

## Interview 1: Nick Quah breaks down how podcasting has evolved

[00:00:00] This week, we've obviously been talking about podcasting and it's definitely revolutionized audio storytelling and a lot of the ways we've been talking about, but the industry itself has gone through its own evolution. Nick Quay is the editor of Hot Pod and actually the founder of Hot Pod Media. Hot Pod's a newsletter about the podcasting industry. Nick, thanks for joining us.

[00:00:20] My pleasure.

[00:00:21] So, you know, if the history of podcasting was almost this three act play, I'd love to start in the early years and get your take on kind of where did it start, what characterized the early years of the podcasting industry?

[00:00:34] So the early hours of the podcasting industry was very much defined by the blogging metaphor, so a lot of the technology and the culture and a community that came out in that time were people who came from the RSS movements, the anybody and everybody should publish. We need to sort of like fight the power kind of mentality. Dave Winer is the person who worked on the original RSS feed. And so there was this emergent community of hobbyists, technologists, people who were trying to find alternative ways to get around mainstream media. And so you had these communities of people, essentially trying to write anything they want. And then now they had this sort of feeling that they could record anything they want and publish it out.

[00:01:13] According to a lot of people who came up through that time, they would admit that the stuff that they put out was not particularly good, nor was it well thought through is a lot of I'm driving in my car right now. I have these thoughts. I'm going to record it, put it out there. But but it really did come up from this place where, like, if you had an alternative view or a view that did not would not grant you access to mainstream media outlets, this would be a potential way, particularly within audio form, which kind of opens up a different kind of discourse as opposed to something that's just a blog, which is one way communication. At least you could have a conversation with two or three people, that kind of thing.

[00:01:52] And, you know, it kind of turned the corner in 08 right before the recession, there was a moment where NPR Public Radio started using it as a way to just ease up distribution, not just through broadcast, but over the Internet. They're like this is a possible technology to get across and get more audiences.

[00:02:08] And 08 happens. And you have this sort of generation that interestingly came up right after, right in the sort of heat of the recession, Bill Simmons started podcasting. Marc Maron started podcasting. Joe Rogan started podcasting, all these people. That was like I just wanted to have these extra spaces to do this kind of work. Maybe I was pushed off my old job. And so that became sort of the feeling of this sort of second act.

[00:02:32] And then Serial happens in 2014. And by that time there was this these sort of emergent communities coming up. There was a lot of comedians that kind of used that as a space to access audiences. If they cannot get stage time, if they were going to be able to book television gigs, they sort of said to build a following on podcasting, and just a ton of other hobbyists, a lot more technology people. A lot of people doing TV recaps, film recaps. A lot of people doing experimental interesting stuff. This American Life starts going on around 2006-2007. So it was just this is all these sort of conglomerations of different kinds of people making stuff, but there was no real [inaudible].

[00:03:08] Yeah. And where did we start to see, you know, the general public really start to listen? Like, when did it start to take off?

[00:03:16] You know, in hindsight, like, really? Well, if you just look at a chart of, like aggregate monthly consumer people who consider themselves monthly podcast listeners 2014 didn't end up being inflection points, but there were a few other inflection points before. A lot of it had to do with the structural technological distribution stuff. So Apple is the big player in these early days. You could definitely see a sort of a real market shift when Apple added podcasting to iTunes that

really expose it to mainstream and then when they broke it out into a separate standalone app on the iOS operating system. And that's also you can also see the shift because people go like, oh, what's this thing on my iPhone? It's becomes preloaded. I'm going to check out these things. This is interesting.

[00:03:57] But I would argue and there's a lot of people who would try to clean a narrative one way or the other, but it's sort of inarguable. In 2014 which two things happened so Serial happens, but also Apple finally kind of just really kind of break. That's when they break it out as a stand alone app and a two things edit together with this flash point of an increased awareness of this one sort of driving phenomenal hit and just access was so much easier. And so that I think the supercharged the systems where people were already making podcasts at a time sort of getting a lot more attention [inaudible] into advertisers who are buying onto podcasts and kind of saw tremendous returns and sort of buying some more. And people, venture capitalist and capitalists, are looking at the situation kind of go some some heat here. Can I harness that energy? And so I would argue 2014 was the biggest inflection point up at this point. And one could make the argument that now we're in a fourth act. But that's kind of breaks the storytelling metaphor right with Spotify coming in 2019. But we can talk about that later.

[00:04:56] Now, let's move on that, because I really feel like we've been at this moment in the last couple of years where podcasting has felt like it's become a big business, you know, with mergers and acquisitions in the sense of like, how do we kind of do, you know, what the MBAs would call the vertical integration so that somebody owns the ad technology, the creative house, the distribution platform, like a Spotify and Gimlet. And I'm blanking on the name of the ad server or the ad system they bought.

[00:05:22] Oh, Anchor.

[00:05:23] Thank you. Thank you. And there's really this vertical integration of everything it takes to have a successful podcasting business. Is that your sense of what's been happening in the last couple of years?

[00:05:34] Yeah, I mean, the tricky thing is that there have been multiple times in the past decade plus where the media, you know, whatever it is, they keep saying like, oh, podcasting is now a thing. Isn't it weird that it's a thing now. But right now, it's unambiguously a thing where there are legitimate podcasts, millionaires, multimillionaires, one hundred millionaires. And so you can't really look at that and kind of go like I mean, it's kind of a not a direct indicator, but it is it does show you that somebody or enough [inaudible] have valued the space enough that they really sort of betting the farm on it or some farm. And so, yes, Spotify, I think is the first major consolidator. So they did multiple acquisitions around that stack, as you're talking about, not just content studios.

[00:06:18] We're seeing a bunch of other acquisitions around content studios in Cadence13, iHeartMedia.

[00:06:23] But Spotify is really it does seem like the first integrated attempt to just bottle the bottle that energy. And so that metaphorical presence that made on Spotify looks like YouTube or they look like they're going that trajectory and that that's a fair argument. Whether or not that turns out to be the case. It is. It's more about what the future casting question. But, you know, it's a concern, as if that doesn't end up being the case. What does that mean for everybody else to receive monopoly dynamics? If there are monopoly dynamics, what does that what does the resistance look like in this situation? What's independence look like in this situation? So we are well past. Is Podcasting a thing now. Podcasting is a thing. The question is, what does it look like now?

[00:07:06] How big of a thing is it like how much money is in this industry?

[00:07:10] So from an honest perspective, it has been sort of found by Edison Research and corroborated by a bunch of other independent surveys that you could argue that a third of Americans can be considered an active podcast consumer. It's not just one outs, not just casual consumers, but the people who have integrated into the media [inaudible]. From from a money

perspective they're expecting. By they, I mean sort of deep podcasts industry. There's no real trade organization, but it's been enough for these podcast companies that it can consolidate individual studies. They're expecting to hit one billion dollars in pockets, advertising revenue by 2021. Of course, the pandemic has pushed that time a little bit back. I would argue that's going to be a little bit closer to 2022. However, it does look like, you know, we're six months into lockdown, period. That podcast audiences have more than recovered. They've recovered plus at this point.

[00:08:03] So it's only a matter of time to advertisers kind of come back into the space and do a bit more comfortable buying again. One billion is, all things considered, not a ton of money if you really think about the larger scale of digital media, but it is the one growth like space for a lot of these companies. So that's not insignificant.

[00:08:22] Yeah, definitely. Definitely. And, you know, now that it's become a thing and more of a big business, what are the just some of the differences we see in the actual types of productions that folks are able to listen to?

[00:08:33] You know, we're seeing a lot of this is a derogatory term, but a lot of sanitation is happening.

[00:08:39] Say what you mean by that.

[00:08:41] So there's a sameness that's sort of crept in. And it's the classic thing that happens with when you mainstreamize an art form or a new media form, sort of the powers that be big media companies to buy into the space. They're trying to mainstreamize it to make it more mass marketable. And that really kind of really almost always means either a betting on celebrities, betting on big names or a standardization of the sound. And we're seeing quite a bit of standardization of sound, particularly when it comes to things like interview shows and narrative documentary shows, a narrative podcast.

[00:09:15] A lot of the sort of core innovations, creative innovations of podcasting really comes up to the question of what if you could take audio storytelling, whether it's an interview, chat show, or a narrative. Break it from the time clock and just break it from a lot of traditional conventions. What have you took out signposting? What have we introduced new types of voices that nobody's ever heard before? I just hit those buckets again and again and again.

[00:09:39] That still exists. But the sort of bigger players that come into the space have largely kind of integrated radio, traditional media storytelling, traditional television style of storytelling into the space. And so you have this kind of there's also a danger when you kind of pick up a podcast. It used to be the case. I sound like an old person, but like in 2010, the level when you kind of like a random show on the podcast, you might hear something that's really weird and it could be offensive, but it could be just out there and scary. There's quite a bit much less of that these days.

[00:10:12] So sort of a homogenization. I mean, I think in the early days there is definitely the sense and I hear a lot of people bemoaning this and I'm hearing it's the strain of this from you as well, that podcasting, you know, it's supposed to democratize media and take the the power out of, you know, the big owners of radio and television. I guess I'm curious, you know, does that still happen? And did it ever really happen?

[00:10:33] You know, I would argue that, yes, it actually did happen because the you know, there are two kinds of analysis you can do here, right? One is sort of power structure analysis. And from our perspective, it's like the powers that be the big corporate powers, venture capital firms and all these places.

[00:10:49] It is the reality that a lot of the acquirers in podcast space are companies that were already big anywhere else. I've iHeartMedia, Sirius XM and NPR is not an acquirer, but it's a dominant force in the space. Who were all big somewhere else. And now we're seeing Sony come into the space. We're seeing a lot of these traditional capital. You could argue that maybe Spotify is representative of a newer money, but at the same time, it's the old power structure because their ownership structure is really weird, like Tencent and part of it. And Sony owns part of it. It's

really weird. And so the question is sort of like, did it give opportunity both creatively from an audience perspective and more importantly, from a business ownership standpoint, to more people who otherwise would not have access to those opportunities in the past? And I think the answer is inarguably, yes, you have a lot more people of color, a lot more people of alternative views, being able to find audiences and build businesses that otherwise they could not have the opportunity to. There's a veritable, you know, wing of podcasts around sort of left wing, very leftist socialistic ideologies that could not have existed, like literally on YouTube necessarily or on traditional broadcast radio. So there's an argument made that there was a there is a democratization, however, that that's sort of revolutionary, radical, radical openness of podcasting, when you meet that with the sort of capitalistic imperatives of building a business, raising money, being to hold on to powers that have that many, you have to sort of encroaching and integration into these two things.

[00:12:17] So this is the current situation where, yes, the I sound like a massive Marxist theorist, that's that's not my intention. But we are in a situation right now where you have a lot of these replication of power structures. You do have lots of radio companies people having positions in the podcast space, but you do have spaces of of new voices of resistance. And those are the places where it gets a little bit difficult in the narrative because they're typically smaller and more niche, but very strong and deep communities. When you tell a large macro story about a space, you tend to talk about the biggest players. This is the way that we frame stories like where the biggest was the most important person, and that that does kind of obscure a lot of these smaller, more more also meaningful spaces of new communities. And that should not be discounted in this narrative.

[00:13:03] Can you give me a couple examples of some of those communities that you think have really formed around podcasting in ways that felt kind of impactful? Yeah.

[00:13:10] So podcasting is a site of political media has been a really interesting trend. I've been sort of like really obsessed with it for a couple of years now. And I think, you know, it's it's it's very because at the [inaudible] analytic side, it's hard to numerize this, but there is an appreciable way in which I podcast like Chapo Trap House, for example, and the sort of Galaxy podcast that it's that it's inspired has sort of really provided a really strong platform for for Bernie Sanders supporters. Like, there's a lot of spaces in which when you kind of hang out and watch forums or subreddits, that they're continuous citations of podcasts as one of the primary sources of media. And if you kind of really think about it, like they don't really have many of the spaces to sort of derive information from, I can't really tell you what a noteworthy or a powerful left wing blog is or website is or or news sort of role is or a television website or tell a television station or a radio station. And so there are spaces like that that kind of keeps the ball rolling. There's a lot of people who are using podcasting right now as a way to get into television. That really kind of opens up different kinds of creators in the platforms in. Previously, they would have to move to L.A. deal with the high rent prices there and maybe get an agent to maybe get noticed. But there has been a sort of trend where more Asians and more and more black people and more people who were otherwise just artists and actors sort of struggling on your own finding and now getting some development deals with smaller to midsize to large Hollywood studios.

[00:14:43] So that there's there's there's a lot of these things happening happening in the fringes there. But there are secondary stories. That is core story that we're talking about, which is where does the dominant business creation happen in podcasting? What is the dominant story as a business in podcasting? And it almost always has to do with either Apple, Spotify, or hard media services like XM, all these sort of traditional corporate players.

[00:15:05] And we hear a lot about podcasting coming out of the US, Australia, England, UK. To some degree, Sweden has very high rates of podcast listening. Are there other parts of the world where it's really been a thing or had a real impact?

[00:15:20] Well, you I hear stories a lot of coming out of Germany where Germany has sort of this really the strong consumer interest in OnDemand audio specifically. OnDemand audio and the way that it tends to get phrased to me is that. This is a really weird underground stuff, and we really like it because the culture is really different, but this is the underground. This is obviously a reductive sort of framing of a different culture. But that seems to be that most of the emails that I

get from the country is like, oh, we're finding some really interesting stuff here. And I think it's also germane to point out that Spotify is a Swedish company and that a lot of their sort of findings and a lot of their experimental sort of data sets that informs their global strategy comes out of Europe. So it comes out of Germany. There's a story to tell about how they notice German audio book publishers uploading products onto Spotify. And that ends up being a place where they have a mass audiences. Sweden obviously has a sort of really deep culture of narrative, audio, documentary, storytelling. And this Spotify is big Swedish company. It's meaningful there.

[00:16:21] I will say hearing stories coming out of Southeast Asia. I'm from Malaysia personally, and I would kind of contend that being a citizen was born and raised there. We don't have a tradition of narrative audio storytelling, but I've heard that things are coming from the Philippines and Indonesia that are meaningful now. And I think Spotify has a position in Indonesia where they are commissioning a bunch of exclusive programming that's audio narratives, in Basu Hindi the language there.

[00:16:49] So there's a lot of stuff happening. There's an outfit in the Middle East called Sowts. I'm actually not going to happen until this Sowt that has been sort of trying to create a culture and community audio storytelling. But again, the bulk of what that's what's been coming up. My sense, this has been largely a conversational interview, talk show ish. There's an entire argument that China has a massive podcast market, that a lot of it is more audible style and a lot of it is more pretty sort of governed by the media structures that exist there. So there's a lot going on. I would I hesitate to call them part of the podcast narrative necessarily, because I think yes, to some extent. Some places it's the [inaudible] technology, not all places. China's not a they do not use the open podcast ecosystem. At the same time in these other markets where they are using the podcast technology, there's no advertising market for it. So insofar as they're they're all part of this larger podcasting conversation, they're not necessarily part of the podcast industry organization, which is still nascent in all these other spaces. And from a narrative perspective, I'm hesitant to impose sort of the American centric view to any of these individual markets because they have to go to impact. They have to grow their own business creation, entrepreneurship.

[00:18:02] So kind of coming back to the narrative arc here of the American podcast trajectory and to some degree, the rest of the English speaking world, what do you think the next chapter is going to be? Like where's this headed now?

[00:18:12] It's not heading anywhere. We're in the middle of a fight. The story right now, is a question of will there only be monopoly? Will that only be Spotify? Will there only be, will the story of talent creation, arts, entrepreneurship in podcasting largely be the story of can you sign a deal with one of the bigs? And that makes it look a lot like the music industry makes it look a lot like the television industry. My contention, and this is something that's not shared by everybody, is that the way that we should be preparing the stories is can is there more business creation, full stop? Like is there more capacity for people to build podcast companies that don't necessarily have to rely on Spotify distribution deal or or Apple necessarily to develop a viable business, a sustainable business? And the thing is, is that also these are entrenched in larger narratives about how we tell stories about businesses in America. We're not talking about businesses to be sold for hundreds of billions of dollars. We're not talking about businesses to be built so that it can make millions of dollars. We're talking about sustainable, sustainable businesses, media businesses, full stop. And this is happening in the larger media context, like there are very few small and mid-sized media businesses. There are very few local newspapers now. And so is podcasting with tools that we can see it with the entrepreneurship and innovation that can pop up. Will that only be driving us to the direction of advertising consolidation, or can we find alternative business models to build small and midsize businesses that do not have to play the Monopoly game in order to live? And I think that's the story that we find ourselves in right now. And part of that story involves the question of, well, Spotify be YouTube. And that's they will tell, you no, they would tell you that we are benevolent overlords. But, you know, that's, everybody is the hero of their own story. So that's the problem here.

[00:20:01] Yeah. And what's your biggest hope and what's your biggest fear for where things could go?

[00:20:06] Look, I'm a pessimist by nature, and I'm pretty sure that this is going to end up a Monopoly space and the so my hope is that people don't be disheartened. My hope is that like, you know, artists, producers, creators, journalists, you look at podcasting and they look at what's happening, Spotify and corporatization and capitalism. And they don't say like that just means that I'm not going to play this game like, oh, of the world is impure. The reality is that we live with the contradictions of capitalism as much as there's this potential for democratization and true innovation and true liberation from a storytelling and from a communications and media perspective, you're still going to have to play ball with how the money flows. You have to pay the bills, you have to pay rent. And so, like, you've got to identify spaces in which like, all right, we're going to make certain trade offs, something. Maybe we will have a partnership deal with iHeartMedia, Spotify once in a while, but always prioritize that, that the people will continue prioritizing business ownership and like to really retain control and independence over the decisions that they make that they won't have to say, like, I don't know, I'm not going to be able to see this thing because I'm afraid of scaring an advertiser, scaring Spotify, scaring Apple or whatever.

[00:21:14] My I hope my hope is that more people play the pragmatic game of being a building a business in America while retaining the ideals of what these businesses can do, which is to really open up conversations, to really build spaces of discourse that didn't previously exist, like personally right now. And listen to this podcast that just came into my life called that time Time to Say Goodbye. And it's the first time that I've heard of three Asian-American scholars really sort of really intelligent, really sharp thinkers about race contextualize Asian-American identity for me in a way that I kind of felt was not did not exist. I could not find anywhere else. If somebody wrote about a New York Times op ed pages, I would be frustrated because it was so whitewashed and they're not making money off any money of it, but they do drive it to other forms of revenue for them and that that will not exist anywhere else. And it's things like that that kind of made me keep that keep reminding me like there is potential. There will always be potential for as long as we breathe, there will be potential.

[00:22:10] So advice time for the students in the class who are interested in audio storytelling and thinking about podcasting, perhaps. What advice do you have for them as they think about what they might want to do in this space?

[00:22:21] My advice is learn how to build spreadsheets like you know. If you want to be an artist, like to to to be able to utter this following sentence, which is I don't really want to think about the business side of things. I just want to make my own tell my stories is the height of privilege. If you want to be free in this world, you have to fight to be free in this world. And fighting means knowing how the system works and knowing how to find your place and your position and strengthen your position in that system. And then almost always means knowing where the money is coming from. And it always, always, always, always means like when you say yes to somebody, when you say yes, I will work with a public radio station to work on this, or yes, I will take advertising that there's a trade off and that there will always be a trade off. Nobody is pure in this world. And you need to know how to play the money or know how to reach people. Tell audiences on your own terms because nobody is going to give you that. You're going to have to fight for it. That's my advice. Get a lawyer. Get an accountant. Learn how to read spreadsheets.

[00:23:15] Excellent, Nick, thank you so much for taking the time to talk with us.

[00:23:20] My pleasure. I'd love for you to just let folks know where could they find your newsletter?

[00:23:25] So you can find my newsletter at [HotPodNews.com](http://HotPodNews.com).

[00:23:28] It's also syndicated on Vulture that if you wanted to see the free versions, you can you can check out [Vulture.com](http://Vulture.com). I just want a shot at two things. One is that I have a podcast like many other people that do. Servant of Pod it's a it's a show with LA Studios, which is the podcast arm of KPCC and I just launched a podcasts Recommendations Newsletter for Vulture, hoping to really sort of open up sort of discovery of like it's not just the big players, it's not just Gimlets or whatever, but also talk about about small guys, too. And it's called 1.5 x speed. You can find a [Vulture.com](http://Vulture.com) as well.

[00:24:01] Great and next newsletter is fantastic if you're trying to keep tabs on on the industry. So it's a great resource.

[00:24:08] I appreciate that.

[00:24:08] Thank you.

[00:24:09] It's my pleasure.