

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Review Board: Telecom Ad Challenges on the Rise at NAD

If it feels like you're seeing more reports of advertising challenges in the telecommunications sector, you'd be right. Already this year, the **National Advertising Division** has handed out recommendations regarding [Spectrum Business](#), [Spectrum Mobile](#), [Cox Mobile](#), [Comcast](#) and [Verizon](#) and referred [claims](#) made by **Charter** regarding its Spectrum home internet service to the **FTC**.

"Pre-2020, there were 10-15 [telecom] cases per year. In 2020, and I think it really started with the mobile networks and the birth of 5G networks, we started seeing huge increases in challenges and then again in 2021," *Laura Brett*, VP of NAD, told **CFX**. "The number of challenges between telecommunications companies increased 30% from 2019 to 2020 and then another 30% from 2021 and continue to grow."

2021 and 2022 were pretty consistent, averaging 29 challenges in the sector. However, 2023 jumped to 45 telecom cases for NAD, according to Brett. With competition ramping up on all sides—cable jumping into wireless, mobile players offering fixed wireless internet—the rise in advertising challenges seems logical. Companies are making claims for new services and sometimes taking direct swipes at their rivals.

Even though competition may continue, it doesn't mean the ad challenges will keep ratcheting up, said Brett, who actually expects 2024 not to see an incremental increase in challenges for telecom. "As we see these new services being offered and the new technology has been rolled out now for several years, we start to

provide guidance that the industry then follows so you know we're no longer going to be arguing about how you support a most reliable claim in for your 5G service," she explained. "We've looked at that in multiple cases and the companies generally do follow our guidance going forward so they don't have to relitigate the same issue or raise the same issue again and again in multiple challenges. I think it's really just them working through and drawing some lines about how you advertise some of these services."

The U.S. advertising industry created the National Advertising Division in 1971 as a system of self-regulation to build consumer trust in advertising and support fair competition in the marketplace. It is part of the independent, non-profit **BBB National Programs**. "The concept, I think, was that most of these cases would be self initiated or brought by advocates—people who were worried about the truth and accuracy of advertising. But what we've found over the years is that competitors see it as a resource for resolving their concerns about the truthfulness of advertising," Brett said.

She estimated that competitors brought about 20% of challenges in NAD's early days. Now that's flipped to about 80% coming from competitors and about 20% from NAD itself. Some advocacy organizations do file complaints, but in the last few years NAD has seen an uptick in trade associations bringing challenges because sometimes an advertising claim can be an issue that's industrywide. For example, last year NAD recommended Mohawk Industries discontinue the slogan "Wood Without Compromise" for its RevWood laminate flooring product following a challenge by the Decorative Hardwood Association.



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Another factor that might contribute to the rise in NAD challenges is the institution of a fast-track process in 2020 that allows for disputes to be resolved in 20 business days. Brett believes that's encouraged some filings that might not have happened otherwise. Take a pricing claim. It might be no longer available by the time a normal case is resolved, which can take four months or so.

NAD accepts challenges to all types of advertising. The health/dietary industry receives a lot of challenges as does consumer goods. How big is NAD? It's made up of just 12 people, with 10 of those being attorneys. When parties don't agree on a NAD decision, the matter is sent to the **National Advertising Review Board** [NARB], the appellate body for the industry's self-regulation system. NARB has a pool of 98 leaders from ad agencies, national advertisers and academia (and other areas of the public sector) who volunteer their time to consider challenges.

When an advertiser at the NAD or NARB level decides they don't want to comply with the recommendations, that's when the matter is referred to the FTC. NAD also reports the claims to **Meta Platforms**, which reviews and decides whether the advertising complies with its policies. "If it doesn't, they pull the ads down. And to be honest, that mechanism usually takes about a week or less and it can be very effective," Brett said.

Such measures are pretty rare, with NAD boasting a 90% compliance rate and in the last couple of years it's actually been closer to 95%. "We view ourselves as a way to kind of level the playing field so that consumers are getting truthful information and competitors are not being held to unequal standards based on their own comfort with the kind of advertising they're willing to do in the marketplace," Brett said.

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NETFLIX EARNINGS ON DECK

A day ahead of Netflix's 1Q24 earnings, **MoffettNathanson** is raising its estimate on U.S. and Canada subs to 1.5 million vs the 1 million consensus. It expects another 5.5 million across EMEA, LATAM, and APAC (vs. 3.9 million consensus). The firm is maintaining its \$500 price target. "We now forecast Netflix will add 23 million subscribers this year to reach 283.3 million (vs. 281.8 million consensus). However, as we expect slower growth beyond 2025 than our peers, we fall below Street estimates for subscribers by a growing margin through 2027," a research note said, with the firm at an estimate of 320.8 million in 2027 vs a consensus of 329.4 million. **LightShed Research** analysts are hoping to hear more in tomorrow's call about whether Netflix has interest in the **NBA**, a *NY Times* report that it's looking to make better, cheaper films and what's stopping a more rapid shift of ad dollars to its AVOD tier.

The WHO and the WHY

CFX's spotlight on recent new hires & promotions



DAVID Porter
 HEAD OF AD SALES RESEARCH, DATA AND INSIGHTS
 WARNER BROS. DISCOVERY

3 THINGS TO KNOW

- David comes to Warner Bros. Discovery from Canoe Ventures, where he had held the CEO seat since January 2023. He first came to the company in October 2020 as SVP/GM, Addressable Advertising.
- David joins the organization just one month ahead of its May 15 upfront in NYC. He'll be leading the overall strategy and execution for alternative currencies, cross-platform measurement and insights, streaming and digital engagement and more. He's also expected to push the bounds of ad measurement tools and technology to enable enhanced measurement of campaigns' impact across Max and beyond.
- He's a mainstay of the ad innovation space, previously leading the product management and sales solution teams at Turner as VP, Ad Innovation and Programmatic Solutions. He also held leadership teams at AOL, Microsoft, Cox Communications and AT&T.
- David, who will split his time between WBD's NYC and Atlanta offices, is also on the Board of Trustees of the Atlanta Ballet. He has been dedicated to continuing education, completing the Cox Communications' Executive Development Program, the Harvard Business School Executive Management Program and the Microsoft Executive Leadership Program.

WRAPPING UP NAB SHOW

While Wednesday is the final day of the 2024 **NAB Show** in Las Vegas, Tuesday was the conclusion of the Streaming Summit, and Conference Chairman **Dan Rayburn** decided to call an audible on its show recap session. Instead of the original Q&A and general discussion, Rayburn turned the closing hour into a "Best Practices for Getting a Job and Advancing Your Career" keynote. Why? "There has not been a time in the industry over the last, I'll call it 15 years that I've seen it like this where so many qualified people are out of work," Rayburn said. Prior to NAB, Rayburn offered free tickets to folks who recently lost their job or were laid off, and approximately 60 people took him up and attended the show. The closing session focused on aspects like how to organize a LinkedIn profile, resume building, communication skills and how to stand out among job applicants. "You invest in people as opposed to ideas,"

Rayburn said, noting how when he asked folks like **Paramount** CTO/EVP/Head of Multiplatform Operations *Phil Wiser* and **Prime Video** VP, Technology *BA Winston* about the job qualities they're looking for, they didn't start with any technical terms or skills. "The point is, these companies are looking to build a certain culture. People are the most important aspect of the business." – Preliminary numbers show the 2024 **NAB Show** had over 65,000 registered attendees from 162 countries, around the same 65,013 mark NAB recorded at last year's centennial celebration. This year, nearly 3/4 of the attendants were buyers that had a collective buying power of \$17 billion. That was in addition to the nearly 1,300 exhibitors that came from 41 countries. Of course, there was some star power at this year's show, including "America's Got Talent" host *Terry Crews*, singer/actress *Jennifer Hudson*, "Hot Ones" host/co-creator *Sean Evans*, journalist *Soledad O'Brien* and **YouTube** personality *Casey Neistat*.

COMCAST EXPANDS PREPAID WITH MOBILE, INTERNET PLANS

Comcast introduced a prepaid brand Wednesday under which it will offer low-cost internet, mobile and streaming products. The brand will be called NOW, and the portfolio was created largely in response to the shutdown of the **FCC's** Affordable Connectivity Program. Two NOW internet options will be available, 100 Mbps for \$30/month or 200 Mbps for \$45/month, and each tier includes unlimited data and an Xfinity gateway. NOW Mobile offers unlimited 5G data, talk and text for \$25/line, and the NOW WiFi Pass gives customers unlimited access to more than 23 million hotspots for \$20 for 30 days. Comcast introduced NOW TV, a \$20/month streaming offering including live and on-demand network programming as well as Peacock Premium and FAST channels, in May, and that will now be featured as a product under the prepaid umbrella. Initial trials for NOW internet and mobile service have begun in Hartford, Houston and Miami, but a full-scale national launch is expected in the weeks ahead. NOW TV and WiFi Pass are already available across Comcast's footprint.

ASL ON PBS KIDS

PBS KIDS digital streaming platforms will integrate American Sign Language interpretations into multiple series beginning Thursday. The move builds on its dedication to inclusivity and accessibility. ASL will be integrated into six popular series (10 eps each): "Work It Out Wombats!," "Pinkalicious & Peterrific," "Arthur," "Daniel Tiger's Neighborhood," "Donkey Hodie," and "Alma's Way." PBS KIDS paid close attention to the placement of the ASL interpreter on-screen, moving them around based on proximity to the character who is actively speaking and having them wear props or colors to look more like the character they were interpreting.

CARRIAGE

Low-cost vMVPD **Frndly TV** added four SVODs to its add-on offerings: **Lifetime Movie Club**, **History Vault**, **A&E Crime Central** and **Great American Pure Flix**. They join **Hallmark Movies Now** as Frndly add-ons, with the service making the SVODs and any future SVOD addition available through the new Frndly TV Channel Store. Frndly TV will offer Lifetime Movie Club, History Vault and A&E Crime Central through a 7-day free trial. After that, each is \$4.99/month or \$49.99/year. Great American Pure Flix is also available through a 7-day trial and retails for \$8.99 per month or \$79.99 per year. – **Comcast** is launching Cineverse-owned SVOD channels **AsianCrush** and **RetroCrush** across X1, Flex, Xumo Stream Box and Xumo TV.

HORIZON TELCOM NOW GLO FIBER

Shentel has completed its acquisition of **Horizon Telcom** for \$385 million in cash and stock and has rebranded its services to Glo Fiber. Horizon provides fiber optic broadband services to commercial customers in Ohio and adjacent states and residential customers in the markets of Chillicothe, Circleville, Lancaster, and Washington Courthouse, Ohio.

RATINGS

Monday saw the most-viewed **WNBA** Draft ever as *Caitlin Clark* officially entered the professional ranks. **ESPN** garnered 2.45 million viewers, according to Nielsen, making it the most-viewed WNBA event on ESPN platforms ever. Viewership peaked at 3.09 million—307% more than the previous record set in 2004—and it was the most-watched program of the night among people under the age of 35. Additionally, 1.06 million women viewers tuned in, which is good for a 374% YOY rise.

PROGRAMMING

Fuse Media FAST channel **El Rey Rebel** will air some of the most memorable fights in recent history as part of a new "Friday Night Fights" series launching May 3 at 8pm. The weekly series is part of a partnership with *Oscar De La Hoya's* Golden Boy Promotions. – **Monumental Sports Network** will televise 32 of **WNBA's** Washington Mystics' 40 games this season, starting with the May 14 opener against the New York Liberty. Remaining games will be broadcast nationally on **CBS**, **ESPN** and **ION**. – **INSP** renewed "The Tall Tales of Jim Bridger" for a sophomore season. – **National Geographic** greenlit "The Stanford Prison Experiment: Unlocking the Truth (Working Title)," a three-part docuseries unraveling the infamous psychological experiment. – **MSG Networks'** playoff coverage of the New York Knicks kicks off Saturday at 6pm ET when the team takes on either Miami or Philadelphia. The network will air the first three games of the series as well as games 5-7 if needed. MSG Networks will also have an expanded hour-long pregame show before Game 1 and expanded post-game shows throughout the playoffs. All coverage will also be available on **MSG+**.

SPONSORED CONTENT

Aim to be Forgettable – The Customer Journey Reimagined

Today's consumer demands personalized experiences and tailored services delivered at lightning speed. But today's reality is anything but easy as consumers juggle cable TV, OTT streaming, broadband, wireless services and more, managed through siloed apps, websites and contact centers. All this is underpinned by a challenging billing experience resulting from multiple bills with varying due dates and payment options. Even with the same provider, the experience is often fragmented, causing frustration and churn.

Forget the “unforgettable” experience; the effortless one wins every time. Communication Service Providers (CSPs) can excel by leveraging trusted relationships with their established customer base. By transforming to become agile and data-driven, CSPs can embrace a customer-centric approach and become the preferred providers of traditional and new services.

Beyond Bundles: A Customer-Centric Approach

The 2024 CSG State of the Customer Experience Report outlined how personalized, efficient and engaging customer experiences are no longer the exception. They are table stakes. In a market accustomed to competing on price, delivery and coverage, leaders are differentiating on experience. But what does it mean to be customer-centric? It goes beyond personalized engagement, innovative service bundling and customer support. It's about reimagining how customers interact with your business on every level across every touchpoint.

With access to rich data and established trust with their customer base, CSPs have a distinct advantage, giving them deep insights into consumer behavior and preferences to fuel innovation. However, they need to move away from the traditional, slow-moving processes and systems. New offerings need to be released in a matter of days or weeks, not months. This requires streamlined processes, agile development methodologies, and a culture that embraces innovation.

Consumers switch between multiple accounts, apps, websites, and service numbers, never sure they get the best value or if their packages are even a good match for their needs. With a data-driven approach, CSPs can consolidate these services and offer consumers a complete package they can change as their needs. They can make managing subscriptions, paying bills and troubleshooting issues effortless, forgettable almost. This opens the door for selling beyond traditional connectivity and entertainment. Imagine seamlessly integrating energy billing with your cable bill, offering bundled packages with health and fitness trackers, or providing financial services within the CSP's secure online ecosystem.



LIZ Bauer
EVP, Chief Experience Officer
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Focus on the Customer, Not the Service

A single, integrated platform is the future. It allows consumers to manage their services—cable TV, internet, wireless phone, streaming and 3rd party, under one account, one experience and one bill. Flexible billing and payments options enable choice; the choice to buy, use and pay for services how and when consumers want. A study by Strategy Analytics found that customers who subscribe to flexible packages are unlikely to switch to a competitor and that flexible packages attract new customers who have been turned off by traditional rigid packages.

- **Enable choice with unbundling:** Offer consumers the flexibility to choose only what they truly value. Empower them to build customized subscriptions to fits their needs and budget, lowering costs and boosting satisfaction.
- **Simplify pricing and billing:** Eliminate hidden fees, simplify pricing tiers, and provide easy-to-understand billing statements. This transparency builds trust and enables informed choices.
- **Prioritize the effortless:** Put the customer at the heart of everything. Offer multiple support channels and invest in AI-powered self-service tools.
- **Data-driven decisions:** Leverage customer data to understand behavior, preferences, and usage patterns. Optimize service offerings, personalize recommendations, and continuously improve the overall customer experience.

CSG's SaaS platform empowers customer-centricity and resilient revenue growth from day one. We enable CSPs to monetize any service, to any customer on any network to drive scalable growth while reducing costs. CSPs can quickly deploy the cloud-native business support and customer experience systems they need to create and monetize new services and devices across multiple networks simultaneously. With an end-to-end monetization platform that includes CPQ, order management, product catalog, billing, care and customer journey orchestration, CSG enables CSPs to unlock new levels of loyalty and growth.

Let's redefine customer centricity together by aiming to be forgettable.



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experience wins every time.

CSG's SaaS platform empowers customer-centricity and enables
CSPs to unlock new levels of loyalty, retention and growth.



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Think about that for a minute...

Transaction Fees

Commentary by Steve Effros

A long time ago, far, far away, I sat at lunch with cable moguls John Malone and Ted Turner. They were shooting ideas back and forth and would periodically look at me after a particularly interesting cable business idea was bandied about and say "...We can do that, right, Steve?" I was, after all, one of the industry's "Washington guys" at the time. The question was always whether some idea would pass muster with the regulatory and political mood of the day.

My Dad, many years before, had admonished me that if I was going to become a lawyer, don't be one that "screws up deals" by always saying "no." Your job was to figure out a way to get the legal stuff done. It was too easy to always say no, and then never be challenged to make the new, novel stuff work. So of course when asked that question I simply smiled, and said yes, we can figure out a way.

Malone often came back to the idea of transaction fees. He was convinced that "cable" was going to be more than "cable television." He was already thinking about "broadband" and the "internet" even though those terms had yet to be coined, and his focus was on what a successful business model might look like.

It's a shame his idea didn't percolate up to the top long before now, we've needed it. But I suspect we're going to start hearing about it soon. Why? In part because the current path we're on is not sustainable. I'm not going to go yet again into the details of why the unraveling of the cable "bundle" has resulted in a plethora of business plans that are costing too much money, both for the businesses and the customers. We can get back to the economic realities of aggregated bundles versus "a la carte" purchasing another time.

The result, however, of the move toward streaming and multiple "walled garden" program packages, now augmented by both subscriptions and advertising in an effort to sustain a competitive product, is that none of it is working well.

Subscribers, and I'm one, are quickly getting fed up with

the increasing costs, the multiple outlets requiring sign-ins, cancellations to move to another "walled garden" when there is another show of interest, re-sign-ins, monthly reminders of which service you want for the following month, anger at the newly raucous ads interrupting the programs designed to get you to "upgrade" to avoid those ads, and the like.

So here's what I want to see. It's a refinement of an idea I mentioned in an earlier column about the potential saving grace "AI" can provide consumers to deal with this mess. I offer it here to anyone who knows how to play the venture capital and banking game (I don't, or I would have bought and sold cable systems a long time ago like many of my now very wealthy former acquaintances!)

Create a service, whether an AI powered "app" or a device that can work with video delivery networks, broadcast and/or broadband streaming. "Teach" it to recognize all the major video providers and learn how to "sign in" and "sign out" of them for the secure user. Let that user designate either specific things he or she wants to watch at any given time, or provide a personalized "recommendation engine," and then (thanks, John) set up a schedule for micro transaction fees based on how much that service saves the user by not paying at any given time for video services not being used.

No subscription fee, just a transaction fee for a service saving them money, which gives consumers what they want without a hassle. If it works, they will come! You can give me a little stock later as a thank you!



Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry. His views do not necessarily reflect the views of Cablefax.)



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