

Consumers Seek TV Alternatives, Part 2: Can Cable Compete With Tech Giants?

Cable providers need better ways to appeal to viewers who have new viewing habits – and better ways to measure viewer engagement.

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Internet connections have become lifesavers for cable companies. According to an April 2017 report from Deloitte's Digital Democracy survey, 74 percent of U.S. households still subscribe to pay TV on cable or satellite, but 66 percent of subscribers say they keep their pay TV only because it is bundled with their internet.

Subscribers continue to leave cable platforms, and some think the number of cord cutters is increasing. In the second quarter of 2017, Charter Communications lost 90,000 video subscribers, Comcast lost 34,000, Altice lost 37,000, Verizon lost 16,000 and AT&T lost a whopping 351,000, including DIRECTV (satellite) losses. However, AT&T *gained* 152,000 subscribers to its DIRECTV NOW streaming service.

Most cable TV networks reported subscriber losses as well, though some, such as ESPN, challenged the Nielsen reports with their own calculations. However, the time is long gone for collecting piles of data and analyzing them to death. The future belongs to providers that can adapt to changes in viewing habits, especially those of younger consumers.

Providers need to understand why these consumers watch what they do, why they select the platforms they do and why they binge on their favorite programs. Technology makes new ways to enjoy video a reality and offers the promise of more innovations to come. Traditional content providers must keep up with the latest delivery platforms to profit from those who still love TV but watch it in a new way.

Here is an example of how consumers choose a platform that works for them: Binge watching is more popular than I ever imagined it would be. Binge watchers have to decide which episodes of a program to skip, if any. They rely on fan websites and TV critics to find out which season is best and which episode is not to be missed. Favorable social buzz for a show enhances its status. There is nothing like the endorsement of must-see TV.

Cable providers could offer binge watchers special resources to help them watch the “cool” shows they want. For example, viewers who skip seasons or shows need a platform that lets them speed ahead to the sweet spot they have heard

so much about. This is the era of viewers who plan and watch what and when they want.

Here's another approach: HBO just introduced a new weekly half-hour anthology series, “Room 104.” Set in a motel room, the series offers a self-contained story each week that makes it worth opening and reopening the door.

This unconnected episode style may not appeal to binge watchers, but many viewers might want to take a look. It reminded me of the 1960s series “The Twilight Zone.” HBO continues to garner well-deserved awards and critical accolades. Other broadcast, cable and streaming networks receive the creative attention they deserve, but HBO led the pack at 111 Emmy nominations, with Netflix coming in next at 91.

NEEDED: BETTER DATA

Broadcast TV is data poor, offering metrics only about itself. Prior generations, such as mine, could find out which programs were most popular nationally in the daily newspaper and the popular TV Guide; then we checked with our friends and neighbors to make sure everyone was on board. For “I Love Lucy” or “The Ed Sullivan Show,” we had to wait to hear how well each show was received. Negative reviews by viewers were rare. Long-running shows were always big hits, and ratings were through the roof.

By contrast, Netflix, Hulu, Amazon and Google are data-rich video providers, and the actionable data they provide can be turned directly into local sales. They are all doing a great job of courting the highly sought-after Gen Z.

To survive, traditional broadcasting and the Nielsen metrics must make a case that their data, upon which many agencies, advertisers and industry pundits depend, continue as a “go to” source. This is especially true in the measurement of younger audiences who pride themselves at finding new ways to watch TV. ❖

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