

# Cablefax Daily™

Thursday — February 18, 2016

What the Industry Reads First

Volume 27 / No. 031

## Playing eSports: Understanding this Emerging Market

As managing director of sports consultancy rEvXP, Dan Ciccone is an evangelist of sorts for competitive video gaming, a.k.a. eSports, in which gamers play against each other in front of an audience. It's a massive market, which is why we booked Ciccone as a keynoter at Cablefax's upcoming Multiscreen Summit in NYC on March 8. We caught up with him to give us a crash course on the eSports sensation. **What are some of the ways that companies are monetizing eSports today, and how do you see that evolving over time?** The primary companies that are monetizing eSports are the game publishers and video distribution platforms that broadcast eSports events. Official leagues are in an evolutionary stage, and we should see more organization as time goes on. Live/arena events will continue to grow and evolve, and we should see more sophisticated merchandising efforts around the games, players and team franchises. **What are some specific ways that gaming and traditional entertainment are intersecting?** Many eSports pros and influencers offer regular entertainment through vlogs and interact with fans on a daily basis through **Twitter, Instagram, Snapchat**, etc. They are masters at exploiting technology to communicate with fans in real-time and offering access to their thoughts, ideas, and lives where most traditional entertainers keep their audience at arm's length. **So how might cable networks and distributors exploit the eSports phenomenon?** There is already a huge audience consuming eSports content—upwards of 200-300 million viewers and growing rapidly. However, the de-facto distribution partner is **Twitch and YouTube**. Having one or two distribution partners for any sport is not healthy. We have seen in TV that more distribution partners for sports has helped elevate the game(s), the technologies, the reach, the ratings, and sponsor investment. There is plenty of room for distribution and improvement for networks that want to invest in the space. **What can you tell us about the audience for eSports—and how do you see those demographics changing over time?** There is plenty of evidence illustrating that eSports' heaviest participation and consumption is amongst males 16-34; however, as many pro gamers and popular influencers wear dual hats—as pro player and entertainer—we see more and more women joining the ranks every day. eSports will likely be the first gender-agnostic sport as well. There are very little, if any, barriers for women to participate, and as more women join the space, we'll see a more even distribution between young men and women. **How big can eSports become?** eSports has hundreds of millions of participants and viewers on a global scale

Cablefax

**BEST SELLERS**

SALUTING CABLE SALES LEADERS



**ENTER TODAY!**

Entry Deadline: Feb. 19 | Final Deadline: Feb. 26

The Cablefax Best Sellers Awards recognizes Sales Executives and Teams across cable who work tirelessly behind the scenes to drive revenue and keep our dynamic marketplace growing and business moving forward.

Enter at [www.cablefaxsalesawards.com](http://www.cablefaxsalesawards.com).

Questions: Contact Mary-Lou French at [mfrench@accessintel.com](mailto:mfrench@accessintel.com) or 301-354-1851.

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Publisher: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Sr. Editor: Joyce Wang, 301.354.1828, jwang@accessintel.com ● Cablefax/Screenster Editor: Kaylee Hultgren, 646.764.8267, khultgren@accessintel.com ● Advisor: Seth Arenstein ● Dir. of Business Dev.: Rich Hauptner, 203.899.8460, rhauptner@accessintel.com ● Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● Dir of Market Dev: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Production: Joann Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group, dschwartz@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: \$1,699.97/year ● Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

and is expanding rapidly. eSports is already mainstream amongst its audience and just like the UFC 10+ years ago, or NASCAR 40 years ago, eSports is just getting noticed by mainstream media. Additionally, eSports already exceeds “traditional” sports in many aspects, but as a few games have a major global following, it is likely that certain eSports events will eclipse most traditional pro sports within the next few years.

**Set-top Letter from Hill:** More legislators are weighing in on FCC chmn *Tom Wheeler's* set-top proposal in advance of the agency's scheduled vote on Thurs. In a letter to Wheeler Wed, 25 House members, led by *Tony Cárdenas* (D-CA), wrote “any proposal must respect existing contracts so that independent and minority programmers can control the presentation of their content and secure funding essential for diverse voices to thrive in the marketplace.” They asked that the Commission “be vigilant and avoid policies or regulations that would erode any of the protections content creators enjoy.” On Tues, 5 **House Judiciary Committee** members, including *Doug Colins* (R-GA), *Judy Chu* (D-CA), *Lamar Smith* (R-TX), *Adam Schiff* (D-CA) and *Mimi Waters* (R-CA) asked the FCC to explain the implications of Wheeler's proposal. They argued that the FCC has limited authority over copyright, which falls under the Judiciary Committee's jurisdiction.

**ABC Entertainment Shakeup:** ABC Entertainment named *Channing Dungey* president, succeeding *Paul Lee*, who is stepping down. Dungey will report to *Ben Sherwood*, co-chmn, **Disney Media Networks** and pres, **Disney|ABC Television Group**. *Patrick Moran*, evp, **ABC Studios**, will continue to oversee day-to-day operations and report directly to Sherwood. Dungey was most recently evp, drama development, movies & miniseries, **ABC Entertainment Group**. Lee was named pres of ABC Entertainment in 2010. He previously served as CEO of **BBC America**.

**Arris Earnings:** Arris posted fiscal 4Q revenues of \$1.1bln, versus \$1.26bln a year ago. For the full year 2015, revenues were \$4.8bln. The company closed its acquisition of **Pace** on Jan 4. Adjusted net income was \$0.62 per diluted share, compared to \$0.78 per diluted share for the year-ago quarter.

**Comcast Ventures Doings:** Comcast Ventures added *Michelle Gonzalez* and *Noah Shanok* to its entrepreneurs-in-residence (EIRs) program. Gonzalez, who most recently led product for **Apple News**, is co-founder of **The Influencer Series**, while Shanok was the founder/CEO of **Stitcher** and is now incubating a company in Philly. -- In a separate announcement, Comcast Ventures principal *Matt Carbonara* wrote in a blog post that the group joined as a new investor in visual analytics firm **Zoomdata's** \$25mln funding round. The startup's existing investors include Accel, Columbus, Nova Technology Partners and NEA.

**Cable Apprentice:** The **Rocky Mountain Cable Association** celebrates a decade of the “Cable Apprentice” competition this year. The 10th annual competition will be held on March 4 at the **Cable Center**.

**Fox Sports Goes VR:** Fox Sports inked a 5-year partnership with **NextVR**, which provides live-action virtual reality broadcast technology, to offer live VR coverage of sporting events where Fox Sports holds the broadcast rights. In Jan, the pair offered the Premiere Boxing Champion matches in VR, and will air Sunday's Daytona 500 in VR. Future VR programming on Fox Sports will be announced soon and available on the NextVR portal. Samsung Gear VR owners can download the NextVR app on any Gear VR headset compatible phones.

**Comcast NBC Hackathon:** Comcast NBCU will hold its 5th hackathon in Silicon Valley on March 5-6. Themed “New Forms of Storytelling Inspired by Emerging Technology,” hackathon participants are expected to use hardware, software and video to explore new technology innovation, with a focus on Content Finds Consumer, Connected Car and a Universal Pictures challenge. Participants can access NBCU content, platforms, electronic components, APIs, and SDKs from edge technology firms in areas like Virtual Reality, Connected Car and the Internet of Things. Winners of the 24-hour hackathon will receive \$10K+ in cash and prizes plus the chance to pitch their idea to **NBCU Media Labs**. Hackathon partners include **Intel, Amazon, Ford, HTC Vive, Spredfast, IVA, Watchwith, Unity** and **Wirewax**.

**Evolution Digital/NCTC Deal:** Under a deal with **NCTC**, **Evolution Digital** will provide IP hybrid set-top boxes supported by **TiVo** technology. In July, TiVo's software was integrated onto Evolution Digital's low-cost IP hybrid HD set top. The set-top can be configured to support an all-IP platform, including live linear, VOD and network DVR on one platform with TiVo's universal search, navigation and recommendation features.

**SundanceTV's Campaign:** To promote its original programming on Wed nights, **SundanceTV** launched a localized TV

# BUSINESS & FINANCE

advertising campaign starring “Weird Al” Yankovic. The campaign features an original jingle and star in a custom video featuring operator-specific channel numbers. The song was written and performed by Yankovic.

**Programming:** Discovery Channel’s “Naked and Afraid” returns for a new season on March 13. -- **A&E’s** docu-series “Intervention,” which profiles people whose drug or alcohol addiction has devastated their lives and the lives of their family and friends, returns for a new season on March 6. -- **VH1** has placed a series order for its original movie “The Breaks.” Featuring the history of the hip-hop business, the series is set to debut in late 2016. -- **AT&T Audience Network** (yes, it used to be **DirectTV** Audience Network) premieres “polyromantic” comedy series “You Me Her,” on Mar 22.

**Hulu Gets on Windows 10:** Hulu launched its Hulu app on Windows 10 PCs, mobile phones and tablets. The app features integration with Cortana, the personal assistant that comes with Windows 10, Live Tiles and is built on the Universal Windows Platform. With Cortana, customers can use voice search to look for programming. The Live Tiles service keeps users updated on what shows are featured on the Hulu app home page.

**People:** Will Johnson, svp, federal regulatory and legal affairs for **Verizon**, was elected to the board of trustees of **The Media Institute**.

## Cablefax Daily Stockwatch

Company	02/17 Close	1-Day Ch	Company	02/17 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDs</b>					
DISH:	46.08	1.93	GOOGLE:	708.40	17.40
ENTRAVISION:	7.32	0.13	HARMONIC:	3.13	(0.19)
GRAY TELEVISION:	11.17	0.15	INTEL:	29.47	0.69
MEDIA GENERAL:	15.83	0.38	INTERACTIVE CORP:	43.92	0.77
NEXSTAR:	39.08	1.66	LEVEL 3:	49.09	1.12
SINCLAIR:	29.46	0.85	MICROSOFT:	52.42	1.33
TEGNA:	24.24	1.03	NETFLIX:	94.76	5.71
<b>MSOS</b>					
CABLE ONE:	405.95	1.35	NIELSEN:	48.41	0.42
CABLEVISION:	32.55	(0.14)	SEACHANGE:	5.57	0.07
CHARTER:	171.91	2.98	SONY:	22.18	0.61
COMCAST:	57.70	0.22	SPRINT NEXTEL:	2.99	0.20
GCI:	17.99	0.03	TIVO:	7.94	0.18
LIBERTY BROADBAND:	47.05	1.12	UNIVERSAL ELEC:	51.84	1.97
LIBERTY GLOBAL:	37.31	2.03	VONAGE:	5.06	0.16
SHAW COMM:	17.12	0.27	YAHOO:	29.36	0.08
SHENTEL:	21.85	0.15	<b>TELCOS</b>		
TIME WARNER CABLE:	187.68	1.59	AT&T:	36.64	(0.01)
<b>PROGRAMMING</b>					
21ST CENTURY FOX:	26.47	0.86	CENTURYLINK:	29.73	0.81
AMC NETWORKS:	65.55	2.01	FRONTIER:	4.42	0.17
CBS:	46.56	1.64	TDS:	23.88	0.42
CROWN:	4.46	0.03	VERIZON:	50.32	0.08
DISCOVERY:	26.71	1.15	<b>MARKET INDICES</b>		
DISNEY:	95.50	2.59	DOW:	16453.83	257.42
GRUPO TELEVISA:	25.15	0.99	NASDAQ:	4534.06	98.11
HSN:	45.64	0.78	S&P 500:	1926.82	31.24
LIONSGATE:	20.92	0.75			
MSG NETWORKS:	15.64	(0.11)			
SCRIPPS INT:	55.91	2.10			
STARZ:	22.74	0.87			
TIME WARNER:	64.69	1.36			
VIACOM:	39.84	1.59			
WWE:	15.47	0.11			
<b>TECHNOLOGY</b>					
ADDVANTAGE:	1.68	UNCH			
AMDOCS:	58.09	0.67			
AMPHENOL:	52.02	1.29			
APPLE:	98.12	1.48			
ARRIS GROUP:	24.24	0.50			
AVID TECH:	7.28	0.11			
CISCO:	26.45	0.61			
COMMSCOPE:	23.09	0.91			
CONCURRENT:	5.41	0.17			
CONVERGYS:	25.03	0.14			
CSG SYSTEMS:	37.98	0.35			
ECHOSTAR:	36.55	0.48			

AMERICAN CABLE ASSOCIATION'S

# SUMMIT

23

March 1-3, 2016  
WASHINGTON, D.C.

FEATURED SPEAKERS



Rep. Mike Doyle  
(D-Pa.)



Rep. Mike Pompeo  
(R-Kan.)



Gene Kimmelman  
CEO, Public Knowledge

Register at [www.ACASummit.org](http://www.ACASummit.org)!

## Think about that for a minute...

### A Cautionary Tale

Commentary by Steve Effros

Something happened recently that should be front and center on the minds of those who want to regulate technology and standardize equipment for the alleged convenience of consumers. The new, standardized design for a consumer-convenient and inexpensive "USB Type C" power and data cable resulted in a very expensive laptop computer being destroyed the first time that new cable was plugged in!



Today is the day we expect the FCC to adopt a "Notice of Proposed Rulemaking" trying to standardize MVPD set top boxes. Why it's an "NPRM" instead of a "Notice of Inquiry" is something that we'll have to explore once the "proposal" is published. Given that an expert technical group looking at the question of how to design such standards came up with more than 300 pages of questions but very few actual answers on the technical details, it will be interesting to see how the FCC came up with a proposed "rule" before ever indulging in further inquiry seeking those answers, if they exist. That's a discussion for another day.

The point here is that any effort to standardize technology is fraught with difficulties, and the recent revelations about the new cable present a perfect cautionary tale for those who think this is either simple, fast or guaranteed to result in consumer benefits.

The Type C connector is intended to eventually supersede the micro connector, which replaced the mini which replaced the Type B, which replaced the Type A... well, you get the idea. Its attraction: both the fact that it's smaller, so electronic devices like phones can get thinner, and it enables faster power transfers. It's that second part which created a major problem. It seems that the new "C" connector wires can draw so much power that some machines (such as the aforementioned laptop) can overheat and burn out trying to satisfy the

demand. Yes, the wires are supposed to be designed to make sure that doesn't happen. But the wonderful, always to be sought "competitive marketplace" resulted, as expected, in inexpensive wires being manufactured. One of those was not properly made, and poof! So much for a \$1000-plus computer. Quite a consumer benefit.

To be sure, there can be standards that are then "enforced" by certification and labeling. That's what Apple does with its "Lightning" cable connector that has many of the same attributes attached to the USB Type C, but those Apple cables are much more expensive, and now, maybe, we can appreciate why!

The aggressively sought objective of standardization and open market consumer device competition, allegedly leading to lower prices for consumers and the assumption that the consumer will therefore always benefit from such an approach, is simply not always supported by the realities we see in the marketplace. Just as the theory now propounded that "neutrality" and "open standards" will always result in more innovation and creativity is not supported by the facts on the ground, such as the undeniable leading-edge role of a company like Apple, and the technology that it has repeatedly introduced. Apple's is a notoriously "closed" environment, but it works, and consumers love it.

There's going to be a lot of back and forth about the Commission's new agenda of "opening up" the set top box market without, it would appear, a real clue as to how difficult that is regarding manufacturing, certification, security and the like. But the experience with one little connector should at the least cause everyone to be very careful before blindly plugging in to that approach.

*Steve*

T:202-630-2099  
steve@effros.com

*(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry. His views do not necessarily reflect the views of Cablefax.)*

**Cablefax**  
THE MAGAZINE

THE MOST INNOVATIVE PEOPLE IN  
**MULTISCREEN**

**ADVERTISE TODAY!**

Promote your brand and honor your colleagues in our print and digital issue!

**Publication Date: March 8**

**CABLEFAX ADVERTISING CONTACTS:**

**Rich Hauptner:** rhauptner@accessintel.com or 203-899-8460

**Olivia Murray:** omurray@accessintel.com or 301-354-2010

**Jo Ben-Atar:** JBenatar@accessintel.com or 203-676-0535

**www.CablefaxMag.com**