

Cablefax Daily™

Wednesday — June 26, 2019

What the Industry Reads First

Volume 30 / No. 122

Starz Power: Starz Using Data to Plan Content Buys, Lower Churn

Rumors continue to swirl that **CBS** is in talks to acquire **Starz**, and all signs point to the network continuing to gain value as it plans an international expansion. Perhaps the network's biggest draw is its programming budget that's estimated by **Bernstein** at around \$650mln, far below the budgets of content giants like **Netflix** and **Amazon**. "Netflix has done a phenomenal job at convincing you and everybody in this room and the community... that you have to spend \$13bln to be successful and if you don't, you should just take your ball and go home," Starz COO **Jeffrey Hirsch** said at Bernstein's Future of Media Summit Tuesday. "It's a phenomenal service, but the most-watched shows on Netflix are **NBC** shows." Hirsch reiterated that Starz lives in a different world than services like Netflix, still identifying as a premium network to be sold as the "cherry on top" of ad-supported television. Starz's current programming strategy is to superserve the premium female audience with a focus on African American and Latinx females. "If Netflix is trying to replace cable as free television, Amazon is trying to replace television, we're always going to be sold on top of these guys. It's a natural evolution of the business," Hirsch said, adding that Starz was first sold on top of cable, followed by satellite and is now sold on top of telcos as well. "We are a complementary service to people who are trying to replace television today and so there's always going to be a place for us to thrive and be successful as long as our programming continues to really strike the chord of the audience that we're going after. I don't think you have to spend \$15bln to be successful as a premium network." To further hone in on its audience, Starz uses data tools that can match storylines in development scripts with other projects the network is working on. "At the end of the day, our business is more about retention than anything else," Hirsch said. "In the quick-in, quick-out world of digital, you really want to build a portfolio approach." For example, if the network had four series that struck audiences in the same way that "Power" has, Starz would be able to reduce overall churn and extend its lifetime digital value. The tool can also be used in the content acquisition process, analyzing what other shows fans of Power are watching and giving Starz an idea of what it should be adding to its library to keep them around. Hirsch's confidence extends to Starz's OTT business where he's not afraid of new entrants like **Disney+** and **WarnerMedia's** streaming service. He also doesn't see a need to fear the growing number of people



**Congratulate the winners and advertise your brand!
Reserve your ad space by: June 29, 2019**

Profiles of the Top Ops will be featured in the July issue of Cablefax: The Magazine.

Industry Distribution Includes:

- The Independent Show
- SCTE Cable-Tec Expo
- Electronic distribution to Cablefax Daily Subscribers & Audience
- And More!

Advertising Opportunities: Contact Olivia Murray at omurray@accessintel.com.

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 ● Senior 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 ● Kerry Smith, Divisional President, Marketing & Media Group, ksmith@accessintel.com ● Group Subs or Subscription Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,749.00/year ● Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

abandoning their traditional pay TV bundles for various streaming options. "When satellite came in, nobody was calling it a cord-cutting craze, but that's what you had to do to get a satellite dish," Hirsch said.

Folks Chime in on FTC's YouTube Investigation: Following reports that the **FTC** is investigating **YouTube's** handling of its children's videos, lawmakers and advocacy groups continue to chime in. Sen **Ed Markey** (D-MA) sent a letter to the **FTC** Tuesday, outlining concerns that YouTube had violated the Children's Online Privacy Protection Act through its collection of children's data. He then urged the Commission to include a series of privacy safeguards in any potential consent decree that might stem from the **FTC's** investigation. Proposed safeguards include deleting all data under **Google's** control collected from children under 13 and blocking Google from launching any new product or service directed at children in the future until after review and approval by an independent expert panel. "Companies of all types have strong business incentives to gather and monetize information about children," Markey wrote. "Personal information about a child can be leveraged to hook consumers for years to come, so it is incumbent upon the **FTC** to enforce federal law and act as a check against the ever increasing appetite for children's data."

The Center for Digital Democracy teamed up with the **Campaign for a Commercial-Free Childhood** to send their own recommendations. The two said the **FTC** should seek a 20-year consent decree with similar qualities to Markey's safeguards. It would call for the same destruction of data and block anyone under the age of 13 from accessing YouTube content. Google would also be required to establish a \$100mln fund to support the production of noncommercial, high-quality, diverse content for children. "In short, Google has profited by violating the law and the privacy of tens of millions of children," the groups wrote. "We believe that Google should repay America's families by creating a truly safe space for kids and fostering the production of quality non-commercial children's programming."

Robocall Fight Continues in Congress: The Stopping Bad Robocalls Act is one step closer to the House floor with the House Communications and Technology subcmte reporting it to the full Energy and Commerce committee by voice vote following a markup Tuesday. Four amendments were adopted via voice vote, including one that would require the **FCC** to register a consortium of companies engaged in private-led efforts to trace suspected illegal robocalls back to their source. Another would force the attorney general to convene an interagency working group to study the enforcement of the Telephone Consumer Protection Act and determine how federal law and budget constraints are blocking its full enforcement. "The American people are fed up with robocalls, and thanks to the Subcommittee's bipartisan action today we're one step closer to putting consumers back in control of their phones," Energy and Commerce chmn **Frank Pallone** (D-NJ) and Communications and Technology subcmte chmn **Mike**

Reach your target audience **TODAY** at the Independent Show

Ignite
The Independent Show

July 28-31, 2019
Chicago

Presented by NCTC & ACA Connects

Need help driving traffic to your booth or securing meetings? Looking to promote the launch of a new product?

Cablefax Daily: Special print distribution before and at the show in pub bins as well as electronic distribution to c-suite level paid subscribers.

SECURE YOUR AD SPACE TODAY!

For rates and more information about other advertising opportunities contact: Olivia Murray at omurray@accessintel.com or 301-354-2010

34676

Doyle (D-PA) said in a statement. “We commend the Democratic and Republican members of the Subcommittee for working together on bipartisan amendments strengthening this comprehensive legislation to end the robocall epidemic.” -- **Comcast** is stepping up to protect **Xfinity Mobile** customers from robocalls through a collaboration with call-blocking platform **Hiya**. Xfinity Mobile customers can download the Hiya app for free to receive alerts about potential spam calls and block them. The app identifies calls from well-known businesses to add context to unknown numbers and offers a “neighbor spoofing” blocker that allows customers to block specific area codes. Comcast is also working with an application provider to make robocall blocking tech available to most of its Xfinity Voice customers.

Importance of Panels in Addressable Advertising: For **Nielsen** chief product and technology officer *Karthik Rao*, Nielsen’s panels (a group of people chosen to represent a larger universe) are critical for calibrating data and behavior. “It all has to be calibrated back to our panels. Anyone can do integrations of data, but calibration, the data science behind it, and bringing the panel to create that holistic view is the magic sauce,” Rao said at a fireside chat at the **Bernstein** Future of Media Summit in NYC Tuesday. “Two things are important. One is the breadth of what we know about the panels, which is super helpful to calibrate behavior that you’re not able to capture with most of the big data. That’s one piece of it. The more important piece is the way the panel is built. Nationally representative, it’s super important it captures diverse audiences. It’s not just a measurement imperative, more importantly it’s a consumer experience imperative because until you can actually do this to media audiences and add more data points to really get a good understanding of reach and behaviors, you’ll always struggle with people getting a much higher frequency than they deserve or require, and it turns off consumers.” Another important focus for Rao is the difference between measurement of advertising and content. “Part of what we call the Total Audience Strategy is being very deliberate between the measurement of content and the measurement of ads,” Rao said. “So our march has been around making progress on both. For us this keeps moving the ball down the path of us being able to enable a lot more addressability because that’s ultimately what customers want, and it’s a good way to get a good sense of how much waste there actually is and whether it’s driving brand impact.” Nielsen stock closed at \$21.99, down 1.57%.

Windstream Expands SD-WAN Service: **Windstream** is expanding its SD-WAN portfolio solution to include solutions from technology and security vendor **Fortinet**. Windstream first offered a VMware/VelcoCloud SD-WAN solution in 2017, but the addition of Fortinet’s tech will give customers more options and will offer secure, cloud-ready networking capabilities combined with a firewall.

ARF Works to Raise Standards: The **Advertising Research Foundation** launched its Research Quality Certification Program, which aims to raise the standards and increase the transparency of advertising and marketing studies. The certification includes making data available for public review and re-analysis, and the **Mobile Marketing Association** became the first organization to have its study certified through the program.

Ratings: A+E’s series “Live PD” hit new series high ratings on Friday, making the net No. 1 across all broadcast and cable nets in prime A25-54 and A18-49. The series pulled in 2.4mln total viewers.

Programming: **ESPN** will begin airing exclusive coverage from Wimbledon on July 1. **ESPN**, **ESPN2**, **ESPN+** and **ESPN3** will present more than 500 matches, with 145 hours of programming across **ESPN**, **ESPN2** and **ABC**. Qualifying matches kicked off Monday on **ESPN+** and will air through Thursday. **Science Channel** and **Mount Sinai Health System** teamed up to create a series of six digital news segments focusing on the research and researchers at Mount Sinai. They’ll be shown on Science Channel and posted to its social media platforms. -- **Smithsonian Channel** will premiere docuseries “Orangutan Jungle” on Smithsonian Channel Plus on August 2, with the first two episodes free without a subscription. -- Season 2 of “T-Pain’s School of Business” returns to **Fuse** on Aug 6 at 11pm. -- **True Royalty TV**, the SVOD service focused on the royal family, will premiere its doc special “The Real Camilla” on Aug 1. -- **Dropout**, **CollegeHumor’s** SVOD, is premiering the third installment of its original series “Dimension 20” on July 9. “Dimension 20: The Unsleeping City” is set in NYC. -- **Univision** is expanding its corporate initiative “Se Habla USA,” which celebrates Latinos in the US. It will now feature original bilingual content for Latino youth across multiple platforms.

People: **Viacom** promoted *John Curbishley* to evp of distribution strategy, operations and new business, a newly formed team in Viacom’s distribution and business development group. He previously served as svp of distribution strategy. -- **Disney** hired *Matt Brodlie* as its svp of international content development for upcoming streaming service Disney+. He comes over from **Netflix**, where he served as director of original film.