

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Steadfast: Fox Firm in Distribution Strategy Amid Tubi Growth

**Fox Corp.** may be handling a soft advertising market better than others thanks to its sports and news, but that doesn't mean it's totally immune to negative effects. Executive Chair/CEO **Lachlan Murdoch** said on the company's 1Q24 earnings call Thursday that there's high demand for the company's **NFL** and college football properties, with the latter seeing healthy growth amid conference realignment.

"One of the things we haven't talked about is frankly there's advertisers that are pouring into college football with tremendous rates and with tremendous appetite for volume because they can see the value in this audience, and perhaps it's been underpriced in past years," Murdoch said to investors Thursday.

However, the entertainment ad market tells a slightly different tale, which contributed to Fox's 2% drop in ad revenue from \$1.22 billion to \$1.2 billion and subsequently impacted ad-supported services like **Tubi**. A heavier amount of political ad revenue in the same quarter last year as well as increased supply in the direct response marketplace at **Fox News Media** also contributed to the decrease in ad revenue.

Tubi, though, still showed its strength this quarter, boasting 30% revenue growth and a 65% bump in total view time. The service surpassed 70 million MAUs in September and recorded nearly 4 billion streaming hours in the first half of 2023. In **Nielsen's** "The Gauge" report for September, Tubi remained the top FAST platform with 1.3% of the streaming category's 37.5% TV viewership share.

"There is softness in the entertainment advertising market, and Tubi is not immune from that softness," Murdoch said. "But [CEO **Anjali Sud**] is focused on how we better monetize. We've ridden this incredible growth in audience and viewership, and now it's time to really focus on how we more effectively and efficiently monetize that huge audience."

It's been nearly four months since Sud inherited the CEO seat from Tubi's founder **Farhad Massoudi**, but the focus remains on bolstering the VOD entertainment content. When asked about combining the momentum Fox has with sports and the growth Tubi is experiencing, Murdoch doesn't envision putting any significant live sports on Tubi in the near- or long term.

"What is more interesting to ponder about (despite management's comments against) is what role could Tubi play as Fox faces secular headwinds," **Bernstein** said in a research note. "But given the strength of Fox's Linear business (relative to its peers) and Tubi already offsetting a good chunk of linear ad decline, we agree with the management that the future of Tubi as something more grandiose stays on the sidelines (for now)."

Thursday's call was the first since the announcement that **Rupert Murdoch** was [stepping down](#) as chairman of Fox Corp. and **News Corp.** later this month. It was also the first call following the **Charter-Disney** debacle that set the stage for future carriage agreements that'll have a large consideration of digital offerings. Despite being in a different situation with no major DTC offering similar to an **ESPN+** or **Disney+**, Murdoch called it a "net positive" for Fox, adding that its **Fox Sports**

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and **Fox News** brands are what distributors like Charter value. “From a Fox perspective, the cable bundle or pay TV distribution remains our largest and, really, most important revenue stream,” he said. “We believe that it will remain our largest for years to come.”

**MoffettNathanson** also shares the positive sentiment around Fox. The firm said in a note that the new dynamic within the linear realm is something Fox has taken in stride, even showing signs of improvement. “Fox no longer really has any long-tail networks at risk after already divesting its larger portfolio of ‘non-essential’ cable networks to Disney,” MoffettNathanson said. “Nor is Fox at risk of paying any consequences for ‘cheating’ the linear ecosystem as it lacks a scaled subscription DTC platform—again, thanks in part to selling its stake in **Hulu** to Disney.”

Fox’s quarterly revenue was \$3.21 billion, but net income fell 32% YOY to \$415 million. Affiliate fee revenue for the quarter came in at \$1.74 million, while overall operating expenses were \$1.86 billion due to higher rights amortization and production costs from the 2023 FIFA Women’s World Cup, the renewed NFL rights deal and increased expenses with digital entities.

**BAKISH CONFIDENT ON STREAMING, NEW DISTRIBUTION DEALS**

**Paramount** soared on the back of its streaming division in 3Q23, with subscription revenue growing 46% YOY thanks to Paramount+’s now more than 63 million subscribers. It gained 2.7 million subs in the quarter, and advertising revenue rose 18% thanks to growth across **Paramount+**’s AVOD tier and **Pluto TV**. CEO **Bob Bakish** said during the company’s earnings call Thursday the integration of Showtime into the Paramount+ platform has also contributed to increases in acquisition, engagement, ARPU and operational efficiency. Paramount now expects DTC losses in 2023 to be lower than in 2022, meaning its streaming investment peaked ahead of plan. Revenue for TV Media was \$4.6 billion with affiliate and subscription revenue being substantially flat. Ad revenue fell 14% YOY due to continued softness in the global ad market, and licensing and other revenue dropped 12%, in part due to content available for licensing being impacted by temporary production shutdowns from the strikes. Bakish addressed the potential shift in carriage deals of the future optimistically, saying Paramount has a lot of experience around the globe adapting to strike innovative agreements with its partners. He noted that operators have different priorities than programmers, but the industry shouldn’t forget the common goals that will ultimately lie at the center of these new deals that integrate DTC. “The bundles would have many of the same advantages we’ve observed in the various

hard bundles we’ve deployed internationally. Namely, a dramatically lower cost of acquisition and improvements in streaming churn, and it may improve TV ecosystem trends as well,” Bakish said, adding that pairing Paramount+’s AVOD tier with a pay TV plan would offer additional marketing value and an opportunity to upsell. “As a result, these deals, when structured with the right economic value, have the potential to be additive to our model while improving simplicity and increasing value for the consumer.” He also cautioned investors, saying it isn’t clear that every distributor is going to be interested in a revamped deal, and he didn’t show major concern around some Paramount networks being cut from pay TV bundles in the near future.

**ESPN BET SETS LAUNCH DATE**

We now have a launch date for **ESPN**’s venture into betting. Subject to final approvals, the recently rebranded sportsbook **ESPN BET** will go live in 17 states come November 14. **ESPN** has already begun using official odds provided by **ESPN BET** for

**Cablefax Executive Round Up**

**How is publicizing a show different in 2023 compared to 2013?**



**Chris Albert**  
EVP, Marketing and Communications  
**National Geographic**

“The volume of choice is incredibly different from what was available ten years ago with more platforms and content than ever before. Getting someone’s time, whether it’s a consumer or a reporter, is a bigger challenge. But we look at that challenge as a driver of our strategy. We take a unique approach to each show and customize them to various audiences—whether we’re investigating black markets, learning about animal behavior or looking back at events that changed our world. Our efforts go beyond traditional PR and include tailored strategies, tastemaker events and influencer campaigns. We are so fortunate to work with some of the best storytellers in the world, and when we reach out to the media, it’s for content we are passionate about. We pride ourselves on delivering for journalists and making sure we are working with them to provide what they need for their audience. It’s a partnership, and we take that partnership very seriously.”



**Kim Granito**  
CMO  
**AMC Networks**

“Ten years ago, promoting a show meant getting to the premiere in the noisiest way possible. Today, that effort is less focused on one moment in time and more about reaching potential viewers in a variety of ways over a period of time that extends for as long as the show is available. It’s less about yesterday’s bullhorn and more about using data, targeting and careful curation to find the viewers interested in what you are offering, given the vast sea of options all fighting for attention.”

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its editorial and other content. There had been rumblings of the network wanting to dive into the sports betting realm for some time before it became official in August after ESPN [entered a strategic partnership](#) with **PENN Entertainment**. ESPN is rolling out a teaser spot featuring “SportsCenter” anchor *Scott Van Pelt* to commemorate the launch. The full campaign will debut around that November 14 date. Its current “Daily Wager” program will be rebranded to “ESPN BET Live” starting November 10.

## NAD MAKES COX RULING

The **National Advertising Division** is recommending **Cox Communications** modify its claims of “powered by fiber” and disclose that Cox Internet doesn’t offer fiber to the home. **AT&T** filed the challenge, which targets Cox’s fixed broadband internet services: Cox Fiber and Cox Internet. Cox Fiber includes FTTH, while the latter is mostly fiber to the node close to residences with coaxial cable filling in the last mile. NAD determined the “powered by fiber” claim reasonably conveys the message that Cox Internet is comparable to fiber internet, but still suggests clarification. “Because the record does not support that a coaxial and a fiber network are equivalent in performance to all consumer-relevant metrics, NAD recommended that Cox modify its ‘powered by fiber’ claims to clearly and conspicuously disclose that Cox Internet does not offer fiber to the home,” NAD said. Cox said it will comply with the NAD’s recommendations despite disagreeing with certain aspects of the decision.

## EXPANDING EYEQ

**Paramount** is stretching its digital video advertising platform EyeQ to regional and multinational marketers across the globe. It’ll initially launch as a beta program and be introduced to all advertising and agency partners in early 2024. The company will use **Pluto TV** and its 35-territory footprint to help with EyeQ’s international debut. EyeQ will extend to **Paramount+**’s ad tier once that rolls out next year. The platform was launched in 2020 and offers partners multiple campaign executions across Paramount’s premium digital inventory, content segments, bespoke creative solutions and measurement capabilities that use first-party data with data from local third-party providers.

## SLING ADDS SPORTS FEATURES, APPLE PURCHASE OPTIONS

**Sling TV** is customizing its viewing features even more, adding user profiles across all devices and live sports scores. Subscribers will be able to view team records, game clocks and easily access a network from Sling’s home screen if the game is on. The vMVPD has also made purchasing on its platform smoother, allowing subscribers to use their Apple ID to buy Sling and manage purchases using Apple Pay. Free and current Sling paid subscribers can now also immediately subscribe to recommended content they find through search, the home page and on partner platforms.

## FIBER FRENZY

**Shentel** is bringing its Glo Fiber service to Lancaster, Pennsylvania, following an agreement with municipal officials. Glo Fiber will use parts of the city’s existing fiber network and provide fiber assets to the city for smart city uses. Engineering work has already started as construction is set to begin mid-2024. The project is expected to last 18 months. – After securing \$9.2 million in funding, **Broadlinc** is taking \$8.6 million for fiber expansion in Owen County, Kentucky. Construction is scheduled to begin in mid-2024, and the company hopes to wrap things up by December 2026. Residents will get access to speeds up to 2 Gbps as well as home phone and cable TV services. – **Zipty Fiber** is introducing a 50 Gig symmetrical fiber plan available for installation in single-family homes across the company’s footprint in Washington, Oregon, Idaho and Montana. It costs \$900/month in addition to a one-time \$600 installation fee and comes with both Static IPv6 and IPv4 addresses. Customers are required to provide their own router/switch as well as any additional in-home hardware or wiring. Zipty is marking the announcement with the America’s Fastest Home Internet Sweepstakes. One winner will receive the 50 Gig offering free for a year. – **ALLO** finished construction of its fiber network in Ashland, Nebraska. The project began in April 2022 and is the 37th community across three states that ALLO Fiber is available in.

## PROGRAMMING

It’s set to be the “Best Christmas Ever” at **AMC Networks**, again. AMCN is bringing back its annual holiday programming event that runs Nov. 26-Dec. 26 with more than 650 hours of content. The lineup includes classics like “National Lampoon’s Christmas Vacation,” “The Polar Express” and “Elf,” which celebrates its 20th anniversary this year. To commemorate the milestone, AMC and **Warner Bros. Discovery** are joining together for the “Best Christmas Ever in NYC Sweepstakes” where fans can win an all-expenses-paid four-day trip to NYC. Five winners and their guests will get a curated experience that includes visits to the Empire State Building, Rockefeller Center, Central Park and more. – **Tennis Channel, T2** and **Tennis Channel Plus** are showing the Billie Jean King Cup Finals live from Seville, Spain, from Nov. 7-12. Coverage begins at 5am ET Tuesday on Tennis Channel.

## PEOPLE

**Effectv** is making *Chris Vail* its VP, Political Sales, replacing Dan Sinagoga, who’s moving to a Senior Advisor role. Vail—who was most recently Head of Government, Political and Omnichannel Advertising at **Snap**—has already spent some time at Effectv from 2013-14. His new role will have him oversee Effectv’s political sales department and manage its relationship with internal groups and industry partners. For Sinagoga, he’ll remain working closely with the political sales team and company leadership as it prepares for the upcoming 2024 presidential election cycle.

# PROGRAMMER'S PAGE

## Going Back to One Fateful Day in America

There are moments in history when people can remember the exact spot they were, the sights, smells and overall feeling. The assassination of President *John F. Kennedy* in 1963 is firmly in that discussion, but as the event reaches its 60th anniversary on November 22, fewer live witnesses can recount that infamous day. **National Geographic's** "JFK: One Day in America" seeks to capture the emotional first-hand testimonies in a three-part docuseries premiering Sunday at 8pm (available to stream on **Disney+** and **Hulu** on Monday). The three episodes focus on the assassination, subsequent manhunt and aftermath when Kennedy's body returns to D.C. and his killer *Lee Harvey Oswald* is found dead while in police custody. The program uses colorized news footage from the Sixth Floor Museum in Dallas' Dealey Plaza to give viewers better insight, but what resonates is the depth that witnesses go into. "It felt like we got the sort of tapestry of different perspectives on the events. But we also weren't sure—given the age of the contributors—sort of how the interviews would work," Series Director *Ella Wright* told **CFX**. "We were just completely bowled over by the strength and the vivid testimony that they were giving us and how emotionally connected they still were to those events." Wright said the goal was to transport viewers back in time and immerse them in an unfamiliar world. They used a combination of immersive archives in addition to colorized footage and eyewitness stories to accomplish that immersion, but the plotline itself of a historical moment is already enough for an enthralling experience. "You have this twisty-turny story, which is perfect for a kind box set documentary. But more deeply than that, you have these incredibly charismatic central characters of JFK and Jackie," 72 Films executive producer *David Glover* said. "They look like movie stars. They're incredibly charismatic. You can see why they captured the world's imagination." – *Noah Ziegler*

### REVIEWS

"The Terror," streaming, **Amazon Prime**. Several weeks ago we mentioned a captivating doc about the 1845-48 voyage of Sir John Franklin and more than 100 British sailors to find the Northwest Passage. Exposure to that production, "Nova: Arctic Ghost Ship," led us to this excellent **AMC** limited series, from 2018. Since we lack details about how Sir John and his crew perished, there's room for speculation, leading to rich storylines. Remnants of the ships, HMS Terror and Erebus, were found recently, which brought some closure. The series takes its cues mostly from Dan Simmons' 2007 best-selling novel of the same name. As in the book, the explorers' end is told out of order in the series, with numerous flashbacks. It works well, where Sir John's background, including his ego, family history and questionable naval skills are covered, adding cracks to a sometimes pompous leader, played with proper arrogance by *Ciarán Hinds*. Also explained in a flashback is his complicated relationship with Capt. Francis Crozier, his second, who seems a far better leader. Played by the terrific *Jared Harris* of "Mad Men" fame, Crozier is selfless, though, like Sir John, has his peccadilloes. While producer *Ridley Scott* has no qualms about realism, he cleverly omits showing every detail of this painful voyage. And we haven't mentioned a major issue. (You'll see.) – *Seth Arenstein*

BASIC CABLE		
P2+ PRIME RANKINGS*		
(10/23/23-10/29/23)		
MON-SUN	MC	MC
	US	US AA
	AA%	(000)
<b>ESPN</b>	<b>0.684</b>	<b>2157</b>
<b>FNC</b>	<b>0.641</b>	<b>2020</b>
<b>TBSC</b>	<b>0.505</b>	<b>1592</b>
<b>MSNBC</b>	<b>0.387</b>	<b>1219</b>
<b>HALL</b>	<b>0.296</b>	<b>933</b>
<b>TNT</b>	<b>0.254</b>	<b>801</b>
<b>HGTV</b>	<b>0.248</b>	<b>783</b>
<b>CNN</b>	<b>0.239</b>	<b>754</b>
<b>TLC</b>	<b>0.192</b>	<b>606</b>
<b>INSP</b>	<b>0.184</b>	<b>580</b>
<b>HMM</b>	<b>0.160</b>	<b>503</b>
<b>FOOD</b>	<b>0.160</b>	<b>503</b>
<b>USA</b>	<b>0.157</b>	<b>494</b>
<b>TVLAND</b>	<b>0.150</b>	<b>473</b>
<b>DISC</b>	<b>0.147</b>	<b>464</b>
<b>HIST</b>	<b>0.146</b>	<b>461</b>
<b>ID</b>	<b>0.124</b>	<b>392</b>
<b>ESPN2</b>	<b>0.121</b>	<b>381</b>
<b>LIFE</b>	<b>0.114</b>	<b>359</b>
<b>FX</b>	<b>0.107</b>	<b>339</b>
<b>GSN</b>	<b>0.107</b>	<b>337</b>
<b>BET</b>	<b>0.094</b>	<b>295</b>
<b>BRAVO</b>	<b>0.092</b>	<b>290</b>
<b>A&amp;E</b>	<b>0.089</b>	<b>282</b>
<b>WETV</b>	<b>0.089</b>	<b>280</b>
<b>AMC</b>	<b>0.085</b>	<b>267</b>
<b>OXY</b>	<b>0.083</b>	<b>262</b>
<b>REELZ</b>	<b>0.083</b>	<b>261</b>
<b>NWSMX</b>	<b>0.082</b>	<b>259</b>
<b>NATGEO</b>	<b>0.081</b>	<b>256</b>
<b>NAN</b>	<b>0.076</b>	<b>241</b>
<b>ADSM</b>	<b>0.073</b>	<b>229</b>
<b>FETV</b>	<b>0.069</b>	<b>219</b>
<b>SNDNCE</b>	<b>0.069</b>	<b>218</b>
<b>FRFM</b>	<b>0.068</b>	<b>215</b>

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