

# CableFAX Daily™

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What the Industry Reads First

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## Breaking the Banked: Discovery Hopes to Lure Wealthy Men with Velocity

Discovery Comm's **Velocity** brand officially takes over for **HD Theater** Tues in an effort to target affluent males. **WealthTV** and **In Demand's** defunct **Mojo** are among the players who've had limited success drawing the demo known for constrained TV viewing—mostly news and sports—yet net chief *Bob Scanlon*, a veteran of channels including **HBO**, **ESPN** and **NFL Net**, remains optimistic. The upscale male psychographic and demo “don't have a default on their TV. We saw that as a real opportunity,” said Scanlon. “If they try Velocity, they'll like us.” Scanlon's near-term goals include building awareness and generating sampling, but 1 of the net's underlying missions is to generate completely new eyeballs and advertisers for the Discovery portfolio—a goal that would appear to make Scanlon's life that much more difficult. Velocity won't even employ a concerted effort to lure viewers from male-dominated **Discovery Channel**. Scanlon, though, is bullish on the net's established HD footprint (~40mln homes) and expected continued growth of high-def HHs, and is heartened by the early response from advertisers. Brands such as **GM**, **Porsche**, watch makers and luxury distillers have shown keen interest in Velocity. “That is really encouraging to us,” said Scanlon. Discovery pres/CEO *David Zaslav's* has challenged Velocity to serve its audience well, and Scanlon believes he has the content slate to pull it off. “One of our promises is to provide inside access to our viewers,” he said, describing the net's programming as aspirational. While HD Theater's vehicle-related content has performed well and will be carried over, Velocity's schedule, inclusive of 140 original premiere hours in 4Q alone, features “Extreme Fishing,” 2 **NFL** shows and a behind-the-scenes look at Las Vegas bookmakers. Fishing delivers the so-called “exclusive club access” to Velocity viewers by integrating local culture and exotic travel, said Scanlon, while “NFL Single Coverage” does the same by dissecting a particular game through the eyes of 1 offensive player and 1 defensive player. The NFL's presence on the net would seem to imply healthy programming costs, but Scanlon said he and his team's extensive industry experience “allows us to do things efficiently and at a most reasonable cost.” Quality doesn't get lost in that equation either, he said, and it's the quest for that content description that may very well determine Velocity's success or failure.

**WICT Makes Noise:** The **WICT Leadership Conference** kicked off its general session with a hipster marching

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band, in case anyone wasn't awake yet. It was loud, those who welcomed the group agreed, but certainly injected some life into the early-morning crowd. **NCTA** pres/CEO *Michael Powell* then injected a little humor into the room by announcing the band's tune was actually the new **NCTA** theme song. "It's one of the first things I commissioned." **WICT** chief *Maria Brennan* announced that with 8900 members, the association has hit a new record and already exceeded 2011 membership goals. Powell praised cable for its Diversity Week, which kicked off Mon in NYC. "I challenge you to find another industry that takes one week [for this]," he said. Diversity is so imperative in cable because, "we have to be tuned in to customers," he said. And it must be present at the top. "It pays to have a variety of leadership styles." As the first African-American pres of **NCTA**, for him, diversity is personal. "When you live it, it's a personal burden of responsibility," he said, so you should embrace it. -- **Comcast** evp *David Cohen* introduced **MSNBC's** "Morning Joe" team *Mika Brzezinski* and *Joe Scarborough*. In reference to Joe's political past Cohen joked, "Joe thanks God every day he's a 'former' Congressman." The duo's presentation focused on Brzezinski's recent book "Knowing Your Value," which helps women articulate their value and worth in business and achieve equality in the workplace. "I wrote the book because you were making 14 times more than me," she said to Scarborough. But she reassured the crowd that "Comcast is taking care of that," to which her co-anchor piped, "they are Comcastic I tell you!" Beyond trumpeting Comcast's greatness (before the boss, seated in the front row), Brzezinski made some salient points that hit home with audience: "The words 'I'm sorry' have to get out of our vocab," she said to the mostly female crowd. They should be replaced with data, which will serve to prove your value. Other lessons learned over the years: Don't play the victim and don't worry about being liked, she said. Far more important is the respect you'll achieve once you've demonstrated your worth.

**At the Portals:** As myriad local broadcasters are preparing to choose between must-carry and retrans consent amid a new election cycle, "my members have asked me to assure you that broadcasters remain committed to serving local viewers by reaching fair and timely retransmission consent agreements with our MVD partners," said **NAB** pres/CEO *Gordon Smith* in a letter to **FCC** chmn *Julius Genachowski*. Broadcasters continue to believe that retrans talks should remain private and market-based, with Smith saying "the mere prospect of government intervention introduces uncertainty and distorts incentives in ways that disrupt the bargaining process and only make it more difficult to reach fair and equitable arrangements." -- **ACA's** pressing the **FCC** to take action against public and private entities that impede broadband deployment by demanding excessive fees to access rights of way or unnecessarily delay the app process. "ACA members face real problems that the FCC needs to address, including unfair, unreasonable and discriminatory treatment at the hands of inhospitable gatekeepers," said **ACA** pres/CEO *Matt Polka*. The org highlighted several current impediments in a filing with the **FCC**.

**WICT Notebook:** In a panel about change, **Discovery Comm** digital media and commerce evp, gm *Kelly Day* really brought home the importance of the subject by reflecting on her time at **AOL** from '96 to '03. "In 2011, it's widely believed that AOL waited too long...and didn't see the impact [that] broadband would have on dial-up," Day said. "Waiting too long is one of the biggest mistakes that companies make." In her own organization, Discovery has started to see mobile apps have a cannibalistic impact on its Websites. The immediate reaction was what do

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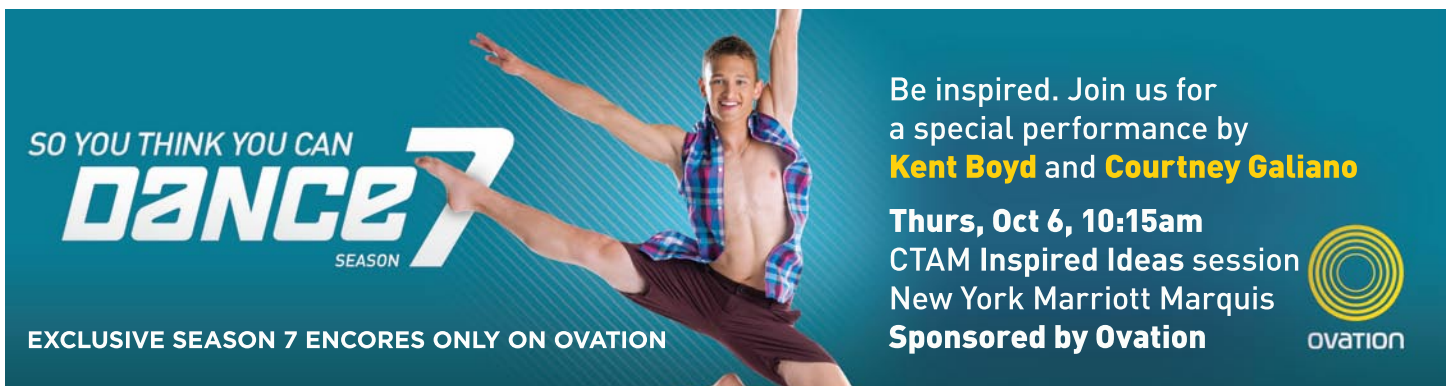
we do to fix the Web business, but that's the wrong reaction, she said. "We have this amazing opportunity where the mobile business is exploding. How do we ride that growth? It doesn't really matter what platform people are accessing it on," she said, comparing it to the DVD business, which is plateauing while digital gains momentum. **Comcast** svp, customer experience *Tom Karinshak* spoke about the importance of making sure everyone's a part of change. He's adopted the philosophy of his former boss, *John Varley*, ex-CEO of **Barclays**: talk to a customer and an hourly employee every day. "You get a great experience of what customers are saying and our employees," he said.

**Touchstones Lunch:** There was a packed house at **WICT's Touchstones Luncheon** honoring Women to Watch *Jennifer Dorian* of **Turner** and *Kathleen Finch* of **HGTV**, as well as Woman of the Year **Bright House** pres *Nomi Bergman*. Joined by her family, Bergman told the crowd that her father *Bob Miron* once told her, "Life is not a dress rehearsal." She admitted that at the time she may not have fully appreciated it (he was administering "tough love"), but now she knows he is right. With that philosophy in mind, she tries to live her personal and professional life to the fullest. That includes embracing choices (ie, approaching busy weeks with optimism instead of worry), staying in learning mode and staying fully engaged in what you're doing. (Bergman received touching introductions from **SeaChange** pres *Yvette Kanouff* and **Time Warner Cable** chief strategy officer *Peter Stern*, who said he's a better person because of her). Dorian, Turner svp, strategy dev, told the audience that she's learned to stop seeking perfection because being a leader and taking risks can often be messy. In addition to thanking her colleagues, HGTV svp/GM Finch thanked her husband for making the commute from Knoxville to NYC regularly and her children. -- *Lorraine Bracco*, star of "Rizzoli and Isles," made a surprise appearance. Takeaways from her keynote? Be true to yourself (which for Bracco included keeping her accent) and mentor. Bracco spoke especially affectionately about her old English teacher, Mr. Horowitz, who asked her what she wanted to do with her life. When Bracco sheepishly said she thought she wanted to be a model, he said, 'Why don't you find out if you can?' and ended up driving her into the city to meet with modeling agencies. (She ended up with a contract with **Wilhelmina**; Mr Horowitz got a parking a ticket.) "It's our responsibility to help others on their way up," Bracco said.

**Cox Reorg:** **Cox** confirmed a *Light Reading* report saying the MSO has embarked on a plan to integrate its wireless business, consolidate cable systems and centralize ops. Cox will begin combining its AZ and Las Vegas systems and FL and GA systems next year; merge its wireless and tech teams under CTO *Kevin Hart*; and centralize Cox Business and Cox Media. It's all "part of an ongoing evolution of our business to ensure Cox remains competitive, efficient and effective in serving our customers," said the MSO in a statement. "The impact will be invisible to our customers and the communities we serve."

**In the States:** **CenturyLink** intro'd an **Internet Basics** program to improve and promote broadband adoption and use by low-income consumers, a la **Comcast**. Discounted HSI starts at \$9.95/month for eligible consumers in 37 states and provides speeds up to 1.5Mbps. CenturyLink is also offering program participants an Internet-ready computer for \$150, plus taxes, shipping and handling. -- **T-Mobile USA** and **Walmart** plan to launch a \$30 unlimited Web and text monthly prepaid service plan later this month that will be sold exclusively in more than 2,200 Walmart stores.

**Advertising:** **Zenith Optimedia** modified its forecast for '11 global ad expenditure growth slightly downward to 3.6% and expects total US expenditures to grow by approx 3.56% this year.'12 and '13 are both forecasted to deliver 3.5% growth stateside while the world is expected to tally respective increases of 5.3% and 5.5%. -- **NAGRA** agreed to acquire **Sigma Systems'** Subscriber Info Service platform business as part of a partnership under which Sigma will




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**Affil Relations:** Univision created a **Distribution Partnership Marketing Group** to help distributors leverage the Hispanic consumer base to deliver sub growth. The group will specifically help ops integrate their product or service with Univision's assets to effectively connect with Hispanics. -- **NCTC** tapped **Crown Media Family Networks** as the exclusive partner for its Q4 marketing promotion. The org's more than 900 members can choose to support Hallmark Channel's "Countdown to Christmas" and/or Hallmark Movie Channel's "Winter Wonderland" with cross-platform promotions rolling out Nov 25. Participating members are eligible to win daily prizes and receive 25% discount codes for customized Hallmark cards and party plates to distribute to their subscribers.

**Honor:** The **Direct Marketing Assoc** named **Canoe Ventures** an '11 Innovation Award winner in the Digital Media Marketing category for its national RFI product. Canoe's iTV platform currently reaches 22mln cable homes.

**People:** **Stephen Croncota** joined **GSN** as evp/CMO.

**Business/Finance:** **Scripps Nets** completed its purchase of **Virgin Media's** stake in multichannel programming firm **UKTV**.

## CableFAX Daily Stockwatch

Company	10/03 Close	1-Day Ch	Company	10/03 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	40.60	(1.67)	BLNDER TONGUE:	1.13	(0.17)
DISH:	23.62	(1.43)	BROADCOM:	32.12	(1.17)
DISNEY:	29.00	(1.16)	CISCO:	15.19	(0.31)
GE:	14.69	(0.53)	CLEARWIRE:	2.42	0.09
NEWS CORP:	15.21	(0.39)	CONCURRENT:	5.17	(0.42)
<b>MSOS</b>					
CABLEVISION:	15.02	(0.71)	CONVERGYS:	8.61	(0.77)
CHARTER:	43.67	(3.17)	CSG SYSTEMS:	12.34	(0.3)
COMCAST:	20.36	(0.45)	ECHOSTAR:	21.15	(1.46)
COMCAST SPCL:	20.17	(0.44)	GOOGLE:	495.52	(19.52)
GCI:	7.49	(0.71)	HARMONIC:	3.89	(0.37)
KNOLLOGY:	12.32	(0.66)	INTEL:	20.62	(0.71)
LIBERTY CAPITAL:	61.11	(5.01)	JDSU:	8.99	(0.98)
LIBERTY GLOBAL:	33.74	(2.44)	LEVEL 3:	1.41	(0.08)
LIBERTY INT:	14.17	(0.59)	MICROSOFT:	24.53	(0.36)
SHAW COMM:	19.63	(0.57)	MOTOROLA MOBILITY:	37.70	(0.08)
TIME WARNER CABLE:	62.79	0.12	RENTRAK:	11.57	(1.02)
VIRGIN MEDIA:	23.41	(0.94)	SEACHANGE:	7.34	(0.36)
WASH POST:	313.75	(13.22)	SONY:	18.11	(0.89)
<b>PROGRAMMING</b>					
AMC NETWORKS:	31.46	(0.49)	SPRINT NEXTEL:	2.73	(0.31)
CBS:	18.95	(1.43)	THOMAS & BETTS:	38.15	(1.76)
CROWN:	1.31	(0.12)	TIVO:	8.87	(0.47)
DISCOVERY:	36.73	(0.89)	UNIVERSAL ELEC:	15.76	(0.63)
GRUPO TELEVISA:	18.28	(0.11)	VONAGE:	2.52	(0.08)
HSN:	31.25	(1.88)	YAHOO:	13.53	0.36
INTERACTIVE CORP:	37.88	(1.67)	<b>TELCOS</b>		
LIBERTY STARZ:	61.48	(2.08)	AT&T:	28.16	(0.36)
LIONSGATE:	6.84	(0.06)	VERIZON:	36.34	(0.46)
LODGENET:	1.55	(0.14)	<b>MARKET INDICES</b>		
NEW FRONTIER:	1.09	(0.01)	DOW:	10655.30	(258.08)
OUTDOOR:	5.18	(0.54)	NASDAQ:	2335.83	(79.57)
SCRIPPS INT:	36.15	(1.02)	S&P 500:	1099.23	(32.19)
TIME WARNER:	28.96	(1.01)			
VALUEVISION:	2.10	(0.26)			
VIACOM:	45.91	(2.45)			
WWE:	8.82	(0.09)			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.13	(0.13)			
ALCATEL LUCENT:	2.42	(0.41)			
AMDOCS:	26.02	(1.1)			
AMPHENOL:	39.80	(0.97)			
AOL:	11.39	(0.61)			
APPLE:	374.60	(6.72)			
ARRIS GROUP:	9.91	(0.39)			
AVID TECH:	7.50	(0.24)			
BIGBAND:	1.24	(0.04)			



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