

Cablefax Daily™

Friday — August 3, 2018

What the Industry Reads First

Volume 29 / No. 148

In the Game: Altice USA Still Likes Video, Ramping Up Altice One

Altice USA has no plan today to de-emphasize the video bundle, CEO *Dexter Goei* said in a call with reporters regarding 2Q earnings. The company lost 24K pay TV RGUs, better than 37K a year ago, with the increase attributed to continued improvement for **Suddenlink**. "It's clear the cost of programming continues to be the most painful thing that cable operators have to deal with. But it is still a profitable business that has a lot of customer enhancement features to it, both from a performance and service enhancement standpoint," Goei said. The company's video strategy is tied to its Altice One box, which Goei said will be pushed to existing customers this year. He said it took Comcast about two years before they migrated existed customers. "They admitted that was probably too slow," so Altice is ready to start the process about six month after Altice One became available throughout the footprint. New features are coming to the gateway, including out-of-home DVR and apps on the Altice One platform (**YouTube** and **Netflix** are already on, with Goei saying some of the other "larger" vMVPDs will come on before year-end). Already, Altice USA has a waitlist of existing customers who want the gateway following a heavy marketing campaign for it in 1Q. "We paused on being very active and dealing with migration demand and will continue to evolve debugging the platform, which is standard operating procedure as we launch new products," Goei said, describing how Altice has spent the last 4-5 months improving the product and stabilizing it. "We feel as we start the back to school campaign, we're ready to be very proactive across **Optimum** and Suddenlink, but also on the migration." When video is included in a bundle, customers are 2x less likely to churn. But Altice believes in options. The company recently began trials of a 1 gig symmetrical internet only service in the Optimum footprint as part of its fiber network build. On broadband, data usage continues to grow exponentially thanks to video streaming. The average broadband speed taken today is 162Mbps, up 74% YOY, and more than 60% of customers are using greater than 100 gigs of data per month. The company had 10K residential broadband RGU additions in the quarter. On mobile, the company is on track to launch early next year with 4G LTE and voice over LTE available at launch. Altice USA's revenue was up 1.8% to \$2.4bln, with cash flow up 1.5% to \$1bln. For the full year, the company expects revenue growth of 2.5-3% YOY. When it comes to acquisitions, Goei said scale could help some with programming costs (which were up 4.5% YOY), but wouldn't make the company better as a whole. In other words, it's not necessary.

Cablefax: What's Happening in August

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Fall Programming Guide

The days of broadcast owning the fall premiere season are long gone. Here's a look at the trends among fall cable programming as well as a breakout of shows debuting on streaming services.

AUGUST

The Gatekeepers

A series of Q&As with MVPD programming and technology gatekeepers.

Happy Birthday, Hip Hop

Hip hop turns 45 this summer. The genre's role extends way beyond the radio, influencing essentially every aspect of pop culture and becoming a source of self and community empowerment. Cablefax takes a look at how hip hop is celebrated and incorporated into programming—from shows and specials specifically dubbed "hip hop" to the genre's bleed into other areas, including politics and sports.

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Cablefax Daily (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Publisher: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Associate Editor: Sara Winegardner, 301.354.1701, swinegardner@accessintel.com ● Associate Editor: Mollie Cahillane, 212.621.4951, mcahillane@accessintel.com ● Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● VP Marketing: Amy Jefferies, 301.354.1699, ajefferies@accessintel.com ● Director of Marketing: Kate Schaeffer, kschaeffer@accessintel.com ● Prod. Mgr: Joann Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group, dschwartz@accessintel.com ● Group Subs or Subscription Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,699.97/year ● Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

Ad Attention: A recent study from **TVision** found that three seconds of viewing time is the threshold that causes brand awareness. “If you can pass that threshold, you will have a substantial outcome. There’s a 20% lift in brand awareness for three seconds,” *Dan Schiffman*, CRO & co-founder, said at the **Cynopsis** Measurement & Data conference in NYC Thursday. But Hulu doesn’t see ads the same way. “Hulu only charges when the ad has been completed 100%,” Hulu head of research *Julie Detraglia* explained. “We have a limited ad load and we deliver commercials to viewers that are relevant to them. There’s work to be done on how much duration is required for the message to be delivered. I hope that people are engaged with them for more than three seconds, and I hope that people respond to them within the three seconds.” Adding even more uncertainty is a recent survey from **IAB** that found an advertisement that lasts only six seconds has the most success. Execs remain wary of the effectiveness of such a short spot. “You want to have an environment where the advertisements are complimentary to the content. These are very early days, I think six-second ads are about a year old,” said *Keith Kazerman*, group svp, client solutions of **Discovery**. Six-second ads can also be more effective based on placement, though far more research is needed. “Is there some sequencing that needs to happen in order to make the six more effective?” Hulu’s Detraglia asked. “Do you need to be exposed to a 30- or 15- [second ad] before? I believe they do need to make sense with the content, and [a six-second ad in] long-form content ... does feel a little jarring to me sometimes.”

Bigger Isn’t Always Better: Sub growth and acquisitions were at the center of **AMC’s** 2Q earnings call, especially with the recent agreement to acquire **RLJ Entertainment** and an earlier deal for **Levity Entertainment Group**. Net revenues increased \$51m (7.2% YOY) to \$761m. Total subscribers increased 2% YOY, and the company reported an operating income of \$192m. It also repurchased 3m shares for \$159m this quarter. CEO/pres *Josh Sapan* noted that the company’s focus remains on content, and that adding US channels is not on the brain at this point. “Over the past several years, our peers have tended to migrate to a greater number of channels. We chose to focus on brands we felt that had meaning and we supported them with original content, and at times we were questioned about whether we were overspending on them,” Sapan said. “What we thought is that we were on the path of being in a media world in which people were going to have to have choices and brand strength was not going to be an option, it was going to be an imperative.” On the streaming front, AMC differs from **Netflix** and other competitors by choosing to have different direct-to-consumer services for its various brands. That’s not going to change anytime soon, with Sapan saying the more targeted strategy leads to more brand resonance for those fans who are passionate about horror on **Shudder**, for example.

Spotted in Anaheim: **Sinclair’s** been pretty quiet on its proposed **Tribune** merger since the **FCC** sent it to an ad-

Cablefax Industry Jobs

3 Tips to Finding and Hiring the Perfect Candidate

TIP 1 : Target Candidates!

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TIP 2 : Be Selective!

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TIP 3 : Stand Out!

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ministrative law judge for a hearing. So, we did a double take when we spotted Sinclair general counsel *Barry Faber* in a booth at **ACA-NCTC's The Independent Show** this week. He declined to comment on the ongoing Tribune saga and said he came out to talk to attendees about **Tennis Channel**, which the broadcaster purchased in 2016. Given that ACA and some of the show's exhibitors have lobbied against the deal, it seems notable Sinclair and Faber made the trip. -- Also on the show floor was **beIN Sports**, despite being up against a contract deadline with Comcast the same week. The network was a first time exhibitor at the show. -- Haven't heard the official attendance numbers, but estimates put the Indy Show at about 1500, which includes families. A nice showing for the West Coast. -- **Cheddar** is looking to borrow the **Adult Swim/Cartoon Network** model, launching a **Cheddar Sports** block for two hours every night. "We're going to cover the new weapons in Fortnite, the teams that won in Overwatch..., a new game for Nintendo Switch. And you know what? It'll do great, and those rights will cost me nothing," founder *Jon Steinberg* said. "The NFL will not come after me for a two-minute clip, and that to me is a much better place to play."

FCC Doings: The **FCC** got its August open meeting out of the way, approving a report & order to streamline the pole attachment process. The one-touch policy was approved unanimously, though *Jessica Rosenworcel* dissented in part. The FCC concluded that a state and local moratoria on telecom services and facilities deployment are barred by the Communications Act and that new attachers, such as **Google**, should be able to elect a "one-touch make ready" regime that includes safeguards to promote coordination among the parties. The FCC order rejected some of **NCTA's** ideas, including its "Accelerated and Safe Access to Poles" proposal, taking the stance that a penalties-based approach is more likely to promote conflict than speedier deployment. Cable has raised concerns about potential damage that could happen to existing attachers' equipment and service. Rosenworcel expressed concern the FCC acted too quickly on the item, saying more details were needed to protect consumers and workers.

Coming to X1: **Amazon** Prime Video is coming to X1, thanks to a new agreement between Amazon and **Comcast**. The deal will go into effect later this year, marking the first time Prime Video content will be integrated on a US MVPD platform. Customers will be able to navigate through the content using the X1 voice remote and watch content in 4K UHD and HDR. Comcast said it's the first US MVPD to have Netflix, YouTube and Amazon Prime integrated on the same platform.

Keeping Quiet: **Charter** is taking the quiet road when it comes to its dispute with the **New York PSC** following the latter's decision to rescind approval for the **Charter-Time Warner Cable** merger. "In an effort to help bring about a resolution of outstanding disputed matters with the Public Service Commission of New York, Charter will halt airing certain advertising," Charter said. "We look forward to resolving all matters currently disputed with the PSC in the not too distant future." The PSC has alleged that Charter is airing false ads that claim it has met obligations with the state. The company also released a report from **Oxford Economics** investigating the company's economic impact throughout the US. Charter supports 480K jobs in the US, \$48bln in economic activity (GDP) and \$30bln in income each year, according to the report.

Money Makers: Total consumer tech revenue is expected to reach a record \$377bln in 2018, according to the **CTA** mid-year report. The six percent increase mostly comes from AI, voice-recognition technology and fast connectivity—all elements that are necessary for smart speakers, phones and home tech. The update also states that whole home WiFi solutions, wireless earbuds and AR/VR headsets will each cross the \$1bln wholesale milestone revenue for the first time. Televisions are one of the top 3 revenue drivers of the year. 4K UHD TVs alone are expected to generate \$14.3bln in revenue, a 7% increase.

Putting on a Show: **CuriosityStream** introduced its Showcase service Thursday, which acts as a free sampling of the programming featured on its full service. Eighteen titles are available as part of the sample. It's available for carriage without wholesale cost to the company's SVOD distribution affiliates and is designed to be distributed as part of an affiliate's basic service offering. The service also revealed it has 900K paying subs through OTT, bundles and linear channels and has dropped its subscription price to \$19.99/year. Other milestones include the addition of presenting sponsors, with **Sprint** the first on board.

Girl Power: **WICT** released its honorees for 2018 Woman of the Year with **Mediacom** programming and HR evp *Italia Commisso Weinand* earning the nod for operator and **Qurate Retail Group** chief merchandising & interactive officer *Mary Campbell* receiving the award on the programming side. WICT also announced its Woman to Watch honorees: **Cox Communications** svp, gm Cox Homelife *Kristine Faulkner*; **A+E Networks** Poland & CEE gm *Izabella Wiley* and **Arris** vp, corporate programs & indirect procurement *Leslie Miles*.

People: *Christine Shaw* is coming to **FX Networks**, becoming its svp, communications. She most recently acted as svp, communications and marketing for **FremantleMedia North America** and was previously at **BBC Worldwide**.

PROGRAMMER'S PAGE

Watching the Goliath...

Facebook may dominate social media, but its **Facebook Watch** video feature has flown mostly under the radar, a situation the social media giant is looking to change. FW content (accessible through that little TV symbol) offers a wide variety, but its most recent effort “Sacred Lies” suggests Facebook is serious about going toe to toe with the more than 500 other scripted shows out there. Based on the *Stephanie Oakes* novel “The Sacred Lies of Minnow Bly,” this 10-episode series tracks a young girl who emerges from the woods missing her hands and apparently having beaten a man to death. And it’s the first time that showrunner and creator *Raelle Tucker* of “True Blood” and “Jessica Jones” fame is heading her own show as opposed to partnering with a household name like *Carlton Cuse* or *Alan Ball*. “I could stand beside them, and I could contribute a tremendous amount, but it was never something in which you’re putting yourself on the line in that way,” she tells **CFX**, noting she’s “terrified” but also excited. Tucker deserves credit for casting *Elena Kampouris*, who deftly plays troubled teen protagonist Minnow and must navigate intensely emotional scenes while also remembering that her character has no hands. “Every contact point, everything I’m doing in every scene you’re watching had to be dissected and analyzed by the FX team,” she tells us. Fans will no doubt also scrutinize her “handiwork” on the Facebook platform, and Kampouris says she looks forward to doubling down on social interaction as this creepy mystery unfolds. “It’s on Facebook, so the fans can all create their theories of the show, and we can all communicate with them and engage,” she says. “We’ll be going on the journey with the fans.” If you want to join the darkness, the fourth episode drops Friday night (the first three launched simultaneously last week to, as Tucker puts it, “get them hooked.”). A lot of competition for that these days, but Facebook thinks this one is in, uh... good hands. — *Michael Grebb*

Reviews: “Sugar Town,” 8pm, Monday, **Investigation Discovery**. Race and injustice dominate this very interesting story. “Sugar” recounts the death of a young, black man, *Victor White III*, who was arrested for possession of cocaine and marijuana in 2014 by police in New Iberia, LA, a town centered on sugar cane production. The de facto segregated town has an all-white police force. Victor’s parents allege police shot their son, then 22, during his arrest and booking. Police allege White killed himself. The filmmakers do a good job of telling this compelling story, using actual footage of the arrest, the interrogation of an arresting officer and other primary sources. While White wasn’t an angel, the police cover-up of his death, the city’s racial division and the fact that he was handcuffed combine to make his death seem suspicious. -- “This Country,” **Hulu**. Reminiscent of **BBC’s** “The Office” and **FX’s** “Baskets” (sans *Louie Anderson*) thrown in, this series about 20-something rural Englanders (brilliantly portrayed by brother-sister team *Charlie and Daisy May Cooper*) is an acquired taste. The viewer must settle in before a full appreciation of the subtle humor being perpetrated here is apparent. — *Seth Arenstein*

Basic Cable P2+ Prime Rankings* (07/23/18-07/29/18)		
Mon-Sun	MC US AA%	MC US AA (000)
FNC	0.769	2,341
MSNBC	0.541	1,648
DISC	0.529	1,610
USA	0.440	1,340
HGTV	0.427	1,300
HALL	0.404	1,230
HIST	0.370	1,126
TLC	0.332	1,010
ID	0.331	1,007
A&E	0.327	995
TBSC	0.316	963
NICK	0.313	952
CNN	0.304	925
FX	0.295	899
NAN	0.292	888
FOOD	0.284	866
TNT	0.245	745
ADSM	0.233	710
BRAVO	0.209	638
TVLAND	0.200	610
HMM	0.199	607
LIFE	0.195	594
DSJR	0.194	592
VH1	0.181	551
INSP	0.176	536
DSNY	0.172	524
ESPN	0.169	516
COM	0.163	497
MTV	0.158	482
AMC	0.154	470
PARA	0.153	465
APL	0.150	458
TRAVEL	0.146	444
GSN	0.143	435
SYFY	0.141	429
NATGEO	0.139	422
BET	0.135	412
NKJR	0.133	405
WETV	0.133	404
CRN	0.130	396
OXYG	0.116	353

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

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