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What the Industry Reads First

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#NowFront: FreeWheel's First Upfront Unveils 'FreeWheel Media'

Comcast is leaning into its advertising business with the first **FreeWheel** upfront, titled "NowFront." The pitch to advertisers is an attempt to build more awareness for its media business and reassert itself as a leader in advanced TV tech. "For the last several years, we've also been in the media sales business, as a complement to what we do on the other side of the ecosystem. This is an area that we, for a long time, have cared about and have created a lot of firsts," Comcast Advertising pres *Marci Jenckes* said at Wednesday's upfront presentation in NYC. "As the industry establishes itself, we were one of the first companies that helped unify audiences across platforms. We were one of the first companies that unlocked set-top-boxes across the country, we were one of the first to create addressable TV." A day after announcing its participation in **Vizio**-backed **Project OAR** for smart TV data for targeted advertising, the company officially announced the formation of **FreeWheel Media**, its solution to tackling increased fragmentation. "We believe the only way to do [solve fragmentation] is through unification," explained FreeWheel Media *svp/CRO Brian Wallach*. "There is a need now more than ever to combat complexity... We designed FreeWheel Media to bring together audiences, premium content and data, all underpinned by the technology that powers the TV ecosystem, with the ultimate goal of delivering clients with their desired outcomes." In October, FreeWheel launched Drive, a solution for buying commercials in emerging forms of TV. It's building on that with a partnership with **Adobe**, which will surface Drive programmatically to advertisers to help remove friction from the buying process. The launch starts in the US, but Comcast plans to expand worldwide later this year. Wallach highlighted FreeWheel's 2019 goals, which include moving to real results, building a clear audience view and shifting to executional simplicity. "Some problems with attribution are that it's not quick, it can be really expensive, and you receive it at a point where you can't actually optimize it," said Wallach. The addition of data from Vizio should help FreeWheel provide an enhanced look at the consumption on the Comcast footprint and the incremental reach outside of the footprint. While helping partners drive business is important, Comcast has some selfish interests here as well. "It's not just that we love the industry, which we do, or we feel altruistic to it, which we do. There are very few companies on earth that spend as much on advertising and marketing as Comcast does. In our own self-interest, we want to

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make sure it works. And that it works really well,” Jenckes said. “There’s also very few companies in the world that sell as much media as Comcast, and for that reason we want it to work as a solution for all of our customers.” One of the underlying themes of the day was that FreeWheel is the largest audience network people have never heard of, with Wallach rattling off partnerships with 95 national networks, 86 premium digitals, 90% of the TV broadcaster digital footprint, 45mln VOD-enabled devices, 80mln connected devices and 3bln targeted ad impressions served daily—with a presence in 31 countries and 210 US DMAs. “For all of us that endeavor to reach audiences at scale, that fragmentation has made our jobs much more difficult,” FreeWheel Markets gm *Neil Smith* said. “There’s still a road ahead, and we’re going to continue to aggressively innovate with our partners, but we have solutions in the market now that are already driving better advertising results for our marketing partners and their agencies.”

Can You Hear Me Now?: Living in Minneapolis or Chicago? You’re in luck. The two cities will be the first to receive Verizon’s 5G Ultra Wideband mobile service upon its April 11 launch. That’s about where the luck runs out, as the service will only be available in select areas and will come at a pretty penny. The 5G service plan with unlimited data will come in at \$10/month on top of any Verizon unlimited plan (that \$10 add-on charge will be waived for the first three months). Verizon’s current unlimited plans already cost \$75, \$85 or \$95/month for a single line. To take advantage of the service at launch, you’ll also need Verizon’s exclusive 5G moto mod, an add-on to Motorola’s moto z3 smartphone that’s currently priced at \$50. The provider did promise that you wouldn’t be seeing any throttling happening on a 5G plan. Being the only player in the 5G space right now, Verizon can afford to pull such a move on its pricing strategy. That privilege may not last long, depending on the pending approval of Sprint’s merger with T-Mobile, and the price hike seems to only give more ammunition to those arguing that the market isn’t competitive today. “This price increase from Verizon would seem to play into T-Mobile’s argument for the deal,” **New Street Research’s Jonathan Chaplin** said in a research note. “The only way to make it competitive is to allow T-Mobile to acquire scale and capacity that would in turn allow them to challenge Verizon in the 5G market and with lower prices... I would be surprised if they don’t extract political capital from this move.” Verizon is planning on launching its 5G mobile service to more than 30 US cities by the end of 2019.

X1 for Business: In more Comcast news, the company’s X1 platform is now available to millions of bars, restaurants, hotels and gyms across Comcast’s footprint. X1 for Business launched to 100% of the provider’s footprint just in time for the launch of March Madness. “The idea behind it is taking the great X1 platform that we have, giving them that experience that they’re familiar with, and putting that in their hands when they’re at their work environ-

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ments,” *Christian Nascimento*, vp, product management, Comcast Business told **CFX**. “In my mind, bars and restaurants will really benefit from this. One because it’s more user-friendly experience, and then the sports app is going to be super helpful, particularly now as you get into March Madness. The sports app will allow those types of businesses to quickly see what game is happening when, stats, live results, and you’ll be able to toggle back and forth between live events.” Nascimento feels that X1 for Business will change how businesses use television. “Before it was just about delivering linear content. Now it’s not just the ease of use, but we’re able to talk about controlling that content and controlling the TV through the voice remote. We’re able to talk about seeing things other than TV on the biggest screen in the business. I think the X1 platform has positioned us well, and I think this is the first step to talk to businesses in a different way,” he said.

New Complaint: The *Dolan* family amended its complaint in its lawsuit against **Altice USA**, asking the court to require that Altice bring staff levels at **News 12** back to 462 for a period of five years and to appoint a third-party monitor to oversee compliance. It comes after a February 13 court order that ordered Altice to maintain “status quo” staffing levels at News 12 for the remainder of the lawsuit and the trial scheduled for September 4-6.

Weather Delay: Just a day before the **FCC** is set to auction radio frequency spectrum for 5G wireless communications, leaders of the **House Science Committee** are asking commissioners to press pause on the plan. Chmn *Eddie Bernice Johnson* (D-TC) and ranking member *Frank Lucas* (R-OK) sent letters to FCC chmn *Ajit Pai* and the commissioners Wednesday, saying the spectrum being considered has a potential for signal interference with Earth observation sensors for weather and climate forecasting. “Our concern is not with 5G technology. We are strong supporters of advancing America’s telecommunications infrastructure,” the letters read. “However, advancements in telecommunications should not come at the expense of the safety and security of the American people.”

New Offerings: **Atlantic Broadband’s** Hosted Voice is now available for businesses across its New Hampshire and Maine service areas. It’s a turn-key solution that lives in a data center rather than on-site. Atlantic owns, operates and proactively monitors its networks around the clock to offer technical support and maintenance as well.

Ohio Boost: WOW! grew its Cleveland-area footprint, bringing services to more than 10500 customers in Wickliffe and Willowick. More than 46K in the Cleveland area now have access to WOW!’s offerings, including its gigabit speeds.

Beyond the Home: **TDS** is now offering its all-digital TV service to business customers. TDS TV for Business will be available in communities where it is already being offered to residential customers.

Red, White and School: Students in Maryland’s Montgomery County are winners in **C-SPAN’s** national 2019 StudentCam competition. Located in Silver Spring, Germantown, Rockville and Poolesville, the students produced short documentaries about a subject of national importance. This year’s theme was “What does it mean to be American? Choose a constitutional right, national characteristic, or historic event and explain how it defines the American experience.” A record 6318 students from 48 states and DC participated, a 10% rise over 2018. The most popular topics included First Amendment rights (17%), equality/discrimination (13%) and immigration (9%). *Ida Chen* and *Hana Lee* from Eastern Middle School are first prize winners in the Middle School division and will share \$3K for their documentary, which will air on C-SPAN at 6:50am and throughout the day on April 17.

Ratings: The Season Two finale of **WE tv’s** “Love After Lockup” brought in a series-high 1.6mIn total viewers on March 8. It’s the network’s highest-rated original premiere telecast since the 2017 Season One finale of “Mama June: From Not to Hot.”

Programming: **Fuse Media’s** upfront lineup will include 3 new series, some of which are migrating to linear from digital platforms. Docu-cooking series “Made From Scratch” is set to premiere later this year on **Fuse**, adult animated show “Sugar and Toys” will come to Fuse on June 9 at 11pm and hip-hop series “Reverse Brothers with Ayo & Teo” (wt) is currently in development. -- **A&E** is teaming up with **Big Fish Entertainment** for a spin-off of “Live PD.” “Live Rescue,” premiering April 22 at 9pm, will follow first responders from across the country as they head out on emergency rescue calls. A&E has ordered eight two-hour episodes.

People: *Lori Conkling* is now at **Google**, acting as global head of partnerships. She’ll lead programming and packaging strategies while also being the lead representative of **YouTube TV** to creators, industry organizations and more. She most recently acted as evp, strategy and business development, at **NBCU**. -- *Scott Schiller* is one of the **IAB’s** Executives-in-Residence, the trade group announced Wednesday. Schiller, one of IAB’s co-founders and its 2018 board chmn, most recently served as **Comcast NBCU** evp/gm.

Think about that for a minute...

Who Could Have Guessed?

Commentary by Steve Effros

The numbers are daunting. Netflix will reportedly spend over \$14 Billion on content creation this year while also expecting a likely drop of \$3 to \$4 Billion in free cash flow. That follows a \$2 Billion drop last year. Moody's suggests that Netflix, everything else being equal, should be able to pull out of its \$12 plus Billion hole in about five years. But that's assuming everything pretty much stays the same.

Later this month, however, we expect to see yet another entrant into the already crowded space of those trying to cash in on the "streaming" trend. Apple says it's going to have a major announcement on Monday the 25th. Wonder what it could be! The biggest surprise would be if Apple announced that it had decided against launching "Apple TV," that the economics have gotten too problematic. Not likely.

Apple will be joining Disney which is well on its way to throwing lots of money at both Disney+ and ESPN+. The estimate there is that Disney should expect more than \$2 Billion in losses over the next two years. And, of course, AT&T has just announced a restructuring of what they now call WarnerMedia with HBO being cast as the lead horse for their "walled garden" streamed programming. HBO is anticipating a 50 percent increase in content expenditures.

The bottom line, as was noted in the headline of a Bloomberg Businessweek article this week, is that "It Takes Deep Pockets To Fight Netflix" or each other, I might add. Amazon is also throwing lots of money into the fray through Prime Instant Video, and the expectation is that Google is not done retooling its pay version of YouTube. Hulu, of course, is also in the hunt, and rumor still surrounds a separate streaming service from Com-



cast/NBC. There won't be enough hours in the day to watch all this stuff! Actually, that's the case already.

There's a certain irony to all this. The unrelenting pressure for the cable industry to disaggregate, to let folks buy "a la carte," to stop being a "gatekeeper" that prevented others from competing had a stated objective. The theory was that by "opening up" the competition there would be "a hundred flowers blooming" as Chairman Mao suggested. We would see unprecedented opportunities for new, small, creative, independent souls to get into the market and offer their visions to the viewing public. The complaint was that there were just too few "majors" out there creating and controlling the product development. The movie moguls in Hollywood and the big cable and broadcast entities had to give way to a new paradigm.

Well, now we have it, and what does it look like? A select group of even larger companies starting to spend unheard of amounts of money, still controlling product development but engaging in a financial war that very, very few others can participate in. At the end of the day we are likely to see several of the current combatants decide it's not worth the fight. We are going to have even less diversity, not more. Lots of programs, sure. Much of it you will never really know about because we have yet to figure out a way to get all that information in front of the viewer. But the idea that forcing a change in the delivery or business plan was going to change the underlying dynamic of "...hey, it costs a lot of money to create this stuff!" was nonsense. Gee, who could have guessed!

Steve

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(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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