

Comcast teeing up new services targeted at millennials

September 1 2015, by Tali Arbel



The BuzzFeed website is displayed on an iPad held by an Associated Press staffer in Los Angeles, on Tuesday, Sept. 1, 2015. Comcast, which became a TV powerhouse by signing up Generation Xers, is investing in online media outlets like BuzzFeed and Vox that attract millennial viewers. (AP Photo/Richard Vogel)

Comcast, which became a TV powerhouse by signing up Generation Xers, baby boomers and their parents, now is fighting for millennial eyeballs.

The TV giant is investing in online media outlets like BuzzFeed and Vox that attract young viewers. It's setting up a streaming TV service for millennials who don't watch a boob tube. And it's developing a YouTube-like video app and website.

It's the latest effort by the TV industry to attract younger customers at a time when ratings are sliding and more millennials are becoming "cord cutters" by ditching traditional cable entirely.

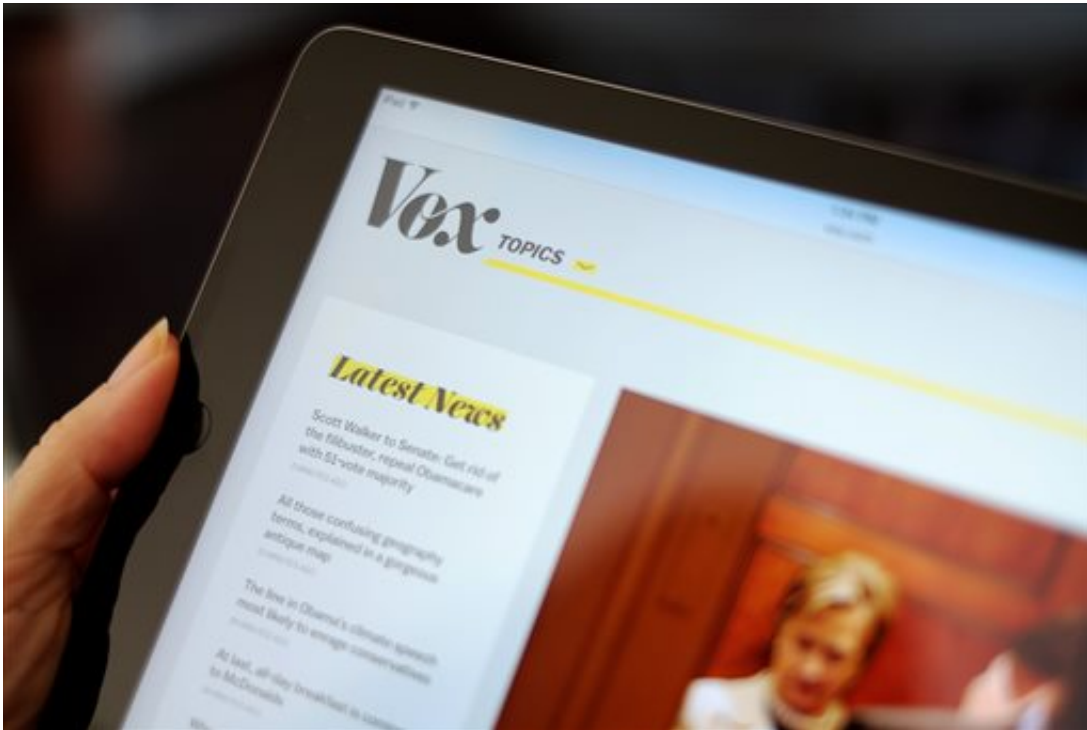
People ages 18 to 34 spent on average nearly 109 hours a month watching live TV in the first quarter of this year, according to Nielsen. That's by far the largest amount of time spent on any device, but the number is down from more than 131 hours a month during the same period in 2011.

Meanwhile, time spent watching video on the Internet, though far smaller, is growing to about 17.5 hours per month. That's up from just over 7 hours four years ago.

As a result, companies are trying to beef up their video and Internet offerings to appeal to millennials. They hope to capture what makes digital companies successful with younger viewers, says Ken Doctor, a media analyst.

"They want to import some of the digital DNA," he says.

Cablevision, a New York-area cable company, sells HBO Now, the streaming version of the premium channel, to its Internet customers. It also has a package aimed at cord cutters that offers Internet service only and a digital antenna to pick up local broadcast networks like NBC and CBS.



The Vox website is displayed on an iPad held by an Associated Press staffer in Los Angeles, on Tuesday, Sept. 1, 2015. Comcast, which became a TV powerhouse by signing up Generation Xers, is investing in online media outlets like BuzzFeed and Vox that attract millennial viewers. (AP Photo/Richard Vogel)

Satellite TV company Dish Network has an Internet live TV service, Sling TV, which costs \$20 a month. And Verizon has a mobile video service, which is expected to come out this year, and will stream sports and music with other content.

For its part, Comcast already is a cable giant, serving 22 percent of traditional U.S. TV customers and almost a quarter of Internet customers, according to data provider SNL Kagan. Now, it's trying to expand that reach to include more millennials. That includes:

— A \$15-a-month TV service called Stream, which is expected to begin

in Boston in September, will include broadcast networks and HBO for its Internet customers. It will work on computers and devices inside a home network, but it's currently limited outside of the house to mainly TV episodes that are available on-demand or that are recorded.

— Its NBCUniversal arm, like other entertainment conglomerates, is investing in new media. In August, it spent \$200 million to add to Comcast's stake in Vox Media, the media hub behind millennial-oriented news blog Vox, tech sites Re/code and The Verge, and other properties. It also invested \$200 million in quiz-and-list site BuzzFeed.

NBCUniversal wants to work on video and ads with the companies—like collaborating on the Olympics with BuzzFeed. Both have visitors that are more likely to be ages 18 to 34 than do traditional news sites and apps from CNN and the New York Times, according to website tracker comScore.

"What you're doing is seeking to engage the viewers where they are rather than seeking to get them to come somewhere they don't want to go," said Colin Dixon, a digital media analyst for nScreenMedia, talking about NBCUniversal's investments.



In this July 23, 2015 photo, a man walks past the Comcast Building in New York. Comcast, which became a TV powerhouse by signing up Generation Xers, baby boomers and their parents, now is fighting for millennial eyeballs. (AP Photo/Mary Altaffer)

— Working on putting together a YouTube-like set-top box app this fall for its customers and a free website and mobile app for anyone, according to a person familiar with Comcast's plans who wasn't authorized to speak publicly. Comcast wants the app to show video from companies like Disney's Maker Studios, BuzzFeed, Vice, Vox and DreamWorks Animation's AwesomenessTV, with ads.

The videos won't be exclusive to the service, which is called Watchable. A Vox spokesman said he wasn't able to comment, while a person familiar with BuzzFeed's talks but who isn't authorized to speak said a deal hadn't been signed yet. Several prospective partners did not respond to questions.

It's unclear whether the new services will attract younger viewers like Jiwei Zhang, 31, who canceled Comcast Internet and TV service a few months ago because her promotional price went up. She has Verizon's FiOS Internet now at her home in North Bethesda, Maryland.

"I have an antenna. It works really well. I can receive more channels than with Comcast's basic TV. I use Netflix and some other TV box from China," Zhang said, referring to a service that enables her to watch Chinese shows and movies. "That's enough for me."

Lacy Davis, 25, says a new video aggregator like Watchable wouldn't really appeal to her. Davis, who is also an AT&T cable customer in Dallas, already watches BuzzFeed videos on her phone because she sees them on Facebook, and YouTube videos sent by her friends on her computer.

"I'm actually fine where I am," said Davis.

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