

# 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 jv **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!**

**Submit Today at: [www.CablefaxTopOps.com](http://www.CablefaxTopOps.com)**

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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.

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## **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.”

## 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 HomePass 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."



