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What the Industry Reads First

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Going SVOD: TCM's Dorian on the Launch of FilmStruck

Turner launched its first domestic SVOD service Tues, FilmStruck for \$6.99/month. The rollout comes after a brief delay to ensure that registration was a seamless process. Developed and managed by TCM in collaboration with Criterion Collection, it houses a library of contemporary and classic arthouse, indie, foreign and cult films as well as bonus content and interviews. We chatted with TCM gm Jennifer Dorian about what went into getting the service just right as well as how it will co-exist with the established TCM brand. **Why is FilmStruck the right fit to be Turner's first domestic SVOD service?** FilmStruck is an opportunity to learn by launching an entirely new brand that is additive to Turner's portfolio. We tap into the strengths of the Turner Classic Movies (TCM) staff to curate a film library and license critically-acclaimed films from all over the world and apply it to a new brand voice for a completely different audience—art house fans. **Does this signal any plans to phase out commercial-free TCM as a linear network or reduce offerings via TCM On Demand?** TCM is thriving with commercial-free linear distribution as the leader in the presentation of classic Hollywood movies. "Watch TCM" will continue to offer complimentary commercial-free movies and TCM On-Demand. FilmStruck is a true departure from TCM—with a different library of art house and independent film, mostly from outside the Hollywood system, while TCM is dedicated to classic Hollywood. **What are the advantages of partnering with Criterion?** The advantage of partnering with The Criterion Collection is their well-respected, critically-acclaimed library of films from around the world, which has a strong following due to their history of curation and innovative supplements to film titles. FilmStruck has licensed the Criterion library exclusively for streaming. By partnering with Criterion, we've created a special premium tier inside FilmStruck to give subscribers the Criterion Channel—a new 24/7 on-demand service with unlimited access to all the Criterion streaming titles and bonus material plus the theming and special new content like footage from live events, new editions, and originals about contemporary filmmakers. **Will Criterion continue to have titles on Hulu?** After Nov 11, Criterion titles will be available to stream exclusively on FilmStruck. **What's the biggest lesson you've learned preparing an OTT service for launch?** Understanding that with software development, you are always working on your next release and you can utilize consumer usage information and feedback to help you re-design and continuously improve the service. It's very exciting to have a direct window into the consumer experience and the ability to learn

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and refine the service. **How do you keep the distinct brands of TCM and FilmStruck separate, but supportive?** They are completely separate—but both born from a love of film. They share the same mission—to share and celebrate the history of cinema with every generation, but they cater to different audiences and focus on different libraries. TCM is primarily focused on Classic Hollywood, while FilmStruck is about access to work outside of Hollywood: independents, art house and cult films, as well as films from other cinema industry centers like Japan, France, Israel, and Mexico. We have movies from 23 countries and 15 languages available on FilmStruck this fall. For example, TCM is where one can find John Wayne and Doris Day. FilmStruck is where one will see contemporary and classic titles from Israel and Italy.

Discovery 4Q: Discovery Comm scored a contract extension with **AT&T's DirecTV** during 3Q “at very favorable rates,” pres/CEO *David Zaslav* said during the company's earnings call Tues. “The DirecTV agreement is in line with our other recent deals,” he said, noting the long-term contract not only covers linear distribution growth, but also means Discovery's content will be available across all DirecTV platforms, including the soon-to-be launched DirecTV Now streaming product. Zaslav said he's been told the OTT service will target “a younger demo or cord-nevers,” at least in the initial stages. It will carry “a number of our services” that account for 85% of the company's domestic revenues, he said. Speaking of OTT, Discovery Comm could potentially offer direct-to-consumer services focusing on science and auto programming. “We're playing with the best way to offer it,” he said. Discovery continues to look for plays outside the US, with Zaslav seeing opportunity in international waters. “The biggest impediment right now is the price of cable in the US. It's something that we don't see in most markets around the world, and it's mostly driven by high sports fees,” he said. During the quarter, revenues of \$1.56bln were flat compared to the prior year, as 2% growth at US nets and 19% growth at education and other segments were offset by a 3% decline at international nets, primarily due to currency effects. Net income decreased 22% YOY to \$219mln, mainly due to a \$50mln charge related to the Lionsgate investment and higher compensation. US nets' revenues increased 2% YOY to \$793mln, driven by distribution growth. Ad revenues decreased 3% primarily because of ratings declines.

Discovery-BAMTech Deal: Discovery Comm and **BAMTech** (formerly **MLBAM**, the interactive media and Internet firm of **MLB**) inked a long-term partnership that includes the creation of joint venture **BAMTech Europe**, a digital tech provider aimed at helping content owners, broadcasters and OTT platforms improve their digital presence across EU. As part of the partnership, **Eurosport Digital** will become the new entity's first client and gain access to certain European sports rights from worldwide sports properties, including current and future rights acquired by BAMTech and jointly by Eurosport and BAMTech. Eurosport Digital is the first partner for BAMTech Europe through a long-term digital services agreement. BAMTech's video platform and services will be implemented in 2017 across all Eurosport Digital's products, which include Eurosport.com and Eurosport Player, the subscription OTT sports platform. In addition, Eurosport and BAMTech will make premium sports events more widely available across multiple screens. The move came less than 2 weeks after Discovery announced a \$100mln investment in **Group Nine Media**, a new media holding company that features **Thrillist Media Group**, **NowThisMedia**, **The Dodo** and Discovery's digital network **Seeker**. Discovery has the option to buy a controlling stake in Group Nine Media in the future. The transaction is expected to close before the end of the year.

Hulu Update: Hulu heats up the battle of streaming services with **21st Century Fox** and **Disney** deals. The agreements cover Fox's entertainment, news, sports and non-fiction services, as well as Disney's programming from its family of networks. Both Fox and Disney's programming will be part of the lineup of content to be available to stream live and on-demand through Hulu's new TV streaming service, set to launch early next year. Overall, the agreements encompass more than 35 nets, including **Fox** and **ABC**, sports nets such as **Fox Sports 1**, **ESPN**, **ESPN2** and **Fox RSNs** across dozens of national markets and entertainment nets like **Disney Channel**, **Freeform** and **FX**. Fox and Disney co-own Hulu, along with **NBCU** and **Time Warner**. The deal came after Hulu's agreement with Time Warner for live and on-demand streaming of Turner's content.

Mediacom Earnings: Posting a 5.2% YOY growth in revenues in 3Q, **Mediacom** increased its net income in the period to \$161.1mln. The growth was driven by HSD net adds, which came in at 17K versus 16K in the same period last year. It narrowed its video sub loss to 8K in the quarter from 17K in the year-ago quarter.

BUSINESS & FINANCE

Ratings: AMC's "The Walking Dead" saw its L+SD number slip to 12.46mln total viewers for Sun, down from more than 17mln for its brutal Season 7 premiere. Some of that 27% drop is obviously due to it being up against the World Series, which had more than 21mln viewers. TWD was still easily the most-watched show of the night on cable, followed by "Talking Dead" (4.3mln). The show's Oct 23 premiere ranks as the most-watched cable program of Oct, netting 20.8mln total viewers in L+3. Runner-up was the Giants-Vikings MNF match-up on **ESPN** (13.2mln in L+7). **Fox News** was the most-watched cable net in prime (3.09mln) for the month, followed by **ESPN** (2.69mln) and **CNN** (1.92mln). Fox News also won total day (1.55mln vs **Nick's** 1.23mln) with Oct going down as the net's highest-rated month of 2016. While **CNN** had the lead in Mon-Sun prime over **MSNBC** (1.7mln), **MSNBC** had the edge over the Turner net in prime Mon-Fri (2.036mln vs **CNN's** 1.99mln). **Fox Business** edged out **CNBC** in business day average for Oct (170K vs 164K).

People: The changes at **Fox News** continue, with long-time evp, distribution *Tim Carry* to step down. *Variety* reported the exit could change how Fox News is handled going forward, with it possibly being negotiated with other 21st Century Fox networks. Fox News and Fox Business have always been negotiated separately.

Cablefax Daily Stockwatch

Company	11/01 Close	1-Day Ch	Company	11/01 Close	1-Day Ch
BROADCASTERS/DBS/MMDS			INTEL: 34.52 (0.35)		
DISH:	57.19	(1.37)	INTERACTIVE CORP:	64.87	0.43
ENTRAVISION:	6.60	(0.1)	LEVEL 3:	54.26	(1.89)
GRAY TELEVISION:	8.60	(0.3)	MICROSOFT:	59.80	(0.12)
MEDIA GENERAL:	16.79	(0.06)	NETFLIX:	123.29	(1.58)
NEXSTAR:	48.35	(0.45)	NIELSEN:	45.30	0.28
SINCLAIR:	25.03	(0.08)	SEACHANGE:	2.63	UNCH
TEGNA:	19.90	0.28	SONY:	30.73	(0.6)
MSOS			SPRINT NEXTEL:	6.17	0.01
CABLE ONE:	578.56	1.82	SYNACOR:	2.70	(0.08)
CHARTER:	249.54	(0.35)	UNIVERSAL ELEC:	69.50	(0.65)
COMCAST:	61.41	(0.41)	VONAGE:	6.53	(0.33)
GCI:	15.39	(0.45)	YAHOO:	41.32	(0.23)
LIBERTY BROADBAND:	63.88	(1.07)	TELCOS		
LIBERTY GLOBAL:	32.26	(0.34)	AT&T:	36.56	(0.23)
SHAW COMM:	19.62	(0.2)	CENTURYLINK:	24.97	(1.61)
SHENTEL:	25.65	(0.75)	FRONTIER :	3.93	(0.09)
PROGRAMMING			TDS:	25.67	(0.17)
21ST CENTURY FOX:	26.19	(0.08)	VERIZON:	47.66	(0.44)
AMC NETWORKS:	48.59	(0.34)	MARKET INDICES		
CBS:	55.83	(0.79)	DOW:	18037.10	(105.32)
DISCOVERY:	25.79	(0.32)	NASDAQ:	5153.58	(35.56)
DISNEY:	92.39	(0.3)	S&P 500:	2111.72	(14.43)
GRUPO TELEVISIA:	24.33	(0.2)			
HSN:	36.80	(0.9)			
LIONSGATE:	20.15	(0.21)			
MSG NETWORKS:	19.05	(0.05)			
SCRIPPS INT:	63.99	(0.37)			
STARZ:	31.40	(0.07)			
TIME WARNER:	88.25	(0.74)			
VIACOM:	42.35	(0.15)			
WWE:	17.70	0.02			
TECHNOLOGY					
ADDVANTAGE:	1.83	(0.02)			
AMDOCS:	58.92	0.47			
AMPHENOL:	66.02	0.09			
APPLE:	111.47	(2.07)			
ARRIS GROUP:	27.26	(0.52)			
AVID TECH:	6.55	(0.02)			
BLNDER TONGUE:	0.57	0.03			
CISCO:	30.48	(0.2)			
COMMSCOPE:	30.28	(0.27)			
CONCURRENT:	6.07	(0.11)			
CONVERGYS:	28.23	(0.97)			
CSG SYSTEMS:	37.24	(0.79)			
EHOSTAR:	45.85	(0.89)			
GOOGLE:	783.43	(1.11)			
HARMONIC:	5.00	(0.1)			



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CTHRA's Excellence in HR Awards

CTHRA Winners

Congrats to this year's winners of **CTHRA's Excellence in HR Awards**. The Cable and Telecommunications Human Resources Association honorees have led the way in developing successful employee learning programs, maintaining clarity during two years of confusing merger talks and prioritizing diversity and inclusion in the workplace.

Aspiring Leader

Walter Landry - Director of Learning Strategy and Technology for Cox Communications



Walter Landry has truly worked to emphasize the importance of employee learning and development for Cox Communications. He and his team are responsible for developing the 21st Century Wiring Program, an initiative designed to help reduce trouble call traffic rolls, leading to a 16% year-over-year reduction. In addition, Landry helped create a technology lab to aid employees in developing advanced

technical skills, promoting professional growth. "As technology has driven increased productivity in business operations, one of the greatest success factors in enabling this productivity has been employee knowledge," Landry said, noting that a culture of learning can help companies stay competitive in their industry and retain top talent. If employees want to spend more time working on their development, companies should "establish competencies and performance metrics that include learning as a success factor" in order to "help drive a culture of learning, which contributes to greater productivity," he said. One potential problem for HR teams is providing an adequate learning environment for a multi-generational workforce. "Learning programs need to strike the balance between traditional learning methods, and learning experiences that leverage modern collaboration tools and social communication," he said.

Team Innovators of the Year

Former TWC HR Team



For two years, Time Warner Cable dealt with a failed merger, more than two years of regulatory review and a second, successful merger with

Charter Communications that closed this past May. Throughout this confusing time, TWC went through a performance turnaround that drew praise from Wall Street, with employee productivity among the key successes—as the HR team reassured the workforce. HR developed a multi-tiered severance package, while still prioritizing the professional development of their employees—many of whom would stay once Charter completed the \$56 billion purchase. "The biggest challenge we faced was to find ways to keep employees focused on the business and department priorities during the merger distractions that lasted over two years," said Seth Feit, group vice president, talent for Charter (formerly chief learning officer at Time

Warner Cable). Feit and his team were able to do so by watching employee morale, and constantly communicating to employees. "We created an open platform so that any employee could submit a question via email, and a centralized web page where employees could easily see our responses." Feit said that increasing the communications channels to employees is vital, especially when it comes to stressing growth opportunities within the company and preparing employees for outside opportunities. "There were situations of rotating assignments, enhanced development, and team building exercises through leaders looking to make the most of the situation, and we supported those efforts," he said.

ESPN Diversity, Inclusion, and Wellness Team



ESPN's Diversity, Inclusion and Wellness team won the Team Innovator award for its Diversity and Inclusion Playbook. This online learning program contains useful tools to help employees and managers create an

inclusive workplace to improve collaboration and productivity. The program was so successful that it was adopted by The Walt Disney Company and was featured as a best practice in diversity and inclusion by the Society for Human Resource Management. "The integration of diversity and inclusion into HR processes and practices is imperative to fully generate culture change and drive business outcomes," said Monica Diaz, vp of diversity, inclusion, and wellness for ESPN. Key areas for diversity & inclusion integration include "talent acquisition, performance management, talent development, employee engagement, total compensation and retention programs," she said. Diaz said HR practitioners "must become increasingly proficient on matters of diversity and inclusion—from core metrics to rapidly evolving expectations of current and future employees. New or revised policies and practices may be needed." Lastly, when asked about future trends in diversity and inclusion policies, Diaz said it will be less about compliance and more about leadership. "We should expect a higher level of transparency in the conversation about diversity and inclusion—about metrics, goals, and initiatives," she said.

[Read extended profiles of this year's winners at Cablefax.com].