

# Cablefax Daily™

Friday — March 2, 2018

What the Industry Reads First

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## New Thinking: Cable One Stops Discounts, 'One-Size-Fits All' Marketing

With CEO *Julie Laulis* at the helm, **Cable One** is dabbling in some new approaches and refining its policies, whether it is free same-day service or "concierge service" for high value customers. What it's not doing is running promotions, resulting in a rise in ARPU in 4Q (+2.3% sequentially to \$63.92 in 4Q and an increase of 7.2% YOY). "We're doing that to set the stage so that we can test sales tactics, sales offers and pricing," Laulis said during the company's 4Q earnings call Thursday. In 2017, Cable One moved away from year-round discounting of its 100 Mbps internet product, with Laulis declaring that early indications show "our already low churn is going even lower." Key in making such tweaks is datamining. "Churn has slowed down. It's because of the actions that we're taking. We're going through a normalization period. And then you're going to see a shift, I predict, again to balance between unit growth and ARPU growth," Laulis said. Cable One closed in May on its acquisition of **NewWave** and is heavy into the transition process, currently in the midst of moving those customers to the Cable One billing system. Recently Cable One changed the collection cycle for NewWave, which it's referring to as the Northeast Division, to 40 days from 90 days. Adjusted EBITDA and margins for the acquired property has improved faster than the company anticipated. "We'd love to have numerous NewWaves if you could find them," CFO *Kevin Coyle* said, repeating Cable One's promise to evaluate opportunities that make sense. For the quarter, Cable One lost 7K video subs and 1K phone customers. HSD adds totaled 3K. Revenue of \$257.71mln was ahead of the consensus' \$254.9mln. Net income was \$143.2mln, an increase of 484.3% YOY thanks to a \$113mln income tax benefit from US tax reform as well as the acquisition of NewWave. **MoffettNathanson** analysts have expressed concern over Cable One's growth rates over the years as it has de-emphasized video, but noted Thursday that the winds do seem to be changing. "Unit growth is still nowhere, APRU growth is still too high, and revenue growth is still troublingly slow. But there are at last some signs that things are beginning to normalize... at least, if 'normal' is defined by looking more like peer cable operators," a MoffettNathanson research note said. "And costs are still coming down, even if mostly due to the perverse mix shift of losing video subscribers, so margins are good, and EBITDA growth is at least respectable, even if a bit precarious." **Wells Fargo** has the stock at "overweight." "Though we like CABO's operating model/trends and the favorable M&A environment, we see these possibilities as already priced in,"

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the firm said, calling 4Q results “pretty good.” Shares closed down 1.87% Thursday at \$668.24.

**Discovery-Scripps Musical Chairs:** We have a better sense of who is staying and leaving when **Discovery's** acquisition of **Scripps Networks Interactive** closes next week. Top Scripps execs including COO *Burton Jablin*, CFO *Lori Hickok* and content distribution pres *Henry Ahn* won't be part of the new company, but will participate in the integration process to ensure a smooth transition. **Discovery Channel, Animal Planet** and **Science Channel** group pres *Rich Ross* will leave the company, with current **TLC** pres *Nancy Daniels* taking on the new role of chief brand officer, Discovery and Factual (overseeing Discovery Channel and Science). Science Channel gm *Marc Etkind* will report to her. Longtime TLC exec *Howard Lee* will become pres, gm of the network, while *Henry Schleiff* will continue as group pres for **ID, Destination America** and **American Heroes**. Both will report to *Kathleen Finch*, who will become Discovery's chief lifestyle brands officer. She keeps oversight of the Scripps lifestyle brands, while picking up **ID, Discovery Life, American Heroes** and **Destination Americas**. Scripps Nets pres, national ad sales and marketing *Jon Steinlauf* will be head of advertising for the combined company, with Discovery's US ad sales chief *Ben Price* reporting to him. *Leigh Anne Brodsky*, currently Discovery Global Enterprises evp, also will report to Steinlauf. Distribution will continue to be headed by Discovery's *Bruce Campbell*, who serves as chief development, distribution and legal officer. Discovery's domestic distribution head *Eric Phillips* will report to Campbell as pres, affil distribution. Discovery CFO *Gunnar Wiedenfels* becomes CFO of the combined company, and *Jean-Briac Perrette* will continue as pres/CEO Discovery Networks International. Long-time Discovery HR head *Adria Alpert Romm* will stay with the combined company, as will Discovery chief corporate operations and communications officer *David Leavy*. Discovery gen counsel *Savalle Sims* will retain that role for the combined company, reporting to Campbell. *Susanna Dinnage*, currently serving as global pres of Animal Planet, will continue in that role, while *Erik Logan* will remain as **OWN's** pres. *Karen Leever*, currently serving as evp and gm, Digital Media US, and *Mike Lang*, currently serving as pres, Discovery Networks International Digital & CEO **TEN/MotorTrend**, will continue in those roles for the new company reporting to CEO *David Zaslav*.

**Name Changer:** **Liberty Interactive** is renaming itself “Qurate Retail Group.” The shift will begin following the split off of **GCI Liberty**, which is expected to close March 9. Qurate Retail Group will be a combination of eight retail brands including **QVC, HSN, zulily, Ballard Designs, Frontgate, Garnet Hill, Grandin Road** and **Improvements**. The rebrand will include a new logo for the company, but each of the businesses under the group's name will retain its identity and branding. Current QVC CEO *Mike George* will become pres/CEO of Qurate Retail Group. *Greg Maffei*, who currently serves in that role, will become chmn.



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First Deadline: **March 16** | Final Deadline: **March 23**

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**March FCC Meeting:** Set your alarm clock. The March 22 **FCC** meeting will start an hour earlier than normal, kicking off at 9:30am ET. The tentative agenda includes an NPRM to streamline the reauthorization process for television satellite stations that are assigned or transferred in combination with a previously approved parent station. Other items slated to be considered include a proposal to stimulate investment in the 4.9 GHz band and an inquiry examining location-based routing of wireless 911 calls.

**Schurz Expands:** **Schurz Communications** closed its deal to acquire Winona, Minnesota-based **Hiawatha Broadband Communications**. Schurz will maintain local management, but will work to deploy the latest technology for residents and businesses in the service area. HBC uses an advanced fiber optic network to deliver gigabit broadband, telephone and video service including more than 300 channels, VOD and local sporting events. Schurz owns 3 broadband companies serving over 75K subs.

**Sinclair Shot Clock:** The **Coalition to Save Local Media**, formed by **Ride TV, Sports Fans Coalition, NTCA – The Rural Broadband Association** and others to stop the **Sinclair-Tribune** merger, has joined **NCTA** in asking the **FCC** not to restart the 180-day merger review clock for the transaction. The clock, which is a voluntary timetable for ruling on a merger, has been paused at day 167 since Jan 11. The coalition calls Sinclair's recently revealed station divestiture plan "an empty vessel" that lacks detail on how it will comply with ownership rules. "Sinclair says it is applying for authority to place 23 stations in 10 markets into a divestiture trust. However, buried in a footnote, Sinclair acknowledges that this is not a definitive list of what will actually get divested, but rather a placeholder list subject to further changes. Sinclair does not explain, nor could it, how this gives Commission staff a 'full and complete record' on which to decide the application," the group wrote.

**You've Been Notified:** **Comcast** introduced additional features to **Xfinity** xFi customers, giving them the option to receive real-time, WiFi-related push notifications on their smartphones and their TV screens through the X1 platform. Customers will receive notifications when a new device connects to their home network, the network's name or password has been updated, security settings have been changed or if the WiFi network's name has been hidden or unhidden.

**Fubo Adds AMC Networks:** **AMC Networks** is teaming up with **fuboTV** to bring its programming and brands to fuboTV subs across multiple platforms. **AMC, BBC America, Sundance, IFC** and **WE tv** will be included in the Fubo Premier package. Subs will be able to use fuboTV credentials to log into AMC Networks TV Everywhere apps and websites. The deal also grants Fubo Premier subs access to AMC Networks' streaming services **Sundance Now** and horror-centric **Shudder**, marking the first time SVODs have been offered through fubo. **AMC Premiere** will be an add-on offering to the package in the near future. AMCN announced the deal in conjunction with its 4Q earnings. Revenue for the quarter was essentially flat at \$727mIn, while net income rose to \$146mIn from \$14mIn a year ago. It was helped by a \$67.9mIn impact from the new tax law.

**Hulu's Big Apple Presence:** **Hulu** and the **Madison Square Garden Company** are embarking on a multi-faceted marketing partnership that includes naming rights to The Theater at Madison Square Garden. It will now be called The Hulu Theater at Madison Square Garden with Hulu branding and content being fully integrated into the venue as well as on MSG's digital and promotional platforms.

**Distribution:** **Amazon Prime Video** will offer **UFC** PPV events to US customers, starting Saturday with "WFC 222: Cyborg vs. Kunitskaya." The PPV programming will be accessible via the Prime Video app for TVs, game consoles, set-top boxes and connected devices. PPV events can be purchased up to four hours after the start of the event, and viewers will have rewind capability of up to an hour during the event. Replay coverage will come after its conclusion for 24 hours. Customers can now pre-order UFC 222 for \$64.99.

**Ratings:** **NBCSN** reported February as its best month yet, ranking No 1 among sports cable nets in primetime (average of 1.27mIn) and total day (753K) viewers and adding 646K TV homes, according to the latest **Nielsen** report. The news comes following its coverage of the 2018 Winter Olympics as well as live **Premier League** and **NHL** games, a Super Bowl post-game show, rugby, track & field and college hockey and basketball. NBCSN is in around 85mIn US TV homes.

**People:** **MGM** boosted **Kristin Cotich** to evp, worldwide communications, placing her at the head of the development and execution of MGM's communications and publicity strategies. She joined MGM in 2013 as vp, communications, rising to svp in 2015. **Emmy Chang** is joining the company as vp of theatrical publicity. -- Technology solution provider **Windstream** named **Adena Handly** as area vp of sales for Alabama, Arkansas and Louisiana. She'll bring 15 years' experience in telecommunications to the company's Little Rock office, most recently serving as **AT&T's** assistant vp of technical sales and global business solutions for the healthcare industry.



# PROGRAMMER'S PAGE

## Strength in Family

Remember when the words “reality series” conjured up images of backstabbing and general nastiness? Thankfully, a new breed of family-oriented reality TV has developed in recent years that can best be characterized as heartwarming and aspirational. Squarely in this category is **UP’s** newest original “Morgan Family Strong,” starring country singer *Craig Morgan* and family (premiered Thursday, airs at 9:30pm). Some of the shows in this group run the risk of coming off as saccharine, but the Morgan clan has depth, with the family dealing with the loss of their 19-year-old son/brother after a tubing accident in 2016. “It shows their grieving process. They feel that through this show, sharing how they are dealing with a loss and how they are trying to use it for good, can help other families going through this,” said *Timothy Kuryak*, UP’s svp, production and development. “I think it’s special when shows can tackle these tougher subject matters because these things do tend generally to be swept under the carpet a little bit and talked about it hushed tones.” Morgan Family Strong isn’t a dark show about loss, but as Craig puts it in the premiere: “It’s just part of our life now.” When UP comes across a potential new group of people to feature in show, the question is why them and why now, Kuryak said. With the Morgans, the why them was pretty easy—you have a charismatic country singer with a million Facebook followers. The why now is often the harder question for a series, Kuryak said. “You really want to follow a family as they are beginning a new journey or there’s something new in their life that propels them down a new path,” he explained. The Morgans are at that crossroads. After *Jerry Morgan* passed away, Craig began whittling spoons and bowls as a therapeutic outlet. Building on that, the family has decided to open a store called “Morgan Farms,” an endeavor that’s a large part of the show. We have a feeling no matter how the business venture goes, this family is going to come out stronger. — *Amy Maclean*

**Reviews:** “The Curse of Civil War Gold,” series premiere, 10p.m., Tuesday, **History**. Goodness knows we’ve been smacking History for its lack of history. Meanwhile you can’t argue with its ratings (it’s been hovering around the top 10 cable nets for years). We have to admit, though, this series includes plenty of history, which is mixed easily with the kind of docu-reality elements that grab ratings. Ep. 1 introduces viewers to history buffs *Kevin and Al Dykstra* and history teacher *Kevin Richards*. They’re attempting to find gold in Lake Michigan. Apparently *Jefferson Davis* was fleeing capture in May 1865 with the remnants of the Confederacy’s treasury, possibly to set up a rump state in Mexico. MI militia captured him—supposedly Davis donned a dress so he wouldn’t be recognized, it didn’t work—and confiscated the gold, which ended up in MI. It’ll be interesting to follow the trio, with financial help from *Marty Lagina* of History’s top-rated “The Curse of Oak Island,” as it mixes history with treasure hunting. -- “McMafia,” 10pm, Monday, **AMC**. Forget Russian meddling in the 2016 election. Did AMC breach special counsel *Robert Mueller’s* office and urge him to indict Russians just as this Moscow-flavored drama debuted last week? While “Mc” has its moments and is gorgeously shot, we’re guessing Mueller’s investigation will yield more compelling TV. — *Seth Arenstein*

Basic Cable P2+ Prime Rankings* (2/19/18-2/25/18)		
Mon-Sun	MC US AA%	MC US AA (000)
FOXNC	0.731	2225
MSNBC	0.571	1739
NBCSN	0.543	1654
USA	0.462	1405
HGTV	0.449	1367
TBSC	0.415	1263
AMC	0.401	1220
HIST	0.391	1192
TNT	0.353	1076
ID	0.352	1072
ESPN	0.344	1049
CNN	0.342	1042
DISC	0.324	987
HALL	0.310	944
A&E	0.300	914
TLC	0.296	903
ADSM	0.288	877
NICK	0.284	865
FOOD	0.281	854
FX	0.271	824
DSNY	0.253	770
BRAVO	0.227	690
CRN	0.225	686
NAN	0.225	685
TVLAND	0.221	672
FRFM	0.200	608
DSJR	0.193	587
LIFE	0.183	557
APL	0.182	555
INSP	0.177	539
OWN	0.164	499
VH1	0.163	496
BET	0.160	486
NKJR	0.157	477
TRAVEL	0.153	465
PARA	0.146	445
MTV	0.145	441
WETV	0.144	440
GSN	0.143	434
NATGEO	0.141	429
CNBC	0.138	421

\*P2+ L+SD rankers are based on national Nielsen numbers, not coverage.

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