

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Full Stream Ahead: Disney is All In on Direct-to-Consumer Business

Streaming took centerstage in **Disney's** 4Q20 earnings report Thursday, and that's the plan for the future. "We will be heavily tilting the scale from linear networks over to the DTC business... as we see that as our primary catalyst for growth as a company," CEO *Bob Chapek* said on Thursday's earnings call. He promised to talk a lot more about this strategy at Disney's virtual investor day on Dec 10.

**Disney+** ended September with 73mln paid subscribers, a total that far exceeded management expectations. Disney+ Hotstar, an Indian SVOD streaming service owned and operated by a subsidiary of The Walt Disney Company India, accounts for over a quarter of Disney+'s global sub base. Disney+ launches in Latin America Tuesday.

**Hulu** ended 4Q with 36mln paid subs (32.5mln SVOD only and 4.1mln Live TV + SVOD), while **ESPN+** subs reached 10.3mln, up from 3.5mln a year ago. The average monthly revenue per paid subscriber for the Hulu SVOD-only service decreased from \$12.67 to \$12.59 due to the introduction of the bundled subscription package and lower per-subscriber advertising revenue. The bundle and lower per-sub ad rev dropped ESPN+'s average monthly revenue per paid sub to \$4.54 from \$5.15.

Following **ESPN's** recent layoffs, Chapek said the company is watching costs across all operating units. "We continue to believe in sports," he said, adding that the company will only do continued rights deals if they add shareholder value. "We

don't have any concerns about the long-term health of sports," he said, noting there's comfort in MNF staying relatively flat YOY in viewers despite headwinds such as game cancellations, fans not in stands and election news competition.

What about sports on linear networks in this age of cord-cutting? Disney's answer is Hulu+ Live TV. "It really gives the utility that consumers might normally find from their cable or satellite provider and be able to get it over-the-top directly to their home," Chapek said. "I think this will increasingly act as a solution for those households that have dropped away from their traditional cable-type subscriptions."

Revenues for the cable nets rose 11% to \$4.7bln, while operating income declined 7% to \$1.2bln thanks to lower results at ESPN. ESPN saw higher programming and production costs due to the recognition of rights costs related to **NBA** and **MLB** programming rescheduled from 3Q into the current quarter.

Disney shares were trading up after hours with overall revenue of \$14.71bln (-23%) better than expected. The company's adjusted loss per share of 20 cents also beat Wall St expectations. COVID still is having an impact though. Parks and consumer products lost \$1.1bln in the quarter, while studio entertainment's operating income decreased 61% to \$419mln due to lower theatrical and home entertainment results. Disney said it would skip its dividend that had been set for January.

### CURIOSITYSTREAM HITS 13MLN SUBS

**CuriosityStream** now has a total paying subscriber base of approximately 13mln, pres/CEO *Clint Stinchcomb* reported



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during the streamer's first-ever earnings call. That's a 108% increase from 3Q19, and the company saw notable increases in annual plans and international subscriptions. Stinchcomb said those are directly tied to CuriosityStream's efforts to reach out to audiences with a high proclivity to subscribe as well as brand awareness advertising. Ad and marketing spend for 3Q totaled \$7.8mln, a 17% decrease YOY, but CFO Jason Eustace said the company plans to increase that investment by \$5mln next quarter to approximately \$13mln. That will include spending on brand awareness to capitalize on the market opportunity presented by the ongoing pandemic and lockdown orders. CuriosityStream reported revenues of \$8.7mln, up from \$4.7mln in 3Q19, and Stinchcomb said the streamer has seen a reduction in churn. "Our focus on factual content, which has longevity and is engaging across multiple demographics and geographies, is key to our success," he said.

CURIOSITYSTREAM 2.0

CuriosityStream is continuing to reinvest in its product. It's already re-written its web app, which has resulted in a significant increase in speed and responsiveness, and is in the process of designing new user interfaces for each of its platforms. CuriosityStream completed its business combination with Software Acquisition Group on Oct 14, and began trading on the NASDAQ under the symbol "CURI" the following day. Pres/CEO Clint Stinchcomb made it clear that the transaction has not affected CuriosityStream's goals. "Being a publicly-traded company has not changed our focus on becoming the dominant player in pure factual media," he said. CuriosityStream received \$49mln from Software Acquisition Group as a

result of the transaction, and Stinchcomb said those dollars will be used to continue building the streamer's library and increase marketing efforts. "We'll invest in high-quality original content. At the same time, we're extremely optimistic on the acquisitions side," he said. He added the company is also examining ways to monetize that content, and is in a number of conversations on bundled partnerships that he is confident will come through.

YOUTUBE SERVICES GO DARK

YouTube and YouTube TV experienced a widespread 2-hour outage Wednesday night that made the services unavailable to users. "We're currently experiencing issues with playback across all YouTube services—this means that some of you may have trouble watching videos or listening to music on YouTube, YouTube TV, YouTube Music & YouTube Kids right now," YouTube said on a support thread it created in response to the issue. The issue began Wednesday at 4:08pm PT. The TeamYouTube Twitter account reported that the problem was fixed across all devices and YouTube services at 6:13pm PT, but the company is staying mum on what caused the outage or how it was resolved.

VERIZON HOLDING ONTO CABLE MVNOS

Verizon has signed new MVNO agreements with Comcast and Charter, the wireless operator announced at an investor conference Wednesday. Verizon evp Ronan Dunne said the deals will hopefully keep the MVPDs from pursuing new MVNO deals with other providers. "We have expanded and extended our relationship in order to make sure that the customers at Charter and Comcast would have access to the enhanced en-

We are so proud of our industry and the many ways companies are responding to the pandemic. Free internet, fresh content, employee safety and much more. The Cablefax Editorial Team is reporting on vital industry updates every day. We want to hear from you so please reach out to share your news and stories. Content. Community. Daily. Amy Maclean, Editorial Director, amaclean@accessintel.com or 301.354.1760

The Collapse of Theatrical Windows?: With theaters shuttering, will day-and-date releases become... sal Pictures is the first out of the gate, announcing "Trolls World Tour" will be available April 10 for a rental. Other in-release movie titles are set to be available as soon as this Friday. The movies will be Comcast, Sky and a "broad range of on-demand partners." Titles to be made available include "The Man" and "Emma" with a suggested retail price of \$19.99 in the US. ... Tuesday — March 17, 2020 What the Industry Reads First Volume

For Now: Providers Set Aside Disputes During Coronavirus Outbreak As they face the common enemy that is the coronavirus pandemic, Cox Media Group and DISH have set aside their retrans dispute for now so that DISH can resume its carriage of 10 CMG stations in m York, Oregon, Washington, Arizona, Louisiana, California, Mississippi and Idaho. No word on how lo

Cablefax Daily™ Friday — March 13, 2020 What the Industry Reads First Volume 31 / No. 050

New Normal: Companies Roll Out Contingency Plans in Face of Covid-19 With a growing number of students and employees working from home, it's mission critical for the nation's broadband providers during the Covid-19 pandemic. Operators big and small are up-ending their day-to-day operations to ensure

Wednesday — March 18, 2020 What the Industry Reads First Covering Covid-19: Content Companies Step Up Efforts Programmers are shuffling schedules to respond to the coronavirus crisis. The Weather Chan time during each hour of live programming at 50 minutes past the hour to share educational cor gro... Pledge... due to school closure. Topics include why thunder happens, how rainbows form. scheduled for Friday at 2pm.

From the Commission: Another 116 broadband and telephone service providers have tak Pa's Keep Americans Connected Pledge, agreeing to take specific steps to keep Americar 60 days. Some notable names taking the pledge include Hotwire Communications, Midc

engineering capabilities that we've been delivering," Dunne said. "I think we've created the conditions to ensure that we're their primary provider of connectivity for the foreseeable future."

### TRUMP TAKES ON FOX NEWS

President *Trump* apparently wants to launch a digital media company that would compete with **Fox News**, according to a [report](#) from *Axios*. The final straw for him was apparently Fox News' early call of President-elect *Biden's* win in Arizona, which "enraged" Trump. It's been rumored that Trump would start a cable channel, but *Axios* reports that he's looking at a digital media channel that would stream online. It would likely charge a monthly fee to MAGA fans. Asked about such a play on a Nov 3 earnings call, **Fox Corp** CEO *Lachlan Murdoch* said that the company "loves competition."

### NCTA AD CAMPAIGN

You might have noticed **NCTA** a bit more recently. This week, the cable association is sponsoring the *Washington Post's* COVID newsletter. It's also been running a pretty big campaign since September that includes a national ad buy on **NPR** to promote the industry's distance learning initiatives. Member companies have also been running NCTA's [television PSA](#), which was updated from [April's version](#) to focus more on distance learning.

### ADTRAN, NCTC TEAM UP

**ADTRAN**, a provider of multi-gig fiber and fiber extension broadband access solutions, and **NCTC** teamed up to help its member companies' broadband service goals. NCTC members will now have access to ADTRAN's broadband access portfolio to accelerate the path forward for 1-G, smart homes and better-connected communities.

### FCC SAYS DIGITAL DIVIDE IS CLOSING

The digital divide is continuing to close, according to the latest date from the **FCC's** Office of Economics and Analytics. At the end of 2019, the number of Americans living in areas without access to terrestrial fixed broadband with speeds of at least 25/3Mbps fell to 14.5mIn, a 46% decrease from the end of 2016. Higher speeds are being deployed quickly, with the number of Americans living in areas without broadband speeds of at least 250/25Mbps falling by 77% in the same time period. During those three years, the number of rural Americans living in areas with 250/25Mbps service increased by 268%.

### CSG INTRODUCES NEW CLOUD 5G SOLUTION

**CSG** introduced a cloud-first solution designed to help communications service providers monetize 5G opportunities while reducing disruption to their existing systems. The Digital Mediation platform is designed to simplify the process required to manage the anticipated data surge from 5G and enterprise IoT. It's also optimized for scaling, allowing customers to look at new methods for automating key digital mediation processes.

### SPECTRUM EXPANDS GOVERNMENT BUSINESS

**Spectrum Enterprise** has entered into a strategic partnership with **Core Technologies** to resell communications services

and solutions to government agencies. Spectrum Enterprise is now an authorized subcontractor on Core Technologies' contract for telecommunications and information technology services, which was originally awarded in 2017.

### SLING DEAL

With Black Friday coming up, **Sling TV** is offering holiday deals. New customers who sign up for a month of Sling Orange and/or Sling Blue will get their second month of service for free. Additionally, new customers who prepay for a month of either of the packages can get an AirTV Mini for free.

### DISTRIBUTION

**Tubi** launched on the new **Xbox** Series X and S. Additionally, Xbox users will soon be able to watch more than 25 live streaming channels from Tubi.

### DOING GOOD

**AT&T** is working to close the digital divide by offering discounted unlimited wireless data plans and content filtering services to more than 135K public and private K-12 schools, colleges and universities across the country. In addition to the discounted plans, AT&T is making a \$10mIn commitment to support at-risk students disconnected from learning with internet connectivity and WiFi hotspots. – **Spectrum Reach** launched a new initiative, "Rebuild My Town," working to help small businesses in local communities rebuild and grow. It will include a monthly speaker series with celebrity entrepreneurs *Bethenny Frankel*, *Daymond John* and *Marcus Lemonis*, hyperlocalized commercials featuring Spectrum Reach clients, and interactive events connecting businesses in local communities.

### PROGRAMMING

**MTV** will air a 90-minute end of year special "MTV Movies & TV Awards: Greatest of All Time" on Dec 6 at 8pm, hosted by *Vanessa Hudgens*. The show will honor the biggest and best moments in film and TV from the '80s until now. Performers and honorees will be announced at a later date.– **BET** will spotlight **CBS'** upcoming Monday night line-up ahead of new season premieres. The special presentation of select encore episodes of CBS' series "The Neighborhood," "Bob Hearts Abishola" and "All Rise" will air on BET and **BET HER** on Nov 13 beginning at 8pm. The three series premiere on Nov 16 on CBS. – **ESPN** is exclusively televising the virtual 2020 NBA Draft from its Bristol, CT, campus on Nov 18 at 8pm. – **E!** renewed "The Bradshaw Bunch," "Botched" and "E! True Hollywood Story" for new seasons set to air in 2021. – **A&E** will debut new series "I Survived a Crime" on Jan 27 at 10pm and "Rescue Cam" on Dec 2 at 10pm. Additionally, "Court Cam" will return for Season 3 on Dec 2 at 9pm.

### PEOPLE

**IFC Films** co-president *Lisa Schwartz* is stepping down and departing the company at the end of the year. Schwartz joined IFC Films in 2006. Prior to joining the division, she served as svp, national accounts for **AMC Networks'** distribution group and was responsible for distribution and contract negotiations for all distributors for AMC Networks and its VOD services.



# PROGRAMMER'S PAGE

## CURIOSTREAM INSPIRES WITH 'BEYOND THE SPOTLIGHT'

Streaming service **CuriosityStream** teamed up with *Leonardo DiCaprio's Appian Way Productions* and **Stephen David Entertainment** for a new docuseries "Beyond the Spotlight," with the first three episodes dropping Nov 19. The original program dives into the lives of celebrities on a mission to change the world. Featuring in-depth interviews, each episode focuses on a different celebrity, including stars like *Samuel L. Jackson, Kristen Bell* and *Shaquille O'Neal*. "We really want to do a wide range of people," said CuriosityStream's ep *Noah Morowitz*. "We want this to be an ongoing series and have major business figures, musicians, people known from all sorts of different fields." Filmed in the middle of the coronavirus pandemic, the next three episodes are set to drop early next year. "It changed because of the pandemic," said Morowitz. The series was originally designed to be a "day-in-the-life" style show, which became impossible due to COVID-19. "We were ready to go in March and start shooting, and then everything shut down, so we actually changed the whole focus of the show," said Morowitz. "We changed it to the ... interview approach, doing real in-depth interviews with three cameras. And most importantly, going after people that were so charismatic on camera that they would carry a whole hour." The series aims to inspire by looking at causes the celebrities are passionate about, such as Bell's journey that led to her founding No Kid Hungry, and Jackson and his wife's path from activists during the Civil Rights era to the fight to end apartheid in South Africa to raising millions for the NAACP Legal Defense Fund. "Everyone's looking for hope, everybody's looking for something positive, but for them to believe in it it's got to be authentic," said Morowitz. "I think clearly what comes through in these shows is that these are very authentic people who care deeply about this stuff and have been doing it their whole lives... We made it work, the show is inspirational." – *Mollie Cahillane*

**Reviews:** "Industry," 10pm, Monday, **HBO**. Asked for a brief description of "Industry," the series that premiered Monday on HBO, you might be tempted to say, 'It's a series about young people, mostly English, starting out in banking.' That's like saying, 'Fred Astaire was a dancer.' Indeed, banking is the backdrop for Industry, but it's not a banking show. True, its young creators, *Mickey Down* and *Konrad Kay*, briefly worked as investment bankers, but, unlike some moments during Showtime's hit "Billions," you won't need a financial dictionary to follow the story. (There's a scene toward the end of ep 1 when protagonist Harper (*Myha'la Herrold*) places an order using jargon so obtuse even she doesn't appear to fully understand it.) At times, the premiere ep feels like a documentary or a smart version of **BBC's** "The Office," moving peripatetically between scenes of its young cast. Major props to *Lena Dunham*, who directed the premiere. You hear hype about a series: 'It's different from most of what you've seen on TV.' With Industry, that rings true. It's an unfiltered portrayal of post-college youth from somewhat diverse backgrounds—Harper is the lone Black American and presumably one of the few without an Oxbridge degree—struggling in a cutthroat industry. Their coping mechanisms are the story's foundation. We can't wait to see more. – *Seth Arenstein*

BASIC CABLE		
P2+ PRIME RANKINGS*		
(11/02/20-11/08/20)		
MON-SUN	MC	MC
	US	US AA
	AA%	(000)
CNN	1.931	5,946
FNC	1.860	5,728
MSNBC	1.479	4,556
ESPN	0.818	2,520
HALL	0.446	1,372
HGTV	0.329	1,012
TBSC	0.260	801
FOOD	0.257	791
TLC	0.252	776
DISC	0.233	718
HMM	0.227	699
USA	0.198	610
ID	0.196	604
INSP	0.189	583
LIFE	0.178	549
HIST	0.177	545
TVLAND	0.172	530
A&E	0.161	495
AMC	0.156	481
TNT	0.153	470
ADSM	0.151	465
WETV	0.150	463
FRFM	0.148	457
BRAVO	0.147	453
FX	0.141	436
SYFY	0.124	383
APL	0.121	374
NFL	0.119	367
E!	0.116	358
TRAVEL	0.109	335
GSN	0.108	331
NATGEO	0.108	331
BET	0.107	329
OXY	0.094	290
NAN	0.093	285
NICK	0.092	283
DSNY	0.089	275
COM	0.087	267
CRN	0.084	260
MTV	0.081	249
DSJR	0.076	235

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



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