Cablefax Daily

WHAT THE INDUSTRY READS FIRST

Win's a Win: Comcast Squeaks Out Broadband Growth in 1Q23

It wasn't a big number, but **Comcast** put up broadband growth in 1Q23 of 5,000 total domestic subs (3,000 residential). That may be a big dip from 1Q22's 262,000 adds, but the gain was welcome news after warnings of slowing broadband growth from Comcast and **Charter** at an investor conference last month. We'll see if Charter can also put numbers on the board when it reports results tomorrow.

Quarterly video losses of 614,000 put Comcast's rate of decline above 12% for the first time. Losses were up from 512,000 losses a year ago (-8.7% rate of decline). This is part of the circle of life as the world evolves more toward streaming. "If you think about less linear and more streaming, is that trend going to continue? Absolutely, it seems very, very likely," said CEO Brian Roberts, making the case that Comcast is well positioned to serve the shifting base with its path to 10G, upcoming Charter streaming jy **Xumo** launch and **Peacock**.

The good news is most of those video customers are staying in the Comcast kingdom. "We did see certainly an uptick in customers dropping video, but we've also seen these customers that are retaining broadband. So our full disconnect churn, video and broadband, remains at record low levels and is down nearly 25% since the pre-pandemic period," said Comcast Cable CEO *Dave Watson*. "We're able to have managed through the cycle and still there's some video packaging that

we're going to be very focused on... Based on the segment, we'll fight hard whether it's acquisition, base management or retention. It's important to us, but we have figured out a way to manage it financially."

Mobile continues to be a standout, with net line additions of 355,000. There's a lot of runway here with less than 10% of broadband subs taking Xfinity Mobile. It's a different story for broadband, with Comcast Corp. President Michael Cavanagh acknowledging that "adding subs in the near term is likely to be a challenge." Notably, Comcast had a \$25/month broadband offer and \$50/month for broadband and mobile offer in the quarter that helped drive growth. "We trialed a couple of offers targeted to this lower end during the quarter. We were pleased with the results and we'll continue to remain nimble and respond competitively in each segment," Cavanagh said. "In the meantime, as the residential conductivity market and macroeconomic environment continue to evolve our focus will be on serving our existing base, growing broadband ARPU, increasing our penetration in wireless and making proactive investments to expand our footprint at the fastest pace in our history."

Analysts have mixed opinions on the significance of mobile for the company. "Comcast needs a new narrative. The market has spent more than a year now focused only on broadband net additions. It's time to shift that focus to wireless," declared an **SVB MoffettNathanson** analysis of results. "And within Wireless, it's time to rethink margins. Overall margin expectations

TOP OPS & REGIONAL RAINMAKERS AWARDS

The categories recognize excellence in a variety of areas, including, technology, finance, lifetime achievement, customer service and community involvement.

Additionally, nominate the **Regional Rainmakers**—those often-unsung heroes who are making a difference on a local level.

It's free to enter – but you must submit your entries by April 28!

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for the Connectivity and Platforms segment - still Comcast's core - are too low, in our view.""

New Street Research wants to see evidence that wireless is growing driving broadband growth. "We think this has huge implications for how investors think about the value of cable businesses and fixed businesses more generally. If aggressively priced wireless is a driver of fixed, then Comcast and Charter are in a better competitive position than they get credit for as the only fully integrated operators in their markets," the firm said.

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JEFF SHELL, WHO?

Comcast CEO Brian Roberts kicked off Thursday's 1Q23 earnings call with a brief mention of ousted NBCUniversal CEO Jeff Shell, calling it "obviously a tough moment." But he quickly pivoted to talking up the strength of the management team in place, including Comcast Corp. President Mike Cavanagh who was tapped to take over Shell's duties. Cavanagh sounds like he's in no hurry to vacate the role. "I think me stepping in to oversee NBC is quite sustainable. As president, I was already overseeing all of this and close to the people that run the NBC businesses and the cable businesses in the corporate areas," he said, giving praise to the existing leaders in seats all around the company. "I would put no timetable at all, no time pressure to do anything other than make sure the businesses hum. That's what they're doing right now and that's what I see continuing. Maybe someday we'll think there's a better way to approach [the NBCU top role], but I'll never be moving far away from the businesses no matter what. And I'm going to own the outcome anyway it turns out." Cavanagh's got some work ahead of him. Streamer Peacock saw paid U.S. subs increase more than 60% in the quarter to 22 million total, but it continues to burn money with a quarterly EBITDA loss of \$704 million—54% higher than a year ago. Peacock revenue increased 45% to \$685 million.

NIELSEN DELAYS BIG DATA AS CURRENCY UNTIL NEXT FALL

Nielsen is pushing back the currency use of its Big Data + Panel product until September 2024. The measurement company will use its panel-only national ratings system as currency ahead of this year's upfronts as it awaits accreditation from VAB and the Media Rating Council. VAB sent a letter to Nielsen on March 23 advocating for a delay, saying there are still some details that need to be incorporated to avoid breakdowns in estimating, forecasting, planning and selling. VAB found a lack of month-to-month stability with the Big Data product, as well as a lack of consistency by gender and daypart. "Nielsen's decision to delay the currency use of their new Big Data +Panel product until September 2024 gives the buy/sell ad marketplace more time for the necessary basics: to pressure-test this new data set, make important improvements, and build confidence in its accuracy as a currency-worthy cross-platform truth set," VAB President/CEO Sean Cunningham said in a statement. The letter also pointed out Nielsen's decision to have Enhanced Big Data represent its own footprint, meaning 30% of national measurement is covered and 70% will rely on the existing data panel.

Cablefax Executive Round Up

What's one piece of advice you have for any company trying to become more environmentally conscious?



Mike Bell SVP/GM **Corning Optical Communications**

"Sustainability should be everyone's job and not just a new initiative. At Corning, for example, we are embedding sustainability into our product development processes. Our manufacturing teams take responsibility for reducing

greenhouse gases, water, waste, and energy in our operations. Our supply chain teams work with our partners to find environmentally friendly solutions. And our colleagues all around the world collaborate with local organizations to help their communities thrive."



Sara Cronenwett

SVP, Corporate Strategy and Environmental Sustainability Comcast Corp.

"Sustainability can mean many different things-reducing emissions, increasing recyclability, conserving resources, the list goes on. My advice is to clearly identify the sustainability priorities for your business, measure your current

state, and then focus on the associated strategies that will deliver unique and meaningful impact for your company."



Teresa Elder CEO

wow!

"At WOW!, remaining diligent in our commitment to environmental stewardship is a top priority. Many of the steps we take can be easily replicated in other businesses. The first thing is not to get overwhelmed by the thought of having to

make dramatic changes. Small things can have a significant impact on reducing a company's carbon footprint. It can be as simple as replacing fluorescent lights with LEDs, removing all plasticware from breakrooms and kitchens, avoiding unnecessary printing, unplugging less-used equipment to decrease power consumption, using the internet wisely to decrease the need for large data storage and reducing miles driven by field technicians."

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AD BUDGETS EXPECTED TO GROW, NIELSEN FINDS

A turbulent economic environment may impact companies, but that doesn't mean they won't continue investing in advertising. Nielsen's 2023 Annual Marketing Report found that while 69% of marketers from around the world say the current economic conditions have had an extreme or significant impact on 2023 planning, 64% expect their ad budgets to grow. Of that 64%, 13% expect increases of 50% or more. Ad spending on digital platforms is also expected to increase as spending in linear TV and radio are set to decline. The shift to streaming shows in how ad budgets are being allocated as well. Approximately 32% of marketers report allocating 40%-59% of their budgets to CTV devices, and 19% claim theirs is in the 60%-79% range. But with more viewing opportunities come challenges in obtaining audience data. On average, 62% of marketers use multiple measurement solutions to achieve cross-media measurement. Only 34% of respondents say they utilize one platform, with 19% having their own measurement solution and 15% using a third-party service.

PLUME: DATA USAGE UP AS WEEK PROGRESSES

In **Plume**'s latest study of smart homes powered by its Home-Pass product, the company found in 2H22 that home networks see more activity as the week goes on, peaking at 16.8 GB of data on Sundays. Data used per day only varied 2.1 GB, but it's up from a usage of 13.8 GB on Sundays in 2H21. Saturday had the second-highest amount of data used with an average of 15.8, and Friday—which has had the biggest growth in usage with a 26% increase—followed with 15.4 GB of data used.

CARRIAGE

Just in time for the **NFL** Draft, the FAST service **Xumo Play** launched the **NFL Channel**. It'll get started with live coverage from the Draft with "NFL Draft Center," which begins Thursday at 8pm. Other programming will include replays of classic games, special live events, movies, shows, documentaries and more. – Seven more channels are headed to **Sling Freestream**'s lineup: **FilmRise Black TV**, **Kung Fu Movies**, **Flix Snip**, **News 12 New York**, **Confess by Nosey**, **Dr. G: Medical Examiner** and **Aliwko**. Those additions bring the streamer's lineup to over 275 channels and more than 41,000 titles available on-demand.

GROCERY SHOPPING WITH ROKU

Roku is looking to enhance TV advertising for consumer-packaged goods advertisers, and it's partnering with the grocery delivery service **Instacart** to help supplement data. Roku will combine viewership data alongside insight from Instacart for advertisers to see which products are being purchased by streamers. In a test run with a personal care brand, 60% of Roku viewers who purchased

the product after seeing the campaign were new to the brand.

IN THE CHEAP SEATS

It was a quarter of continuous improvement for **Frndly TV**. The low-cost vMVPD had total viewership increase 82% YOY in 1Q23, joined by a rise in viewership per subscriber by 50% per week. Frndly also had its weekly active users improve by 30% and impressions jump 90%. So far in April, viewership is up 90% compared to April 2022 and impressions are up 39%.

FIBER FRENZY

Customers in Mauldin, S.C., will start to receive service from **WOW!** in the coming months. The company leased a facility in Greenville County to boost local operations and ramp up current and future expansion plans within the state. Once service in Mauldin is up and running, communities including Five Forks, Fountain Inn, Piedmont and Simpsonville will follow. WOW! plans to reach 400,000 new homes passed by 2027.

NAD RECOMMENDS CHARTER NIX SPEED BOOST AD CLAIM

The **National Advertising Division** has recommended **Charter** discontinue the claim that "Only Spectrum gives you Speed Boost, for the fastest wireless speeds in the palm of your hand" or modify the advertising to disclose the material conditions necessary to obtain the benefits of Speed Boost. **AT&T** filed an expedited challenge to Charter's ad claim. NAD said it fast-tracked the case because it involved a single issue related to Charter's wireless speed claim. NAD found that on-screen disclosures failed to clearly communicate the circumstances under which a user will experience the benefits of Speed Boost. Speed Boost lets Spectrum Mobile customers receive faster wireless speeds when connected to their home WiFi network.

DOING GOOD

Friday is Arbor Day, and **Cable One** is extending its partnership with the **Arbor Day Foundation** to continue planting trees on behalf of customers who switch to paperless billing. The two organizations have worked together for nine years, having planted 130,000 trees in national forests and markets across Cable One's 24-state footprint. According to the Foundation, the initiative has helped avoid and sequester over 324,866 metric tons of carbon.

PROGRAMMING

Toni Braxton signed a new overall production deal with **Lifetime** and **A+E Networks**. Her production company Braxtoni Productions will oversee and executive produce multiple projects. Braxton most recently was an EP for "A Christmas Spark," which premiered on the network in late Nov. – **HGTV** greenlit "Turn Your House Around."

BASIC CABLE

PROGRAMMER'S PAGE

'Big Beasts' Are More Relatable Than You'd Think

Less than three years ago Apple TV+ debuted "Tiny World," which showcased the little guys on the food chain with the biggest impacts. Now, it's taking a look at the other end of the hierarchy with "Big Beasts" (premiered April 21). The more we examine the natural world, the harder it is for filmmakers to surprise people with previously undiscovered creatures. Now, the focus is far more on incorporating a narrative into those series that allows viewers to find pieces of humanity in everything from elephant seals to polar bears. "Even 25 years ago or so, you could still show people findings that people literally had never seen before, and that was perhaps the greatest currency—just showing them animals or behaviors," Executive Producer Tom Hugh-Jones told CFX. "Now we're much more interested in exploring animals as characters and creating a narrative that maybe has a kind of clear timeline for it. The advances in technology and in science have really helped us do that." Those innovations include cameras that allow the filmmakers to capture footage from the animals' point of view. Enhancements like those are what allowed for the capturing of the many sides of Makumba, a silverback gorilla. "I really love that animal. He's the embodiment of our strength and ferocity, but he's also the most amazing dad. I've got a son who annoys me to play around and all the rest of it, and I kind of want to take a leaf out of Makumba's book and learn how to be a better dad," Co-Series Producer Bill Markham said. The creators and crews behind nature docs have had a front-row seat to how climate change and the boom of human civilization have impacted the wildest corners of the planet. While many species have suffered or struggled to adapt, larger animals tend to feel the weight of the change most because they have such huge demands for natural resources. Markham said watching the world become parceled off into finite spaces that are getting ever smaller for these big beasts is a powerful takeaway from the series. "They're like the barometer of the health of our planet and almost all the animals we feature are now essentially living in large safari parks," Hugh-Jones agreed. "There are a few special mythical places left on the planet where you still get giants, but there's not many." - Sara Winegardner

REVIEWS

"Mrs. Davis," Streaming on Peacock. Peacock's plumage is getting brighter. Fresh off its hit series "Poker Face," the streamer is catching buzz for "Mrs. Davis." The first episode has viewers groping around in the dark to try and find even a thread of the intricate plot, but I'll blindly follow the riveting Betty Gilpin, who plays audacious nun Simone, into the abyss. Everything about Mrs. Davis-including the show's name-is perplexing. But instead of leaving you frustrated, it has just enough breadcrumbs to keep you working to build that sandwich. Episode 1 offers up a few ingredients—an algorithm, the Holy Grail, magicians and Reno. - "The Big Door Prize," Apple TV+. The premise of this series may sound a little hokey—a mysterious video machine appears in a small town and offers the residents little purple cards that tell them their life potential (usually boiled down to one word). But the cast, writing and even the music combine to deliver a sweet, often funny, look at the paths we choose and why. Each ep provides insights into the town's colorful cast of characters, though history teacher Dusty Hubbard (Chris O'Dowd) seems to have the most riding (literally) on his butt. - Amy Maclean

DASIC CABLE		
P2+ PRIME RANKINGS*		
	/23-04/23/23	-
MON-SUN	MC	MC
	US AA%	US AA (000)
	AA 70	(000)
TNT	0.964	3009
FNC	0.659	2058
ESPN	0.463	1446
MSNBC	0.356	1111
HGTV	0.258	805
INSP	0.236	736
HIST	0.231	721
HALL	0.217	679
TBSC	0.210	654
DISC	0.194	605
USA	0.186	582
FOOD	0.185	579
TLC	0.184	573
ID	0.157	490
TVLAND	0.150	469
CNN	0.144	450
FX	0.126	394
LIFE	0.126	393
BRAVO	0.126	392
A&E	0.123	383
GSN	0.108	336
WETV	0.108	336
ESPN2	0.101	315
REELZ	0.096	300
NATGEO	0.095	296
нмм	0.095	295
AMC	0.092	287
OXY	0.084	261
BET	0.082	256
SYFY	0.082	256
APL	0.078	242
NAN	0.077	241
PRMNT	0.075	235
FXX	0.068	214
FETV	0.068	211
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