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What the Industry Reads First

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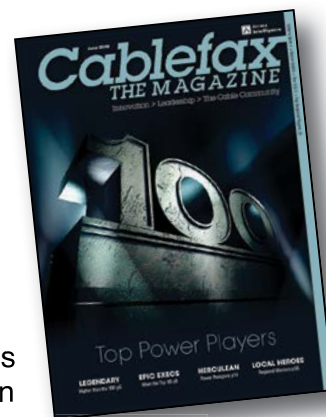
Free as a Bird: Peacock Presentation Highlights Ad Strategy

Comcast NBCUniversal's upcoming streamer **Peacock** has hatched, and its ready to spread its wings. The service differs from competitors **HBO Max** and **Disney+** in that it largely remains tied to a cable bundle. Peacock will arrive on Comcast's Xfinity X1 and its internet-only Flex platform on April 15, before a July 15 national launch. It will be available in three tiers: a completely free, ad-supported model with around 7.5K hours of content, an ad-supported format with 15K hours of content, Peacock Originals and 4K at \$4.99 a month (free for Xfinity and **Cox** video subs), and an ad-free model that's \$4.99/month for Comcast and Cox subs and \$9.99 for everyone else. While Cox is the only non-Comcast pay TV affiliate on board right now, the company expects to bundle Peacock with additional partners in the coming months. "As we go forward, we hope to get as many pay TV operators as possible," NBCU chmn *Steve Burke* said, adding that in certain instances, they may be able to offer Peacock to their broadband customers as well. It sounded as though pay TV operators would be the primary distribution partnership, but added that a **Verizon-Disney+** like option has appeal. As far as financials, Comcast NBCU puts the 2020-21 investment at \$2bln. Peacock is expected to reach 30-35mln active accounts by the end of 2024. At that time, it's projected to generate \$2.5bln in revenue and hit break even, becoming profitable in 2025 and beyond. What really sets Peacock apart is its advertising model. Burke noted that broadcast networks have been profitable for years using an ad-supported model. "We're creating the equivalent of a 21st Century broadcast business, delivered by the internet," he said, speaking at the Peacock investor conference in NYC Thursday. "We like the idea of zigging when others zag." The company says each hour of content will be limited to just 5 minutes of ads, below the average of 8-20 minutes, and the lightest in the industry. "It will transform the entire advertising industry," said *Linda Yaccarino*, chmn of advertising and partnerships at NBCU. "With Peacock we can throw out that old legacy playbook and write a new one." Yaccarino said Peacock is setting an "entirely new" standard for frequency caps, meaning the streamer will cap the number of times the same ad airs at a given time. Peacock already has initial sponsors lined up: **Eli Lilly and Company**, **State Farm**, **Target** and **Unilever**. Yaccarino said collectively the companies have committed "hundreds of millions" of dollars to the service, and will promote Peacock across their websites, media and stores. Peacock has created "entirely new" ad experiences that Yaccarino said will "set it apart" from the marketplace. These experiences include solo ads, in



Who Deserves to Rank Among Cablefax's Annual Top Power Players?

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Enter at www.Cablefax100.com | Questions: Mary-Lou French at mfrench@accessintel.com

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which a brand “becomes the hero,” bringing viewers an entire episode with a single ad. “Explore” ads use contextual data to align a sponsor with relevant programming, then viewers can take an action such as signing up for special deals or getting something sent right to their phone. “On command” ads leverage “best-in-class” voice technology. “This is the next frontier of media,” said Yaccarino. The tech will allow users to interact with an ad through voice controls on their remotes, and will be available to X1 customers at launch. Peacock will also feature ads already utilized by other streaming services, such as “binge ads” and “pause ads.” The brand sponsors will also join the Peacock Streaming Council, engineering and programming execs on the Peacock Streaming Council, a group of engineers and programming execs that will see which advertising initiatives are working and which are not.

Peacock’s Programming Plans: In a whirlwind investor conference in NYC Thursday, NBCU’s upcoming streamer **Peacock** announced a host of content ranging from *Amy Poehler* to *Kevin Hart*. “Law and Order” and the “Chicago” brands from Dick Wolf will stream exclusively on Peacock (Tina Fey joked at the presentation that “Chicago Fire” is actually about a series of arsons she committed during her time at Second City). Peacock will air the 2020 Olympic Summer Games ceremony live before it hits primetime, and will broadcast exclusive live, daily programming from Tokyo. “The Tonight Show Starring Jimmy Fallon” and “Late Night with Seth Meyers” will both stream at 8pm ET each day, before airing live on NBC. Peacock announced a multi-year deal with *Kevin Hart’s Laugh Out Loud* network, including a Peacock original show “Hart to Heart.” Fey will produce “Girls5Eva,” a show about a one-hit-wonder girl group reuniting. “In a way, that is what Peacock is doing, getting the band back together,” Fey said. Additionally, every season of “Saturday Night Live” will be on the streamer. Streaming network NBC News Now will bring Peacock viewers “NBC Nightly News with Lester Holt,” episodes of “Dateline” and “Meet the Press with Chuck Todd” each weekday. Peacock has also partnered with other distributors, securing the streaming rights to **Paramount Network’s** “Yellowstone,” **CBS’** “Two and a Half Men” and “hundreds” of **Lionsgate** films.

Associations Seek Changes to FCC Rural Broadband Fund: NCTA, USTelecom and five other associations are asking the **FCC** to rethink the letter of credit requirements for the proposed Rural Digital Opportunity Fund the commissioners will vote on this month. They argue that maintaining letters of credit for multiple years of service is unsustainable and unnecessary. “Many companies could be effectively barred from participation in the auction and those that do will not be able to bid on the full amount of locations they might otherwise be able to serve because of the difficulties in obtaining and the cost of the required credit,” they said in a joint letter Thursday. “Additionally, the LOC requirements conservatively will result in over \$1 billion in RDOF support (6-7 percent of the total Phase I funding)



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going to banks and other financial intermediaries rather than to building broadband in rural communities.” Also signing the letter were **INCOMPAS**, the **National Rural Electric Cooperative Assn**, **NTCA – The Rural Broadband Association**, **Wireless Internet Service Providers Assn** and **WTA – Advocates for Rural Broadband**. The Commission will vote Jan 30 on the framework for the \$20.4bln fund, which doles money out over 10 years in reverse auctions to areas that don’t have a fixed broadband offering of at least 25Mbps/3Mbps.

AMC Networks at TCA: **AMC Networks** chief *Sarah Barnett* took the stage at **TCA** to make the case for curation Thursday. “The internet claimed it would free us from the old gatekeepers and provide frictionless choice and diversity of voice,” she said. “But the biases of Hollywood powerbrokers seem to be being replaced by those engineers and data scientists a few hundred miles up the coast.” She said the global nature of streaming has created the need for shows that resonate everywhere. “If something needs to work as well in India as America then everything starts to look the same,” she said. “We try to talk to everyone, you’re not going to be able to say much that’s truly meaningful to anyone... I see huge opportunity for AMC Networks to claim a competitive edge as our size relieves us from the pressure of needing to make and serve television to everyone in the world with a broadband connection.” In the end, she said “the untested and the unusual are minimized” when Big Data algorithms meant to reduce risk rule the day. “I believe when technology drives the needs to build pipelines, it’s not necessarily good for audiences or for quality... Think about the dawn of cable with so many new channels and slots to fill. That environment didn’t produce the new Golden Age of Television. It produced the Cable Ace Awards and *Bruce Springsteen* singing about there being 57 channels and nothing on.”

TCA Notebook: **Magnolia**, the network from *Chip and Joanna Gaines*, will launch on Oct 4, **Discovery** chief *David Zaslav* revealed at **TCA** Thursday. The jv between Discovery and the couple will replace **DIY Network** with the Gaineses serving as chief creative officers. **HGTV** president *Allison Page* will also oversee **Magnolia**. “We think Chip and Jo represent the values that America is looking for,” Zaslav said. -- **WarnerMedia** is shutting down production of original content at **Cinemax**, and its existing shows will not be a part of **HBO Max**’s content lineup when the streamer launches in May. But WarnerMedia isn’t completely closing **Cinemax** yet. *Michael Quigley*, vp, content acquisitions, said at TCA that the channel won’t be folded like **AT&T Audience Network**, but didn’t offer specifics on where it fits in the company’s plans. **Comcast** replaced **Cinemax** in several of its packages over the summer with its own on demand movie service **Hitz**.

ViacomCBS Ch-ch-changes Continue: More shuffling of the deck at **ViacomCBS**. The latest sees *Sarah Babi-neau* promoted to head of **Comedy Central** content & creative enterprises. *Keith Cox* will continue to lead long-form scripted series for **Paramount Network**, but he’s also been tapped for the new role of pres entertainment & youth studios, where he’ll oversee the company’s push in third party content development (in related news, on Thursday we learned upcoming **NBCU** streamer **Peacock** has licensed Paramount Networks’ “Yellowstone.” *Jonas Larsen*, co-head of original content at **Comedy Central**, will be exiting the organization. All of this comes following *Chris McCarthy*’s rise in November to pres, entertainment & youth brands, **ViacomCBS Domestic Media Networks**. That move more than doubled his portfolio. This week, it grew even larger with **Pop** being added to his purview. *Brad Schwartz* remains pres, **Pop**, reporting to McCarthy.

Charter Expands Spectrum News: **Charter** customers in central and western Massachusetts now have new net **Spectrum News 1**, providing local news, weather and sports coverage. **Spectrum Networks** carry local programming on 31 networks across 12 states.

ITTA Disbands: **ITTA - The Voice of America’s Broadband Providers** will shut down on Jan 31, citing financial constraints in the wireline service provider sector. The 27-year-old association consists of members who provide broadband, wireline and wireless voice, video, and other communications services in predominantly rural areas. Its membership roster includes **TDS**, **Cincinnati Bell** and **CenturyLink**.

Investors High on Disney+: Two more investment firms have raised their price targets for **Disney** after a **Sensor Tower** report indicated **Disney+** generated 16% of the total US SVOD revenue for 4Q19. **Wolfe Research** upped its target to \$175 from \$164 while **UBS** upped its price target to \$164 from \$155. **MoffettNathanson** raised its target on Wednesday to \$165.

People: **NAB** COO *Chris Ornelas* will exit the association Feb 1 to become general counsel of **Beasley Media Group**. *Curtis LeGeyt*, current evp, government relations, will step into the COO role. Meanwhile, three **NAB** svps have earned their evp stripes. *April Carty-Sipp* was upped to evp, industry affairs. *Shawn Donilon* is the new evp, government relations. *Trish Johnson* was upped to evp, finance/CFO. The trio reports to LeGeyt. -- **Entertainment Studios** named *Natasha Alford* vp, digital content for **TheGrio** digital platform. Alford previously spent 4 years as **TheGrio**’s deputy editor.

PROGRAMMER'S PAGE

Fear the Future...

The flurry of content flung before critics at **TCA** can be a bit disorienting. Part of it is sheer volume. But it's also the massive variety of subject matter and formats that span the gamut of the human experience. We laugh. We cry. We try to find connective tissue. One trend at Winter Tour may be the uneasiness most of us feel about technology and where it's taking us (whether we like it or not). We know **Alexa** and **Facebook** are always listening. It's scary. But it's one thing when **CBS All Access**' "Star Trek: Picard" explores issues around synthetic life and artificial intelligence. That's 400 years in the future. It's scarier to contemplate what we face today or will face in a few short years. Take **FX**'s "DEVs" (premieres March 5), which chilled critics with the spooky implications around quantum computing. "It is so based in science," said *Allison Pill*, who plays *Katie* on *DEVs*. "It is an exploration of quantum mechanics, quantum computing of determinism, of real questions about the nature of reality in the universe. And those are all very real scientific questions." If that's not enough to blow your mind, **Fox**'s "neXt" imagines a world in which the AI engine fueling *Alexa* (called *Eliza* on the show) and other cloud-connected gadgets literally becomes self-aware and then tries to destroy the lives of the few people who can expose its secret. When executive producer *Manny Coto* told critics that they gifted *Alexas* to the crew, star *John Slattery* interjected that "nobody opened them," forcing *Coto* to admit, "They gave them all back." Even comedy is fertile ground for technology run amuck, with **HBO**'s widely anticipated "Avenue 5" (premieres Sunday) by the team behind "Veep" taking us 40 years in the future when a space cruise ship malfunctions, putting more than 5,000 passengers' lives in jeopardy. When one critic noted the first episode already runs up a big body count, star *Josh Gad* replied, "Just you wait." Yikes. Time to start schmoozing your devices: "Alexa, you look fabulous today. Please don't kill me." – *Michael Grebb*

Reviews: "Avenue 5," series premiere, 10pm, Sunday, **HBO**. While space travel isn't supposed to be flawless, far from it, actually, it's rarely thought of as funny. That's why "Veep" creator *Armando Iannucci*'s space-based series "Avenue 5" will grab viewers, initially, at least. There's something amusing about people traveling in space for leisure. In addition, the passengers and crew have 2020 issues: marital problems, egotistical bosses, mental breakdowns and what to do with the kids. The question: how many viewers will remain after this novel premise wears off? We hope plenty, because the eps improve steadily. *Veep*, too, was not an immediate must-watch. The action takes place in the future, on a space cruise (think "The Love Boat" in space, but without B- list actors trying to resuscitate their careers). We have a distinguished-looking captain (an amusing *Hugh Laurie*). Captain *Clark* struts about in a creaseless uniform, speaks confidently and there's not a hair out of place. A small problem—the skipper lacks credentials as... wait for it... a captain. When the ship is knocked off course, *Clark* has no idea what to do. Unfortunately, the person with the smarts to know, the chief engineer, is dead. As in *Veep*, the ensemble is critical. A standout is *Veep* alum *Zach Woods*, as *Matt Spencer*, the passenger services head whose own head needs attention. – *Seth Arenstein*

| Basic Cable P2+ Prime Rankings* (01/06/20-01/12/20) | | |
|--|-----------------|----------------------|
| Mon-Sun | MC US AA% | MC US AA (000) |
| FNC | 1.027 | 3,156 |
| MSNBC | 0.554 | 1,703 |
| TLC | 0.387 | 1,188 |
| A&E | 0.382 | 1,175 |
| HGTV | 0.351 | 1,080 |
| CNN | 0.349 | 1,073 |
| HALL | 0.345 | 1,059 |
| TBSC | 0.343 | 1,055 |
| HIST | 0.296 | 911 |
| DISC | 0.266 | 818 |
| USA | 0.258 | 794 |
| FOOD | 0.256 | 787 |
| ID | 0.255 | 784 |
| TNT | 0.250 | 769 |
| ESPN | 0.249 | 766 |
| BRAVO | 0.217 | 665 |
| ADSM | 0.200 | 615 |
| INSP | 0.187 | 573 |
| NICK | 0.182 | 560 |
| HMM | 0.179 | 551 |
| TVLAND | 0.173 | 532 |
| LIFE | 0.152 | 469 |
| FX | 0.145 | 446 |
| DSNY | 0.133 | 409 |
| NAN | 0.133 | 407 |
| SYFY | 0.131 | 403 |
| VH1 | 0.128 | 393 |
| AMC | 0.128 | 392 |
| MTV | 0.126 | 388 |
| NKJR | 0.125 | 385 |
| BET | 0.121 | 373 |
| DSJR | 0.121 | 371 |
| TRAVEL | 0.120 | 369 |
| APL | 0.119 | 365 |
| GSN | 0.116 | 357 |
| WETV | 0.112 | 345 |
| OWN | 0.110 | 338 |
| NATGEO | 0.109 | 334 |
| COM | 0.105 | 322 |
| CRN | 0.101 | 311 |
| FRFM | 0.101 | 310 |

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

Cablefax: February What's happening...

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Black History Month. Cablefax's special report will look at how programmers and operators celebrate Black History Month, as well as how they keep the celebration going all year long.

NCTC Winter Educational Conference. We'll preview the annual gathering of forward-thinking technology and bring you all the news from the conference.

Political Ad Spending. A look at the trends, ad spending and hot races as we draw closer to election day.

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