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What the Industry Reads First

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Need for Change: PwC Outlook Highlights Issues with Pay-TV, Streamers

Pay TV is on the brink of an evolution if it wants to stay ahead of the streamers continuing to gain popularity. That's according to PwC's newly released Global Entertainment and Media Outlook 2018-2022 report. For now, the subscription TV model remains the largest globally, accounting for 47% of the 2017 global subscription TV revenue. However, it may not be set to stay that way, especially in the US. Subscription TV revenue in the US declined by 1.9% in 2017, which PwC attributes to a mature market and cordcutting. There's no doubt that innovation and change has been front of mind, with skinny bundles emerging to keep customers engaged with subscription TV and taking away the hundreds of channels that one may not be using. "Skinny bundles are key to attracting both cordcutters and 'cord nevers' to the pay-TV ecosystem," PwC principal *Chris Vollmer* told **Cablefax**, noting that those segments want two things: lower overall prices and an attractive amount of premium video. "The sweet spot appears to be not so skinny bundles where subscribers do not perceive they are giving very much up. They get 50+ channels (nearly all the major brands) for a price point around \$45/month." Is there a future where subscription packages, vMVPDs and traditional MVPDs all come together? Vollmer thinks so. He has called the area of aggregation of video services a big opportunity, especially for the existing MVPDs that have video and broadband billing relationships with households. "Look for more pay-TV players, both new and traditional, to aggregate OTT/SVOD offerings and offer them as part of 'add-on' packages or on a la carte basis, similar to how Amazon Prime Video does with Amazon Prime Video Channels," Vollmer said. He does note that the streamers are not without their own problems. As more and more offerings are released, they run into the problem of so much choice that it overwhelms the customer. Between those offering packages of live TV and branded SVOD offerings, there aren't enough customers for them to all boom. For a streamer to break out and succeed, Vollmer pointed out areas of key importance. "You have to get some critical things right: enough original and premium content to break through the clutter, distribution that drives cost-effective discovery, and a user experience that creates the right price value equation," Vollmer said. "There will be players that get all of these right -- there also will be many that don't."

Lower the Barricades: The road to Sky has opened further for 21 Century Fox, but that's only if they sell off Sky

Real News. Real Honest Opinion.



- Number One in all of Cable News - 196 Consecutive Months •
- Dominating Basic Cable - 22 Consecutive Months in Total Day •

Source: Nielsen, Live+SD, FNC #1 Cable News Network for 196 consecutive months in M-S Total Day (6A-6A) and Prime (8P-11P) with P2+ (Jan'02-April'18). FNC #1 for the month in M-S total day (6A-6A) now 22 months in a row in basic cable with P2+ (July'16-April'18). Subject to qualifications which will be made available upon request.

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News. That's the ruling of the UK government in response to Fox's \$15bln attempt to buy the 61% of Sky it does not currently own. There have been concerns that Fox's ownership would lead to it having too much power in the British media market, leading to the insistence of a divestiture. Fox responded by submitting plans that would have Sky News offloaded to **Disney**. "We note that the Secretary of State agrees with this solution and has instructed officials from the Department of Culture Media and Sport to agree final undertakings that he would be prepared to accept and consult on within the two-week timeframe," 21 Century Fox said in a response to the announcement. At the same time, UK culture secretary *Matt Hancock* approved **Comcast's** \$31bln rival bid. The process is slightly complicated as Disney's proposed takeover of Fox assets is still up in the air. Fox shareholders will meet on July 10 to vote on the agreement, but Comcast has said that it will make a counteroffer on those assets.

Missing Information: The drama doesn't end for **Facebook**, but this time, **Google's** also in hot water. Washington State Attorney General *Bob Ferguson* struck at both companies by filing campaign finance lawsuits in King County Superior Court Monday, alleging that they did not maintain legally required information for Washington state political advertising on their platforms since 2013. "Washingtonians have a right to know who's paying for the political advertising they see," Ferguson said in a statement announcing the suits. Washington candidates and political committees reported about \$3.4mln in payments to Facebook and \$1.5mln to Google over the past decade, all directly related to advertising. Washington state law also requires commercial advertisers to visit during business hours to ask who is paying for the political advertising running on the platform and how much a campaign committee is spending, but Facebook and Google also failed to meet those requirements, according to Ferguson. Facebook and Google will have 20 days from the date they are served to respond to the state's complaint.

Charter Takes a Bite of Apple: Charter will launch a new Spectrum TV app later this year on the **Apple TV 4K**, iPhone and iPad. As part of the collaboration, the MSO—which is about to launch mobile—will offer iPhone and iPad to customers. Charter joins **AT&T's** DirecTV Now in the US, **CANAL+** in France and **Salt** in Switzerland in offering Apple TV 4K with their services. "We are excited to be collaborating with Apple and look forward to be bringing the Spectrum TV App to Apple TV later this year," Charter said.

New and Improved: The latest upgrades from DirecTV Now became accessible by Roku devices. Users can enjoy True Cloud DVR (beta), expanded content and local stations. Not all is picture perfect, however, as the features may affect the start up time of DirecTV Now on select Roku devices, including the Roku Express and Express+ as well as certain current gen **TCL** Roku TV models.

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Entry Deadline:

Friday, June 22, 2018

Final Entry Deadline:

Friday, June 29, 2018

Big Business: Comcast Business is providing direct links to **bigbyte.cc**, a tier III compliant data center in New Mexico, giving small- and medium-sized businesses along with enterprise customers more options to connect with the cloud. Comcast Business's network now connects to almost 500 data centers as well as cloud exchanges for multiple cloud providers.

Going Global: Grab your passport, because it's time to go international. Comcast is expanding its offerings to Xfinity TV customers by including 42 international networks on X1, on the Xfinity Stream TV app and portal and on Roku devices. It's the latest announcement in an effort by Xfinity to grow its global programming, which includes the recent addition of **Sling International**. International channels and packages start at \$6.99/month. -- **Acorn TV** has arrived in 12 Latin American countries, available through Roku devices. The programming will be in English while Spanish subtitles are an option. Customers can also now subscribe to Acorn TV through their Roku device as well as on acorn.tv for \$4.99/month.

Calling All Leaders: Online applications are now being accepted for **The Cable Center's** Intrapreneurship Academy fall 2018 session. Running from August 14 to October 11, the professional development program will give participants the skills to bring innovation back to their companies. The program is open to candidates from all across cable, but is limited to 20 people. The online application submission deadline is July 6.

Off to the Gracies: *Judy Woodruff*, anchor and managing editor of "PBS NewsHour," will receive a Lifetime Achievement Award at the **43rd Annual Gracie Awards Luncheon**. Woodruff's career includes 12 years as an anchor and senior correspondent for **CNN**, acting as a White House Correspondent for **NBC News** and "Today," a monthly program for **Bloomberg Television** and multiple positions at **PBS**. She has also been awarded the Edward R. Murrow Lifetime Achievement Award in Broadcast Journalism/Television and is a founding co-chair of the International Women's Media Foundation. The luncheon will be held on June 27 at Cipriani 42nd Street in NYC.

Summer School: **Altice USA's** "Summer of STEM" is coming to Arkansas. The company is partnering with seven colleges and universities to give students an opportunity to gain experience in STEM fields. The second annual event will also provide summer camp opportunities for local Arkansas communities, allowing students the chance to get hands-on with robotics, coding and engineering.

Ratings: **YES Network** continues to hit it out of the park, averaging a 4.17 household rating for its May Yankee games, a 12% increase from its games prior to May 1.

Programming: "Talking with Chris Hardwick" is coming back to **AMC** on June 17 at 11pm, bringing new episodes with guests *Chris Pratt*, *Donald Glover*, *Bill Hader* and more. The new season will include eight episodes. -- **Travel Channel's** "Bizarre Foods" will enter into a new season on July 3 at 9pm. *Andrew Zimmern* is set to explore routes such as the Pony Express Trail, revealing the food and cultural impact on each region.

People: **TLC** has tapped *Rick Holzman* as its svp, programming and strategy, effective immediately. He's no stranger to the job, spending 10 years in senior leadership positions at **Discovery**, most recently as general manager of **Animal Planet**.

Faxies and Sales Hall of Fame: Congrats to all the winners and honorable mention honorees at **Cablefax's** FAXIES luncheon Tuesday. In introducing Marketer of the Year *Rosie Pisani*, **AMC Networks** COO *Ed Carroll* revealed that the **WE tv** marketing evp was music director for the first independent radio station in the US in the 1980s—which you can learn all about from current **Showtime** doc "Dare to be Different." Pisani dropped another bit of trivia, telling the crowd she once went on a date with Duran Duran lead singer *Simon Le Bon*. She credited AMC Networks management for allowing her team free reign to experiment. Sales Hall of Famers *Friday Abernethy* of **Univision** and *Teresa Lucido* of **Comcast Spotlight**, both revealed they got their start selling at the age of 14—Abernethy mowing lawns and Lucido selling beef and cheese sticks for **Hickory Farms**. Fellow Sales Hall of Fame inductee *John Malkin*, **Ovation** evp, distribution, recounted how he got his start in the business by applying for an **MTV** affiliate job through *Ann Carlsen*—joking that he had no idea what affiliate distribution meant at the time. Among the nuggets of wisdom dropped during the event was **Nat Geo** talent relations vp *Chad Sandhas'* declaration that "creating something to go viral" is not a thing. **Alkemy X** CEO *Justin Wineburgh* accepted the firm's win for the social media marketing campaign for its work for podcast "Missing Richard Simmons." "Always focus on the employee experience first because then they can do great work," he advised. Check out the complete list of Faxies winners and bios of our Sales Hall of Fame honorees [here](#).