

# Cablefax Daily™

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What the Industry Reads First

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## 5 Questions: Talking AVODs & Advertising with Vizio

AVODs are hot, and smart TV maker Vizio has been throwing up more free, ad supported content on its SmartCast platform than we can count. Most recently, it added a dozen kids and family channels. We caught up with vp of platforms Adam Bergman to chat about Vizio's content strategy and the direct-to-device ad opportunity. An edited excerpt follows.

**Can you walk us through Vizio's SmartCast and WatchFree?** SmartCast is our native operating system that lives on all our smart televisions. That's the home and hub of all our streaming content, both subscription and ad-supported VOD. Inside of that SmartCast experience is our owned and operated streaming service WatchFree, a linear-like experience, 250+ channels of premium content, movies, news, sports, episodic content, everything. It's our approach to free television.

**What have you've learned in terms of content discovery?** About 48% of time spent on our operating system is spent with ad-supported content. I think consumers do have a little bit of subscription fatigue as the streaming wars heat up. In general, viewership has spiked up and to the right. This calendar year alone, we have added 100+ channels of free content to our platform. That includes applications like Peacock. They're not on Roku or Amazon. That's huge position for us. When we look at pre-shelter and post-shelter, you're looking at 100+ percent growth in viewership. That includes linear and streaming.

**How does it work with AVODs in terms of splitting advertising with Vizio?** The economics vary on a partner by partner basis. We're a consumer brand first. We market televisions, and we market an operating system. When we start plugging content providers into that, we want to be sure we have a good sense of the consumer experience and that means the ad experience as well. Every negotiation for us begins with us representing all of the ad inventory, and in many cases, the partners are comfortable with that.

**What is the direct-to-device advertising opportunity for brands?** We're on year 3 or 4 of subscription decline in cable and satellite and unbelievable growth for over-the-top consumption. Every advertiser knows they need to be in this space. There's more and more time spent with OTT and connected television, but the ad dollars haven't shifted as seismically as we all would have liked. Our entry into the market solidifies that working directly with device manufacturers is an extremely attractive route in terms of building a strategy. Every advertiser wants to be in streaming, so

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you have a million and one ad tech vendors going out there and building ad network-like businesses. We have come to market saying nobody knows more about what happens on our screen than Vizio so building a direct-to-device strategy allows brands and agencies the chance to transact in a simple transparent fashion.

**You joined Vizio in November. You're a salesman. How is that working during the pandemic?** I was part of the founding team of Vizio Ads. I had put a few people on the ground in NY. I was able to hire team members in Seattle and L.A. We had a few months of face-to-face brand and agency meetings before the lockdown took place. Full disclosure, I did have a new hire start on Day 1 of lockdown. I will say I am unbelievably proud of our team for being able to carry themselves directly into a virtual world. I personally did a lot of analysis on our business, and looking at meeting activity and strength, there hasn't been a drop.

**DISH Facing Another Potential Retrans Blackout:** DISH may lose **Mission Broadcasting** stations (again) with the two facing a Friday (9/11) deadline to get a new retransmission consent deal done. DISH actually lost the Mission stations in January, but they returned in March thanks to a temporary truce brokered because of the pandemic. Mission is telling viewers it has put forth a proposal for "fair value compensation," while DISH describes the request as an "unbelievable 50% rate increase." DISH TV pres *Brian Neylon* said Mission also wants payment for customers who don't subscribe to local stations on DISH. The spat involves 26 stations, including Shreveport, LA's Fox affiliate and Rockford, IL's ABC station. **Scripps** stations just returned to DISH after a 43-day blackout. DISH lost 10 **Cox Media Group** stations on July 22, and they remain dark, with the former **Northwest** stations owned by Cox Media also warning of a potential blackout.

**DISH Gets More Time for 5G:** The FCC Wireless Bureau issued an order Friday that extends the terms of DISH's AWS-4, AWS H Block and Lower 700 MHz E Block licenses until June 14, 2023. DISH is required to provide 5G broadband over the licenses at that time. If DISH is offering 5G with respect to the AWS-4 licenses to at least 50% of the US population, the final deadline shall be further extended automatically to June 14, 2025, for DISH to construct and offer 5G broadband to at least 70% of the population in each EA with respect to each AWS-4 license.

**Drahi Offers to Take Altice Europe Private:** French billionaire *Patrick Drahi* is offering 2.5bln euros (\$3bln) to take **Altice Europe** private. He already owns 77.6% of the group's shares. The founder will pay 4.11 euros through his Next Private vehicle, valuing the company at 4.9bln euros, a 24% premium over Thursday's closing. Last week **Altice USA** put in an offer of \$7.8bln to buy **Cogeco**, a move that was rejected.

**Senators Urge ISPs to Change COVID Policies:** A group of Democratic senators that includes *Mark Warner* (D-VA) and

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Elizabeth Warren (D-MA) are urging the largest ISPs to take concrete measures to suspend limits and fees associated with increased broadband use in order to support wider internet access during the COVID-19 pandemic. Letters were sent to the CEOs of **AT&T, CenturyLink, Charter, Comcast, Cox, T-Mobile and Verizon** "With many schools closed and students now relying on the internet to connect with their teachers, instruction materials, and assignments, sufficient data allowances are even more essential for students' success now and throughout their future," the senators wrote. They are asking ISPs to work with public schools, colleges and universities to provide free or at-cost broadband options for students whose schools are closed and don't have sufficient access at home.

**Honors:** WICT announced the members of the **Classes 42 and 43** of the 2020-2021 Betsy Magness Leadership Institute. Since the leadership development program's launch in 1994, over 1K women have graduated from it. -- The 45th annual **Gracies Awards** were held by the **Alliance for Women in Media Foundation** virtually Thursday. The event recognized more than 120 women and men in media as well as outstanding programming created for, by and about women. *Katy Perry* received the Gracies Impact Award for the positive influence on society, and *Gayle King* won the Best Special or Variety Program award for her interview with *R. Kelly*. Other honorees included *Naomi Watts* and *Tamron Hall*.

## Cablefax Dashboard

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### Up Ahead

- Sept 14-17:** [NATPE Streaming Plus](#)
- Sept 22:** [Cablefax's FAXIES Awards Celebration, Also Honoring the Cablefax 100, Top Ops and Work Culture List](#)
- Sept 29-Oct 1:** [NCTC and ACA Connects' Independent Show](#)
- Oct 5:** [WICT Leadership Conference](#)
- Oct 6-9:** [NAMIC's 34th Annual Conference](#)
- Oct 12-15:** [SCTE-ISBE Cable Tec Expo 2020](#)

### Research

- More households watched TV in August than any other month this summer, up 2% over June and July.
  - TV viewership in August was up 1% YOY, the first month this summer that saw gains YOY in total household viewing
  - Early fringe viewing (4-7pm) jumped 35% in August YOY, and was also up 3% from July 2020, largely driven by sports programming and news, with CNN and TNT each up 150-200% YOY in that daypart.
  - Outside of news networks, Showtime saw the greatest increase YOY reach, up 29% and consumption up 34%
- (Source: Report from analytics and data provider Samba TV)

### Quotable

"The single biggest risk in any industry is regulation. We can only base our expectations based on precedence or new rhetoric. The precedent is the former Democratic government enacted Title II, but did not use it, per se. We have not heard, at least from this team today, any advanced rhetoric on regulation. So, let's see what happens, but I'm always optimistic that free flow of capital and incentives to invest capital is the primary objective from our telecom regulators."

– **Altice USA CEO Dexter Goei** on the possibility of Biden winning the presidential election.

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