

# Cablefax Daily™

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What the Industry Reads First

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## Hulu Zone: Downloadable Ad-Supported Content, Dynamic Ads On the Way

Hulu came out swinging against traditional TV at its upfront presentation Wednesday, always a bit weird given its ownership between **Disney, 21st Century Fox, Comcast** and **Time Warner**. The streamer revealed that it has surpassed 20mln US subs, with ad-supported subscriptions up 40% YOY. Head of advertising *Peter Naylor* touted research that says 50% of advertisers' audiences don't see their ads on traditional broadcast or cable. Hulu execs likened network promises of reduced ad loads to replicating the Hulu model, which is half that of linear TV. The big news was that Hulu will soon allow subscribers to download ad-supported content—a first for a digital platform. "We will not only be live and on demand, but untethered and on the go," said Naylor. Coming this quarter is dynamically inserted ads in live TV, beginning with a few select cable networks. Another big headline is a deal with **DreamWorks Animation** that represents Hulu's largest deal for kids and family programming to date. Being that it was an upfront presentation, there was plenty of star power. *Mindy Kaling* pitched "Four Wedding and a Funeral"; **NHL** star *Henrik Lundqvist* talked up Hulu's expansion into live sports; and *Samira Wiley* and *Elisabeth Moss* represented "The Handmaid's Tale," which was picked up for a third season. Sprinkled within the glitzy upfront at the newly named Hulu Theater at Madison Square Garden were factoids such as "South Park" being Hulu's No 1 show in 2017 with 135mln hours streamed. CMO *Kelly Campbell* revealed that after "ER" was added to the Hulu library in January, more than 35K people watched all 331 eps within two months. "That's five episodes per day," she said. "This reinforces how today's consumers watch on their terms. It also reinforces that there's no such thing as too much *George Clooney*." If that seems like a lot of ER, consider that Hulu said thousands of people watched all 18 seasons of "Law & Order SVU" in four months, which equates to roughly 100 eps/month. Another fact dropped by Campbell: Hulu's average viewer is 31 years old, 25 years younger than broadcast, and has an annual median income of \$92K. One of the ways Hulu told its story at the presentation was to have brands speak, such as **Lyft**, which is heavily incorporated into "Marvel's Runaways." It trotted out the stat that Hulu users are 61% more likely to take a Lyft than the average online user. "It's allowing Lyft to be a storytelling device that the creators of the show actually feel improve the storyline," with the car service being the main means for the show's young superheroes to get around LA, said

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**Ari Avishay**, Lyft's director of entertainment. On the content front, Hulu's taking advantage of its viewers' love of scary movies with the launch of "Huluween," complete with a month-long of films, new originals and interviews with big names in horror. Part of this initiative includes a film fest that pairs aspiring filmmakers with horror legends, with one award-winning short film being featured exclusively on Hulu. It also used the upfront to announced July 25 at the premiere date for *Stephen King* anthology series "Castle Rock."

**Sinclair Off Playstation Vue:** Playstation Vue no longer has 24 Sinclair TV stations in 23 DMAs, a drop first noticed by *TV Answerman*. "We strive to provide the best value and experience for our customers. Unfortunately, despite our best efforts, we were unable to come to an agreement on terms with Sinclair for the continued carriage of their local stations," a Sony rep said. Sinclair blamed the channel drop on Sony "failing to comply with certain contractual provisions," adding that the loss will have no material impact on the broadcaster due to Vue's "very small" sub base. To help deal with the loss, Playstation Vue will launch a live feed from Fox to replace local affiliate Fox feeds in the affected markets (some of the stations lost were ABC, CBS and NBC affils; users in affected markets will still receive most on-demand content from ABC, NBC and Fox within 24 hours after airing). A handful of distributors, including Hulu Live, are offering the 24/7 live feed from Fox, which includes national programming from Fox broadcast along with some content from Fox-branded channels like Fox News, FS1 and Fox Business. Sinclair said that the on demand content represents a small fraction of programming from the stations (and doesn't include local news or syndicated shows). "Even the network programming that Sony now has will not be available until after it has aired on our stations and will not include live sports programming," Sinclair said, directing viewers to competitor YouTube TV.

**Red Alert:** Everyone will be seeing red come May 9. A campaign to "go red" for net neutrality has sprung up following the announcement that the Senate will present a CRA petition on Wednesday, forcing a vote on the FCC's repeal of net neutrality. Websites including Etsy, Tumblr, Postmates and Foursquare have joined the protest run by BattleForTheNet.com. The effort, encouraging constituents to call their representatives in support of the resolution, has been supported by advocacy groups Demand Progress, Fight for the Future and Free Press Action Fund.

**ESPN's NewFront:** ESPN elaborated on its agreement with Twitter at its NY NewFront Wednesday, announcing the preliminary lineup of live shows coming to the platform. Content in development includes "SportsCenter Live," featuring breaking news, and a live stream of popular daily podcast "Fantasy Focus Live." Other announcements included the launch of a daily edition of "SportsCenter" hosted by Scott Van Pelt on the ESPN app. Featured prominently on

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fans' home screens, it is meant to be a curation of top things sports junkies need to know.

**Cable Channel Lineup NPRM:** The FCC's NPRM proposing to eliminate rules requiring cable ops to maintain a listing of current channels at their local office was published in the Federal Register on May 1, which means comments will be due May 31. Replies are due June 15.

**Smart Cities: Group Nine Media and Discovery** are collaborating on a 360 campaign with **Enterprise**. Called the "Move Forward" campaign, the effort will call on Group Nine brand **Seeker** to engage with digital and social audiences while Discovery's **Science Channel** will reach out to linear and TV everywhere viewers. The campaign is the first to come from the co-branded partnership between Seeker and Science Channel, which began last October. The campaign explores how innovators are using technology to improve modern cities. Kickstarting the effort will be a 3-part original video series touching on the car technologies that were the basis for Enterprise's work to modernize its global fleet. The videos will be live on Seeker's **Facebook, Instagram, YouTube** and **Twitter** channels, and Science Channel will share these. A dedicated hub will also be on the Seeker website. The campaign will culminate with Seeker's first-ever experiential event later this summer.

**Consumer Engagement:** Nearly 37.6m adults P18+ are watching TV or engaging with TV content online at any given minute. More than 6.2m are watching video on **YouTube**, according to newly-released data from the **Video Advertising Bureau**. **Facebook** draws in more than 3.3m at any given minute, with **Instagram** (917K) **Snapchat** (795K) and **Twitter** (215K) falling far behind. "Any given minute" is a reflection of the "average audience" metric factored across the full month of February 2018 for digital platforms and TV.

**More Cheddar:** **Cheddar** and **Altice USA** joined together to bring the news content network to the Altice One platform. **Cheddar** can now be accessed by all Altice One customers. Cheddar already distributes content to Altice USA's news properties **News 12** and **i24NEWS**.

**Growing the Business: Comcast Business** is honing in on Virginia, announcing it will invest millions in expanding its fiber-based network in Arlington and Alexandria. The expansion will allow the network to reach more than 350 additional businesses directly and enable greater accessibility. Extensions will be both aerial and underground, with downtown buildouts coming to locations including North Arlington, Crystal City, Ballston, Pentagon City and Old Town Alexandria.

**Top Diversity Companies: Johnson & Johnson** took the No 1 spot on *DiversityInc's* [Top 50 Companies for Diversity](#), with the ranking revealed at a dinner Tuesday in NY with nearly 1000 guests. **Marriott International** took 2nd place, followed by **AT&T**. **Comcast-NBCU** ranked 7th, while **Cox Communications** was 13th. Other familiar industry names in the Top 50 included **Nielsen** (19), **Disney** (26) and **Time Warner** (39).

**A New Home:** The **Starz** app is now available on **Google Home**. Starz subscribers can use voice commands to control the playback of Starz content using Google Home and **Chromecast** connected devices. -- **DISH's** Dish Anywhere app is now available on **Android TV** devices, allowing customers to watch their live and recorded content along with on-demand titles on **AirTV Player, Mi Box** and **NVIDIA Shield** along with **Sony Bravia** and **Sharp Aquos** smart TVs.

**You and I: A+E Networks** will call on **You.i TV** to extend its **History** TVE app to TV-connected devices. The company is the first to use You.i's Engine One, based on the React Native development platform, in order to power the new app.

**Programming: ESPN** will televise 35 Bowl games during the 2018-19 football postseason over 17 days, ending on New Year's Day. The lineup will include all 14 of ESPN Events' owned games. -- **HBO** reupped "Westworld" for a third season. It's currently in the midst of its 10-ep second season, which bowed April 22. -- **FX** has added an 11th episode to the second season of "Legion," moving the second season finale air date to June 12 at 10pm. -- **E!** greenlit six series along with three unscripted development projects. The programming includes a talk show hosted by actress *Busy Philipps*, a series with the women of podcast "The LadyGang" at its center and one following singer *Ashlee Simpson-Ross* and her husband *Evan Ross*. -- **Up TV** has secured the cable rights to all eight seasons of "Home Improvement," licensing the series from **The Disney/ABC Television Group**. The series starring *Tim Allen* will air Monday-Friday from 1-3pm and Saturdays from 12-2pm, starting May 14.

**People: Erin Moody** was tapped to become vp, communications, **Freeform**. She joins the company from **20th Century Fox Television**, where she led the campaigns for television series including "Family Guy" and "How I Met Your Mother."

# Think about that for a minute...

## Organic Swamps

Commentary by Steve Effros



Here are some numbers for you; 3.3, 3.38, 2.1, 5.02, 2.3, 4.1, 2.3, 4.2. What do they reflect? The number of dollars, in millions, that were spent in the first quarter of this year to lobby Congress by the following companies; Facebook, Amazon, Apple, Google, Microsoft, AT&T, Charter and Comcast. That's a whole lot of money for three months of lobbying!

Then, again, during that same period we had a plethora of companies, most of them the on-line powerhouses and their friends, providing immense amounts of "free" advertising and support to "public interest" lobbying movements, particularly those designed to inundate Congressional and regulatory offices with emails, comments, demonstrations etc., on the same issues the "big guys" were paying fees for to do essentially the same thing; they're all trying to explain and gain advantage among legislators and regulators.

As I've mentioned many times, there are several different parts to the "lobbying" scenario. Suggesting that only one group should be castigated for what's going on is bogus. Yes, there's the money thing. At its worst, it's the quintessential demonstration of the unhealthy Washington "swamp." The most recent exposure of how rank that swamp can be came from a former Republican Congressman who is now both the head of the Office of Management and Budget and the head of the Consumer Financial Protection Bureau (how's that for irony!) Mick Mulvaney just came right out and bragged that when he was a Congressman, he would only take meetings and talk to lobbyists whose companies had paid money to his political campaign!

There's no question that money plays a part in the "big" lobbying. Companies which are dependent on government regulatory decisions are often faced with the reality

of the Mulvaney attitude. What should they do? Yes, some of them try to buy both access and success. But others are simply...the other side of the lobbying coin... just trying to bring expertise to complicated discussions and issues that regulators and legislators don't have. That's what I did for many years for the cable industry. My association certainly didn't have the money to try to buy influence, but we did have real folks, with real expertise who needed to be heard. So that's one of the other sides of "lobbying." The decision makers cannot be "experts" in telecommunications and, say, cryptography on one day and then on nuclear power the next! Experts in the field (if you are fighting on the other side you label them "lobbyists") have value. So do consumers, and they should be heard as well, but don't delude yourself into thinking that they are "poor and unorganized." The opposite is often the case. Just look at the millions of form-letter emails that buried the FCC on the last "net neutrality" go-round.

Speaking of that, we are about to witness yet another day of organized protest and theatre regarding efforts to retain "Title II" regulation of broadband even though most of those demonstrating have no idea what "Title II" is. That, too, is a great example of festering swamp politics. It's sickening on both sides.

"Lobbying" is necessary. It has its place. But buying influence or decision makers is out of bounds. So is the hyperbole and organized, financed (without any transparency) name-calling and pressuring engaged in by some claiming to "represent" the "public." It's time to at least try to get the swamp to be natural, free-range, and organic. That would be a lot healthier.

T:202-630-2099  
steve@effros.com

*(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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