

# CableFAX Daily™

Monday — December 3, 2012

What the Industry Reads First

Volume 23 / No. 232

## TiVo Calling: Vendor Firmly Establishes Itself with the Cable Crowd

Remember back when MSOs scoffed at the idea of partnering with TiVo? Things have certainly changed with deals being struck with many, most recently **Cable One**. Unlike **Google**, which is rumored to be selling the **Motorola** set-top biz because cable's not interested in having it in the middle of its business, TiVo has found a way to make it work. "We have been able to insert ourselves by having that consumer facing television behavior understanding coupled with the backend plumbing understanding, and thirdly, not being a threatening force for the cable operator to embrace," said TiVo CEO *Tom Rogers* during a recent investor conference. "I don't think we're believed as being a company that they need to worry about in terms of being strategically at odds with their desire to maintain the relationship with the subscriber as a 3rd party may." **JP Morgan** sr analyst *Paul Coster*, who covers applied and emerging technologies, has TiVo as 1 of his top 3 stock picks for Nov (overweight rated and a price target of \$13). It hasn't been all rosy with cable. In Mar, TiVo filed counterclaims against Moto and its customer **Time Warner Cable**. Jury selection is set to begin Apr 29, according to court documents. TiVo has certainly seen an evolution, with Rogers recalling the amount of skepticism the company has faced over the years. "Going back a couple years, it was, 'These guys are just about patents, and they don't have anything to show for it,' in terms of patent enforcement. Just a case that goes on and on," he said. Now, TiVo has more than \$1bln to show for it following settlements with **DISH**, **Verizon** and **AT&T**. On the cable side, TiVo now has arrangements with 9 of the top 21 cable operators. MSO-related service revenue for 3Q climbed 84% YOY to \$7.5mln. "Supposedly, big strategics were going to swoop in and provide the cable industry with its answers, and those big strategics have essentially been rejected by the industry," Rogers said. It's early on in deployment for a lot of these companies, but that leaves a lot of potential upside for TiVo. One partner with a bit of a question mark on it now is **Charter**, which signed its TiVo deal before *Tom Rutledge* came on board, and is evaluating CE costs. Rutledge has been publicly supportive of TiVo software, but has "real reservations about the hardware and cap ex path that Charter was on and decided to evaluate what their options were," Rogers said. "Our margins don't come from hardware. We provide hardware as a way to get MSOs going. Our model is all based on the distribution of the user experience through our software and the per month, per sub fee that it embodies..."

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**Deadline: December 12, 2012 • Enter Online: [www.CableFAX.com/BOW12](http://www.CableFAX.com/BOW12) • Event: Spring 2013**

Enter as many categories as you like, but please tailor your entry to the category you are entering.

**Campaign Categories:**

- Ad/Series of Ads
- App (for Smartphone)
- App (for Tablet)
- Authenticated Content Marketing Campaign
- Best Visual Design
- Best Website Navigation
- Blog or Series of Blogs
- Contest/Online Games
- Digital Agency of the Year
- Digital Marketing Campaign
- Digital PR Campaign
- Editorial Excellence
- Facebook Campaign
- Mobile Marketing Campaign

- Online Community
- Online Newsroom
- Online Store/Merchandizing
- Original Content
- Podcast or Videocast
- Social Good Campaign
- Social Media Campaign
- Social Media Dream Team
- Supplemental Web Content
- Use of Facebook
- Use of Pinterest
- Use of Twitter
- Use of Video/Moving Image
- Web Site Design
- Web Site Redesign

**People Awards**

- Blogger
- Tweeter
- Online Community Facilitator
- Community Editor
- Digital Hot List
- Web Content Director
- Other (please enter an executive who is successfully leading your organization's digital initiatives)

- Cable Operator
- Official Show Website
- Regional/Local Programmers
- Technology Partners

**TV Everywhere Awards**

- Best Content Marketing/PR
- Best Portal Site (Distributor)
- Best Portal Site (Programmer)
- Best TV Everywhere/Authentication App (Operator)
- Best TV Everywhere/Authentication App (Programmer)
- Best TV Everywhere Technology (Vendor)

**Best Overall Websites**

- Cable Network - Small and Mid-Size (Fewer than 50mln subs)
- Cable Network - Large (More than 50mln subs)

Category definitions, FAQs, a list of last year's winners, and to enter online at [www.CableFAX.com/BOW12](http://www.CableFAX.com/BOW12)

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**What to Send**

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- Category entered • Title of entry • Key contact for entry • Organization submitting entry

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- URL/Web address(es) • Clippings • Photographs • Magazines • E-letters • Newsletters • Testimonials • Print-outs of Web Pages

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The awards are presented by the most trusted information source in cable: CableFAX Daily and sister brand CableFAX: The Magazine.

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Charter is still going through its analysis of how to pursue its cap ex program.” A Charter spokesperson said Fri that the MSO is no longer deploying TiVo’s boxes but is exploring offering TiVo’s software interface. Up next for TiVo, **NFL** Jets QB *Tim Tebow* (his name sounds a lot like TiVo, get it?) as a brand ambassador and the Motorola patent trial.

**At the Portals:** The goal is to vote by year-end on the **DISH** proceeding, which will determine whether the DBS company can use its satellite spectrum for terrestrial wireless broadband, **FCC** chmn *Julius Genachowski* said at the Commission’s Open Meeting Fri. However, the chmn was less definitive regarding the media ownership item: “We have an obligation as a commission to move forward with each of these reviews as fast as possible and we are going to move as a commission as fast as we can.” No decision was made, he said. In addition to criticism from public interest/consumer groups, 9 senators asked the chmn not to lift the ban on cross-media ownership without a “clear, evidence-based response” to concerns about the impact of the potential changes, they said in a letter Fri. Meanwhile, the chmn started the meeting praising cable and telco ops for their work to keep communications lines open during Hurricane Sandy.

**Retrans:** It’s not over yet for **DirectTV** and **Gannett** (*Cfax, 11/30*), with their retrans contract expiring at midnight Fri (11/30). “We remain in productive discussions and have no intention of removing any of their local stations after today—that decision is entirely up to Gannett,” a spokesman said Fri. However, Gannett has refused DirectTV’s request for an extension in talks, and instead is threatening to take channels away from subs “as negotiating tactic,” he said. “We don’t see how that fulfills their obligation to serve the public interest.” Regardless, DirectTV subs should rest assured that, “even though Gannett recently removed its stations from another provider for a brief period of time, we would hope they will not resort to any unnecessary blackout, however brief it might be,” he said. Gannett, which owns 23 stations across the country, continued to warn viewers that they might lose the stations after midnight. Several of its stations are asking DirectTV subs to call the op to keep the stations on their Websites. Messages on **CBS** affil WUSA 9 were frequent Thurs night. Both the station Websites and DirectTVpromise.com told viewers that in the case of a blackout, they can still view Gannett Broadcasting programming over-the-air. If viewers have a newer TV set, the antenna is typically built right in. Subs can boost reception with an inexpensive digital antenna available at local electronics store. -- This one *is* over. **Charter** reached an agreement for continued carriage of **LIN TV** stations late Thurs, before the contract’s midnight expiration. “This is a win for Charter customers, who will continue to enjoy LIN’s broadcast TV from Charter. We appreciated our customer’s patience and support as we worked through these negotiations, protecting their best interests,” Charter said in a statement. LIN said in a statement on its Website that “we are pleased to inform you that an agreement has been reached with Charter and you will not lose access to your local TV station.”

**Research:** Over half of US households with a multichannel video service subscription have a DVR vs 4% of TV HHs that don’t subscribe to a multichannel service, said a new research from **Leichtman Research Group**. In addition, 43% of all HHs with a DVR now have DVR on more than 1 TV set. Overall, 20% of all TV HHs have a DVR on more than 1 TV set, an increase from 6% 5 years ago. Meanwhile, 51% of Netflix subs have a multichannel video service this year vs. 43% last year and 40% in ’10. “The percentage of all TV households in the US with a DVR has essentially doubled over past five years, and DVR functionality is expanding to more TV sets in the home,” said *Bruce Leichtman*, pres/ principal analyst. “Consumers are increasingly integrating DVR, as well as VOD and **Netflix**, on-Demand TV viewing into their TV viewing patterns.”

**Honors:** **NBC Olympics** won 4 Olympic Golden Rings awards—3 Gold and 1 Silver in the 4 categories for which it was eligible, including a Gold for Best Olympic Program—Thurs in Lausanne, Switzerland at the **International Olympic Committee’s** biennial awards ceremony. The Olympic Golden Rings are awarded by the IOC to honor broadcasters for their outstanding coverage of the Olympic Games.

**Programming:** **MLB Net** will provide more than 25 hours of on-site coverage from the MLB Winter Meetings in Nashville Mon-Thurs, with special editions of “Hot Stove,” “MLB Tonight,” and “Intentional Talk.” -- **Nick’s** “iCarly” bid adieu last week with the series finale notching 6.4mln total viewers. The net has picked up spin-off comedy “Sam & Cat” for 20 eps to bow next year. -- **RLTV** will air season 2 of “Fraud Squad,” which educates viewers on how to spot and avoid scams, Dec 4 with 2 back-to-back eps at 9pm and 9:30pm. -- Hotlanta is becoming the capitol of reality TV. **TLC** will premiere “The Sisterhood,” which looks into the lives of preacher wives in Atlanta, Jan 1 at 9pm.

**CableFAX Week in Review**

Company	Ticker	11/30 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
DIRECTV:	DTV	49.70	1.45%	16.23%
DISH:	DISH	37.04	5.56%	30.06%
DISNEY:	DIS	49.66	2.01%	32.43%
GE:	GE	21.13	2.18%	17.98%
NEWS CORP:	NWS	25.22	3.79%	38.72%
<b>MSOS</b>				
CABLEVISION:	CVC	13.84	(1.56%)	(2.67%)
CHARTER:	CHTR	70.85	1.40%	24.43%
COMCAST:	CMCSA	37.20	1.93%	56.87%
COMCAST SPCL:	CMCSK	36.04	1.49%	52.97%
GCI:	GNCMA	8.43	12.10%	(13.89%)
LIBERTY GLOBAL:	LBTYA	56.04	(1.98%)	36.58%
LIBERTY INT:	LINTA	19.30	1.34%	18.96%
SHAW COMM:	SJR	21.98	2.71%	13.47%
TIME WARNER CABLE:	TWC	94.89	3.00%	49.27%
VIRGIN MEDIA:	VMED	35.17	4.30%	64.50%
WASH POST:	WPO	367.06	5.16%	(2.59%)

<b>PROGRAMMING</b>				
AMC NETWORKS:	AMCX	52.76	3.19%	40.39%
CBS:	CBS	35.98	3.36%	32.57%
CROWN:	CRWN	1.83	13.66%	51.24%
DISCOVERY:	DISCA	60.41	5.28%	47.45%
GRUPO TELEVISA:	TV	23.67	2.56%	12.39%
HSN:	HSNI	52.89	1.17%	45.86%
INTERACTIVE CORP:	IACI	47.15	11.20%	10.68%
LIONSGATE:	LGF	16.38	5.34%	96.88%
LODGENET:	LNET	0.15	(28.57%)	(93.72%)
OUTDOOR:	OUTD	7.43	(0.27%)	(0.4%)
SCRIPPS INT:	SNI	59.04	(0.92%)	39.18%
TIME WARNER:	TWX	47.30	5.18%	30.88%
VALUEVISION:	VVTV	1.83	(21.12%)	(2.66%)
VIACOM:	VIA	52.27	4.60%	(1.99%)
WWE:	WWE	8.07	2.93%	(13.41%)

<b>TECHNOLOGY</b>				
ALCATEL LUCENT:	ALU	1.10	(0.9%)	(29.49%)
AMDOCS:	DOX	33.46	2.61%	17.28%
AMPHENOL:	APH	61.92	1.93%	36.42%
AOL:	AOL	37.52	5.39%	148.48%
APPLE:	AAPL	585.28	4.20%	44.51%
ARRIS GROUP:	ARRS	13.97	1.67%	29.11%
AVID TECH:	AVID	6.53	3.98%	(23.45%)
BLNDER TONGUE:	BDR	1.15	3.60%	(5.74%)
BROADCOM:	BRCM	32.38	3.82%	10.29%
CISCO:	CSCO	18.91	2.33%	4.59%
CLEARWIRE:	CLWR	2.32	5.94%	19.59%
CONCURRENT:	CCUR	5.28	6.24%	39.31%
CONVERGYS:	CVG	15.61	3.10%	22.24%
CSG SYSTEMS:	CSGS	18.58	3.80%	26.31%
ECHOSTAR:	SATS	31.36	2.95%	49.76%
GOOGLE:	GOOG	698.37	4.88%	8.12%
HARMONIC:	HLIT	4.58	10.63%	(9.13%)
INTEL:	INTC	19.57	1.06%	(19.32%)
JDSU:	JDSU	12.13	8.01%	16.19%
LEVEL 3:	LVT	18.86	2.17%	11.01%

Company	Ticker	11/30 Close	1-Week % Chg	YTD %Chg
MICROSOFT:	MSFT	26.61	0.36%	2.52%
RENTRAK:	RENT	19.22	5.32%	34.59%
SEACHANGE:	SEAC	9.25	1.54%	31.58%
SONY:	SNE	9.74	(3.37%)	(46.01%)
SPRINT NEXTEL:	S	5.73	2.69%	144.87%
TIVO:	TIVO	11.70	15.96%	30.43%
UNIVERSAL ELEC:	UEIC	17.64	8.55%	4.56%
VONAGE:	VG	2.43	8.97%	(0.82%)
YAHOO:	YHOO	18.77	2.01%	16.37%

<b>TELCOS</b>				
AT&T:	T	34.13	0.83%	12.86%
VERIZON:	VZ	44.12	2.22%	9.97%

<b>MARKET INDICES</b>				
DOW:	DJI	13025.58	1.47%	6.61%
NASDAQ:	IXIC	3010.24	2.86%	15.55%
S&P 500:	GSPC	1416.18	1.81%	12.61%

**WINNERS & LOSERS**

**THIS WEEK'S STOCK PRICE WINNERS**

COMPANY	CLOSE	1-WK CH
1. TIVO:	11.70	15.96%
2. CROWN:	1.83	13.66%
3. GCI:	8.43	12.10%
4. INTERACTIVE CORP:	47.15	11.20%
5. HARMONIC:	4.58	10.63%

**THIS WEEK'S STOCK PRICE LOSERS**

COMPANY	CLOSE	1-WK CH
1. LODGENET:	0.15	(28.57%)
2. VALUEVISION:	1.83	(21.12%)
3. SONY:	9.74	(3.37%)
4. LIBERTY GLOBAL:	56.04	(1.98%)
5. CABLEVISION:	13.84	(1.56%)

**CableFAX Webinar: Tuesday, December 11 | 1:30 – 3:00 pm ET**

**Social Media Strategies for 2013: Tactics to Drive ROI**

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