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What the Industry Reads First

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Marketing Gigabits: What Does it Take?

It seems like every other week a cable operator announces the launch of the latest high-speed Internet Gigabit speed upgrade to a new market of households, while **Google Fiber** continues to explore new launches. Obviously, giga service is ideal for businesses, increasing the efficiency and speed on their many devices working simultaneously. But are average consumers prepared to adopt gigabit service in their homes in lieu of more traditional Internet speeds, and most importantly, the traditional prices they're used to? Yes, according to **AT&T's** vp of voice and data products, **Bob Bickerstaff**. "Frankly the service sells itself," he said. "The demand has been exceeding expectations." Both Bickerstaff and **Janet West**, **Cox's** vp of marketing for residential Gigablast, agree that once the product is in front of consumers, they're hooked. West likes to set up demonstrations to let them try out the service first-hand. "What we've found is that by getting out and letting people see how fast you can download pictures side-by-side with a one gig connection versus a traditional 20-Meg connection, that's really resonating well with consumers," she told us. "Showing people you can download 1000 photos in seconds—that really resonates with them to help understand the value proposition for needing this service." Such a high-tech product ironically also includes very traditional marketing strategies. Bickerstaff said during launches, AT&T tries to generate grassroots marketing and awareness before gigabit service even arrives in a new city. This can include putting door hangers on doors, attending community forums and events and direct mailings. West employs a similar strategy with an "integrated, guerilla marketing" approach. As with any product, they use brand campaigns, events and sponsorships and integrate media and PR strategies. However, with Cox's Gigablast, the main goal is to get consumers to see it in action. A **Suddenlink** spokesman said the MSO has seen a similar rise in interest from consumers for gig speeds. "Five to six years ago, 50 Mbps and faster services were considered a 'nice to have.' Now, those services are mainstream," said **Pete Abel**, svp of corporate communications. The ultimate goal is to bring the availability of giga speeds to companies' entire US footprints. In terms of how companies decide which markets and when to introduce gigabits, most take a market-demand approach. Bickerstaff reports AT&T's largest market out of its current 20 markets remains Dallas, but other big recent launches include L.A. and Miami. Suddenlink reports availability in 29 markets by the end of 2015. Comcast launched its Gigabit Pro service first in Atlanta, and has since rolled



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it out to more than 18mln homes across the country, including Chicago, Nashville, Portland and Houston. As it rolls out DOCSIS 3.1, **Comcast** plans to make gigabit speeds available on a widespread basis over the next few years. Cox is currently in 13 markets in 10 states, and in the next five years expects to have their gig service available to an estimated 80% of households. “It’s a great technology,” said West, “but it definitely takes time.” – *Kate Salava*

Still Talking: Sun’s deadline for **Univision** and **AT&T U-verse** to strike a new agreement came and went without any blackouts. No deal yet, but both sides are still negotiating.

Tribune’s Exploring: **Tribune** used its 4Q earnings Mon to announce that it’s exploring strategic and financial alternatives to improve share price, including the possible sale of some businesses, as well as strategic partnerships and programming alliances. On the broadcast side, Tribune was up 24% in retrans consent for the year—and it expects more growth this year as the company experiences the full benefit of contracts negotiated near the end of 2015. Its cable network **WGN America** increased distribution by more than 10% last year and is approaching 80mln HHs (carriage fees grew by nearly 50% for the year). WGN America is looking to add about 7mln new homes this year. Pres/CEO *Peter Liguori* said not renewing WGN America’s “Manhattan” was difficult given its critical acclaim, but in the end, not enough people were watching. By contrast, drama series “Outsiders” is “a hit by any definition,” he said. It debuted Jan 26 as the most-watched show in the history of the net with 5.5mln viewers in L+7. Liguori said the network has a ways to go, but has made great strides. Asked whether the net would be off limits in any potential sale, Liguori said everything is under consideration.

Hello to Viceland: **H2** made the switch to **Viceland** Mon. The jv between **Vice** and **A+E Networks** is available in more than 70mln homes, with filmmaker *Spike Jonze* serving as co-president alongside *Eddy Moretti*. Initial programming includes new show “Gaycation” and a new season of Vice series “Weediquette” with *Krishna Andavolu*. “It feels like most channels are just a collection of shows. We wanted Viceland to be different, to feel like everything on there has a reason to exist and a strong point of view,” Jonze said in a statement. “Our mission with the channel is not that different from what our mission is as a company: It’s us trying to understand the world we live in by producing pieces about things we’re curious about, or confused about, or that we think are funny.”

AT&T Sues Google Fiber: **AT&T** filed a lawsuit Thurs against Louisville, KY, which could prevent the deployment of **Google Fiber** in the city. The lawsuit, filed in US District Court, claimed the city lacks jurisdiction to allow 3rd party communications providers like Google to attach equipment to its utility poles. The city adopted an ordinance on Feb 11 to allow such attachments. The telco is seeking declaratory and permanent injunctive relief to restrain the city from enforcing the ordinance. “The ordinance conflicts with and is preempted by the pole attachment regulations of the **FCC**. In addition, Louisville Metro had no authority to adopt the ordinance, because Kentucky law gives the **Kentucky Public Service Commission** exclusive jurisdiction to regulate pole attachments,” the lawsuit said. Mayor *Greg Fischer* said the city will “vigorously” defend the lawsuit because “gigabit fiber is too important to our city’s future,” according to local news outlet the *Courier-Journal*. Google Fiber said in a blog post that it’s disappointed that AT&T has taken the matter to the courts. “We are confident the City’s common-sense initiative will be upheld,” the company said.

Seeso Expands: **NBCU**’s streaming comedy channel **Seeso** expanded to **Roku** and **Amazon Fire TV** platforms. The service, which costs \$3.99 a month, will be on more platforms in the coming months, NBCU said. Roku subs in the US who use the guest sign in can view Seeso Now, a comedy playlist. In addition, the 1st eps of all Seeso original series are available to stream.

Turner Turns Insightful: **IBM Watson** is linking up with **Turner**. The company’s core intelligence platform, **Turner Incite**, will be fueled by IBM Watson technology and advanced predictive analytics from **MarketShare**. The idea is to offer clients a recommendation of best advertising solutions that will lead to the highest impact for key business objectives. The solution will obtain actionable insights about advertisers and trends in their respective industries from news feeds, analyst reports and social media. It also can learn from user feedback and analyze and advertiser’s historical ad spend to uncover alternative spending strategies.

Programming: **Smithsonian Channel** is getting into the Super Tuesday action with a 14-hour marathon of “Aerial America” featuring participating primary states. The series offers a bird’s-eye view of the country. The stunt kicks

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off Tues at 8am. – **Go! TV** secured the exclusive US broadcast rights for the 2016 Coppa Italia semi-finals and championship match. Semi-final matches are this week with the Italian Cup to be held May 21.

Obituary: Benjamin Conroy, Jr, passed away Sun in Austin, TX. He was 92. Conroy was one of the 21 founders of the **Cable TV Pioneers** and served as chairman for 25 years. (The organization celebrates its 50th anniversary in May during **INTX** in Boston). Conroy founded **Uvalde Television Cable Corp** in 1954 in Uvalde, TX, and went on to hold senior management positions with **GenCoe**. He was the 1st **TX CATV Assn** president and was pivotal in the early development of **The Cable Center**. He was inducted into the Cable Hall of Fame in 2001. According to The Cable Center, Conroy was a jazz pianist and a graduate of the US Naval Academy. He served in the Navy from 1943-1954, and saw active duty during WWII and Korea.

People: Discovery Comm appointed Michael Lang as evp of international development & digital, a newly created position. He will lead **Discovery Networks International's** corporate development, while working with the international management team to accelerate existing initiatives. He will report to Bruce Campbell, chief development, distribution and legal officer, and Jean-Briac Perrette, pres of Discovery Networks International.

Cablefax Daily Stockwatch

Company	02/29 Close	1-Day Ch	Company	02/29 Close	1-Day Ch			
BROADCASTERS/DBS/MMDS								
DISH:	47.13	0.43	ECHOSTAR:	44.70	(0.08)			
ENTRAVISION:	7.72	0.09	GOOGLE:	697.77	(7.3)			
GRAY TELEVISION:	11.54	(0.21)	HARMONIC:	3.35	0.31			
MEDIA GENERAL:	16.62	0.17	INTEL:	29.59	(0.21)			
NEXSTAR:	44.68	0.90	INTERACTIVE CORP:	44.42	0.05			
SINCLAIR:	30.87	0.63	LEVEL 3:	48.55	(0.44)			
TEGNA:	24.64	0.36	MICROSOFT:	50.88	(0.42)			
MSOS								
CABLE ONE:	428.57	6.03	NETFLIX:	93.41	(1.38)			
CABLEVISION:	32.53	0.02	NIELSEN:	50.34	0.59			
CHARTER:	179.56	(1.65)	SEACHANGE:	5.77	0.17			
COMCAST:	57.73	(0.18)	SONY:	21.12	(0.42)			
GCI:	19.09	0.35	SPRINT NEXTEL:	3.44	0.11			
LIBERTY BROADBAND:	50.29	0.13	TIVO:	8.39	0.10			
LIBERTY GLOBAL:	36.84	(0.27)	UNIVERSAL ELEC:	53.14	0.44			
SHAW COMM:	17.29	0.02	VONAGE:	5.37	0.19			
SHENTEL:	24.16	1.27	YAHOO:	31.79	0.42			
TIME WARNER CABLE:	190.86	(1.64)	TELCOS					
PROGRAMMING								
21ST CENTURY FOX:	27.02	(0.06)	AT&T:	36.95	(0.18)			
AMC NETWORKS:	65.54	(0.53)	CENTURYLINK:	30.59	0.42			
CBS:	48.38	0.08	FRONTIER :	5.41	(0.02)			
CROWN:	4.39	(0.22)	TDS:	26.72	0.34			
DISCOVERY:	25.00	(0.08)	VERIZON:	50.73	(0.29)			
DISNEY:	95.52	0.21	MARKET INDICES					
GRUPO TELEVISIA:	25.70	0.19	DOW:	16516.50	(123.47)			
HSN:	53.09	(0.34)	NASDAQ:	4557.95	(32.52)			
LIONSGATE:	21.10	0.46	S&P 500:	1932.23	(15.82)			
MSG NETWORKS:	16.42	(0.13)						
SCRIPPS INT:	59.24	(0.17)						
STARZ:	25.19	1.34						
TIME WARNER:	66.20	(0.46)						
VIACOM:	41.46	0.90						
WWE:	16.72	(0.1)						
TECHNOLOGY								
ADVANTAGE:	1.60	(0.05)						
AMDOCS:	56.76	(0.78)						
AMPHENOL:	53.07	0.13						
APPLE:	96.69	(0.22)						
ARRIS GROUP:	23.89	0.22						
AVID TECH:	7.65	0.17						
BLNDER TONGUE:	0.45	(0.02)						
CISCO:	26.18	(0.23)						
COMMSCOPE:	25.19	0.13						
CONCURRENT:	5.38	(0.29)						
CONVERGYS:	25.78	0.06						
CSG SYSTEMS:	37.96	(0.62)						

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CFX TECH by Joyce Wang

Nokia Takes on Cable WiFi

Nokia wants to be known as more than just a wireless vendor. The company completed its acquisition of **Alcatel-Lucent** earlier this year. It's already leveraging its WiFi portfolio, which includes services that blend the capabilities of WiFi and cellular technologies to enable higher capacity and more consistent and higher-quality mobile voice, data and video experiences in high-traffic or low-signal locations. With the increasing convergence of cable and wireless, not to mention cable's aggressive expansion of WiFi nationwide, Nokia is looking to be part of the game. *Jay Fausch*, head of cable/MSO at Nokia, said diversifying revenue beyond the traditional telecom service provider base remains a priority. Alcatel-Lucent's cable offerings are now fully supported with sales, integration and ongoing development activities under Nokia, Fausch said. Nokia is already working with several US ops to support their WiFi strategies and a big focus is providing the infrastructure to manage the ops' carriage-grade WiFi, most notably in the form of Wireless LAN gateways built on Nokia's IP Service Router product, the Nokia 7750, he said. Nokia also is working with several ops on customer experience management. With research indicating as much as 40% of customer service inquiries are about WiFi problems, Nokia seeks to help cable ops manage various devices in subs' homes to ensure a positive experience, Fausch said. A near-term opportunity is Voice over WiFi, which cable ops are looking at as a way to expand their existing fixed VoIP offerings, provide greater flexibility to subs and as a means to keep their subs on their networks, Fausch said. **Cablevision** already jumped on the bandwagon with its Freewheel WiFi voice service. Numerous ops in EU have also offered voice over WiFi as an extension of their fixed voice service. "As an extension to this, European cable operators already have been complementing their WiFi offering with a full mobile service, so that they can address the full range of

broadband connectivity needs for their subscribers," Fausch said. Because cable ops don't own licensed spectrum, ops can do this via a Mobile Virtual Network Operator arrangement with wireless carriers. Fausch noted some US cable operators have already begun to move in that direction. "These cellular assets bring a new dimension to WiFi first in that VoIP services can be offered across both WiFi and cellular, with hand offs possible between the two technologies. Cable operators are even looking at how to steer traffic between the two networks in order to control costs," he said. Another potential near-term opportunity is that for cable ops with enough WiFi coverage, they could contemplate selling the connectivity as an MVNO on to 3rd parties and other operators, said Fausch, a former Alcatel-Lucent and **AT&T** exec. "Additionally, if cable ops can take control of the home WiFi experience to mitigate typical issues and build an exceptional experience, this could be monetized in terms of care packages, offering advice, diagnostics and ultimately auto correction of pending issues," he said.

More from Nokia: In terms of creating a full mobility solution, cable ops will require MVNO agreements with a partner mobile operator, Fausch said. He pointed out the key challenge of having an MVNO agreement with wireless carriers is understanding the level of control/steering and hand-off desired between the in-house (WiFi) and partner (cellular) networks. Meanwhile, "there is a significant opportunity for cable operators to support their subscribers' broadband access needs outside the home and WiFi has a critical role to play in addressing this opportunity, both in the form of public WiFi hotspots and community WiFi..." Fausch said. There are also business-to-business and wholesale opportunities with WiFi. An example of this is local government community WiFi service provided by **Virgin Media** in parts of UK, he noted.

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

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