

# Cablefax Daily™

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What the Industry Reads First

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## 5Qs with Crunchyroll's Joanne Waage

WarnerMedia's anime streamer Crunchyroll crossed 3mln paid subs last week, a major milestone for the niche AVOD. Cablefax spoke with gm Joanne Waage on the accomplishment, the DTC landscape during the pandemic, and what's next. An edited excerpt follows. **What do you believe attributed to Crunchyroll's accelerated growth over the last two years?** The rise of VOD and streaming, the growth of anime in mainstream pop culture, and our continued international expansion. The growth in the streaming space and the proliferation of offerings and options allowed Crunchyroll to hyperfocus on super serving the anime audience - we don't aim to be a service for everyone but rather everything to someone. Anime is also becoming a more widely celebrated part of pop culture. There are so many celebrity fans touting their love for the medium, and we recently collaborated with *Megan Thee Stallion* on an exclusive streetwear collection with Crunchyroll Loves, our in-house clothing brand. Finally, international has been a meaningful growth area for us. Currently, more than half of our subscribers are based in the US, but we see that number shifting over the next few years, as we have built strong anime communities in English speaking countries, along with France, Germany, Mexico and Brazil. **How has the pandemic affected Crunchyroll, and the DTC space in general?** We are seeing significantly increased engagement during this time. Our primary focus has been on our community; ensuring Crunchyroll is the best home for anime and for anime fans to be in community with each other. We've launched a number of digital events and initiatives to bring our community closer together and we recently announced Virtual Crunchyroll Expo, the first digital edition of our yearly flagship anime convention. **How does Crunchyroll's strategy fit in with WarnerMedia's larger streaming strategy, and what's the partnership with HBO Max like?** While I can't speak to WarnerMedia's streaming strategy, I can say that Crunchyroll is a perfect complement to other portfolio brands that have a strong direct to consumer connection. HBO Max has also been an incredible partner to us. We are currently curating the Crunchyroll hub on HBO Max, bringing select fan-favorite titles to the platform each quarter. Given HBO Max's extensive reach, we know this is an amazing way to create new anime fans across the country. WarnerMedia really understands animation and the importance of the direct to consumer relationship, so we're very happy to be a part of this larger family. **What role do you believe anime plays in the**

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### Jailendra Singh

Lead Analyst,  
Healthcare Technology  
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Singh is the Lead Analyst covering the Healthcare Technology & Distribution sector at Credit Suisse. Before expanding his coverage to Healthcare Technology & Distribution in 2018, Singh covered the Managed Care and Healthcare Facilities sector for almost a decade.

Singh has been part of an Institutional Investor-ranked team for six years (#1 in 2019, 2018, 2017 and 2016, #2 in 2015, and #4 in 2014).

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**cultural landscape?** Anime is not one genre--it is a rich storytelling medium that crosses many genres including sci-fi, thriller, sports, romance, and lifestyle. It is adult dramatic animation and it's as popular and common in the East as adult comedic animation is here in the West. Due to the exponential growth of our service and what we're seeing across the marketplace with anime breaking into pop culture consciousness, we're confident this category will become mainstream. We recently surveyed our audience and found that only 6% of Gen-Z respondents mentioned that they didn't know what anime was, compared to 27% of the general population. **What's coming up next?** This has been an incredible year for us. We've seen record high engagement and subscriber growth, and we launched our Originals initiative to much fanfare a few months ago. Things aren't slowing down from there. We're gearing up for Virtual Crunchyroll Expo in early September. We have more titles to be announced from Crunchyroll Games, more exclusive ecommerce collections to come from Crunchyroll Loves, an incredible lineup of series for our next few anime seasons, and more international news. We're excited to keep serving our fans in the years ahead.

**ViacomCBS Launching Global Streamer:** ViacomCBS CEO *Bob Bakish* lifted the curtains on the company's upcoming global streamer during the company's 2Q earnings call Thursday. Launching in early 2021, Bakish described the not-currently-branded streamer as a "super-sized offering of truly compelling content, with first run originals and library from all ViacomCBS brands, including **Showtime**." The initial rollout will focus on "high-value territories" including Australia, Latin America and the Nordics. In some markets, the new platform will rebrand and expand from an existing streamer, such as **10 All Access** in Australia and **Paramount+** in the Nordics and Latin America. Domestically, ViacomCBS had a great quarter in pay subs, ending 2Q20 with 16.2mln subs, reaching its year end goal six months ahead of plan. ViacomCBS is increasing its domestic pay streaming sub guidance to 18mln by year end. "This growth supports our conviction in the growth potential of our streaming offering, and we're just getting started," said Bakish. He also said the **CBS All Access** transformation is "fully on track" and it promised a "truly differentiated streaming product." Domestic streaming and digital video sales rose to \$489mln, up 25% YOY, driven by a 52% gain in streaming sub revenue and strong growth at **Pluto TV**. The AVOD's domestic monthly active users rose 61% to 26.5mln, and Bakish said the company remains confident it will achieve 30mln domestic MAUs by year end. Ad revenue plummeted 27% YOY, mostly due to COVID-19 and the lack of professional golf and the NCAA tournament. Revenue of \$6.275bln fell 12% YOY, but still beat Wall Street consensus.

**California Back in Net Neutrality Fight:** The net neutrality battle is never over, and the **DOJ** and broadband industry groups have filed new complaints against California in relation to its net neutrality regulations. The case against

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the state has been on hold since Oct 2018 because California agreed not to enforce the law until after litigation over the FCC's Restoring Internet Freedom order was resolved. The appeals window on that case closed last month, reviving the battle against state net neutrality laws. Although the FCC's attempt to impose a nationwide preemption on net neutrality laws was overturned by the US Court of Appeals for the DC Circuit, the DOJ said in its complaint that California's law "is preempted by federal law and therefore violates the Supremacy Clause of the United States Constitution." Similarly, **ACA Connects**, **CTIA**, **NCTA** and **USTelecom** said in their joint complaint that the case is a classic example of unconstitutional state regulation. "This statute was purposefully intended to countermand and undermine federal law by imposing on broadband—an interstate communications service—the very same regulations that the Federal Communications Commission expressly repealed in its 2018 Restoring Internet Freedom Order (and by adopting even more restrictive regulations)," the groups wrote.

**Paul Telegdy Out At NBCU:** NBC Entertainment chmn *Paul Telegdy* is exiting the company after 12 years. The news comes less than a week after NBCU launched an investigation into Telegdy following accusations of toxic workplace behavior. Telegdy's exit is part of a larger reorganization under NBCU chmn, television and streaming *Mark Lazarus*. The new structure includes three business units: direct to consumer, entertainment programming and entertainment business. **Peacock** chief *Matt Strauss* will also serve as head of the DTC unit. Peacock will have a dedicated team within the division. *Francis Berwick* will head the entertainment business unit, which will lead programming strategy and content spend across all NBCU nets. Original programming on the broadcast and cable networks will fall under the entertainment programming unit. NBCU is still searching for an exec to run the division. **NBC Sports** will remain under *Pete Bevacqua* and *Beau Ferrari* will separately run **Telemundo Enterprises**. "With the power of NBC and the broadcast model, coupled with the strong cable entertainment brands and the new addition of Peacock, we have massive scale and a deep library of valuable content that can live across platforms," Lazarus said in a statement. "We are incredibly fortunate to have some of the most talented executives in the industry leading the charge and I am confident that we are poised to win in this competitive landscape."

**Controversial C-Band Auction Procedures Approved:** The FCC voted Thursday along party lines to establish final application and bidding procedures for the upcoming C-band auction. The procedures adopted at the Commission's open meeting hope to ensure that auction winners will be assigned contiguous spectrum blocks allowing wide channel bandwidths that support 5G deployment. Democratic commish *Jessica Rosenworcel* partially dissented the order because it was the first time the FCC had single-handedly decided the value of the spectrum up for grabs rather than letting the market set the price. "Whatever hazy deal this agency cut with existing licensees is hard to square with our clear statutory duty to deposit auction proceeds in the United States Treasury," Rosenworcel said. "We should have worked with Congress on a more transparent path." FCC chmn *Ajit Pai* scolded his colleagues for their desire to wait for Congress, noting the Congress hasn't made any progress on the C-band issue in the six months since the Commission began planning the December auction.

**Roku Earnings:** Roku reported a 42% YOY net revenue growth to \$356mln, beating analyst expectations of \$315mln. The company reported a loss per share of 35 cents, ahead of analyst expectations of a 50-cent loss per share. Roku generated the largest net increase in active accounts in its history outside of a Q4 holiday period, reaching 40mln, up 41% YOY. Users streamed 14.6bln hours, a 65% increase YOY. And while most companies are seeing declines in advertising, Roku's monetized video ad impressions grew approximately 50%. Still, in a letter to shareholders, the company said it does not believe that total TV ad spend will recover to pre-COVID-19 levels until well into 2021. "The material slowdown in advertising impression growth in the quarter from nearly doubling in 1Q 2020 to just +50% in 2Q 2020 is a bit worrying given the high level of stress in the 2Q 2020 linear ad markets and is a key area to watch in the coming months," *MoffettNathanson* wrote in a note. "Indeed, the AVOD market in the quarter appears a bit weaker than anticipated given this increase in active accounts" Additionally, Roku announced that CFO *Steve Loudon*, who had announced in December he would be leaving Roku, will stay with the company.

**More for Mediacom:** Mediacom gained a record 4700 internet subs in 2Q20, ending the quarter with 1.396mln HSD customers. That marks a 7.1% increase from June 30, 2019. Those sub gains allowed Mediacom's revenues to climb 3.3% YOY to \$525.8mln. "In retrospect, our strategic decision to invest \$3 billion over the last decade to 'future-proof' our fiber-rich network was visionary, giving us the ability to handle the recent 35% surge in customers' bandwidth consumption," Mediacom chmn/CEO *Rocco Commisso* said.

**Programming:** "The Rich Eisen Show" is returning to **NBC Sports** on Aug 17. Beginning on Oct 5, the show will stream exclusively on **Peacock**. -- "100 Days Wild" will premiere on **Discovery** Aug 21 at 9pm.

# PROGRAMMER'S PAGE

## Lifetime Elevates Voices of Epstein Survivors

**Lifetime** is the latest to tackle the story of *Jeffrey Epstein's* Ponzi scheme, but docu-series "Surviving Jeffrey Epstein" centers on the survivors of his predatory behavior and the pain they carry. Premiering Sunday at 8pm, the series also investigates how the New York financier was able to set up the scheme while also shielding himself through his connections with the rich and famous. "The goal of the series was to tell the story in real time through the lens of the survivors who were bearing the burden of abuse for years... abuse that was hidden in plain sight," executive producer *Bob Friedman* told **CFX**. Any series like this has its challenges, but the largest Lifetime faced came four days before delivery, only two weeks ago, when *Ghislaine Maxwell*, Epstein's former girlfriend and alleged accomplice, was arrested on several charges related to sex trafficking of minors and perjury. At the same time, it gave the producers an opportunity to look at the sophisticated web of female recruiters allegedly led by Maxwell. "We worked with a myriad of psychologists and experts who were made available to the survivors who wanted help as they continued to go through this horrific memory," Friedman said. "We made them available before and during filming, and will make them available after filming for those who want that help." Maxwell has pleaded not guilty to those crimes. Epstein never faced a federal trial over the crimes of which he was accused, dying a month following his arrest last summer. For the sake of the survivors, Friedman hopes Maxwell's story ends differently. "We hope that the series will provide an opportunity for survivors to gain as much closure as they can and, if the alleged crimes against Ghislaine are proven, to be able to face her in the way that they were unable to face Epstein." – *Sara Winegardner*

**Reviews:** "The Alienist: Angel of Darkness," 9pm, Sunday, **TNT**. So many things about TV have changed since **Cablefax Daily** began publishing reviews two decades ago. Back then, technological progress always revolved around ordering a pizza from your TV screen. Streaming and on demand took years to reach the zeitgeist. Hard to imagine, but HD was not a guarantee, and the notion that cable would provide telephone and internet once was a radical thought. Urging you to watch season 1 of "The Alienist" (via Prime or **Hulu**) over the current season prompted this tech nostalgia wave. However, if period mysteries are your game, then the current season is good viewing. It centers on former NYPD typist Sara Howard (*Dakota Fanning*) becoming a private eye. It doesn't top season I, though, which introduces enigmatic alienist Dr. Lazlo Kreizler (*Daniel Brühl*) and reluctant sidekick John Moore (*Luke Evans*). The plot is thick, though much of the acting is stiff. Still, the series' ability to evoke NY in 1896 through costumes, lighting and other production values is outstanding. And speaking of technology, it's fascinating watching season 1's introduction of finger print identification. – "True Life Presents: Quarantine Stories," 9pm, Wednesday, **MTV**. The self-filmed series continues, as does the pandemic. This week's ep looks at love and quarantining. As expected, some romances flourish, others do not. – *Seth Arenstein*

| Basic Cable P2+ Prime Rankings*<br>(07/27/20-08/02/20) |          |                      |
|--|----------|----------------------|
| Mon-Sun  | MC<br>US | MC<br>US AA<br>(000) |
| FNC  | 0.998    | 3,066                |
| MSNBC  | 0.611    | 1,877                |
| CNN  | 0.441    | 1,356                |
| HGTV   | 0.432    | 1,328                |
| TLC  | 0.392    | 1,204                |
| ESPN   | 0.341    | 1,047                |
| HALL   | 0.339    | 1,042                |
| TBSC   | 0.328    | 1,008                |
| TNT  | 0.292    | 897                  |
| HIST   | 0.288    | 885                  |
| FOOD   | 0.246    | 757                  |
| USA  | 0.230    | 708                  |
| ID   | 0.229    | 705                  |
| INSP   | 0.212    | 652                  |
| DISC   | 0.211    | 649                  |
| DSNY   | 0.188    | 577                  |
| LIFE   | 0.187    | 574                  |
| A&E  | 0.181    | 557                  |
| TVLAND   | 0.181    | 555                  |
| BRAVO  | 0.174    | 535                  |
| HMM  | 0.154    | 472                  |
| ADSM   | 0.144    | 444                  |
| NAN  | 0.142    | 435                  |
| AMC  | 0.141    | 432                  |
| NICK   | 0.137    | 421                  |
| GSN  | 0.136    | 419                  |
| PARA   | 0.131    | 404                  |
| FX   | 0.128    | 392                  |
| APL  | 0.127    | 389                  |
| WETV   | 0.126    | 387                  |
| TRAVEL   | 0.121    | 372                  |
| NATGEO   | 0.119    | 367                  |
| SYFY   | 0.111    | 340                  |
| MTV  | 0.100    | 306                  |
| FRFM   | 0.098    | 302                  |
| COM  | 0.097    | 299                  |
| OWN  | 0.093    | 286                  |
| NKJR   | 0.091    | 281                  |
| E!   | 0.091    | 279                  |
| DSJR   | 0.088    | 270                  |
| OXY  | 0.086    | 266                  |

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

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