

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Still Waiting: Could Smart TVs Find the Fix for Search and Discovery?

There's no content without the screen on which its viewed. Smart TVs are proving to be not only a powerful tool for consumers looking to access their favorite service, but also instruments for expanding reach and driving viewership on streamers looking to grow their market position.

But as streaming services get more sophisticated in their user interfaces and larger in terms of content libraries, the need for search and discovery tools is becoming more dire than ever before. Smart TV manufacturers and the developers of their operating systems ultimately have a massive opportunity ahead of them if they can be the ones to come up with a solution that gets viewers where they want to be as quickly as possible.

"The challenge is there's so much content out there and ultimately it's a zero sum game... so the question is really how can I find the right content and surface that relevant content for the consumer in a way that engages them," **Gracenote** VP, Product *Kamran Lofti* said during a panel at a **Parks Associates** event Thursday. "I do think that it's an incredible opportunity for the smart TV manufacturers, especially since they're closest to the glass." Gracenote as a data company believes it can aid in the discovery process and, ultimately, a mix of algorithms and the metadata that drives those solutions will be the key to creating success in the eyes of consumers.

There's a particular need for solutions or advancements that include content from AVOD streamers in search results or other

discovery methodologies. *Mark Young*, who serves as both VP, Growth Strategy at **NBCU** and SVP, Global Strategy, Business & Corporate Development at **Fandango**, believes that's more important than ever before due to consumers' desire to access more content without the hassle of recurring fees. **TiVo** recently introduced a product called TiVo Plus that works to do just that, but VP, Data and Advertising *Fariba Zamaniyan* believes those free services need to raise the bar not only in the quality of their programming, but in how they market that quality to consumers if they want to reduce churn and gain the most benefits from their smart TV integrations.

"What we've learned through research that we've conducted at TiVo is the perception of quality for SVOD is significantly higher than the AVOD quality content, somewhere in the 50% perception versus 40%," she said. "We've also seen that for AVOD programming, they tend to watch snippets and are not really engaged throughout an entire program, whether they're 30 or 60 minutes long."

**Bitmovin** Director, Product Management *James Varndell* countered that even if the programming is curated with quality in mind, it won't do any service living on a smart TV any good if the app itself doesn't perform. But it is no easy feat to create a reliable app for the many different platforms that exist today, especially for fledgling services or smaller free platforms that don't have large development teams like the top SVODs.

"When each smart TV or each device uses a different technology, a different user experience, for example, it can be really

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challenging to deliver a consistent experience across all platforms and all smart TVs. It's much easier when there's some commonality and a common layer across all devices," he said.

At the same time though, the smart TV owners and the owners of the apps that live on those platforms are competing for attention. That's becoming particularly true as folks like **Samsung** continue to grow investments in advanced advertising and first-party data gathering on their platforms. And as stakeholders from across the industry invest more dollars into improving search, discovery, personalization, aggregation and overall UI experience, cooperation could fall to the wayside as competition heats up.

"We're seeing aggregation potentially in two different places. Within the apps which run on the smart TVs and aggregate services, so for example, I might watch **StarzPlay** through **Apple TV** with their app running on my smart TV. But there's also the smart TV operating system itself as the aggregator," Varndell said. Because some smart TV manufacturers like **VIZIO** generate more revenue from their operating system, advertising and the like than actual hardware sales, he believes there could be some tension in the future between the smart TV operating system and manufacturer and app developers in aggregate.

#### AAPI NET CHIMETV TO DEBUT ON CHARTER

**Charter** is the first MVPD to agree to carry **ChimeTV**, a general entertainment network and digital platform launching later this year that is devoted to serving multigenerational Asian-American and Pacific Islander audiences in English. Charter will carry the Asian-American and woman-owned channel across its 41-state footprint on its Spectrum TV Select video tier. **National Asian American Coalition** and **National Diversity Coalition** President/CEO *Faith Bautista* is CEO of ChimeTV, whose name stands for Creating History In Media Entertainment. The network's launch was announced Thursday on the heels of the NDC's National Summit that just wrapped up in D.C. ChimeTV says it stands out from other Asian channels currently in the marketplace because it's in English and it's focused on general entertainment. "In celebration of Asian Heritage month, we are pleased to announce that we are going to increase the Asian screen presence on television. We need to increase the 1.1% of Asian presence in media," said Bautista, who currently hosts "Owning a Piece of America" on Charter's **Spectrum News 1**. ChimeTV reunites the **Court TV** duo of *Bob Rose* and *Ellen Schned*. Rose, who spent years in distribution for **CBS Sports**, Court TV and **USA Network**, is president of the channel. Schned, who also spent time at **Ovation** and **Viacom**, is the channel's EVP, External Government Affairs. ChimeTV is gearing up to launch a digital awareness campaign that includes top Asian influencers.

#### FTC SAYS FRONTIER LIED ABOUT DSL SPEEDS

The **FTC** is going after **Frontier**, alleging the provider lied to consumers and charged them for higher-speeds than its legacy DSL service delivered. The Commission voted 4-0 for the proposed order, which would prohibit such conduct, require support of speed claims and force Frontier to offer free and easy cancellation when it fails to deliver promised speeds. A Frontier spokesperson said Thursday's FTC announcement follows a settlement the company entered into on March 11, 2022, following the Commission's initial complaint filed last May. "As we noted in May 2021, we believe the complaint included baseless allegations and disregarded important facts. Furthermore, the March 2022 settlement stipulates that we admit no wrongdoing," the Frontier rep said. "We settled the lawsuit in good faith to put it behind us so we could focus on

### Cablefax Executive Round Up

We asked the **Cablefax 100**: What will it take to see a seismic shift away from linear television for sports?



**Chris Bastian**

SVP & CTO

**SCTE**

"I don't know if I see that shift ever happening. People love to see their sports live and go on social networking to commiserate. Within linear viewing of sports, I see a major shift into immersive viewing (3D, interactive, etc.)."



**Debra O'Connell**

President, Networks

**Disney Media & Entertainment Distribution**

"I think sports will continue to be an important part of the linear television ecosystem. Linear networks—over-the-air, over-wire and over-fiber—still serve more than 100 million people in the U.S. very well every day. As a company, obviously, streaming is a critically important part of our strategy and future. But we are smartly balancing both linear and direct-to-consumer in a way that is driven by consumer choice and business flexibility—and it has led to a leadership position in both."



**Matthew Polka**

President & CEO

**ACA Connects**

"It's starting. If Amazon's Thursday Night Football is a success, then the floodgates will really open. I'm a hockey fan, and ESPN+ has moved in this direction too with some games only available through the app."



**Michelle Rice**

President

**TV One & CLEO TV**

"The Super Bowl or one of the major leagues leaving linear and going to a streaming platform."



our business—that's in the best interest of all our stakeholders, and especially our customers. Our commitment is to our customers and providing them with access to high-speed internet and improving our service in rural and underserved areas." The proposed FTC order also would prohibit Frontier from signing up new customers for its DSL service in areas where the high number of users sharing the same networking equipment causes congestion resulting in slower speeds. Frontier also will be required to pay \$8.5 million in civil penalties and costs to the Los Angeles County and Riverside County District Attorneys' offices on behalf of California consumers as well as \$250,000 that will be distributed to Frontier's California customers harmed by the company's practices. It must discount the bills of California customers who have not been notified that they are receiving DSL service that is much slower than the highest advertised speed. Frontier, which emerged from Chapter 11 last year, is required to deploy fiber to 60,000 residential locations in California over four years—at an estimated cost of \$50 million to \$60 million.

#### FUSE WANTS FCC TO ISSUE DIVERSITY REPORT

Latino-owned entertainment company **Fuse Media**, with the support of public interest groups such as the **National Hispanic Media Coalition** and **Public Knowledge**, is petitioning the FCC to establish a new, annual report on the diversity of content vendors used by regulatees in broadcast, cable, broadband and satellite. They want it to include all content vendors, whether they provide programming for online streaming platforms owned or affiliated with the regulatees or to traditional FCC-regulated services such as broadcast and cable. Sen. *Ben Ray Lujan* (D-N.M.) gave the petition his support. "Its call for the Commission to report on diversity is a necessary step to ensure the public can see how the voices of historically marginalized communities are reflected in the media marketplace," he said in a statement. The Fuse-led coalition said collecting data on the diversity of content vendors would help the FCC better implement its goals of promoting competition and viewpoint diversity in the video marketplace. Among other things, Fuse wants the report to measure vendors' diversity of ownership, leadership and employment and for data to be readily available to the public. The petition urges the FCC define content vendors as linear programming networks as well OTT linear content sources, such as FAST channels and production companies, and studios providing content for AVODs and SVODs. Fuse has previously filed program carriage complaints at the FCC against **AT&T** and **Comcast**. The complaints were withdrawn after carriage agreements were reached with both companies.

#### AMC ON TRACK FOR LONG-TERM SUB GOAL

**AMC Networks** added over 430,000 subs in 1Q22 with its streaming portfolio ending 1Q22 with 9.5 million subs. The programmer has no plans to introduce an ad-supported tier for targeted streaming services in the immediate future. On the company's earnings call Thursday, interim CEO *Matt Blank* alluded to **Netflix's** recent struggles when asked about creating an AVOD service and noted if the market shifts, AMC Networks is in a good position to adjust. "If the business changes, we also think we have the ability to be very

nimble and to adapt quickly," he said. "It's funny when you hear one other large player have some problems in their sub growth, all of the sudden an ad-tier is going to solve all problems. We don't necessarily think that's true, but we'll monitor the market and see what happens." AMCN remains confident it will reach its 20-25 million streaming subscriber goal by 2025. Blank gave credit to the beginning of the final seasons of "Discovery of Witches" in January and "The Walking Dead" in February for providing bumps in growth. However, established shows such as those cost more money per episode than newer programs, so more money will free up when the respective shows end. Net revenue saw a 3% increase to \$712 million compared to 2021, but AOI decreased 11% due to increased content, marketing and technology investments. AMCN is continuing to sell addressable ad spots in every hour of original programming on AMC and **WE tv**, reaching its addressable footprint of nearly 40 million homes.

#### TUBI RESEARCHING TRENDS

Over half of consumers plan to cut some paid streaming services, according to research from **OnePoll** on behalf of **Tubi**. Of those respondents, 49% cited a limited selection of titles, 34% blamed a non-user-friendly interface and 33% noted poor customer service. When it comes to reasons to remain with a paid service, affordability (45%), wider selection (44%) and a better interface (43%) were among the top responses. The average person expects to stream over 290 different movies or shows this year or 437 hours of content, which is equivalent to more than 18 full days.

#### CSG SCORES RENEWAL WITH TOP U.S. OPERATOR

**CSG** reported total revenues of \$264.4 million Thursday as part of its 1Q22 results, up 4.5% YOY. That was primarily due to the growth of the company's revenue management solutions. On the 1Q22 earnings call, CSG spoke highly of its wins with North American cable operators, including a multi-year renewal and expansion with an unnamed top six U.S. operator with more than 1.6 million homes passed. That builds on the massive wins CSG scored late last year in the operator market. It struck a contract extension with **DISH** and a \$1.5 billion, six-year contract expansion with **Charter** back in November. For Charter, CSG has successfully converted all but approximately 10 million subscribers from a competitor's billing system to its own. Those renewals were characterized to have fallen within a plus or minus 5% range by CSG President/CEO *Brian Shepherd*. CSG has its eyes peeled for M&A opportunities as part of its long-term strategy, and it believes soon may be a good time to buy. "We do believe that some of the turbulence that we're seeing more globally actually can create attractive, disciplined buying opportunities for CSG," Shepherd said. "We try to be very disciplined with a pretty tight sweet spot on what we believe an attractive mid-sized or larger acquisition is and we think the economic environment might make it even more attractive."

#### PROGRAMMING

**HBO Max** renewed "Minx" for a second season. The comedy's first season debuted in March and all eps are available on the streamer. - **Lifetime** greenlit "The Gabby Petito Story" as part of its "Stop Violence Against Women" initiative. The movie will premiere later this year.

# PROGRAMMER'S PAGE

## HGTV Finds Unexpected Star in Lil Jon

Many rap verses center on the art of wearing a good sneaker, but *Lil Jon* is swapping his Adidas for steel toe boots in HGTV's "Lil Jon Wants to Do What" (premiered Monday at 10pm ET). In reality, creating a vision for a space isn't much different than how Lil Jon approaches his other artistic endeavors. "It's like when you go in the studio and people kind of just let ideas flow. That's how my design styles is," he said during a panel at TCA's Winter Tour. "People's homes talk to me, you know? Items in places talk to me, so the home would lend itself to where the design goes." Lil Jon was bit by the design bug after his house in Atlanta had to be gutted due to flooding damage. At its core, the show doesn't terribly deviate from the typical HGTV home renovation formula. Homeowners want to revitalize or rebuild a space and put forth the funds for contractors to do the work. In this case, their design team just happens to include a rapper. "We tend to work with designers that are working with real clients in their real homes, so the homeowners are contributing to the renovations," HGTV Group SVP, Development and Production *Loren Ruch* said. "In this case, it's really fun because it's not necessarily the entire house, but these people have contracted Lil Jon and Anitra because they want a space in their house that has zero personality to explode with the passion that they have for homes but may not see in their homes at the moment." The designs she has seen come to life in this show are some of the most fun Ruch has seen in her 16 years at the programmer. But Lil Jon doesn't want anyone to get the idea that he is forcing his personal style into any of the spaces he designs. "It's not like I'm going in and putting fur on the walls, you know?," he said. "We want something that's in them, but they don't even know it's in them." – *Sara Winegardner*

### REVIEWS

"The Staircase," streaming, **HBO Max**. The American illustrator and painter *Norman Rockwell* painted a clever spoof of himself painting a picture of himself while looking at himself in a mirror. Watching this latest excellent treatment of the *Kathleen Peterson* death feels a bit like viewing Rockwell's "Triple Self-Portrait." That's because prior to this series, **Netflix** acquired a docu-series from Europe, also called "The Staircase," about the 2001 death. It ran on the streamer in 2018. In the HBO Max series we see the Peterson family's story, but we're also treated to a look at how the European documentary was produced. *Antonio Campos* and *Maggie Cohn* blend the stories deftly. The union of Kathleen and Michael Peterson, an author, was the second marriage for both. They seemed to have an ideal life in Durham, NC: a gorgeous home, plenty of money and lots of children. Of course, things aren't always as they appear, especially with families and marriages. We'll spare you the spoilers, though they're easily obtained online, including the results of Mr. Peterson's trial and his unusual post-trial situation. The cast is so good it overshadows nearly everything else, but that's OK. *Colin Firth* is Michael, adopting a high-pitched American accent. Still, he's excellent. As are *Toni Collette* as Kathleen and *Juliette Binoche*, as the documentary director. *Michael Stuhlbarg* as a lawyer and family friend continues his run of terrific work on HBO. – *Seth Arenstein*

BASIC CABLE		
P2+ PRIME RANKINGS*		
(04/25/22-05/01/22)		
MON-SUN	MC	MC
	US	US AA
	AA%	(000)
<b>FNC</b>	<b>0.734</b>	<b>2287</b>
<b>TNT</b>	<b>0.711</b>	<b>2215</b>
<b>ESPN</b>	<b>0.589</b>	<b>1835</b>
<b>MSNBC</b>	<b>0.379</b>	<b>1179</b>
<b>HGTV</b>	<b>0.329</b>	<b>1026</b>
<b>TLC</b>	<b>0.246</b>	<b>768</b>
<b>INSP</b>	<b>0.244</b>	<b>761</b>
<b>CNN</b>	<b>0.241</b>	<b>750</b>
<b>HMM</b>	<b>0.228</b>	<b>709</b>
<b>DISC</b>	<b>0.228</b>	<b>709</b>
<b>HIST</b>	<b>0.224</b>	<b>696</b>
<b>FOOD</b>	<b>0.212</b>	<b>661</b>
<b>USA</b>	<b>0.193</b>	<b>603</b>
<b>TBS</b>	<b>0.186</b>	<b>578</b>
<b>TVLAND</b>	<b>0.180</b>	<b>560</b>
<b>LIFE</b>	<b>0.176</b>	<b>547</b>
<b>ID</b>	<b>0.159</b>	<b>496</b>
<b>A&amp;E</b>	<b>0.148</b>	<b>461</b>
<b>HMM</b>	<b>0.141</b>	<b>439</b>
<b>WETV</b>	<b>0.134</b>	<b>418</b>
<b>BRAVO</b>	<b>0.132</b>	<b>410</b>
<b>NFL</b>	<b>0.128</b>	<b>400</b>
<b>AMC</b>	<b>0.120</b>	<b>375</b>
<b>GSN</b>	<b>0.120</b>	<b>375</b>
<b>FX</b>	<b>0.111</b>	<b>347</b>
<b>TRAVEL</b>	<b>0.104</b>	<b>323</b>
<b>APL</b>	<b>0.098</b>	<b>305</b>
<b>OXY</b>	<b>0.097</b>	<b>302</b>
<b>NATGEO</b>	<b>0.096</b>	<b>300</b>
<b>PRMNT</b>	<b>0.096</b>	<b>298</b>
<b>NAN</b>	<b>0.093</b>	<b>291</b>
<b>SYFY</b>	<b>0.093</b>	<b>291</b>
<b>ESPN2</b>	<b>0.092</b>	<b>287</b>
<b>COM</b>	<b>0.085</b>	<b>263</b>

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



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