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What the Industry Reads First

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Oh the Drama: Crown Media's Surprise Decision to Launch New Channel

At a time when there's increasing talk about downsizing the programming bundle, **Crown Media** is making the bold decision to jump from two linear networks to three. **Hallmark Drama** launches Sunday (Oct 1) in about 5mln homes, but Crown pres/CEO *Bill Abbott* is confident the channel can more than double that number by 1Q18. "We have gotten universally extremely positive feedback," he said. "Unfortunately, the distribution landscape is such that these deals are much more complicated than they are in other areas of the business in programming and ad sales. Our distributors are under siege from the conglomerates when their agreements come up... It's just not as easy to walk in the door and sign an agreement, but all the feedback we've gotten has led us to continue to invest in a big way in the future of the platform." Two distributors **Cablefax** spoke with said they don't have a deal at launch, but one said it wasn't ruling out the idea of carrying it down the road. The other didn't comment on carriage plans. It's especially rare to launch a channel from ground zero these days. All but one of the six network launches for 2017 tracked by **Kagan**, a group within **S&P Global Market Intelligence**, were rebrands of existing networks. Examples include **FamilyNet** becoming **The Cowboy Channel** in July, **Sprout's** conversion earlier this month to **Universal Kids** and **Centric** flipping to **BET Her** in recent weeks. The exception is **Altice's i24 News** network that launched in February, which only has pacts at this point with Altice USA and **Mediacom**. One big launch to look forward to is **ESPN's** rollout of **ACC Network** in 2019, carriage of which is already a sticking point in **Disney's tense negotiations with Altice USA**. Crown hopes that not being a conglomerate with a stable of cable networks will work to its advantage with Hallmark Drama. Not only does it seek smaller license fees than some of its rivals, but it owns an enormous amount of content that's not available on any SVOD service, such as **Netflix** and **Hulu**. There's no other place to check out series such as American-Canadian drama "Cedar Cove," which ran for three seasons on **Hallmark Channel**. In many ways, Crown's strategy mirrors **FX Networks'** decision to create **FXX** and divvy some content between FX, FXX and **FXM**. The flagship Hallmark Channel has become the home for holiday programming through all seasons, while **Hallmark Movies & Mysteries** has been a mix of mystery and drama. "We have heard time and time again from our viewers they love our mysteries and they're disappointed when they tune in for mystery and see a drama," Abbott said. The exec is an admirer of the aforementioned FXX launch, a rebrand of **Fox Soccer** in Sept 2013.

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“They’ve done a spectacular job with how they’ve rolled that out,” he said. As if it’s not enough to launch a new network, Crown will also be rolling out an SVOD service, **Hallmark Movies Now**, for \$5.99/month (\$59.99/year) in early October. It’s a repurposing of parent **Hallmark Cards’ Feeln** streaming service, which featured short-form content and had no affiliation with Crown Media. Abbott believes the two launches go hand-in-hand in many ways. “We want to be supportive of the ecosystem, and I think the Hallmark Drama launch supports that. At the same time though, we don’t have our heads buried in the sand and we recognize that consumers and viewers are watching entertainment a different way,” he said. “We are trying to appeal to the Hallmark entertainment enthusiast where they may not be consumers of linear television... That will also be unique content though that will not be duplicated across the other three channels.”

All Clear: It sounds like anyone worried over the **NCTA** board’s examination of cable’s various support organizations can relax. The board met in NYC during Diversity Week and made no recommendations for any of the groups to be shut down, consolidated or combined in any way. A committee from NCTA’s board led by **Comcast’s David Cohen** and **Advance Newhouse CEO Steve Miron** [launched a survey and study this summer](#), delving into the value provided by **SCTE, WICT, NAMIC, The Cable Center, CTAM** and the **Video Advertising Bureau**. Not only did the board give their approval of the groups, but we’re told there were no recommendations to shutter any of the big industry events (ie, Kaitz Dinner, Diversity Week, Cable Hall of Fame). There will be follow-ups with each organization individually to go through survey results, which could include revisiting the approach for some smaller initiatives. The last such survey from NCTA’s board was in 2010, coming shortly after an unsuccessful attempt to consolidate industry events into two weeks. This latest initiative seems to have been spurred by the demise of the industry’s trade show after 65 years.

Down to the Wire: **Altice USA** and **Disney** have agreed to extend their expiring carriage agreement by one day. Instead of expiring Saturday (Sept 30), the deal is now set to lapse Sunday (Oct 1). The deal impact’s **Optimum** customers in the NY metro area. The two sides have exchanged public salvos in the past week, with Altice accusing Disney of jacking up prices for its nets, including **ESPN**, despite declining viewership. Disney, meanwhile, said it has never had a disruption of service for any of its stations. We’ll keep you updated on developments at **Cablefax.com**.

Standing at Attention: With more distractions for TV viewers today than ever before, industry execs are focused on measuring just how much attention people are paying to particular programming. That was the subject of a Thursday afternoon panel at Advertising Week New York sponsored by **The Weather Channel**. **Dan Schiffman**, co-founder/CRO of measurement firm **TVision Insights**, said, “Measurement on TV has been broken for a long time. Ratings don’t lead to outcomes, but attention does lead to outcomes. If you actually see an ad, it can have an impact on you.” Schiffman described two different analyses his firm performed for Weather Channel, both of which used “computer vision technology” via a small device on top of the TV in participating households to determine how many people were in the room and whether the individuals were paying attention. TVision determined that viewers paid 5-10% more attention to Weather Channel programming for every moment they’re in the room than its key competitors. That analysis also showed that the audience’s attentiveness increases during severe weather. Additionally, the firm said that for every gross ratings point (to account for an advertiser’s investment level), Weather Channel drew 11% more eyeballs on screen than competitors. Weather Channel svp, programming **Nora Zimmett** pointed to this data as proof that weather—like sports, news and other live programming—is valuable real estate for advertisers, partially because it is DVR-proof. **Scripps Networks** svp, ad sales marketing and branded entertainment **Laura Galletta** cited her own data from a **Nielsen** consumer neuroscience survey measuring emotional engagement, saying that the lifestyle programming genre was 94% more engaging than other genres. While the attentiveness data is fascinating and potentially useful, ad buyer **David Campanelli** of **Horizon Media** said the industry is a long way away from looking to it as a transactional currency. “Getting it to a currency is a whole other animal,” he said. “You need consistency across the market, etc., so that’s a much more complicated thing.” Still, he believes that it is still important information for firms like Horizon to consider in assessing potential ad buys.

Pai Watch: There was some drama, but **Ajit Pai’s** confirmation as **FCC** chmn should be wrapped up soon. The Senate voted to limit debate, with a vote scheduled for Monday. Democrats had taken to the floor in recent days to argue against his confirmation, citing his efforts to reverse Title II and dismantle other parts of the agency’s 2015 Open Internet order. On Friday, Democratic leaders on the **Energy & Commerce** committee complained that Pai

hadn't provided correspondence with **Sinclair**. Pai had said he was providing correspondence that had been produced to-date in response to multiple FOIA requests, but the senators said they want everything. "Your failure to provide the requested correspondence between your office and Sinclair representatives is most troubling. We reiterate our request that you provide all correspondence between you and members of your office and representatives of Sinclair, including any lobbyists and lawyers representing Sinclair, since November 8, 2016, regardless of whether it is subject to a FOIA request," said the missive from Ranking Member *Frank Pallone* (D-NJ), **Oversight and Investigations Subcommittee** Ranking Member *Diana DeGette* (D-CO) and **Communications and Tech Subcommittee** Ranking Member *Mike Doyle* (D-PA). They also want more info on the timing of the reinstatement of the UHF discount rule and the review of Sinclair's proposed Tribune acquisition.

Seeing Green: Hulu acquired SVOD rights to all episodes of **Disney-ABC Television Group** sitcoms "Boy Meets World," "Home Improvement" and "Dinosaurs." All three series became available for streaming Friday. -- Hulu's live TV service added nine local **NBC** stations, including one in Baton Rouge, and seven **Fox** stations, including those in Detroit, Minneapolis-St. Paul, Cleveland-Akron, Portland and Memphis. Hulu now offers 275 local broadcast nets, making it the leader among virtual MVPDs.

Prime Time: Amazon streamed its first-ever **NFL** telecast Thursday night, in which the Packers defeated the Bears. The online retail giant made the action available only to Prime subs, who had access to feeds in US English, UK English, Spanish and Portuguese. While the early portion of the game was fraught with audio glitches and buffering, the quality was good for the bulk of the evening (which included a lengthy weather delay). Amazon did not respond to an inquiry about how many people tuned into the Packers-Bears, which was also available on **CBS** and **NFL Network**. Latency of the stream was limited to only a few seconds behind the TV broadcasts.

Ultra HD: DISH will be the first major US pay-TV provider to offer subscribers a 4K **Netflix** experience for the whole home. The app has been added to the company's 4K Joey client, giving customers the ability to stream Ultra HD programming when connected to DISH's Hopper 3 DVR. To access the Ultra HD content on Hopper 3 and the 4K Joey client, DISH customers must subscribe to Netflix's \$11.99/month plan and have a 4K-compatible TV.

EPIX Exit: With the integration of **EPIX** into **MGM** complete, founding CEO *Mark Greenberg* is leaving the premium network after nine years to pursue other opportunities. In April, MGM agreed to pay \$1bln for EPIX shares held by **Paramount** and **Lionsgate**. MGM chmn/CEO *Gary Barber* praised Greenberg's contributions in a note to employees Friday. *Monty Sarhan*, EPIX's evp, programming, strategy & enterprises, will manage the network in the interim, reporting to Barber.

Pass the Ball: In conjunction with the upcoming **National Women's Soccer League** Playoffs, **Lifetime** has prepared a special "Pass the Ball" PSA to bring visibility to the league. Featuring celebrities like *Ellen DeGeneres*, *Reese Witherspoon* and *David Beckham*, the campaign highlights NWSL players as role models while emphasizing the importance of women's rights. The net will continue its partnership with the NWSL for its 23rd annual Stop Breast Cancer for Life campaign in October. Orlando Pride goalkeeper *Ashlyn Harris* will star in a series of PSAs to spread awareness about the disease.

Honors: **The Alliance for Women in Media** is honoring five women at its upcoming Women Who Lead luncheon program. The group will acknowledge **Beasley Broadcast Group** CEO *Caroline Beasley*, **Refinery29** chief content officer *Amy Emmerich*, **Scripps Networks** programming exec *Kathleen Finch*, **C-SPAN** co-CEO *Susan Swain* and **Premiere Networks** pres *Julie Talbott* at the Nov 14 event.

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