

# Cablefax Daily™

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What the Industry Reads First

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## Ad Dollars: Doing Away with the Demo?

Is it time to move away from the standard 18-49 demo, and instead look at advertising targeting audiences with shared interests or behaviors? Execs from **Discovery**, **Disney** and **Dentsu Aegis Network** seem to think so, largely due to the dollars left on the table as viewers continue to shift from linear TV consumption to digital. *Lisa Valentino*, evp, client & brand solutions for The Walt Disney Company, noted at the **VAB** Impact Video Leadership Summit in NYC Thursday that for the 18-49 demo, linear TV is effective at delivering the upper end of the demo, whereas digital and connected television are effective at delivering the lower end. “You can’t buy on a demo anymore. We have to shift this to audiences,” said Valentino. *Doug Ray*, chmn of media for Dentsu Aegis Network, USA, said that brand growth is actually inhibited because the industry is focused on the wrong metrics. He believes that once the industry starts looking at cost per incremental reach point instead, there will be a shift from demo to audience. Linear ad sales declined by 6% in 2019, and digital ad sales grew double digits (16%). But for all the money headed into digital, profits still aren’t maximized, as a huge percentage of streaming consumption takes place on ad-free SVODs. “The opportunity is for companies to get into that market with an ad-supported model and replenish some of the supply chain in linear and [Nielsen] C3,” said *John Steinlauf*, chief US advertising sales officer for Discovery. Ray stated that marketers have not taken advantage of ad-supported advanced TV opportunities that are out there, such as on **Hulu** and **Roku**. “[They] do take ads, and do provide opportunities to reach those consumers that are spending less time on linear television but are still very interested in the brands that our clients have,” said Ray. Analyzing data from more than 50 different client campaigns, Dentsu found that on average, 80% of ad impressions on linear are going to about 25% of US households. “The conversation is not ‘suddenly move away from linear,’ it’s how do we use other tech and data to extend reach and reduce excessive frequency?” said Ray. And it all does come down to data. According to Valentino, the biggest benefit of recently-launched **Disney+** has been the data captured on the subscribers. “We disrupted ourselves with Disney+. We get to sit on both sides of the equation, ad-supported and not ad-supported,” said Valentino. “It’s not about a declining linear business; it’s about a shift in consumption and are we taking full advantage of that? And what are the barriers to take advantage of that quickly and efficiently?” With the upfronts looming, the industry just may see more of those



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dollars heading into digital media. Valentino believes that the supply on traditional linear will continue to shrink, and the opportunity is there to expand addressability into connected and digital. “I think this is going to be the upfront where marketers and agencies search for non-linear alternatives,” said Steinlauf. “Is it **Peacock**, is it Roku, is it Hulu?”

**Survey Says – Industry Salaries on the Rise:** If you work in customer care or content development, there’s a good chance you saw a nice pay increase last year. **C2HR’s** annual compensation survey found employees in those fields earned year-over-year increases that were as much as four times the national average. Among programmers, content jobs, such as executive producer or svp, original programming, garnered year-over-year increases ranging from 6% to 11%. Similar gains were seen for content developer jobs related to distribution, such as svp, broadcast operations. Among connectivity providers, customer care was the hot job field. C2HR’s survey found that customer care technical support (expert level) saw an average increase of 12%, well above the national 3% average. Even those lower on the ladder in customer care saw above average gains, with Level 1 tech support averaging a 5% hike. Network operations center support engineers and managers of network operations centers received 8% and 7% salary boosts, respectively. The 2019 salary survey, which is conducted by consulting firm **The Croner Company**, featured data from 55 companies, including 14 connectivity providers (MSOs, satellite, telecom and home security companies) and 41 content developers (cable programmers, broadcast network and digital content creators). New participants this year included **Ovation, Disney Direct-to-Consumer & International** and home security provider **Vivint**. The survey also looked at management, salaried and hourly employees, with management receiving the largest gains among connectivity providers (a 5.3% increase that includes salary, bonus and incentives). Salaried employees for providers averaged 4.1%, much better than last year’s 2.1% average. Hourly employees also averaged 4.1%. On the programming side, executives and middle management saw the biggest gains (6.9% and 6.1%, respectively). Professional positions and operator support roles were close to the 3% average at 3.2% and 3.8%, respectively. When it comes to perks, programmers offering free gym and recreation opportunities jumped to 46% in 2019 from 29% in the prior year’s survey. Connectivity providers offering free exercise options increased to 56% from 50% in 2018. Digital natives also upped this perk, with 80% offering compared to 66% a year earlier. Free food is still not popular within the industry. Providers offering free food stayed steady at 14%, while programmers offering it declined to 10% from 16% in the 2018 survey. Digital natives continue to lead the way in free food for employees, with 60% offering compared to 56% a year earlier.

**Powell at CCTA:** The cable industry need not worry about the explosion of OTT streaming services that have spurred “cord cutting” among some consumers, **NCTA** pres/CEO *Michael Powell* told attendees gathered Thursday at the **Calif-**

# Cablefax: March What’s happening...

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### ACA Connects Summit

Cablefax will cover this annual gathering in Washington, DC, where small- and medium sized operators make their voices heard in the halls of Congress and beyond.

### State Legislature Round-up

A look at what’s happening at the state regulatory level

### Cablefax: The Magazine – March Issue The Work Culture List

Cablefax’s newest magazine shines a spotlight on companies for their work on continuing education, D&I, employee benefits and more.

#### Awards

**Top Ops  
Nomination**  
Deadline: March 27  
[www.cablefaxtopops.com](http://www.cablefaxtopops.com)

#### Events

**ACA  
Connects  
Summit**  
March 17  
Washington  
DC

ifornia Cable & Telecom Association's Winter board meeting in La Jolla, CA. "I don't think consumers are cutting cords," he said. "They're cutting product." In other words, they need that broadband wire—and cable's push toward 10G speeds and reliability makes it one of the only games in town. Powell noted that cable "in many ways is having one of the greatest years its had in decades" because Wall Street understands that streaming drives massive broadband demand. "Those streaming products are what load those networks," he said, noting that the wireless industry's rollout of 5G will "make our broadband services better. It caused us to get on our horse and make a bold statement about the future... You can't have 5G without 10G. And the promise of 10G can't happen without 5G." He predicted that all of that competition will help make the US the most robust broadband infrastructure in the world within five years. But that doesn't mean the landscape will get any less complicated for the companies plotting strategy and competing for customers. "The world has been splintered into many different dimensions," Powell said. "It's like you're playing in a four dimensional chess board, not a single one where the pieces have just changed. You now have to look up, down, sideways and backwards."

**Shema to Depart ACA Connects:** Com Net's board has unanimously chosen *Rob Shema* to serve as the Ohio-based company's next CEO, effective March 23. He'll also serve as CEO of **Independents Fiber Network**, a wholly owned subsidiary of CNL. Shema will be stepping down from his current position as **ACA Connects** evp, member services and finance. He joined the association in 2004 from **Comcast Cable**, and was inducted into the Cable TV Pioneers in 2018. "For sixteen years, Rob Shema has been the beating Member heart of our association, integral to ACAC's growth and expansion," ACA Connects pres/CEO *Matt Polka* said in a statement. "I mean it when I say that Rob will be greatly missed."

**Roku Announces Record Account Growth:** Roku added a record 4.6mln new accounts during 4Q19, the company announced in a letter to shareholders Thursday. The company now counts 36.9mln active accounts. Revenues rose to \$411.2mln, primarily driven by advertising and an increase in sales of its connected TV devices. As for its 2020 areas of focus, Roku pointed to OTT advertising, improving The Roku Channel experience, expanding its Roku smart TVs business and international growth. "We have now entered the streaming decade when we believe consumers around the world will choose streaming as their primary way of viewing TV. We believe that we are well positioned to thrive in this new decade based on our increasing brand strength, the scale of our growing active account business, our purpose-built TV streaming operating system and first party customer relationships with growing engagement," Roku said in the letter.

**Charter to Adjust Spectrum Mobile Ad Claims:** A panel of the **National Advertising Review Board** has recommended that **Charter** modify savings claims it made in advertising for its **Spectrum Mobile** service to clearly disclose its limitations. The advertising was initially challenged by **T-Mobile** before the **National Advertising Division**, which determined that two Spectrum Mobile commercials conveyed the message that anyone paying for less than four lines pays \$70/line to T-Mobile. T-Mobile offers a deal for consumers purchasing two or three lines, so NAD and NARB found it to be an unsupported claim. The commercials also made claims that T-Mobile's offers are confusing and used the tagline "T-Mobile bad. Spectrum good." The NAD and NARB recommended that Charter discontinue that portion of the ad because Charter had not shown that T-Mobile offers are confusing and should not characterize those offers as confusing or evil. The NARB also recommended that Charter modify claims that switching to Spectrum Mobile will result in annual savings of "up to \$300" or "up to 40%," to clearly disclose that there are differences in data usage limits between providers and that those savings are only applicable for consumers with one line of service. Charter said it "is disappointed with the NAD's and, now, NARB's decision," but will comply with the recommendations.

**Senate Bill Creates Data Protection Agency:** Reps *Anna Eshoo* (D-CA) and *Zoe Lofgren* (D-CA), who authored the Online Privacy Act of 2019, applauded Sen *Kirsten Gillibrand's* (D-NY) introduction of the Data Protection Act. The bill, if passed, would create a US agency designed to protect consumer data and give it the authority to enforce privacy rights at the federal level. "We commend Senator Gillibrand for introducing the Data Protection Act, which like our legislation, creates a new federal agency that enforces privacy protections and investigates abuses," Eshoo and Lofgren said in a statement. "This independent-agency approach is an important piece of comprehensive privacy reform and allows tough but fair oversight."

**Rosenworcel Coming to ACA Connects Summit:** FCC commish *Jessica Rosenworcel* will be a keynote speaker at the **ACA Connects** 27th Annual Summit. She'll join **Boycorn Cablevision's** *Patty Boyers* in a fireside chat. The Summit will be held March 17-19 at the Grand Hyatt in Washington, DC.

**Programming:** Former White House press secretary *Sean Spicer* will be hosting news show "Spicer & Co" on **Newsmax TV**. Premiering March 3 at 6pm, the series will air daily Monday through Friday on the network. -- **Spectrum Originals** will premiere crime drama "Temple" on March 9. The eight-part series will drop ad-free exclusively on Spectrum's on demand platform.

# PROGRAMMER'S PAGE

## The Zombies are Coming for Round Two

"I know it might be crazy, but did you hear the story? I think I heard it vaguely, a girl and a zombie." Tween parent readers are likely now humming that catchy tune from **Disney Channel's** original musical "Zombies," which for the uninitiated is a story about, duh, a girl and a zombie. Plenty of people were infected, with the flick garnering 10.3mln total viewers across eight weekend telecasts in February 2018 that were up against the Winter Olympics. At its heart, *Zombies* is a tale of inclusion and self-acceptance, and it's back with another story about welcoming people who are different—or should we say welcoming werewolves. "Zombies 2" (premieres Friday, 8pm) returns to Seabrook High School, where cheerleader Addison (*Meg Donnelly*) and zombie football player Zed (*Milo Manheim*) are getting ready for the annual Prawn, the school's prom. Enter the stylish wolf pack, who are looking for something buried in Seabrook. Executive producer *Anna Gerb* believes the sequel has plenty for families to talk about. "It really teaches us that loves conquers all. It teaches us that we need to learn to celebrate each others' differences," she said. "That's very true for us as children, but also adults. By way of celebrating our individualities is how we deal with some of those deeper themes." But don't worry. The musical is still breezy fun, with Gerb promising another great soundtrack. "My four-year-old was visiting on set and we happened to be filming one little piece of one of the big dance numbers. That was it. She visited me once over six months ago. The other day I heard her humming the tune and singing it from that one visit," Gerb said. "I certainly don't sing it or play it, and the movie's not out yet. They really know what they're doing. These songs are amazing." Get ready for an invasion of Zombie earworms. — *Amy Maclean*

**Reviews:** "Washington," premiere, 8pm, Sun, Mon, Tues, **History.** *Doris Keams Goodwin's* compelling, well-paced series begins with tributes from talking heads. *Joseph Ellis* calls the first president the country's "greatest hero and leader." Warts appear quickly, though. Within minutes it's 1754, in Ohio Country, near present-day Pittsburgh. Along with 160 VA militia and Iroquois Indians, the 22-year-old Washington, in his first command, falters. Representing England, he attacks and kills French diplomats. Realizing his mistake, Washington bends the truth in letters to his superior, portraying the French as spies, not diplomats. Those letters, which he regrets later, are meant to enhance his reputation. It's his desire to become an officer in the British military. Young Washington's ambitious streak is partially credited to his strong mother, *Mary Ball Washington*. Like Presidents Obama and Ford, a single mother raises Washington. Some presidents went to prestigious schools, Washington went to war. It was a rough education, illustrated well in this series' reenactments. Not long after the Ohio mishap, French and Indian forces nearly kill Washington at Fort Necessity. He survives only because the French demand Washington's surrender. An account in "The Virginia Gazette," which Washington writes, fails to mention surrender or defeat. The fable about Washington's inability to lie, seems just that. A fable. It's not the only myth this fine series shatters. — *Seth Arenstein*

Basic Cable P2+ Prime Rankings\*  
(02/03/20-02/09/20)

| Mon-Sun | MC US | MC US AA |
|---------|-------|----------|
|         | AA%   | (000)    |
| FNC     | 1.390 | 4,271    |
| MSNBC   | 0.525 | 1,613    |
| HGTV    | 0.392 | 1,205    |
| TLC     | 0.369 | 1,134    |
| CNN     | 0.369 | 1,134    |
| A&E     | 0.345 | 1,059    |
| DISC    | 0.337 | 1,035    |
| HIST    | 0.334 | 1,026    |
| HALL    | 0.329 | 1,012    |
| TBSC    | 0.307 | 942      |
| TNT     | 0.304 | 935      |
| ESPN    | 0.293 | 899      |
| FOOD    | 0.256 | 788      |
| USA     | 0.256 | 786      |
| ID      | 0.246 | 756      |
| BRAVO   | 0.232 | 712      |
| INSP    | 0.206 | 633      |
| NICK    | 0.198 | 607      |
| ADSM    | 0.175 | 539      |
| FX      | 0.173 | 532      |
| TVLAND  | 0.165 | 507      |
| LIFE    | 0.154 | 472      |
| HMM     | 0.149 | 457      |
| NAN     | 0.148 | 454      |
| SYFY    | 0.140 | 430      |
| VH1     | 0.133 | 409      |
| GSN     | 0.133 | 408      |
| DSNY    | 0.128 | 394      |
| WETV    | 0.127 | 389      |
| NKJR    | 0.127 | 389      |
| COM     | 0.122 | 375      |
| APL     | 0.122 | 374      |
| DSJR    | 0.120 | 370      |
| MTV     | 0.119 | 367      |
| AMC     | 0.119 | 364      |
| BET     | 0.115 | 355      |
| NATGEO  | 0.115 | 354      |
| TRAVEL  | 0.110 | 339      |
| PARA    | 0.108 | 333      |
| OWN     | 0.105 | 323      |
| HBO     | 0.103 | 318      |

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

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— SCTE•ISBE's President and CEO, Mark Dzuban



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