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WHAT THE INDUSTRY READS FIRST

Bundle Boom: How Linear-Streaming Packages are Shaping Video's Future

During a **Cynopsis ScreenShift** panel moderated by ***CFX***, cable and media industry heavyweights got together to discuss "The Great Rebundling." On the menu was plenty of talk about how operators and programmers are partnering to bring hybrid linear and streaming bundles to customers and what this means for the future of the video business.

Joining the panel were **Charter** EVP of Programming Acquisition *Tom Montemagno*, **Paramount** President of U.S. Distribution *Ray Hopkins*, **Versant Media** President of Distribution & Partnerships *Roy Cho* and **AMC Networks** EVP of Distribution & Business Development *Eric De Cholnoky*. As that lineup might suggest, there was a big emphasis on Charter paving the way for linear-streaming carriage deals with programmers.

"Cord cutting was accelerating, broadband growth was slowing, streaming was evolving and content was sort of leaving the linear ecosystem, and programmers were turning their investments more toward streaming, and, in our view, requiring our customers to pay twice," Montemagno said of Charter's thinking when it set out to negotiate the first linear-streaming bundle deal with **Disney** in 2023. "We were at this inflection point where we were going to set off on a new cycle of negotiations with every major company. We basically said that we're either going to do something transformational or we're going to pivot away and de-emphasize video."

That transformative carriage deal wasn't without hiccups, of course, including a blackout of Disney channels on Spectrum that lasted 10 days. "You know, what I said internally is no one's ever lasted more than a week, and if we make it more than a week, I think we're going to come out of this pretty good," Montemagno said.

Eligible Spectrum TV customers can now authenticate into **Disney+**, **ESPN** and **Hulu**, as well as quite a few other streamers, including those owned by Paramount **Skydance** and AMCN. Hopkins said that PSKY and Charter are "aligned in trying to stem cord cutting and to keep the video business as robust as possible." Meanwhile, AMCN was so supportive of Charter's hybrid bundle approach that it actually asked to negotiate a renewal early to get AMC+ into the Spectrum package. "We had made a decision before that not to advantage customers of streaming versus linear TV. So if you want to watch a show, you can see it wherever you want. We hope we try to be everywhere but keeping things in parity," said De Cholnoky. He added that negotiating with Charter was "a simple conversation" for AMCN.

Soon to spin off from **NBCUniversal** is Versant Media, but it hasn't been very clear how the new, linear-heavy company will approach the bundling era, particularly since it can't currently flex much streaming muscle (a reason why those **WBD** acquisition rumors don't sound so outlandish to us.) But Cho shed some light regarding how Versant is thinking about future bundle negotiations with providers, saying that "we're always thinking about bundling. We're always thinking about amplifying." Key to that is expanding its streaming options beyond what it currently offers with **CNBC**. That includes a bigger streaming presence for its portfolio of live sports. "**USA** has a strong sports portfolio. We're going to continue to build that up," Cho said. "The sports leagues want to understand what your streaming strategy is, because they want to make sure that their live sports content is going to be available widely for people to be able to watch and access. So I say all that because you need the linear but you also need a streaming strategy." In short, stay tuned.

What are the results of all this bundling for Charter? It's all looking very promising, Montemagno shared. "The early metrics is every customer that activates an app, the more apps they activate, the better the churn. We're seeing the improvement right away," he said. "We created more flexibility to offer cheaper, price, lighter packages and so our video numbers, you'll see in our earnings report, we're still losing, but it's coming down dramatically. So it's beginning to work. We're starting to show results."

Bundling isn't just touching pay TV and SVODs, though. A panel about FAST channels also touched on how free ad-supported platforms and traditional pay TV are increasingly combining. "On **Xumo**, for example, especially on the [**Comcast**] Xfinity side, our FAST channels are actually built into the cable guide," said *Eli Zang*, VP, Head of Sales at Xumo. "So if you're watching **Bravo**, then you're switching to the 24-hour 'Housewives' channel. And why not, right?" Zang added that on Xumo "a lot of people are actually streaming FAST and not really recognizing that they are. And we want that, right? Because more and more that is just a way of consuming television."

Programmers are feeling pretty good about FAST channels, too. De Cholnoky said during the CFX panel that AMCN thinks of its lineup of FAST offerings, which include linear channels for **AMC**, **Acorn TV**, **Shudder** and **AllBlk** programming, "as the first step of the flywheel, getting people in." Part of AMCN's FAST strategy revolves around using "primarily older content…all geared towards getting people into something else," such as a paid subscription to AMC+.

But Montemagno is a bit more hesitant about marrying Spectrum TV with FAST. "We're partners with Comcast in **Xumo Play**. And so I really leaned on that product to sort of house all of our FAST channels," he said. "I've been reluctant to put that kind of tonnage into the typical lineup and make people navigate through all of that to find what they want." Adding so much free content to the channel guide could also lead "next-gen consumers" to ask "why the heck would you pay for a TV subscription? You can just work a little bit and it's all free," according to the Charter exec, who warned that operators have to "be careful about that tipping point, because there is so much sort of untethered content out there. Either people can share credentials or they can just go to free platforms. And it's becoming harder to have a successful subscription television business."

That said, it shouldn't come as a surprise that budget-conscious consumers are increasingly adding FAST platforms to their SVOD diet to cut down on the growing costs of subscriptions, according to Zang. "One of my friends added up all the different costs that they had, and it was actually more than what they paid for premium cable," he said. "So the idea is most people are going to subscribe to a handful of subscriptions and then look for free premium content. And this is why there's so many people flooding to FAST."

In other words, there's more than one way to bundle and consumers are exploring their options.

DIRECTV BRINGING GLANCE AI TO GEMINI NEXT YEAR

Glance AI rolled out on **Samsung** Galaxy phones this summer, allowing users to browse looks, save them, try on clothes and more through a personal AI experience. Now, it's coming to its first U.S. television provider with **DirecTV** Gemini devices slated to begin rolling out the feature in 2026. Think of it as a screensaver that subscribers can direct, popping up when the TV is paused or idle—a task currently handled by **Google** wallpapers. So, if a family is considering a trip to **Disney** World, they could have Glance AI create a five-day itinerary and the TV screensaver would feature images of the imagined trip that show family members in the parks. It also lets users engage in shopping by virtually interacting with products, while also offering real-time live weather and sports scores tailored to their interests as well as the ability to buy tickets to a game or shop for a specific item. Glance AI, backed by Google, **Jio Platforms**, **Mithril Capital** and an unconsolidated subsidiary of **InMobi**, did a pilot on 3 million televisions late last year with another partner and saw almost 155 to 200 minutes of usage of AI experience per day, according to *Rajat Wanchoo*, the group VP of commercial partnerships at Glance. "That kind of cemented our belief that people have this desire, unfulfilled gap in the market, that they want to actually see themselves and interact with it like that. Two-way interaction does not exist on a television," he told ***CFX***. "For the last 70 years, you sit on your couch and you watch some content created by somebody, and in your mind, you're having empathy for that content, but you're not in that content." While some 5 million people are using Glance AI (primarily on their phones), Wanchoo believes bringing it to the TV makes it a group activity—significant for deciding things that impact more than one person, such as a family vacation or new car. "DirecTV wants users to kind of have their **ChatGPT** moments on TV," he said. "And I think DirecTV wants to give a differentiation to their televisions versus the other [pay TV] providers. So they're making their Gemini box more unique." That may not be for long, with Wanchoo saying that Glance is talking to two other providers right now about a similar launch.

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CAN STREAMING HELP LOCAL NEWS REACH YOUNGER VIEWERS?

Former **FCC** Chair *Jessica Rosenworcel* joined a Tuesday morning **ScreenShift** panel about local news streaming and how younger audiences are consuming news today. One key point made by Rosenworcel was that current regulation doesn't really match up with current media consumption habits: "What we have right now is the assumption that there are public airwaves all around us, and folks like the FCC can take those airwaves, slice and dice them into licenses for radio and television, and the licensees then have an obligation to serve their community with things like news. It was a pretty good system. It lasted for a really long time, but as everyone knows right now, we get our news when we want it, where we want it, on any piece of glass handy, and that's doubly true for young people. And so we've got to figure out how to change our laws and the economics to catch up with the way people actually consume news today." She added that she thinks it's "fabulous that everyone wants to experiment" with the way folks get their local news. Those experiments include delivering news via vertical video on mobile, an increasingly crucial format for reaching the youngest consumers. **Swerve TV** Chair *Christy Tanner* chimed in, saying that the local news challenge on the vertical front is growing viewer engagement for coverage of "day-to-day" events like city council or school board meetings. "The winner of the future will be the company or the entity that figures out how to make that interesting for the vertical video generation or the **YouTube** Live generation," Tanner said, pointing to the NYC mayoral race as an example of how vertical video has helped spark "an explosion of interest in public affairs" among viewers. "That is partly because they are vertical video first."

WBD RUMOR MILL SPINNING AGAIN

Talks of **Warner Bros. Discovery** being up for grabs are ramping back up. The company rejected an initial bid from **Paramount** in recent weeks, according to a *Bloomberg* report citing people familiar with the matter. The offer was around $20 per share, though Paramount can still up the ante via its shareholders or reinforcements from private equity firms such as **Apollo Global Management**. Paramount isn't the only company reportedly giving *David Zaslav* a call. The *NY Post* notes **Comcast** is another interested party, with Chairman/CEO *Brian Roberts* "highly interested" in WBD's content, studio and **HBO Max**. However, it's unclear if Comcast or **Versant** would be the one going for WBD. Reminder: **Peacock** will remain under Comcast's purview once Versant makes its expected spin by the end of 2025, meaning Versant lacks a flagship SVOD beyond its linear assets. **New Street Research** believes it's more likely Versant would make the bid "as we would find it odd for CMSCA to purchase assets (cable channels) similar—though not identical—to assets it just spun-out." That doesn't mean there won't be potential regulatory complications. While the **FCC** wouldn't review since there aren't broadcast licenses being transferred, the **FTC** or **DOJ** could, and states could get involved with their own lawsuits to block a Versant-WBD combination. "The antitrust analysis would be different if it turned out to be CMSCA, but the bottom line would be similar in that it is unlikely for the Trump Administration to allow CMSCA or Versant to purchase WBD, with the more important variable being what the courts will do," NSR writes, later noting President *Trump* would be "the most significant player in the review." Given Trump's focus on the news aspect of Paramount-**Skydance**—which was under FCC review—he likely wouldn't be a fan of **CNN** and **MSNBC**/**MS NOW** moving under one roof. "The most likely scenario is that even if Versant bids more for WBD than PSKY, PSKY prevails due to WBD shareholders not wanting to risk delays and a higher probability of rejection," NSR said.

SCREENSHIFT NOTEBOOK

There was plenty of discussion at **Cynopsis ScreenShift** about what gets to be called "premium" in the current video space. A major takeaway was that what's premium and what isn't is really up to the eye of the beholder. If a video is hooking the viewer and getting tons of engagement, should it not be considered premium? One speaker simply said the continued use of the term was BS, but another panel specifically zeroed in on FAST offerings and why they shouldn't be viewed as less premium than, for example, cable channels. *Eli Zang*, VP, Head of Sales for **Xumo**, used the platform's recently-launched "Law & Order" linear FAST channel to make the point that a free ad-supported product can be just as valuable (or even more so) than traditional TV originals to media buyers. "When we launched it, it immediately became one of our top channels, and it's earning tons of attention… I would say that the Law & Order channel, which garners more attention, is more premium than an original that is not getting as many eyeballs. Premium is attention and the amount of time someone spends with it." – **Horizon Sports & Experiences** SVP of Strategy *Kerry Bradley* spoke briefly about one of the biggest misconceptions concerning the value of live sports programming during a panel about revenue opportunities in today's live TV landscape. She explained live content has a much longer tail that goes beyond the telecast itself, something worth keeping in mind whether you're a brand or distributor. "There's a ton of additional value to be extracted from these culturally relevant platforms," Bradley said. "Beyond the live event, you have the social reverb," in which fans extend the conversation when they log onto social media to react about what they watched. Bradley described this as the "next generation, proverbial water cooler conversation the next day" after an event. Think talking with your coworker about the **Super Bowl** halftime show on Monday morning or what *Taylor Swift* was wearing during the Chiefs game but via tweets and memes online. But that's not where the conversation ends either, according to Bradley. "We have an even longer tail to take advantage of, and we refer to that as the cultural afterglow, and how you continue to be a part of that moment, that culture and extend the life of its relevancy, the resonance, but also the brand association." Bradley said that it's important to keep this cultural stickiness in mind when investing in live programming.