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What the Industry Reads First

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Reaching Out: Spectrum Reach Speaks To Health Of Ad-Supported TV

Today's lead story: "TV is Alive and Well." That was the headline from **Charter** at its newscast-themed NewFront presentation for its ad sales arm, **Spectrum Reach**. The day after **YouTube** declared the medium a thing of the past at its grandiose Broadcast event, Spectrum tapped its local news talent to make the case that while viewing has evolved beyond the big screen on the wall, consumers are still watching plenty of ad-supported television programming. **Video Advertising Bureau** pres/CEO *Sean Cunningham* appeared on screen as part of a faux news report, telling attendees that 93% of video being watched by adults in any given minute is ad-supported TV programming. That number among millennials, he said, is 88%. Charter evp & pres, media sales *David Kline* later said, "You start to see money moving back from digital to the television platform. I don't want anyone to think of television as that thing on the wall. We're on every screen." On top of its case about the health of pay TV, Charter unveiled its new Audience App, an interface that will allow advertisers to target linear TV audiences at the household level based on "proprietary aggregated anonymized subscriber viewing data." Rolls right off the tongue. This combination of set-top box subscriber data with first- and third-party data will allow for targeting criteria that goes beyond traditional demos. Advertisers, for example, will be able to hone in on homes based on education level, car ownership or credit readiness. Charter plans to roll out the Audience App platform in Austin this July and in all Spectrum markets no later than 2018. Spectrum also hyped up its Digital Dashboard, an interface for advertisers to plan digital campaigns and receive instant analysis. Meanwhile, after YouTube CEO *Susan Wojcicki* on Thursday night apologized to brands whose ads ran against offensive content on the platform, Charter emphasized the safety of advertising with the provider, where advertisers won't have to worry about such image threats. Kline saved the most idealistic proclamation on the industry's future for his closing remarks, during which he addressed the fragmentation that advertisers must deal with in putting together TV ad campaigns. He projected that networks and MVPDs will begin fostering greater cooperation for the sake of the industry, which will make it easier for advertisers to put together wider-reaching and more effective campaigns.

Leaving History: Fresh off the success of "Six" and "Roots," **History** pres & gm *Jana Bennett* is stepping down from her position after nearly four years at **A+E Networks**. In an internal memo, A+E head *Nancy Dubuc* said Bennett



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wants to split her time between London and NYC and start a new entrepreneurial venture “aimed at creating the best of British and American content for both markets.” She moved into her current role in September 2015 after overseeing the relaunch of A+E Networks’ **Bio** channel as **FYI** as well as heading up **LMN**. History svp, programming *Paul Cabana* will succeed Bennett on an interim basis. In her own note, Bennett said she’s proud of what the teams at FYI, History and LMN have achieved: “Now that History is back to growth, it’s time for me to start my next chapter.”

100 Days: FCC chmn *Ajit Pai* spoke Friday at the **American Enterprise Institute**, outlining five goals—closing the digital divide, modernizing FCC rules, promoting innovation, protecting consumers and public safety, and improving the agency’s operations. Pai lauded a productive first 100 days in office during which the FCC adopted 49 items. Not everyone was on the same page though as net neutrality activists protested outside the institute in a statement against Pai’s intentions to loosen Internet regs. Pai stated that FCC rules across the board are up for review. “And you don’t need a weatherman to know that the wind is blowing certain FCC rules toward modification or elimination,” he said.

CBS Earnings: CBS offered a solid 1Q earnings report after the bell Thursday, as the net saw affiliate and subscription fees grow by 17%, with content licensing and distribution increasing by 16%. Quarterly ad revenue dropped 24% from 1Q 2016, but that can be attributed to the net hosting the Super Bowl and an additional **NFL** playoff game last year. “Importantly, CEO *Les Moonves* characterized the ad market as strong with scatter pricing 20% above the upfront,” **Telsey Advisory Group** said in a note to clients. “This might soothe some of the Street’s concerns following [**Time Warner**] describing the ad market as moderating.” Moonves also said the net’s three main revenue streams are “set up for success in the quarters ahead.”

Programming: **National Geographic** released film, “LA 92” for free streaming through May 11. The film depicts the uprising after the verdict in the *Rodney King* trial. -- **NBC Sports** for the third straight season will air coverage of all eight **AVP** Pro Beach Volleyball Tour events, beginning with Sunday’s opener on **NBCSN**. Six of the events will air on **NBCSN**, with the other two airing on **NBC**.

Ratings: Nearly 1.2mln total viewers (live +3 ratings) tuned in for the premiere of **WE tv**’s “Marriage Boot Camp: Reality Stars Family Edition” making it the No 1 ad-supported cable network in primetime on Friday night. The show was also tops in its time period among women 25-54. -- Since making the move from **ESPN2** to **ESPN** in January, “First Take” has seen a 12% increase in its P2+ audience and a 63% increase in its total reach. The audience has also shifted with its African-American composition increasing from 46% to 53% and the average age of viewers dropping from 42 to 41. -- April was **NBC Sports RSNs**’ most-streamed month ever thanks to the **NBA**, **NHL** and **MLB** all streaming simultaneously. Some 67mln minutes were consumed in total over the month. Overall, the RSNs reached over 250mln minutes over 831 games during the 2016-2017 seasons on local **CSN** regional network websites, **NBCSports.com** and the **NBC Sports** app.

Cable One Earnings: **Cable One** on Thursday became the latest operator to announce video sub losses. The company has lost almost 43K residential video PSUs in the past year, representing a 12.7% YOY drop. Price increases, as well as growth in broadband and business services, mitigated the losses, and the company managed to grow quarterly revenue by 2.3% YOY to \$207mln. **MoffettNathanson** continues to question the op’s strategy, rating it “sell” with a \$560 price target. “What’s really complicated is the politics of their relentless price increases,” the analysts wrote in a research note. “The very mention of Cable One draws genuine anger—yes, really—from executives at their larger peers. Cable One is dancing with the devil, they would argue, by so unabashedly testing the limits of the pricing power of their broadband product.” Judging by Cable One’s stock price, there are plenty who believe in the company’s strategy. **Suntrust Robinson Humphrey** initiated it last month with a price target of \$715.

WWE Network: Three years after its launch, the **WWE Network** has become a key revenue driver for the wrestling promotion. The **WWE** saw paid subs for the OTT service reach 1.49mln in 1Q, representing a 16% YOY increase and exceeding analysts’ expectations. The video service generated \$46.5mln in revenue during the quarter via subs, PPV fees and ad fees, up 15% from 1Q 2016. By comparison, the company took in \$64mln in revenue from TV rights fees and ad fees.