

BUSINESS

Shari Redstone Says ViacomCBS Has Enough Scale to Compete

‘We actually create content people actually want to watch,’ Ms. Redstone said



Ms. Redstone said ViacomCBS has to show that it can meld two cultures. PHOTO: NIKKI RITCHER FOR THE WALL STREET JOURNAL

By Joe Flint

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Shari Redstone said the combination of Viacom Inc. [VIA 0.54% ▲](#) and CBS Corp. [CBS.A -0.17% ▼](#), the companies that make up her family’s media empire, will create a content giant that can compete with larger industry rivals, even if she doesn’t pursue additional mergers.

CBS and Viacom announced a deal in August that is expected to close late this year, creating a new company, ViacomCBS Inc. Ms. Redstone, president of National Amusements Inc., the holding company that controls Viacom and CBS, dismissed concerns that ViacomCBS will be too small compared with Walt Disney Co., Netflix Inc., AT&T Inc.’s WarnerMedia and other media giants.

“We can compete with the best of them—not only do we create a quantity of content, we actually create content people actually want to watch,” she said, speaking at the WSJ Tech Live conference in Laguna Beach, Calif.

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Ms. Redstone said the companies spend a combined \$13 billion a year on content and have 22% of TV viewership in the U.S. “I don’t think we’re given credit for what our future is,” she said.

Investors haven’t reacted well to the proposed merger. Viacom and CBS shares are down some 23% since the August announcement, which has shaved about \$7 billion off the roughly \$30 billion valuation of the combined companies at the time of the deal.

Asked why Wall Street has punished the stocks, Ms. Redstone said the traditional media industry in general is subject to a lot of questions. “The landscape is changing for everybody,” she said.

She also said ViacomCBS has to show that it can meld the two cultures and get everyone on the same page.

“We have to prove that we can execute on that strategy in order to get the confidence of the market,” she said.

Asked about her favorite TV shows, Ms. Redstone mostly stuck to those were created by her two companies or aired on their networks including “Dead to Me,” which CBS Studios makes for Netflix Inc., and the CBS show “All Rise.” However, she also said she loves “Fleabag” on Amazon Prime.

Ms. Redstone has had a dramatic rise over the past few years to take effective command of the Viacom-CBS empire built by her father, media mogul Sumner Redstone.

As his health deteriorated, she took on a greater role and reshaped the upper ranks of the companies. Viacom’s management and board were overhauled. The same happened at CBS when Leslie Moonves was ousted last year after he was accused of a pattern of sexual harassment and assault, allegations he denied.

Media giants including Disney and WarnerMedia are focusing most of their efforts on creating content for their own platforms—including their new streaming video services. ViacomCBS will be nurturing its CBS All Access streaming service, but it is also aggressively looking to license programming to other companies, making it something of an outlier.

“We now are going to be able to serve a need that a lot of these third party platforms are going to have,” Ms. Redstone said, noting that both CBS Studios and Viacom’s Paramount Television make shows for Netflix. “We want to maximize the value of our content.”

Even in cases like children’s programming where Viacom’s Nickelodeon is dominant, Ms. Redstone said that would not preclude the company from selling kids shows to others.

Nickelodeon, she said, reaches 40% of children aged two to 11. She said she wanted to avoid leaving the rest of the audience “unattended by only putting that content on our platform.”

Ms. Redstone also said she would never put corporate interests ahead of the creative business that she will be overseeing. Asked about the potential issues that could arise from a recent plotline on the Comedy Central show “South Park” that pokes fun at China, she said, “I’m not going to censor people who make great content that people want to watch.”

Ms. Redstone dismissed a report that she was looking to launch a news channel that would compete with Fox News and other right-leaning platforms.

“I am not planning to launch a conservative news network,” she said. She said that Pluto, the ad-supported streaming service that Viacom acquired, has recently added a conservative channel called the First to its offerings. Ms. Redstone said that was already in the works before Viacom bought Pluto.

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