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WHAT THE INDUSTRY READS FIRST

Full Stream Ahead: CEOs Dissect the SVOD, AVOD Mix

As yet another SVOD entered the marketplace Thursday with **ViacomCBS' Paramount+** launch, questions remain about how many direct-to-consumer offerings the market can sustain.

"That's the big question... I think it's a single-digit number, for sure. If I were to bet, my hunch is it's probably less than seven and maybe even less than six," said **WarnerMedia CEO Jason Kilar** at **Morgan Stanley's** investor conference Thursday. "I feel very good about our ability to be in that small group that ultimately gets to scale across the globe."

Nielsen isn't sweating the shift to SVOD, saying its measurement services are needed just as much for subscription offerings as for AVOD services as is data used for programming options as well as ad decisions. "SVOD, now that there are multiple platforms, everyone needs to compete with each other for attention. You're not going to maintain those subscriptions unless people are using the service, so knowing when people are watching and when they're not watching you is very important," Nielsen CEO **David Kenny** said at Morgan Stanley's conference. "AVOD and advertising on linear become even more valuable because you have limited inventory. Getting the pricing right really depends on what's happening."

That's the whole point behind Nielsen ONE, a single, standardized ad measurement unit under development that will provide campaign reach and frequency across linear, streaming, connected TV and digital. The new measurement, unveiled

in December, isn't expected to be available until 4Q22, and even then, it will likely take a couple years before the industry fully transitions to Nielsen ONE.

"I think what was helpful was to layout a timeframe to be clear that this needs to be completely done by 2024. To make this work, and this is a new step for Nielsen, we can't be launching new things and maintaining old things forever... At that point, what we know as C3 and C7 are gone. There is a new currency that is more robust, more precise across all mediums," Kenny said, adding that he's been encouraged by the seven different working groups made up of clients that are tackling the transition.

Kilar said 2021 would be defined at WarnerMedia by the continued movement of direct-to-consumer. That includes launching an AVOD version of **HBO Max**. "It turns out that most people on this planet are not wealthy. If we can wake up and use price and be able to invent and do things elegantly through advertising to reduce the price of a service, I think it's a fantastic thing for fans," he said, teasing that the AVOD option will have thoughtful ad insertion that's very organic.

HBO Max has a \$14.99/month price point, higher than its SVOD peers (**Netflix** is a close second at \$14/month, while **Disney+** launched at \$6.99/month and is soon going to \$7.99). Kilar said WarnerMedia feels good about its position, with HBO Max combined with traditional HBO ending 2020 with 41.5 million subs. "It can take other companies a decade to get where we are today. It's a good spot to be," he said.

Fox Corp doesn't feel like it needs to enter the SVOD game

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because of its focus on live news and sports along with its AVOD play through **Tubi**. “We don’t want to compete in a subscription video on demand world. It’s really because we don’t have the entertainment assets to do so nor do we need to. But we believe we can really win in the advertising video on demand world,” CEO *Lachlan Murdoch* said during the conference.

Nielsen’s *Kenny* believes many consumer have a mix of SVOD and AVOD. “Some people will spend more money to save time, therefore they do more things on SVOD. Some people will spend a little time to save money and do more on AVOD,” he said. “There’s a mix for everybody between the two models, and we think that continues. Measurement is important for both.”

As for Paramount+’s launch Thursday, the SVOD (a reboot of CBS All Access) was available across most platforms, including iOS, Android, Apple TV, Chromecast, Amazon Fire, Roku, Xbox One and various smart TVs, including Vizio and Samsung.

Parrot Analytics crunched the data and determined Paramount+ has seven originals at launch that rank in its “Outstanding” category in terms of demand. That compares to just one **Peacock** original falling in Parrot’s “Outstanding” list. The Viacom-CBS SVOD’s most in-demand originals are: “Star Trek: Discovery,” “Star Trek: Picard,” “Star Trek: Lower Decks,” “The Twilight Zone,” “The Good Fight,” “Tell Me a Story” and “The Stand.” With three of those from the “Star Trek” world,” Parrot said Paramount+ may be able to follow **Disney+**’s use of “The Mandalorian” and “Star Wars: The Clone Wars” to build up a sub base.

PARAMOUNT+ PARTICULARS

Paramount+ features two pricing tiers. The \$9.99/month premium tier features live sports, including **NFL** games and soccer,

as well as commercial free on demand entertainment options. In June, Paramount+ will introduce a new ad-supported tier, at \$4.99, that offers live NFL games, news and entertainment, but no longer includes local live **CBS** station programming. A \$5.99 ad-supported tier, which includes live CBS programming, is available until June at which point only the \$4.99 and \$9.99 tiers will be offered to new subscribers. As is the case with other streamers, ViacomCBS has global ambitions for the service. Paramount+ debuted in 18 Latin American countries and Canada Thursday, with the Nordics launching on March 25. Australia will see a rebrand and expansion of “10 All Access” later this year.

DISTRIBUTION

And now for something different... An RSN that actually snagged a renewal. **Comcast** and **MASN**, home to Washington Nationals and Baltimore Orioles, announced a new multi-year agreement. The deal was done in plenty of time for both teams’ April 1 opening day.

FOX, NFL STILL NEGOTIATING

Fox Corp chief *Lachlan Murdoch* said there’s no imminent **FOX-NFL** deal announcement. “It does feel like we’re getting towards the end of this negotiation,” he said during an investor conference Thursday. “It feels like we’re still apart on a number of issues... We’ve got a ways to go, but the NFL is a terrific partner, and they’ve been a great partner of ours for 25 years. We’re looking forward to getting to the end of this negotiation and being a partner with them for another 25 years.” *Lachlan* suggested the most likely scenario is FOX just keeping Sunday games, which jibes with reports of **Amazon** picking up more exclusive Thursday games. No matter how it shakes out, FOX will continue to increase retransmission

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consent fees. Murdoch noted that the company's still on pace for \$1 billion in retrans revenue by 2022, even in light of a pandemic and cord cutting.

COX, VEGAS TAKE SMART CITY STEP

Cox and the city of Las Vegas have begun a pilot program to trial **Cox2M's** smart curbside management solution. The goal is to reduce traffic congestion through two digital kiosks using video analytics and smart parking technology to manage curb loading zones for taxis and rideshares. If a vehicle remains in the loading zone after a countdown timer ends, the system reports the incident directly to the city. The Cox platform provides cloud processing of traffic flow information, an on-screen interface to display vehicle information, and an online portal to report traffic flows and pedestrian counts. There's even the possibility of local businesses placing advertisements on the kiosks through Cox's ad sales division Cox Media. The six-month pilot began in early March.

EMERGENCY BROADBAND DEADLINES

Non-ETC providers that want to participate in the **FCC's** \$3.2 billion Emergency Broadband Benefit program will be able to begin applying March 8. That's when the Wireline Bureau's portal for eligibility verification will open. The deadline for that process in March 22. On March 11, the Universal Service Administrative Company's provider election notice inbox opens. "The Bureau anticipates a large number of provider applications and elections, and these deadlines reflect the time needed for the Bureau and USAC to review the filings and provide sufficient notice to providers prior to the start of the EBB Program," the FCC said. The EBB program was unanimously adopted by the FCC on Feb 25, with the agency anticipating the program and enrollment process to begin less than 60 days after adoption.

CABLE WANTS CBRS-LIKE AUCTION FOR 3.45-3.55GHZ

Charter, Comcast, Mediacom, NCTA and **Google** joined more than a dozen other companies and organizations urging Congress to support an auction for 3.45-3.55GHz band spectrum that's modeled on last year's CBRS auction. Last week, the **FCC** released a draft order to be considered at its March 17 meeting that would license this mid-band spectrum like C-band instead of CBRS. "The large partial economic area licenses proposed would not foster the kind of robust participation and innovation that made the CBRS auction a success and could also result in tepid investment and build out in rural areas where Americans need broadband more than ever before," the companies and groups said in a letter sent Thursday to House and Senate Commerce leadership.

PAY-TV SEES SIGNIFICANT LOSS IN 2020

The largest pay TV providers in the US, which represent nearly 95% of the market, lost about 5.12 million net video subscribers in 2020, according to **Leichtman Research Group**. The only cable providers that saw video gains last year were **Charter** with 56,000 additional subscribers and **Atlantic Broadband** with 1,287 adds. **AT&T U-verse/AT&T TV** added 42,000 subs in 2020. The top

publicly reporting vMVPD services added approximately 640,000 subscribers in 2020. **Sling TV** and **AT&T TV NOW** were outliers, losing 118,000 and 270,000 subs, respectively.

SPECTRUM MATTERS

Sens **Roger Wicker** (R-MS) and **Marsha Blackburn** (R-TN) introduced a bill that would require the net proceeds from the C-band spectrum auction to be deposited into a reserve fund to be used to expand broadband access and digital opportunity, modernize the nation's communications infrastructure, and meet other connectivity priorities. These funds would be available for Congress to authorize for use by the **FCC** or **NTIA**. – Sen **Mike Lee** (R-UT) re-introduced the "Government Spectrum Valuation Act," which is designed to estimate the value of spectrum assigned to each federal agency to help better manage federal spectrum. Under the bill, over the next three years, and every three years thereafter, **NTIA** would coordinate with OMB and the **FCC** to estimate the value of spectrum between 3 kilohertz and 95 gigahertz for licensed or unlicensed uses that is assigned or allocated to each federal agency. **NCTA** applauded the legislation, saying it recognizes that both licensed and unlicensed spectrum generate value to the US economy. "The potential of unlicensed spectrum is especially significant, as estimates show that Wi-Fi will generate \$995 billion in economic value for the United States in 2021," NCTA said.

DISH CHOOSES AMDOCS

DISH selected **Amdocs'** cloud-based billing system Optima to support enterprise and wholesale customers on its next-generation 5G network. Amdocs customers include T-Mobile, **Verizon, Comcast, Charter** and **Rogers**.

DZS ACQUIRES RIFT

Packet-based mobile transport and broadband access solutions firm **DZS** acquired network orchestration and automation solutions innovator **RIFT**. The acquisition builds upon the 20 million mobile and fixed broadband products DZS has deployed in more than 100 countries.

ON THE CIRCUIT

The Paley Center for Media revealed a quarterly series exploring media's role in providing a diverse and inclusive platform for women. The inaugural program will premiere March 8 for International Women's Day and features actresses **Rita Moreno, Phylicia Rashad** and **Cynthia Ervio** along with Rep **Val Demings** (D-FL), ballerina **Misty Copeland**, **ESPN's Julie Foudy** and **CBS's Norah O'Donnell**. The program will be moderated by **MSNBC's Alicia Mendez**. The event will be streamed at 10am ET on the Paley Center's Dedicated Channel on Verizon Media's Yahoo Entertainment.

PEOPLE

Univision tapped former **Apple** and **Burson-Marsteller** exec **Beatriz Pedrosa-Guanche** as svp, corporate communications. Chief communications officer **Rosemary Mercedes**, **Cablefax's** 2019 FAXIES PR Exec of the Year, will exit later this month after 15 years with the Spanish-language programmer.

PROGRAMMER'S PAGE

OWN Turns Over a New Leaf with 'Delilah'

It's been almost seven months since **OWN's** "Greenleaf" aired its final episode, and while creator *Craig Wright* is developing a spinoff of the series, he's put a lot of his creative energy towards a new legal drama for the network. Airing Tuesday at 9pm, "Delilah" focuses on a former big-time lawyer who left the firm to spend more time raising her children. She now ends up taking on the cases that are often overlooked by the larger firms in her home of Charlotte, North Carolina. "After Greenleaf wrapped up, I was really excited to work on a broader canvas outside the church and start to look at issues that maybe were a little more secular and a little broader, affecting all Americans," Wright, who also serves as executive producer, said during a recent **TCA** panel. "We just wanted to make something bigger and broader so we could ask even more questions about where society is headed and how Black women and Black Americans are going to continue to be a major part of the unfolding of American history and world history." One thing Wright is bringing over from his days at Greenleaf is a focus on growing a social media following for the show. He and others working on the show would follow everything that was happening on social media and use it to inform their work on the series. "I think one of the most exciting things about the rise of these social media platforms over the past couple decades has been the way the shows can really become a co-creation between the artists and the audience," Wright said. "It's not that you do exactly what the audience says, but you want to know what they're thinking about. You want to know what they're asking about." – *Sara Winegardner*

REVIEWS

"Tell Me Your Secrets," streaming, **Amazon Prime Video**. As it's Women's History Month, it's good to see a female actor, and one who is somewhat unsung, get her due. That's the case with *Lilly Rabe* in this 10-episode drama/mystery series that's overstuffed with storylines. It's worth a look for her performance alone, though you shouldn't discount *Amy Brenneman*, as a mother who's certain Rabe's character can provide clues as to the whereabouts of Brenneman's daughter, who's been missing for years. Then there's John (the terrific *Hamish Linklater*), a criminal attempting to rebuild his life. His crimes were, you guessed it, committed against young women. Caveats: This series won't hook you with its initial two-three eps, which move somewhat slowly. In addition, you should know going in that several of the multiple plot lines may plague you permanently. Shot several years ago, originally for **TNT**, "Tell Me" sat in the cans for a bit until Amazon snatched it. It's unclear whether or not Season 2 is coming. – **Notable:** For more programming with a Women's History Month theme, on Monday, March 8, International Women's Day, **Pluto TV** is streaming "The Virgin Suicides," "Princess Diana: The Quiet Revolution" and *Meryl Streep* as "Margaret Thatcher: The Iron Lady." Importantly, each Wednesday at 6pm ET, Pluto's Voyager Channel offers docs that it promises will "uplift women." – *Seth Arenstein*

BASIC CABLE		
P2+ PRIME RANKINGS*		
(02/22/21-02/28/21)		
MON-SUN	MC	MC
	US	US AA
	AA%	(000)
FNC	0.801	2,466
MSNBC	0.639	1,968
CNN	0.417	1,284
HGTV	0.360	1,110
HALL	0.360	1,108
ESPN	0.345	1,061
HIST	0.326	1,005
TLC	0.269	829
FOOD	0.261	803
TNT	0.255	785
DISC	0.255	784
TBSC	0.243	750
INSP	0.240	738
USA	0.226	695
LIFE	0.209	645
A&E	0.207	638
ID	0.194	598
SYFY	0.188	580
TVLAND	0.185	571
AMC	0.167	515
NATGEO	0.163	501
ADSM	0.148	455
BRAVO	0.144	445
HMM	0.143	442
GSN	0.134	412
WETV	0.133	409
FX	0.124	381
APL	0.120	371
NAN	0.115	353
FRFM	0.114	350
MTV	0.111	341
BET	0.108	333
OXYGEN	0.101	312
TRAVEL	0.101	310

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



Join Us for Virtual Happy Hour with the Editors

We miss seeing you! On Friday, March 5, let's kick back with your favorite beverage and catch up.

We'll chat about the news of the week, what we're binge watching and anything else on your mind. (casual & off-the-record)

Our virtual happy hour will start at 4pm ET on Friday, March 5. [RSVP here](#)

*Note: We are using Zoom Platform

