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WHAT THE INDUSTRY READS FIRST

Sitting Pretty: NBCU's Shell Not Interested in M&A Any Time Soon

Don't expect **NBCUniversal** CEO *Jeff Shell* to be the latest media executive to announce a major merger or acquisition. He's more than happy with what he's got.

"We've always had the capital and scale to do what we need," he said during an appearance at the **Credit Suisse Investor Conference** Monday. "There are always buy or build decisions that you encounter as you go forward... I'm sure at the headquarters at Comcast, they always consider stuff like that. But I don't think, for our company anyway, that we need to do anything or need any assets. We have plenty of opportunities to grow, plenty of opportunities to create value by investing and plenty of scale to do every one of them."

Following the announcement of **Discovery's** merger with **WarnerMedia**, many speculated that **Comcast NBCUniversal** was either also interested in the WarnerMedia assets or would be the next to start looking to acquire additional content assets.

When asked about how much companies have to invest in content in order to compete on the global stage, Shell unsurprisingly said the answer was a lot. NBCU has kept its foot on the gas as much as possible during the pandemic to ensure it had content ready not only for **Peacock**, but for its linear and broadcast properties as well. But money doesn't solve every problem. There's an art in the execution of an idea, and plenty of projects fail at that stage.

"What made Marvel wasn't just Marvel. It was *Kevin Feige* coming in and putting *Robert Downey Jr* in 'Iron Man' and using that to create a tremendous franchise and then universe," Shell said. "Making great content is very difficult, and the execution part of it is, in my opinion, nine-tenths of the game."

He added that much of a show's success is determined by how well companies use their platforms to advantage the content. "If you just have linear, then you have the ability to drive people to a time when a show launches and create an event, but you have no ability to launch the vast majority of your viewership that wants to see it binged or time-shifted. Conversely, if you just have a streaming platform, you struggle to find a way to create an event and drive people to the launch of a show," he said. "Having both linear and streaming allows you to create an event for a show that you believe in and then drive it across both platforms to maximize the chances of that show's success."

Shell did acknowledge that the linear market is on a decline, saying there's nothing NBCU could do to stop that. But it isn't yet time to leave linear completely behind, and if there is a time for that, it's still pretty far off.

"Linear is still a vast majority of the viewership and will be an important part of the equation of how people watch television for a long time, particularly sports and news and big events. But it's going to be one element as opposed to the driving element as we've seen historically," he said. "The ability to move content across both platforms is going to be the key."

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Retransmission consent fees are always a hot topic in the pay TV world, and NBCU had most of its key renewals at the end of last year. Another one or two are up this year, but Shell is optimistic overall as the fall negotiations went far better than he expected in terms of what rates NBCU was able to grab for its content.

“Part of that is driven by the strength of the tentpole content we have like the **NFL** and the **Olympics**. How do you not carry an **NBC** station when you have two Olympics and a Super Bowl coming?” he said. “And another part of that is driven by an increasingly competitive distribution environment... the rate offset the decline for a period of time. Over time though, the decline in linear subs will more than offset the increase in rate. That’s just inevitable.”

NBCU, DISNEY UPFRONTS RESULTS

NBCUniversal CEO *Jeff Shell* also discussed this year’s upfronts during his investor conference appearance Monday, saying that his company’s upfront has officially been completed and it may have been the strongest in its history. “We saw results in this upfront far beyond what we’d thought we’d see. Demand was extremely strong, which led to pricing that was extraordinary,” he said. “We launched **Peacock** a year ago, we chose the right business model and so Peacock with our linear networks gave us a really good platform to hit this market exactly right where we have reach and granularity, we sell it as one platform and we’ve got big events next year.” The company hasn’t traditionally sold sports as part of the upfronts, but it did this year as part of its One Platform, and Shell thinks that drove a lot of the economics NBCU is see-

ing on the other side of it. One of the major events NBCU has coming up is the Tokyo Olympic Games, which are set to kick off on July 23. Now that it is only weeks away, Shell is more confident than ever before in saying the global event will be held. Depending on how the ratings shake out, it could be NBCU’s most profitable Olympic Games yet. “If you want reach, there’s nothing better than the Olympics. You have 17 days where you dominate every night,” he said. All indicators also seem to show that digital advertising continued to be a particularly strong point of interest at the upfronts. **Disney** CEO *Bob Chapek* said during a later conference session that 40% of the commits his company saw at the upfronts were dedicated to streaming or digital platforms. Total upfront revenues for the Mouse House were up double-digits from 2019 with significant price increases coming across the board. “I think it speaks to the nature of how this business is rapidly changing,” Chapek said. Despite that success, don’t expect **Disney+** to announce plans for an ad-supported option any time soon. “We have no such plans to do that. We’re happy with the model we’ve got,” he said.

GROUPM OPTIMISTIC ON 2021 AD OUTLOOK

It’s not just CEOs feeling good about ad spending. **GroupM** took another look at its advertising forecasts, and it’s adjusting things mid-year. In total, the firm now expects global advertising to grow by 19% (excluding US political advertising), a significant increase over GroupM’s December outlook. That represents a level of ad revenue that’s up 15% from 2019. Global advertising (including US political advertising) is expected to exceed \$1 trillion in 2026. “Many of the factors causing this faster growth



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Magazine Publish Date: July 28

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 and Synopsis: Robbie Caploe, 917.974.0640, rcaploe@accessintel.com | Managing Editor: Sara Winegardner, 301.354.1701, swinegardner@accessintel.com | Assoc Editor: Theresa Maher, 301.354.1704, tmaher@accessintel.com | Director of Business Development, Cablefax: Ellen Kamhi, 917.626.5574, ekamhi@accessintel.com | Dir of Marketing: Kate Schaeffer, kschaeffer@accessintel.com | Production Manager: 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: \$1,799.00/year | Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

were in place pre-pandemic, but COVID has only served as an accelerant. These include faster than expected expansions of app ecosystems, rapid small business formation activities and the growing role of cross-border media marketplaces, especially involving manufacturers based in China,” GroupM global president, business intelligence *Brian Wieser* wrote in a company blog post. Television advertising is expected to grow by 9.3% in 2021, and GroupM expects low single-digit growth in the segment beyond this year. That’s partially because TV is starting to lose its unique reach advantage as more media companies keep investing in ad-free or ad-supported streaming services. “While many of them will offer some ad inventory and capture a share of total TV advertising, those gains will only offset reduced spending on the traditional form of the medium,” Wieser wrote.

FCC, FEMA PLAN EMERGENCY ALERT TEST

FEMA and the **FCC** will conduct a nationwide test of the Emergency Alert System and Wireless Emergency Alerts on Aug 11 at 2:20pm ET. The Wireless Emergency Alert portion will be directed only to consumer cell phones where the user opted-in to receive test messages. This will be the first nationwide WEA test conducted on a consumer opt-in basis. The Emergency Alert System portion will be sent to radios and televisions. The WEA portion has options for Spanish-speakers to receive the message in Spanish and are accompanied by a unique tone and vibration in order to be accessible to the entire public. If the Aug 11 test is cancelled, a back-up test date is scheduled for Aug 25.

NEWSMAX DEPLOYS NEW LOGO

Newsmax announced the launch of a new logo Monday to accompany the brand’s expansion and recent rebrand. The graphic has bolded blue capital letters with a red rectangle and white stripe on the bottom-left corner of the letter “N.” “The strength of the new logo embodies Newsmax’s new role as a major news outlet serving the American people,” wrote Newsmax web editor *Bill Hoffmann* in an article on the brand’s website.

HONORING JUNETEENTH

TBS will commemorate Juneteenth with a movie marathon spotlighting Black storytellers this weekend. The weekend kicks off Friday at 7:30pm with the premiere of movie destination “Friday Night Vibes” on the network. The premiere episode features a double feature of “Creed” and “Creed 2” and a discussion on the origins of Juneteenth. The movie weekend also features “Black Panther” and an encore presentation of “The Cube.” – **BNC** will provide special coverage for viewers from Friday to Sunday to commemorate Juneteenth. The network will also host a community festival Friday in Atlanta, partnering with Black-owned businesses to present an uplifting celebration of Black culture. Programming in celebration of the holiday features live reports and packaged stories from Galveston, Texas, one of the last areas where African Americans were enslaved in 1865 before June 19. Over the course of Friday and Saturday, the network will report live from Juneteenth celebrations in New York Dallas,

Houston and more. On Sunday, BNC will present live Championship Round coverage from 12-3pm ET of the “Hoop it Up Juneteenth Jamboree,” a 3x3 basketball tournament from an Atlanta high school.

PROGRAMMING

beIN secured exclusive broadcast rights to motor racing championship W Series in the US and 24 countries in the Middle East and North Africa. The series will take place from June 26 to Oct 30. **beIN Sports North America** will broadcast all eight races of the series, the digital preview and highlight shows exclusively on **beIN Sports** and AVOD channel **beIN Sports Xtra** in the US. – **Peacock** will stream all remaining NHL Stanley Cup semifinal games starting Monday at 9pm ET. Pre-game coverage begins Monday at 8:30pm ET with “NHL Live” and post-game coverage “NHL Overtime” will stream on the service. **NBC Sports** coverage of all Stanley Cup Semifinal games will also air on **NBCSN** or **USA Network** and NBC Sports digital platforms, as previously announced. Also in Peacock sports news, the streamer and **MLB** announced the Phillies vs Giants three-game series this weekend will be on Peacock exclusive to the Philadelphia and Bay Area home markets. Pregame shows start at 9pm ET, 3:30pm ET and 3:30pm ET on Friday, Saturday and Sunday, respectively. – **The Weather Channel’s** flagship morning show has a new feel. It debuted Monday with the slogan “America’s Morning Headquarters,” and includes more educational segments. The show also extends national coverage until noon ET. – The final season of “Younger” returns to **TV Land** July 7 at 10pm with a back-to-back linear premiere. The seventh season debuted in April and the final episode dropped June 10 on **Paramount+**. – **HBO Max** renewed romantic comedy series “Starstruck” for a second season. – After more than a year of filming from the hosts’ homes, **Showtime’s** “Desus & Mero” returns with new episodes and a revamped studio June 20. The program will continue to air each Sunday and Thursday night at 11pm.

PEOPLE

Jeff Murphy joined **Charter** as svp, corporate finance and development. Murphy previously spent over 20 years at **Credit Suisse Group**, leaving in May 2020 as vice chairman of the investment banking and capital markets division as well as a managing director in the global TMT group based in New York. – **Nexstar** promoted *James Baronet* to vp, gm of its broadcast and digital operations in Topeka, Kansas, effective immediately. Baronet has been with the broadcaster since 2014.

EDITOR’S NOTE

Nominations are due July 16 for **Cablefax: The Magazine’s** annual Diversity List issue. In addition to recognizing the top multi-ethnic execs in the industry, Cablefax will honor a D&I Mentor of the Year, LGBTQ+ Executives of the Year along with Thrivers Under 30. Enter today at [CablefaxDiversity.com](https://www.cablefaxdiversity.com). – Missed **Cablefax’s** virtual FAXIES celebration last week or just want to relive the fun? Check out the replay [here](#).