

## COMCAST/XFINITY TESTING NEW FEATURE ON X1

### 'MANAGE CHANNELS' OFFERS NEW USER MIX

Comcast is testing a new feature for its **X1 platform** that collects, surfaces and presents all of the premium channels and a growing mix of subscription VOD services that are available from the cable operator on top of the customer's regular pay TV package, per MultiChannelNews.com.

Comcast said the "**Manage Channels**" feature is being tested with a subset of X1 subscribers. It offers another way to drive awareness to those services and a method for customers to access and manage them. About 55% of Comcast's residential video subscriber base is on X1.

For customers that have access to the test, the Manage Channels option is accessible via the X1 Apps section and presents choices in rows for Premium Channels, Subscription On Demand Channels, Sports Entertainment Packages and International Channels. Customers can add services via the interface and see which ones they are already subscribed to.

While customers are likely aware that Comcast offers premium services like HBO, Showtime and Starz, the new aggregation point highlights a growing mix of subscription VOD services that are also available. That mix includes **Gaiam TV, Up Faith & Family, Filipino On Demand, Stingray Karaoke, Gaia, Anime Network, Grokker Yoga Fitness, Here TV, KidStream, Dog TV, History Vault, Lifetime Movie Club, and AMC Premiere**, a new commercial-free option that costs \$4.99 per month.



### DISNEY LAUNCHING STREAMING SERVICE

**The Walt Disney Company** announced Tuesday a plan to launch two Netflix-style streaming services.

According to the New York Times, the **ESPN streaming service** will arrive early next year, and will include baseball, hockey, tennis and college sports — about 10,000 regional and national events in its first year. Users will be able to access the service through an enhanced version of ESPN's current app. People who pay to receive ESPN the old-fashioned way (via a cable or satellite provider) will be able to access standard ESPN programming through the same app.

Disney will also offer a separate entertainment-oriented streaming service starting in 2019, and will provide exclusive access to new Disney films, including a sequel to **Frozen**, a live-action version of **The Lion King** and **Toy Story 4**. **Netflix** currently has rights to new Disney-branded films, but will lose those rights.

The Times says Disney may be late to the party. CBS, for instance, introduced a direct-to-consumer subscription streaming service in 2014. But Disney is a media superpower, and its decision to aggressively pursue streaming could speed the entertainment industry's adoption of the platform. Meantime, cord-cutting continues to affect ESPN. Traditional subscriptions declined 3.5% in the most recent quarter; in the year-ago period, ESPN had a 2% decline.

### ADVERTISER NEWS

Left out of all the dealings and attempted deals in the retail pharmacy business, **CVS** still operates over 9,700 retail locations and 1100 walk-in clinics. Same-store sales were down 2.6% in the second quarter with pharmacy comps down 2.8% mostly due to generic introductions. Front end comps were down 2.1% despite the shift of Easter into the quarter, due to softer traffic and "efforts to rationalize promotional strategies".....**Wayfair** posted another strong quarter with direct retail revenue growth of 46% year-to-year and 9.5 million active customers, up 43% year-to-year. Its CEO took a victory lap saying, "As consumers increasingly embrace the selection and convenience of shopping online instead of in physical brick and mortar stores, we are taking advantage of that shift and capturing market share.....**Overstock.com** had a 3% increase in revenue for the second quarter, although its net loss grew from \$904,000 in the quarter last year to \$7.5 million this year.....Many major food companies have been seeing tough times,

but **Tyson Foods** was able to command an average 4.2% price increase to build up the top and bottom lines in its fiscal third quarter. Gains were recorded from beef, pork and chicken and its CEO said "We expect strong global demand for protein".....**SeaWorld** had a difficult quarter and ties some of its results directly to advertising. U.S. domestic attendance (guests from outside a 300-mile radius) was down and it blames some of that on reduced national advertising. The company promises to increase investments in advertising now "to generate sufficient awareness of our brand attributes".....**Office Depot** is starting a same-day delivery program in three markets (Atlanta, Los Angeles and Ft. Lauderdale/Miami) in the next few weeks with plans to roll out the service into several more markets before the end of the year.....As supermarkets try to take more business from restaurants, Texas' **H-E-B** chain has an interesting new tactic: it will install a drive-thru window at a super in San Antonio for its **True Texas BBQ** chain of in-store restaurants..... And **Dickey's Barbecue Pit**, which says it's the largest barbecue chain in the nation, is offering a **Tailgate Party Pack** for \$99 designed to serve twelve adults with four pounds of meats, several sides, and utensils and plates.....**Fiesta Restaurant Group** admits that cutbacks in marketing were at least partially to blame for a drop in second quarter business. Same-store sales were down 7.7% at **Pollo Tropical** and off by 4.7% at **Taco Cabana**, as transactions fell by 10% and 4.5% respectively. The CEO admitted "We significantly reduced our media presence and moderated discounts which negatively impacted our quarterly revenues," and he now promises "new and impactful creative advertising campaigns."

## CABLENET CHATTER

The story of the **Little League Baseball World Series** tournament in which **Maine-Endwell**, an undefeated team from the southern tier of New York State, will be presented in an **ESPN** film entitled **World Beaters** airing this Sunday. Maine-Endwell was the smallest community to ever win the series, and the team completed a perfect season by beating the favored team from Seoul, South Korea (2-1) in the championship game. The win ended Asia's string of four straight titles. The film is directed by **Jonathan Hock** (Of Miracles and Men, The Best That Never Was) and is produced by **Thomas Tull**, former Chairman, and CEO of

**Legendary Entertainment**, a minority owner of the **Pittsburgh Steelers** and Endwell native. **World Beaters** is narrated by **Josh Brolin** and will air on **ESPN** Sunday, August 13<sup>th</sup> at 1 PM (ET)..... **Investigation Discovery** announced the renewal of **The Real Story with Maria Elena Salinas** for a 10-episode second season. The series follows Salinas, an undercover journalist for the Spanish-language network **Univision**, as she uncovers new evidence, unheard perspectives, and updates to national headline-making crimes to see what the media originally missed. The second season of **The Real Story with Maria Elena Salinas** will air on **Investigations Discovery** in 2018.....**TNT** will premiere the sixth season of **Major Crimes** on Tuesday, October 31<sup>st</sup> at 9 PM (ET). The new season will see Commander Sharon Raydor, played by **Mary McDonnell**, growing accustomed to her new boss played by **Leonard Roberts** and navigating the rapidly changing priorities of the justice system. The season will also feature the return of Phillip Stroh, played by guest star **Billy Burke**.....The **Oprah Winfrey Network** has ordered a third season of its hit drama series **Greenleaf**. In addition, **Rick Fox**, who portrays journalist Darius Nash, has been promoted to a series regular in the new season. The renewal was announced while **Greenleaf** is enjoying strong ratings in its current second season. The series is averaging over two million total viewers in the **Nielsen** live +3 measurements. It's the number 2 original scripted cable series for women 25-54 on Wednesday nights, and one of the Top 4 original scripted cable series for African-American women and total viewers. The second half of season two will return with a two-night premiere on Tuesday, August 15<sup>th</sup> and Wednesday, August 16<sup>th</sup> at 10 PM (ET). It will regularly air on Wednesday nights at 10 PM (ET).....**Discovery Channel's Motor Mondays** will include the premiere of **Diesel Brothers** on Monday, September 4<sup>th</sup> at 9 PM (ET). The show follows **Heavy D** and **Diesel Dave** as they run their business of buying used or broken-down trucks for reselling. In this season, the pair gets invited to the legendary **Mint 400** but are required to build a race truck in a week to get there. Heavy D fulfills his childhood dream to drive a monster truck at the **Monster Truck World Finals**..... **Mama June: From Not to Hot** has been renewed for a second season by **WEtv**. The new season will follow **Mama June** as she deals with life after losing hundreds of pounds. **WEtv** will air the second season of **Mama June: From Not to Hot** in early 2018.

Former communications director **Anthony Scaramucci** wants to turn his time in the **White House** into a sitcom. **Networks** say it's impossible, because sitcoms have to last at least 30 minutes.

**Jimmy Fallon**

## MORE FROM STORES' HOT RETAIL LIST

There is no one retail segment that's providing growth. We've recapped the ten hottest retailers in terms of year-to-year sales increases, and they came from differing retail segments. The rest of the top 25 fastest-growing companies also show diversity of segments. Number eleven has been well-chronicled in our advertiser news columns, reporting both heavy expansion and very strong same-store sales as **Ulta Salon** produced 24% growth. Also with 24% growth is **Duluth Holdings**, a "lifestyle brand" for working Americans utilizing a website, catalog, and a small retail chain. **Burberry** is a British fashion

house with a website for U.S. sales—it grew by 23%, as did **Torrid**, a women's clothing chain beating most of its mall-based competitors. The **At Home** Group of home furnishings stores, another with both expansion and positive same-store sales going for it, was up 22% last year and **Inditex**, a Spanish-headquartered chain with more than 7,000 stores worldwide, was up 21%. Food stores take four of the remaining top 25 rankings, **Fiesta Mart** (up 19%), **Festival Foods** (up 16%), **Big Y** (up 16%), and **Fresh Direct**

(up 15%). Rounding out the rest of the top 25 are a variety of segments as shown by **Care Pharmacies Cooperative** (up 18%), **Ollie's Bargain Outlets** (up 17%), **Total Wine & More** (up 16%), **Under Armour** (up 15%), and **Bass Pro Shops**, up 15%. Some of them could provide future new business in your market.

## BUSINESS BYTES

**Berkshire Hathaway** has investments in a wide variety of industries including insurance (**GEICO**) and restaurants (**Dairy Queen**) among many others. Its retail investments also show a spread of segments, and **Furniture Today** is now reporting BH's furniture stores (including **Nebraska Furniture Mart**, **R.C. Willey**, **Star Furniture** and **Jordan's**) helped offset declines at **Berkshire Hathaway Automotive** in the second quarter (Berkshire owns 83 dealerships) and carried the retail division's profits. The furniture operation's profit increases were attributed to increased gross margins and lower operating expenses. Other parts of BH's retail division include **See's Candies**, **Pampered Chef**, and three jewelry chains.

While July's negative automotive sales were the worst year-to-year decline in seven years, **Automotive News** reports there are no signs of panic at any automakers—in fact, the drop may have helped them take care of needs such as clearing out old inventory, adjusting production volumes, and cutting back on fleet volume. Expressions of optimism persist among auto execs, such as **Toyota's** exec VP of sales saying "We're not on a sleigh ride down" and **GM's** Chief Economist saying "We anticipate U.S. retail vehicle sales will remain strong for the foreseeable future." Observers outside the factories generally concur. The exec publisher for **Kelley Blue Book** said "Brands with fresh and appealing trucks and SUVs continue to do well, many of them seeing record volumes on vehicles with high profit margins. And the Chief Economist for **Cox Automotive** adds, "The economy and the consumer are not only in good shape, they're picking up momentum as the year progresses. The pullback in new-vehicle sales is not being driven by underlying economic weakness."