

CableFAX Daily™

Tuesday — June 17, 2014

What the Industry Reads First

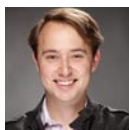
Volume 25 / No. 116

Kicking It: Record Ad Dollars, Strong Tune-In for World Cup

The World Cup is off and running, and things are looking bright for the quadrennial event. Deloitte's Sports Business Group estimates a record \$4bln in advertising for the tournament. Helping matters is the record global audience expected because Brazil is the host, making live viewing in North and South America and other parts of the world easier. The firm fully believes the World Cup could score a record global TV audience, while advancing broadcast production (for example, the use of Ultra HD during the tourney). The 2010 final (Spain vs Netherlands) reached a cumulative global audience of 910mln in-home viewers and more than 1bln when out-of-home viewing is included. Given the proliferation of TVE offerings and mobile devices, out-of-home viewing should be even greater this time around. Case in point, the opening match produced a record 1.1mln unique views and 50.1mln minutes across all streams and devices on WatchESPN, up 132% and 172%, respectively, compared to the first 2010 match. Match 1's live stream on Univision Digital received 1.2mln views, ranking as the 3rd most watched live stream in Univision's history. The Univision Deportes app has already been downloaded more times in June 2014 than the full 2013 calendar year. WatchESPN has posted a 157% increase in viewers and 170% in minutes through the first 11 games, averaging 643K viewers and 27.1mln minutes viewed per match. Thurs' opening game (Brazil-Croatia) averaged 4.435mln viewers on ESPN, ranking as the most-viewed opening game of the World Cup on record (back to 1994). It was 55% larger than the 2010 opening match (South Africa-Mexico). ESPN, ESPN2 and ABC have combined to average 3.74mln viewers (based on a 2.3 US HH rating) for the first 11 matches, marking a 2% viewer increase over the 2010 World Cup, which included the US vs. England match on the 2nd day of the tournament (this time, the first US match takes place Mon (6/16) night when USA takes on Ghana at 6pm ET). Univision is also stoked, with opening weekend averaging 3.8 mln total viewers and 2mln 18-49s. It boasted that Univision Deportes outdelivered ESPN's coverage by +34% among total viewers and adults 18-49 for the first 4 matches. Univision Deportes' opening match on Thurs was the most-viewed match to-date, across all nets (5.1mln total viewers). Futbol is a win on social media as well, with Univision the #1 network across all English- and Spanish-language broadcast networks on Sat in terms of Twitter activity, beating NBC, ABC, CBS and Fox.

Cablefax Webinar

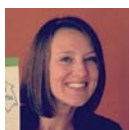
How to Leverage Facebook to Maximize Your Cable Brand



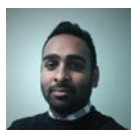
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SpinCo Appoints CFO: Time Warner Cable svp/treasurer *Matthew Siegel* was named CFO of “SpinCo,” the new cable firm that will be spun off from **Comcast** upon completion of its merger with TWC and the related **Charter** transactions. Siegel will remain on his position at TWC until the closing of the merger. Former **Insight** chief *Michael Willner* agreed to serve as president/CEO of “SpinCo” in May.

Still Fighting: **Buckeye** told the **FCC** that it extended a new offer last week to **Sinclair** for carriage of **WNWO** on its Toledo, OH, system. The operator has been without the **NBC** affil since Dec 16. “The form of the offer meets Sinclair’s numerous preconditions,” and “includes another substantial step by Buckeye in Sinclair’s direction on the issue [of] the value of WNWO(TV)’s signal,” Buckeye said in an FCC filing. “Buckeye is hopeful that its offer will move the negotiation forward, but Sinclair’s conduct in this matter gives Buckeye little confidence in that outcome.” In other words, these 2 are still fighting. In fact, the revelation of the latest offer came in an FCC filing in which Sinclair was correcting “highly misleading” status updates by Sinclair at the Commission. First, Buckeye took issue with a demand to compel Buckeye to return to the negotiating table, claiming it never left. It also rejected the broadcaster’s claim that it had made a new offer that didn’t require Buckeye to carry its un-launched cable nets: “What Sinclair left out is that the offer was outlandish” and more expensive than carrying the cable nets.

DreamWorksTV: Family friendly channel **DreamWorksTV** launched on **YouTube** Mon, an offshoot of **DreamWorks’** acquisition of **AwesomenessTV** a year ago. The channel features live-action and animated short-form content. Series include the animated “Gorillaville” and reality TV fare such as “Prank My Parents.” “Richie Rich,” an original scripted series based on the comic book character, will debut this summer. New originals will be launched throughout the summer.

Four More for Smith: **NAB** pres/CEO *Gordon Smith* will be sticking around for a few more years. He agreed to a contract extension that keeps him in the post until the end of ’18. Smith, a former Republican US Senator from OR, joined the association in 2009. **NCTA** pres/CEO *Michael Powell*’s contract was reupped for 3 more years at a board meeting earlier this year.

Suddenlink Gets Speedier: **Suddenlink** is the latest MSO to launch an ultra-fast broadband tier. With a download speed of 300 Mbps and an upload speed of 15 Mbps, the service is available in 2 TX communities, Leander and Pflugerville, and will be expanded to Georgetown, TX, later this summer. These communities are the first in the MSO’s footprint to receive the service. The company touted the fact that the service is available to all residential customers in these communities, instead of those in select neighborhoods. **Time Warner Cable** recently launched a broadband tier with speeds up to 300 Mbps in parts of NYC, L.A. and Austin. Meanwhile, Suddenlink has activated nearly half of the 200 WiFi access points planned for the 3 neighborhoods, offering connections for free for its HSD subs.

Aereo Speaks: With a Supreme Court decision on the broadcasters’ battle against **Aereo** expected this month, why not take advantage of the publicity? The start-up’s execs released a **YouTube** video Mon that promotes and explains the service. In a video posted by the company, chief commercial officer *Alex Mouille-Berteaux* said TV “has barely innovated” in the last 20 years and Aereo is “a totally new approach to TV.” Founder/CEO *Chet Kanojia* highlighted the consumer emphasis in the 90-sec video. “Everything is first and foremost, what’s good for our customers... Everything needs to be written for the next generation of consumers... I think it is our responsibility to do it.”

Ratings: The 2014 Stanley Cup Playoffs was the 2nd-most watched **NHL** post-season since **NBC** and **NBCSN** started their coverage in 2006 and the 4th-most watched on record (since data became available in 1994), according to **Nielsen**’s Fast National data. NBC, NBCSN and **CNBC** combined to average a 0.87 HH rating and 1.45mln viewers. This year’s average viewership was up 10% from the 2013 cable average of 1mln viewers (0.60 HH rating). The Stanley Cup Final scored a 3.01 HH rating and averaged 5mln viewers, making it the 5th Final on record to average more than 5mln viewers. -- Time shifted viewing is on the rise at **TNT**’s Mon night drama. Season 3 premiere of TNT’s “Major Crimes” scored 6.8mln viewers in Live+3, up 4% over last summer’s season premiere and a 32% increase over the season 3 premiere’s Live+Same Day delivery of 5.2mln viewers. The net’s

BUSINESS & FINANCE

new crime drama “Murder in the First” bagged 5.2mln viewers in Live+3, a 37% increase over the premiere telecast’s Live+Same Day delivery of 3.8mln viewers.

Programming: ESPN starts its Wimbledon coverage on Mon. That includes 140 live hours on ESPN, **ESPN2**, **ESPNEWS** and **ABC**, 1K live hours on **ESPN3**, and the return of complete TV coverage on 3 days to start the 2nd week. -- **Outdoor Channel’s** new adventure-driven TV series “*Jim Shockey’s UNCHARTED*” debuts July 2, with each hour-long ep chronicling the places that outfitter Shockey and his crew explore.

Ratings Matter: Parents are using the TV ratings system more than before, with a study finding that nearly 95% said they’re aware of the system and 72% are using it—up from about 68% in a 2011 study. The study was conducted on behalf of the **TV Parental Guidelines Monitoring Board**. Understanding of the ratings system is up more than 10% since 2011, the study found. Hispanics and African-American parents, as well as those with children under age 13, are among those who use the ratings the most.

Marketing: Attention New Yorkers. Be on the lookout this week for an army of upgraders who will step up your brown bag lunch to a fine dining experience, your bus ride to a private SUV and so on. It’s part of the marketing behind **FX’s** new drama “Tyrant” (premieres June 24).

CableFAX Daily Stockwatch

Company	06/16 Close	1-Day Ch	Company	06/16 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	83.13	0.06	CONVERGYS:	21.10	(0.27)
DISH:	59.20	0.24	CSG SYSTEMS:	25.52	(0.04)
ENTRAVISION:	5.43	0.07	ECHOSTAR:	51.82	(0.19)
GRAY TELEVISION:	12.07	0.24	GOOGLE:	544.28	(7.48)
MEDIA GENERAL:	17.80	0.42	HARMONIC:	7.41	(0.13)
NEXSTAR:	45.99	0.16	INTEL:	30.01	0.14
SINCLAIR:	31.32	0.09	INTERACTIVE CORP:	68.47	(0.18)
MSOS					
CABLEVISION:	17.23	0.21	JDSU:	11.55	(0.04)
CHARTER:	148.50	0.29	LEVEL 3:	42.30	(1.79)
COMCAST:	52.35	(0.12)	MICROSOFT:	41.50	0.27
COMCAST SPCL:	51.97	(0.1)	NIELSEN:	46.36	(0.03)
GCI:	10.81	0.03	RENTRAK:	49.12	(0.93)
GRAHAM HOLDING:	694.48	(4.52)	SEACHANGE:	7.86	(0.31)
LIBERTY GLOBAL:	42.73	(0.62)	SONY:	16.26	0.04
LIBERTY INT:	28.95	(0.16)	SPRINT NEXTEL:	8.61	(0.12)
SHAW COMM:	25.05	0.27	TIVO:	12.04	(0.1)
TIME WARNER CABLE:	141.88	(0.38)	UNIVERSAL ELEC:	44.85	0.55
PROGRAMMING					
21ST CENTURY FOX:	35.73	0.21	VONAGE:	3.43	(0.04)
AMC NETWORKS:	60.25	0.26	YAHOO:	34.81	(2.13)
CBS:	60.70	0.25	TELCOS		
CROWN:	3.49	(0.07)	AT&T:	34.98	(0.05)
DISCOVERY:	76.99	(0.73)	CENTURYLINK:	37.06	0.11
DISNEY:	83.30	0.50	TDS:	25.32	(0.03)
GRUPO TELEVISA:	34.57	0.24	VERIZON:	49.31	0.13
HSN:	56.12	(0.01)	MARKET INDICES		
LIONSGATE:	26.99	0.09	DOW:	16781.01	5.27
MADISON SQUARE GARDEN:	59.64	1.86	NASDAQ:	4321.10	10.45
SCRIPPS INT:	78.20	0.81	S&P 500:	1937.78	1.62
STARZ:	28.29	(0.3)			
TIME WARNER:	68.52	0.68			
VALUEVISION:	4.59	0.17			
VIACOM:	86.53	0.59			
WWE:	11.74	0.34			
TECHNOLOGY					
ADVANTAGE:	2.90	0.12			
ALCATEL LUCENT:	3.75	(0.04)			
AMDOCS:	48.08	(0.39)			
AMPHENOL:	96.48	(0.34)			
AOL:	36.36	(0.6)			
APPLE:	92.20	0.92			
ARRIS GROUP:	32.83	0.12			
AVID TECH:	7.34	(0.07)			
BROADCOM:	38.66	0.31			
CISCO:	24.53	(0.17)			
CONCURRENT:	7.71	(0.04)			



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CableFAX TECH

by Joyce Wang

4K on Trial...

4K may have gone from concept to reality in 2013, but 2014 is looking to be the year of 4K trials, especially around major live events, *Keith Wymbs*, **Elemental's** chief marketing officer told us. The HEVC service provider is working with vendors and broadcasters around the world on 4K encoding/decoding. For the most part, the very limited number of 4K TV services available are offered by OTT providers like **Netflix**, and only as VOD content. From a video processing perspective, "live is way more challenging to support end-to-end than VOD," Wymbs noted. "With VOD, you can always resend a packet or wait until conversion happens. With live, there is absolutely no room for error." That didn't stop companies from testing/trialing 4K at some of the biggest sporting events in the world, such as the 2014 World Cup. Elemental, for one, is collaborating with **Broadcom** and Brazilian broadcaster **Globosat** to deliver 60 frames per second and 10-bit color 4K programming of the World Cup's last 3 matches. **Sony** is teaming with **FIFA** on a range of 4K initiatives, including production of the 2014 World Cup Film in Ultra HD and producing 3 full matches in 4K. Around the world, viewers can watch the 4K/60P promotional trailers for the official 4K film on 4K-compatible BRAVIA TVs at Sony showrooms and retail outlets, including Sony Stores. Going forward, Sony and FIFA will accelerate their combined efforts in 4K, the 2 said in a joint release. Unlike Sony's somewhat public demonstration, BBC's trials will be behind closed doors. The programmer is looking to stream 3 matches over the air in 4K to a limited number of TVs at its R&D facilities. Across the pond, Japanese and South Korean broadcasters and vendors are also expected to offer some matches in 4K. Outside the World Cup, another video compression service provider **Thomson Video Networks** is working with international satellite operator **Eutelsat** to launch an Ultra HD demonstration channel for Southeast Asia and Australia. Thomson's Sapphire channel-in-a-box broadcast server will

streamline playout by creating playlists of HEVC clips and scheduling the broadcasts. The 4K channel will broadcast an array of documentary, cultural, and sports content created by TV channels, production companies and Eutelsat itself. That said, it's still "very early days for 4K TV, so obviously viewer numbers will be microcosmic compared to the vast number of fans watching World Cup action in standard HD on smart TVs, smart tablets and other mobile devices," Wymbs said. However, successful delivery of the World Cup in 4K will "bellwether more pervasive live content and eventually 24x7 live channels," he said. Researchers seemed to agree. A recent **Cisco** study projected more than 20% of Connected Flat Panel TV sets will be 4K by 2018. **Parks Associates** expected 4K to trace a similar trajectory to HDTV over the last 15 years, though 4K might reach HDTV's level of affordability and ubiquity (took 15 years) in around 10 years.

AT&T Expands: AT&T scored agreements with 2 NC cities to bring gigabit broadband to Durham and Winston-Salem. The agreements stemmed from a **NC Next Generation Network** initiative, which is comprised of cities, universities and local businesses working to develop broadband networks in the state. Under the deal, the telco will provide U-verse with GigaPower over a fiber network with speeds of up to 1 Gbps. Further U-verse expansion in the state was planned for the rest of the year. The service is currently available in Raleigh, Cary, Carrboro, Chapel Hill, Greensboro, Winston-Salem, Charlotte, Asheville and surrounding areas.

Smart Home on the Rise: Approx half of US broadband HHs will have at least 1 smart home device by 2020, according to a study by **Parks Associates**. Some 43% of US broadband HHs are willing to purchase a smart home package that offers home management, safety or security features, it said.

Got tech news? Reach out to Cablefax Tech editor Joyce Wang at jwang@accessintel.com

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