

# Cablefax Daily™

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What the Industry Reads First

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## Not Dead Yet: Digital Advertising Can Lift Linear TV

The buzz is all around digital advertising, and for good reason. It is projected that \$130bn will be spent on digital by the end of 2019, compared to the \$71bn annual spend on traditional linear TV advertising (in which \$6bn is spent on spot cable). The exception comes in political years, where ad spend swells in spot cable (it's projected that ad spend will jump to \$7bn in 2020). "We need to figure out how to tap into those dollars," said *Mark Lieberman*, pres/CEO of **Viamedia**. Viamedia set out to redeploy dollars spent on digital into television, working with existing legacy infrastructure and without swapping out set-top boxes. The result is QTT, ad tech that is slated to begin market trials in August with **WOW!** and two yet-to-be announced MVPDs. The goal is to roll it out to the entire footprint in Q4, but will also license the tech to non-Viamedia partners, including **Altice USA**. "What QTT does is it builds a bridge between linear TV and digital. Now all those players on the digital side whose software sits on the agency trading desks can reach that audience in real-time, on spot cable linear TV. And what that does is it increases the opportunity for us and our partners to grow advertising substantially," Lieberman said. Currently, direct response (20-25% of inventory) is typically sold in one to three-dollar CPMs. Lieberman believes QTT can sell the same inventory at 10 to 15-dollar CPMs. Viamedia isn't the only company that believes in a mutually beneficial relationship between digital and linear. Speaking at a panel at the **Indy Show** in Chicago Tuesday, *Chris Faw*, svp of operations for **Spectrum Reach**, said the IP world can lift linear. "We're able to build on what we've already done in the linear world and take that out into an IP world. As you move to an IP world, the technologies are getting more and more portable," Faw said. "We're taking folks who have made a lot of money in the market and empowering them with tools that can actually be very informative. We can apply the tools in digital back to linear." Even folks who weren't necessarily involved in cable are jumping into the linear game. Ad serving platform **SpotX**, founded in 2007, grew out of a traditionally digital platform that wasn't heavily invested in the cable industry even five years ago, and now 60% of all advertising on its platforms is served onto television screens. "There's been the shift of really being able to get down to household or device level addressability," said *Allen Klosowski*, svp, advanced solutions group for SpotX. "What we're seeing is a series of platforms that are coming up from many of the innovators in the marketplace that are already compatible with this framework." The ad folks do understand that the transition in advertising won't be easy for a lot of cable folks.

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“The transition that we’re going through from being a spot sales environment to an audience delivery environment, that is not an easy mental transition for a lot of folks in our business to make,” said *Mike Wall*, **Comcast Spotlight’s** vp, affiliate partnerships. “The younger folks can’t even really conceptualize why we would sell spots. As we introduce all these new technologies, we’ve got a lot of education we have to be responsible for at the local level to see through these transitions.”

**Bakish Tells Indies They Have a Partner in Viacom:** Fresh off a carriage renewal with **NCTC**, **Viacom** CEO *Bob Bakish* told **Indy Show** attendees Tuesday that they have a “unique, sustainable advantage” as smaller operators. “You’re not going to be overbuilt by some 5G mobile player any time soon. And you’re not satellite players, so you have two-way plant,” he said. As **Disney**, **WarnerMedia** and others are rolling out direct-to-consumer offerings, Bakish dismissed the idea of taking recently acquired free **AVOD Pluto** and adding a subscription offering featuring current linear content. “It sounds simple to say we could sell our product direct to consumers,” but the reality is distributors already have footprints in all-different sized markets. “There is great power in that. I don’t want to build those.” Bakish previewed that next week’s earnings will show that Pluto’s monthly active users have grown since the 16mln+ it announced in May. May is also when Viacom began adding some of its own library content to the service. **NCTC’s** *Judy Meyka*, who interviewed the exec on stage, said the co-op is working on a Pluto deal. Since taking over as CEO in December 2016, Bakish has been working to mend affiliate relationships, which he acknowledged had become “very frayed.” That included a “frictional” renewal with **NCTC** in 2014. “It didn’t strike me as a sustainable place to be,” Bakish said, adding that he’s a big believer in strong partnerships and hopes all of the co-op’s 750-member companies will opt in to the pact.

**Plume Scores Armstrong Launch:** **Plume**, the same company whose technology is licensed to power **Comcast’s** xFi network, has secured a deal with cable operator **Armstrong**. Armstrong is the first ISP in the US to offer the full Plume-branded suite of services and hardware. The deal was announced at The Independent Show in Chicago Tuesday, with the vendor’s booth drawing a nice crowd on the show floor. Plume already has partnerships with players such as Comcast, **Samsung**, **Bell** and **Virgin Media**, but it looking to expand to Tier 2 and 3 operators. Dubbed “Zoom Powered by Plume,” the Armstrong offering includes adaptive WiFi that intelligently monitors, adjusts and optimizes a customer’s network for peak performance. It also features parental controls (pause the internet, set up child access and offer guest access to WiFi) and AI security. Armstrong customers will have access to the Plume app to control their home services, while the operator will also get Plume’s insights into customers’ networks. Armstrong’s offering will be standard for new customers and include two SuperPod WiFi extenders.

**GTCR Goes on a Buying Spree:** Private equity firm **GTCR** is acquiring **Vyve Broadband** as well as the broadband



## CONGRATULATIONS TO ALL THE HONOREES!

Cablefax’s 2019 Top Ops Magazine is tipping its hat to the operators that have hit it out of the park this year including MSO of the Year Altice USA and Independent Operator of the Year Vast Broadband.

Read the digital version and check out the shareable profiles at

[www.CablefaxTopOps.com](http://www.CablefaxTopOps.com)

assets of **Eagle Communications**, which has customers in KS, NE and CO. GTCR will acquire Vyve, which serves markets in OK, KS, TX, AK, LA, TN, GA and WY, from **BH Capital Partners**. Both acquisitions will be completed through GTCR's previously established management partnership with **Mega Broadband Investments** and come less than a year after Mega Broadband's investment in **Northland Comm**.

**AT&T Retiring DirecTV Now Name:**  **DirecTV Now** is getting a new name later this summer. **AT&T** revealed that it will be renamed **AT&T TV Now** ahead of the company piloting **AT&T TV**, its thin client IP-delivered TV service, later this summer. DirecTV Now subscribers will experience no service disruptions, only needing to re-accept the terms of service to continue streaming. Both AT&T TV and AT&T TV Now will be accessed through the same AT&T TV app on televisions or mobile devices. The app will be available for download across various app stores in the coming weeks with current DirecTV Now customers having the update automatically beamed to their devices.

**DISH Not Discouraged by State AGs:** The DOJ may have approved **DISH's** entry into the wireless market as a fourth competitor, but it still has a legal battle with 13 state AGs and DC up ahead. **DISH** chmn *Charlie Ergen* surprisingly had nothing but good things to say about the states' demands and their interest in the deal. "My personal opinion is that it had a big influence on **T-Mobile** and **Sprint**, their willingness to be more aggressive, to give us the kind of things that we needed to be competitive that they otherwise might not have," Ergen said in Monday's earnings call. "And obviously DOJ forced some of those issues, but I think you have to give some credit to the states as well." **DISH** is optimistic that the deal the DOJ forced will address the states' worries. "The way the remedy was structured allows us to effectively compete on both price and packaging, day one," **DISH** evp, corporate development *Tom Cullen* said. "The states are in a position where they have to objectively analyze and evaluate the remedy. And our hope is that they will look at it with a different perspective."

**xFi Updates Parental Controls for WiFi Use:** **Comcast** debuted an enhanced WiFi parental control feature Tuesday that will automatically pause network connectivity in the home on all of a child's devices when their daily time limit is reached. Accessible via the Xfinity xFi digital dashboard, the feature allows parents to set a specific amount of time their children can be online each day. Xfinity xFi can be accessed via the xFi mobile app, on the web, or on the TV with the X1 voice remote.

**Indy Show Notebook:** Keynote *Ari Fleischer*, White House press sec for *George W Bush*, on Tuesday gave show attendees his take on why *Donald Trump* was elected. He predicted a record turnout for the 2020 presidential election (fueled by both Trump lovers and haters), and said Democrats are potentially throwing away the election by not staking out a moderate position. Fleischer said he would like to see the White House press briefings reinstated, but he thinks they shouldn't be televised. "It shouldn't be a TV show," he said. "The briefing should be a normal conveyance of governmental information for reporters with questions so reporters don't posture and argue back... so they can become famous and get **Twitter** followers. Take the damn thing off TV and make it a good, old fashioned briefing."

**Markey Says No to FCC PEG Proposal:** Sen *Ed Markey* led 15 of his colleagues in urging the **FCC** to protect public, educational or governmental stations as the Commission considers changes to the rules governing agreements between local franchising authorities and cable operators. If implemented, Markey said the rule changes would force local governments to decide between supporting PEG stations in franchise agreements or supporting other services for places in the community. The Commission will vote on the rule at its open meeting on Thursday.

**MobiTV Upcycling Existing Set-Top Boxes:** **MobiTV** has teamed up with UK-based **Amino** to develop a solution that will allow it to launch its IP-based solution on legacy set-top boxes. The idea would be to upgrade those set-tops with AminoOS Enable, software that allows operators to upcycle existing boxes to deliver linear channels and streaming content. AminoOS Engage will also be packaged in the solution, providing ongoing device management and enhanced customer service and support options. The solution will be commercially available in 4Q19.

**Midco Chooses TiVo Platform for IPTV Solution:** **Midco** has chosen **TiVo's** Next-Gen Platform to facilitate its transition to IPTV. Midco has an existing relationship with **TiVo**, deploying **TiVo Experience 4** on its customers' existing set-top boxes. **TiVo's** suite of solutions to be deployed by the regional cable operator includes **IPVOD**, **IP Linear**, **Restart**, **Catch-Up** and network **DVR**. Come 2020, Midco will deploy the platform on managed Android TV set-top boxes as well as on iOS and Android mobile devices.

**People:** Creative firm **Pilot** is expanding its offerings to include corporate and direct-to-brand marketing as well as creative consulting for B2B companies. As a result, *Michael Finn* is joining the firm as senior adviser, new business development.

# EVERYONE READS IT.

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