

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Rising Up: Netflix Continues to Grow Subs, Teases Homepage Changes

Netflix has yet to hit a ceiling when it comes to its growth, adding eight million subscribers in 2Q24.

Revenues grew to \$9.56 billion, a 16.8% boost YOY, driven primarily by a 16% increase in average paid memberships. Ad tier membership grew 34% and the team is building an in-house ad tech platform it plans to test in Canada later this year ahead of a broad launch in 2025. Co-CEO *Greg Peters* said advertisers have shown great enthusiasm for the ad tech initiative at Netflix. He said they are asking for personalization, targeting, better measurement, incrementality and more, and those are all things that are part of the pipeline for the next several years.

“The biggest negative feedback we get is that we aren’t there right now. Advertisers want us to have all those features in place today,” he said. “We’ve got the hard work ahead of us, building those as quickly as we possibly can, and we’re closing that gap as soon as we can.” Netflix doesn’t expect advertising to be a primary driver of its revenue growth in 2024 or 2025.

“The near term challenge (and medium term opportunity) is that we’re scaling faster than our ability to monetize our growing ad inventory. It’s why continuing to build out ad sales, measurement and tech capabilities is so important,” Netflix said in its shareholder letter.

Netflix’s product team has also begun testing a more intuitive TV homepage design that offers more visible title information at a glance, immersive trailers and bigger box art. The navigation

bar has been simplified, and the design includes easy access to My Netflix, a destination for everything members have saved or watched. My Netflix was previously only available on mobile. The hope is that the revamped design will improve discovery on the platform, but the team promised in its shareholder letter to listen to feedback and continue to improve the experience over time.

Speaking of content, Netflix has taken an even deeper dive into live content by reaching a three-year agreement to distribute **NFL** games on Christmas day. But the team doesn’t want to find itself drowning in sports rights’ fees or getting into wars with leagues over renewals. Co-CEO *Ted Sarandos* said he’s trying to fight that by making each live piece of content a Netflix event and not taking too much tonnage from the leagues.

“It’s very difficult to have big league sports and profit when you offer an entire season. But when you offer them in this even model that we’re building on, we’re really excited about our opportunity to do that without the risk... we’re in love with the kind of very profitable storytelling version of sports,” he said.

The company also addressed its partnership strategy with device makers, pay TV providers and mobile operators, saying the deals are key to ensuring Netflix is easy to find and use. It also shied away from bundling with other programmers, saying it ultimately isn’t something that benefits Netflix at this point in its product journey. “We haven’t bundled Netflix solely with other streamers like **Disney+** or **Max** because Netflix already operates as a go-to destination for entertainment thanks to the breadth and variety of our slate and superior product experience,” it said in the letter.

DIVERSITY
& THE PRIDE LIST
+ WORKPLACE CULTURE IN 2024 & BEYOND

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It’s time to nominate for The Cablefax Diversity and Pride List! Cablefax annually recognizes influential multi-ethnic execs for their dedication to diversity in the industry. Our issue spotlights The Pride List, honoring impactful LGBTQ+ execs. Other categories include D&I Mentor of the Year and Thrivers Under 30.

NEW: A Celebration of Work Culture in 2024—We’re looking for innovative employers who are at the forefront of providing attractive and inclusive work environments.

NOMINATE NOW

Entries Close: July 19th, 2024

OPTIMUM DEBUTS LOW-COST VIDEO PACKAGE

Optimum is debuting a low-cost internet TV package dubbed “Entertainment TV.” Priced at \$30 a month, it features 80+ channels, including **A&E, AMC, Discovery Channel, Hallmark, HGTV, Nickelodeon, Paramount Network** and **TLC**, available both live and On Demand. No sports nets are included, nor are there any **Disney** or **Fox Corp.** channels in the lineups. The package is available through Optimum Stream, an Android TV-based device that supports streaming apps offered through Google Play as well as Optimum’s own pay TV video app. Altice USA already makes Optimum Stream available in New York, New Jersey, and Connecticut, and it’s now expanding it to nearly 1.5 million homes across its West footprint, including Arkansas, Arizona, Louisiana, North Carolina and Texas. Further expansion is planned for later this year. The new package is described as the first of many new video solutions the provider plans to bring to consumers. Customers can receive additional savings if they bundle Entertainment TV with Optimum Mobile.

FCC SPLIT OVER E-RATE DECISION

FCC Chair *Jessica Rosenworcel* closed the agency’s July open meeting Thursday with a statement decrying political violence and calling for peace ahead of the 2024 general election. She condemned not only the attempted assassination of President *Donald Trump*, but also the attack on *Paul Pelosi*, the shooting at the congressional baseball game in 2017 and the attack on the Capitol on January 6. “I believe we have an opportunity at this agency to model working together even when we disagree and I’m proud that we do that, including here today,” she said. Her remarks came after a meeting that did see commissioners butt heads over the adoption of final rules that would allow schools and libraries to utilize E-Rate resources to loan out WiFi hotspots to those that lack broadband access at home. The vote was split 3-2 along party lines, and Commissioner *Brendan Carr* said the move was a stretch far beyond the FCC’s power. He said the power to continue funding the WiFi hotspot program first established during the COVID-19 pandemic lies with Congress. Beyond that, he has concerns that expanding the USF program will ultimately put it on an unsustainable path. “While the contribution factor keeps hitting record highs, the FCC isn’t taking action to address some of the fundamental contributions, disbursement and oversight concerns that I and others have. We can’t continue to spend other people’s money in this way without a real conversation at this agency about reform,” he said. The decision also drew attention from lawmakers with Rep. *Cathy McMorris Rodgers* (R-WA) saying it will result

in taxpayer dollars subsidizing children’s unsupervised internet access while failing to improve learning outcomes. “Furthermore, the E-Rate program is notorious for overbuilding and other wasteful spending,” she said in a statement. On the other side of the aisle, Senators *Ed Markey* (D-MA) and *Chris Van Hollen* (D-MD) and Rep. *Grace Meng* (D-NY) celebrated the vote as one that will bring the country one step closer to eliminating the Homework Gap.

WNBA NEARS NEW DEAL

It’s the **WNBA**’s turn to iron out its next media rights deal. *The Athletic* reports that like its **NBA** counterpart, the WNBA is nearing a deal worth around \$2.2 billion over 11 years, according to league sources briefed on the contracts. That revenue could increase over the course of the agreement as the league hopes to add two other rights packages for a possible additional \$60 million. The WNBA’s imminent partners are the same as the NBA’s with **Disney, NBC** and **Amazon/Prime Video**. The NBA negotiated the WNBA’s deals during its own rights talks, but the packages will be different between the leagues. The WNBA’s rights—which are currently with Disney, **ION, CBS** and Prime Video—run out after the 2025 season and are worth around \$50 million per year.

CT GETS BEAD OK

Connecticut is the latest state to receive **NTIA** approval for its Volume II BEAD proposal, unlocking \$139 million in federal funding for broadband. Connecticut will complete its review of broadband availability on July 22, and submit for NTIA approval, setting the stage for the evaluation of applications for funding.

OLYMPIC PREPARATIONS

Final preparations are being made as the Olympics stand just over a week away. **Comcast** introduced enhanced 4K from Xfinity and other improvements for X1 users for the Games. It combines 4K video delivered at the highest bitrate with Dolby Vision, Dolby Atmos and ultra-low latency. It’ll be available for viewing on **USA Network**. Other broadcast enhancements for X1 customers include personalization across devices, an interactive schedule, catch-up highlights, “Team Comcast” profiles, venue tours and more. NBCU is partnering with **Google** and Team USA to make Google the official search AI partner of the U.S. contingent. It’s the first time a technology company has struck a partnership with Team USA, and Google will help showcase athlete stories and competitions by integrating sponsored content formats within NBCU’s coverage. NBCU created “Explain the Games,” which utilizes Google Search’s AI overviews to give viewers the ability to ask various questions like “What’s the importance of lane assignments in swimming?” Fans

will also be able to follow comedian and actress Leslie Jones as she uses Google's Gemini to complete tasks such as learning a new sport. Once again, service members and honorable discharged veterans across the globe will get free access to **NBCUniversal's** coverage of the Paris Olympics thanks to the Army & Air Force Exchange Service. Service members will be able to access NBCU's coverage from computers or personal devices by logging on to [NBCOlympics.com](https://www.nbcolympics.com) and the NBC Sports app before choosing the Exchange as its service provider.

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MAX UNVEILS COLLEGE DISCOUNT

It's never too early for back-to-school deals—and this one tackles password sharing. **Max** is helping college students in the U.S. with a 50% discount of the Max With Ads monthly plan, slashing its price from \$9.99/month to \$4.99/month. The streamer is using UNiDAYS to confirm students' active status before a user is sent a unique discount code to redeem. The deal will last for 12 months following a signup, but students can re-verify their status to continue their plan.

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RATINGS

It was Shark Week mania at **Discovery Channel** earlier this month. The event lifted the network to be the No. 1 primetime cable net (excluding news and sports) for the week of July 7, reaching 25 million total viewers across Discovery, **Max** and **discovery+**. That's good for a 10% increase compared to last year's Shark Week. Discovery had seven of the top-10 non-sports/news telecasts among A25-54, including "Expedition Unknown: Sharks vs. Nazis in Paradise" at No. 3, "Jaws vs. Leviathan" at No. 4 and "Caught! When Sharks Attack" at No. 6. – **Fox News** not only won Night 3 of the Republican National Convention, but it said it's also the only network to grow its audience each night in prime vs its 2016 RNC average. **Nielsen** data shows the net averaging 6.4 million viewers for primetime Wednesday.

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OBITUARY

Sad to hear that longtime **INSP** exec *John Roos* passed away Wednesday after a brief illness. Roos, a 40-year cable vet and Cable TV Pioneer, had recently retired as the programmer's EVP, Corporate Communications & Research. The company, where his son *Joseph* also works, celebrated his retirement at its Indian Land, SC, headquarters on June 12. "John was an incredible friend, confidant, advisor & industry prognosticator, in that order," said INSP Chairman & CEO *David Cerullo*. Roos began working at the Christian Broadcast Network in advertising in 1983 and also spent time at the defunct Christian-oriented music channel Z Music Television.

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EDITOR'S NOTE

Cablefax Daily will not publish Friday, but we'll keep you in the know at [Cablefax.com](https://www.cablefaxdaily.com). Your next issue will arrive Monday, July 22.

What We're Listening to

Sports Media with Richard Deitsch

There's never a dull moment in the world of ESPN, with President of Content Burke Magnus' interview on the [podcast](#) "Sports Media with Richard Deitsch" offering a glimpse into how many things the sports giant juggles on a day-to-day basis.



Of course, the two discussed ESPN's strategy for media rights deals and its commitment to launching a direct-to-consumer product in 2025, but Magnus and Deitsch also tackle some of the peculiar aspects ESPN has to deal with. For example, how many networks have to respond to a lead content figure being hired as an NBA head coach? ESPN ran into that issue twice this season when Doc Rivers and J.J. Redick—who both were on the network's A team for NBA broadcasts—took the lead gigs with the Milwaukee Bucks and Los Angeles Lakers, respectively.

Magnus couldn't definitively comment on the network's involvement with the NBA's upcoming rights deal as it's yet to be finalized, but he was asked about how he approaches the fact NBA Finals viewership was down this year compared to the 2023 Finals series. Magnus said that's when fanbases, the appeal of teams and their brands really come into play, but ESPN can only do so much if it's airing a series like this year's that lacked multiple, competitive games.

"When you get down to the Finals, and really the conference finals and the Finals, oddly enough it becomes much more about the number of games rather than the individual audience for an individual game, or the average audience over a particular series," Magnus said. "Obviously, you want that number to be as high as possible at all times, but you understand that it kind of ebbs and flows with various factors. How competitive is the game on the floor? Who are the two teams that are playing in the first place?"

Part of the NBA's media rights negotiations is the WNBA, which is also reportedly near the finish line of signing its next deal. ESPN has been at the forefront of the meteoric rise in the popularity of women's basketball at the collegiate and professional level, and Magnus hopes to keep the network as the home for high-profile events like the NCAA Tournament and WNBA Finals.

"We're extremely bullish on [the WNBA]. We've been there since Day 1 of the WNBA. We're really proud of that," Magnus said. "... We look at the growth of the WNBA is also somewhat going to succeed on the number of various entities that get involved in it. I think we also see an upside in other broadcasters getting involved [in the WNBA Finals]."

Deitsch touched on football subjects as well such as Netflix's decision to get involved in NFL games by paying for the rights to Christmas Day games. Magnus thinks the circumstances of Netflix's games were "right up their alley."

And if you were wondering if ESPN would be the one to produce Netflix's Christmas NFL games, Magnus' answer could be boiled down to two words: "We're good."

PROGRAMMER'S PAGE

Biles' Triumphs Over Tokyo Trauma

Simone Biles felt like the 2020 Tokyo Olympics would be the peak of her career. She was in the best shape of her life, and the world wondered not if she would win gold, but just how many gold medals she would be taking home. Of course, we know now that's not what happened, that a bad case of what gymnasts call "the twisties" where you get lost in the air took her out of the team final. She went home from Tokyo with a silver medal from that team competition and a bronze for her individual performance on the beam, and Netflix's "Simone Biles: Rising" (two episodes dropped Wednesday) dives into the criticism she faced for stepping back as she worked through an invisible mental injury. Her coaches, parents, husband and teammates break down the human behind the triple-double, humanizing her more than many of the headlines after the games ever did. Beyond her individual experience, the docuseries also questions whether the Tokyo Olympics should have occurred at all given how much strength athletes draw from their communities and connections. Three years later, Biles has now returned to the competition scene stronger mentally and physically than ever before, and we'll see her take over Paris in less than two weeks time as she competes with her third Olympic team. As the media and fans descend upon the City of Light, will Biles and other athletes be given grace and respect or will they once again be held to impossible standards? More episodes of the series will come this fall, documenting whatever happens in Paris and the impact on Biles' legacy and psyche. But no matter the outcome, her story of rising above her own demons and the criticisms of couch commentators is one that is sure to inspire. – Sara Winegardner

REVIEWS

"Sunny," **AppleTV+**. Reviewers and viewers often barely acknowledge production values: costumes, makeup, lighting, music, props, sets and locations. Certainly plot lines, writing, acting and directing are critical, but production values in this intriguing series immediately set the tone. Japan is clean, wet and dark and a bit antiseptic. In addition to humans, digital technology plays an important role in Japanese life. For example, silent restaurants let customers order meals from machines; a small, earring-like device translates spoken Japanese into English. That's a vital tool for Suzie (a terrific *Rashida Jones*), an American living in Kyoto with her Japanese husband Masa (*Hidetoshi Nishijima*) and their young son. Masa and his son take a flight to Hokkaido. The plane goes down. During an airline-provided grief ceremony, Suzie and other victims' relatives are urged to call the departed's mobiles; hearing their voices on the recorded message is comforting, they're told. But Masa's phone indicates he might have survived the crash. Later Masa's former employer sends Suzie a gift, a domestic robot with an upbeat and insistent 'personality' called Sunny (Joanna Sotomura). Masa built and programmed Sunny, a company official tells Suzie. Yet Suzie thought Masa designed refrigerators. What else did Masa do that Suzie doesn't know? – Seth Arenstein

BASIC CABLE		
P2+ PRIME RANKINGS*		
(07/08/24-07/14/24)		
MON-SUN	MC	MC
	US	US AA
	AA%	(000)
FNC	1.239	3906
MSNBC	0.375	1182
CNN	0.323	1018
HALL	0.243	766
HGTV	0.222	700
INSP	0.190	600
DISC	0.184	580
USA	0.180	569
HIST	0.157	494
TBSC	0.148	467
ESPN	0.146	459
FOOD	0.139	438
ID	0.120	380
TLC	0.119	375
GSN	0.116	365
TVLAND	0.115	362
FS1	0.110	346
HALLMYS	0.103	324
WETV	0.100	316
REELZ	0.096	302
NWSMX	0.096	302
LIFE	0.093	294
FX	0.087	274
TNT	0.087	273
A&E	0.086	273
BRAVO	0.084	265
AMC	0.084	264
BET	0.083	262
TUDN	0.082	257
SYFY	0.080	253
OXY	0.078	247
NICK	0.070	221
SNDNCE	0.068	213
ADSM	0.068	213
NAN	0.062	196

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

Cablefax's Programmer's Page will move to a monthly column beginning in August so that we can bring you new features. The ratings chart will continue to appear every Thursday, with Programmer's Page running on the first Thursday of each month.

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