Cablefax Daily TM Thursday – May 25, 2017 What the Inclustry Reads First Volume 28 / No. 100

Voice Control: Cable Joins the Conversation

Where's the green, Alexa? Anyone at CES could tell you "integration with voice control" is practically a prerequisite for items in the smart home space now. Voice assistants now exist on almost every connected platform, drastically altering how users search for content. Thanks to Comcast's X1, even voice-controlled remotes are starting to catch on. So, it shouldn't be any surprise that cable companies are beginning to integrate with the technology. However, the real question for cable might not be "should we integrate?" but rather "how do we integrate in a fiscally positive way?" The answer isn't entirely clear yet. During Cablefax's webinar Wednesday on voice control and TV revenue, Scripps Networks Interactive content distribution vp Steve Harris described the monetization as a work in progress. "We have hoped, and it looks like the market is starting to go this way, that voice would really become a conduit to interacting with other forms of content, not just audio content," he said. The market is seeing that with Google's recent announcement to combine its Voice Assistant with Chromecast and Amazon's upcoming Echo with an integrated screen. "We feel like that will give us a chance to get people to use voice to launch video content at some point. If video content is being consumed, we have a great history of monetizing that in some form," Harris said. For Scripps, one of the reasons to be in the voice space is that it's a first attempt to bring consumers into the world of IoT in an easy-to-use way. Liesel Kipp, Scripps Nets' product management vp, pointed out its frictionless nature as it is instant, hands-free and personalized. Aware that voice control is a priority for some of its existing partners, Scripps has already integrated Food Network with Amazon Alexa, Google Home and most recently Microsoft's Cortana. Recipes can now be delivered to users via email and questions about show times can be answered instantaneously. One of the goals for Scripps is to make its content a daily habit with customers and to associate its brand with innovation, Kipp said, citing stats that found within the last month one in five online adults have used voice search on a mobile device. Voice control isn't always a straight shot, though. Chris Pellani from Turner Sports spoke about the use of voice control during NCAA March Madness. Turner faced a few issues in the process of creating its Alexa skill thanks to the different ways to say team names (i.e., North Carolina, UNC, Tarheels). The short-term goal of the project was to learn to design for voice and VUI, while the long-term goal was to keep fans updated on the tournament and drive live video and tune-in, said Pellani, who serves as director, product management for NCAA March Madness Live. The experiment resulted in mixed fan-feedback and lessons for the next go-round, including "listen to your fans" and "invest in your relationship with Amazon" to help with promotion. While monetary growth through voice control might also not be clear yet for Turner, the company does see the future integration of Alexa with Fire TV or Google Home with Chromecast as potential drivers of tune-in. The consensus is that it's still early days for voice control, but the sooner cable can learn to navigate the technology, the better off it might be. The challenge of app discovery was brought up as Scripps' Kipp compared finding a specific skill in the sea of Amazon Alexa's library to early days of Apple's iPhone and app store. One challenge is that the devices feel very utilitarian at this point. "We've all stepped back and said, 'how do we



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make it as fun as our brand?" she said. "Fun works as long as it's not gimmicky."

<u>Hulu Sues TiVo</u>: Hulu has taken the step of suing TiVo before the company goes after it on patent infringement claims. The suit filed Tuesday, first reported by *Law360*, dates back to when **Rovi** (now TiVo) sued Hulu for patent infringement in 2011. Hulu entered into a settlement and license agreement with Rovi in 2013, with the streaming service quick to say it was never found liable but did so to avoid spending time and resources on litigation. Now, Hulu doesn't want to pay for a license any more. "Since the parties signed that agreement, circumstances have changed," says the redacted complaint, with Hulu asserting that of the three patents, one has expired, another was held invalid as unpatentable and the third was alleged to infringe via a service Hulu no longer offers. TiVo sees it differently, sending a notice March 14 that Hulu needed to renew its license. TiVo didn't respond to a request for comment by press time. One of the patents involved relates to generating identifiers for video and graphic files by crawling publicly available information on the Internet such as text around a link for a video. Hulu's suit contends this is no longer an issue because it doesn't search the Internet for video content and only works by obtaining input from content providers. The Hulu service also has changed over the years in that it's now not possible to use it without authorization, such as a subscription.

Fast Fiber: **AT&T** is making a one gigabit connection available on its fiber network in Wilmington, VA, bringing the number of metro areas nationwide where the company's ultra-fast Internet service is available to 53. That accounts for 4.6mln locations. AT&T plans to add 2mln locations in 2017 and to reach at least 12.5mln by mid-2019.

<u>Ratings</u>: NBA Playoff Games on ESPN through the Western Conference Finals averaged 3.9mln viewers (P2+), up 3% YOY from 3.8mln. Playoff games across both ESPN and the **ABC** broadcast averaged 4.4mln viewers, marking a 5% YOY increase from 4.2mln viewers. ESPN's coverage also delivered a record average minute streaming audience of 112K, up 24% from 90K in 2016. The NBA Finals, which tip off June 1, will air exclusively on the broadcast net.

Programming: Trifecta Entertainment & Media and truTV reached syndication agreements with several station groups for prank show "Impractical Jokers," which will have greater than 85% clearance across the US. CBS and Sinclair will help launch the series, along with Tribune, Nexstar-Media General, Titan, Weigel, Gray, Hearst, Cox and Tegna. Trifecta will feed 10 episodes from the show's first five seasons each week and handle all ad sales for the series in syndication. -- ESPN will air the 2018 NFL Pro Bowl and simulcast the game on ABC for the first time. A Spanish-language edition will air on ESPN Deportes, and the game will also be streamed live. As part of its "Monday Night Football" deal, ESPN holds the rights to broadcast the Pro Bowl through 2021. -- Discovery will kick off its annual "Shark Week" programming block on July 23. The stunt moves around every year, but typically falls in late July or early August. Last year, the net moved it up to late June and early July to avoid clashing with the Rio Olympics on NBCU. That ended up being too early and resulted in lower ratings. The net's summer slate also includes the premieres of a documentary special called "Mosquito" on July 6, the "Unabomber" anthology series on August 1 and "First in Human," a new documentary series premiering August 10. Sundance Film Festival selection "Rancher, Farmer, Fisherman" will premiere August 31.

<u>People</u>: Tricia Melton is joining **Disney**-owned **Freeform** as its svp, marketing and will report to pres Tom Ascheim. Melton, who most recently served as svp, entertainment marketing and branding for **TBS**, **TNT**, and **TCM**, will head up marketing strategy and execution for the young adult-focused net.

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Cablefax Daily

Think about that for a minute...

Kale

Commentary by Steve Effros

There are times when I just sit back in awe of what someone has accomplished. I realized, recently, that one of those awestruck moments happened when I thought about kale. Yes, kale. The fibrous, leafy green or



purple, chewy, somewhat bitter vegetable that has become a centerpiece of every nutritionist's listing of the things you really need to eat to be healthy.

I have nothing against kale. We eat it in my house all the time, but I can't say that was the case when I, or many of you, were growing up. We now can buy "kale chips" in the store instead of potato chips! How did that happen?

To be sure, kale is a very healthy veggie. It's part of the cruciferous vegetable family, which also includes bok choy, broccoli, Brussels sprouts, cabbage, cauliflower, collards, mustard greens, and turnip greens. But has anyone seen turnip green chips in the store lately?

Why do I care about this so much? Because it has to do with how people perceive what they buy, watch, consume, read and generally think. OK, kale is at the top of the list when it comes to all the various vitamins, minerals, etc., that it contains. But many of its family members are also way up there. Why aren't we singing the praises of collards as well? It's called marketing.

How many of you have gone to a fine restaurant and eaten Patagonian toothfish? Don't think so? What if I told you that the clever marketers from Patagonia realized that name would never fly and started marketing the fish as Chilean Sea Bass? And then, of course, there's rapeseed oil. The "rape" by the way, in case you were wondering, comes from the Latin term for "turnip." Anyway, any decent marketer would realize that "rapeseed" was a non-starter. The solution; call it canola oil.

Worked like a charm.

So the point here is that after forty years of trying, we have failed to develop a favorable perception for the term "cable television." All you need do today is look at the political commentaries about the elections, or "fake news" or whatever and you'll see shots being taken at "cable news." Note that *Brietbart*, or the *New York Times*, whichever is your devil at the moment, aren't "cable news!" But we get the gratuitous shot no matter what. I concede. So what do we do?

Well, we've tried shifting to "broadband," but that is such an all-inclusive term that it really speaks to a different issue, and that's the technology we deliver to people. Oh, wait...maybe that's what we should be doing! Talk to folks about the incredible technology we have built and are constantly improving. If we could turn attention to what most recognize as the extremely successful infrastructure build-out we have created, and yes, then point to all the various things it can and does do, like deliver video, data, empower the Internet, etc., then maybe a newer, and more accurate perception of what we do and what we are will take hold.

Of course, that may all be wishful thinking, too. But it's worth a try. We've empowered vast new diversity in video, created enormous new market potential for Amazon, Google, Facebook and so on, importantly improved health information flow and scientific sharing. But who knows about all that? It's time they did. Let's also find out who the kale growers hired to do the repositioning of kale. Whoever they are, we ought to seriously try to get them on board!

Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry. His views do not necessarily reflect the views of Cablefax.)



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