

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Less is More: Disney's New Content Strategy Means Making Fewer Shows

Bob Iger has been back at Disney for less than four months, but he hit the ground running. In that short time, he has initiated a restructuring of the company into three new business units and composed a strategy that will see \$5.5 billion in cost savings realized through job cuts and content decisions. All of it was necessary to stabilize the company, according to Iger.

"It was clear that the reorganization was necessary because of the disconnect... between spending and revenue generation and marketing, and it was also clear that we had to come to grips with our cost structure for a variety of reasons whether they're competitive, disruptive or global economic," he said during a fireside chat at the Morgan Stanley TMT Conference Thursday. "And we've done all that already."

With all of that work underway, Iger is now turning his eye to the company's content pipeline. So much is being made to supply linear and streaming platforms that the amount of programming available in one destination is not the differentiator it might have once been. Disney plans to be more judicious with what it makes and how much it spends on what it is making, and a focus on quality has proven to work for others in the past.

"I think HBO proved that well in their halcyon days when high-quality programming made a big difference and not

volume," Iger said. "And because the streaming platforms require so much volume, one has to question whether that's the right direction to go or can you be more curated."

As Disney reevaluates how much content it makes and where it goes, it is also revisiting its stance on licensing content. As programmers have launched standalone streaming offerings over the last several years, there's been a movement away from licensing in favor of holding back content that will make their respective service a must-subscribe.

"For a while, that was considered forbode or something we couldn't possibly do because we were so favoring our own streaming platforms," Iger said. "But if we get to a point where we need less content for those platforms and we still have the capability of producing their content, why not use it to grow revenue?"

He's keeping a close eye on the streaming ecosystem overall as the Disney leadership team mulls whether to purchase Comcast's stake in Hulu next year. There's no doubt that it is a good platform with strong original programming, a solid library and established relationships with advertisers. But the streaming environment is incredibly tricky right now, Iger said, and there is no scenario in this highly competitive, relatively new field where every player gets to win.

"Alexia Quadrani, who is our head of investor relations, gave me a synopsis yesterday of what all the different companies in streaming have been saying lately. Every one of them is going to be highly profitable in a couple of years

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and grow subs by the tens of millions,” Iger said. “It can’t possibly happen.”

Iger’s return to the Mouse House has been celebrated by Disney fans of all kinds, but he can’t hold the CEO seat forever. He’s serious about his departure at the end of this two-year term, calling succession planning as his highest area of focus. Each decision made over the rest of his time in leadership will be made in the hopes that he’ll be able to hand off a well-oiled company to the next CEO.

“My goal is essentially to leave here in two years with a trajectory whether it’s for my successor or the structure of the company or the creative pipeline or revenue generation or innovation that is very, very optimistic and positive,” Iger said.

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## FCC SPECTRUM AUTHORITY TO EXPIRE

The **FCC** is poised to lose its spectrum auction authority for the first time since it was first granted the power in 1993. The Commission’s existing authority is set to expire tonight without further action, and efforts to renew it on Capitol Hill this week have been met with mixed results. The House passed a bipartisan bill late last month that would extend the authority deadline to May 19, giving the agency and industry two more months of certainty. Senators *Mike Rounds* (R-SD) and *Mazie Hirono* (D-HI) introduced legislation on Monday that would instead extend it until Sept. 30, citing the need for the **Department of Defense** to complete a study defining its spectrum requirements and identifying any risks the agency would face should it lose access to portions of the 3.1-3.45 GHz band. That study must be completed by August. Rounds requested unanimous consent on the legislation Wednesday, but his proposal was blocked by Sen. *Peter Welch* (D-VT). Rounds blocked the two-month extension that passed in the House, and the Senate now stands adjourned until Friday morning.

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## SINCLAIR ABC STATIONS OFF HULU

**Sinclair’s ABC** affiliates went dark on **Hulu + Live TV** Wednesday after their existing deal expired. In replies to customer questions on **Twitter**, the Hulu Support account said it had lost the right to distribute those channels. Sinclair claims the story is very different, expressing surprise at the drop. “We were shocked and dismayed that Hulu removed our stations while in the middle of an active negotiation with no notice to its customers, despite Sinclair’s numerous

## Cablefax Executive Round Up

### How is your company incorporating AI into its long-term strategy?



**David Gandler**  
Co-founder/CEO  
**FuboTV**

“We have been big believers of AI for some time. In December 2021, we acquired a company called Edisn.ai to grow our AI and computer vision capabilities. Our teams are now focused on implementing our proprietary AI technology to push the boundaries of live TV streaming. We see this as a natural evolution of Fubo’s commitment to interactivity and our ability to offer the consumer a lean-forward or lean-back experience. With AI and computer vision, we aim to super-serve the ardent sports fan while also provide a live TV streaming platform that is accessible to the entire family.”



**Ron Gutman**  
CEO  
**Wurl**

“Artificial Intelligence (AI) – and, specifically, machine learning – is at the center of supporting Connected TV’s shift from a brand to true performance marketing channel. At my company, we’re incorporating AI into our long-term strategy through continuing to build and prioritize machine learning-powered technology that delivers clear, actionable data on CTV performance. These machine learning-driven solutions enable CTV streamers to grow their audiences, reduce churn, and guarantee the return on every dollar spent.”



**Charles Hong**  
Co-founder/Chief Strategy Officer  
**Beegol**

“Today, Beegol uses sophisticated machine learning (ML) algorithms and advanced telemetry to extract data, detect, and geo-locate issues in broadband network connections between consumer devices such as phones, tablets, smart TVs, doorbells and thermostats. But with the tsunami of data that’s coming with the proliferation of trillions of connected things in a new IoT world, we’ll need the power of advanced AI as well to manage and self-heal future networks.”



**David Kline**  
EVP, Charter Communications and President, Spectrum Reach  
**Charter/Spectrum Reach**

“We recently introduced a new AI-powered platform, in partnership with Waymark, that allows businesses to create high-quality, ready-to-air commercials with AI-generated voiceover for their TV and streaming TV advertising campaigns in minutes. Our commitment has always been to constantly seek new innovation, products and partnerships that will better position local businesses for success. By simplifying and democratizing creative development, we’re making it even easier for businesses to tap into the power of TV advertising.”

good faith attempts to negotiate a carriage deal, and multiple unconditional extension offers to keep the stations on Hulu,” Sinclair said in a statement. “Sinclair calls on ABC, Hulu and its owners at **Disney** to return to the negotiating table to end this unnecessary blackout and to recommit to protecting local TV and local news, which is a bedrock service for communities across America.”

## FOX CORP. PRAISES WWE TEAM, PREPS FOR DEFAMATION SUIT

Fox Corp. Executive Chair/CEO *Lachlan Murdoch* praised WWE’s leadership team Thursday during an investor conference, calling them great partners throughout the duration of the pair’s relationship. With WWE engaged in a strategic review of the company that could lead to a sale, Murdoch’s hope is that the next owners would maintain the current management team. But from a rights renewal perspective, Fox’s appetite for a new deal will depend on what’s happening with the rest of its sports portfolio. “We haven’t engaged with them on the rights yet. We’re ready to engage with them when they ask, when they’re ready,” he said. This year will be big for folks at **Fox** with about a third of its distribution volume up for negotiations, but it’s also gearing up for a battle in the courtroom. **Fox News** is facing a \$1.6 billion defamation lawsuit from Dominion Voting Systems, alleging the network aired unsubstantiated claims about the validity of the results for the 2020 presidential election. Fox Corp. Executive Chair/CEO *Lachlan Murdoch* hadn’t publicly spoken about the lawsuit before Thursday, but has now stated the network has an obligation to report the news without fear or favor. “I think a lot of the noise that you hear about this case is actually not about the law, and it’s not about journalism,” Murdoch said at an investor conference. “It’s really about the politics, and that’s, unfortunately, more reflective of just the polarized society that we live in today.” The case will hit the courtroom next month.

## DIFFERENTIATION A STRUGGLE FOR VIEWERS, REPORT FINDS

There’s no questioning that viewers have plenty to choose from when it comes to streaming, but more are having trouble deciphering the brands of each platform. Hub Research’s annual “Evolution of Video Branding” report found all major platforms—**Netflix**, **Prime Video**, **Disney+**, **HBO Max**, **Hulu**, **Paramount+**, **Apple TV+** and **discovery+**—have brand awareness above 90%, but fewer feel confident they could explain how each service is different from others. Netflix, for example, has brand awareness of 98%, but only 79% of survey participants felt confident they could differentiate it from others. The biggest gap among the group was **discovery+**, with 93% of respondents familiar and 41% knowledgeable of its offerings. Hub also found 41% of viewers signed up for a service to watch a specific program, with that number up to 57% among

those aged 16-34. As for how shows catch a viewer’s attention, a big helper is familiarity. 72% of folks aged 16-24 are more likely to watch a new show based on a movie they liked, with the number only falling to 64% among those 35 and up.

## WBD RE-INTRODUCES DIRECTORS PROGRAM

**Warner Bros. Discovery** is rolling out a rebranded Access Directors Program that seeks to develop TV directing talent through workshops and shadowing. It was previously under the Warner Bros. Television arm but will now be operated by the company’s DEI team. Directors *Mary Lou Belli* and *Bethany Rooney*, who previously taught the workshop, will continue to lead the new-look program. It’ll also give graduates the chance to direct a full WBD TV episode, as well as the opportunity to shadow directors on up to two episodes. Participants will be able to take part in virtual curriculum highlighting best practices and equity mindset sessions.

## NEW ROKU TVS COMING SOON

**Roku** is rolling out new Select and Plus Series TV sets in Best Buy stores across the U.S. starting later this month. The TVs will range from 24-75” and come with 4K Dolby Vision Picture as well as automatic brightness, wireless sound capabilities, private listening and more. The new gadgets come while Roku adds more features to its live TV, sports and overall lineup. It’s launching a new, personalized Local News channel that lets users stream channels from major cities in the U.S. Roku is also adding more golf and Spanish-language soccer coverage, with offerings such as **CBS Sports**, **MLB.TV**, **NBA** and **NBC Sports** set to join the fray soon. Other enhancements include an updated Roku mobile app, streamlined homescreen, a Live TV channel guide button and revamped account hub.

## FIBER FRENZY

**Comcast** is further expanding its Xfinity 10G network in Pueblo County, Colorado, in a \$75 million project that’ll start connecting customers before fall. Once complete, customers and businesses can get multi-gig internet speeds as well as access to voice, home management and business products and services.

## CARRIAGE

**Sling TV** is adding three **Cinedigm** FAST channels to its Sling Freestream lineup following an expanded distribution agreement. Joining Sling’s over 240-channel lineup is **Midnight Pulp**, which features select genre and cult movies, **The Country Network** and the pan-Asian entertainment-themed **AsianCrush**. **Cinedigm** now has more than a dozen of its FAST offerings on the Sling platform.

# PROGRAMMER'S PAGE

## Roku Channel Plays the 'Most Dangerous Game'

Money can make people do crazy things, but so can love. It's why Victor Suero took the chance to win \$24.5 million, but at the cost of being hunted throughout the streets of New York. "Most Dangerous Game: New York" premieres Friday on **The Roku Channel** as the second iteration of the once-**Quibi** original. Suero, an amateur MMA fighter, is thrown into a situation where he must obtain \$500,000 after his sister, Josie, lost said money transporting it for a business that handles money for those who can't use normal banks. Enter Miles Sellers (played by *Christoph Waltz*), who invites Suero to play a game that could see him win millions if he survives 24 hours in the five boroughs with multiple hunters chasing after him. New York is a popular choice to set thrilling programs in, but according to showrunner/writer *Nick Santora*, it's a logistical puzzle to plan production. "There's a lot of permitting, there's a lot of scheduling, a lot of things that just have to be handled," Santora told **CFX**. "Crowd control, can you control and own a quarter of a block for a few hours on a given day, and that's really hard in one of the biggest cities in the world." One of the toughest equations was shooting one scene at Citi Field. The crew had to obtain permission from both the NY Mets and MLB, providing details down to what type of shoe the cast would wear on the field. Once Quibi was shut down in 2020, Santora thought the show was over. With Roku stepping in to keep the story alive, the show can enjoy a much-deserved second life. "Not only does Roku give it a platform where it can go on to future seasons, Roku opens it up to a vast, vast audience," he said. "I'll always be grateful that Roku saved the show." – *Noah Ziegler*

### REVIEWS

"Stolen Youth: Inside the Cult at Sarah Lawrence," streaming on **Hulu**. Viewers hear the claim 'You've never seen anything like this' regularly. It's rarely true. However, this 3-part Hulu docuseries comes close. As chronicled in a 2019 "New York" magazine expose, retired Marine and ex-convict *Larry Ray* captivated a handful of college students for nearly a decade. *Talia Ray*, his college-age daughter, introduced Larry to her roommates. With tales of his supposed friends and associates, including former NYPD chief *Bernard Kierik*, former NYC mayor *Rudolph Giuliani* and former Soviet leader *Mikhail Gorbachev*, Ray seemed impressive. So much so he gained the students' confidence, which led to physical and psychological torture, prostitution and fraud. While filmmaker *Zachary Heinzerling* handles the subject with care, perhaps the most chilling moments come in the final ep. While Heinzerling benefitted from numerous audio and video clips that the victims and even Ray provided—he thought the audio would help prove his innocence—watching and hearing two girlfriends/victims discuss their devotion to Ray is incredible. *Isabella Pollok* and *Felicia Rosario* seem level-headed people. Rosario is a physician. Both tell Heinzerling the charges against Larry are bogus. They're still enthralled. After the doc was made, Pollok was ruled both a victim and a criminal. Just weeks ago, Pollok, 31, was sentenced to four years in prison for helping Ray. – *Seth Arenstein*

BASIC CABLE		
P2+ PRIME RANKINGS*		
(02/27/23-03/05/23)		
MON-SUN	MC	MC
	US	US AA
	AA%	(000)
<b>FNC</b>	<b>0.660</b>	<b>2059</b>
<b>ESPN</b>	<b>0.365</b>	<b>1140</b>
<b>MSNBC</b>	<b>0.362</b>	<b>1130</b>
<b>HGTV</b>	<b>0.271</b>	<b>845</b>
<b>INSP</b>	<b>0.245</b>	<b>764</b>
<b>HIST</b>	<b>0.235</b>	<b>735</b>
<b>HALL</b>	<b>0.221</b>	<b>691</b>
<b>DISC</b>	<b>0.205</b>	<b>641</b>
<b>USA</b>	<b>0.205</b>	<b>639</b>
<b>FOOD</b>	<b>0.201</b>	<b>627</b>
<b>TLC</b>	<b>0.187</b>	<b>583</b>
<b>TNT</b>	<b>0.183</b>	<b>573</b>
<b>TBSC</b>	<b>0.170</b>	<b>530</b>
<b>CNN</b>	<b>0.168</b>	<b>524</b>
<b>ID</b>	<b>0.162</b>	<b>505</b>
<b>TVLAND</b>	<b>0.151</b>	<b>473</b>
<b>A&amp;E</b>	<b>0.141</b>	<b>441</b>
<b>LIFE</b>	<b>0.128</b>	<b>399</b>
<b>GSN</b>	<b>0.123</b>	<b>386</b>
<b>BRAVO</b>	<b>0.119</b>	<b>373</b>
<b>REELZ</b>	<b>0.117</b>	<b>364</b>
<b>ESPN2</b>	<b>0.108</b>	<b>338</b>
<b>SYFY</b>	<b>0.108</b>	<b>337</b>
<b>WETV</b>	<b>0.105</b>	<b>329</b>
<b>OXY</b>	<b>0.100</b>	<b>311</b>
<b>BET</b>	<b>0.099</b>	<b>311</b>
<b>AMC</b>	<b>0.099</b>	<b>308</b>
<b>FX</b>	<b>0.098</b>	<b>307</b>
<b>NATGEO</b>	<b>0.092</b>	<b>286</b>
<b>HMM</b>	<b>0.089</b>	<b>279</b>
<b>APL</b>	<b>0.081</b>	<b>253</b>
<b>PRMNT</b>	<b>0.076</b>	<b>239</b>
<b>FS1</b>	<b>0.076</b>	<b>237</b>
<b>COM</b>	<b>0.075</b>	<b>235</b>
<b>FXX</b>	<b>0.075</b>	<b>235</b>

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



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Magazine Publish Date: **May 15**

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