

CableFAX Daily™

Tuesday — November 26, 2013

What the Industry Reads First

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Holiday Season: Marketers Take Advantage of CE Top Picks

With Black Friday usurping Thanksgiving at many stores, what hot items will cause bargain shoppers to camp out overnight and possibly miss turkey with the families? Tablets and game consoles, with the release this month of the Xbox One and Playstation 4. Both ranked high in **CEA's** annual holiday forecast. The good news for cable operators is that both devices make use of a broadband connection. The assoc predicts 74% of consumers plan on allocating 33% of their holiday gift budget this year to consumer electronics. Look for ISP, MVPDs and OTT players to try and capitalize on all the new devices being bought. **Cox** will promote Blue Friday in an attempt to "cut through the clutter of Black Friday sales," a spokesperson said. The sales, extended through Nov 30, will provide free Contour for 1 year with a 2-year subscription to a new service, including Cox Home Security; 50% off accessories including HDMI cables, wireless modems and surge protectors; and free Record-6 DVR Service for 12 months. Cox Solutions Stores will get in on the festivities with live radio remotes and giveaways. **Time Warner Cable** got a jump on the shopping season, releasing a joint holiday promotion Nov 1 with Samsung that will run through Jan 18. Any customer who purchases or upgrades to Signature Home or Signature Home Premium View will receive an 8" **Samsung** Galaxy Note tablet (valued at \$399), while customers who sign up for an even higher level package or service will receive a 7" Samsung Galaxy tablet (\$199 value). All of the Samsung tablets are pre-loaded with TWC Apps and only offered to both new subscribers and existing subscribers who meet certain eligibility requirements. **Verizon** also is getting into the holiday spirit, reducing the cost of the entry level **FiOS** Triple Play bundle and throwing in a \$300 **Visa** or **Amazon** gift card to all new customers. The bundle requires a 2-year contract, but the holiday promo will reduce the monthly cost for the 1st year by \$10. Through Nov 26, **DirectTV** is offering a free Genie upgrade, savings on its most popular packages and it is the last chance for customers to receive **NFL** Sunday Ticket at no extra charge. Look for companies to launch more promotions in Dec. According to the CEA, consumers are expected to start their holiday shopping later this year, with 58% waiting until Black Friday to get going. Should those ads be chockfull of heartwarming images of holiday family gatherings? Maybe not. **Viamedia** reports that 59% of Americans want to see "Scrooge-like" themes for commercial ads—anything



Entry Deadline:
December 6, 2013
Final Deadline:
December 13, 2013

Call for Entries

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from naughty kids getting coal to ditching the in-laws. Other Viamedia findings: ads on cable nets impact 89% of Americans who watch cable programming and 54% of them admit advertisements on cable impacts their holiday shopping—the most affected demographic being students at 75%. A few years ago, CE makers had high expectations that Santa would have lots of 3D television sets in his sack. With those hopes dashed, manufacturers have added Ultra HD to their wish lists. Looks like they still have a lot of wishing to do. Ultra HD TV shipments are expected to only hit about 57K (\$314mln in rev) this year, per CEA's US Consumer Electronics Sales and Forecast issued in July. – *Colin Surguine*

Sports Deals: Comcast SportsNet Mid-Atlantic inked a deal with the *Washington Times* that is expected to significantly increase the Times' sports coverage and offer Comcast SportsNet's digital media content to more platforms and audiences, the companies said. The agreement, effectively immediately, will allow Times to use the net's digital media content in its print and digital editions, as well as WashingtonTimes.com. The deal is expected to triple the amount of sports news, analysis and commentary on the Times' platforms.

Cable WiFi: Time Warner Cable upgraded its WiFi Finder app, which includes a "request a hotspot" feature that allows subs to ask for new WiFi hotspots in specific locations. Subs will receive notifications whenever a new access point has been added to their area. The app also notifies subs when new CableWiFi alliance hotspots go live.

From the Street: Google chmn *Eric Schmidt's* remarks at the Paley Center International Council last week (*Cfax*, 11/25) suggest it's only a matter of time until Google or another large technology company acquires "a meaningful package of sports rights," BTIG analyst *Rich Greenfield* wrote in a blog post. Schmidt said Internet can handle mass streaming of live sports events today. That means DirectTV will likely have to pay "an exorbitant price" to maintain NFL Sunday Ticket rights as Internet companies such as Google become potential competitive bidders, the analyst said. Schmidt's comments also hinted that the only issue standing in the way of a virtual MVPD becoming a reality is the capital to launch, according to Greenfield. And while major cable ops have dismissed the threat of wireless substitution with cable companies selling their spectrum, Schmidt's comments about the extraordinary wireless speed improvements at AT&T and Verizon Wireless over the next few years are "food for thought," he said.

Marketing: ABC Family's come up with an interesting way to drive word-of-mouth for its drama "The Fosters." Starting Thurs, fans of the series can go to the show's Facebook page and order a limited-edition 10-ep DVD set to be shipped to friends who have not yet discovered it. The net will produce 10K DVDs of the show's first 10 eps for the giveaway. "The Fosters" returns Jan 13.

Programming: AMC booked 2 pilots, "Knifeman" and "Galyntine," both of which will be produced by AMC Studios next year and for consideration for series in '15. -- NUVotv further cemented its relationship with *Mario Lopez*, entering into an overall development deal with the TV personality and signing on for a 2nd season of "Mario Lopez One-on-One." The net also greenlit new series, "Salsa in the City" (wt), an irreverent competition show that combines dating and dancing within the salsa dance scene. -- BBC America used this weekend's encore broadcast of "Doctor Who's" 50th anniv special to announce "Orphan Black" will return for a 2nd season on Apr 19. -- ABC Family will debut new eps of "Melissa & Joey" and "Baby Daddy" on Jan 15. -- TV Land will present *Bill Cosby's* first full-length stand-up special in more than 3 decades, "Bill Cosby: Far From Finished" (Dec 1, 10pm). Leading up to the special, TV Land will air a marathon of "The Cosby Show" featuring the Cos' top 10 favorite eps (starts at 5pm). The special first aired on Comedy Central this weekend. -- A&E booked a 10-ep 3rd season of its drama series "Longmire." -- Investigation Discovery re-upped real-life soap opera "Deadly Affairs" for a 3rd season to premieres in '14. -- Syfy will start the new year with 7 new and returning original series in Jan, including "Helix" on Jan 10 and "Opposite Worlds" on Jan 21. -- Lifetime booked a 2nd season of its new drama series "Witches of East End." The 13-ep series is slated to debut next year.

Public Affairs: Univision announced "Univision Contigo," an expansion of its investments and partnership efforts to serve and empower the 55mln Hispanics in the US. Top priorities include increasing educational attainment, improving health, promoting financial literacy and growing citizenship and voter participating. It's

BUSINESS & FINANCE

launching across Univision's media assets, with UnivisionContigo.com serving as a hub for online resources. The programmer has a new partnership with Too Small to Fail, a joint initiative of **Next Generation** and **The Bill, Hillary & Chelsea Clinton Foundation** that aims to help parents, caregivers, communities and businesses take evidence-based actions to improve the health and well-being of America's youngest children.

People: Several staff appointments by **FCC** chmn *Tom Wheeler*, including the addition of former White House communications staffer Shannon Gilson. She'll head media relations and serve as the FCC's communications dir. *Jonathan Chambers* drops the word "acting" from his title of acting chief of the Office of Strategic Planning and Policy Analysis. *Gary Epstein* will continue as chair of the Incentive Auction Task Force and serve as special adviser to the chmn on incentive auctions. In addition to his new role as a special adviser to the chmn for spectrum policy, *John Leibovitz* will continue as deputy chief of the Wireless Bureau, a position he has held since 2009. -- **The International Academy of Television Arts & Sciences' board** re-elected its pres/CEO *Bruce Paisner*, for a 2-year term. Paisner has headed the group since Jan '04. His new term starts Jan 1.

CableFAX Daily Stockwatch

Company	11/25 Close	1-Day Ch	Company	11/25 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
21ST CENTURY FOX:	33.20	(0.2)	GOOGLE:	1045.93	14.04
DIRECTV:	65.04	0.09	HARMONIC:	7.45	UNCH
DISH:	52.00	(0.21)	INTEL:	23.75	(0.12)
DISNEY:	69.74	(0.46)	JDSU:	12.02	0.08
GE:	26.73	(0.35)	LEVEL 3:	29.20	(0.3)
MSOS					
CABLEVISION:	15.30	(0.5)	MICROSOFT:	37.64	0.07
CHARTER:	134.29	(0.37)	MOTOROLA MOBILITY:	14.18	(0.02)
COMCAST:	49.91	0.39	NIELSEN:	41.97	0.85
COMCAST SPCL:	47.99	0.09	RENTRAK:	37.74	1.18
GCI:	9.85	0.09	SEACHANGE:	13.85	(0.54)
LIBERTY GLOBAL:	82.87	1.27	SONY:	18.17	(0.13)
LIBERTY INT:	27.57	(0.02)	SPRINT NEXTEL:	7.82	(0.01)
SHAW COMM:	23.26	0.21	TIVO:	13.22	(0.14)
TIME WARNER CABLE:	132.02	(0.9)	UNIVERSAL ELEC:	36.44	(0.95)
WASH POST:	653.51	(4.69)	VONAGE:	3.22	(0.02)
PROGRAMMING					
AMC NETWORKS:	64.06	(0.77)	YAHOO:	36.29	(0.2)
CBS:	58.47	(0.16)	TELCOS		
CROWN:	3.21	0.01	AT&T:	35.37	(0.05)
DISCOVERY:	85.70	(0.17)	VERIZON:	50.01	(0.21)
GRUPO TELEVISIA:	29.52	0.12	MARKET INDICES		
HSN:	57.83	(0.24)	DOW:	16072.54	7.77
INTERACTIVE CORP:	55.75	(0.79)	NASDAQ:	3994.57	2.92
LIONSGATE:	30.23	(3.53)	S&P 500:	1802.48	(2.28)
MADISON SQUARE GARDEN:	55.43	(0.44)			
SCRIPPS INT:	74.26	(0.39)			
STARZ:	27.37	(0.05)			
TIME WARNER:	66.63	(0.36)			
VALUEVISION:	5.57	0.19			
VIACOM:	79.77	(0.05)			
WWE:	14.64	0.22			
TECHNOLOGY					
ADDVANTAGE:	2.55	(0.06)			
ALCATEL LUCENT:	4.01	(0.01)			
AMDOCS:	40.51	(0.11)			
AMPHENOL:	85.05	(0.06)			
AOL:	44.46	(1.09)			
APPLE:	523.74	3.94			
ARRIS GROUP:	19.76	(0.13)			
AVID TECH:	8.64	0.21			
BROADCOM:	26.51	0.16			
CISCO:	21.27	(0.19)			
CONCURRENT:	7.55	(0.08)			
CONVERGYS:	20.22	(0.2)			
CSG SYSTEMS:	28.49	0.02			
ECHOSTAR:	49.35	(0.15)			

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CableFAX TECH

IP Transition: Cable's Concern

Since taking office earlier this month, new FCC chmn *Tom Wheeler* wasted no time taking on the IP transition challenge. The initiative is now on the agenda for Dec's open Commission meeting, where there will be a status update from the Technology Transitions Task Force on proposed IP-transition trials that involve VoIP, next-generation 911 and replacing wireline with wireless-only services. A large part of cable's concerns with the initiative is related to the VoIP trial. There's no real value in conducting the trial since it would do nothing to prove "the market power of the incumbent LECs," particularly the larger ILECs, **ACA** said in a recent filing with the FCC. Instead, the group asked the Commission to address the problem that larger ILECs are either refusing to engage in IP-to-IP interconnection for VoIP traffic or insisting upon "unreasonable terms and conditions" to exchange VoIP traffic. Large cable MSOs want to make sure that the VoIP trials aren't designed to favor a particular type of arrangement and preclude the experimentation that marks the nascent IP-to-IP voice marketplace today. **Comcast**, which has been actively participating in the development of next-generation 911, is onboard with the next-gen emergency communications trials, though it warned again that the trials shouldn't become "an ultimatum that forecloses other alternatives." The major cable players also want to ensure that regardless of the FCC's approach to implement the trials, the agency shouldn't add new regulations to IP interconnection. "A change in technology does not affect the interconnection obligations imposed on carriers by the Communications Act," **Cox** said in a filing. **Charter** supports the proposed IP interconnection trials to the extent they can "shed light on the lack of availability of IP interconnection and encourage its adoption." The MSO also urged the agency to move fast, saying there is no reason the trials cannot be completed within six months. Like other major MSOs, Charter wants the FCC to ensure ILECs don't manipulate the trials in order to support the regulatory outcome

they advocate. A Jan order is expected.

Streaming Battle: The battle between **Microsoft** and **Sony** has officially started as Xbox One went on sale in 13 countries on Nov 22. According to Microsoft, 1mln devices were sold within 24 hours. Sony's PS4 went on sale in North America a week before and 1mln consoles were sold within 1 day. Many had expected a higher sales number from Microsoft given its bigger launch market. Moving forward, holiday shoppers might favor Sony's console over Xbox One, according to **Parks Associates** survey, which showed around 36% of console shoppers plan to purchase PS4 while 27% planning to buy a Microsoft console. Nintendo is 3rd among console shoppers, and **Ouya**, a relatively cheaper (\$99) Android-powered game console, is the 4th most-desired brand. Overall, some 15% of all US broadband HHs plan to purchase both a tablet and a game console, the survey said. While tablets are overall the most-popular CE device this holiday season, new consoles from Microsoft and Sony, along with other less-expensive options, will "reinvigorate gaming this year," *John Barrett*, dir of consumer analytics said. "These new models will also help get shoppers into the stores, as console shoppers prefer to shop at retail stores versus purchasing online," he said. Almost 50% of console shoppers plan to shop in-person, at a retail store, while 48% of tablet shoppers plan to shop for that device online, he said. Shoppers planning to purchase both a tablet and a game console are expected to spend around \$1,400 this holiday season, enough to afford both devices but likely not enough for all the products they plan to buy this year, he said.

Awards: Infinera, which provides Intelligent Transport Networks and counts cable ops as customers, announced its co-founder/pres and member of the board *David Welch* received the JJ Thompson Medal for Electronics from the **Institution of Engineering and Technology**. Welch was recognized for being a pioneer in the optical device and optical networks field.



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