

MOONVES & DONAHOE

MEDIA AND RETAIL REVOLUTION

The Wall Street Journal Viewpoints Executive Breakfast Series,
Organized by IESE and BCG

Leslie Moonves, CEO of CBS, and John Donahoe, CEO of eBay, were guests on the *Wall Street Journal* Viewpoints Executive Breakfast series. These took place on December 16 and January 30 and were sponsored by IESE and The Boston Consulting Group (BCG).

LESLIE MOONVES

“The way people are watching television has changed drastically, with streaming and video on demand,” Moonves said. “The decline in ratings doesn’t mean that no one is watching television. It reflects a decline in normal viewing but the other viewers aren’t being counted. We are a

content company and every new form of technology enhances that.”

Moonves said that, while there is much talk about fragmentation, the fact remains that the only way you can reach 20 million people at once is through the networks. He believes that within 10 years the TV and the computer will be one and the same, but thinks there will still be a schedule and collective viewing.

He said that CBS doesn’t look to people like Amazon and Google to provide content but to help with social media. “But the walls are coming down and Google might well buy a Hollywood studio. They’re probably the only people who could afford to do that.”

Moonves added that he believes in local TV and thinks the system of local channels will continue for a long time, although the way channels are

packaged is constantly changing. “In any package we’re a part of it, and in some cases we may be a bigger part of a smaller package,” he said.

Sports is becoming a very competitive field and people have to decide how much money they are prepared to spend to watch it.

He concluded on an upbeat note. “I think everyone was waiting for the election and now I think we’re in for an extraordinary and positive economic time.”

JOHN DONAHOE

On January 30 it was the turn of John Donahoe, CEO of eBay, to be interviewed. He began by saying that in the next three years we can expect to see more changes in the way people shop and pay than we’ve seen in the past 10 or 20.



Leslie Moonves



John Donahoe

He predicted that the smartphone would have the same transformative effect on consumer behavior that the iPad has had on how we consume media. “The line between retail and e-commerce has disappeared,” Donahoe said. “The consumer is in charge. The consumer feels they’re holding a shopping mall in their hand.”

He said that, having been ahead of the field, eBay had to catch up and today it is not just an auction space and offers some 70 percent fixed price items and only 30 percent auctions. He added that there are going to be many winners in the transformation of retail. “It’s not a zero sum game,” he said, adding that eBay tries to be open to disruptive innovators.

Offline retail knows how many people have bought what but they don’t know who those people are because

“Big data gives the customer a personalized experience based on their retail history”

JOHN DONAHOE

the credit card doesn’t give them that information. Online, however, knows a lot more about its customers. “Big data can be used to give the customer a more personalized experience based on their retail history, but we don’t share this data,” Donahoe said.

Continuing with the issue of privacy, he said that “we need to get ahead of the curve in order to have a com-

mon-sense dialogue about privacy so as to avoid reactive legislation.”

He said he hopes that “President Obama is going to get serious about the economy in this second term. And I hope the White House can reach out to business in an effective way so that together we can put pressure on Congress.”

Donahoe asserted that eBay’s core practice is to positively affect millions of people’s lives around the world through trade and particularly through cross-border trade. “The founder, Pierre Omidyar, believes that online platforms can contribute to world peace by connecting people,” he said. “Commerce can bring people together. We use local managers so when we have a global management meeting it’s like the United Nations.”