunters," the site's 1st game to allow 8 simultaneous players. Ben 10 games hold 6 spots on the site's top-10 most popular games list, including the top 3 positions.

Technology: **Digeo's** latest **Moxi** HD DVR will integrate a switched digital solution from **BigBand**. The solution, interoperable with 5 EPGs, has integrated, or is in the process of integrating, in **Motorola** and **Cisco** conditional access systems.

Ratings: **ESPN's** already behind last year's **NFL** preseason ratings avg through 2 games, although 1 of those telecasts performed quite well considering the competition. 4 games on the sports giant in Aug '07 averaged a 3.93/3.74mln, while this season has produced a 2-game avg of 3.1/2.94mln. Not very promising, especially considering last year's 13% YOY decline in regular season viewership. To be fair, however, the net's 8/11 telecast did have a pair of imposing franchises with which to contest: the Beijing Olympics and cable's most popular show of the season, **TNT's** "The Closer" (5.0/4.84mln), which this year moved to Mon nights. Also in competition is **Kyra Sedgwick's** own Mon night closer, **Holly Hunter** in **TNT's** "Saving Grace" (3.0/2.84mln). Also looming is old foe **WWE** (3.2/3.05mln), which helped **USA** (2.2/2.10mln) again take down the prime ratings title. Ensuing were **Disney Channel** (1.8/1.70mln), **Fox News** (1.6/1.51mln) and **TNT** (1.5/1.44mln), with **Nick at Nite** (1.2/1.20mln) and **TBS** (1.2/1.12mln) in a tie for 5th. **Brag Book:** It's good to be on **NBC's** Olympics team. Through the Games' 2nd Sun of competition, **USA** has averaged 960K viewers, up 20% over Athens in '04, and **MSNBC** delivered a 650K avg (+22%). **Oxygen's** avg was 658K. -- **Lifetime Movie** original "Little Girl Lost: The Delimar Vera Story" became the net's second highest-rated and most-watched movie ever by earning 2mln total viewers and a 2.1 rating. -- **Bio Channel** achieved a historical high in weekly prime avg among 25-54s (145K), powered by special "Animal House: The Inside Story," which scored a 282K avg among 25-54s to set a net record for originals in the demo.

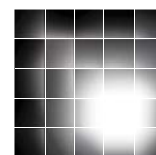
Programming: **ESPN** chief **George Bodenheimer** said during a Tues event in NYC that the net and **ABC** will compete for the telecast rights to the '12 and 16 Olympic Games. -- **Trans Digital Media** has opened **Trans Digital Ent** to distribute SD and HD content for cable, satellite and telco through VOD, SVOD and PPV. The venture's 1st service, **Passport Cinema**, offers films never before seen on American TV. Former **Cablevision** dir, programming **Anthony Cochi** has been named pres. -- "The Fox Experience" will be present at both the Democratic and Republican Natl Conventions, providing coverage across **Fox News**, **Fox Business**, **Fox News Radio**, **FoxNews.com** and **Fox News Mobile**. -- **ION TV** adds

the place to be and believe

THE WALTER KAITZ FOUNDATION'S
25TH ANNIVERSARY FUNDRAISING DINNER

WEDNESDAY, SEPTEMBER 17, 2008 ~ HILTON NEW YORK

walterkaitz.org/dinner



walter
kaitz
foundation

BUSINESS & FINANCE

broadcast retreat "NCIS" to its lineup Sept 8 (9pm ET). -- Former NFLer Warren Sapp has joined the cast of Showtime's "Inside the NFL" (Sept 10).

Honors: Cox and Rogers Cable earned three 1st-place wins each to lead the cable op/distributor div of NAMIC's '08 Excellence In Multi-Cultural Marketing Awards competition. Comcast garnered a pair of top honors, Time Warner Cable nabbed 1. TBS paced the nets/industry suppliers div with 5 wins, followed by TV One with 2 and Intl Nets and Si TV with 1 each. Discovery Nets US Hispanic Group took the crown in the newly added "Diversity Awareness" category. Other honorees include MTV, HBO, Showtime, and Sorpresa. CableFAX: The Magazine's Diversity issue will feature an exclusive look at the winners.

Business/Finance: Concurrent reported a 2.4% increase in FY08 rev to \$71mln and net income of \$265K versus a net loss of \$12mln last year. On demand product rev dipped 4% to \$42mln while real-time product rev tallied \$29.2mln (+13%). -- Credit Suisse lowered its target price for AT&T to \$36 from \$39 while maintaining a 'neutral' rating on the telco's shares. -- IPTimize has acquired American Fiber Systems' broadband access and hosted VoIP services business serving SMB and enterprise customers in Boise, ID; Reno, Las Vegas and Salt Lake City.

CableFAX Daily Stockwatch

Company	08/19 Close	1-Day Ch	Company	08/19 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	32.87	(1.41)	AMDOCS:	30.09	(0.13)
DIRECTV:	27.86	(0.03)	AMPHENOL:	49.20	(1.19)
DISNEY:	31.75	(0.33)	APPLE:	173.53	(1.86)
ECHOSTAR:	30.01	(0.46)	ARRIS GROUP:	9.31	(0.18)
GE:	28.71	(0.64)	AVID TECH:	23.53	0.08
HEARST-ARGYLE:	20.14	(1.16)	BIGBAND:	4.01	(0.24)
ION MEDIA:	1.44	0.00	BLNDER TONGUE:	1.30	0.00
NEWS CORP:	13.90	(0.18)	BROADCOM:	26.99	(0.91)
MSOS					
CABLEVISION:	30.96	(1.38)	C-COR:	11.00	0.00
CHARTER:	1.10	(0.03)	CISCO:	24.24	(0.25)
COMCAST:	21.49	(0.33)	COMMSCOPE:	45.87	(0.94)
COMCAST SPCL:	21.39	(0.28)	CONCURRENT:	6.08	(1.27)
GCI:	10.41	(0.29)	CONVERGYS:	14.09	(0.26)
KNOLOGY:	10.01	(0.53)	CSG SYSTEMS:	19.11	(0.35)
LIBERTY CAPITAL:	15.98	(0.14)	ECHOSTAR HOLDING:	31.74	0.20
LIBERTY ENTERTAINMENT:	26.18	(0.12)	GOOGLE:	490.50	(7.8)
LIBERTY GLOBAL:	32.82	(0.37)	HARMONIC:	8.33	(0.03)
LIBERTY INTERACTIVE:	13.37	(0.36)	JDSU:	11.58	0.05
MEDIACOM:	7.56	(0.16)	LEVEL 3:	3.19	(0.1)
SHAW COMM:	20.37	(0.4)	MICROSOFT:	27.32	(0.26)
TIME WARNER CABLE:	26.28	(0.64)	MOTOROLA:	9.72	(0.18)
VIRGIN MEDIA:	10.65	(0.06)	NDS:	60.68	0.02
WASH POST:	613.47	(9.25)	NORTEL:	5.87	(0.18)
PROGRAMMING					
CBS:	16.77	(0.79)	OPENTV:	1.88	(0.06)
CROWN:	4.92	(0.08)	PHILIPS:	33.05	(0.64)
DISCOVERY:	19.74	0.08	RENTRAK:	15.27	(0.48)
EW SCRIPPS:	7.07	(0.05)	SEACHANGE:	8.12	0.01
GRUPO TELEVISA:	24.86	(0.73)	SONY:	38.15	(0.88)
INTERACTIVE CORP:	17.67	(0.25)	SPRINT NEXTEL:	9.03	(0.09)
LIBERTY:	40.94	(0.63)	THOMAS & BETTS:	44.99	(1.85)
LODGENET:	3.91	(0.21)	TIVO:	7.70	(0.04)
NEW FRONTIER:	3.92	(0.13)	TOLLGRADE:	6.85	0.02
OUTDOOR:	7.88	(0.11)	UNIVERSAL ELEC:	26.58	(0.41)
PLAYBOY:	4.34	(0.2)	VONAGE:	1.24	(0.09)
RHI:	14.48	(0.13)	WEBB SYS:	0.04	0.00
SCRIPPS INTERACTIVE:	41.47	(0.25)	WORLDGATE:	0.30	0.00
TIME WARNER:	15.72	(0.27)	YAHOO:	19.42	(0.31)
VALUEVISION:	2.80	(0.12)	TELCOS		
VIACOM:	29.14	(0.21)	AT&T:	30.80	(0.6)
WWE:	16.18	0.04	QWEST:	3.75	(0.08)
TECHNOLOGY					
3COM:	2.14	0.00	VERIZON:	34.20	(0.54)
ADC:	10.31	(0.07)	MARKET INDICES		
ADDVANTAGE:	2.74	(0.27)	DOW:	11348.55	(130.84)
ALCATEL LUCENT:	5.80	(0.13)	NASDAQ:	2384.36	(32.62)

Call For Nominations

The 2008

100 CableFAX

Deadline for nominations: Sept. 5, 2008

It's that time again. Nominate your colleagues, your boss or even yourself for the CableFAX100—our annual cable industry power list—which will appear in the December edition of *CableFAX: The Magazine*.

Visit www.cable360.net/cablefaxmag/2008cablefax100.html to nominate online today!

CableFAX

THE MAGAZINE

Innovation > Leadership > The Cable Community

- Published six times a year
- Celebrates the best of the cable industry
- Includes features on marketing and PR
- Celebrates cable operators and honors the best cable programs of the year
- Recognizes strides in diversity, and the successes of influential women and cable industry leaders
- Plus more features and exclusive interviews

Subscribe Now!
www.CableFaxMag.com

Read current issues at www.cablefaxmag.com or contact Client Services at 888-777-5814 to receive a print copy.

Upcoming 2008 issues of CableFAX: The Magazine

- September - Diversity Issue: This much-anticipated issue of CableFAX: The Magazine ranks the top cable executives who prove cable's definitely not diversity weak!
- October - Top Cable Programs: This issue raises the bar on what's good on and about cable, honoring the best programming and the top directors, writers and other professionals.
- November - Most Influential Women in Cable: An annual issue that showcases the professional successes, promotions and achievements of cable's Top Women.
- December - The CableFAX 100 Issue: This annual issue profiles cable's leaders, the pioneers, the influencers, the out of the box thinkers and the rainmakers.



For sales and sponsorship opportunities with the CableFAX brand contact: Debbie Vodenos - dvodenos@accessintel.com or, Erica Gottlieb - egottlieb@accessintel.com

For marketing partnerships with the CableFAX brand contact: Doreen Price - dprice@accessintel.com

For editorial comments or information on CableFAX Magazine: Seth Arenstein - sarenstein@accessintel.com