ViacomCBS wants to prove to skeptics it finally understands streaming



If you're still unsure of what Paramount Plus is, don't worry — you'll learn soon, because ViacomCBS is going to spend a good portion of 2021 trying to get you to sign up for it.

Paramount Plus is ViacomCBS's rebrand of its current streaming service, CBS All Access. The revamped streamer will carry live sports (including NFL games that air on CBS), live news, and thousands of films and TV shows from its networks. Those include Nickelodeon, MTV, BET, Comedy Central, and both current and library programming from CBS. As the company prepares to end 2020 with "at least" 19 million paid subscribers in the United States, and plans to expand in 2021, executives used their time on an earnings call today to try and convince skeptical investors and analysts they know what they're doing — ironic considering CBS All Access is one of the earliest major streamers.

"Streaming is obviously a big opportunity," ViacomCBS's new

chief financial officer, Navreen Chopra, said on the company's third-quarter earnings call. "It's one where we've got several years of experience and increasing momentum."

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There are two main streaming areas of focus heading into 2021: Paramount Plus and Pluto TV. The latter is its ad-supported free streaming service that the company sees as straight advertising revenue play. The platform has more than 28 million monthly active users, up 57 percent year over year. People sign up to use the service, and ViacomCBS sells ads. It's a platform that CEO Bob Bakish said he "couldn't be happier" to have acquired in late 2018.

Paramount Plus, however, is what will compete with services like Peacock, HBO Max, Disney Plus, and Netflix. Figuring out how to "lean into streaming even more," as Bakish said he wanted to do, comes with deciding what doesn't make sense to continue. Part of that includes offering live TV, like sports and news. Other moves include shutting smaller niche platforms like MTV Hits. Although the CEO didn't speak to other niche players (like NickHits or Comedy Central Now), the idea seems to be that the content will fold into Paramount Plus. Services like NickHits are available on more general digital retailers like Amazon, where they can be purchased for an additional monthly fee on top of Amazon Prime's membership fee.

One big difference that will separates ViacomCBS is how the company is thinking about its content. The company will continue to license its series and films to other companies. Notably, *South Park* airs on HBO Max – a direct competitor – but the deal brought in a reported $500 million. Popular shows like *Avatar: The Last Airbender* and *The Legend of Korra* were also licensed to Netflix. Weekly breakdowns from Nielsen of top streaming titles in the US routinely have ViacomCBS programs like *Shameless, Criminal Minds,* and *NCIS* listed, even if those programs air on different platforms.

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That doesn’t mean Paramount Plus won’t rely on exclusives; it will. Originals and exclusives bring people in, and libraries retain subscribers. Bakish’s argument is their libraries have content to allow more licensing through non-exclusive deals (like *Legend of Korra* on Netflix) to generate additional revenue.

“We have a film library of 4,000 titles, a TV library of 140,000 episodes — we can’t keep all that for ourselves,” Bakish said. “It doesn’t make sense. It’s too much. We have strong demand from third parties because we are proven hitmakers, and that demand, we can reliably and profitably monetize it.”

With Paramount Plus set to debut in early 2021, and Pluto TV continuing to expand into new countries, ViacomCBS is putting its eggs in streaming’s basket. Whether or not ViacomCBS manages to quell analysts’ and investors’ concerns about being able to compete with some of the biggest players at the table will take time to play out, but it’s clear that Bakish and his team are all in.

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