

Cablefax Daily™

Wednesday — April 12, 2017

What the Industry Reads First

Volume 28 / No. 069

ADVERTISEMENT

2 NEW COMEDIES
WEDNESDAY
APRIL 12

Hollywood Darlings

8P7C

JODIE SWEETIN
"FULL(ER) HOUSE"

CHRISTINE LAKIN
"STEP BY STEP"

BEVERLEY MITCHELL
"7TH HEAVEN"

FOLLOWED BY

RETURN OF THE MAC

8:30P7:30C

JOEY MCINTYRE
"NKOTB"

Pop

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Getting Hyper: TV Ads Increasingly Drill Down to Local Level

As TV viewing becomes ever more customized thanks to time-shifting and on-demand technology, the advertising experience has also dramatically evolved. Sure, massive national campaigns with a single 30-second spot still beam out to millions of people simultaneously. Increasingly, though, cable has used its inherent advantages to deliver hyper-targeted brand messages at the local level. Last year's presidential campaign offers ample evidence of that influx. A study by **Borrell Associates** found that cable TV spending soared 52% over 2012 levels to about \$1.35 billion, or 14% of the total spending in 2016, equal to digital advertising. One longtime practitioner of hyper-targeting is **The Weather Channel**. Its local forecasts, delivered for decades "on the 8s," were an early cable innovation, a smooth-jazz interval when viewers could find out whether they needed an umbrella. Hardware installed in the headend of local cable systems made the forecasts possible, dividing up the country into 4,000 individual weather zones. These forecasts helped Weather become one of the bedrock networks in the cable bundle, reaching nearly 100 million U.S. homes. But in recent years the rise of apps and multiscreen viewing have presented challenges to all programmers and given many advertisers pause. "When I started here in 2012, this unique asset had gone into a bit of disrepair," said Weather COO *Freddy Flaxman*. "We have invested tens of millions of dollars to rebuild that capability. We have added new things, like local weather along the bottom of the screen or pre-empting programming based on extreme weather. And we have been building out the ability to localize advertising." The opportunity for brands throughout Weather's programming day is to tie directly into what viewers are experiencing. During an extreme weather event, like a blizzard or a hurricane, **State Farm Insurance** becomes a staple. Heat waves bring **Coppertone**, cold spells **Thera-flu**. In Weather's system, those disparate ads can play during the same break to viewers in different regions. That's one reason why Weather is one of the top-rated networks in all of cable when it comes to audience retention through commercial breaks. Hyper-targeted local advertising is one of the motivations behind the recent formation of OpenAP, a groundbreaking consortium enabling **Viacom**, **Turner** and **Fox Networks Group** to pool and share data in a system audited by **Accenture**. *Joe Marchese*, president of advanced advertising products for Fox Networks Group, says the initiative is "absolutely a step toward making addressability possible. Because once you go beyond just buying inventory on traditional demographics, you can really create a conversation with



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the viewer."Addressable ads, delivered through MVPD set-top boxes, account for only about 1% of the \$72 billion TV ad marketplace. But the ability to sell against not just demographics but actual consumer behavior, just as **Google** and **Facebook** do, holds incredible upside for the TV world. *Dan Aversano*, senior vice president of ad innovation and programmatic solutions for Turner Ad Sales, believes the OpenAP tools will enhance targeting but also discourage the spaghetti-against-the-wall approach that has defined TV ads for decades. "Let's say an advertiser comes in and says, 'I want the super-savvy shopper, coupon-centric dad' and eventually we define that with data and it winds up being 600,000 people in the U.S.," Aversano says. "We can tell them: You should not buy national television to talk to 600,000 people. It would be cheaper to put someone on a plane and have them knock on 600,000 doors." – *Dade Hayes* [**Hear from Flaxman and other experts on hyper-targeting at the TV Innovation Summit on June 8. More info at www.cfxtvsummit.com.**]

Altice Makes It Official: No big surprise, but **Altice USA** on Tuesday officially filed its registration statement with the **SEC** proposing an initial public offering. The number of shares and price range remain undetermined. **J.P. Morgan, Morgan Stanley, Citigroup** and **Goldman, Sachs & Co.** are joint book-running managers for the proposed offering.

Broadband: **Mediacom** started rolling out 1Gig service in more than 80 municipalities passed by the MSO's network in Minnesota. As the first major U.S. cable company to fully transition to the DOCSIS 3.1 "Gigasphere" platform, Mediacom plans to bring gigabit to virtually all of the 3 million homes and businesses within its 22-state footprint and has so far launched 1 Gig Internet services in more than 500 communities.

OTT: **Turner** and **Warner Bros** on Tuesday officially launched OTT service **Boomerang**, which the companies announced last month (**CFX**, March 9). It's the first time Turner and Warner Bros have offered the massive **Hanna-Barbera, Looney Tunes** and **MGM** animation library of more than 5,000 titles on a streaming platform. Boomerang, which will also feature original series, is available for \$4.99 per month (with a 7-day free trial) on Web, Android and iOS devices, or \$39.99 annually (with a 30-day Free Trial). Expansion to **Amazon, Roku** and **Apple TV** and other platforms is coming.

Partnerships: **SCTE** and its global arm, the **International Society of Broadband Experts (ISBE)**, will bring technology training to the **NCTC** in a new partnership. SCTE•ISBE will provide NCTC members with discounted prices for all online training courses, including those in their CORTEX Expert Development System. The companies will also mutually support promotional opportunities designed to highlight the availability and benefits of that training, as well as other NCTC and SCTE•ISBE events and projects.

Data Packaging: **TiVo** has introduced a metadata package optimized for studios, broadcasters and networks that aims to improve the discovery of content catalogues. It works by incorporating themes, keywords, images and related programs, allowing users to create stronger connections. Its knowledge graph engine generates dynamic, regionalized metadata that assesses what is happening in a specific part of the world at any moment and relating that to entertainment content to anticipate what viewers will want next. Relevant connections are identified and their strength determined, enabling search and recommendation systems to present related content when appropriate. The package also assesses trending content, facilitating discovery systems to anticipate consumers' interests and therefore more effectively merchandise catalogs. Lastly, keyword relevancy is optimized, giving an expanded set of descriptive metadata that creates new ways to discover content and increasing the visibility of a content.

Ratings: **Fox News Channel** took the lead in basic cable last week with its programs nabbing 20 of the 30 top spots and en massing 1.7 million total viewers. These results marks FNC's 14th consecutive week as the most-watched cable channel, according to **Nielsen**. Despite sexual harassment claims made against its star host *Bill O'Reilly* and a \$13 million settlement, "The O'Reilly Factor" last week ranked in the top 10 programs in all of cable, with FNC outperforming **CNN** and **MSNBC** in both primetime and total day viewership. -- **Nickelodeon's** "PAW Patrol" special "Mission PAW: Quest for the Crown" on Friday hit a series high 18.9/2.0 million Kids 2-5 and drawing 4.2 million total viewers P2+ in Live+7.

Luxury Box: **Layer3 TV** on Tuesday unveiled details about its new home gateway box designed by **BMW's** Designworks subsidiary. The box, which can communicate wirelessly with other smaller set tops in the home, can also be personalized in a wide range of colors and designs. Curious? Check out a video at <https://vimeo.com/175619822>