

# Cablefax Daily™

Friday — October 9, 2020

What the Industry Reads First

Volume 31 / No. 196

## COVID + Video: Video Usage Spikes, Remains High During Pandemic

(The following article is Volume 2 of the 13-part Broadband Game-Changer Series, brought you by Adara Technologies) A lot has been made about the pandemic's impact on broadband consumption, but its influence also can be seen on the video side of the business—both for traditional cable offerings as well as OTT streaming.

When it comes to linear TV, **Hotwire Communications** saw its peak monthly average of viewing spike to 11.4 hours per day during the first few months of the pandemic, up from a monthly average peak of 7.9 hours per day in the 12 months preceding COVID. "Record high viewership illustrates the continued value our customers place on a premium pay-TV experience, but more importantly they are looking for the community-focused experience and content that is unique and core to Hotwire's Fision service," said *Jonathan Bullock*, evp, corporate development.

**Charter's** massive broadband growth during 2Q showed there's still power in the bundle, with the MSO adding 102K video subs—the first time its posted video additions since 4Q17. "At the end of the day, in Q1 and Q2 the biggest driver for our video performance in the marketplace was that we sold a boatload of broadband," Charter CFO *Chris Winfrey* said at a recent investor conference. "When you sell that many broadband connections, there are a lot of video attachments that go along with that—both for regular, expanded basic as well as the streaming packages that we have."

For a company like **Cable One**, which has long de-emphasized traditional video, streaming metrics have been through the roof. "We estimate that 75-80% of our increase in consumption was driven by streaming video," said *Ken Johnson*, Cable One's svp of technology services. "COVID has forced people who had never considered OTT video options to turn to them for news and entertainment during the shelter in place. As a result, we are seeing a whole new group of consumers become comfortable with OTT video services for the first time and we expect that this is a permanent change in consumer behavior."

Adding fuel to the OTT fire were the launch of two new streaming services during COVID—**HBO Max** and **Peacock**. AVODs **Pluto TV** and **Tubi** were significantly elevated following their purchase by **ViacomCBS** and **Fox**, respectively. And **Disney** used the unique environment to push content originally slated for theaters, such as "Hamilton," to newbie SVOD Disney+, which debuted in November 2019. **MoffettNathanson** forecasts **Disney+** domestic subs will surpass 50mln by 2024, with worldwide subs expected to hit nearly 160mln during that timeframe. "In short order, it is very clear Disney's DTC businesses have meaningfully outperformed their initial subscriber expectations," the analysts said.

**Comscore** reports that OTT viewing saw extraordinary growth early on in the crisis, with 69.9mln homes using OTT in April—an increase of 5.2mln homes compared to April 2019. The average home viewed 102 hours of OTT content, up 17 hours from a year ago. Those initial spikes have held pretty steady as lockdown orders expired. While the measurement company reports the Big 5 streamers (**Netflix**, **YouTube**, **Amazon Video**, **Hulu** and **Disney+**) accounted for 82.5% of OTT streaming hours in April, ad-supported services are outpacing SVODs in terms of growth

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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, Cablefax & Synopsis: Robbie Caploe, 917.974.0640, rcaploe@accessintel.com ● Senior Editor: Sara Winegardner, 301.354.1701, swinegardner@accessintel.com ● Associate Editor: Mollie Cahillane, 212.621.4951, mcahillane@accessintel.com ● VP, Sales: Mike Farina, 203.218.6480, mfarina@accessintel.com ● Sales Exec: Albert Nassour, 917.545.3129, anassour@accessintel.com ● Dir of Marketing: Kate Schaeffer, kschaeffer@accessintel.com ● Prod. Mgr: Joann Fato, jfato@accessintel.com ● Kerry Smith, Divisional President, Marketing & Media Group, ksmith@accessintel.com ● Group Subs/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 reach, growing 9% when comparing April 2020 to January 2020. Non-ad-supported grew only 5%.

While OTT viewing and data consumption as a whole remains higher in 2020 vs 2019, the difference has shrunk during the summer months. In June, data usage via smart TVs was still 28% greater than in June 2019, but down from 55% the prior month, Comscore said. As the weather turns colder, some predict usage may spike again. There's some concern that unemployment and financial hardship could lead to more cord-cutting or shaving of SVOD services.

Helping traditional video—and perhaps especially virtual MVPDs with their lack of contracts—could be the return of live sports. “All in, we are expecting the traditional distributors to report about 2mIn net video subscriber losses in 3Q, though growth across the virtual MVPD platforms could add nearly 1mIn subscribers, which should be a positive dynamic driving 4Q affiliate revenue results,” **Evercore ISI** analysts said in a note to clients Thursday.

While sub loss trends are likely to continue, video can still be an important part of the product offering. Despite Charter's 2Q video windfall, Winfrey believes cord-cutting trends will accelerate. However, Charter still sees the need for video. “What matters most to us is having a competitive video product that is very supportive of the broadband sales and retention. We think about it really as a package of services,” Charter's Winfrey said.

That packaged approach was echoed by **NCTC** and **ACA Connects** members earlier this month at their annual Independent Show. “We know that video is crucial to selling our most profitable service, which is internet,” **Jackson Energy Authority** svp, telecommunication *Ben Lovins* said. “We also see value in running retention spots and public affairs types of programs... and we don't want to give up that inventory to anybody.”

**WarnerMedia To Lay Off Thousands in Restructuring:** WarnerMedia is planning a restructuring that would cut costs by as much as 20%, according to a *WSJ* report. In the coming weeks, the plan would result in thousands of layoffs across **Warner Bros'** studios and the company's TV channels, including **HBO, TBS** and **TNT**. “Like the rest of the entertainment industry, we have not been immune to the significant impact of the pandemic. That includes an acceleration in shifting consumer behavior, especially in the way content is being viewed,” the company said in a statement. “We shared with our employees recently that the organization will be restructured to respond to those changes and prioritize growth opportunities, with an emphasis on direct-to-consumer.” WarnerMedia's transformation has been underway since *Jason Kilar* took over as CEO in May. The company cut more than 500 jobs at Warner Bros and said goodbye to *Bob Greenblatt* and *Kevin Reilly* in August.

**Comcast Scores in 10G Trial:** Comcast announced Thursday that it has achieved a 10G technical milestone in a trial, delivering 1.25Gbps upload and download speeds using network function virtualization combined with the



The image shows the cover of Cablefax Diversity magazine. The cover features the title 'Cablefax THE MAGAZINE' at the top, with the subtitle 'Innovation > Leadership > The Cable Community'. Below this, the word 'DIVERSITY' is written in large, colorful, stylized letters. At the bottom of the cover, there are three circular icons labeled 'THE LEADERS', 'EXEC OF THE YEAR', and 'THE INFLUENTIALS'.

**CONGRATULATIONS TO ALL THE HONOREES!**

This year more than ever, Cablefax is proud to continue our longstanding recognition of the top multi-ethnic industry executives, based on their accomplishments and influence.

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latest DOCSIS technology. Technicians installed the service, which is based upon a distributed access architecture Comcast deployed in the area, at a home in Jacksonville, FL. “The great strength of our network technology is that we will have the ability to scale these next-generation speeds of tens of millions of homes in the future without digging up yards, or starting massive construction projects,” **Tony Werner**, **Comcast Cable** pres, technology, product, Xperience, said in a statement. “This technology provides a path to meeting the needs of the future and making multi-gigabit symmetrical speeds a reality for everyone, not just a select few.” Comcast will expand the trial to more homes in the coming weeks as it continues to test the performance of the service under multiple different home and network environments.

**Debate Ratings:** More than 57mln folks across the country tuned into the VP debate Wednesday evening across broadcast and cable nets. **Fox News Channel** saw the highest-rated VP debate in history, pulling in over 11.3mln viewers. **CNN** scored 7.31mln viewers, and **MSNBC** 6.674mln.

**Diversity of Voices:** As **REVOLT** enters 2021, it's working to elevate voices, particularly those of Black women. “I do not believe that you can be committed to the fight for social justice and not be focused on centering, uplifting, supporting, elevating and protecting Black women,” **REVOLT** co-head/COO **Detavio Samuels** said at a **NAMIC** Town Hall Thursday. “I also believe that the way America works, Black women are the bottom of the totem pole in terms of the caste system. They are the most marginalized and the most disenfranchised. I also believe that any solution, in order for it to work, has to work for Black women.” Diversifying voices also includes looking at your company's internal makeup, other panelists said. At **Telemundo**, 90% of employees are Hispanic. Senior execs took a deep dive into the company to look at deficiencies, and realized there were gaps in women being promoted and an accurate reflection of the diverse range of Hispanic identities. “Whether you're Puerto Rican, Mexican, Cuban, or whether you're Afro-Latino or not, it's important that we look like our viewers,” said **Monica Gil**, **Telemundo's** chief administrative and marketing officer. She noted the company's also working to make sure women don't cap out at an svp level and continue to grow. As for diversity in content, **ViacomCBS** pres/CEO **Bob Bakish** stressed that programming can't connect with audiences if you don't have diverse employees. “Doing so requires us to hold leadership accountable for developing that diverse workforce, a workforce that's equipped and empowered to succeed,” he said. “For us, that starts at the top, it starts with me, my board of directors and our senior leadership team. We're all dedicated to this mission.” New kid on the block is **Black News Channel**, which launched in February. Pres/CEO **Princell Hair** has nine direct reports, eight of whom are Black. Yet he thinks its important BNC have a variety of voices in storytelling. “If we did not, we would be doing the exact same thing we accuse white male led companies of doing,” he said. Without diversity, “your content becomes very linear and not very broad.”

**Freeing More Spectrum for 5G:** Sens **Roger Wicker** (R-MS) and **John Thune** (R-SD) along with Reps **Greg Walden** (R-OR), **Brett Guthrie** (R-KY) and **Bob Latta** (R-OH) introduced a bill Wednesday that would require the **FCC** to begin an auction of the 3.45-3.55GHz band by Dec 2021. The White House announced in August that it would make 100MHz of spectrum in the 3.45-3.55GHz band available for commercial wireless use and the lawmakers said the Beat CHINA for 5G Act of 2020 would ensure there are no delays to the auctioning of that spectrum.

**CommScope Adds DAA Offerings:** **CommScope** expanded its distributed access architecture portfolio with the introduction of three Remote PHY and MACPHY technologies. The E6000n RD2322 RxD Remote PHY device leverages operators' installed base of fiber nodes as the foundation for driving processing power closer to the customer premises. **CommScope's** E6000r High Density R-PHY Shelf serves as a 1RU headend and hub-site offering that can host up to eight Remote PHY devices. The final addition, the OM6-RPD-112, is a variant on **CommScope's** original E6000n Remote PHY device, capable of doubling available upstream service group density to serve more subs with higher service tiers.

**Programming:** **Fuse Media** will air “Fuse Town Hall: Our Votes Matter” at 9pm on Oct 23. The town hall will feature open discussions about top issues that are important to Fuse's audience heading into the election. -- **EPIX** docuseries “By Whatever Means Necessary: The Times of Godfather of Harlem” will premiere on Nov 8 at 10pm. -- **Law&Crime Network** is launching new docuseries “Trial File.” The series premieres Friday at 9pm.

**People:** **Crown Media Family Networks** upped **Andy Rooke** to COO, an expanded role that adds to his existing areas of oversight as the company's CFO. He reports to pres/CEO **Wonya Lucas**. -- **WarnerMedia** named **Jean-Pal Colaco** as head, ad sales. He joins **WarnerMedia** from **Apple**, where he led the Americas for the Apple Search Ads business. **Colaco** will report to **Tony Goncalves**, head of **WarnerMedia's** commercial businesses.

**Editor's Note:** Your Oct 12-15 issues of **Cablefax Daily** will arrive in the morning instead of the evening before because of **SCTE-ISBE** Cable-Tec Expo. We look forward to bringing you all the news from the show and beyond!

# PROGRAMMER'S PAGE

## ID Tells The Story of Nicole Brown Simpson

We've all heard the story of the infamous *OJ Simpson* trial and the murder of *Nicole Brown Simpson*, but **ID**'s latest documentary focuses exclusively on Nicole's story and the circumstances that led to her death. "OJ & Nicole: An American Tragedy," which premiered Monday, tells her story through entries from her diary as well as via firsthand accounts from her closest family and friends. "As soon as the first interview was completed, we knew we were going to have a powerful show because of the emotion and the insight into Nicole. We knew we had something new, something that hadn't been heard before in this case," executive producer *Lorna Thomas* told **CFX**. "Nicole gets lost in the media frenzy surrounding this, who she was and the relationship at the core of this." Thomas felt a huge level of responsibility when it came to telling Nicole's story in a way that didn't just entertain audiences, but also honored her memory. "We know that this is a new take on it and a more in-depth take in terms of Nicole and what happened to her, and the evolution of that relationship," Thomas said. "It's a love story, and it's a tragedy. It's a story of domestic violence." Stories of domestic violence have become far too common, and too often those behaviors continue to escalate and end with homicide. Thomas hopes that women who are currently struggling in violent relationships will be inspired by the show and be given the courage to seek the help that they need. She also hopes that those that have close family members or friends who may be struggling in those situations will take a moment to reach out. "Especially during the time of COVID when we know there has been a rise in domestic violence cases, this is a timely topic," Thomas said. "That's the main goal, to empower people to do something and to help." – *Sara Winegardner*

**Reviews:** "The Last Ice," 9pm, Sunday, **National Geographic**. It was impossible for us not to think of "Northern Exposure" (1990-1995), "Fortitude," or some of the reality series like "The Last Alaskans" on **Discovery** when watching *Scott Ressler's* excellent short doc about *Pikialasorsuaq*, an area of the Arctic between Canada's Baffin Island and Northwest Greenland. That a documentary reminds us of a reality series and dramas is meant as a compliment. At its essence, the film discusses an important issue related to industrialization and climate change. Yet, it doesn't hit the viewer over the head with a message. Instead, we learn about native Inuits and how they live. To say it's a fascinating break from the reality of the pandemic in 2020 is an understatement. Almost needless to say because it's Nat Geo, the footage and other production values are excellent. – "Fargo," season IV, 10pm, Sunday, **FX** and the next day on **Hulu**. How wonderful that "Fargo" is back on screen. While the series is evocative of earlier seasons (nothing wrong with that), this new iteration has enough going for it to be worth more than a look. Of course, the getting to see *Chris Rock* in a straight role is a treat. Yet, the story is told so interestingly, ditto the camera work, that viewers are likely to settle in quickly. – *Seth Arenstein*

Basic Cable P2+ Prime Rankings* (09/28/20-10/04/20)		
Mon-Sun	MC US	MC US AA
	AA%	(000)
ESPN	1.810	5,575
FNC	1.681	5,176
MSNBC	0.936	2,882
CNN	0.920	2,832
HGTV	0.376	1,156
TLC	0.338	1040
HALL	0.305	940
NL	0.288	888
FOOD	0.260	800
TBSC	0.248	763
USA	0.239	737
FRFM	0.232	716
INSP	0.217	669
ID	0.212	654
HIST	0.206	636
FX	0.204	627
HMM	0.191	588
DISC	0.190	585
TNT	0.183	565
AMC	0.174	537
TVLAND	0.167	513
LIFE	0.165	507
ADSM	0.145	448
A&E	0.145	446
NICK	0.142	438
NAN	0.138	425
COM	0.137	420
ESPN2	0.134	412
APL	0.127	391
WETV	0.118	363
BRAVO	0.118	363
NATGEO	0.113	348
BET	0.111	342
GSN	0.111	341
TRAVEL	0.105	325
SYFY	0.104	319
E!	0.098	302
DSNY	0.094	289
OXY	0.093	285
MTV	0.090	276
NKJR	0.083	256

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



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