

The Big Media Shuffle: Is Bigger Better?

August E. Grant
J. Rion McKissick Professor of Journalism
University of South Carolina

Consolidation in Media

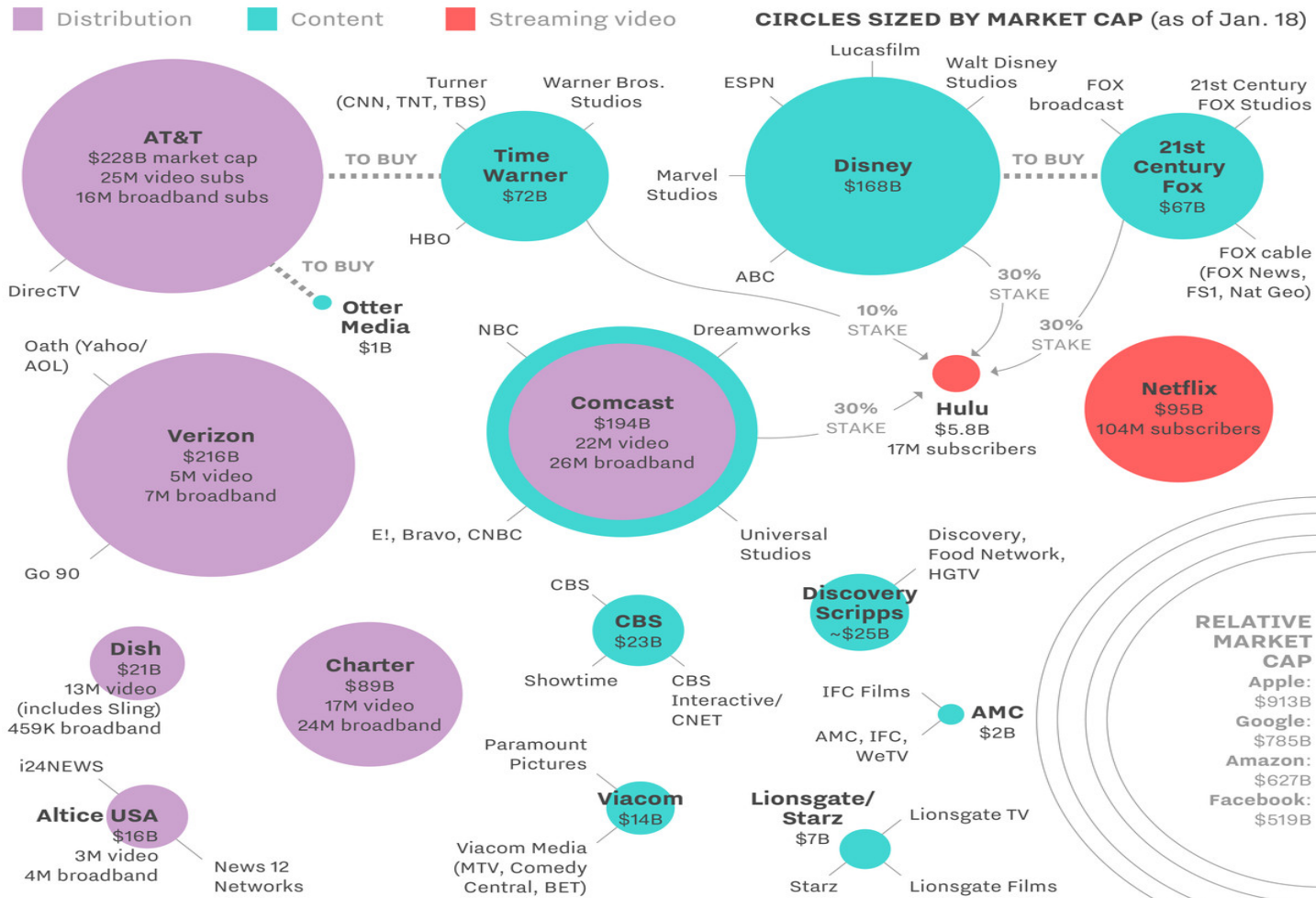
- Done:
 - Verizon buys AOL & Yahoo
 - Charter buys Time Warner Cable
 - Comcast buys NBC/Universal
 - AT&T buys DirecTV

Consolidation in Media

- Proposed
 - AT&T buying Time Warner
 - Sinclair buying Tribune TV stations
 - Disney buying part of 21st Century Fox
 - CBS buying Viacom?

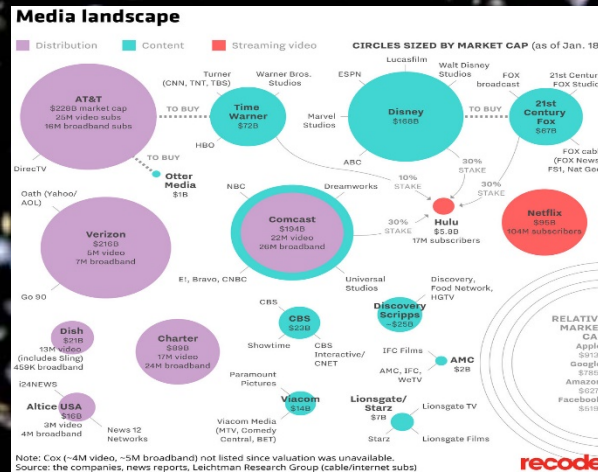
Today's Media Landscape

Media landscape



Note: Cox (~4M video, ~5M broadband) not listed since valuation was unavailable.
 Source: the companies, news reports, Leichtman Research Group (cable/internet subs)

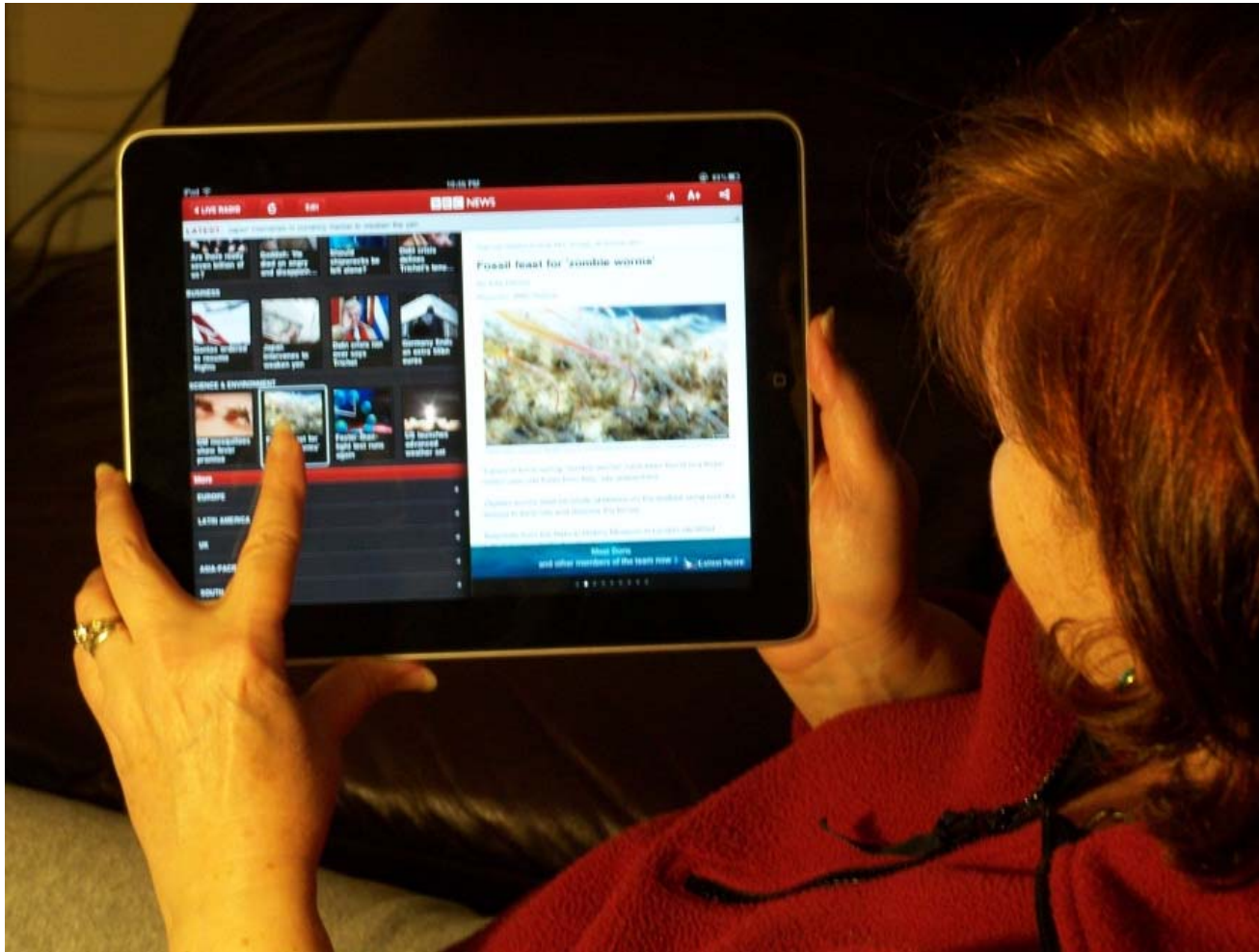
The (Media) Universe is Expanding



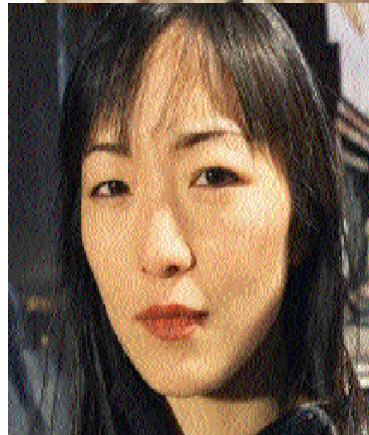
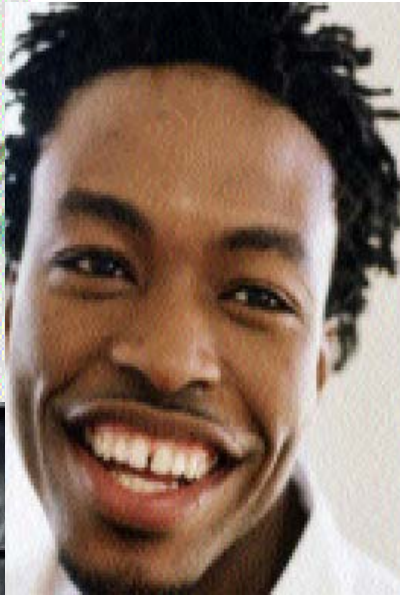
What you don't see...

- The media universe is growing
 - Average time spent using media increasing
 - Simultaneous media use increasing
 - Number of advertising/subscription opportunities increasing
- As universe grows, consolidation is inevitable

Expanding Universe Driver #1: Mobile Devices



Expanding Universe Driver #2: Ultra-targeted Content



Expanding Universe Driver #3: Targeted Advertising



Source: anchormobile.net

Expanding Universe Driver #4: Autonomous Vehicles

Commuting time becomes media time



Source: Mercedes Benz

Expanding Universe Driver #5: 4K and HDR



Expanding Universe Driver #6: OTT

The Netflix logo, featuring the word "NETFLIX" in white, bold, sans-serif capital letters with a black drop shadow, set against a solid red rectangular background.The DIRECTV NOW logo, with "DIRECTV" in black sans-serif capital letters above "NOW" in a larger black sans-serif font. A blue globe icon is positioned between the two words.The Sling Television logo, with "sling" in a large, blue, lowercase sans-serif font. Above the 'i' is an orange icon of a signal tower. Below "sling" is the word "TELEVISION" in a smaller, blue, all-caps sans-serif font.The Hulu Plus logo, with "hulu" in a green, lowercase sans-serif font and "PLUS" in a grey, all-caps sans-serif font. A small trademark symbol (TM) is located at the end of "PLUS".The Amazon Instant Video logo, with "amazon" in black lowercase sans-serif font and a green play button icon. Below "amazon" is the text "instant video" in a smaller black font.The CBS All Access logo, with "CBS" in blue, followed by the CBS eye logo, and "ALL ACCESS" in blue sans-serif capital letters. A small "4" icon is at the end.

Expanding Universe Driver #7: ATSC 3.0

- Delivery of 4K
- Up to 120 fps
- HDR
- Enhanced audio
- Mobile television
- Need for bandwidth
- Broadcast transition
- Targeted Advertising

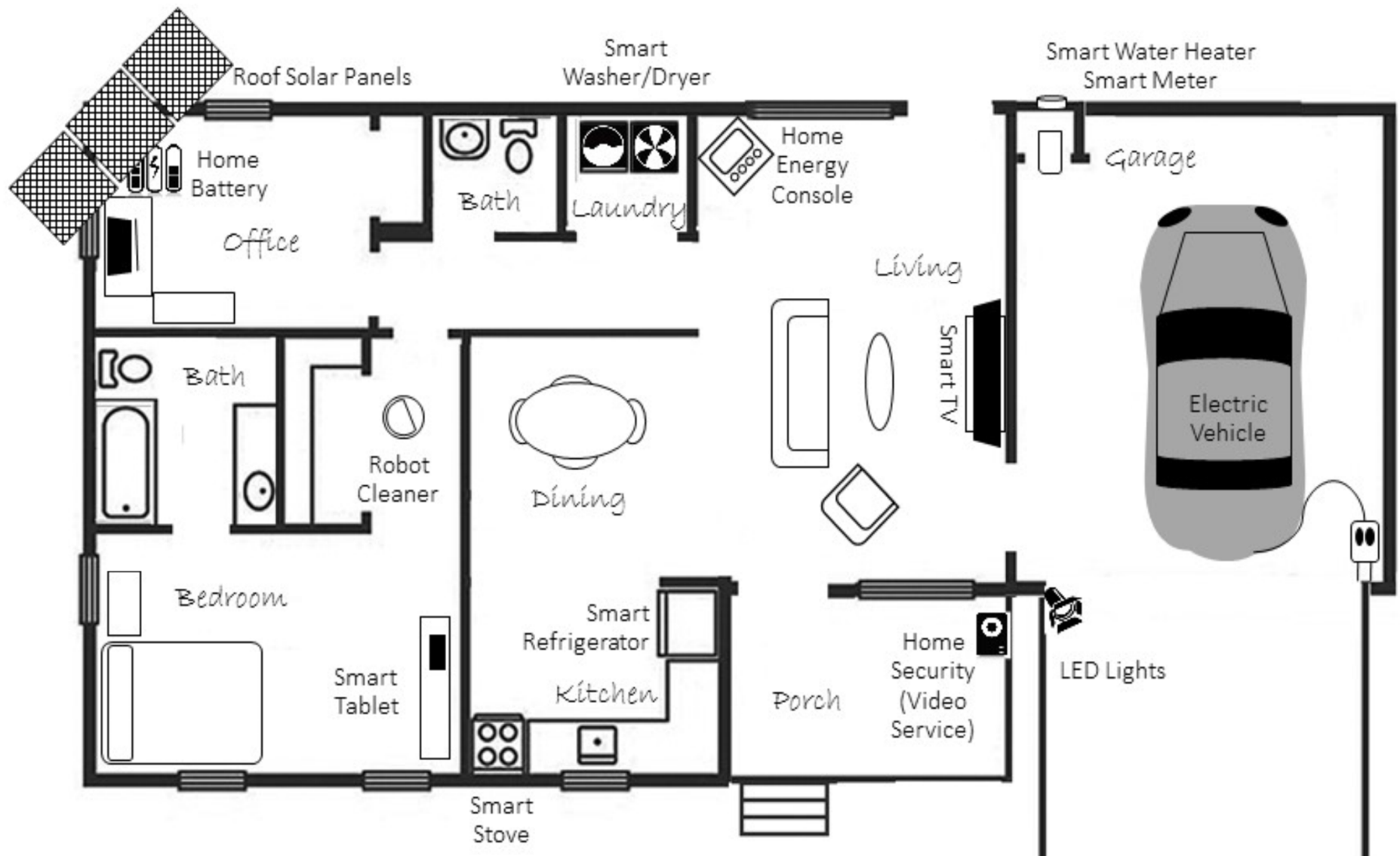


Expanding Universe Driver #8: Personal Assistants

- Google Home and Amazon Alexa



IoT=Smart Houses



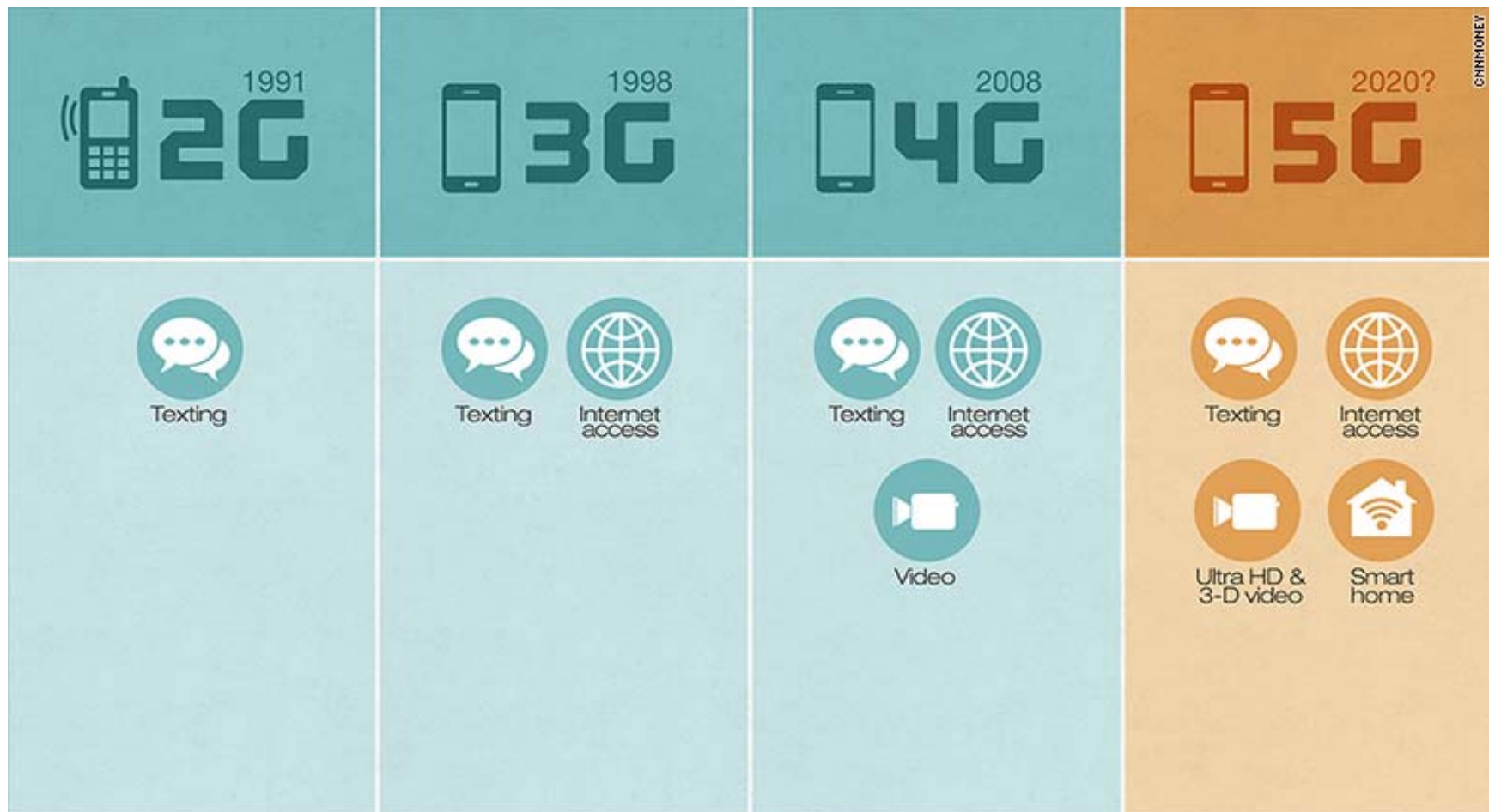
Expanding Universe Driver #9: VR/AR



Source: Samsung

Expanding Universe Driver #10:

5G



Consolidation in Expanding Universe

- **Old buys new**
 - ESPN buys Five Thirty Eight
- **Old buys old**
 - Comcast buys NBC/Universal
- **New buys old**
 - Google buys Motorola
- **New buys new**
 - Facebook buys Instagram
- **Merger of old/new**
 - AOL merges with Time Warner

Factors to Watch

- Vertical integration
- Horizontal integration

Companies to Watch

- Google
- Facebook
- Apple
- Amazon
- Netflix
- Sinclair
- Tegna
- 21st Century Fox
(what's left)
- CBS
- Viacom
- Verizon
- AT&T
- T-Mobile
- Sprint
- Comcast
- Charter
- Altice
- Dish
- AMC
- Lionsgate/Starz

Thank you!

More Info:

augie@sc.edu

