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What the Industry Reads First

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Multiscreen Summit: An Executive Summary

Our Multiscreen Summit was a day of insights, brainstorming and prognosticating, with so much packed in that we've decided to put together this special executive summary of the March 8 event in NYC. The conference covered everything multiscreen—from advertising to virtual reality to social platforms to even emerging areas such as eSports. Please enjoy the highlights from each session outlined below. And we hope to see you at the TV Innovation Summit on Sept 22 in NYC.

Opening Keynote: The Future of TV... Which Screen Wins?

In *Laura Martin's* opening keynote for the day, titled "The Future of TV: Which Screen Wins?," the answer was definitively mobile. "Wall Street puts a higher value on companies that can generate revenue around the world, and a lower value on US-only revenue streams," said the **Needham & Co** managing director and senior analyst, Entertainment & Internet. An example is **Facebook**, which reaches more than a billion people globally. Meanwhile companies like **Comcast**, that are gated by US borders are valued down by Wall Street, she said. And while Martin herself makes very fine distinctions between major media companies like **Scripps**, **CBS** and **Fox**, "that's not what the market says... The market views them as perfect substitutes." Media stocks underperforming tells us something, she said. "What the market is worried about is that the cash flow streams for the next 10 years are going to be worse than the S&P average—not better." The acceleration of technological innovations, the proliferation of cell phones, the complexity of in-home and out-of-home viewing, the industry's measurement issues, and the question of whether OTT services are cannibalizing linear TV viewing or serving as additive are all creating massive disruption. Mobile video viewing in particular is creating "new windows of time"—even though when looking at how people consume video content throughout the day, television is "still the bulk of usage per day." That said, mobile is the one form of usage that is growing. For young people in particular, it's no longer about the "best available screen." It's about the personal devices for them. And in terms of the growth of the advertising market, TV is flat. Not so with mobile. "Mobile ads are growing 4 times fast-

er than video ads online," Martin said. Concerns remain, however, with viewability and ad fraud pervasive in the online advertising world. Speaking about the power of the bundle, Martin said that "we are redefining consumer choice in this country." We now have skinny bundles, SVODs like **Netflix** and **Hulu**, and OTT services like **HBO Now** and **World Surf League**. Martin believes we'll be seeing many more of the latter, and fewer skinny bundle packages due to the difficulty of securing content deals. Her best business advice for the day? Know the "value of the bundle," she said. "If you have any product, and you can add any other product, do so."

Acronym Soup: How to Survive the Multiscreen Chaos

Monetization across multiple devices is just at its beginning, execs agreed, but there's a lot of experimentation happening. **Time Warner Cable** video product group VP *Alix Cottrell* said TWC is focused on building its ad platforms. "It's new inventory for the advertisers, and it's very targeted inventory." Moreover, it's important to take monetization features like transactional, on demand and EST—all things that are important to customers—and move them into the IP space. Providing flexibility in terms of packages is key as well. TWC has "been very vocal and aggressive on being on as many platforms as we can," she said—with the current count being 8. It has also begun using a **Roku** box as a set top box replacement, in order to meet consumers where they are in a multiscreen world. "We want to drop that notion of the old-style cable company and start moving into the future," she said. For **TV One's** part, enhancing the brand across all platforms is a major focus, because it increases the opportunity to monetize. "We're a little bit behind in the multiscreen world," admitted TV One marketing svp



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Lori Hall, but what's key from her vantage point is "making sure the consumer experience is optimal." Current challenges include renegotiating with studios for content rights and figuring out a windowing strategy that doesn't cannibalize linear viewing. It's also important to optimize content for specific platforms as well as shift from "pushing out content to pulling people in" to create their own content on various platforms. At **Comcast**, partnerships with programmers, such as a recent content package surrounding **ABC's** Oscars content, are making a real difference. In Comcast households in the 18-49 demo, ratings were up 39%, according to *Peter Nush*, vp, product management for Comcast's X1 Entertainment Operating System, thanks to pre-show, post-show and back stage content all in one place. And thanks to the multiscreen push, "technologies and business relationships are starting to evolve in multiple ways—everything from stackable rights, to cloud DVR, to even OTT SVOD services." **CSG** Digital Services pres *Kent Steffen* is helping distributors understand their consumers better through defining their brands and differentiating themselves among the massive competition. It's about moving well beyond the video distribution world, which used to be chiefly about getting content on platforms, and asking "how am I going to compete for this customer's loyalty." He foresees more investment in EST. Bundling with a core linear piece gives you an additional revenue stream, and he's starting to see a combination of digital services that help brands retain their subscriber base. But it's important to maintain a quality of service, according to **Evolution Digital** pres & CTO *Brent Smith*—and if cable operators are bypassed for OTT services, the quality of that live streaming will suffer. Consumers will be "up for a rude awakening" when they're not able to watch the content they want to watch, he said. His company's focus is on helping tier 2 and 3 operators make the IP transition in an affordable way through an IP-capable cable box. But he said increasing the value of the broadband connection is the best way to help those operators. "What they see is an uplift in broadband revenue," with additional OTT services "driving the consumer to take a higher bandwidth."

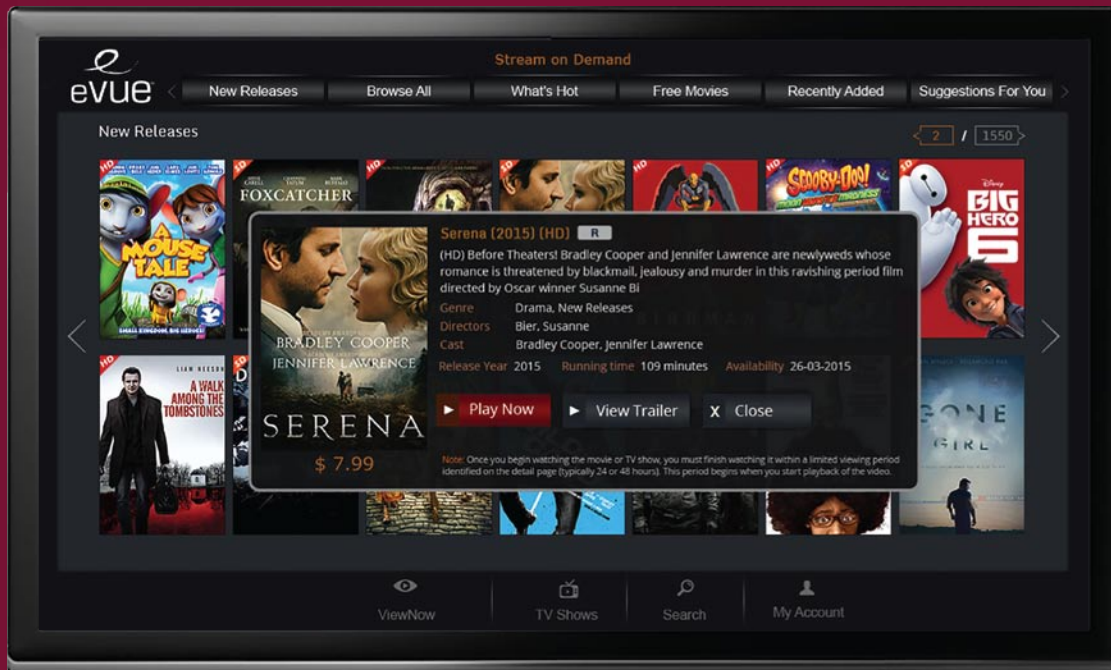
TV Advertising Everywhere: Harnessing the Power of Multiscreen Marketing

How has the convergence of linear and digital advertising changed marketing? "It's a sea change," said **Starz**

marketing evp *Alison Hoffman*. "It's a 2-way conversation now," and more about launching campaigns, getting feedback and making adjustments. "Content is king, but data is really king for us as marketers." **Viamedia** pres/CEO *Mark Lieberman* agreed. "Data is power," and it's informing ad campaigns at the set-top level for cable companies, 60 of which he counts as clients. One technique that's working for Viamedia is "audience extension," which allows advertisers to target a specific show's audience on another network, "wherever they may be." **Watchwith** CEO *Zane Vella* was adamant that "the traditional linear television model doesn't work very well on mobile devices," and we're seeing the public reject this. But what's the alternative? Using data addressability to reach viewers within specific programs, such as through digital integration deals with the use of overlays for a hyper-targeted audience. The idea is to provide an alternative to "rolling, interruptive ads," he said. Indeed, "the ad tech and the data infrastructure haven't caught up just yet to make it a good experience," said **AOL's** head of programmatic TV *Dan Ackerman*. The programmatic world "has still been struggling with a lot of non-human traffic, fraudulent traffic, viewability..." Fortunately, television is 100% premium—so you don't have those concerns," he said. In fact, he believes TV is coming into the fold at the right time—and he expects more programmatic deals to surface soon. Meanwhile, **Verizon's** purchase of AOL will allow the company to incorporate mobile assets and overlay STB data, making that data "actionable" and available for advertisers and media sellers, he said. But while programmatic creates certain efficiencies, does it also create more work for the content holders? "From a resource perspective, it gets really, really hard," said Hoffman. "There are an infinite number of platforms to program as a marketer," and not enough bandwidth for all the work. And actually creating the content is important part of it, too. Still, programmatic "takes some of the guesswork out of it," she said. "You see what's working, where." For **AT&T's** part, the company recently made an announcement about a programmatic partnership with **Videology**, said AT&T AdWorks TV, online and mobile director *Matt Van Houten*. But it's important to note that it's not all about automation. "We're looking at it as a private marketplace" consisting of linear inventory, digital inventory, and the combination of 3rd party and 1st party data. "It's not real time bidding for us on the TV side," he said. The company is also very focused on addressable advertising, with 13mln house-



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holds currently “addressably enabled,” and a goal of increasing that to the entire footprint of 26mln homes.

Virtual Reality Show: How VR-Enabled Content Will Change the Content Game

Virtual Reality isn't going to follow the crash pattern of 3D television, our panel predicted. For one thing, it's much more social than 3D. A few years from now, consumers may be able to put on a headset and “attend” a sporting event with a friend even though they're 3,000 miles away, said **Turner Sports** evp, production and chief content officer *Craig Barry*. Similarly, VR can take applications like **Match.com** to a whole new level. **Parks Associates'** *Glenn Hower* is excited to see how VR changes visual storytelling experience—but that also creates a challenge in finding creators and producers ready to take a really big risk in how they tell a story. That's a big part of what **Clever Fox** does as a production company. “We've found that traditional filmmakers are super excited about getting in there and experimenting... There's a lot of trial and error right now,” said *Clever Fox* chief content officer *Dekker Dreyer*. He said what really helps VR is its broad support on many levels, whether it's the lower end with **Google** Cardboard doing a branded campaign with the *NY Times* to the mid-grade (pre-orders of **Samsung** Galaxy Phone 7 get a free Gear VR headset) to the higher-end, such as **Oculus Rift** or **Playstation's** upcoming headset. One big question is how will VR be monetized. “What you really come down to is the viewer is going to pay a premium for the experience or they are not. If they do, great, that helps solve a lot of problems. Otherwise, you're going to have to look into sponsored content or even a native advertising model where you start embedding sponsored ads in the content itself,” *Parks' Hower* said. *Dreyer* reminded the crowd that most people have no experience with VR. “I don't think I've ever seen a leap where the technology for the storytelling is so far beyond what the actual audience is able to experience, and we keep driving it further and further,” he said. “We need to make the best experiences we can, get the audience excited about the medium, and then grow with the audience into these new and interactive spaces.”

Gaming as Content: Are You Twitching to Get Started?

When it comes to eSports, thank the **Xbox**. It was really the original social network, said *Dan Ciccone*, managing director of **rEvXP**. “When [Xbox] launched in 2002, there were over 25mln units sold. Today there are over 60mln people in the US alone today that pay \$60 a year to use the Xbox Live platform. A lot of that has to do

with the social interaction that takes place,” he said. The eSports scene today is a “mixture of being incredibly organized while simultaneously being the Wild West.” There are leagues and tournaments with big prize pools, but it's still a community that's growing from a grassroots basis—*Ciccone* calls it a “local, global community” as it doesn't matter where someone is in a game as the gamers are all working toward the same goal. It's a high concentration of adults 16-34 and primarily men, but more women are getting into the space. “I would argue that eSports is going to be, if it's not already, the first globally accepted sport,” *Ciccone* said. “Soccer has not taken off in the US the way it has overseas. There is really not a type of truly global sport where there's a huge affinity or a major participation at the ground level or viewership level. eSports aims to do that. eSports, I would also project to be the first gender agnostic sport as well.” eSports is primarily taking off because of the technology, with the influencers having access to smart phones and tablets often from the time they were 2 years old, he said. Also helpful is that it's device agnostic—the audience is confident they will find content no matter what they're using. Another key: the talent and influencers make themselves incredibly accessible. “When you follow someone in eSports, they make themselves accessible. They make you care about the content they're putting out,” *Ciccone* said. While eSports talent talks about their personal lives, TV talent often times has self-serving social media pitches, such as “Tune in to see me tonight.” “These guys don't refer to followers as fans; they refer to them as friends.” Good news for traditional media companies looking to play eSports is that the cost of entry is low right now. *Ciccone* sees 2016 as a transformative year that will bring more organization and some consolidation. While **Twitch** and **YouTube** are the biggest players in the space right now, “it doesn't necessarily mean they're doing it right,” he said. And there's some validation for the category that comes with traditional media's involvement. He recommends networks get key influencers involved with projects.

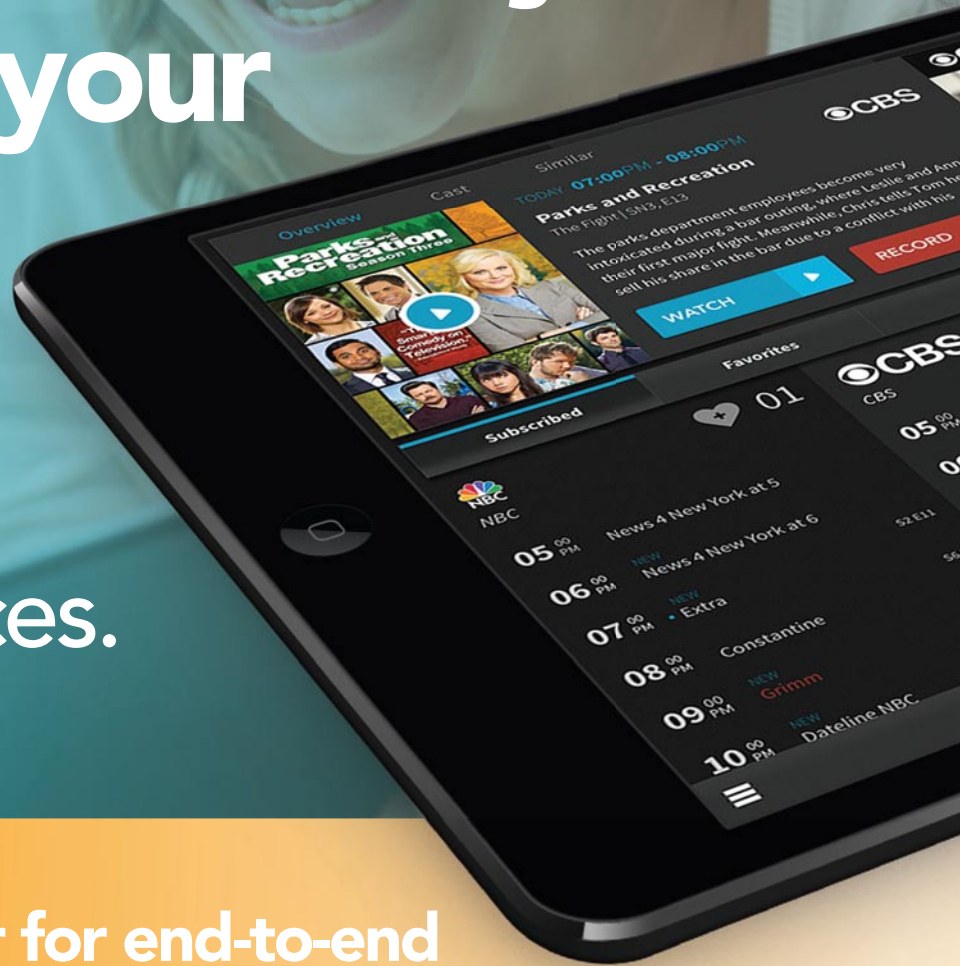
When Content Attacks: No Structure, No Distribution... No Problem

With the rapid changes in content distribution, where does the traditional TV bundle come out? “A lot of times when something new comes into the industry, there's a question of whether or not we're breaking the model. It is a fear,” said **DISH** programming gm *Thea Ellis*. “Quite honestly, from a DISH perspective, we have looked at it very much as a customer segmentation [issue.]” DISH was under-indexing with millennials, hence the creation of **Sling TV**. “For us, it very much has been a win-win,”

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she said. **Proskauer** senior counsel *Paresh Trivedi* agreed that there doesn't seem to be a destruction or degradation of traditional TV. "What we're seeing now is the evolution of that pay TV ecosystem from being a bundled package of programming services you get in your living room to a bundled package of programming services you get anywhere or on any device," he said. VOD is one of the first examples of success in this new model on the ad sales side, according to *Chris Pizzurro*, **Canoe's** head of business development, sales & marketing. "The learnings we've accumulated there with our programming partners over the years can now be translated into over-the-top, TVE and all the things that are going into negotiations now," he said. Those lessons include the realization that ads are OK to the consumer. Another reason to relax about the changing ecosystem is that adding multiple platforms actually results in more content consumption, **Synacor** CEO *Himesh Bhise* said. There's another opportunity for growth. "What we have found is that as some of our customers have provided their content on new platforms, they're accessing new segments of the audience they hadn't accessed before," Bhise said. Yes, millennials are one of those groups, but it also increases penetration into the 35- to 55-year-old segment as well, he said.

Brainstormify!: Mastering the Multiscreen Marketing Challenge

Cablefax shook things up in the afternoon with an interactive session dubbed "Brainstormify!," a friendly competition in which teams competed in a scenario involving a fictional TV network whose launch of online streaming "Super Chat Live" went horribly wrong. Teams got only a few minutes to devise bullet points for the board on how to fix it. The clever and often hilarious solutions included everything from self-deprecating Twitter campaigns to blaming the SNFU on aliens or, perhaps worse, baby boomers who couldn't figure out the technology. In the end, the baby boomer response won out, with one particularly fun idea involving a viral video with supposed boomers pressing random buttons and declaring "This doesn't look like AOL Instant Messenger... where's MySpace?" Said judge *Ann Lundberg*, **Scripps Networks Interactive** svp, digital ad sales: "It was really fun and creative, and that was a winner." She also lauded the team for including a make good plan for the advertiser, something other teams failed to address. "There's an advertiser who spent a lot of money here, and they need to be satisfied." Kudos to all the teams who participated, and thanks also to our other judges *Angie Branham Britt*, svp of advanced products at **CTAM**, and *Lori Hall*, svp of marketing at **TV One**, who both brought incredible

perspective to the exercise.

Social Screens: Building Community in a Multiscreen World

With so many screens and social media platforms competing for attention, experts told Multiscreen Summit attendees that cookie-cutter solutions simply don't, uh... cut it anymore. **USA Network** svp, digital *Jeffrey Kaufman* said it's a constant struggle to understand the strengths and weaknesses of every platform, noting for example that **Snapchat** can drive engagement but not necessarily tune in. "You have to be strategic about how you use it," he said. Live social media continues to reign in certain environments, with *Angela Megrey*, vp, social media communications & policy at **Crown Media Family Networks**, noting the groundswell of live tweeting around its original series "When Calls the Heart." "There is appointment viewing still happening," she said. *Adam Naide*, executive director of marketing for social media at **Cox Communications**, agreed that social is becoming increasingly useful for live tune-in. "For Cox, social media is really the hero platform for reinforcing live TV," he said. Talent involvement is also key, but "have your talent be a fan of that platform," said *Jen Corbett*, vp, audience development & marketing at **Discovery Digital Networks**. "It's really just being a member of that community that we see really going a long way." Said Megrey: "The talent isn't just saying 'hey come see me.' They're involved, and they want to hear what their fans are saying." Kaufman recounted how a little make believe can also help, with USA's widely reported success of its "Mr. Robot" social campaigns as case in point. Fictional hacker group "F Society" actually "hacked" into gaming site Twitch TV's livestream during the **E3** gaming conference as well as the **SXSW** mobile app during that conference, with the hacking "victims" able to win Mr. Robot prizes. USA even sent out F Society emails and social interactions based on real-world events such as the **Ashley Madison** cheating website hack. "I don't think we realized how dovetailing that was going to be," Kaufman said, noting that USA made a conscious decision "to take advantage of those moments when they came." It also goes beyond social media: Kaufman noted a 40-50% open rate on its fake F Society emails to fans. Beyond that, **Layer3 TV** CMO *Eric Kuhn* noted that fast changing habits among millennials are driving some away from social media altogether. "There's beginning to be a rebellion and a backlash," he said, noting that the smartest content marketers pay as much attention to offline marketing as they do to social media.

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