

Marshall here. Welcome back to The Re-alignment.

I'm recording this intro right after Florida Governor Ron DeSantis' campaign announcement on Twitter Spaces with Elon Musk and previous Re-alignment guest David Sacks wrapped up. We hear more from me and Sager during our discussion episode next week on The Announce, but I'm really curious what you all thought, so the links to our email slash the sub-stack are available in the show notes, go check there for those. Also, if you'd like the full version of that discussion next week, be sure to go to [Re-alignment.supercast.com](https://re-alignment.supercast.com) where you could sign up to support the show and get access to our exclusive content. Onto the actual topic, glitches and horrible start. Aside, given the server overload problems they ran into, the chat between DeSantis, Musk and Sacks really illustrates all the factors that make 2023 a pivotal moment for social media and the news industry. You've got a situation where Vice became the latest digital media company to declare bankruptcy this month. Those companies were founded in the 2000s and 2010s. They were supposed to ride the power and reach of the Facebook algorithm to really dominate legacy media that didn't end up working out. At the same time, you've had young people really start to retreat from Facebook itself and you've seen new entrants. Geopolitics aside, like TikTok and Term of Innovative Formats, like short form video, and really break up the way that people are spending their time. At the same time, ever since Elon acquired Twitter, you've had this interesting moment of social media rebirth in the 2020s. You had new entrants like Clubhouse try to develop the audio format that Twitter so successfully copied and elevated. You have also a bunch of alternatives to Twitter. Some are on the right, some are on the left, some are on the center. Here's the central issue that all these companies are responding to. One, the internet is breaking apart. It's no longer just one big place like 2010s Facebook, where everyone, all of humanity, regardless of politics, where they're from, what their views are, are all spending all their time together. Instead, you are seeing new platforms, new formats of all people who do different things at different places. I'm not going to Facebook to watch video, talk to my friends, and share pictures. I go to Instagram, I go to YouTube, and I go to Twitter. This is a diversified space. At the same time, the news business needs a new business model. Outside of the New York Times Wall Street Journal, most publications have not successfully been able to either dominate with advertising dollars or charge for subscriptions. There's only so much that people are willing to pay for those in the first place. I'm giving all this context because today's conversation is with a guest who is at the center of both the social media and news business trends. I'm speaking with Noam Bardeen, the founder and CEO of POST. Noam was the former CEO of Waze, the driving social mapping app that was acquired by Google, and his work as CEO of POST really puts himself at the center of both those trends. His theories on how business models and diversified social media will fit into the overall diet are really fascinating. Before, let me all know what you think. I've got a bunch of great emails from listeners around these topics lately, so I'd love to hear what you think about that. A huge thank you to the Foundation for American Innovation for supporting the podcast. Noam Bardeen, welcome to the realignment. Thanks for having me.

Yeah, it's great to chat with you. We were just discussing before the episode started out, we're at a really interesting moment in the digital news space, in the social media space. All these trends are kind of merging together. This was the perfect time to talk with you about your project. Let's just start with the basic and most obvious. What is POST and how do

you conceive of it? Because if we'd done this recording in November, we would have had a conversation

that was probably a little too Ewan Musk-centric in the sense that I hope to God for you and your investors that you were not purely building a business off of a quick moment when everyone was either obsessed with Ewan or ticked off at Ewan. How should we think about POST, how do you explain what it is, now that we're six months out of that news cycle?

That's interesting. I've been obsessing about news and misinformation, disinformation, and social for the last 10 years, roughly. I left Google three years ago and I tried all different models on this. POST basically, it's post.news is the URL. POST is a social news platform. What that means is people use social for a variety of different reasons. What I use social mostly when I think about Twitter is basically to get my news. I follow people, they share content, I discover content that way, I consume it through, I see their comments, etc. 75% of Twitter users have never tweeted. Consumption is really the mass use of the platform. With the consumption side of it comes kind of the distribution side, everything else, but news and social have been at odds for a while. Facebook just cut news from its feed completely as part of ongoing legal laws that have been passed to try and force them to negotiate with publishers. Our goal at POST is actually to create a platform where publishers are first party members of the platform and not around the gather. We're focused on what is the news reading experience, how do you get the good of social, the sharing, the discovery, everything around that, the reading and the feed. How do you get that without the negative that we've seen on social, the toxicity, the lack of business models, and the paywalls and jumping between websites. It's kind of a broken experience that we have with social and news today.

Yeah, I want to pick up on something you said because it gets to the heart of, let's say, the problem that vice, Facebook news, all these different companies ran into, which is that on the face of it, it seems to me as a podcaster, not an actual business person or a programmer, the interest of social platforms and news organizations should be aligned in the sense that especially after the end of the in-person monopoly that news organizations had, they need views, they need people to find their content. And social platforms need content that people want to spend time reading, consuming, engaging with, et cetera, et cetera, et cetera. And the story I just told is a version why a lot of people got excited in 2014 to work with Facebook. Everyone's going to benefit. We now know it's been more than eight years since that period that that story did not end well. Why has this alignment not worked? And how does that inform how you're thinking of working with publishers moving forward? Well, I'm a big believer that companies act according to their business models. Yeah, you can say all kinds of nice things publicly. By the end of the day, you act the way your business model is built. And social media networks up to now, the business model is built on showing ads between the content views. So if you think about that, you can think about a situation where every time you actually click on a piece of content and go into a news publisher site, that decreases the time that the social platform has you on the platform watching their ads. And in many ways, ads, I think, are the source of much of the evil around social media. The algorithms are focused on engagement because that's what advertisers need.

Engagement, hate works with engagement. And thus, we promote a lot of hate because it keeps us engaged. So the interests aren't aligned. The news publisher wants you to consume their

content. They want to monetize you through that. The social media platform wants you to skip through

it and not click through their site. And so fundamentally, there's a zero sum gain between the two. For us, we look at it very differently. We think that there should be multiple business models, not just advertising and subscription. And on our platform, we have a micro payment wallet that every user has built into the platform. So it allows you to pay a few cents to read an article. And we all know this experience, you know, someone shares something, you click on it, you go to the web, so you hit a paywall, \$14.95 a month. What do you want? I want to read this one article. I don't even know who you are as a publisher, right? And that is exactly the problem we're solving with the micro payments. What if it was \$0.03 to read that article? Who thinks about \$0.03? The \$0.03 is a \$30 CPM in ad terms. And so when we begin thinking about multiple business models, it makes sense and it aligns the interests of the publisher and the post. At post, we're only going to make, we take a slice of the transactions. And so we will only make money if the publishers are

making money. When I say publishers, it's also creators, newsletter writers, basically anyone who has something to say. So our platform supports micro payments, it also supports tipping. And we

see tremendous things happening on tipping. So we basically borrowed the model from gaming networks,

right? If you think about Twitch and other networks where you have this internal currency, we borrowed that model and we're applying it towards social news.

You know, the interesting question here that is going to come up at the individual creator level, someone like me, but also a big publisher like The Washington Post, New York Times, LA Times, is why should they trust you as a platform? Because I get your point around how the business model was key, total agreement there. However, there's another way of saying what you said about like the need to keep people on the app and provide a useful experience. That's what Facebook Instant Articles were. Facebook said, Hey, what we're going to do is you'll you'll join the Facebook Instant Articles program, you'll click it, you'll still stay on our site and we'll split the ad revenue, everyone wins, buddy, buddy, buddy, blah. I guess the question then to you is, since everyone could recite this history, just like right off the top of our heads, what, how do you think of trust? Not just from like basically a user perspective, right?

But how do you think of it when you're talking to, let's say, the biz dev person at the LA Times? So fundamentally, you're right, that is obviously a risk that they have. But I think when you look at the essence of the platform, that's what we've been stressing to them. It's really built around news and we're doing our best to promote them. Now, I was actually at Google when the news law came out in Australia, basically the Murdoch lobbied the government there for a law that would force Facebook and Google to negotiate with them. And that's kind of started the process, which took news out of Facebook. We forget that when you think about the revenue base of these companies, the news is actually a rounding error. And for them, it's just not worth the headache and the hassle of dealing with this. Much more than that, their biggest competitor is a regulation. The only thing Facebook and Google really fear is the regulator. They don't fear any other company on earth, right? But the regulators and news go together. And so for us, it's about day one, being very transparent of what we're doing, making that the core of the platform. And hopefully,

our actions can speak louder than the words. Yeah, that's actually a really helpful way to putting it because what ends up happening with Facebook, instant articles or Facebook originals, these were paying media companies like mic.com to actually create news shows and content was the 2016 election happens. And Mark Zuckerberg decides as a business person, whoa, not always the surrounding error at a business level. But also this exposes us to a lot of risk and discord. And actually, we should just focus on what we're good at, which is showing people pictures of their friends and family. That was the actual process. So your point is the difference here. And this actually gets us into the whole how social media is different. We're not in the 2010s where the goal is let's get 5 billion users. We're doing 30 different things at once. It's this post is a platform for information, content, etc. Is that a good way of like summing up like the differences in the space now? Yeah, I mean, we each use social for different reasons. There's this whole movement now about Twitter replacement or Twitter alternatives. I don't believe there'll be another Twitter. Twitter was a unique animal at a certain point in time, certain technological restrictions, certain consumption processes. And just like there will never be another Facebook or another YouTube. But what TikTok has shown us is that it can do something different than YouTube, but answering a lot of the similar needs of YouTube, right? They stripped out part of YouTube, they turned it into a product that's widely successful. And to me, that's the next generation of social platforms that we're going to see now. Yeah, some are going to try to replicate and just clone an existing service. And I don't believe that ever works. But I think more and more, you're going to find people stripping out components of social and experiences of social and optimizing for them. Social is not a product anymore. It's a feature. It's a way of sharing information, of finding information. A lot of different things can be done. Netflix uses your consumption habits to build its algorithm to recommend things, right? In a way that's social. So the question I asked myself is, what is it about social that I enjoyed? And then I asked, how many other people do I think are out there that do this? And I discovered that, as I said, 75% of Twitter users have never tweeted. And so to me, that's the experience we're focusing on. If you get your news from social and you want your news in the feed, we're the platform for you. Okay, that's really interesting. I guess another question that comes to mind is, there's the famous quote about ultimately so much of business, especially in tech, is just bundling and unbundling. So when you're talking about, hey, look, we're not in the 2010s anymore, you have, rather than sending Facebook events, you use Partyful and rather than just sort of scrolling down the feed for things your grandma shares, you're going to go to post. And if you want to really get into a big fight about Elon Musk, you to go to Twitter and you for Instagram, you're that and TikTok for this, this and that. Do you ever see a world where there's going to be an opportunity once we've calmed down from the 2010s to bundle this all back up together, basically five or six years from now, just in terms of cycles? So, you know, there's the myth of the super app, right? And the super app is basically WeChat in China, right? And the idea that we can build that in the West. And to me, that misses some fundamental parts of how the Chinese internet evolved, right? It started mobile, didn't have, there's no search in that context, there's no website. But when you think about the super app, to me, the super app is the phone. Think about what your phone is, right? It's got lots of different icons on them, each one representing a problem that it can solve for you to use. And you can use each one that's a specialized experience. When you get to generalized apps

that do everything, they are not the best at any individual thing. So, you know, ways we've got a lot of questions around why don't you add bicycles and why don't you add walking and why don't you add public transit, all this stuff. And for us, it was we're doing one thing, we're doing driving, we're going to be better and better and better at driving and get to all the intricacies and nuances of driving. And I believe that's how successful apps work. They work by being just the best at one thing and going deeper into that experience, you know, maybe a much wider way than we thought

it was before, but not just aggregating a lot of different things together. You know, Google is a great search engine. But when you want to actually buy something, you go to Amazon, right? If you want to buy a flight, you go to kayak or whatever, because these are optimized experiences. This is a good pivot to the ways example where most folks are going to be intimately familiar with your work. I'd love to hear just how that experience normally the buyer, I normally don't like biography questions, but in this case, like the biography is actually deeply important in the sense that, you know, you're doing ways, the instant responses, wait a second, like, there's Apple Maps, there's MapQuest, RIP, actually a pressure map question exists, but still RIP, you know, there's Google, et cetera, et cetera, et cetera. That's you building an alternative in a space or no, it's not an alternative to your point. It's finding a specific part of the function amongst giants and incumbents. How does your experience in ways inform how you're building post? So it's on several levels. First of all, strategically, I completely agree with you. One thing I learned from Waze is not to fear the large companies. So I'd never worked at a large company. So we feared them and we panicked and Google Maps came out. And the reality is, large incumbents have their own set of constraints. And there's some things they do great, very well at some things they don't. And one of the things they don't do well at is building new things. So I'm not at all worried about the existing companies in that space. When you think about news in general, it hasn't really been a rethought. And this is what we did at Waze, right? There were navigations and GPS, but we thought about it differently. So, okay, with the fact that we have mobile phones now with these sensors and things, how can we do differently there? And I think the same thing is what we're applying to post. The world had evolved to a certain point. If we take what we learned from social, from the first generation of social companies, how can we apply that towards news going forward? The third thing that we're leaning very heavily into is community. So Waze was built on a community that builds the maps and maintains it and gives

it that local flavor of knowing everything because it's someone local. And we're adopting that model when it comes to moderation. So we're not there yet, but our goal is that community moderation that will allow different communities to self-enforce differently. Obviously, there's a lot of fraud involved, a lot of challenges. But what I learned from Waze is that there is nothing a community won't do, literally nothing. If you're transparent, you're open, you build tools, it's not too complicated, you remove friction, a million ifs, right? But at the end of the day, people want to help other people. Again, not everyone, but the vast majority. And I've also found the vast majority, if you make it easy enough, they'll do the right thing. And so, for us, it's really about how do we take those lessons into this challenging issue of moderation on social media? Because frankly, social media has become so toxic that many people just don't want to engage anymore because it's not worth the hatred that you get back. And that's one of the

things that if you ask our users of Post, they'll say, Post is a very friendly place. It's a place where you can ask a question and not worry about what the response is going to be. And at the same time, people feel like a calming effect using Post versus Twitter and Facebook, et cetera, where you're constantly stressed about this ongoing culture war. We're not about culture wars. And that's why I also say that Post is not for everyone. We're focusing on the 80% of people that I think are normal people that overall share similar values. We're not trying to solve for the extremes and for the extremes on either side. And we're not trying to solve for these patrols and things like that. If you want to be a racist or bigot, there are a lot of platforms that would love you. Those are there. We don't want you on Post. So, man, so many great questions come from that ago in no particular order. So, once again, Post, Elon's compliance with Turkey's request to basically censor anti-government speech, I think you could say that Ewan is a hypocrite. But Ewan would say, and like, we're being good faith for a second, like my value for driving Twitter is like free speech. What would you say is the central value driving? So not like a catch phrase, not do no evil, because obviously, we know how that story goes, the world's complicated. But what's the value of it drives how you're thinking about this?

So, I think Occam's razor is the value. I think there are simple answers to complex questions, not always, right? That's a great answer. That's a fun answer. Please keep going. I just really appreciate that. I'll tell you, I believe that if you actually stand for something, it means you're willing to take pain for it. And if you're not willing to take pain, you don't stand for anything and just don't say it. And we see that a lot with companies saying, oh, we stand for LGBTQ rights, and then they support politicians who are trying to fight these rights, right? It's like, you need to be able to make a stand. In our case, and by the way, the real analysis of freedom of speech is from censorship from the government. It is not a requirement of a business to allow anyone to say anything. And that we're going to be very strict. So for example, the Turkey situation, I probably would have been shut down in Turkey for a few days. I wouldn't have censored the content there. And you know what? I know I'm never going to be operating Russia, and I'm never going to operate in China. That's the reality. But if we stand for freedom of speech and for non-censorship from government, it means we have to take a price. We'll be in less markets. And that to me is the Occam's razor aspect of it. Now you can begin complicating, well, freedom of speech is this and is that. You can spin up a lot of chaos that happened to align with your business model, right, to explain it. But to me, it's very simple. You need to stand what you stand for. And so for us in the same situation, we're not going out of our way to coddle trolls. If you come to the platform, you start abusing people. We're going to shut your account, throw you off. We see that as a positive thing. We're not afraid of that. Because again, we don't want to solve every problem for every user and allow any user to say anything. Freedom of speech does not give you the right to be an asshole, right? It gives you the right for protection against the government from censorship. And we want people to say as much as they can in any direction in a respectful way. You can attack an idea, you can't attack a person. If you're going to attack a person for their gender or for their race or for anything else, just go to a different platform. There are enough of them that would love to have you there. And I don't know if you want people, but do you respect each other? No, you don't have to disclose any details about your investors. But I am curious how they react to the story you just told. Because another way of articulating what you just said

is that you're really limiting your total addressable market. If it's Facebook in 2005, the goal is, look, there's this opportunity to bring billions and billions of people online. That's the venture scale opportunity when you're looking at social media one point now. You're talking about, look, there's a world where obviously, and it's kind of funny, Facebook tried to get into China, couldn't get into China, but you're basically saying, well, we're never going to be in China. We're not going to go into Russia, et cetera, et cetera. How do you just think through that as a founder, but also from an investor perspective? The two different things. I think that we're moving into a world of two polar groups of countries. We've got an authoritarian regime led by China, Russia, and Iran, and in many ways, Hungary, and Poland, and Israel, and other countries. We've got a liberal view of the world led by Europe, maybe the US. We'll see what happens. It's kind of on there, right? Australia, Japan, et cetera. I think you do have to choose sides. I don't think you can say that you're going to make everyone happy on that. When it comes to investors, I'm sure that Facebook spent a tremendous amount of money trying to get into China. At the end of the day, they didn't get into China, and they made no money there, right? Why sell out your morals for a business opportunity where the odds of success are so low? I can see people selling out their morals when it's very close between two options, but to sell your morals is something that doesn't make sense from a business perspective either. Yes, you can say that we're limiting our market. I think that when you think about where the mass of the GDP of the world is, we're going to be able to cover the mass of the GDP, putting aside China, but anyway, we would never have been able to cover. It also depends what the platform is and what you're doing. Obviously, platforms evolve, and someday you might play this back to me, and I'll have to make up some story about why I meant something else, and you didn't understand. The world is a complicated place, but I think you have to start with understanding what are you willing to take a stand on. Freedom of speech and Twitter is a great example of what's happened there. Without getting too deep into those issues, freedom of speech is a responsibility, and I see it as a responsibility as someone running a platform to allow anyone to say almost anything, and the almost is the point. It's not everything, it's almost everything. Something I'm curious about from a user design incentive system is if you're using this micro payment system. The goal is someone sees a post, on post, they click the post, and they pay because they think it's worth it. I'm interested in your point that this is in a culture war negativity zone, because if you're looking at traditional social platforms, Facebook, Twitter, YouTube is quite a social platform, but it has a deeply social aspect when you think about the algorithms and everything. Negativity, inflammation, controversy, that tends to drive quote-unquote clicks. I'm just curious, how do you think about how you get people to engage with a post and then pay for a post? If you're saying up front, the goal here isn't to say insert culture war clickbait that's going to buy you a pith to offer, make you too happy in the wrong way. When you design algorithms, you have a target that you're trying to reach, and then you're running all kinds of ways of different formulas to try and create that effect. The algorithms of social media today are focused on engagement. Success is how long do you spend on the platform? For Facebook, if you spend five hours doom-scrolling and walking away hating yourself, or for Instagram, if you spend five hours scrolling and as a teenage girl walk away depressed, that's success, because you got maximum viewable advertising time. Now you can

tweet the algorithm here and there, but hate works, and that's why it's important. We're a step away from the monkeys where hate and fear and all that works, and the algorithms will find that. There's nothing we can do about that. The algorithms will find that. Our algorithms are focused on reading content. When I think about a positive experience, if you come to post, spend 15 minutes, read three articles, walk away smarter, to me that's success. I don't need that doom-scrolling which drives advertising. That fundamentally is the difference when you think about what we're going to be promoting. If I can't get you content that you find engaging and interesting and worthwhile, we're not going to be here. That's going to be my goal, and I don't need you to stay on the platform for five hours doom-scrolling. Another question that just comes to mind is you are not launching the first attempt to make micropayments work on the platform. When you all announced this, there's obviously a lot of media studies dunking on, quote, unquote, in the sense that we've tried this before, this is attempt number 12. Acknowledging past failures, what have you gotten right this time that didn't work in the past? Or what do you believe? It's a startup. You're experimenting. What insight do you have that others don't have, you think?

I think, first of all, when you look at the way payments have gotten into the internet, what we've seen is when you offer a good product at the right price, at the right friction point, people are willing to pay. If 15 years ago you were told me that I would be paying for music and video, I would have laughed. I was here to peer. That's how you get. It's all stolen. We all subscribe now to Spotify and Netflix and all these kinds of things, although there are free alternatives out there. It's really about creating a friction-free user experience. One of the challenges you have with micropayments is that there's value to have a central clearinghouse. You're not going to sign up for a new micropayments platform on every other platform because then you're back to the same problem. We've been focused very much about the friction. How do we remove friction? What we've seen is really dramatic. The usage we've seen on the micropayments has blown away anything we could have predicted. It's working extremely well

and we're shocked by it every time. It's not just payments. It's also tipping. We're going to have a model soon of pay what you want. It could be zero. It could be five cents. It could be a dollar. We see people tipping traditional publishers, brands you've heard of. I can see tipping a creator, but a real brand you've heard of, people are tipping as well. There's tremendous amount of things can happen there. I do think that obviously people are more comfortable today to pay online. We have lots of solutions with Apple Pay, Google Pay, et cetera, to remove friction on it. It really comes down to the experience. One of the things publishers are having a hard time is convincing people to give them their email. Nobody wants to sign up for anything. That experience is based into our platform. Removing the friction, never type. It's all one click. Never having to go through that sign up experience there. We're very early in the process. Obviously a lot is out there, but I think that we can't have an internet built on two business models. That's the world we're in today. There's subscription and there's advertising. Advertising needs hundreds of millions of users, lowest common denominator, dancing cats or whatever. Subscription, a niche product that has a small number of people that are willing to subscribe to it, et cetera, when it comes to content. The world is much more diverse than that. That's not a black and white world. The real content lives in the gray. What do you do if you have 30,000 people on your site that like your content? Well, subscription is not going to work probably on 30,000 people. You're

doing a much bigger funnel. Advertising is not going to work either, but they're willing to pay. They're just not willing to pay a subscription. We see that a lot. We've seen people tip more than the cost of a subscription. You say it's not rational, but we're not rational actors as economists have proven. A lot of times you don't want the fear of subscribing and getting caught up and forgetting your credit card. We've heard from a lot of publishers who are hesitant to come on the platform. They have a huge cohort of users who subscribe and never consume the content. What do they start using micro payment? Well, you can't build a healthy business and charge people for something they don't need. It's the flip side to that. When you think about this long term, we need other monetization options. Creators need to get paid. Publishers need to get paid. Consumers need to affect what's happening with what they buy. That can create a marketplace for all of them. This is the interesting description that follows what you're saying. This was in the TechCrunch piece about you all last month, just the point that if you're the New York Times, the Wall Street Journal, subscriptions are working for you. You are operating at the level of the NBA, NFL, et cetera, et cetera, et cetera. There are plenty of people. Also, you have scale. You could buy the athletic. You can bundle, world, all these great things. If you need business, and you have a lot of corporate credit cards if you're the Wall Street Journal, for all these other publications, they're in this awkward situation where they can't convince enough people to subscribe. Also, the advertisers out of the business doesn't really work. Essentially, is there a world where our people who basically say micropayments won't work, are they basically just going to run? Do we basically have to make micropayments work? I guess we're kind of getting to it. Because it seems like we're stuck. Once again, if you're not those top tier publications or a huge creator brand, you're stuck and you can't really move forward about some alternate model. Right. First of all, micropayments from the beginning of the internet made sense. It makes complete sense whether you're an economist, an engineer, et cetera. You just see it. It makes sense. It's a problem. It's complicated. Use our adoption. Lots of issues about making it happen. I personally am 100% sure it will happen. Maybe it won't be me. I hope it will, but maybe it won't be me, but it will happen. I am sure it will because the need is there. When you think about the news landscape in the US, only about 20% of Americans subscribe to any publication. Only half of them, 10% of Americans subscribe to more than one. Now, the top two take 60% of the subscription. We have this market where you've got the Wall Street Journal of the New York Times, widely successful. They have more engineers, more resources, more revenue, more traffic than anyone else. When you think about them, they're growing bigger, faster than the rest of the industry. That leads to a world where we'll have this monopoly of news of these two huge conglomerates that will feed you all of their views. I think that's just as bad as having the situation that we're in today, but what's worse, in the advertising world, the newsrooms were basically driven by clickbait, et cetera. You looked at what was the successful article. An article, a lot of people clicked on it, so you got a lot of ads. That pushed the writing in the newsroom to a specific direction. Today, it's about subscription. It's about how many people subscribe? The subscribers actually read the article. The subscribers, only about 2% of the users actually subscribe to any publication. Roughly, 2% is very successful. If you have 2% of your users subscribing, they're bringing you the money. You're writing for them. They tend to be the more partisan, the more extreme. You end up, your writing as a newsroom gets more and

more extreme. Think about the New York Times, the last three, four, five years. The level of partisan extremism on it has gotten out of control, literally out of control, but it works for those 2% of subscribers. But where did the other 98% go? People who are not willing to subscribe to everything. If everyone in America subscribed for 10 publications, that's like 1.5% of GDP. That's not going to happen. This whole industry of publishing is living in this mathematically impossible situation where every publisher thinks they're going to be that one publication you're going to take. But of course, if they all think that, then it can't be true. This is the challenge for everyone except the New York Times and the Wall Street Journal. I guess it's funny. Back when crypto was hot, I had a lot of crypto founders who were very pumped about the micro payments angle in the sense that crypto hypothetically could make it so that you wouldn't have the credit card fees. It'd be more straightforward. You could embed it in your browser, etc. How do you think about the actual payment mechanics of the micro payments? Because I noticed you used these things

called points. Can you explain a lot of the side works? Sure. We use points for a variety of reasons, but basically a point is one cent. When you join the platform, we give you 50 points or 50 cents free. Try it out. By the way, there's a lot of free content. Don't get me wrong. You don't have to get paid. When you go for the premium content or you can tip people or creators that you like, newsletter writers, etc. When you run out of the 50 points, then we ask you to recharge your account and you decide how many points you want to buy. Very similar to Twitch. When you buy in, we take our margin at that point and that covers the credit card transaction. A credit card transaction free on average is about maybe 40 cents. You can't pay 3, 4, 5 cents to a creator and get charged by the credit card company 40 cents. Math doesn't work there. What we do is we create, you bought 1,000 points. We took that credit card transaction once. Now you can pay one cent at a time, whatever it is, it's in our database. There's no transaction costs. That's one of the challenges, of course. Now, crypto came out. I'm a big skeptic of crypto. I've always been and we can get, there's another discussion, but crypto try to solve that problem. The bigger problem is consumer adoption. Consumers are not adopted for crypto, regardless of the reason. They adopted credit cards. We have an ecosystem that works. Our challenge is, as I said, we're focused on real people, not on these tech geeks or anything like that. Regular people use credit cards. We built the whole system that way that can be profitable for us and for the creator. One of the nice things about that, the creators said their own prices. We don't set their prices, but 100% of what they say goes to them. We're not involved between the creator and the consumer. We take our cut in the beginning, when you buy in, and from that point on, whatever you pay goes to the creator. In this last section, a couple of big questions. Number one, I'm really interested in going back to the community moderation point. Before I ask a skeptical version, I'll ask you for a positive, proven anecdote example of how the community centric moderation has worked for you over the past

six months. The simplest example is that our community flagged the trolls and the content that's out there. People stopped flagging things on Twitter and on Facebook because nothing happens.

That person's still there next week. That's in a way by design. For us, if anyone gets flagged, the content gets reviewed immediately by a human. That human's going to make the decision. Usually,

we've removed things. Some people flag things so they disagree with the opinion. It doesn't mean that everything is out there. We have people that come at the platform just to piss off people. You look at someone who's never posted, all they do is go into the comments and give an antithesis. All they want to do is stir up arguments and rage with people. Those kind of people, the community finds them, and we completely remove them. In the future, what's going to happen is we have a reputation score for every user. We're tracking all the time what your actions are. The positive actions, negative actions. Where we want to get to is a point where, let's say I'm a Nazi and I come on the platform. I've got my three Nazi friends. I write some Nazi stuff and I post it to them and it ends there. Everyone's happy. If we take that content and recommend it to someone who did not explicitly want that content, they're going to be freaked out. They're going to flag the content. It'll go up to our moderators. Now, there are two options. It could really be Nazi content, in which case we'll take it off, but the reputation score of whoever flagged it goes up. We've learned we could trust that user more than we could before. If it's not Nazi content, the reputation score will go down. Hey, we can't really trust this person. It's actually a Disney movie and he says it's Nazi content. My reputation score, as the person who wrote the content will go down dramatically and my content will be restricted and how far it can go. Over time, this has to be over time, so it can't be in the game, we're going to start learning who the good players are and the good players will get a higher weight in all the algorithms. We could reach a point that when you flag something, it'll immediately be taken down because we know that over months and months of interactions, we can trust what you say, or maybe it'll take three people of your level to say and it will never even go to our human moderator. That's the model that's in there. The model, obviously, is a cost issue. More than anything, it's really about understanding nuance. There's no way that someone sitting in a call center in the Philippines will understand the nuance going on between the Ukrainians and the Russians on the ground, but any Ukrainian will know and any Russian will know. Letting those markets set their own standards there will actually allow the local context to be relevant. And when you say our moderators, are you employing moderators or is this the community aspect? No, we're employing moderators right now. So we're going to throw our own moderators. And again, I think that when I look at the big failures of social media, one is the toxicity and that's my design. Second is the business model for the content. And that's really the two things we want to change within Post-News. So two last big questions. How are you thinking about verification? The verification story is fascinating to me because it's the perfect example of how I love problems where you could have whiteboarded out what was going to happen, yet people did it otherwise, in the sense that David Sacks and a bunch of right-wing people in tech, no offense, their previous guests, Andrew were talking with them, but they thought that all of these journals and the blue checks, they think it's so valuable. So what we're going to do is we're going to, they said this, these are tweets, we're going to screw them by giving this to the people, not understanding what they had value because they were scarce. So when you sell them, they have literal value. And the reason why I am not paying for the blue check right now is people think I'm trying to like social climb my way to the top when I'm just trying to hang out on Twitter and boost my content. So that's a pure, that is the, like Jessica Lassen had her, like Twitter's going to be a business case study tweet, which wasn't a great call, that the verification thing will be a business case study someday. How are you thinking about

verification? Because like Meta, Instagram, et cetera, they're doing this now. How are you thinking about it? First of all, I hope it doesn't become a business school case study because it's such a simple situation that there's no complexity for a case. You're right. That's a, that's a blog post, not a business school case study. The question is, why are you verifying? And for us, first of all, verification is free. Anybody can get verified right now. It's still a manual process, but it will be automated third party. And what we're looking for is getting the real name of the person. And in the near future, that real name will be associated with your profile. So if you actually are verified, it will say on my profile, verified as non-Bardin. Now I can change my handle to, you know, the great God or whatever I want, but on my profile, you'll always see who I am. That goes back to toxicity. You know, people will act differently when they're under their real name, when it's a verified real name, and they deal with their anonymous. That also will fall into a lot of the credibility issues. We know who the person is. So now we can trust them. They can sign for things. People can sue them. You know, there are ramifications for what you do. And so our goal is for everyone to be verified. And obviously, putting aside the journalists, the Iran, and, you know, some unique cases, everybody should be verified. And their real name, a verified name, should be on the account. You don't want to be verified. You don't want to have your real name to account. That's fine. Don't be verified. But verification needs to mean something, right? And for us, what it's going to mean is, you know who this person is. This person is writing under their real name. And that's really what the verification is on post. So for the final question here, we're talking about existing publishers, The New York Times, Wall Street Journal, LA Times, et cetera, et cetera, et cetera. But as you know, as someone who's studied and built on social platforms, some of the most successful things that social platforms accomplished during the previous period was they grew native content. There was new formats. There were new companies that built themselves. YouTube didn't become successful because Viacom put all its content there. It created new opportunities to create what and these are not to exist yet. But like, what's sort of like a promising possible behavior or maybe post-native behavior that you think could drive content and get people to go there? So people are like, man, I want to see this desperately. I can't find this on YouTube. I can't find this on Twitter. This is just a post. So first of all, we're built exactly for that. And it comes with a belief that news is much wider than news. It's not just politics, sports, you know, business, right? It's a tremendous amount of things. And at the same time, who produces news is also changing. You have publishers, you've got these small independent publishers, you've got creators, you've got newsletter writers, you've got all these different people creating the content. And we want it all to be on post. So the post, when you open up our editor, it's a blank screen. You can write as much as you want. You can embed, you can format, think about like a medium editor or a sub-stack editor. You can build the whole thing. We'll take the first 250 characters and expose them in the compact view, which is what you see in the feed. But there's a button to read more, and then the whole thing expands however you want it. You can also set your own pricing on it. Everyone can tip anyone. So when you write, you can get tipped. But also you can decide, I want to charge 10 cents for this, or I want to charge something to charge. So it's \$5 for it, whatever you want as a creator. So we want to build the tools for people to use there. And we're seeing a tremendous amount of sub-stack writers. We have over 8,000 sub-stack writers on the platform. Some of them will share their content from sub-stack into our editor and post it as well. And so we don't believe there'll

be, there'll be one single source of truth in the world. There'll be lots of platform. But we want to have as much of the content of the world as possible on ours and being in your feed to consume and being at your mercy in the sense of if it's not good, you're not going to read more of it, right? Part of the problem with subscription, of course, is that once you subscribe, the publisher or the writer has no real interest to give you anything good. He just has an interest to make sure you don't remember to unsubscribe. Once it's per article, you have to produce good content. And if your content's not good, people are not going to consume it. So we're built for the creators, and we're making a big push now with creators on a variety of features and functionality

to really help them get distribution and monetization of the platform.

That is a excellent place to end it. Noam, where should folks go to learn more about the platform?

So the URL is very simple, post.news, p-o-s-t dot n-e-w-s.

Excellent. Thank you so much for joining me on The Realignment.

Thank you very much for having me.

Hope you enjoyed this episode. If you learned something like the sort of mission or want to access our subscriber exclusive Q&A, bonus episodes and more, go to realignment.supercast.com and subscribe to our \$5 a month, \$50 a year, or \$500 for a lifetime membership.

Greats. See you all next time.