

CableFAX Daily™

Monday — August 27, 2012


What the Industry Reads First

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Special Report: Sports Nets Innovate to Reach Viewers, Ride Fandom

The world is getting more complicated each day, and it's no secret that the same goes for watching television. With platform and device preferences constantly shifting, the consumers' evolving viewing tastes are becoming *de rigueur* for the industry. Sports nets—hardly immune to those evolving consumer preferences—have in fact been among the most aggressive to tap into their viewers' sometimes fanatical devotion to their teams, leagues and even each other. "Sports viewers live in a digital world right now," said **MSG Networks** evp/gm *Dan Ronayne*. "This is how people are communicating now. It's how you reach people in today's world." Whether it's connecting through social media, behind-the-scenes extras, fantasy leagues or other activities, sports nets are bonding with sports fans across multiple platforms like never before. And they're also tapping into a deep need to connect with other fans, athletes and the nets themselves while at the same time giving fans ways to access traditional sports content in as many ways as possible. "We've really gone to a TV Everywhere media world," said *Carol Kruse*, senior VP/marketing at **ESPN**. "Sports fans can't always be in front of their big screen TVs, so we're delivering more options for where and when they can get their sports coverage." **[CONTINUED ON PAGE 5]**


Comcast-Tennis: The **D.C. Circuit** stayed the **FCC's** order that last month required **Comcast** to make **Tennis Channel** available to all of its subs. The cable op wants the court to overturn the FCC ruling that it had discriminated against the net by not making it available to the same number of its subs that receive **Golf Channel** and **NBC Sports Net**, which Comcast owns. The net is disappointed by the decision, and "we believe that the FCC's decision was correct and that the court will agree with the FCC when it considers the full case," it said in a statement. Comcast is pleased that "the Court of Appeals has recognized the serious issues raised by the FCC's unprecedented Tennis Channel decision and granted our request to stay the FCC's action, sparing millions of our customers needless disruption," *Sena Fitzmaurice*, Comcast vp, gov communications, said in a statement. Republican cmsrs *Robert McDowell* and *Ajit Pai*, in a joint statement, said they're pleased with the court decision. "As stated in our joint dissent, we believe the decision errs on both the law and the facts, undermines the public interest, and raises serious First Amendment concerns. We look forward to the federal appeals court giving this matter a full and fair hearing while preventing irreparable harm to the parties."



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Michael Powell
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Retrans Spot: Cablevision's contract with **Tribune** was to expire at midnight Fri, and no agreement was reached at our deadline Fri. The Tribune stations remaining on Cablevision are **WTIC** and **WGN America**, Tribune's national cable net. Those were expected to be unavailable to subs beginning midnight.

In the States: As part of **Comcast Cable's** effort to provide more specialized customer support, the op is moving its Florida headquarters from Sunrise to West Palm Beach. While the op will hire 161 dispatchers, it will cut 89 inbound sales positions. The affected employees will be offered opportunities to transition to open customer care positions in Miramar and other Comcast centers, a spokesman said. West Palm Beach will become one of 2 Dispatch Centers in Florida where employees will specialize in billing support, he said.

Earnings: **MSG Media's** new programming deal with **Time Warner Cable** reached in Feb is paying off. MSG reported a profit of \$28.6mln in 2Q, up from \$8.5mln a year earlier with gains in sports and media businesses. Total revenue rose 42% YOY to \$332.9mln. Revenue at the sports business jumped 74% YOY while revenue at MSG Media, which includes **MSG Networks**, was up 20% YOY. To refresh your memory, the **NBC** lockout sent 1Q profit down at MSG nearly 22% to \$25.6mln. It's a different story in the latest quarter. The increase in sports revenue was primarily due to an increase in the aggregate number of **NY Rangers** and **NY Knicks** home playoff games and a higher percentage of Knicks-related revenues being recognized during the quarter as a result of the timing of the compressed **NBA** season. Going forward, MSG Networks remains well positioned to benefit from its live NBA and **NHL** professional sports content, said *Mike Bair*, president, MSG Media during a conference call Fri. Turning to Fuse, the net has been reaching music audiences across digital platforms in order to drive increased viewership of Fuse's linear net and increase value for affils, he said, noting Fuse's digital channel on YouTube is seeing about 1mln views a week. The company will be announcing a new initiative and programming early Sept that will be multiplatform and designed to increase viewership and drive revenue growth at Fuse, CEO *Hank Ratner* said during the call.

Election 2012: **Univision News** will have *President Obama* and GOP challenger *Mitt Romney* on board for its first-ever "Meet the Candidate" events focusing on education and the future of the Hispanic community. The net will broadcast the 2 separate forums live before an audience in Spanish and English. It will also engage the audience via its **Facebook** page in advance of these events. The net will announce dates and other details in the upcoming weeks.

College Football: For the '12 college football season, **ESPNU** is increasing its original weekly programming by 16 hours to 47. It includes the debut of 2 live studio shows in addition to the return of more than 15 weekly programs. As a result, the net will be live every day from 10am to 4:30pm. "There's no shortage of content in college sports, which is why ESPN launched the network seven years ago," *Dan Margulis*, senior director, ESPNU programming and acquisitions said in a statement. This year's live weekday college football lineup has nearly doubled the number of live hours on the net.

Deals: **Comcast** reported in an **SEC** filing that **SpectrumCo** completed its sale of AWS spectrum licenses to **Verizon Wireless** for \$3.6bln, as expected following the **FCC's** approval of the deal on Thurs. Comcast said it received \$2.3bln from the sale. -- **Amazon** expanded its content licensing agreement with **NBCU Cable & New Media Distribution**, adding hundreds of TV episodes to Amazon's Prime Instant Video.

TV Everywhere: **Time Warner Cable** subs can now watch **Fox News Channel** and **Fox Business Network** live on their iPads and iPhones by logging into Fox News apps with their TWC ID.

Ratings: **TLC's** reality offering, "Here Comes Honey Boo Boo," a spin-off from the net's "Toddlers & Tiaras," scored some solid ratings. Week 3 premiere of the series netted a 1.7 HH rating, a 2.3 W 18-34 rating and a 2.0 W 18-49 rating on Wed night, the highest ratings for the series. The series was the #1 program in ad-supported cable on the night with all key women demos (W25-54/18-49/18-34) and #3 among P18-49/18-34. Digitally, it saw success with 13 trending topics on **Twitter**, nabbing the # 1 spot on **Trendrr.tv's** top social chart. -- Season 5 of **HBO's** "True Blood" is sucking in a lot of viewers these days, winning both linear and time-shifted titles in recent weeks, according to **Nielsen**. [Check out the latest ratings info at www.cablefaxdaily.com]

Programming: **ABC Family** greenlit 2 new drama pilots, "The Fosters" and "Socio." One-hour drama "Socio" features a 16-year-old who becomes a suspect when his high school classmate is killed while "The Fosters," produced by *Jennifer Lopez*, is about a multi-ethnic family of foster and biological kids being raised by 2 moms.

CableFAX Week in Review

Company	Ticker	8/24 Close	1-Week % Chg	YTD %Chg
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BROADCASTERS/DBS/MMDS

DIRECTV:	DTV	52.63	1.92%	23.08%
DISH:	DISH	32.27	1.51%	13.31%
DISNEY:	DIS	49.56	(1.78%)	32.16%
GE:	GE	20.80	(0.95%)	16.14%
NEWS CORP:	NWS	23.48	0.13%	29.15%

MSOS

CABLEVISION:	CVC	15.17	(2.13%)	6.68%
CHARTER:	CHTR	77.73	(0.09%)	36.51%
COMCAST:	CMCSA	33.95	(0.21%)	43.19%
COMCAST SPCL:	CMCSK	33.04	0.00%	40.24%
GCI:	GNCMA	8.62	(8.25%)	(12%)
LIBERTY GLOBAL:	LBTYA	54.88	(1.22%)	33.76%
LIBERTY INT:	LINTA	18.18	0.55%	12.08%
SHAW COMM:	SJR	20.17	(0.35%)	4.13%
TIME WARNER CABLE:	TWC	89.55	(0.27%)	40.87%
VIRGIN MEDIA:	VMED	27.01	(2.88%)	26.33%
WASH POST:	WPO	351.77	0.79%	(6.65%)

PROGRAMMING

AMC NETWORKS:	AMCX	39.05	(3.87%)	3.91%
CBS:	CBS	36.55	1.64%	34.67%
CROWN:	CRWN	1.69	(5.59%)	39.67%
DISCOVERY:	DISCA	53.33	1.12%	30.17%
GRUPO TELEVISA:	TV	23.18	(1.36%)	10.07%
HSN:	HSNI	44.44	(2.03%)	22.56%
INTERACTIVE CORP:	IACI	51.50	(1.59%)	20.89%
LIONSGATE:	LGF	13.71	(4.59%)	64.78%
LODGENET:	LNET	0.37	(21.3%)	(84.52%)
NEW FRONTIER:	NOOF	1.54	(3.14%)	49.51%
OUTDOOR:	OUTD	7.04	(3.16%)	(5.63%)
SCRIPPS INT:	SNI	59.62	1.65%	40.55%
TIME WARNER:	TWX	42.09	(1.22%)	16.46%
VALUEVISION:	VVTV	1.99	(8.72%)	5.85%
VIACOM:	VIA	50.91	(2.02%)	(4.54%)
WWE:	WWE	8.04	(6.07%)	(13.73%)

TECHNOLOGY

ADVANTAGE:	AEY	2.15	2.38%	2.38%
ALCATEL LUCENT:	ALU	1.17	(4.88%)	(25%)
AMDOCS:	DOX	32.38	0.34%	13.49%
AMPHENOL:	APH	61.66	(1.17%)	35.84%
AOL:	AOL	32.92	(1.64%)	118.01%
APPLE:	AAPL	663.22	2.33%	63.76%
ARRIS GROUP:	ARRS	13.48	(1.96%)	24.58%
AVID TECH:	AVID	9.11	13.17%	6.80%
BLNDER TONGUE:	BDR	1.00	(1%)	(18.04%)
BROADCOM:	BRCM	35.35	(1.34%)	20.40%
CISCO:	CSCO	19.20	9.46%	6.19%
CLEARWIRE:	CLWR	1.74	(4.4%)	(10.31%)
CONCURRENT:	CCUR	4.46	5.44%	17.68%
CONVERGYS:	CVG	15.33	(1.22%)	20.05%
CSG SYSTEMS:	CSGS	20.70	3.50%	40.72%
ECHOSTAR:	SATS	27.54	(2.82%)	31.52%
GOOGLE:	GOOG	678.63	0.22%	5.07%
HARMONIC:	HLIT	4.37	(2.67%)	(13.29%)
INTEL:	INTC	24.91	(5.39%)	2.72%

Company	Ticker	8/24 Close	1-Week % Chg	YTD %Chg
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JDSU:	JDSU	11.68	(2.75%)	11.88%
LEVEL 3:	LVL	22.22	(2.46%)	30.78%
MICROSOFT:	MSFT	30.56	(1.1%)	17.72%
RENTRAK:	RENT	17.89	(1.6%)	25.28%
SEACHANGE:	SEAC	7.57	(1.82%)	7.68%
SONY:	SNE	11.71	(2.01%)	(35.09%)
SPRINT NEXTEL:	S	4.89	(5.78%)	108.97%
TIVO:	TIVO	9.18	10.74%	2.34%
UNIVERSAL ELEC:	UEIC	15.36	(3.46%)	(8.95%)
VONAGE:	VG	2.11	0.00%	(13.88%)
YAHOO:	YHOO	14.92	(0.73%)	(7.5%)

TELCOS

AT&T:	T	36.95	(0.59%)	22.19%
VERIZON:	VZ	43.17	(2.02%)	7.60%

MARKET INDICES

DOW:	DJI	13157.97	(0.88%)	7.70%
NASDAQ:	IXIC	3069.79	(0.22%)	17.84%
S&P 500:	GSPC	1411.13	(0.5%)	12.21%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. AVID TECH:	9.11	13.17%
2. TIVO:	9.18	10.74%
3. CISCO:	19.20	9.46%
4. CONCURRENT:	4.46	5.44%
5. CSG SYSTEMS:	20.70	3.50%

THIS WEEK'S STOCK PRICE LOSERS

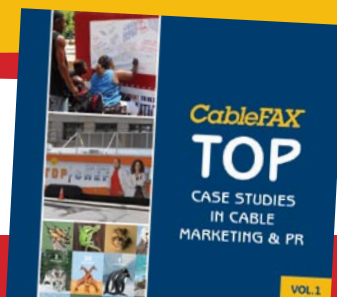
COMPANY	CLOSE	1-WK CH
1. LODGENET:	0.37	(21.3%)
2. VALUEVISION:	1.99	(8.72%)
3. GCI:	8.62	(8.25%)
4. WWE:	8.04	(6.07%)
5. SPRINT NEXTEL:	4.89	(5.78%)

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SPECIAL REPORT: SPORTS

[Continued from page 1]

For example, ESPN is now in Year 3 of its WatchESPN initiative, designed to feed the hungry sports fan anywhere, anytime. Users get far-ranging access, via cable or apps, to the ESPN programming lineup across a multitude of devices. Kruse says the offering scored especially heavy usage during the recent European soccer and Wimbledon tennis tournaments. Aside from being a hit with fans, Kruse says, the program pleases cable operators because it's a value add for



“Sports today are so prominent in the world of social media, it's just a natural extension for us,”
 – Carol Kruse, ESPN

authenticated subscribers who can't get the extras without a cable subscription. Thus, even though ESPN Mobile quickly tanked as a separate entity a few years back, the net today increasingly delivers a host of coverage options to both smartphones and other devices.

Another component of WatchESPN is ESPN on **Xbox Live**. Based on the same “anywhere/anytime” concept, it gives subscribers 24/7 access to all of ESPN's live sports events, replays, and in-studio programming in HD on their Xbox units.

Similarly, social media is a growing part of ESPN's media mix. Among other things, the net's presence on **Twitter, Facebook, Yahoo Sports**, and elsewhere allows users to interact with its on-air personalities as well as voice their opinions and exchange data and photos with other like-minded fans. “Sports today are so prominent in the world of social media, it's just a natural extension for us,” Kruse says.

Regional sports nets are also in the game in a big way. At **YES Network**—already deep into another Yankees championship quest and gearing up for a Nets NBA franchise rejuvenated by its coming move to Brooklyn and the inking of such premium players as *Deron Williams* and *Joe Johnson*—the My YES social media effort is already in its 3rd season.

Michael Spirito, YES vp, business development and digital media, said the offering gives YES users “the chance to be engaged at all times, not just during live game action—messaging each other, blogging, trading photos. It's certainly valuable as background around our core Yankee product, but it can only help that we're on as many platforms and devices as possible. It's really become a vibrant community ecosystem in our overall media mix.”

Earlier this year, YES expanded its lineup with Game-Connect. Licensed from **Fox Sports**, the in-game feature offers a 2nd screen filled with community feedback and social media commentary. New online features include baseball power rankings, a fantasy game, and a Beat the Streak game based on *Joe DiMaggio's* monumental 56-game hitting streak. (So far, Spirito says, no one's come close).

Combined, Spirito explains, these and other initiatives “get 'em in the game and keep 'em in the game. It's all about user engagement”—which, he says, is paying off in larger digital sponsorship commitments from the likes of Chevy and Toyota.

Besides its promotional and community-building value, however, social media is a business tool at many sports nets. In New York, MSG complements its on-air coverage with tweets and other digital reports from its correspondents. Right now, for instance, hardcore Knicks fans are getting regular updates via reporter *Alan Hahn* from the team's summer league doings in Las Vegas. Still another use, per Ronayne, is soliciting viewer questions to help



“It can only help that we're on as many platforms and devices as possible. It's really become a vibrant community ecosystem in our overall media mix.”
 – Michael Spirito, YES Network

guide MSG talent in player interviews. “Social media is an excellent informational tool,” he says, “that also helps us engage viewers, drive traffic, and promote upcoming events.”

SPECIAL REPORT: SPORTS

One recent example of how MSG tied in social media with a real-life promotional event involved its longtime Knickerbocker color analyst (and former Knick great) *Walt "Clyde" Frazier*. MSG's archival documentary program, "The Vault," booked a group of writers, sports figures, and clients into Frazier's restaurant to view a new episode based on his 1967 heroics at the National Invitational Tournament, a longtime Garden staple. During presentation of long-lost footage of a collegiate Clyde in action, Frazier tweeted his impressions—and emotions—out to the basketball world at large.



The goal is "using online and social media to build and maintain consumer interest between live events to keep people engaged. And social media is a great way to help achieve that."

— Jeffrey Hirsch, Time Warner Cable

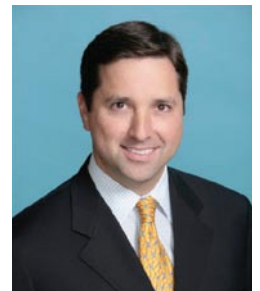
Of course, using sports celebrities as promotional tools is about as old as the trees. But innovative use of social media can make it a whole new game, too. As part of a larger effort to promote its sports offerings to cable subscribers and prospects alike, **Time Warner Cable** is pairing up with New York Giants wide receiver *Victor Cruz* in a wide-ranging effort that includes cable TV segments, in-store and charity events, commercial appearances, and a strong social media component as the football Giants set out to defend their second Super Bowl title in five years.

Part of the plan, said Time Warner Cable CMO *Jeffrey Hirsch*, is "using online and social media to build and maintain consumer interest between live events to keep people engaged. And social media is a great way to help achieve that." In another marriage between live events and digital media, TWC uses social media to promote about 15 Major League Baseball FanFest events (of which it is a key partner) around the country, including one recent event in Kansas City at the All-Star game. TWC also drives a social media campaign to drum up support for its free WatchESPN app for use on subscribers' **Apple** and Android devices.

But perhaps nowhere did the value of digital media in sports get a greater test than in **NBCU's** marathon Olympics telecast, which exceeded just about every expectation on the ratings and digital usage fronts. The net, which reportedly lost \$223mln on the Vancouver Winter Olympics two years ago, racked up more than 5,500 hours of coverage of the 17-day event. Besides televising on the **NBC** broadcast flagship and such cable outlets as **CNBC**, **MSNBC**, **Bravo** and the **NBC Sports Network** (rechristened from *Versus* early this year), the company relied heavily on online platforms and social media to help build and hold audiences.

One way that NBC half-sister **Universal Sports Network** promotes its program offerings is via **YouTube**, where it claims nearly 100 million viewers in the last 5 years. As a niche channel televising the preliminary rounds of many Olympic sports, Universal Sports—in which NBC holds a minority interest with **InterMedia Partners**—tries a little bit of everything. It also offers an assortment of Apple and Android platforms, and claims 120K followers on Facebook. "Engagement is one of the most important metrics for an advertiser," says Universal Sports CEO *David Sternberg*. "And we score pretty well there, because our devoted fans are really devoted." He says this translates into a growing lineup of original Web programming sponsored by the likes of Gatorade, BP, and the Milk Processor Education Program, or MilkPEP.

Even where social media doesn't yet constitute a very large piece of the pie, its influence is growing. At soccer-centric **GoITV** (15mln U.S. households), the principal focus is lining up game rights and converting more coverage to HD. But GoITV COO *Rodrigo Lombello* says online is slowly



"Engagement is one of the most important metrics for an advertiser."
- David Sternberg, Universal Sports

growing in stature, especially for promotional purposes and fan input. "Ultimately, it's about how many people tune into your live games," he says. "But online is becoming more of a complement for us."

- John Masterton