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What the Industry Reads First

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TV's Metamorphosis: Dissecting the Bundle and OTT

As the industry grapples with the best way to give consumers what they want for video, it's clear both distributors and programmers have their fair share of challenges. At the day-long **Cablefax** TV Innovation Summit Wednesday, **fuboTV** co-founder & CEO *David Gandler*, who is positioning his product as a sports-first MVPD, described the tough choices involved in putting together a programming lineup. "Our goal is to be able to offer a product that is less expensive, but with the understanding that you're not going to get everything," he said. "That's just a fact. If you want everything, there's a place you can go, whether that's **Layer3** or traditional cable and you'll have everything. As services, we have to make very hard choices." He added that with virtual MVPDs all building different programming lineups, each will appeal to a different subset of the market. For instance, **PlayStation Vue's** recent decision to drop **beIN Sports** from its lineup strengthens fubo's position as the must-have bundle for sports fans. Fubo is taking full advantage of the drop, announcing a limited 40% off promotion of its Premier package that includes beIN Sports, beIN Sports en Espanol and access to beIN Sports Connect. The aforementioned Layer3 TV, represented on a panel by CEO *Jeff Binder*, is banking on the fact that most consumers like the wide range of programming that comes in a traditional cable bundle, but have had bad experiences with their providers. That's why it's important for his company to communicate to customers that it is different. "There's a lot of noise in the space, and consumers have been burned in many ways for so long," he said. "The biggest challenge is that while they want a change, at least [the incumbent] is the devil they know versus a new one where they're going through a disconnect process." With all digital distribution offerings, churn is a concern, as users are able to cancel their subscriptions without penalty at the click of a button. Fubo, for instance, has seen cancellations surge following soccer season and sign-ups increase when the season starts back up. Gandler said that in addition to giving viewers content that is compelling year-round, distributors simply have to embrace the fluidity of viewing habits. He added the goal is 4-5% churn. Meanwhile, the evolution of platforms makes distribution strategy more complex, and important, than ever before. **Turner** svp, business development, digital distribution and strategic partnerships *John Harran* highlighted the importance of being "on every platform possible" in order to reach a broader audience. He added that while Turner has dipped its toe into direct-to-consumer offerings like **FilmStruck**, he sees that model as most effective in offering niche products. One more challenge

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to think about are the **Twitters** and **Facebooks** of the world. **CSG** pres of global OTT business *Kent Steffen* said social nets will also be “an interesting partner, as well as an interesting competitor, for distributors and the traditional broadcast networks” given their massive reach and video aspirations.

Political Climate: Speaking of change, the regulatory landscape remains one of uncertainty in both the short- and long-term. Even with **FCC** chmn *Ajit Pai* poised to roll back Title II classification, members of a Washington-focused panel at **Cablefax's** TV Innovation Summit said net neutrality and other regulatory battles will likely trickle down to the state level. **ACA's** *Matt Polka* said that some public interests groups already have been looking at states after not getting the broadband privacy rules they wanted at the federal level. **Cox** vp, regulatory affairs *Joiava Philpott* backed that up, noting some state lawmakers have proposed legislation seeking to fill “perceived gaps” in federal law. Industry veteran *Steve Effros* called for cable to shift its attention to the statehouses given that there is unlikely to be stability at the federal level until Congress gets involved. “We have to reorganize on the state level, because the only way the federal level is going to straighten out is when there’s a new bill, a new piece of legislation.” If that’s not enough uncertainty, Philpott also acknowledged that unpredictable change is always a keystroke away. “It maybe would take just one tweet from the White House to have a particular issue that faces the telecommunications space go a different route than what we anticipated,” she said.

More from CFX Summit: With more alternatives to traditional cable than ever before, **Mediacom** svp, customer service and financial operations *Tapan Dandnaik* said the company is looking to set itself apart with a new approach to resolving issues. Mediacom is set to introduce an interface via its app that enables customers to solve their own technical and account issues without waiting on hold or dealing with a home visit. Information once reserved for service reps will be available on customers’ mobile phones, and users will be able to SMS text Mediacom agents. In fact, customers will be able to use video to let reps see what they are seeing. Other features of the app include an Uber-like view of where a technician is for service visits. **A+E Networks** svp, distribution and digital content licensing *Mark Garner* said distributors’ desire to offer exclusive content to subscribers is greater than ever, and they are actively seeking out deals with programmers. For networks, that means balancing the revenue from an exclusivity play with limiting the reach of its content, at least for a certain time period. “That is becoming more acceptable, but it’s not yet ubiquitous,” Garner said. Another way nets are trying to stand out is by partnering with experiential companies. **Fathom Events** vp, programming *Kymerli Frueh* talked about how networks such as **Discovery** and **BBC America** are working with Fathom for in-theater screenings of shows, giving fans that “communal experience.”

Olympic News: **Discovery** and its European television sports network **Eurosport** met with members of the **Paris 2024 Olympic Bid Committee** in a show of support for the Olympic Games to be held in Europe in 2024. Eurosport is home to the Olympic Games in Europe.

Way Up North: **Liberty Interactive's** \$1.1bln acquisition of Alaska-based **GCI** is one step closer, with the **FTC** including it this week among its early termination notices. That means the **FTC** and **DOJ** found no reason to try and block or condition the deal. The **FCC** still needs to weigh in.

Members Wanted: The **FCC** is seeking nominations for membership on its **Advisory Committee on Diversity and Digital Empowerment**. About six weeks ago chairman *Ajit Pai* announced the reinstatement of the Committee after its 2015 lapse. According to a statement by Pai, the Committee will be charged with providing recommendations to the **FCC** on ways to empower all Americans. The deadline for nominations is June 28 at 11:59pm.

Internet Traffic: According to **Cisco's** 12th Annual Visual Networking Index, video will drive 82% of all Internet traffic by 2021, largely as a result of increased broadband speeds, which are expected to double from 27.5 to 53 Mbps over this time. The report also found that IoT applications will represent over 50% of global devices and connections by 2021 and that the adoption of personal devices and M2M connections will increase from 17.1bln to 27.1bln between 2016 and 2021. Cisco’s annual index tracks the overall growth of the Internet by region, device and connectivity type.

Quantified Content: **A+E Networks** signed a multi-year subscription agreement with **Parrot Analytics**. Parrot has designed a new technology capable of measuring cross-platform global demand for content. A+E will use the quantifiable data from the technology to gauge country-specific, audience interest for the content of several of its programming channels including **History**, **FYI**, **Lifetime** and **Viceland**.

PROGRAMMER'S PAGE

Nail Files

Eliot Laurence, the creator and co-executive producer of TNT's new show "Claws," has always wondered about the secret world of nail salons. "What are the stories that are being told in there, what is this ritual that women do?" Eliot recalls wondering before Claws was even a story idea. The scripted series, which premieres Sunday at 9pm, is about more than just what goes on in nail salons. Front and center are five women who work in a Florida nail salon that launders money for a nearby pill clinic. The Florida factor plays a big role in the overall tone of the story. A lover of movies like "Pulp Fiction" that blend comedy and noir, Laurence stumbled across the unique literary genre of "Florida Noir," which heavily influenced the development of the show. "It's all sort of delicious and strange. The news stories that come out of Florida are so weird and hilarious and tragic all at the same time... you don't know if you're supposed to laugh or cry and I think there are moments of that in the show." Like the genre, the show weaves its storyline through elements of comedy, absurdity, violence and crime. To Laurence, the tone parallels life itself, including the moments where you want to laugh but you don't know if it's appropriate. "It's all mixed up and kind of a hot mess and I think that's unique." Despite its nail salon setting, Laurence believes the show will resonate with both sexes. The core group of women have a "ride-or-die" camaraderie, but there are also a number of strong male characters for men to gravitate to. Claws also sports a strong and diverse cast with Desna Simms played by Niecy Nash ("Reno 911") at the center as the salon's owner. Claws attracted Rashida Jones as executive producer. "She liked the tone. She liked the world that I built, the mix of dark comedy and crime," Laurence said. — *Katie Nale*

Reviews: "Hell on Earth: The Fall of Syria and the Rise of ISIS," 9pm, Sunday, **Nat Geo.** Talk about timing, this excellent doc from *Sebastian Junger* and *Nick Quested* coincides with heavy action in Mosul this week and one of its talking heads happens to be Michael Flynn. Junger and Quested have become adept storytellers. Here they use outstanding footage to examine the geopolitical conflict and focus on a Syrian family, which attaches human faces to the crisis. Not an easy watch, "Hell" is riveting. -- "Date My Dad," 9pm, Friday, **UPtv.** With what's going on in the world (see above review), family viewing can be a sedative. "Date My Dad" is a pleasant excursion into the life of the Camden clan: widower father Rick (*Barry Watson* of "7th Heaven" fame) and a trio of adorable daughters (*Zenia Marshall, Lilah Fitzgerald* and *Audrey Smallman*). Add to the mix the girls' slightly meddlesome grandmother, *Raquel Welch*, looking fabulous at 76, and you have the makings of an enjoyable evening of viewing. As the series' title suggests, the girls want a mate for dad. In tonight's ep he meets a potential partner on his own—and, oops, it's one of his daughters' teachers. -- Notable: "The Putin Interviews," 9pm, Mon-Thurs, **Showtime.** *Oliver Stone's* conversations with the Russian leader should be interesting viewing. — *Seth Arenstein*

Basic Cable Rankings (5/29/17-6/4/17) Mon-Sun Prime			
1	FOXN	1.0	2241
2	HGTV	0.6	1502
2	MSNB	0.6	1357
4	USA	0.5	1224
4	TBSC	0.5	1217
4	CNN	0.5	1116
4	HIST	0.5	1111
8	A&E	0.4	1015
8	TNT	0.4	973
8	NBCS	0.4	931
8	ID	0.4	926
8	LIFE	0.4	909
8	DISC	0.4	908
8	ESPN	0.4	899
8	DSNY	0.4	883
8	FOOD	0.4	883
8	TLC	0.4	855
8	AMC	0.4	842
8	FX	0.4	827
8	HALL	0.4	804
8	HMM	0.4	628
8	DSE	0.4	73
23	NAN	0.3	740
23	ADSM	0.3	697
23	TVLD	0.3	669
23	SYFY	0.3	594
23	BRAV	0.3	589
23	SPK	0.3	588
23	NKJR	0.3	571
23	INSP	0.3	562
23	DSJR	0.3	528
23	LMN	0.3	482
33	FRFM	0.2	537
33	APL	0.2	496
33	TRAV	0.2	476
33	EN	0.2	473
33	OWN	0.2	457
33	VH1	0.2	420
33	NGC	0.2	407
33	WETV	0.2	403
33	GSN	0.2	397
33	MTV	0.2	392
33	CMDY	0.2	372
33	WGNA	0.2	363

*Nielsen data, supplied by ABC/Disney, is based on coverage area of individual networks



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