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WHAT THE INDUSTRY READS FIRST

Unpopular: Linear Gaining Steam as Ad-Supported Tiers Underwhelm

Linear video has been under attack for years as cordcutters migrated to streaming packages. But in the age where the choice of subscriptions is arguably more overwhelming than the channel lineup on an MVPD service, **Comscore** executives are of the mind that reports of linear TV's downfall in the wake of streaming have been greatly overstated.

"If we look at when we were thinking four or five years ago, when streaming services really were reaching a golden age, there was a lot of concern about everyone going to cancel their cable subscription and they're never coming back," Comscore VP, Product Management *James Muldrow* said during a webinar Tuesday. "We haven't seen that."

He doesn't dispute that there continue to be declines in subscribers as more folks choose to cut the cord, but at the same time, there has been a major drop in the number of "cord-nevers," or folks that have not had a traditional subscription in the last five years, during the last few years and the pandemic.

"They wanted to have some kind of live streaming, and cable and satellite companies started putting together packages that were bundled together for internet and TV that made it attractive to come back to them because they still offered things like a several-month subscription to **HBO Max** or **Disney+** or even **Netflix**," Muldrow said. "Those have really garnered this interesting sort of cyclical place where the cord-nevers are actually declining and we've gotten to the balance between

subscribers and cordcutters... you just wait for the next deal and that's where you can switch."

That data comes as more streaming services are trying to introduce options like ad-supported tiers to boost subscriber and revenue growth. Netflix launched its own AVOD tier on November 3 for \$6.99/month in the U.S., U.K., Australia, Japan, Brazil, France, Germany, Italy and South Korea, but that doesn't seem to have led to a swarm of new customers.

According to data from **Antenna**, 9% of Netflix sign-ups in the U.S. in November were for the Basic with Ads plan. That establishes it as the least popular of the SVOD's options. Only 0.1% of the streamer's existing subscriber base switched to the plan during the month, but that lines up with previously-stated expectations from management.

"Oftentimes, when they come in and they select the plan for a given feature, let's say that's the 4K resolution, we see that to be a pretty sticky choice," Netflix COO/Chief Product Officer *Greg Peters* said during the company's 3Q22 earnings call in October.

To compare that to HBO Max's ad-supported tier launch in June 2021, 15% of its U.S. sign-ups in its launch month were for the new option. Only 0.2% of existing subs switched. Popularity of that option has increased over time, with Antenna's current estimates guessing that 21% of U.S. HBO Max subscribers have chosen the ad-supported plan.

We're less than two weeks out from the launch of Disney+'s ad-supported option, so we'll have to wait a little longer to see whether or not viewers gravitate to the offering. Netflix has

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[reportedly](#) come under fire for the lackluster popularity of its ad-supported tier, with sources telling *Digiday* it has only delivered approximately 80% of the expected audience for some advertisers.

FCC THROW A SPECTRUM AUCTION LIFELINE

The **FCC's** spectrum auction authority continues to be in a state of limbo with an omnibus spending package for fiscal year 2023 offering a temporary extension through March 9. The provision gives Congress a little more breathing room to consider other, more long-term proposals that have been tossed around. Those include the Extending America's Spectrum Auction Leadership Act, which would extend the Commission's auction authority by 18 months past its original expiration date of Sept. 30. The agency's authority was already given a short-term extension that stretched into this month. Also included in the package is the Children and Media Research Advancement Act, which would direct the **NIH** and **Department of Health and Human Services** to research the effects of technology and media on infants, children and adolescents. Left out were related provisions from the Children's Online Privacy Protection Act, including bans on targeted ads to children and the creation of a Youth Marketing and Privacy Division at the **FTC**. "The toxicity, tracking and targeting that young people face on the internet has reached a crisis point. There can be no doubt in our minds about what must be done," Sen. *Ed Markey* (D-MA) said in a statement. "It is perfectly clear that the threats Big Tech poses to our kids aren't a glitch in the system, they're part of the business model."

FUBO SAYS NO CRITICAL CUSTOMER INFO STOLEN

FuboTV has determined that no sensitive customer information, including credit card numbers, was stolen during a cyberattack

that prevented customers from logging in last Wednesday. "Consistent with industry standards, we record only partial credit card numbers and expiration dates and do not store the full number or CVV information. We use a third-party vendor to process and store customer credit card data, and we have no indication the vendor's systems were affected by this incident," Fubo said in a Tuesday tweet. It is continuing to work with crisis response firm **Mandiant** on the investigation and promised to keep customers updated. Subscribers responded by again asking if they would receive any refunds because of the disruption to service, having heard no word on any credits to their plans.

PROGRAMMING WINDS OF CHANGE

Paramount is nixing its annual upfront extravaganza at Carnegie Hall next year, instead opting for more intimate gatherings for clients and agencies. It's the first major brushstroke of change from the company's new ad leader, *John Halley*, who took over from longtime chief *Jo Ann Ross* earlier this year. – Meanwhile, the **CTAM** portion of the **TCA Winter Tour** is set to feature just three programmers over two days in January: **AMC Networks**, **MGM+** and **Apple TV+**. It's the first in-person tour since COVID. Network participation in CTAM's portion of the tour tends to ebb and flow, having ranged from anywhere from two to six presentation days over the years. CTAM's Summer Tour, which shifted from in-person to virtual, was spread over four days in August and included **Hallmark Media**, **Starz**, **BritBox**, **VIX+**, **BET+**, **Prime Video**, **Allen Media Group** and **Lifetime**.

RATINGS

ESPN reclaimed the top spot in primetime ratings. The sports giant beat out cable nets with 2.06 million viewers P2+, followed



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closely by **Fox News'** mark of 1.98 million. **NFL Network's** three games on Saturday helped it check in at third with 1.71 million. **Hallmark Channel** and **MSNBC** closed out the top five at 1.19 million and 1.1 million, respectively. Fox News remained first in total-day ratings for the week with 1.33 million. ESPN came second at 800,000, followed by NFL Network (752,000), Hallmark Channel (715,000) and MSNBC (700,000).

MILLIONS TUNE IN TO WORLD CUP FINAL

The month-long festival of soccer came to a close Sunday as Argentina defeated France in a penalty shootout to win its third World Cup. The final match on **Fox** and **Fox Sports** streaming platforms became the most-watched men's World Cup telecast in English-language TV history with 16.78 million viewers, peaking in the 12:45pm-1pm window with 25.62 million viewers. The final was up 47% from the 2018 World Cup final, up 19% from the 2014 final and up 28% from the 2010 final. The top-rated local markets were Washington, D.C., New York, Boston, San Francisco and Austin. – **Telemundo** and **Peacock** reached a total audience delivery of 9 million viewers, up 65% from the 2018 final (5.5 million). That helped the final become the most-streamed match in U.S. media history regardless of language with an average minute audience of 2.96 million viewers. Telemundo, **Universo** and Peacock averaged a total audience delivery of 2.58 million viewers for the entire tournament—a 14% increase compared to the 2018 edition—and had 14 games with at least 4 million viewers. Mexico and Argentina led teams in terms of viewership with an average of 6 million and 5.1 million TAD, respectively, followed by France (4.4 million), the U.S. (3.8 million) and Brazil (3.4 million).

CARRIAGE

Low-cost vMVPD **Frdly TV** is making additions to its VOD library. Before the end of the year, viewers will have access to an expanded list of **A+E Networks'** programming at no additional cost. Shows include "The Curse of Oak Island," "The First 48," "Storage Wars" and "Pawn Stars."

FCC MAPPING IT OUT

FCC Chairwoman *Jessica Rosenworcel* is closing out 2022 with an update on the agency's broadband mapping efforts. The Commission released its pre-production draft of the maps last month, heralding it as the best picture available to-date of where broadband is available. "But just because we know they're better doesn't mean they're perfect. And the long-term success of this effort depends on consumers and other stakeholders getting involved in the process," Rosenworcel wrote in a blog post this week that encourages the public to [check their location](#) on the map to see if the data is correct. "So far, we have received thousands of challenges from consumers nationwide—and we know more are on the way." She noted that it's best to file challenges by Jan. 13 so that it's ahead of NTIA's planned funding timeframe. Meanwhile, **NCTA** is using the first draft of the maps as evidence that cable providers are deploying gigabit service equitably regardless of income level or racial composition. As of June 2022, gigabit broadband service is available from cable providers to 96% of the

locations they serve. Between 95% and 97% of all locations in cable provider service areas can access gigabit speeds no matter what their household income is and at least 95% of all locations in a service areas can access gigabit speeds regardless of race or ethnicity, NCTA said in a blog post Tuesday. It comes ahead of Thursday's FCC meeting, which includes proposals for preventing and eliminating digital discrimination based on income, race, ethnicity, religion or national origin.

AT THE COMMISSION

The **FCC** Enforcement Bureau has opened a new [online portal](#) for private entities to alert agency enforcement staff of suspicious robocall, robotext and spoofing campaigns. For example, a private hospital or small business might use the portal to seek support from the FCC in cutting off or taking enforcement action against robocallers flooding their institution's phone lines with robocalls or spoofing

PROGRAMMING

ESPN will anchor coverage of Wednesday's football National Signing Day. Five recruits listed on the network's top-300 prospects list will reveal their choice of school during the three-hour "College Football Live: Signing Day Special," which begins at 2pm on **ESPN2**. **SEC Network** will have updates of players committing to the conference's schools at the top of each hour starting at 9am, before "SEC Now: Signing Day Special" gets underway at noon. **ACC Network** will have its own signing day special starting at 3pm, and the **Longhorn Network** will have its own programming at 8pm. – Now until Monday, **Spectrum's** on-demand portal will have an "Animated Cheer" category that features films like "The Polar Express," "Frozen" and "Dr. Seuss' The Grinch," as well as "Elf: Buddy's Musical Christmas" and "The Star." A "Holiday Yule Log" category is also available until Dec. 27 to set a holiday mood, and Spectrum's "Best of 2022" category will be made available from Dec. 27-Jan. 9. That section will come with films such as "The Woman King," "Uncharted" and "Where the Crawdads Sing." – "The Show: California Love, Behind the Scenes of the Pepsi Super Bowl Halftime Show" will debut on **Showtime** on Friday at 9pm. The 90-minute documentary will chronicle the 2022 Super Bowl halftime show that had musical performances from *Snoop Dogg*, *Dr. Dre*, *Mary J. Blige*, *Eminem*, *Kendrick Lamar* and *50 Cent*, and how the show all came together. – **ID** will have back-to-back premieres on Jan. 23. "Death by Fame" will begin at 9pm before "The Playboy Murders" debut at 10pm. Both series will span six episodes.

PEOPLE

Dane Snowden joined law firm **Wilkinson Barker Knauer** as Senior Advisor in D.C. earlier this month. The former **NCTA** COO joined the **Internet Association** as President/CEO in February 2021, leading it through its shutdown at the end of 2021. The group's dissolution came after the loss of **Microsoft** and **Uber** as members. Before his work in the private sector, Snowden was Chief of the **FCC's** Consumer & Governmental Affairs Bureau.