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What the Industry Reads First

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Restoring Order: OTT Execs Forecast a Great Aggregation in Coming Years

The OTT landscape in 2018 has a wild west feel to it, especially for programmers. Some are lone rangers who choose to fly solo with their own OTT service. Others opt to hitch their wagon to the star of a larger distributor via licensing deals. And then there are the bandits: digital disruptors shooting their way into the original content saloon. Fortunately for the townspeople, top execs in the OTT space on Monday prophesized at **CES** the emergence of a new sheriff to restore order. “This new aggregator that I believe people are testing already and people will test and experiment with, it potentially has the potential to do what no one curation platform can do: curate for you. And curate differently for you,” **Verizon Digital Media Services** CRO *Chris Carey* said during a panel discussion. Carey predicted that as the role of traditional MVPDs as aggregators continues to diminish, a new OTT service will step up to grab the torch. Such a service, he said, would have to provide programmers with accretive value in the form of customers they wouldn’t be able to acquire on their own. **Gracenote** GM, video and sports *Simon Adams* said such a platform will emerge based on consumer demand for one. “The question is who’s going to have the data and who’s going to have the first touchpoint with the consumer to become the aggregator, or the switchboard, so to speak that sort of channels all this content,” he said. “That may sound a little farfetched because obviously there are lots of real barriers, both in terms of the business model and the technology limitations, but in my mind, I have no doubt that’s going to be the point of arrival because that’s what the user actually wants.” *Fabian Birgfeld*, whose **W12 Studios** develops digital platforms for brands and programmers, also suggested the dust will settle within the next five years. “There’s a real opportunity for **Disney** and **Fox** to be a sort of competitor to **Netflix** and really re-shape the landscape,” he said. “I anticipate in five years, there’s going to be a much clearer understanding of who’s a platform and who’s essentially a content player.” **Turner’s** svp, digital products *Richard Steiner*, who leads the company’s **TCM** and **FilmStruck** service, took an alternative stance, asserting individual programmers could continue to stand on their own in the long term. He cited **HBO Go** as an example of a single-brand OTT platform that has thrived. The panel pointed to improvements in data and machine learning as the advancement that would most benefit the OTT landscape based on the potential for better curation and recommendations.



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Altice USA Spin-Off: Altice NV's board approved plans for the separation of **Altice USA**, with the spin expected to be complete by the end of 2Q. Altice NV (to be renamed Altice Europe) will spin off its 67.2% interest in Altice USA through a distribution in kind to Altice NV shareholders, after which the companies will be led by separate management teams. The move lets the two focus on their respective markets, both of which are very different. Altice founder **Patrick Drahi** will retain control of both companies through **Next2**, and will serve as pres of the board for Altice Europe and chmn of Altice USA. Separately, Altice USA approved in principle the payment of a \$1.5bln cash dividend to all shareholders immediately prior to completion of the separation. The Altice USA board also approved a \$2bln share repurchase program after the spin. **Dexter Goei** will continue to serve as CEO and a director of Altice USA. He will report to Drahi.

Rural Broadband: Pres **Trump** used his speech to the **American Farm Bureau Federation** in Nashville Monday to sign two executive orders aimed at expanding broadband in rural areas. "Make sure you look up @RealDonaldTrump," he said, declaring it the only way around the fake media. The orders, which he signed on stage after his remarks, streamline and expedite requests to locate broadband facilities in rural America and support broadband towers in rural areas, including land managed by the Dept of Interior. **RFD-TV** carried Trump's remarks live, airing an exclusive interview with the president afterwards. It was part of the net's all-day coverage of the annual convention

Still Fighting: Sen **Ed Markey** says he's gathered more than 30 senators (37 to be exact) to force a vote on the **FCC's** Restoring Internet Freedom order. Markey has pledged to introduce a Congressional Review Act, under which he can make the Senate consider whether to overturn the FCC decision. Markey will be joined by **Chuck Schumer** (D-NY), **Brian Schatz** (D-HI) and others in a news conference Tuesday. It's still a long way from actually overturning the rules, which return broadband to a Title I service. The Senate would have to agree to it as would the House, and President **Trump** would have to sign off on it.

Canoe's Waves: **Canoe Ventures** used **CES** to announce it serviced ads resulting in more than 23bln impressions on national TV network programming available on cable operators' VOD services last year—a 30% increase over 2016. **Charter, Comcast and Cox** use Canoe's Dynamic Ad Insertion tech. "Even with connected devices capturing more market share in 2017, VOD DAI now has a 20% share of overall premium video ad views," according to CEO **Joel Hassell**.

Streaming Sales: Retail revenues in the US consumer tech industry are expected to rise to a record-breaking \$351 bln in the new year, a 3.9% increase from 2017. The predictions were released in the latest edition of the semi-annu-



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al US Consumer Technology Sales and Forecasts report from **CTA**, which included projections for consumer spending on music and video streaming services for the first time. Streaming services sales, which compiled data from companies like **Netflix**, **Hulu**, and **Spotify**, were added to the report to provide a more complete view of the current marketplace. Excluding streaming services, industry revenue is set to climb by 2.2% in 2018. Connected devices sales are expected to reach 715mln units in 2017 (6.6% increase YOY) with the popularity of smart home and virtual reality devices. The industry's top five revenue categories (smartphones, laptops, televisions, automotive electronics and tablets) will contribute to half of total wholesale revenue (51%) in 2018.

Cease & Desist: **Starz** sent a cease and desist letter to **Altice USA** Friday, claiming it has made false statements over its decision to stop carrying Starz and **Starz Encore** on Jan 1. "Altice is advising its customers that Starz did not engage in extension discussions with, and pulled its signal from Altice. This is patently false. As you are well aware, while Starz was in the midst of actively negotiating the renewal, Altice unilaterally pulled down the Starz signal effective 12:01 AM January 1, 2018 without providing any prior communication or notice to Starz or its customers," the letter claims. Altice USA said the programmer's statements are false and without merit. "As we have said, despite numerous attempts by Altice USA to reach a deal with Starz for continued carriage in video packages and a la carte carriage, Starz refused all offers, including an offer to extend our current arrangement," the operator said.

Globes: Streamers had big wins at the Golden Globes Sunday, taking home best TV drama (**Hulu's** "Handmaid's Tale") and comedy (**Amazon's** "The Marvelous Mrs Maisel"). How disruptive are the disruptors? They took home 5 wins in the 11 categories for TV. Still, **HBO** received plenty of hardware for "Big Little Lies," which won for Limited Series, with *Nicole Kidman* receiving a best actress honor. Co-stars *Laura Dern* and *Alexander Skarsgård* also took home awards, meaning HBO led the TV wins with four.

Miami Heat: **LBI Media** has agreed to purchase the assets of **WGEN-TV** in the Miami, Florida DMA from **Mapale LLC**. Beginning March 1, the station will broadcast Spanish-language net **EstrellaTV**, previously available on the digital multicast channel of a Miami affiliate. The deal is expected to close and be funded with cash on hand in Q2 or Q3 2018.

Keeping it Local: **Spectrum News NY1** and **SNY** announced a content partnership, bringing SNY's local sports coverage to the hyper-local news net. "SNY on NY1," debuting Jan 8 at 11:30pm, will cover New York sports stories of the day and on-site reports from professional and collegiate events. The telecast will also feature daily coverage through the New York Mets' spring training in Port St. Lucie, Florida and news from the Yankees camp in Tampa.

Marketing: **Viacom** signed a deal to acquire influencer company **WHOSAY** in an effort to bolster capabilities across advertising, marketing and digital content. Beyond its marketing support, WHOSAY will back Viacom Digital Studios under head *Kelly Day* to present short-form content. The move is the first step to advancing CEO *Bob Bakish's* business strategy for 2018, centered on exploring next-gen digital platforms. WHOSAY has already headed more than 50 campaigns for **MTV**, **BET** and other Viacom brands in the past two years.

Programming: **MTV** renewed "Floribama Shore" for a second season, greenlighting 20 episodes to premiere this summer. The "Jersey Shore" spinoff was MTV's highest rated new series premiere in over three years. -- **DIY** has begun production on a new season of "The Vanilla Ice Project" slated to premiere in 2018, bringing back *Rob Van Winkle* and his crew to outfit homes with the latest trends and technology. -- Online news network **Cheddar** has launched on **Comcast's** Xfinity X1 platform. The millennial-focused tech and business net will be accessible via the X1 voice remote and the Xfinity On Demand menu.

People: **PromaxBDA** appointed *Jennifer Ball* as head of marketing, a newly-created position placing her at the head of its brand vision. Ball boasts more than 20 years of entertainment experience, most recently serving as evp of marketing and content partnerships for **Univision**. -- **Turner** has boosted *Michael Engleman* to chief marketing officer while upping *Marie Moore* to svp of communications. The pair drive the brand experiences for **TBS** and **TNT**. The news comes as *Jeff Gregor*, former CMO and chief catalyst officer of TNT and TBS, prepares to retire later this month. -- **Viacom** is elevating *Fukiko Ogisu* to evp and chief people officer, effective immediately. The first to enter the role, Ogisu will manage the company's HR organization and security services. Ogisu joined Viacom in 2008, last operating as svp, HR business operations and information solutions. -- Sports media veteran *Damon Phillips* has been named general manager of **NBC Sports Washington**. Phillips spent the last decade at **ESPN** in a variety of executive-level roles. Network president *Rebecca O'Sullivan Schulte* announced she'd be stepping down as network president last fall, staying on until a replacement was named.

CFX TECH

Down on The Farm

Cable has an increasing interest in getting in on the bottom floor when it comes to innovation. While tech startups have a plethora of business accelerators, it's relatively new ground for cable. **CableLabs** has The UpRamp, which whittles down a pool of about 1000 applicants to pitch cable and broadband operators.

Cable operators are also striking out on their own to partner with established tech business accelerators. **Cox Communications** parent **Cox Enterprises** has linked with **Techstars** for the Techstars Atlanta Accelerator. Applications have just opened for the **Comcast NBCUniversal LIFT Labs Accelerator**, powered by Techstars, with the first class scheduled to begin in July in Philly. Comcast and NBCU has partnered with **Boomtown** to launch The Farm Startup Accelerator in Atlanta, with applications for its spring program (March 12-June 2) closing last week.

What goes into setting up such a program? We spent some time chatting with *Burunda Prince-Jones*, who serves as managing director for The Farm, which is located within Comcast's Central Division headquarters at The Battery complex at SunTrust Park.

"We want to give them all of the tools to be successful—everything from business acumen to a good read on what their markets are and what their customers want ... to what does it feel like to be an entrepreneur, what are the challenges they face in terms of personnel problems so that when they encounter challenges they recognize them for what they are," she said.

One of the goals with The Farm and Techstars Atlanta is to make the city a tech hub, along the lines of Boston, Austin and Boulder. Pluses for Atlanta include the large number of corporations headquartered there alongside well-regarded educational institutions such as Emory, Georgia Tech, University of Georgia and Georgia State.

"Comcast recognizes that to be a good corporate citizen, you have to invest in the communities in which you live in

and your employees live in and your customers live in," said Prince-Jones, who most recently operated her own consulting firm, B6 Consulting. "Clearly, anything that comes out that's interesting in technology that has to do with media and connectivity space, they certainly would be interested in knowing about that or leveraging that. But they aren't limiting it to that."

When it comes to getting the The Farm up and running, Prince-Jones and her team are leveraging Comcast's connections. But The Farm also is going to pitch competitions, meet-ups, demo days and various tech events to get the word out. The application process opened in October, closing January 5. The target is 10 start-up teams, with Prince-Jones expecting 500-1000 applications. The spring cohort culminates in a June finale with demos. The team will take time to do a retrospective on what worked and didn't, and then launch a fall program.

With CableLab's most recent UpRamp program resulting in 17 commercial engagements, it's interesting to see what comes out of these new Comcast NBCU initiatives. For other companies considering dipping a toe in accelerator waters, it sounds like input will be a two-way street. The Farm expected to beta test some technologies that Comcast is considering piloting. — *Amy Maclean*

Cisco at CES: Cisco announced a new DOCSIS licensing plan for cable operators at **CES**, utilizing its Converged Broadband Router (cBR-8) platform. Called Infinite Broadband Unlocked, the licensing program aims to allow cable ops to compete with fiber-to-the-home systems. Rather than requiring operators to purchase new bandwidth licenses for each service group to which they want to deliver expanded service, IBU has only one license type based on bandwidth consumption. The licensing is closely aligned with the number of subs across a network, closely tying the investment to revenues. Cisco's Infinite Video Platform is also on display at CES. Infinite Video Platform and cloud DVR services currently support more than 20Mln global subscribers.

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