

# Cablefax Daily™

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What the Industry Reads First

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## American Export: Canada's Shaw Sees Success With Comcast's X1 Tech

Comcast's X1 technology appears to have international appeal, at least with consumers north of the border. **Shaw Communications**, one of Canada's largest cable operators, saw its first quarterly increase in video subs since 2010. The company, which reported its 3Q17 earnings Wednesday, gained about 13K cable video subs, a stark contrast from its loss of more than 27K during the same period last year. Shaw is attributing much of its success this quarter to the introduction of its BlueSky TV service, which is powered by X1 as part of a licensing deal. The operator first launched BlueSky in January and had rolled it out across its footprint by April. Interestingly, Comcast was the only major publicly traded player in the US market to pick up video subs in the most recent round of quarterly reports, something it also attributed in part to customers embracing X1. "It's a video product that's without peers in the marketplace, it's very much the type that's raising all boats," said Shaw president *Jay Mehr* during Wednesday's earnings call. "If you look at the results and the reaction that the product has got certainly in the Comcast markets and in Cox markets, we're seeing lots of the same thing here." As Mehr noted, **Cox**, a privately traded operator that took its own white-label version of X1 called Contour to market, previously acknowledged seeing growth on video side in conjunction with its rollout last year. Shaw currently has X1 to itself in Canada, but fellow Canadian cable giant **Rogers** has signed a licensing deal with Comcast for the platform. Rogers said it expects to launch that service early next year. In addition to its gross video adds, Shaw picked up 21K Internet customers in the quarter after losing almost 9K in the same period of 2016. Marketing costs associated with the launch of BlueSky and promotional pricing used in bundling the service with high-speed Internet, however, mitigated revenue increases associated with Internet and video sub gains. As a result, operating income dipped slightly by 0.5% YOY despite a 2.8% increase in overall revenue.

**Alexa Skills:** During a **Cablefax** webinar earlier this month, **Scripps Networks** vp, product management *Liesel Kipp* and vp, content distribution *Steve Harris* pointed to the upcoming release of the **Amazon Echo Show** as a potential game changer for how media companies leverage voice control. So, it should come as no surprise that the **Food Network** hasn't wasted any time in relaunching its Alexa skill for the newly rolled-out product. Unlike previous versions of the Echo, the Show features a built-in screen. Food Network's skill still allows users to ask for recipes,

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## Who deserves to appear in Cablefax's annual Most Powerful Women in Cable list?

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The Most Powerful Women in Cable will be honored in the November issue of Cablefax: The Magazine.

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It's free to nominate — but you must submit your entries by July 28!

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but they can now also browse through results on the screen, select their recipe and view a video of it being made. **CNBC** on Wednesday also unveiled an updated skill for the Echo Show, which provides viewers with business news, stock quotes and video clips from “Mad Money” host *Jim Cramer* and other network talent

**FuboTV-Scripps Deal:** Virtual MVPD **fuboTV** reached a deal with **Scripps Networks** to add **HGTV**, **Food Network** and **Travel Channel** to its entry-level bundle. The pact goes into effect on July 1 and includes both live linear and VOD content, as well as TV Everywhere access. Fubo will also make **DIY** and **Cooking Channel** available to premier subs as part of its add-on options at a later date. Fubo last week closed its Series C funding round, which included an investment from Scripps.

**Sound Waves:** **Netflix** is added support for **Dolby Atmos** surround sound, beginning with the release of the film “Okja” on Wednesday. At the moment, the service only supports Atmos streaming on Xbox One and Xbox One S, and the console must be connected to an Atmos-enabled speaker system, TV, soundbar or headphones. The company says Atmos support for 2017 **LG OLED** TVs is coming soon. Netflix plans to make four more new releases available with Atmos support this year: “Blame!,” “Death Note,” “Bright” and “Wheelman.” Several of those titles will also be available in 4K and HDR.

**Social Circles:** **Fox Sports** is introducing Social Virtual Reality for select **CONCACAF** Gold Cup soccer matches, which will allow viewers to communicate with one another throughout the experience. The experience, developed by **LiveLike**, will first be available for the July 8 USA-Panama match. Two additional games—one TBD and the Gold Cup final on July 26—will also be included. The social experience is powered by **Facebook** and allows users to watch with friends. The Fox Sports VR app, which requires subscriber authentication, is designed for smartphone viewing, or with a Gear VR or cardboard headset.

**Mediacom Brings Gigabit to Indiana:** **Mediacom** has launched 1 gigabit Internet service across its northern Indiana footprint, which includes 20 counties and 75 small cities and towns. The operator plans to bring the DOCSIS 3.1-powered service to almost all of the 3mIn homes and businesses in its 22-state service area. The 1 gig Internet is already available in more than 900 communities, and the company will announce additional launches on a market-by-market basis for the rest of the year pending the availability of DOCSIS 3.1 cable modems. The company is also introducing a new 500 Mbps service tier.

**5G Legislation:** Rep *Mike Doyle* (D-PA) on Wednesday released a discussion draft aimed at promoting 5G and expanding unlicensed spectrum. His 5G Acceleration Act includes provisions that would require the FCC to auction off 200 Mhz of new spectrum below 7 Ghz and to issue a Notice of Inquiry on making spectrum available below 12 Ghz. The FCC and NTIA also would need to issue a report to Congress identifying 300Mhz of different spectrum below 7 Ghz.

**INSP Goes HD On Fios:** **Verizon** FiOS has added **INSP** to its HD channel lineup as channel 786. The net is available in more than 81mIn households, including on **DISH**, **DirectTV**, **AT&T U-verse** and more than 2800 cable systems.

**Sandvine Receives Second Offer:** We’ve got ourselves a bidding war! Canadian network equipment firm **Sandvine** received a purchase offer from **Francisco Partners** as part of the “go-shop” period permitted under its prior agreement with **Vector Capital**-owned **Scalar**. Francisco offered Sandvine CAD\$4.15 per share, topping Vector’s offer of CAD\$3.80 per share. Vector now has until 5pm ET on July 6 to top Francisco’s offer.

**Music on TV:** **Layer3 TV** will integrate the **iHeartRadio** digital music, podcasting and live radio streaming service into its set-top boxes. Users can listen to thousands of live radio stations, as well as exclusive digital-only stations. It also allows for access to iHeartRadio’s subscription features.

**Programming:** **ESPN** made the worst-kept secret in sports media official Wednesday with its announcement that **NBA** insider *Adrian Wojnarowski* is leaving **Yahoo** to join the net on a multiyear deal. He will make his ESPN debut July 1, which marks the start of NBA free agency. -- **A&E** will premiere “The Lowe Files,” following actor *Rob Lowe* and his two sons as they travel across the country to explore unsolved mysteries. The nine-ep series is slated to make its debut on Aug. 2 at 10pm ET/PT. -- **CBS** plans to air four hour-long episodes of “CBSN: On Assignment,” a production of its free streaming news channel. The over-the-air news magazine will air four consecutive Mondays beginning July 31 at 10pm ET. **CBSN**, which launched in 2014, is a 24/7 news service available online and on a wide range of devices.

# Think about that for a minute...

## Burden of Proof

Commentary by Steve Effros

I've always been a little leery of the concept that "...the customer is always right." We just know that's not always true, especially when you are in a business that installs expensive equipment in the homes of every customer and those pieces of equipment control the flow of programming that has been paid for into that home.



There are just too many instances where scams have taken place, splices found, traps circumvented and the like to be blind to the fact that the customer is not always right. But having said that, we also have to acknowledge that the history of the industry is not so stellar either. Appointments missed, bad installations that didn't work, damage to homes (oh, those rose bushes!) incorrect invoices and customer service reps who gave bad information are all part of the litany of woes on the other side. Nobody's perfect.

Yes, we have worked very hard to fix a lot of the problems. Picture ID's, shoe booties, appointment windows, follow-up satisfaction calls and the like all make a difference. But at the end of the day, while the customer may not always be right, I have a short story to tell that suggests that at the very least, the customer should be given the benefit of the doubt, and the company has the burden of proof.

It happened to my son, a multi-year customer who has long opined for more reliable service from his cable/broadband provider. Finally, the opportunity came. FiOS was offered, and he decided to try it. Once it was installed, the old cable equipment was returned and everything was done, right? Wrong.

Several years ago a cable modem had died in his apartment. The cable folks came and replaced it. Now, suddenly, he got billed for the old modem that the

company says was never "returned." Excuse me, but it had been "replaced" by the company itself! If they were saying anything, it was that the tech neglected to take the old non-functioning modem with him when he left, but even that was not the case. He did. My son called the company and went through the telephone drill of finally, after many attempts, getting to someone who knew how to look up old records. Sure enough, a record of the replaced modem was in the file and even a notation from the tech that the serial numbers were screwed up on the work order. My son was told it would be taken care of, that clearly they had gotten the equipment back, they just needed to find it.

Jump forward a few months. My son gets a call from a collection agent! The whole process starts all over again, but this time (as you can guess by now, the company had been sold to another one which was trying to integrate new computer programs and new offerings) with a CSR who can't find any records of anything! For a bill of less than \$50, it was simply not worth my son's time. He just paid the phantom bill and got on with his life. But I can assure you that company will not get any referrals, and will be cautioned against from now on!

This is just bad marketing. You don't want to make enemies, even of folks who are "shopping around" to your competitors. You simply guarantee that they won't come back. In a case like this the burden of proof has to be on the company. It's counter-productive any other way.

*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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