

The Sunday Brief: Where is Cable Headed? Some NCTA Insights 27 May 2012

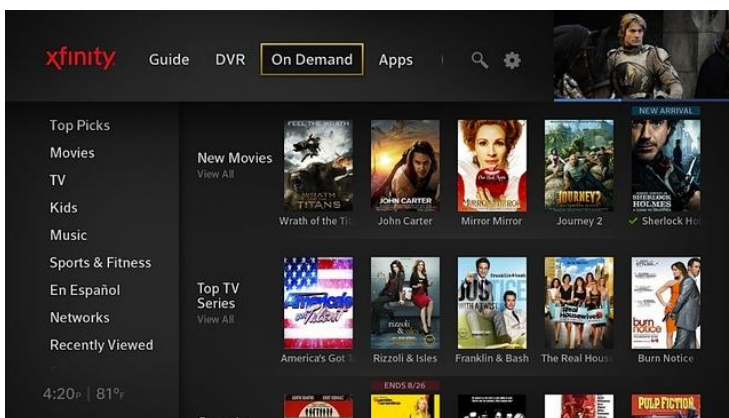


Greetings from Boston, home of the National Cable Telecommunications Association (NCTA) annual event, known by all as “The Cable Show.” In the not too distant past, it had primarily been a gathering of programmers and traditional cable companies, but that is changing as the face of cable changes from one of video to networking.

As most of you know, my cable roots run deep, and many Sunday Brief readers have decades of tenure in the industry (the cable industry affectionately refers to them as “Pioneers” although few of the original entrepreneurs regularly attend). Cable continues to rely on long-standing relationships between engineering, marketing, support and executive personnel to maintain innovation and improve efficiency. While a little less “clubby” than they were a decade ago, they work in concert on standards, benchmarking, and regional product/ packaging options.

This coordination was clearly on display in Boston this week, with the [announcement of a five-party consortium](#) to create a nationwide Wi-Fi hotspot network for existing High Speed Data customers. This creates a significant alternative to AT&T’s Wi-Fi network of more than [30,000 US hotspots](#) and marks the beginning of the implementation of a larger plan to extend the customer relationship beyond the home or office. This multi-hundred million dollar, multi-year initiative will allow these cable companies to “on load” or “carry on” the data relationship. “It’s my customer, and I want to continue that relationship with them” quipped one cable executive (and a Sunday Brief subscriber) at the Wi-Fi session. “I’ll turn their offload into a stronger relationship. They will see my network first.”

Granted, there are many hurdles to calling this a significant nationwide challenger to Verizon’s or AT&T’s LTE networks, but in any given local market, the data scene is about to change. More devices connecting to cable means stronger mobile advertising opportunities (which cable would view as an extension of their existing video advertising relationships) and clearer information about which content travels better. When we hit next year’s cable show in Washington, D.C., and this consortium announces their “moon shot” of 1 million hotspots by 2015, as well as a “cablewifi” SSID national branding campaign, their activities will receive front page status.



Comcast also introduced an improved at home experience that leverages iPhone and iPad devices as remote controls (Android app coming, I am told). The Xfinity X1 has been in testing in Atlanta for about a year, and, as Neil Smit notes in the [attached TechCrunch video](#), they have had over 400 updates to the software in that time (this is a sign of nimbleness amid ever-changing requirements, not an ability to get it right the first time). Think of the X1 platform as being the “under 30” way of finding content faster

than ever before. I used it at the show for a few minutes, and while they still have some user interface issues to address, I found it to be very robust. In the past, “robust” has not always been linked to success, but using the iOS gesture and swipe capabilities that are already familiar to many Apple users is a start.

Like the “cablewifi” initiative described above, the X1 technology must be translated into specific customer benefits. This has historically been a struggle for the cable (and many other high technology) service providers. Overwhelming the decision maker with technology is not a good marketing strategy. Comcast has a good start with their “Quick Links” feature which customizes specific searches to my X1 iPad or iPhone interface (search preferences are saved to each iOS device with the app). The Patterson family would have several “Quick Link” needs, including Major League Soccer, Steve Martin and Chevy Chase movies (especially *The Three Amigos*), and specific Pandora channels. With the right self-help tools ([Step One, Inc.](#) is one company working on these tools for iPhone and Android devices), technology advances can become more valuable to each member of the family. But the educational effort to change current inefficient habits needs to be significant if widespread adoption is going to take place quickly.

Lastly, Verizon Wireless shared the stage at the cable show, talking about how they would like to be a user of the Wi-Fi hotspot network (although did not indicate they would be a contributor). Yes, that was a very uncomfortable moment for the Cable/ Verizon (Wireless) relationship, one of many to come. Verizon Wireless also introduced a video aggregation product called “[Viewdini](#)” which will serve as a master portal for video needs from Hulu Plus, Netflix, mSpot and Comcast’s Xfinity services. Unlike the X1 service described above which was iOS specific (for now), Viewdini will be initially available across Verizon Wireless’ Android 4G LTE platform, but it’s only a matter of time before it’s available across iOS and Windows.

The cable industry turns into a wireless network without licensed spectrum. One of their largest members develops a video search capability to improve the in-home TV viewing experience without the assistance of Google or Apple. And they turn to a “frenemy” who is majority-owned by one of their largest High Speed Internet and Small Business services competitors (Verizon) to be a distributor of their most valuable products and a storefront for highly profitable content. Innovation is not lacking in the cable industry.

While cable is leading with technology, partnerships, and product, they need accompanying marketing and self-service components to win decisively. They need a simple, consistent, and national message that can be applied to small towns and big cities. They need a (self) service model that can quickly meet the 400 changes described above and not overwhelm call center representatives. The “wow” of their technology needs to translate into “delight” ahead of their competitors. It’s a tough task, and their ability execute is questionable. But the events of the past week clearly indicate that they are willing to think differently about their role in the technology ecosystem and take risks to win the hearts and minds of consumers.

Lastly, as we remember those who have boldly fought and served our great country this Memorial Day, have a view of this video on [North Platte, Nebraska](#). It’s narrated by a good friend, Dick Foth, and is a reminder of how we need to pull together as Americans. The book referenced in the video is called “Once Upon a Town” and is available on Amazon Kindle by clicking [here](#).

If you have a friend who would enjoy getting this brief, please send an email to sundaybrief@gmail.com and we’ll get them on the list. Also, RCR Wireless will begin posting this column under a separate by-line starting this week. Enjoy the remainder of Memorial Day weekend, and have a terrific week!

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