

# Cablefax Daily™

Friday — January 8, 2016

What the Industry Reads First

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## Virtually Insane: CES Goes Crazy Over VR

Each year at **CES** the geekerati goes nuts for something—and this year it's the somewhat tenuous potential of Virtual Reality entertainment. Yes, the Internet of Things, drones and even driverless cars are also turning heads, but it was the noggins adorned with VR headgear that have become a somewhat ubiquitous site in Vegas. **Samsung** this week launched its Gear headset designed to work with existing smartphones. And **Google** is out there promoting cardboard—yes, cardboard—VR headsets that it hopes will effectuate VR for the smartphone-enabled masses. But for traditional media companies, the pathway forward is uncertain to say the least. “We’re setting the stage for potentially the next level of immersive entertainment,” said *Ted Schilowitz*, futurist at **20th Century Fox**, which plans to create a half-hour VR experience based around the movie *The Martian* and timed to the spring launch of **Facebook’s** Oculus. “Someone has to be the one who’s lighting the match and creating the sparks that lead to consumer adoption,” he said. Of course, most content providers are taking a more cautious approach, with “augmented reality” or AR providing a bridge to the higher-end experience of Oculus or **Sony’s** planned VR headset set to launch for PS4 this summer. “We’re kind of wading in with a 1.0 experience,” said **Hulu** svp, ad sales *Peter Naylor*, noting that the OTT provider will offer VR-fueled EPG navigation and VR-esque viewing experiences with plans for “more original immersive content” in the future. “As that library grows, the willingness to behave this way will only increase,” he said. “We believe that TV should be a two-way interaction and very personal.” He said even low-end experiences could thrill fans, noting that a 360-degree camera set in the middle of a table read could create a VR/AR experience that thrills fans. *Aaron Luber*, head of content partnerships for Google Cardboard, said Google’s reluctance to go beyond cardboard right now stems partly from a lack of high-end VR content. “That’s a major shift that hasn’t happened,” he said, noting that Hollywood’s VR rhetoric hasn’t yet led to big investment. So will VR change everything or end up in the same dustbin of CES history as 3DTV? No one knows, but the tech industry is pushing hard enough that VR entertainment seems to have a fighting chance for now. (Join **Cablefax** and speakers from **Time Warner Cable**, **Discovery** and **Fusion** as we tackle the VR future in a webinar Jan 19. More info at Cablefax.com).

**Retrans Rumble:** DISH lost **Cordillera** stations, including **KXLF/KBZK-CBS** and **KXFLD-CW** for Butte, MT, and

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**KRIS-NBC** and **KRIS-CW** for Corpus Christi, TX. With no retrans pact in place, 17 stations went dark on DISH's lineup Thurs. "Blacking out consumers is standard operating procedure for Cordillera. The broadcaster deliberately took down these same stations for DirecTV customers for 10 days in 2015. This current blackout will prevent consumers from watching NFL playoff action as well as the Golden Globes this weekend," retrans reform group **American TV Alliance** said. Cordillera said DISH has refused to reach a fair, market-based agreement.

**CES Notebook:** In the traditional cable ecosystem, networks are feeling the impact of the growing OTT market more than the MSOs, *Tony Goncalves*, svp, strategy & business development, at **AT&T Entertainment Group**, said at **CES**. "We are in a place where as an industry we need to broaden our reach to where the consumer is moving, which is to mobile devices. That poses a challenge economically. The ad-buying process in the traditional pay TV environment is \$70 billion business but we need to move to an-impression -based platform in order to be able to sustain or grow the ad business. That's more of an impact to the programer than to the MSO." MSOs, Goncalves said, need move more agilely "beyond set top boxes and big screen—that's where the tipping point comes." On the other hand... "The death of traditional television is greatly exaggerated," said *Ian Greenblatt*, VP, strategy and business development, **Arris**. "In the second quarter last year we shipped just as many video gateways as we did data gateways. Traditional video delivery has a long life left." While 2015 was dominated with headlines over skinny bundles and other creative packaging, one exec believes the fad is on its way out. "I think we are going to move away from the discussion of skinny bundles and cord cutting and go back to interactivity," said **Layer3 TV** CEO *Jeffery Binder*. "We're going to get back to a place where we get to delivering more to consumers instead of delivering less to consumers. That's where we've been for past few years, but consumers don't want less they want more. We need to stop talking about how we're disrupting the business from an economic perspective." While **Cablevision** COO *Kristin Dolan* said the MSO still considers broadband a "better business" than linear TV, "we focus a lot of time and energy" on improving content navigation to drive more usage of the DVR, VOD and other sticky features of the set-top box. And with IP-based set tops that exploit HTML5 on the way, "we're excited about that opportunity... Look at your **Netflix** screen and your EPG. Which do you like better?... If people want to watch video over the Internet... as much as we love our cable programming partners, that's okay with us."

**Binge On:** **T-Mobile** fired back at critics of its Binge On service Thurs, which exempts certain streaming video services, including **HBO Now**, **Showtime** and **ESPN**, from the user's monthly data quota. Groups and companies including the **Electronic Frontier Foundation** and **YouTube**, called the service throttling. These critics are "playing semantics," pres/CEO *John Legere* said in a blog post Thurs. "Binge On does NOT permanently slow down data nor remove customer control," he said. Legere explained that the company created adaptive video technology to optimize for mobile screens and stream at a bitrate designed to stretch subs' data. "You get the same quality of video as watching a DVD—480p or higher—but use only 1/3 as much data," the exec said. The **FCC** is investigating whether Binge On and other data-cap-exemption plans violate net neutrality rules. Legere claimed since launch, customers are watching 12% more video. And daily average viewership on one of the streaming services spike 66% among subs not on unlimited high-speed plans. Binge On launched with 24 partners and T-Mobile announced 14 more Thurs, including **A&E**, **History**, **Tennis**, **PlayStation Vue** and more. Legere noted 50 other content providers "have raised their hands to be included."

**Turner Ambitions:** After a 2-year hiatus from **TCA**, *Kevin Reilly* made his first appearance as **Turner Ent's** chief creative officer and **TNT/TBS** pres, 12 months into the role, to detail an ambitious plan to make over TNT and TBS. The "total reinvention" of the 2 networks will go beyond a rebrand, he asserted, describing it as a "new way of looking at the business of cable television... We intend to rewrite the rules" of what a TV network is, he said. The 4-pronged plan includes significantly increasing premium, original content, improving the customer experience, creating a new business paradigm and making investments in growth. He acknowledged that ratings are down with both nets—which he attributed predominately to "the inadequate Nielsen measurement system"—and he expects only modest ratings at first. The entire transformation will take 3 years to complete. "It's going to take time for us to earn our stripes," but by summer he expects "to be able to talk about TBS in an entirely new light." The first big move is in original programming, with the goal of building on comedy assets at TBS with 7 new series ordered, 6 scripted and 1 reality, and creating "bolder, more cinematic" dramas at TNT, starting with 4 new shows. On improving the customer experience, Reilly re-

# BUSINESS & FINANCE

ferred to Turner's initiative to replace traditional commercials with more effective branded content and adding 8-10 minutes of additional programming per hour-long drama. The plan is to reduce ad load in those hours by more than 50%. "We're looking for a deeper relationship with clients," he said, and believes that the company can create ads that fit with the show you're watching—as is the case in the digital world—that will be more effective. Changes to the business paradigm entail revamping almost every aspect, including using data as a tool to measure audience engagement and creating proprietary platforms that will roll out in the coming months. Investments include the soft launch of digital content creator and tech product incubator Super Deluxe, which will help the nets connect with younger audiences. Turner also purchased iStreamPlanet, is looking into an OTT platform and will launch gamer competition league Eleague with two 10-week seasons, both online and on linear. Speaking about how this rebrand compares to his work at FX years ago, Reilly admitted "it's going to be very difficult... It's a different environment now with SVOD in the universe." Gone are the days when one show changes a network, he said. Turner is in store for "a hairy couple of years," but as the business model evolves—whether it's a skinny bundle, an OTT offering or whatever it is, "we're going to be there."

## Cablefax Daily Stockwatch

Company	01/07 Close	1-Day Ch	Company	01/07 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DISH:	54.86	(1.2)	CSG SYSTEMS:	35.02	(0.53)
ENTRAVISION:	6.92	(0.17)	ECHOSTAR:	35.89	(1.27)
GRAY TELEVISION:	13.95	(1.08)	GOOGLE:	726.39	(17.23)
MEDIA GENERAL:	16.12	0.35	HARMONIC:	3.53	(0.11)
NEXSTAR:	52.84	(4.06)	INTEL:	31.84	(1.24)
SINCLAIR:	30.82	(0.24)	INTERACTIVE CORP:	55.89	(2.93)
TEGNA:	23.80	(0.75)	LEVEL 3:	50.69	(2.23)
<b>MSOS</b>					
CABLE ONE:	424.18	(9.82)	MICROSOFT:	52.17	(1.88)
CABLEVISION:	31.41	(0.18)	NETFLIX:	114.56	(3.12)
CHARTER:	173.63	(0.68)	NIELSEN:	45.14	(0.99)
COMCAST:	54.61	(0.61)	RENTRAK:	43.95	(1.26)
GCI:	19.20	(0.58)	SEACHANGE:	6.25	(0.21)
LIBERTY BROADBAND:	48.79	(0.43)	SONY:	23.27	(0.36)
LIBERTY GLOBAL:	39.20	(1.58)	SPRINT NEXTEL:	3.35	(0.24)
SHAW COMM:	16.64	(0.24)	TIVO:	8.04	(0.12)
SHENTEL:	20.40	(0.37)	UNIVERSAL ELEC:	47.20	0.26
TIME WARNER CABLE:	181.20	(0.67)	VONAGE:	5.34	(0.36)
<b>PROGRAMMING</b>					
21ST CENTURY FOX:	25.89	(0.83)	YAHOO:	30.16	(2)
AMC NETWORKS:	74.41	(1.02)	<b>TELCOS</b>		
CBS:	45.34	(0.79)	AT&T:	33.51	(0.55)
CROWN:	4.91	(0.18)	CENTURYLINK:	24.22	(0.5)
DISCOVERY:	25.48	(0.8)	FRONTIER:	4.69	(0.07)
DISNEY:	99.50	(0.86)	TDS:	23.74	(0.83)
GRUPO TELEVISA:	25.40	(0.46)	VERIZON:	45.27	(0.25)
HSN:	50.36	(0.93)	<b>MARKET INDICES</b>		
LIONSGATE:	29.06	(1.29)	DOW:	16514.10	(392.41)
MSG NETWORKS:	19.40	(0.64)	NASDAQ:	4689.43	(146.34)
SCRIPPS INT:	52.15	0.25	S&P 500:	1943.09	(47.17)
STARZ:	31.52	(0.46)			
TIME WARNER:	70.20	1.58			
VIACOM:	41.57	(1.23)			
WWE:	16.32	(0.35)			
<b>TECHNOLOGY</b>					
ADVANTAGE:	1.71	(0.02)			
AMDOCS:	52.42	(0.85)			
AMPHENOL:	47.34	(1.77)			
APPLE:	96.45	(4.25)			
ARRIS GROUP:	28.21	(0.9)			
AVID TECH:	7.48	(0.16)			
BLNDER TONGUE:	0.45	0.00			
BROADCOM:	54.47	(0.87)			
CISCO:	25.41	(0.6)			
COMMSCOPE:	23.42	(1.02)			
CONCURRENT:	5.64	(0.02)			
CONVERGYS:	23.92	(0.78)			

## Cablefax Industry Jobs

### 3 Tips to Finding and Hiring the Perfect Candidate

#### TIP 1 : Target Candidates!

Post your openings on Cablefax's job board to reach top talent and filter applicants that lack industry experience. Ask about bundles to fit your needs and budget.

#### TIP 2 : Be Selective!

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#### TIP 3 : Stand Out!

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# PROGRAMMER'S PAGE

## The Stakes are High

David Levien and his fellow producers of Showtime's upcoming Wall Street series "Billions" have been intrigued by the financial world for a long time. "We were fascinated by these super bright guys who were often Ivy League educated, with great math backgrounds, who seemed to have an angle on how to make money in the market, way beyond everybody else, and we started to focus on it, and met some guys." The series, produced by Levien, Brian Koppelman and financial journalist Andrew Sorkin, is a contemporary portrait of the world of high finance and federal prosecution, featuring the collision between US attorney Chuck Rhoades (Paul Giamatti) and billionaire hedge fund exec Bobby Axelrod (Damian Lewis). It's a battle between 2 kings: hedge fund titans who can move through the world untouched, and federal attorneys, the only ones who can touch the titans. "They are like mini-Putins, because ... they are the only thing that can say to the oligarchs, 'Stop, you've gone over the line,'" Koppelman said on a recent call with reporters. The stakes are in the billions as each king is using all of his power and influence to outsmart the other. The world isn't black and white in Billions. Very often, it's both. "Good and evil are bundled together in one individual or in one institution," said Koppelman. The producers aren't in the assigning blame game. But if you are into that, there's plenty of blame and reward to go around, according to Koppelman. That's why the high-finance world is such a fertile ground for TV drama. While the show revolves around 2 male characters, their female counterparts sometimes steal the show. The queens, wives of the Axelrod and Rhoades, each have important relationships within both worlds and their own agendas to prosecute, Koppelman said. Billions premieres Jan 17 at 10pm on Showtime. — Joyce Wang

**Reviews:** "Idiotsitter," premiere, Thurs, 10:30pm, **Comedy**. An off-the-wall series about Ivy grad Billie (Charlotte Newhouse), who takes a babysitting gig to pay her student loans. Thing is, the 'baby' (Jillian Bell) is 20-something and under house arrest in the mansion of her wealthy daddy (veteran character actor Stephen Root). She's also completely nuts. Tough to judge "Idiotsitter" based on the pilot alone. -- "Live to Tell," premiere, Sun, 10pm, **History**. We've blasted History for lacking history, so it's appropriate we rave about this new military mini. The premiere succeeds tremendously because it digs into the mission and personalities of a US special ops unit deployed to a highly dangerous area of Iraq. It emerges that each man is completely devoted to serving. You can't help but be impressed and thankful. Here's hoping "Live" is a precursor to the quality content new History chief Jana Bennett promises to program. -- "Killing Fields," Tues, 10pm, **Discovery**. The net's first true-crime series feels like Season 1 of HBO's "True Detectives," not a bad thing. Here the characters are real, though. The best is un-retired, old-school detective Rodie Sanchez, hell-bent on cracking a cold case. -- **Notable But Not Reviewed:** "The Conversation with Amanda de Cadenet," Wednesday, 10pm, **Lifetime**. Amanda and social media heavies GloZell Green, Chriselle Lim and Maya Washington interview Hillary Clinton. — Seth Arenstein

Basic Cable Rankings (12/28/15-1/03/16)			
Mon-Sun Prime			
1	ESPN	3.9	9054
2	TBSC	0.7	1701
2	HGTV	0.7	1622
2	USA	0.7	1589
2	DSE	0.7	148
6	DISC	0.6	1547
6	DSNY	0.6	1473
6	HALL	0.6	1416
9	HIST	0.5	1322
9	FOXN	0.5	1148
9	FAM	0.5	1094
9	TNT	0.5	1082
13	LIFE	0.4	1022
13	FOOD	0.4	1001
13	ID	0.4	955
13	SYFY	0.4	939
13	ADSM	0.4	938
13	FX	0.4	924
13	TLC	0.4	845
13	LMN	0.4	744
21	A&E	0.3	832
21	NAN	0.3	815
21	SPK	0.3	797
21	AMC	0.3	757
21	BRAV	0.3	735
21	CNN	0.3	680
21	VH1	0.3	647
21	CMDY	0.3	606
21	APL	0.3	594
21	NKJR	0.3	592
21	DSJR	0.3	579
21	BET	0.3	564
21	HMM	0.3	544
34	EN	0.2	552
34	TVLD	0.2	550
34	WETV	0.2	538
34	MTV	0.2	478
34	NGC	0.2	468
34	TRU	0.2	457
34	GSN	0.2	448
34	MSNB	0.2	447
34	TRAV	0.2	442
34	FXX	0.2	442
34	SCI	0.2	422

\*Nielsen data, supplied by ABC/Disney, is based on coverage area of individual networks



## Who deserves to appear in Cablefax's annual power player list?

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