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# Cablefax Daily™

Thursday — May 14, 2020

What the Industry Reads First

Volume 31 / No. 094

## COVID Concerns: Engaging Gen Z During a Pandemic

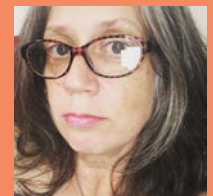
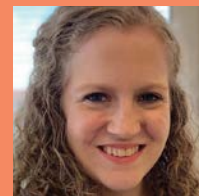
COVID-19 has created serious disruptions across all generations, but younger audiences consume content in significantly different ways than their parents. Execs at a panel hosted by *Variety* at **NAB Show Express** on Wednesday dove into how to engage the Gen Z demographic and provide them with a sense of community through unprecedented times. Social campaigns and messages directly from talent have proven effective, with **ViacomCBS**, **YouTube**, **Freeform** and **Roku** all launching campaigns related to the pandemic. "After the shelter-in-place orders became very broad and sweeping, we initially noticed a trend that some of the younger audiences, Gen Z and some of the younger millennials, were having a little trouble embracing the idea of staying at home," said *Tricia Melton*, svp of marketing at Freeform. Within two weeks, the network launched #StayTheFFHome, with Freeform talent shooting the PSAs directly from home. Within the last week, the campaign hit 100mln impressions and 2mln engagements. "It's been incredibly effective and highly engaged. We were using really authentic and relatable content and talent to help spread that message. It was never a sense of talking down to or at our audience, it was we're in this with you," said Melton. ViacomCBS and the **Ad Council** launched #AloneTogether. "This is a generation defining moment without a doubt," said *Brianna Cayo Cotter*, svp of social impact for ViacomCBS Youth and Entertainment. "We're going to have a collective trauma and identity around this moment, and that's something that's very forth of mind right now. There's all sorts of things happening on **Nickelodeon** to help support kids understanding and how parents can help support their children on that. More broadly across the brands, mental health has been a major issue for our audience and our demo for a long time now, suicide rates have been skyrocketing over the last decade." Roku found that during the pandemic, almost 90% of Gen Z on the platform are rewatching content they had already consumed, mostly in comedy, action and horror genres. Even before the pandemic, Gen Z had been pivoting to streaming to consume content, and that's only accelerated during the crisis. That doesn't mean that linear nets aren't still seeing engagement, or that there can't be a successful combination of linear and streaming. "We market and program dual platform. Every spot that is for original series is going to have a Freeform logo and a Hulu logo, equal sides," said Melton. "Because quite frankly, I don't care where you watch our content." It's similar over at ViacomCBS, with Cotter noting that **MTV's** "Are You the One?" saw massive increases

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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 ● Director of Marketing: Kate Schaeffer, kschaefter@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

in its fanbase after becoming available to stream. “It all starts with excellent content. We’re not a cable company, we’re a content company. We’re creating fantastic content and having to quickly adapt to make sure that the content reaches people across all the different ways that they’re viewing,” said Cotter. And of course, you can’t talk about Gen Z without talking about **TikTok**. “A lot of the most successful activations seem to be very talent-led and authentic,” said Cotter, citing MTV’s long-running voter engagement campaigns. “I’ve found it really inspiring how TikTok is being used by young people to help explain a very complicated election process to them in simple ways that are fun and make it easy to understand, and that’s something we’re exploring very actively. How do we amplify and support more of those efforts?” Panelists also agreed on the importance of brand messaging throughout the pandemic. “Brands are really at a pivotal point. How you show up during this crisis can really make you or break you,” said Melton. “It’s important that as a brand you know what you stand for and how that applies to what’s happening in the world right now.”

**NAB Show Kicks Off:** The in-person **NAB Show** set for April was canceled due to the coronavirus, but the group kicked off the virtual two-day **NAB Show Express** Wednesday with an opening presentation featuring appearances from Kermit the Frog and **FCC** chmn *Ajit Pai*. “It is a bit ironic, or maybe fortuitous, that this year, we are celebrating the 100th anniversary of broadcasting, and the story of our great industry is one rooted in keeping our communities safe, informed and connected,” **NAB** pres *Gordon Smith* said in his opening remarks. “It is interesting to note that during the time of the first commercial radio broadcast from **KDKA** in Pittsburgh in 1920, America was just coming out of another pandemic—the 1918 Spanish flu.” Smith presented the Distinguished Service Award posthumously to *Jim Henson*. *Pai* gave a short update on **FCC** happenings, and said the group’s physical move to a new building has been delayed until at least August. “Originally I anticipated when the pandemic hit the **FCC**’s work would slow down a little bit,” said *Pai*. “It’s actually sped up. The centerpiece of our efforts is the Keep Americans Connected pledge. We wanted to make sure that connectivity would be there for Americans, that it wouldn’t be a bottleneck.”

**Hill Looks at Broadband during COVID-19:** At a **Senate Commerce** hearing Wednesday titled, “The State of Broadband Amid the Covid-19 Pandemic,” broadband itself was in the witness seat with several senators and one witness participating remotely because of the virus. There were a couple small sound glitches, but the meeting went off without a hitch for the most part. That’s similar to how association representatives for internet and wireless providers said their members’ response has been to increased demand caused by the pandemic. Sen Communications chmn *John Thune* (R-SD) was complimentary of mobile and fixed broadband’s performance in the US. “This is much different from what we’re seeing in other parts of the world,” he said, adding that heavy handed regulation in places like Europe has stymied network investment and it is showing during the pandemic. **USTelecom** submitted testimony that employees in the field are in dire need of personal protective equipment, with the association working through agencies such as **DHS** and **FEMA** to distribute approx 1mln cotton masks to broadband providers. The group recommended Congress consider it a priority to provide additional protective equipment for these workers. There was plenty of talk about the need for accurate broadband maps, with **USTelecom** suggesting a plan that would cost about \$25mln and could be complete in months. The **Competitive Carriers Association**, whose membership includes rural and national wireless carriers, supports the Stay Connected Voucher proposal, which would allow qualified households to receive two \$50 vouchers during each



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month of the COVID-19 crisis to apply to communications service bills or at the point of sale. There was also a call to modify the E-rate program, with **Public Knowledge** senior adviser *Gene Kimmelman* suggesting school and libraries be allowed to use their connectivity funded through E-rate to provide backhaul. He gave an example of Boulder Valley, CO, which is extending its fiber network to nearby low-income housing. Kimmelman said more must be done to promote broadband competition—including Congress removing limitations on overbuilding. Sen Commerce ranking member *Maria Cantwell* (D-WA) used the hearing to talk up legislation she introduced with Sen *Ed Markey* (D-MA) and other Dems this week aimed at addressing the homework gap by using emergency **FCC** E-rate funding.

**Cable's Booming Broadband Business:** Cable just saw its best quarter for broadband sub growth in 13 years. The largest US cable and telephone providers (representing about 96% of the market) gained approximately 1.165mln net additional broadband subs in 1Q20, according to the latest from **Leichtman Research Group**. That's up from the 955K gain recorded in 1Q19, and broadband additions overall were the most in any quarter since 1Q15. Cable companies added 1.23mln subs while wireline phone companies dropped 65K subs in the quarter. Those top providers now account for about 102.4mln subscribers, with cable companies having 69.2mln broadband subscribers and wireline phone companies counting 33.2mln.

**FCC Pushes Retrans Changes, Fee Increases:** Ahead of the **FCC's** open meeting Wednesday, the Commission voted to implement the buying group provisions passed by Congress under the **Television Viewer Protection Act of 2019**. The law requires that TV station groups engage in good-faith negotiations with MVPD buying groups, just as they would if they were negotiating with individual MVPDs. **ACA Connects** applauded the move, saying the action will benefit both the MVPD members of such buying groups (like **NCTC**) and the broadcasters. "We especially appreciate the FCC's decision to interpret the key statutory terms 'large station group' and 'qualified MVPD buying group' in a manner consistent with the statutory text," **ACA Connects** pres/CEO *Matt Polka* said in a statement. "This decision, unopposed by any party, will ensure that the provision functions as Congress intended." -- The Commission also voted to move forward with a proposal to collect \$339mln in regulatory fees for FY20. The item would also raise the DBS regulatory fees, moving it closer to what cable operators pay. The new fee rules would also see the FCC charge non-US space station operators with the ability to access the US a license fee, a first for the Commission. "As the satellite marketplace grows rapidly, it is unfair to saddle American satellite companies with fees while their foreign competitors with the same market access do not face those same costs," the Commission said in a release.

**Cable ONE Backs Fixed Wireless:** **Cable ONE** told investors during its earnings call Monday that it recently closed a small investment in two fixed wireless companies. The unknown companies are part of a larger plan by Cable ONE to offer services to nearby areas without having to undergo additional buildouts. "We're not going to be in the satellite space. We're obviously not going to be in the DSL space. And so that leaves the opportunity to still provide those customers that surround our communities with the technology that still provides a broadband-level service," Cable ONE svp/CFO *Steve Cochran* said. The operator brought in revenues of \$321.2mln in 1Q20, a 15.3% increase YOY. Residential data revenues increased 19.4% and business services revenues rose 22.7%. Residential data PSUs grew by more than 102K (+16.7% YOY) while business services PSUs grew by 18K. Self-installs were up 20% YOY, even though they are only available to legacy Cable ONE customers. Cable ONE has been lucky in that the areas it serves have not been terribly affected by the COVID-19 crisis, and it is actually anticipating a larger-than-usual quarterly increase in new residential data customers. That will be partially offset by lower data overage fees, late charges and reconnect fees. Cable ONE also said it does not anticipate any delays in its three-year timeline to complete the integration of **Fidelity Communications**. "We've already integrated payroll and benefits. We're imminently connecting networks together," CEO *Julie Laulis* said.

**Programming:** **HBO Max** revealed the second wave of originals will begin hitting the platform on June 18, and new content will drop weekly through August 6. That wave will include kids competition series "Karma" (June 18), comedy "Search Party" (June 25) and docuseries "Expecting Amy" (July 9). -- **AMC Networks** has entered into an agreement to acquire the rights to author *Ann Rice's* major works, including "Interview With The Vampire" and "The Witching Hour." **AMCN** will hold the comprehensive rights to the IP, enabling it to develop content for its networks and streaming services under the **AMC Studios** umbrella or license it out to external partners. Rice and her son, *Christopher Rice*, will serve as executive producers on all series and films. -- **truTV** greenlit "Impractical Jokers: Dinner Party." The six-episode, self-filmed series, premiering May 21 at 10pm, will see the members of the comedy troupe The Tenderloins share weekly updates and break bread together from the comfort of their homes. -- **Showtime** revealed the premiere dates for its upcoming nonfiction slate. "The Go-Go's" will air August 1, four-parter "Love Fraud" premieres August 30 and "Belushi" is set for Sept 27.

## Think about that for a minute...

### It's Just A Tool!

Commentary by Steve Effros

We have every reason to be proud of the role we've played in making sure broadband has worked as well as it has during the crisis we are in. The sudden demand created by "work at home" and "school at home" edicts along with the obvious increase in entertainment escapes caused by being required to "stay at home" could have crippled the nation's broadband delivery system. It didn't.

There are many reasons for this, but the primary one is that the industry years ago anticipated constantly increasing use and built an infrastructure that was more than capable of handling a 20 or 30 percent increase in usage, which is what we experienced. Indeed, most of our systems are already configured to handle a lot more than that. So it's with a limited amount of modesty that we should be able to say we do understand the usage and trajectory of our technology, and we should at least be able to contribute to the discussion of how it's being used now, and where that use is likely to lead us.

I say all this by way of introduction to several different strains of reporting and discussion suggesting that the "hopes and dreams" of some regarding broadband use have already been dimmed because broadband didn't "fix" perceived problems on the first try. "Remote education" is a good example.

The sudden closing of primary schools nationwide threw the education establishment into crisis mode and forced actions that would normally have taken years. It's not easy for any of us to appreciate, after being cooped up for two months or more, that it really has only been a few months since all this started going downhill quickly. The notion that our schools, our teachers, our students and their parents could instantly convert from a traditional



school environment to a home-schooled electronic environment in a matter of days or weeks is just unrealistic.

But that seems to be the expectation of some if you believe the complaints that "distance learning" doesn't work. Actually, we don't even know what that term fully means yet. While "distance learning" has been used in college settings for some time now, at the grade school and high school level it's essentially just at the trial and error stage. There have been errors. There have also been successes. But to make any judgments about the use of broadband and distance education based on such limited, emergency use is foolish.

The same is true for working at home. I do it all the time. But some businesses are already complaining that the lack of personal interaction in the office has seriously limited managerial oversight. I'm sure that's true, and I don't suggest for a moment that offices should be closed in favor of everyone working at home. But we're going to experience a "new normal" requiring, at least for a significant amount of time, limited exposure to each other. Yes, some managers and some teachers will find that very difficult. There's a necessary learning curve we have not experienced yet. Some will never adapt. There are others who have creatively used this broadband tool as an opportunity for new techniques, new opportunities. We have to learn from them.

The important thing here is to simply remember that broadband, whether used for work or school (we're already very good at the "play" part) is just a tool. We'll have to learn how to use it, not think of it as an end in itself. That won't work.

*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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