Fox Sports Executive Places Big DirecTV Bet on Music
By Sallie Hofmeister, Times Staff Writer

As chairman and chief executive of Fox Sports Television Group, David Hill has thrown the industry a few curveballs. He gave the hockey puck a neon glow so viewers could see it better on the TV screen. Then, he made first-down lines yellow in pro football games. Perhaps his biggest consumer-friendly innovation is the "Fox box" — now a fixture across TV sports — an on-screen reminder of the score and the time remaining.

Now the 59-year-old maverick Australian is bringing his flair for invention to another News Corp. property — DirecTV. Today, the nation's leading satellite TV provider will unveil Hill's first big bet: a weekly, one-hour live-music program that will be available exclusively to DirecTV's 15 million subscribers.

A spinoff of a top-rated British program, "CD USA" will feature interviews, behind-the-scenes reports and performances by as many as seven bands per episode, including big-name acts such as the Goo Goo Dolls, Red Hot Chili Peppers and Linkin Park.

"MTV has moved away from music. The only time you see live performances nowadays is in the Grammys," said Hill, who last year was dispatched to shake things up at DirecTV by his boss, News Corp. chief Rupert Murdoch. With the new Saturday show, Hill said, he seeks to do more than fill "a glaring hole in our lineup."

"The hope is that it sparks a schoolyard conversation on Monday morning," he said, "and that little Suzy comes home and tells her mom that unless she has it, she'll be a social pariah."

"CD USA" and other new offerings in the coming months represent the first major consumer initiatives by DirecTV since Murdoch took control two years ago. They also mark the El Segundo-based satellite TV provider's entry into production at a time of intensifying competition with cable TV operators.

By March, DirecTV expects to add two more programs: a dating service that Hill describes as a "shopping mall for singles," and "The Massive Gaming League," which will feature video game tournaments.

"This is going to be the next big thing in sports," predicted Hill, pointing to the popularity of such face-offs in Japan.

The programming initiatives, which will be supported by advertising, provide a glimpse of Murdoch's plans for squeezing value out of News Corp.'s recent $1.6-billion investment in the Internet.

Hill said programs would target the Apple iPod generation that he refers to as "boomer shadows." These 80 million or so offspring of baby boomers, who are ages 10 to 29, "are going to rule the world of public opinion," Hill said. "These teenagers have more disposable income than ever before."

Although teenagers are a fickle, hard-to-reach group, Hill says promotional tie-ins on News Corp.'s Web properties will help drive them to DirecTV Channel 101, where the original programming will run.

For instance, he said, members of News Corp.'s MySpace.com, a social networking site popular among teenagers, will vote on which of the more than 200,000 bands that post music on the website should perform on "CD USA" that week.

Similarly, there will be a yet-to-be-determined tie-in between the Massive Gaming League and IGN, a video game site bought by News Corp. last year.

"As his strategy unfolds, we'll work with him," Ross Levinsohn, president of Fox
Interactive Media, said of Hill. Cooperation will come easily, Levinsohn said, since he previously worked with many members of Hill's DirecTV team when they all were at Fox Sports.

"David has Rupert's ear. He's one of Rupert's go-to guys," said Levinsohn, who previously ran Fox Sports' new-media ventures. "He's fearless. He's passionate. He's fun to be around. He goes a mile a second. Some people think outside the box. David thinks outside the universe."

Hill's entrepreneurial zeal, a hallmark of Fox and News Corp., came as a culture shock to many DirecTV employees. Under the company's previous owner, General Motors Corp., the environment was slower-paced, hierarchical and bureaucratic.

By contrast, the News Corp. style is to push authority down the ranks. Employees sink or swim. Decision-making can be rapid fire and strategic directions can shift overnight.

DirecTV insiders said they learned quickly that Hill would not tolerate being told "no."

Impatient for change, Hill brought in a new marketing team to emphasize the television experience rather than simply the technical wizardry that the engineers who had launched the service in 1994 had stressed.

He tinkered with the scripts read by customer service representatives, vowing to make the experience of calling DirecTV more conversational.

Then he started fiddling with DirecTV's programming. For hard-core football fans, he added to DirecTV's signature "NFL Sunday Ticket" package of games by offering several extras. For an additional fee, subscribers can get a channel of highlights from all eight games across the league, two channels that allow them to switch back and forth among the games, and a channel that gives them a shortcut through the games without commercials.

"Everything he touches is successful," said Steve Bornstein, president of the NFL Network and former head of Walt Disney Co.'s ESPN. "He has a unique perception of what fans want and then goes about creating it."

DirecTV insiders say Hill has begun to re-energize the troops after a period of high turnover and low morale. Most of DirecTV's top management has been replaced since Murdoch took charge and installed a new team led by television veteran Chase Carey as chairman.

Some early miscalculations contributed to the turmoil, according to analysts and former DirecTV executives. A plan by Murdoch to move DirecTV's headquarters to New York created distress in the ranks before it was scrapped. Murdoch's choice as DirecTV president, Mitch Stern, fueled subscriber growth. But he was ousted after about 15 months because of repeated clashes with Carey.

Hill's new slate of programming comes at a time of change throughout the industry.

In recent months, both cable and satellite TV providers have sought to differentiate themselves by unveiling exclusive features and programming. For example, customers of both services will soon be able to order network series such as CBS' "Survivor" and NBC's "The Office" on a per-episode basis. On Wednesday, as Comcast Corp. and Time Warner Inc.'s cable unit launched a new exercise channel on each of their video-on-demand services, DirecTV took the wraps off a special package of family channels, following a similar move by the cable industry last month in response to political pressures.

But particularly because Murdoch owns television channels and networks, a movie studio and satellite operations worldwide, analysts had expected many more dramatic changes by now.

Not surprisingly, cable operators scoffed Thursday when told of DirecTV's original programs.

"The concepts don't sound ground-breaking," said Fred Dressler, a top executive at Time Warner Cable, noting that concert series were available online and that Comcast already had a dating service available on video on demand. "Sounds like a weak response to cable's video-on-demand offerings."

Some analysts are also skeptical that DirecTV can break through the clutter.

"DirecTV is taking baby steps to becoming a mini-HBO," said Craig Moffett, an analyst at Sanford C. Bernstein & Co. "But with only 15 million subscribers, it will be hard to justify the kinds of investments that attract top talent or generate sufficient buzz to attract non-subscribers to DirecTV."
Hill would not discuss his programming budgets but acknowledged that he was spending heavily on the new initiatives.

"It's bloody expensive," he said of the live-music program, which has three hosts and an elaborate set with multiple staging areas in Los Angeles.

Hill doesn't seem worried. Happiest calling the shots in the production truck at a football game, he'll be in Seattle this Sunday producing the National Football Conference championship game.

Probably the only person alive who has run a network sports division in three countries, Hill ran the sports division of Australia's Nine Network before being tapped in 1988 by Murdoch to start Sky Television, Britain's first satellite TV service. By 1991, Hill had launched Britain's only dedicated sports channel, Sky Sports.

Two years later, he joined Fox Broadcasting as president of Fox Sports, which changed the power structure of network TV by snaring rights to the coveted NFL games from CBS.

In the late 1990s, Hill spent several years overseeing the Fox broadcast network but found the phoniness in Hollywood hard to take.

To create "CD USA," Hill turned to an old friend and seasoned music producer, Conor McAnally, an executive at Blaze Television, has produced "CD UK" for six years, turning it into one of Britain's top-rated programs. Hill's daughter Jane works for McAnally as a producer on the show.

Everyone agrees that scheduling as many as seven acts a week for "CD USA" will be a bear.

"Not a lot of people do live stuff because it's hard," said Tom Calderone, general manager of Viacom Inc.'s VH1 channel. "You need the right relationships, you need to be sensitive to artists' needs. The scheduling and remixing can be complicated."

McAnally acknowledged that the project was challenging. He is betting the show will benefit logistically and financially from the fact that "CD UK" has worked out many of the kinks.

"You couldn't start a show like this from scratch today," he said.