

CableFAX Daily™

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What the Industry Reads First

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Political Advertising: Cable Expected to Steal Share from Broadcast

Thanks largely to mid-term elections, political ad revenue is expected to reach \$8.3bln this year, and cable and digital advertising are the only ad platforms projected to gain share, according to a recent study by **Borrell Associates**. “Our projection of \$600-\$800mln for all national and local cable advertising is very real,” said *Tim Kay*, dir of political advertising at **NCC Media**, owned by **Comcast, Cox** and **Time Warner Cable**. Advertisers are using more nets and looking at more sports and fixed targeted programming, he said. In addition, the integration of set-top box data and voter file targeting is increasing cable’s market share. The company has booked some 5mln ad spots (with some pre-booked for the fall), he noted. Some of the traditional nets came out on top, including **Fox News, CNN, ESPN** and **USA**. “What is interesting is that we are seeing networks like **Food, HGTV, TV Land, Hallmark** and **FX** all coming into the top 15 network usage,” Kay said. More now recognize that the average voter isn’t just consuming news from traditional broadcast choices but getting it from other areas. and that more and more voters watch lifestyle/entertainment programming, which has a large concentration within cable, he said. Coming out of the 2012 election cycle, “campaigns realized that the biggest line item of the budget—television—had the least accountability,” he said. All communications were judged on how they reached an individual voter, and this couldn’t be done until the integration of set top box data. “It is moving campaigns away from reaching Gross Rating Points goals but focusing on building impressions against a persuadable universe,” Kay said. It’s also expanding the number of nets being used and increasing fixed programming. “Campaigns are buying the Interconnects and then buying individual cable systems to ‘heavy up’ in areas of high voter concentration,” he said. *Dan Sinagoga*, vp of political sales at **Comcast**, estimated that cable will take close to 30% of the total political ad share and even more so in 2016. Meanwhile, millennials have always been the hardest group to reach and turn out to vote, *Joan Gillman*, evp/COO of Time Warner Cable Media, told us. “They are critical to a race and as a result, one of the important target audiences.” College sports on cable is key to reaching this group, she said, noting campaigns are “reinforcing their messages across both our multiple screen products and also bring grassroots and social into the mix.” Kay is on the same page when it comes to online video advertising. “Online is being integrated to create a media mix because it is about video and reaching impressions against your target. The old way was to look at one medium and dominate it, and once you did that

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you could move to another. Now it is about finding a mix because voters are consuming video across multiple screens. This includes linear, online and dynamic VOD ad insertion.” In terms of states that will potentially generate the most political ad dollars during mid-term, Sinagoga said states with competitive Gubernatorial (PA, IL, CT and FL) and US Senate races (NC, MI, IA and NH), will be higher in total ad dollars spent, while Kay believed this election cycle is all about the Senate. While TWC Media has activity in every state, TX was strong for the primary, Gillman said. “In the summer, we are seeing hotly contested races in North Carolina, Kentucky and Texas,” she said. “The campaigns in these states are active now. The campaigns active now have an opportunity to shape the message and awareness before message fatigue sets in. In prior cycles, the campaigns active in this window had an edge going into the fall.”

Comcast-TWC Merger: Comcast execs including evp *David Cohen*, recently met with **FCC** officials overseeing its merger with **Time Warner Cable** to stress that while some commenting parties will likely raise concerns regarding industry consolidation generally, “the Commission’s review of license-transfer proceedings should focus on transaction-specific issues and on protecting competition, not competitors,” a Comcast filing said. The execs explained why certain categories of criticisms that have been lodged thus far against the transaction, specifically, those related to broadband, video programming, programming and diversity. Comments continued to flood the FCC’s Comcast-TWC merger docket. This week, some **RFD-TV** viewers urged the agency to ensure that the rural channel will be added to Comcast post-merger. The net’s on TWC’s system but is missing on some Comcast systems.

Kaitz Dinner: Comcast and Time Warner Cable, both of which have backed cable’s diversity advocate **Walter Kaitz Foundation** and its annual fundraising event Kaitz Dinner for decades, decided to withdraw their financial support for the dinner, whose honorees include **FCC** commish *Mignon Clyburn*, the 1st African-American female to have headed the agency. But while the companies will no longer be official Kaitz Dinner sponsors, they will both donate the money that would have gone to the dinner directly to the Foundation itself. The move followed recent reports questioning the MSOs’ sponsorship of the event, in light of their pending merger at the FCC. “Our commitment to provide support for this year’s dinner, at levels comparable to our past support of the dinner, was made in late 2013, months before any honorees were chosen for the dinner,” said a letter to the foundation’s exec dir *David Porter* from **Comcast Foundation** pres *Charisse Lillie*. “We do not want either the Commissioner or Kaitz to fall under a shadow as a result of our support for diversity in the cable industry, which is why we are withdrawing our support for the dinner,” it said. The Walter Kaitz Foundation supports industry diversity groups like **NAMIC**, **WICT** and the **Emma L. Bowen Foundation**.

Carriage: The **SEC Network** scored 4 additional carriage deals prior to its Aug 14 launch. As part of **ESPN’s** multi-year distribution pact with **Mediacom**, **RCN**, **Vyve Broadband** and TX-based **Grande Communications**, the channel will be available to the MSOs’ subs starting Thurs. The deal with Mediacom brings the net to the MSO’s systems in SEC states including AL, FL, GA, KT, MI, MO, and TN, while the pact with RCN will make the net available to Premiere Sports Tier subs in all of the provider’s markets, including metro areas Boston, Chicago, NYC, Philly and DC. The Vyve Broadband deal expands the net’s reach to 5 states with SEC schools, AK, TN, GA, LA and TX, and areas throughout OK, KS, CO and WY.

2Q Pay-TV Report: The top 9 cable MSOs lost about 510K video subs in 2Q, the fewest losses in any 2Q since 2009, according to a report by the **Leichtman Research Group**. **Cable One**, which lost 6.5% of all cable subs in the quarter, saw the highest percentage loss in one quarter by any top provider in the past decade. Overall, the 13 largest pay-TV ops, representing 95% of the market, lost about 300K net video subs, compared to a loss of some 350K video subs a year ago. Together, they account for nearly 95.5mln subs, with the top 9 cable companies having 49.9mln video subs, satellite TV ops having 34.3mln and the top telcos having about 11.3mln subs.

Cisco Axes Jobs: **Cisco**, which makes voice, video and broadband equipment for cable, will cut up to 6K jobs, or 8% of its total workforce, the company said during its 2Q earnings report late Wed. No timeline was given for the job reduction. The vendor’s quarterly profit and revenue were both down YOY.

SCTE: **SCTE** added 3 new cable ops—**Cablevision**, **Charter** and **Cox**—to its Corporate Alliance Program, bringing the total number of operator members to 6. The program, aimed at enabling ops and vendors to collaborate on emerging technologies and expand access to training and education resources, was launched earlier this year with **Comcast**, **Time Warner Cable** and **Suddenlink** as members.

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WWE Network Goes Global: The English-language version of OTT channel **WWE Network** became available Aug 12 in more than 170 countries and territories. The streaming net is expected to be live in the UK by Oct and will expand to Italy, UAE, Germany, Japan, India, China, Thailand and Malaysia. Services feature a regular, monthly subscription price or a pro-rated 6-month subscription for access to 24/7 programming, all 12 live WWE PPV events, as well as VOD content.

Programming: **REELZ** will air 2 specials honoring the late *Robin Williams*, “Robin Williams Remembered,” and “Robin Williams ScreenLife,” on Aug 15. -- **NatGeo** is producing special “The Walk Around the World” documenting Englishman *Karl Bushby’s* cross-country trek from LA to DC. -- **HGTV** will premiere its celebrity home renovation series “The *Jennie Garth* Project,” with back-to-back eps Sept 16. -- **TCM** will honor late actress *Lauren Bacall* with a 24-hour marathon of films from her career including “To Have and Have Not,” “The Big Sleep,” and “Private Screenings: Lauren Bacall” Sept 15-16. -- **History** will premiere “Texas Rising,” an 8-hour event series documenting the Texas Revolution and the Texas Rangers, on Memorial Day 2015.

People: **Turner Sports** upped *Matt Hong* to evp/gm and *Albert Vertino* to svp of programming at Turner Sports and gm of NBA Digital. Both will report to Turner Sports pres *Lenny Daniels*.

CableFAX Daily Stockwatch

Company	08/14 Close	1-Day Ch	Company	08/14 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	84.44	0.22	CONCURRENT:	7.28	0.01
DISH:	64.36	1.18	CONVERGYS:	18.46	(0.16)
ENTRAVISION:	4.26	0.03	CSG SYSTEMS:	27.45	0.01
GRAY TELEVISION:	10.44	(0.38)	ECHOSTAR:	48.61	(0.23)
MEDIA GENERAL:	15.91	(0.08)	GOOGLE:	574.65	(0.13)
NEXSTAR:	44.73	0.32	HARMONIC:	6.19	UNCH
SINCLAIR:	29.96	(0.28)	INTEL:	33.94	(0.16)
MSOS					
CABLEVISION:	18.14	0.30	INTERACTIVE CORP:	66.38	1.61
CHARTER:	156.44	1.43	JDSU:	10.94	0.04
COMCAST:	54.37	0.26	LEVEL 3:	41.17	(0.36)
COMCAST SPCL:	54.13	0.20	MICROSOFT:	44.27	0.19
GCI:	11.21	0.22	NIELSEN:	47.85	0.25
GRAHAM HOLDING:	701.93	(10.13)	RENTRAK:	48.18	1.26
LIBERTY GLOBAL:	43.33	0.87	SEACHANGE:	7.25	(0.09)
LIBERTY INT:	28.46	0.30	SONY:	18.07	0.13
SHAW COMM:	24.77	0.25	SPRINT NEXTEL:	5.71	(0.11)
TIME WARNER CABLE:	148.02	1.49	TIVO:	13.56	0.04
PROGRAMMING					
21ST CENTURY FOX:	35.76	0.36	UNIVERSAL ELEC:	53.00	0.49
AMC NETWORKS:	60.90	0.40	VONAGE:	3.34	(0.03)
CBS:	59.46	0.12	YAHOO:	36.36	0.17
CROWN:	3.49	0.01	TELCOS		
DISCOVERY:	42.77	0.06	AT&T:	34.91	0.22
DISNEY:	88.61	1.01	CENTURYLINK:	40.51	0.04
GRUPO TELEVISIA:	36.58	0.10	TDS:	25.50	0.16
HSN:	60.10	0.70	VERIZON:	49.00	0.08
LIONSGATE:	32.74	0.08	MARKET INDICES		
MADISON SQUARE GARDEN:	60.84	(0.36)	DOW:	16713.58	61.78
SCRIPPS INT:	79.61	0.55	NASDAQ:	4453.00	18.88
STARZ:	28.76	0.87	S&P 500:	1955.18	8.46
TIME WARNER:	76.52	2.36			
VALUEVISION:	4.76	(0.11)			
VIACOM:	81.02	0.71			
WWE:	13.90	0.07			
TECHNOLOGY					
ADVANTAGE:	2.33	UNCH			
ALCATEL LUCENT:	3.16	(0.07)			
AMDOCS:	45.60	(0.1)			
AMPHENOL:	100.90	0.87			
AOL:	42.98	0.52			
APPLE:	97.50	0.26			
ARRIS GROUP:	31.49	0.33			
AVID TECH:	7.65	0.10			
BLNDER TONGUE:	1.39	0.44			
BROADCOM:	37.71	(0.01)			
CISCO:	24.54	(0.66)			

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PROGRAMMER'S PAGE

Stamp of Approval...

Is it highbrow, lowbrow, brilliant or despicable? In **SundanceTV's** "The Approval Matrix" (premiered Aug 11), inspired by NY Magazine's pop culture roundup, a panel of celebrity guests deem aspects of pop culture as one or more of the aforementioned. At their disposal is a board and a series of blocks representing those bits of culture, which guests place somewhere on the matrix—and then justify their choices. We spoke with the series' executive producer Michael Hirschorn about the talk show format, the series' polemical topics and tackling the Golden Age of TV. **How did this collaboration with NY Mag come about?** I have a long history with NY Magazine. I used to be an editor there... and in my spare time I write magazine pieces... So there's a standing relationship. I've talked to them from time to time about ways to bring their brand to video, so when this opportunity came up with Sundance we gave them a call and they said great, let's do it. **Did you always have SundanceTV in mind for this show?** Well Sundance had approached us about finding a companion for "The Writers' Room," which they had been having some success with. They were looking to expand more into that area, of kind of smart, high-end pop culture commentary. So we proposed this project. The first episode's topic, about the Golden Age of TV, has a lot of industry talk to it. **Was there any worry that it would only appeal to more limited audience as a result?** One thing that we noticed—especially if you look online—is that pop-culture savvy has gone pro. People know who the showrunners are of the shows that they like, they know who the creators are. There's a much more in-depth knowledge that gets fueled by digital media. People engage with their favorite shows, or movies or music in a much more detailed way than they used to, and this is a show that reflects that. *For the full Q&A, check out Cablefax.com. – Kaylee Hultgren*

Reviews: "A Young Doctor's Notebook," season 2 debut, Tues, 10 ET, **Ovation**. *Jon Hamm* plays the older iteration of *Daniel Radcliffe's* neophyte doctor in these enjoyably dark tales of 20th century Russia by *Mikhail Bulgakov*. Love and the Bolsheviks intrude on the morphine-addled doc's fragile psyche this season. -- "Idiotest" Tues, 9p, **GSN**. The beauty of GSN's new game is its accessibility. Anyone can handle these idiot tests, usually graphic puzzles coupled with easy word play. For contestants, the key is staying calm. Not easy with a screaming audience, cameras trained on you, a snarky host yapping in your ear and the clock ticking. Still, it's fun. -- "Wicked Tuna, North vs. South," premiere, Sun, 10p, **Nat Geo**. Excellent storytelling about sophisticated subject matter seems to characterize Nat Geo Channel, yet a series about Bluefin Tuna fishermen from New England is its top-rated show. Due to that success, "Wicked Tuna" begets a spinoff, "Wicked Tuna: N vs S," with your favorite Yankees sailing south to hook tuna (and ratings). Heavily-equipped man's struggle against nature is only part of the story, as the lads battle the unpredictable weather of N.C.'s Outer Banks and southern fishermen. Nat Geo gets points for camerawork and use of graphics to explain fishing's subtleties. Wicked fans will love N vs S. Will others? - *Seth Arenstein*

Basic Cable Rankings (8/04/13-8/10/13)			
Mon-Sun Prime			
1	TNT	0.8	1961
1	USA	0.8	1935
3	DSNY	0.7	1781
3	FOXN	0.7	1779
3	HIST	0.7	1668
6	DISC	0.6	1578
6	TBSC	0.6	1487
6	NFLN	0.6	1058
9	HGTV	0.5	1331
9	NAN	0.5	1138
9	A&E	0.5	1134
9	DSE	0.5	112
13	SYFY	0.4	1058
13	FOOD	0.4	1044
13	ADSM	0.4	1026
13	AMC	0.4	916
13	LIFE	0.4	864
13	SPK	0.4	854
19	FX	0.3	849
19	ESPN	0.3	838
19	FAM	0.3	829
19	TLC	0.3	818
19	HALL	0.3	714
19	BRAV	0.3	714
19	ID	0.3	670
19	MTV	0.3	623
19	BET	0.3	623
19	TVLD	0.3	608
19	DSJR	0.3	590
30	VH1	0.2	601
30	APL	0.2	569
30	CMDY	0.2	563
30	TRU	0.2	515
30	CNN	0.2	509
30	MSNB	0.2	507
30	DXD	0.2	474
30	LMN	0.2	463
30	EN	0.2	458
30	NKJR	0.2	452
30	NGC	0.2	422
30	WETV	0.2	420
30	TRAV	0.2	412
30	HLN	0.2	373
30	GSN	0.2	365
30	H2	0.2	348
30	NKTN	0.2	343

*Nielsen data supplied by ABC/Disney

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