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What the Industry Reads First

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Nielsen's Numbers: Nov Universe Estimates Hold, Despite Big Sub Declines

Nielsen's sticking to its numbers. After **Disney** challenged over the weekend the ratings company's universe estimates for Nov because of large-than-usual changes, Nielsen crunched the data again and got the same results. "The month-over-month decline in coverage that most cable networks saw was driven primarily by an overall decline of approximately half a percentage point (0.55) in the Cable Plus universe, meaning fewer households are subscribing to cable through" traditional cable, telco video or DBS, Nielsen said. **ESPN** lost 621K subs in the Nielsen Nov estimate compared to Oct of this year. But it wasn't alone. **TBS** lost 558K over the same period, **USA** is down 669K, **Fox News** is down 571K. **Spike** lost more than a million, so did **CMT** and **Esquire**. Losses of 500K+ estimated subs month-over-month is the norm in the Nov estimates, though there were a handful of nets that posted gains. **Viceland** (formerly **H2**) saw the largest Nielsen estimate jump, going from 67.9mln HHs in Oct to more than 73.8mln in Nov. **FM** (formerly **Nuvo TV**) is up by 948K. **Velocity's** sub estimate rose by 68K, while **Ovation** jumped up by 634K and **Outdoor Channel** gained 102K. The handful of positive gainers also included **Discovery Familia** (119K), **Discovery en Espanol** (47K) and **bein Sports Espanol** (196K). If you look at Nov '16 compared to Nov '15 estimates, 37 of 119 cable nets showed some growth. So, what's at play here? For starters, Nielsen changed its total TV HH estimate in Sept to 118.4mln from 116.4mln. "This change provides a tailwind to many of the growth rates indicated here," **Pivotal Research** analyst *Brian Wieser* wrote in his analysis of the numbers on Sun. He pulled back that research note and re-released Fri after Nielsen confirmed its estimates. While there's a 1.7% growth rate in TV households, the number of total homes with pay TV fell 1.5% creating a 3.2% gap between the growth rate of TV households and the growth rate of conventional MVPD-based TV subs, he noted. Pivotal analysts believe the Nov estimates are consistent with recent trends. "If anything, this incident [and the one before it involving ESPN] serves to highlight that complaints from media owners or others who would benefit from adjustments to the data regarding Nielsen or any other audience measurement provider should generally be taken with a proverbial grain of salt," Wieser wrote. "In fact, they should often be ignored. By contrast, concerns made by the agencies and advertisers who have to justify budget allocations around the quality of a measurement service provider's methodology should be viewed as having greater importance." Disney

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didn't sound satisfied Fri, issuing the following statement: "This most recent snapshot from Nielsen is a historic anomaly for the industry and inconsistent with much more moderated trends observed by other respected third party analysts. It also does not measure DMVPDs and other new distributors and we hope to work with Nielsen to capture this growing market in future reports." It is true that services such as **Sling** and **PlayStation Vue** aren't included in Nielsen's estimates. Nielsen said it's researching new technologies, such as virtual MVPDs, and will incorporate such households into the cable network coverage area universe estimate definition at a future date. This could become more pressing as **Hulu** and **DirectTV** gear up to launch their virtual MVPD offering. Nielsen noted that the Nov decline was not specific to a network or group of networks, meaning, not driven by household changes in tiers or packages. Pivotal's analysis shows **Time Warner** taking the biggest hit, with its median nets seeing a 2.2% decline in HH subscriptions from Nov 2016 to Nov 2015, and **Fox Nets** faring the best among major programmers (+0.9% median network gain).

DirectTV Outage: **Fox News** and **CNN** were absent from **DirectTV's** lineup for a second day Fri, though Fox News seemed to be back up Fri afternoon. Before then, the channel that was supposed to broadcast Fox News had a message from the operator: "We are experiencing temporary technical difficulties. Please stand by. We apologize for the inconvenience," while the CNN channel showed a message saying it's a pay channel. DirecTV said technical difficulties caused the outage. "8 HD channels are impacted by technical difficulties and we're working on fix..." a tweet from DirecTV Service, the operator's customer service **Twitter** account, said Fri. DirecTV advised customers to unhide SD channels so they could view the programming. The disappearance of the channels, especially Fox News, prompted various online conspiracy theories. Some subs took to DirecTV's online forum to suggest the outage was intentional to prevent viewers from accessing the news channels days before the presidential election.

EPIX CEO: **EPIX's** *Mark Greenberg* renewed his agreement to continue to serve as pres/CEO of the premium net. Greenberg created the business plan and strategy that launched EPIX in Oct 2009. The net is a jv among **Paramount**, **Lionsgate** and **MGM**. "Mark has done a tremendous job with EPIX over the last seven years. This renewal is a testament to his leadership and I look forward to working with him to bring EPIX to new heights in the years ahead," said *Gary Barber*, chmn/CEO of MGM.

CBS Earnings: **CBS's** cable network revenues grew 14% YOY in 3Q to \$598mln, thanks to higher revenue from the domestic licensing of **Showtime** original series and growth from Showtime's OTT streaming service, the programmer said late Thurs. Cable networks' operating income for the quarter increased 16% YOY to \$285mln. The growth was partly offset by investment in original series. Chmn/CEO *Les Moonves* said during the earnings conference call that both CBS All Access and the Showtime OTT offering have passed the 1mln subscriber mark. And "as we head into the spring and have 'Star Trek' and 'Twin Peaks' coming out on those competing platforms, how great will it be looking forward to be able to market them together at a slight discount if you buy them both..." Moonves said. Meanwhile, CBS is working with **NFL** on potential streaming rights for CBS All Access. "We're in fairly active discussions about putting it on All Access... The product is doing better. The NFL is still extremely important to us. We're hoping that we're able to reach an agreement with them to link it even better," he said. In Sept, CBS and **Viacom** boards appointed special committees looking into a potential marriage. The discussions are "in the very early stages" and there's no time table as to when a decision might be reached, Moonves said. "So I hate to be vague, but literally it's at that stage. And it's not even in the second inning yet."

Netflix Lands on X1: They seem like an odd couple but **Comcast** and **Netflix** have finally made it official: Netflix will launch on the MSO's X1 platform next week. The service is integrated throughout the platform, meaning there's no need to change inputs or juggle remotes to access Netflix. Current X1 and Netflix customers will be prompted to sign in when accessing Netflix on X1 for the first time. New Netflix subs can sign up for memberships directly on X1 and have the service added to their Comcast bill. Comcast said X1 will be in 50% of its video customer homes by the end of the year.

People: **Freeform** head of communications *Jori Arancio* joined **ABC** as svp of communications at **ABC Entertainment & ABC Studios**, succeeding *Hope Hartman*, who left in Sept to pursue opportunities in documentary programming. She will report to *Kevin Brockman*, evp of global communications for **Disney/ABC Television Group**.

Cablefax Week in Review

Company	Ticker	11/04 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDs				
DISH:	DISH	54.93	(4.27%)	(3.93%)
ENTRAVISION:	EVC	6.00	(10.85%)	(22.18%)
GRAY TELEVISION:	GTN	8.10	(10.99%)	(50.31%)
MEDIA GENERAL:	MEG	16.83	0.00%	4.21%
NEXSTAR:	NXST	47.35	(2.77%)	(19.34%)
SINCLAIR:	SBGI	25.60	2.40%	(21.33%)
TEGNA:	TGNA	18.02	(8.34%)	(29.39%)

Company	Ticker	11/04 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLE ONE:	CABO	575.06	(0.42%)	32.61%
CHARTER:	CHTR	250.23	0.39%	36.74%
COMCAST:	CMCSA	60.66	(1.97%)	7.50%
GCI:	GNCMA	15.35	(0.97%)	(5.77%)
LIBERTY BROADBAND:	LBRDA	63.46	(0.77%)	22.87%
LIBERTY GLOBAL:	LBTYA	31.66	(1.46%)	(25.26%)
SHAW COMM:	SJR	19.55	(1.31%)	13.73%
SHENTEL:	SHEN	25.30	(3.44%)	(41.23%)

Company	Ticker	11/04 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
21ST CENTURY FOX:	FOXA	26.94	2.63%	(0.81%)
AMC NETWORKS:	AMCX	52.37	7.07%	(29.87%)
CBS:	CBS	57.01	0.83%	20.96%
DISCOVERY:	DISCA	25.64	(0.81%)	(3.9%)
DISNEY:	DIS	92.45	(1.49%)	(12.02%)
GRUPO TELEVISIA:	TV	24.23	(1.5%)	(10.95%)
HSN:	HSNI	36.00	(3.23%)	(28.95%)
LIONSGATE:	LGF	20.83	4.10%	(35.69%)
MSG NETWORKS:	MSGN	18.75	(3.35%)	(9.86%)
SCRIPPS INT:	SNI	64.84	2.01%	17.44%
STARZ:	STRZA	31.69	1.57%	(5.4%)
TIME WARNER:	TWX	86.42	(1.2%)	33.63%
VIACOM:	VIA	40.95	(3.31%)	(6.91%)
WWE:	WWE	17.52	(3.04%)	(1.79%)

Company	Ticker	11/04 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
ADVANTAGE:	AEY	1.75	(5.91%)	(3.31%)
AMDOCS:	DOX	58.18	(0.56%)	6.62%
AMPHENOL:	APH	64.91	(0.89%)	24.28%
APPLE:	AAPL	108.84	(4.29%)	3.40%
ARRIS GROUP:	ARRS	26.02	(3.88%)	(14.88%)
AVID TECH:	AVID	5.97	(9.41%)	(18.11%)
BLNDER TONGUE:	BDR	0.55	(3.51%)	37.50%
CISCO:	CSCO	30.19	(1.31%)	11.16%
COMMSCOPE:	COMM	32.15	4.69%	24.18%
CONCURRENT:	CCUR	5.90	0.00%	19.19%
CONVERGYS:	CVG	28.15	(3.06%)	13.10%
CSG SYSTEMS:	CSGS	39.45	4.70%	9.64%
ECHOSTAR:	SATS	45.38	(2.26%)	16.03%
GOOGLE:	GOOG	762.02	(4.19%)	0.41%
HARMONIC:	HLIT	4.75	(5%)	16.71%
INTEL:	INTC	33.61	(3.25%)	(2.44%)
INTERACTIVE CORP:	IAC	64.36	(1.24%)	7.18%
LEVEL 3:	LVL	51.50	(4.72%)	(5.26%)
MICROSOFT:	MSFT	58.72	(1.92%)	5.84%
NETFLIX:	NFLX	122.03	(3.59%)	6.69%
NIELSEN:	NLSN	43.50	(2.6%)	(6.65%)
SEACHANGE:	SEAC	2.45	(7.2%)	(63.65%)

Company	Ticker	11/04 Close	1-Week % Chg	YTD %Chg
SONY:	SNE	30.83	(2.1%)	25.27%
SPRINT NEXTEL:	S	6.13	(2.85%)	69.34%
SYNACOR:	SYNC	2.75	(3.51%)	57.14%
UNIVERSAL ELEC:	UEIC	60.05	(12.4%)	16.94%
VONAGE:	VG	6.22	(10.63%)	8.36%
YAHOO:	YHOO	40.28	(3.59%)	21.11%

Company	Ticker	11/04 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	36.50	(0.03%)	6.07%
CENTURYLINK:	CTL	23.05	(24.15%)	(8.39%)
FRONTIER :	FTR	3.12	(22.58%)	(33.19%)
TDS:	TDS	25.32	(1.82%)	(2.2%)
VERIZON:	VZ	47.08	(2.34%)	1.86%

Company	Ticker	11/04 Close	1-Week % Chg	YTD %Chg
MARKET INDICES				
DOW:	DJI	17888.28	(1.5%)	2.66%
NASDAQ:	IXIC	5046.37	(2.77%)	0.78%
S&P 500:	GSPC	2085.18	(1.94%)	2.02%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS				
COMPANY		CLOSE		1-WK CH
1. AMC NETWORKS:		52.37		7.07%
2. CSG SYSTEMS:		39.45		4.70%
3. COMMSCOPE:		32.15		4.69%
4. LIONSGATE:		20.83		4.10%
5. 21ST CENTURY FOX:		26.94		2.63%

THIS WEEK'S STOCK PRICE LOSERS				
COMPANY		CLOSE		1-WK CH
1. CENTURYLINK:		23.05		(24.15%)
2. FRONTIER :		3.12		(22.58%)
3. UNIVERSAL ELEC:		60.05		(12.4%)
4. GRAY TELEVISION:		8.10		(10.99%)
5. ENTRAVISION:		6.00		(10.85%)

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