

# Cablefax Daily™

Tuesday — April 12, 2016

What the Industry Reads First

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## Addressing Addressable: AT&T Puts Addressable Advertising Upfront

Fresh off its acquisition of DirecTV (which gave it a national footprint to work with), AT&T is experimenting in a lot of areas when it comes to advertising. We chatted with Matt Van Houten, director of TV, Online and Mobile for AT&T AdWorks, about what's ahead for the telco. **You're gearing up for what AT&T is calling the "first addressable upfront." Can you talk about what that means and what went into the decision?** We're basically doing 100 upfronts across the country. We thought to ourselves, 'do we want to do the traditional boondoggle, New York City upfront similar to the cable and broadcast nets?' We've been in that space for a while and had similar kind of upfronts. We feel with the addressable product we have and how specific it is in terms of tailoring the advertising to verticals that it would be more effective to bring that story and customize that story and show the results it can deliver to those audiences where they are. We're also sharing a lot of best practices with us being in a leading position of addressable. There are a lot of clients, especially marketers, where addressable is still relatively new. **How do you tailor these upfronts?** There are 7 overarching verticals that are part of the custom presentation—travel, retail, financial services, automotive, etc. We actually look at the specific campaigns and brands, so the level of tailoring is two-fold. One is from a categorical perspective—if you're in CPG—what are some of the results we've seen from a category perspective, what is the creative, what types of messaging drives more purchases. So it's 7 high-level verticals and within them we're looking at specific brands and campaigns. **What are some of the greatest challenges for implementing addressable in the TV space right now?** The demand outpaces the supply. That's a good problem to have. TV has been traditionally bought for 60 years. The ability to generate less waste, more relevant hyper targeting is pretty effective. Part 2 of the challenge is we're doing everything in our power to try to unlock as many boxes as we can for that 2-way connectivity to allow addressability. We have about 26mln homes in the US, about 27mln homes in Latin America. But of the 26mln we have in the US, 13mln are addressable capable. We want to close that gap. We have several boxes in the field today that have the ability of addressability. A challenge for us is ubiquitous deployment from a technology perspective. **Can you talk about your partnership with Videology?** Videology was about 13 months in the making. We had contemplated with the AT&T business and with the DirecTV merger, we renegotiated what that property looks like. It's a window into the AT&T ecosystem. It's our goal to provide a platform that

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has our premium inventory and access to overlay our data and 3rd party data over that inventory to be able to interact with advertising for the largest scale player in the space, ourselves. Google, Facebook, others have their marketplaces that are out there. **How are you using it?** We are now pushing a marketplace that has TV inventory, digital inventory and data. The 1st inventory that's part of this is TV Blueprint, which is our data driven linear product. We are currently in the process of securing the data client and hopefully are commercially launching the platform in full in 3Q. The plan is to integrate any and all customer touch points that AT&T has, so we have 130mln customer connections.

**Cablevision-Altice:** It's still hurry-up-and-wait mode for **Altice's** proposed acquisition of **Cablevision**. NYC's Franchise and Concession Review Committee postponed an item on the deal at Mon's meeting and instead pushed off the issue until its May meeting. Last week, the state PSC moved the deadline for its final order on the deal to May 20 from April 29.

**Also Waiting:** And still no peep from the **FCC** on **Charter's** proposed **Time Warner Cable** and **Bright House** transactions. Charter CEO **Tom Rutledge** made an appearance on 12th Street Wed, meeting with FCC chmn **Tom Wheeler** and gen counsel **Jonathan Sallet**, according to an ex parte filing. During the meeting, Charter discussed the expansion of the new company's broadband network to new location and its commitment to settlement-free interconnection and broadband service without usage-based pricing or data caps.

**Wheeler at INCOMPAS:** **FCC** chmn **Tom Wheeler** fired at critics of his set-top proposal and the net neutrality order at the **INCOMPAS** (formerly **COMTEL**) Policy Summit Mon. "Our proposal protects copyright and consumer privacy. There are those, however, who see shortcomings in our proposal. Whether these concerns are more than a smokescreen for their overall opposition will be determined by whether there is input about how best to write language to accomplish our goal of protecting copyright and privacy," according to Wheeler's prepared remarks. Having said that, the agency is open to suggestions, he said. When it comes to the Open Internet, the FCC's approach is simple: "We must enforce the bright-line rules for no blocking, no throttling and no paid prioritization," he said. "We must ensure transparency. And we must apply the case-by-case standards in order to protect consumers from harm. We believe in permission-less innovation, and that's what we have in place. Permission means you have to ask before you can act. But companies—whether entrepreneurs or networks—do not need to ask before bringing new products and services to market." The enhanced Open Internet rules are being challenged at the **DC Circuit**. Wheeler also noted the agency is reviewing zero rating and data caps practices. There is no definite end date or predetermined outcome for this inquiry, but there are principles," he said.

**AT&T's New Offer:** **AT&T** launched a new 2-year guaranteed pricing for new **DirectTV**, home Internet and digital home phone subs starting Fri. The offer aims to save customers more than 40% on a triple-play bundle. The plans have equipment costs included for up to 4 TVs, with customers able to lock in an \$89.99 Triple Play for 2 years with DirectTV Select, home Internet and home voice service. The telco completed its DirectTV purchase last July.

**Strike Threat:** The **CWA** has warned that nearly 40K **Verizon** workers may go on strike on Wed at 6am. Employees have been without a contract since Aug 1. A strike would affect operations from MA to VA, though Verizon said it is "fully prepared to serve its customers" if a stoppage occurs. "We do not take strike threats lightly," **Bob Mudge**, pres of Verizon's wireline network operations, said in a statement. "For more than a year, we've been preparing in the event union leaders order our employees to walk off the job. If a strike takes place, whether it's one day, two weeks or longer, we are ready."

**FuboTV:** **fuboTV**, a streaming service that bundles live sports and entertainment channels, is offering authenticated access to **beIN Sports**. **fuboTV** users can access beIN Sports by logging into its TVE apps and beIN Sports Connect website. **FuboTV** starts at \$9.99 a month and the service is available on **Roku**, **Chromecast** and **Amazon Fire TV**.

**Ratings:** The 2016 **MTV** Movie Awards drew 3.5mln total viewers for its premiere simulcast across 9 Viacom nets (**MTV**, **Comedy Central**, **VH1**, **BET**, **MTV2**, **CMT**, **TV Land**, **VH1 Classic** and **Logo**). That's up 54% from last year when the awards drew 2.3mln viewers across 4 Viacom nets. The awards were the #1 social program across all of TV Sun and generated 46mln video streams across MTV's digital platforms. -- Early **Nielsen** numbers show Sun's **Chris Wallace** interview with **President Obama** on "Fox News Sunday" delivered 1.6mln viewers for **Fox News** (516K A25-54), making it the 2nd highest Fox News Sunday telecast of 2016. Repeats delivered a combined 5.4mln viewers and 1.3mln A25-54. -- **Nat Geo Channel's** April 3 debut of "The Story of God with **Morgan Freeman**" scored a 3.0 HH rating and 1.1 P25-54 (Live+3). With 3.5mln P2+ tuning in to the premiere, the series became the 4th most-watched telecast of all time for the

# BUSINESS & FINANCE

channel and the highest total viewership in 2016 to date (Live+3). On digital, the show site bagged 800K page views leading up to the premiere. and a 31% increase above daily visitor average on premiere night.

**Programming:** Juvenile pit masters? Why not? **Food Network** will fire up the grill for new series "Kids BBQ Championship" May 23, 8pm. -- **TV One** booked a 2nd season of "*Rickey Smiley For Real*." The hour-long series provides a humorous look at the stand-up comedian's life. The new season is slated to debut on May 10.

**Equal Pay Day:** MTV's anti-bias campaign "Look Different" is tackling the gender pay gap on Equal Pay Day (today, Apr 12). At 3:20pm, a clock will chime on air as well as online to signify that women on average are paid only 79% of what men are paid annually (Get it? That's 79% of a 9am-5pm workday). MTV is also distributing hundreds of its "79% Work Clocks" to influential business leaders, politicians, journos, actors and others.

**People:** *Freddy Rolón* was named vp, gm of **ESPN Deportes**. He replaces *Lino Garcia*, who served as the founding gm of the net from 2003 until he left as part of ESPN's layoffs in Oct. Rolón reports to *Russell Wolff*, evp, managing dir of **ESPN Intl**. The new gm joined ESPN in 2004, after a summer internship with ESPN Intl the in the summer of 2003. Rolón has served as vp, ESPN Deportes programming and business initiatives since 2011.

## Cablefax Daily Stockwatch

Company	04/11 Close	1-Day Ch	Company	04/11 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DISH:	43.40	(0.05)	ECHOSTAR:	40.33	(0.32)
ENTRAVISION:	7.11	(0.02)	GOOGLE:	736.10	(3.05)
GRAY TELEVISION:	11.60	(0.04)	HARMONIC:	3.20	0.11
MEDIA GENERAL:	16.66	0.06	INTEL:	31.67	0.04
NEXSTAR:	45.87	0.26	INTERACTIVE CORP:	46.55	(0.29)
SINCLAIR:	30.96	(0.07)	LEVEL 3:	51.75	(0.08)
TEGNA:	22.73	0.05	MICROSOFT:	54.31	(0.11)
<b>MSOS</b>					
CABLE ONE:	447.45	6.42	NETFLIX:	102.68	(1.13)
CABLEVISION:	32.92	(0.01)	NIELSEN:	52.66	0.15
CHARTER:	200.38	(2.17)	SEACHANGE:	3.89	0.07
COMCAST:	61.44	(0.16)	SONY:	26.98	0.91
GCI:	17.42	(0.53)	SPRINT NEXTEL:	3.43	(0.07)
LIBERTY BROADBAND:	57.45	(0.31)	SYNACOR:	1.42	UNCH
LIBERTY GLOBAL:	38.83	(0.19)	TIVO:	8.88	0.02
SHAW COMM:	18.92	(0.03)	UNIVERSAL ELEC:	62.19	0.01
SHENTEL:	26.08	(0.47)	VONAGE:	4.58	0.06
TIME WARNER CABLE:	202.54	(1.92)	YAHOO:	36.48	0.41
<b>PROGRAMMING</b>					
21ST CENTURY FOX:	28.53	(0.06)	<b>TELCOS</b>		
AMC NETWORKS:	63.71	(0.74)	AT&T:	38.39	(0.11)
CBS:	53.52	(0.6)	CENTURYLINK:	32.08	0.20
CROWN:	5.10	0.01	FRONTIER:	5.24	(0.01)
DISCOVERY:	28.35	0.18	TDS:	28.90	(0.1)
DISNEY:	96.27	(0.15)	VERIZON:	51.61	(0.57)
GRUPO TELEVISA:	25.96	0.35	<b>MARKET INDICES</b>		
HSN:	51.72	(0.01)	DOW:	17556.41	(20.55)
LIONSGATE:	19.90	(0.3)	NASDAQ:	4833.40	(17.29)
MSG NETWORKS:	16.46	UNCH	S&P 500:	2041.99	(5.61)
SCRIPPS INT:	64.82	(0.36)			
STARZ:	24.59	(0.35)			
TIME WARNER:	73.27	(0.34)			
VIACOM:	41.44	0.05			
WWE:	15.66	(0.55)			
<b>TECHNOLOGY</b>					
ADVANTAGE:	1.84	(0.01)			
AMDOCS:	57.72	(0.35)			
AMPHENOL:	58.43	0.06			
APPLE:	109.02	0.36			
ARRIS GROUP:	21.62	(0.11)			
AVID TECH:	5.91	(0.07)			
BLNDER TONGUE:	0.41	0.03			
CISCO:	27.62	(0.07)			
COMMSCOPE:	27.44	(0.2)			
CONCURRENT:	6.11	0.01			
CONVERGYS:	26.45	(0.02)			
CSG SYSTEMS:	44.92	(0.47)			

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## CFX TECH by Joyce Wang

### Accenture Talks OTT, VR, 4K As NAB Show Approaches

We recently talked to *Gavin Mann*, Accenture's global broadcasting industry lead, about media industry trends ahead of the **NAB Show** April 16-21 in Las Vegas. With topics ranging from OTT video, 4K, to virtual reality, the show is no longer just for broadcasters, attracting speakers and attendees from cable, telco and OTT companies. First up, virtual reality, which Mann said will be a bigger story at this year's NAB than ever. What kind of content is most suitable, at least initially, for VR? Mann said gaming and video content top the list based on the type of content currently available for **Facebook's** VR service Oculus. "Gaming is an easy entry point for people," he said. "It allows them to engage and familiarize themselves with the technology. It's still early in the life of VR, which is why most of the content available feels like demos of what the technology can do. Content nonetheless will make or break this technology. A hit game or games in the mainstream can significantly propel VR forward. And eventually VR will be used in applications beyond gaming." For NAB attendees, VR technology offers financial and creative opportunities, particularly for live sports as vendors display the latest VR presentations. Mann said the technology opens the door to telling new types of original stories and selling a unique immersive experience to a broad audience. Like virtual reality, augmented reality will also weigh heavily. "Watch for important advances in cloud computing to be evident in the back end, processing VR/AR content in the front and distributing it to applications and mobile devices in a way that doesn't impair bandwidth," he said, arguing that the best way to monetize VR is through original VR content that's available for download on the same digital platforms where viewers can stream or buy movies. While cable MSOs have lost video subs in the last few years, partially due to cord cutting, cable providers and broadcasters still have "a significant advantage

[over OTT providers] with set-top boxes already being a common technology in peoples' homes. If anything, they will likely build more video streaming capabilities and apps into the box itself, or specialize the boxes to just deliver on-demand and streaming options," Mann said. "Anticipate this being a big story at NAB." Meanwhile, a complete OTT bundle remains an expensive and complex option. Mann expects more innovations within cable and broadcast companies around cross-integration between digital platforms and set-tops, smarter content discovery tools, and easy-to-use offline and time-shifting options. Likewise, OTT providers are expected to demonstrate that they too can offer a premium streaming experience that matches cable quality. "Integration and less complexity will be a defining feature of their offerings. It may take a while, but eventually cord-cutting will become a reality, just not right now," Mann said. When it comes to 4K, he said the prices for 4K TVs need to come down and the amount of available 4K content needs to go up before 4K goes mainstream. Another popular topic at NAB will be digital advertising. "Expect there to be plenty of news focused on what can be done to personalize advertising content to consumers and create a monetary system that works for everyone," said Mann. He predicts announcements about new ad formats leveraging analytics tools, enabling interactivity, embedded live texts and integrating content and ads.

**Netflix Speed Index:** At 3.69 Mbps, **Verizon FiOS** remained the leader in **Netflix's** March Speed Index, followed by **Bright House** at 3.64 Mbps, **Cox** at 3.62 Mbps, **Cablevision-Optimum** at 3.59 Mbps and **Charter** at 3.58 Mbps. **Comcast** placed #6 at 3.54 Mbps, followed by **Time Warner Cable** at 3.5 Mbps. Completing the top 10 list are #8 **Suddenlink** at 3.38 Mbps and **AT&T U-Verse** at 3.33 Mbps.

Got tech news? Reach out to Cablefax Tech editor Joyce Wang at [jwang@accessintel.com](mailto:jwang@accessintel.com)

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