

# CableFAX Daily™

Tuesday — July 22, 2014

What the Industry Reads First

Volume 25 / No. 140

## Cable Envy at TCA? Broadcast Chiefs Long for Old Days

As the **Television Critics Assn** tour wraps up this week, we're reminded that the modern TV business is a complicated, albeit beautiful, mess—especially when it comes to the competition for increasingly fractured audiences. **CTAM's** cable days that kicked off the tour were soon followed by ex-cable guy and **NBCU** Ent chmn *Bob Greenblatt*, who tore off an old scab in the ongoing debate over how broadcast nets can compete for viewers and critical acclaim with cable nets not saddled by a need to be so, well... broad. "There's so many great shows on so many networks now, and cable has the advantage of doing material that's darker, more interesting," he said. "On some levels you can go into subject matter that feels cooler than some of the stuff that we can do. It's just a fact of life." Asked why cable seems to be cleaning up at the Emmys, he joked, "let's bring back the CableACE Awards. How about that?" Of course, he noted that NBC isn't afraid to take on cable on its own turf, noting that "Hannibal" would be considered a big hit on cable. "The minute you try to do something that is dark and subversive and frightening and gets into that territory, you start to peel away the mass audience," he said. "It's just the way it is—because the quality of that show is undeniable." **CBS** Ent chmn *Nina Tassler* told critics of her frustration that the 22-ep "The Good Wife" got no Emmy love this year, while many cable dramas with 13 or fewer eps garnered noms. "You look at our primetime production schedule," she said. "They are so much more demanding. They are so much more difficult." She seconded Greenblatt's nostalgia for separate cable awards. "I want to be the first person at the head of the line to bring them back," she joked. Of course, not everyone's gloomy about the supposed cable advantage. **ABC** Ent Group pres *Paul Lee* said broadcast content limitations or the need to reach broad audiences shouldn't affect nets' ability to gain mass audiences or critical acclaim. "I think there's strength and skill on all the different platforms, and I would put 'American Crime' or 'Fresh Off the Boat' or any of our shows this year up against cable shows... Sometimes limitations can actually provide you with better storytelling. ['Scandal' showrunner] *Shonda Rhimes* is an absolute beacon of that particular thought." Meanwhile, as live+same day ratings continue to equalize between cable and broadcast, both sides throughout press tour urged TV journalists to focus on Live+3 or Live+7 ratings to better reflect TV content's increasingly long tail. "It's a very messy transition" to time-shifted measurement, admitted **Fox**

## Cablefax Webinar

July 22 • 1:30 – 3 p.m. ET.

## Electronic-Sell-Through: Tapping New Revenue with Cable's Latest VOD Invention

How familiar are you with electronic-sell-through (EST)? For marketers and business leaders looking to tap new revenue sources, EST is a potential boon that enables both operators and programmers to further monetize the VOD platform.

### You'll learn how to:

- Understand the ins and outs of EST, and how it all works.
- Supercharge EST growth through savvy marketing tactics and strategies.
- Maximize EST revenue using the latest selling techniques.
- Overcome challenges by increasing the value of EST content.
- Find EST partners and create win-win deals.
- Apply successful EST strategies that have worked for others.

Register today at [www.cablefax.com/webinars](http://www.cablefax.com/webinars).

Register today!

24294

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editor-in-Chief: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Exec Editor: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Editor: Joyce Wang, 301.354.1828, jwang@accessintel.com ● Sr Community Editor: Kaylee Hultgren, 212.621.4200, khultgren@accessintel.com ● Advisor: Seth Arenstein ● Assoc Publisher: Amy Abbey, 301.354.1629, aabbey@accessintel.com ● Dir of Market Dev: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Prod: Joann Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group ● Scott Gentry, Dir of Business Development, sgentry@accessintel.com ● Group Subs: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Sub Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,599/year ● Access Intelligence, LLC, 4 Choke Cherry Road, 2nd Floor, Rockville, MD 20850

**Networks** CEO *Peter Rice*, arguing that panel-based and live-centric ratings worked well when there were fewer TV networks, but “when there are infinite choices for the consumer, it’s impossible for that to be accurate.” FX Networks, which has been on the vanguard of coaxing critics away from live+same day for at least the last couple years, even put together a research panel over the weekend with gurus from **FX**, Fox, CBS and **Showtime**. They all presented data suggesting that viewership can more than double once time-shifted viewing through DVRs, VOD and digital gets factored in. “The incompleteness of next day data does a disservice to our networks, the artists who make our shows, our affiliates and advertisers, and the viewing public at large,” said *Julie Piepenkotter*, evp, research at **FX Networks**. During his exec session, Rice noted that Fox’s VOD numbers this summer are 30% higher than last summer. “That’s a huge number,” he said, predicting “an ability for us to discover a much more precise measurement system in the years ahead.” As for those CableACE awards coming back? Don’t hold your breath...

**Mediacom’s Unbundling Petition:** Calling the relationship between distributors and programmers “broken,” **Mediacom** asked the FCC Mon to institute a rulemaking proceeding to consider rules addressing forced wholesale bundling, interference with consumers’ access to programming otherwise freely available on the Internet (ie, **Viacom** blocking Internet customers’ access to online content after their MVPD dropped the channels) and unjustified volume discounting. The MSO argued in its petition that a radical transformation in the video marketplace has caused it to shift from 1 dominated by cable operators to 1 in which programmers (both broadcast and non-broadcast) have the upper hand. Six “media giants” own, in whole or part, more than 125 cable nets, with big companies on a path to get bigger, **Mediacom** said. To illustrate its problem with programmers tying carriage of channels or demanding highly penetrated placement, the MSO said that out of 78 channels on basic and expanded basic in its Mason City, IA, system, 66 can’t (with few if any exceptions) be offered a la carte or on any tier other than basic of expanded basic. It wants the FCC to give MVPDs the right to offer on an a-la-carte basis any video programming that: a) was not carried by the operator as of Jan 1 of this year, b) has a cost that places it within the top 20% of programming services carried by an MVPD on basic or expanded basic or c) has a price increase upon renewal or for any year in the contract term of more than the inflation rate for the most recently completed calendar year. Other recommendations: requiring programmers to provide standalone offers for programming when requested; prohibit blocking of Internet access as a tactic in negotiating agreements and require programmers to seek waivers justifying volume discounts.

**Netflix Numbers:** **Netflix** policy goals include the **DOJ/FCC** blocking the **Comcast-Time Warner Cable** merger or “at the very least” attaching a condition to the deal that would prevent the combined company from charging it for interconnection. Another policy goal outlined in its 2Q letter to shareholders is making sure the FCC does not sanctify paid prioritization. Some 15 years after launching, **Netflix** now has more than 50mln subs in 40+ counties. In the US, the sub base grew to more than 36mln in 2Q. The service expects Q3 net additions of about 1.3mln, in line with Q313. Its quarterly profit more than doubled, rising to \$71mln from \$29.5mln in 2Q13. Rev rose to \$1.34bln from \$1.07bln. **Netflix** said a recent, limited price increase resulted in “minimal impact” on membership growth. In May, it raised the price for new members in most markets on the 2 screens at-a-time HD plan, and introduced a 1-screen-at-a-time SD plan. No numbers on its original content, but for what it’s worth, the company said “Orange is the New Black” became the most-watched series in every **Netflix** territory in its 1st month. This fall, look for in-store, physical **Netflix** gift cards meant to extend brand presence and make access to the service easier. The **Netflix** app for **Google’s** Android TV platform will appear on TVs from **Sony**, **Sharp** and others in the coming months. The DVD side of the business has 6.3mln members, with **Netflix** losing 391K in the Q.

**Merger Watch:** With **21st Century Fox** circling **Time Warner**, TWX’s board on Mon adopted an amendment that removes the provision regarding stockholders’ ability to cause the Board to call a special meeting of stockholders. The provision takes effect immediately, according to **Time Warner’s** SEC filing. It appears to be a step to prevent anyone from trying to push a hostile bid on the company. While **Netflix** may not like the idea of a combined **Time Warner Cable-Comcast**, it didn’t sound any alarms on a possible **Fox-Time Warner** merger during Mon’s 2Q earnings interview. “Fox and Warner are both pretty powerful companies today... I don’t know that it changes much in terms of them coming together,” said **Netflix** chief creative officer *Ted Sarandos*. He said any deal probably has more to do with cable negotiations in sports than original productions.

**Verizon Upgrades Speeds:** Verizon is upping the upload speeds of nearly all of its FiOS broadband services to match download speeds, making it faster for resident subs to share content. For example, the basic plan now offers 15 down and 15 up Mbps, up from 15 down and 5 up Mbps. The fastest connection now offers 500/500 Mbps, up from 500/100 Mbps. In the next few months, the telco will transition qualifying existing residential subs to higher speeds for free.

**Programming: FXX** is calling it the longest-running marathon in TV history—from Aug 21-Sept 1, it will air all 25 seasons (552 eps) of “The Simpsons” in chronological order. Yep, 24 hours a day, over the course of 12 days, FXX will basically be The Simpsons Channel. Sticking to the chrono order, the net also will air “The Simpsons Movie” after the 400th ep. In Oct, the net launches “Simpsons World” via FXNOW, giving authenticated viewers instant and VOD access to every single ep (Non-authenticated viewers will have limited access, including clips). Beginning Sept 2, FXX will schedule Simpsons eps in fringe, primetime and late night. -- “Houdini,” a **Lionsgate** and **A+E Studios** co-production featuring Academy Award winner *Adrienne Brody*, premieres during a 2-night miniseries event Sept 1, 9 pm. -- **FX** announced a 5th season for its comedy series “Louie” after the show was nominated in 5 Emmy categories including Outstanding Comedy Series and Lead Actor Comedy.

**Shark Patrol:** How will **Discovery** celebrate Shark Week’s 27th birthday? Beyond the traditional bevy of programming that kicks Aug 10, the net will entice landlubbers off the screen with fintastic offers. Discovery teamed with cosmetics store **Lush** to create a Shark Fin Soap. No sharks were used in the suds creation, but the soap does sport an adorable dorsal fin. With every purchase of this soap, Lush will donate the full sale price to **United Conservationists**. **Cold Stone Creamery** will again offer 2 “Shark Week” menu items through Aug 19, and Shark Week returns for a 2nd year to **Great Clips** salons (for every Great Clips app downloaded between July 1-Aug 16, Great Clips will donate \$1 to conservation group Oceana’s shark efforts).

**Beamy Adds Android:** UK-based social TV firm **Beamy**, formerly **zeebox**, integrated with Android TV, allowing its personalized guide and content discovery platform to be embedded in the Android TV interface. Beamy’s remote control feature seeks to manage the TV set, an external set-top box, and the Android TV interface altogether. Additionally, the Beamy mobile and on-screen apps can synch with the show being watched, enabling a synchronized 2nd screen social and show participation.

**Doing Good: Discovery Comm** is supporting the White House’s “My Brother’s Keeper” initiative, which seeks to improve the expected life outcomes of boys and men of color, while simultaneously altering public perception of them, through public-private partnerships. Discovery will invest more than \$1mln to produce and air a TV special and host town hall meetings, led by **Discovery Education**. The special will air on Father’s Day on **Discovery, OWN** and sister nets. Discovery CEO *David Zaslav* was named to the My Brother’s Keeper’s National Convening Council. -- **ESPN’s** 1st ESPY Day benefitting **The V Foundation for Cancer Research** raised more than \$6.5mln on Wed, more than triple last year’s ESPY-related fundraising. The total includes a \$4mln investment from Stand Up To Cancer, a program of the **Entertainment Industry Foundation**, in a grants program with The V Foundation.

**People:** *Debra Wichser*, most recently vp, corp dev for **CBS Corp**, was named CFO of **TVGN**. She’ll relocate from NY to TVGN’s HQ in L.A. -- **Lifetime** named *Tia Maggini* vp, original movies. Most recently, Maggini was vp, TV for **Josephson Ent**, managing all areas of TV development for the company, including **AMC’s** “Turn.”

**Showtime at TCA:** Showtime pres *David Nevins* offered a few tidbits to critics, including the possibility (probably remote) that now completed hit series “Dexter” could come back for a one-off or limited run. “It worked for Jack Bauer, [of ‘24’],” he said. “It worked for the Bluth family [of ‘Arrested Development’].” He also addressed critics’ curiosity about “Happyish,” whose trailer shown at TCA in Jan generated immediate positive buzz. But the death of the show’s lead *Phillip Seymour Hoffman* in Feb has obviously put the show’s future into question. “I now am sitting on five scripts from *Shalom [Auslander]* that I think are brilliant,” Nevins said. “If I can cast it the right way, it’s something I will make—but there are no guarantees.” Nevins also addressed networks’ increasing adeptness at navigating confusing nomination categories. “I don’t envy the TV Academy trying to figure out how to categorize things,” he said. “So I think there’s always a degree of arbitrariness.” Case in point: Showtime’s decision to switch “Shameless” from the drama to comedy category led to its 1st nom for lead *William H. Macy*. -- Premiering in Nov, “*Kobe Bryant’s Muse*” looks at the star athlete’s drive, inspiration and storied career over the course of 10 months. Evp, gm, Showtime sports and event programming *Stephen Espinoza* said the doc was a unique opportunity to show a different side of Bryant, likening the ever-active athlete to a “hummingbird.” “We had a period of time where he was no longer in constant motion,” Espinoza said. “There was an opportunity, because of the injuries... there was more time for introspection.” -- “Ray Donovan” exec producer *Ann Biderman* shares writing duties with others throughout the

# BUSINESS & FINANCE

season, she said. "I always write the first episode and the last and usually a couple of others," she said, but the writer's room is heavily involved. "We work very intensely together to plot out the year and the arc of the show and all the episodes... and then the writer goes off and comes back and we work again on it. So I feel we're all in the scripts." -- "The Affair" (premieres Oct 19) tells the story of the emotional and psychological effects of an affair on two marriages, but told from both the male and female perspectives. The story's structure mimics that of the Japanese film "Rashomon," according to co-creator *Sarah Treem*. "I think storytelling in general is driven by perspective, and there are two sides at least, to every story," she said. In fact, the structure took precedence over the subject matter. "We wanted to tell a story that was going to kind of capitalize on a different perspective, and so we were thinking about how to structure a story like that, and we thought a love affair would be the way to do it," she said. -- "Home-land" returns for season 4 on Oct 5, with Cary's adventures taking her to Pakistan (filmed on location in S Africa). Clearly stung by criticism of S3's "gotcha" storyline, *Alex Gansa* sparred a bit with critics but stood by the show's creative direction. "The lack of an Emmy nomination hurt, but we're going to come back strong and get back to the top of the mountain again," he said.

## CableFAX Daily Stockwatch

Company	07/21 Close	1-Day Ch	Company	07/21 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	86.90	(0.06)	CONCURRENT:	7.32	(0.13)
DISH:	64.35	(0.5)	CONVERGYS:	20.53	(0.23)
ENTRAVISION:	5.83	(0.14)	CSG SYSTEMS:	26.67	(0.25)
GRAY TELEVISION:	12.73	(0.06)	ECHOSTAR:	51.43	(0.38)
MEDIA GENERAL:	22.12	(0.23)	GOOGLE:	589.47	(5.61)
NEXSTAR:	48.96	0.09	HARMONIC:	6.24	0.11
SINCLAIR:	33.95	(0.06)	INTEL:	34.06	0.36
<b>MSOS</b>					
CABLEVISION:	18.93	0.17	INTERACTIVE CORP:	65.51	(0.37)
CHARTER:	163.00	(1.15)	JDSU:	12.23	(0.1)
COMCAST:	53.82	(0.72)	LEVEL 3:	45.44	(0.9)
COMCAST SPCL:	53.54	(0.81)	MICROSOFT:	44.84	0.14
GCI:	10.96	(0.01)	NIELSEN:	47.91	(0.12)
GRAHAM HOLDING:	689.00	(9)	RENTRAK:	52.51	(1.31)
LIBERTY GLOBAL:	43.70	(1.23)	SEACHANGE:	7.91	(0.04)
LIBERTY INT:	28.84	(0.11)	SONY:	16.71	(0.08)
SHAW COMM:	25.60	(0.11)	SPRINT NEXTEL:	7.67	(0.23)
TIME WARNER CABLE:	146.45	(2.01)	TIVO:	13.50	0.05
<b>PROGRAMMING</b>					
21ST CENTURY FOX:	32.89	(0.12)	UNIVERSAL ELEC:	49.91	(0.27)
AMC NETWORKS:	63.66	(1.73)	VONAGE:	3.51	(0.08)
CBS:	60.43	(1.07)	YAHOO:	33.28	(0.05)
CROWN:	3.46	(0.05)	<b>TELCOS</b>		
DISCOVERY:	84.23	(0.87)	AT&T:	35.96	(0.21)
DISNEY:	85.74	(0.07)	CENTURYLINK:	37.02	0.07
GRUPO TELEVISIA:	35.23	(0.53)	TDS:	24.71	(0.82)
HSN:	55.87	(0.35)	VERIZON:	50.70	(0.05)
LIONSGATE:	31.97	(0.09)	<b>MARKET INDICES</b>		
MADISON SQUARE GARDEN:	60.82	(0.83)	DOW:	17051.73	(48.45)
SCRIPPS INT:	83.61	(1.29)	NASDAQ:	4424.70	(7.44)
STARZ:	29.96	(0.37)	S&P 500:	1973.63	(4.59)
TIME WARNER:	87.36	0.13			
VALUEVISION:	4.56	(0.02)			
VIACOM:	87.48	(0.8)			
WWE:	12.47	(0.08)			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.56	-0.00			
ALCATEL LUCENT:	3.73	0.04			
AMDOCS:	47.80	(0.02)			
AMPHENOL:	96.34	(0.03)			
AOL:	38.70	(0.2)			
APPLE:	93.94	(0.49)			
ARRIS GROUP:	32.72	0.03			
AVID TECH:	8.02	0.51			
BLNDER TONGUE:	0.96	0.02			
BROADCOM:	38.63	(0.11)			
CISCO:	25.85	(0.06)			



THE 2014 WICT  
**LEADERSHIP CONFERENCE**

SEPTEMBER 15-16, 2014  
DURING DIVERSITY WEEK  
NEW YORK MARRIOTT MARQUIS

THE 2014 WICT  
**TOUCHSTONES LUNCHEON**

SEPTEMBER 15, 2014  
11:15 AM-1:15 PM  
NEW YORK MARRIOTT MARQUIS

REGISTER TODAY AT [WICT.ORG](http://WICT.ORG)



# CableFAX TECH

by Joyce Wang

## Nielsen Talks Mobile Measurement

Nielsen recently announced the commercial availability of its mobile video measurement, an expansion of the Nielsen Online Campaign Ratings to include impressions from iOS and Android smartphones and tablets. “This launch is important because it measures ads served in the dynamic in app ecosystem, as well as in browsers, for the first time,” *Eric Solomon*, svp, global digital audience measurement, told us. The solution measures all advertising types, including video and display. Initially, “we believe that clients will want to understand the reach of their campaigns—total and unduplicated reach across devices, reach on computers and mobile devices, and duplication of audience,” Solomon said. As an extension of the TV ratings platform, the solution uses a Nielsen software meter embedded into the mobile app delivering the content to capture the impressions, identify the content or ad, and assign demographics, according to Solomon. The same technology will be leveraged to credit qualified content to the Nielsen TV ratings later this year. That program is currently in test mode, and Nielsen is finalizing the data release plan to be shared this fall. The biggest difference between measuring linear and mobile video is sample size, Solomon said. Because the consumption of TV content on the TV set is still the predominant user behavior and because TV consumption is generally limited to about 2 dozen channels per HH, “we can accurately measure it in our panel.” Mobile audiences, however, are still much smaller and spread out across mobile app and browser experiences. “And for all the talk about the rise of mobile, most TV consumption comes on tablets, which are only in about 35% of households nationally,” said Solomon, a former digital exec at **A+E Networks**. That’s why Nielsen needs to “use digital measurement techniques—capturing as close to a census of impressions as possible and taking advantage of large user datasets to assign demographics—to measure it accurately.” That said, for crediting of mobile viewing to TV ratings, the company is using

the same content identification technology—the Nielsen Watermark—across both TV and mobile, as well as the same crediting rules that have become industry standard. Meanwhile, Nielsen has extended its relationship with **Facebook** for both mobile campaign measurement and mobile TV ratings as data from the social media platform is “an important ingredient in assigning age and gender to the impressions we capture via the software meter,” Solomon said. Nielsen passes impression pings to Facebook, which will attempt to match the user to its database and assign an age and gender using models co-developed with Nielsen. Facebook accumulates this data all day, then passes aggregated data files back to Nielsen for overnight reporting. “It is all completely privacy protected,” Solomon said. The trick with mobile is that there is no Facebook cookie to use for the data match. “We solved that with the in-app meter, which captures the user’s device ID (purpose-built for ad delivery) and uses that identifier to match with Facebook,” he said. Nielsen also plans to incorporate extended demographic dimensions from **Experian Marketing Services** by the end of the year.

**4K Research:** Despite the momentum, short-term demand for 4K is hindered by “a widespread lack of awareness among consumers and a marked sensitivity to the costs of these advanced sets,” according to a study by **The Diffusion Group**. More than 8 in 10 adult broadband users have never heard of or are unfamiliar with 4K. That’s “hardly a favorable environment” for OEMs as the industry is counting on 4K to be the solution for slow TV sales and declining unit prices, TDG pres *Michael Greeson* said. In addition, all major TV OEMs have 4K sets in market, with prices generally ranging from \$1,500 on the low end, to as much as \$10,000 on the high end. Unfortunately, even among those familiar with the technology, prices are still too expensive for many consumers, TDG said.

Got tech news? Reach out to Cablefax Tech editor Joyce Wang at [jwang@accessintel.com](mailto:jwang@accessintel.com)

## Cablefax TV Innovation Summit

Monetizing Apps, TVE and Social TV

Thursday, Sept. 18, 2014 | Grand Hyatt, NYC

This unique conference will give you vital insights on how multiplatform marketing, advertising and tech innovation is fueling new revenue opportunities for TV content owners and distributors.

Early Bird Rate ends AUG. 8!

Sponsored by:



Register Today! For more information visit [www.Cablefaxtvsummit.com](http://www.Cablefaxtvsummit.com)