

## [Transcript] My First Million / Reed Duchscher: Inside Feastables, Night Media and Niche Creator Businesses

We'll bleep out every mention, um, because this is the zero clout podcast, zero clout chasing podcast.

And, uh, we have a no clout policy and we did not, we did not want to do that. Wait, but do we have to use this face on a thumbnail?

No, we're going to blur it out.

I think we have to put it like his face and then Reed's face next to it and blur out Reed's face.

And the thumbnail is like the man behind the scenes or something ridiculous.

I put my all in it like no days off on the road.

Let's travel.

Never.

What's up?

We got Reed from night media.

He's famous for managing a bunch of awesome YouTubers, including one huge YouTuber, probably the biggest YouTuber in the world.

But you know what?

Every interview is just people asking him about this other guy.

I find that to be a little distasteful, a little, a little disrespectful and very much clout chasing.

Uh, and I just, you know, me and Sam, we were texted this morning and we just said, you know what he's coming on today.

We're not saying you can bleep that out.

We're not saying that name.

Uh, you know, let's just have a good conversation with this guy and not chase the clout, which is very hard.

It's very hard to do because you know, you get those clicks when you do it, but we're not going to do it.

Uh, so that's this episode.

Um, we're going to talk to him about his agency.

Um, different creator businesses to how creators are building these like often multi-hundred million dollar businesses, like Logan Paul's prime and other businesses like that.

Um, so good, good conversation there, but we also have a second announcement.

And the second announcement is that it is producer Ben's last day, uh, last day producing an episode.

This is it.

This is your, uh, your Michael Jordan shot against the jazz.

Will there be a wizard's comeback?

I don't know, but this might be your walkoff.

All right.

Here's the rules.

You can't say anything about next chapter or adventure.

I don't want to hear that.

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And, um, you can't generically say you learned so much.

If you say you learned so much, you better tell us exactly what you learned.

All right.

Those are the rules for this speech.

Okay.

Great.

Um, so the next, the next thing for me is basically focusing on how to take over the world, getting the podcast as, as big as possible.

Speaking of like things I learned when I was here, I think, um, people talk a lot about focus, right?

And focus is maybe easier when things are not going well, because if focus is about saying no, the world is like saying no to you.

But when things start going well, all of a sudden the world is like saying yes to you, you have all these opportunities, right?

And, uh, so that was, I think one of the things that happened to me early on when I came on my first million, all these people were like, Oh, Ben Wilson, the new hot thing, do you want to try this?

Do you want to do this?

What about YouTube?

Are we, we should make some shorts.

You want to do TikTok?

And I was like, yes, yes, yes, yes, yes.

I want to do like all these things, right?

And so I had all these kind of half finished projects that ended up not going anywhere because I was maybe a little too dispersed in my attention.

So now it's like, no, no, no, just let's get the podcast to be one of the best podcasts in the world.

That's all I'm focusing on for the next year.

And then we'll see what happens after that.

There's nothing better quitting your job when you have twins, let alone even one baby.

What kind of responsible Mormon are you?

Well, what kind of decision was this reckless at best?

Well, I mean, it's, it's not like I'm starting from zero, right?

It's not like I have an idea for a podcast.

Luckily, you guys have put me in a position where the podcast is doing pretty well right now.

So even if I have a bad year and it doesn't grow that much, I'll be fine.

And if it goes really well, then things will be great.

So it's a little bit of a risk, but not an existential risk.

And do you have, I don't know, a message to the fans?

What do you, how do you want to leave us here?

What, where do you want to go with this?

So obviously the first message is go follow how to take over the world, wherever

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you get your podcasts, you'll love it.  
I guess the most important thing is thank you guys.  
My life changed a year and a half ago when, when you guys brought me on the show.  
And I called it the ride of a lifetime, but really like I didn't know if I would be able to make a living as a creator before you guys brought me on here.  
Now I know that I can do that.  
At least in some capacity.  
And so my life has completely changed.  
So, so thank you.  
This has been amazing and I've loved doing it.  
And to everyone who has like supported me, been such a fan, cheered for me on the podcast.  
Like thank you to you guys, to you listeners as well.  
It's meant a ton and I've loved it.  
So I guess that's the last thing I'm just very, very grateful for this opportunity I've had.  
The reason I didn't like celebrate you leaving because I'm like, you're not really going anywhere, you'll be around.  
You're just going to be unemployed for a little while and hopefully it works out.  
But I'm sure it will be.  
And I'm happy you kind of came in our lives.  
This is it's fun having you around.  
We're hiring for a producer.  
Speaking of, we, we, we sort of need a producer now.  
Yeah.  
So we're using what a Sean's Filipino assistance for a little while.  
But I don't know if that's going to work out.  
My mom is trying to download audacity this morning.  
So we'll see what we can do.  
Yeah.  
So we need a producer.  
But yeah, Ben, we love you and thank you for everything you did.  
You, you were mostly decent at a handful of things.  
I was like, this was the ride of a year and a half.  
I got to tell you.  
It was a leisure walk, but it was fun enough.  
No, Ben, you're amazing.  
I still listen to all the pods.  
So that's how I know that it's a good.  
Yeah, I'm glad you're doing this because we need more episodes.  
Like if you go, I've listened to all the episodes.  
I just need more episodes.  
So this is good.  
I'm glad you're doing this.  
Thank you so much for everything that you've done.

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You've brought a lot of, I don't know, good support and good energy to what we do. We make it very easy for me and Sam, because we just get to show up, perform and then not think about it after like, as soon as we get done, me and Sam don't really have to think about anything. And that's because of you and a bunch of other people behind the scenes. And so thanks for everything you've done, man. And we will all go in solidarity. The gentleman's agreement today. You don't subscribe to us. You go subscribe to how to take over the world. Fantastic podcast basically talks about, I don't know, great conquerors and people who achieved greatness and great things. Ben goes and reads like 50 books and then just summarizes it into one awesome podcast story, one hour, so you don't have to go read all those books and you get the story from him. So it's an amazing, amazing pod. Go subscribe. Thanks, Ben. Talk soon. We're live now. I would read, I went and listened to a bunch of interviews. I did the, I forget the guy's name. I like him a lot, the financial YouTuber in Vegas. And then I watched, oh, Graham Stephan. Yeah, Graham Stephan. And then I watched Samir and Colin and then a few others that you did, including your channel. And I was like, Sean, what if we just don't say the word the whole time because he's great. But I know I've learned, I've learned a bit about it, which is frankly, it's a bad business decision. Not going to get the views, not going to get the clicks. You're not going to get all that stuff, but I don't really care. In fact, actually, it's a great business decision to not be chasing the algorithm. So I say we just talk about whatever was actually, whatever is actually interesting. I think it might be no. So, yeah, I think we might be able to go the whole episode without it. Let's try. It's only up to you guys. The Colin, the Colin and Samir videos like took off. I think we we'd expected it to do well. I don't think I expected it to get whatever.

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It's on 4.7 million views, but yeah.

You're like, who's counting as accurate as of today, but who's counting?

Is it accurate?

Yeah, that's that's pretty much the exact number.

How do you how do you describe yourself?

You're the founder of Night Media, but Night Media has a studio division.

You have Night Capital, I believe.

You have, I mean, Night Media in itself, it's fairly simple.

It's just like an endeavor or one of these other agencies, but it's a different genre.

But how do you how do you kind of like describe what you do?

Yeah, we've we've started to call ourselves a creator holding company.

So we at the center of the business, we represent talent.

And that's been consistent since I started the business in 2015.

But we built out these other verticals now, which you mentioned.

We have a venture studio, which has created things like Feastables.

We have a studio, which is like making shows on streaming services.

We have a venture capital fund, which is called Night Ventures.

It's 20 million dollar funds.

And then we announced Night Capital, which is a hundred million dollar growth fee.

Cool. So for us, it's like a platformized creator holding company.

And yeah, it's I think early on, it was much easier to just say I'm a talent manager.

Now it's it's a little more confusing when I'm like, you know, I can be entrepreneurial.

I can be an investor.

I'm also talent manager.

So I kind of play in a lot of different spaces.

I think it's great because talent manager seems to be a horrible business.

From what I can tell, I I've met a few talent managers.

And basically you're either talent poor, in which case your business sucks, or you get talent rich, but then your business is always hanging on a thread of this one whale or two whale relationship.

And even then the value cap, you might create a lot of value,

but the value capture is fairly small compared to what you're doing now,

where you got this investing vehicle and you got all these other components.

You said studio making shows for streaming.

What have you guys made?

Have you guys made anything that's come out?

We did a lot of stuff early on with YouTube Originals,

and that was kind of the emphasis of like why we wanted to get into it

because Netflix and HBO and Hulu and all these places starting

asked started to ask us to make shows with them.

And so, you know, creator games and some of the other things

that we did with YouTube Originals led us into what we're developing now,

which I don't know if I can technically say anything about what's coming out.

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I'll just say there's like, there's cameras around constantly as well.  
But yeah, we have a few things like within scripted, one within non-scripted and then working on a few like different docu, memory type things right now.  
So we'll have like a, I think a pretty decent slate by next year.  
We'll see how the writer strike and everything plays itself out.  
I think that one's been a little interesting for us to get used to.  
But yeah, we'll have a bunch of different things like coming out in what is it summer of 2023, so sometime in early 2024.  
Is the agency business, Sean was he was joking, but he's being serious in that it's a bad business.  
Is that actually a bad business?  
Because when I would like, I mean, I'm totally outside of Hollywood.  
When I see like Ari Emanuel, I'm like, it looks like your cat, his personal cash flow was pretty decent on the rise versus a lot of like startups.  
You know, you're kind of in poverty until you have some type of a liquid event.  
It seems like you guys have some type of.  
Well, let's explain the structure, right?  
So what is the what is the structure of a talent agency?  
So first, you basically you recruit talent.  
You say, OK, I'm going to help you with the business side of your operations or get you brand deals or get you things that you that you want.  
Now, in the world of YouTube, are those exclusive or non exclusive?  
Like, for example, for an NBA player, their manager, their agent is their exclusive representative or they could fire them.  
But like, no, you can't have multiple people bringing them deals.  
It all has to go through that person.  
They get a cut of everything.  
So is it usually exclusive or non exclusive when it comes to YouTube?  
I think it depends on the type of management company.  
We've always kind of sat on the fence of exclusive.  
And I think the interesting thing about talent management businesses is they generate a lot of cash.  
And so most of the management companies that you look at that have actually started to create things like when you look at just the big let's just look at the big Hollywood agencies, like Three Arts, Entertainment 360, Brilstein, the ones that have built some of the and and launched some of the biggest shows.  
Like it's always sunny and friends and Seinfeld and some of these things that they have back end on that they will just have back end and perpetuity on which those things are ending.  
But those businesses generate a lot of cash.  
I think the thing that they've struggled with is like, how do you build

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something much bigger than just this cash generating management company?

And so when I started night, the management company was really like the wedge of access into everything else.

And that's really how I looked is like if you could represent the biggest start with digital creators, because me, like starting this business by myself outside of the Hollywood system was very hard to say, I'm going to go sign an actor, actress, musician, because that is very much dominated by the Hollywood sphere.

And so I knew that it would be much easier for me to build a wedge in digital and go represent, you know, I started with Dude Perfect in 2013, but they'll represent digital creators, build that wedge and then use that as the access point to either continue building a bigger management company, you know, the verticals or to go build, you know, something with an adventure studio, have a venture capital firm. Like the the the management company gives you access to everything else. And that's how I saw this in 2015.

And I think that the managers that realize that and there's some some really like good ones that have realized that map card, or I think realize that pretty early on is like the management business is kind of the means to the end to build uninterrupted and some of the other things that he's doing with LeBron.

I think Scooter is probably the best example of like what if it could be came off the management company.

And so that that's really how we've thought about it is like, you know, management is the core of our business, but it's really like allows us to to have a wedge that gets us into everything else.

So that kind of proves the point, right?

Like if a business has to be a means to an end, it's probably in itself not the best business to stay at.

You mentioned a couple of those.

Those sound like pretty cool businesses.

So Maverick Carter is LeBron's long time friend, I think high school.

I think he's is he one of the part of the high school crew for LeBron?

Or did he come a little later?

I think one of them came later.

I think he was I don't know the full story.

I think Rich Paul was was came came later after high school.

I think Matt was actually a high school friend and became his manager.

And they went on to, you know, now have a production company and a few other things.

It seems like one of the few times that would work out well, by the way, like your high school buddy, like taking the reins.

So good for good for them.

And so they have a they have a company that does, you know, basically production and maybe investing, because I think they own

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a bunch of a bunch of like pizza chains and other things like that.

So they do investing.

They do production.

You mentioned Scooter Braun and his business.

And so what is what is his business?

Is that like that sounds like that might be a fantastic business.

What is it?

Well, it started off.

I mean, if everyone knows the story, probably that he met Justin or found Justin on YouTube when he was really young, reached out, you know, the rest is kind of history there.

But he ended up building a music management company that was really like

I think that the cash cow of that business was more touring, right?

With Ariana Gunn, her grande Justin Bieber, some of the other people.

And then he sold it to Hive about, I want to say, a year ago or 18 months ago.

And they started either buying other management companies.

They're buying music catalogs.

They're doing a lot of different things right now.

And he did build quite a few things with some of the talent.

I know Justin and him built.

I can't remember what the clothing business is.

And there are some other like auxiliary businesses that came out of Ithaca.

And they also did a lot of investing, a lot of venture investing.

And so he sold it for a billion dollars.

Yeah. He sold his media company Ithaca Holdings to Hive for one billion.

And I think that's because it had those kind of like, like you said,

like royalties on on the on the music itself,

not just like the touring, which might, you know, stop tomorrow and who knows what happens in the YouTube world.

There's no like royalties structure, correct?

Like if you're a talent manager for Twitch creators or for YouTubers,

you get a cut of these brand deals, 10, 15 percent, whatever it is.

But there's no like royalties.

You have to like build other IP to get the royalties, right?

Yeah. When there's there's also no back end deals.

Like I said earlier, where, you know, Borrelstein or some management company in Hollywood maybe helped launch.

It's always sunny and now they have these like residual checks coming in every single month or every single year.

That also doesn't exist in the digital space.

And so we had to figure out like what that packaging business was for us.

And we ultimately landed on, we think it's business building.



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Like we think some of the biggest outcomes for celebrities over the last decade have been through products, right?

Beats by Dre, probably the best example of something.

I mean, like vitamin water was another one where it's like athletes and different people had equity in those businesses.

So we think our packaging business is essentially this business building, which we call night labs, which a lot of different things have come out of now.

But yeah, the the management company has then allowed us to build these businesses with creators where we take equity.

And we think that like that business is much more interesting long term than just continuing to stack a management business, which some of these companies do very well.

And you know, they're 30, 40, 50 million EBITDA businesses a year.

I think they're now trying to figure out like what what do we either build on top of this big cash generating business?

Or do we just keep doing it because the partners every single year are making three, four, five million dollars a year.

Do you have of your of just the night night media night studios of your wholly owned thing?

How many staff do you have at the moment?

I believe we're just over 60.

So 63 full time within the night ecosystem right now.

And some of the teams are relatively lean.

I would say our ventures team is is is lean.

It's like three people.

Our studio team is still and that's like our venture studios relatively lean with about six in the majority of the company is talent managers and then individual like pod systems where a talent manager will have a junior manager, multiple coordinators, maybe an assistant under that pod.

And then that pod will represent anywhere between, I would say, five to seven creators on average.

And are you managing someone as well as running the 60 person operation?

I just managed that.

Happened about two years, two to three years ago, where I was like, this is taking up way too much of my time.

And also it's like it's also the best use of my time.

And this was really like when we had started festivals was an idea we were, you know, I was, you know, pretty helping him produce creator games.

There's just a lot going on while he was also growing, doing multi-language, all these other things.

And so that's when I like fully just like kind of rededicated my time to everything that was going on on his end.

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So you're able to get, you know, your cut from managing him as well as from owning the 60 person company.

Yeah. So so in that regard, it seems like things are pretty good.

Even though you want to go bigger management company.

So yeah, things that I think are always a little hectic.

And, you know, I'm, I'm most of my focus right now is on festivals.

I think you guys have, you know, I'm sure you've seen the chop of ours.

That to us is like, I are probably focusing the majority of our energy on that business right now, just because it's growing so quickly.

And, you know, we just launched in the UK.

We have other global launches that we want to do this year.

And it's just building into 2024.

And so I knew this would eventually happen where you represent a creator and then the business that you're starting becomes the big opportunity that you really want to chase.

And we think festivals is really turning into that.

And so I've directed a lot of my energy toward that business.

And it's like slowly, slowly consuming my life at the moment.

Before you started Night Media, what, what interested you?

What were you going to start instead of that?

Well, I grew up watching Jerry McGuire, probably like everyone else.

And so I wanted to be a sports agent.

Like I wanted to represent Rod Tidwell.

Like I wanted to be that like bigger than life, you know, agent representing an NFL football player.

And so that's what I wanted to do.

And I knew that because I played football in college and freshman year of college.

I realized that guys are built different.

I one couldn't run a four three.

I wasn't 225 pound wide receiver.

That was five or six five.

And so I knew like playing in the NFL was going to be very, very difficult.

Just seeing that the level of high school to division one football that I was at.

And so, you know, I started seeing that a lot of the players

that I was playing with were going to the NFL, some of them were getting drafted.

Some of them were going to have like NFL careers that lasted 10 years.

And so I positioned myself to be a representative for those players.

And that's really what I wanted to do.

And then stumbled upon YouTube in 2013 and kind of just became obsessed with it.

And in college, I didn't watch YouTube.

Like I was so focused on football, didn't really watch anything on the internet.

And that changed the trajectory of my whole career.

I saw this t-shirt on Instagram yesterday.

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It said creatives are the new athletes and somebody was wearing that.  
And I thought to myself, that's kind of a lame t-shirt, but I see where they're coming from.  
You know, I get what they're saying.  
You know, the I don't know if you've seen Sam,  
these these deals that creators are from Twitch are signing with kick.  
What's what's this like?  
I heard you talk about it. What is it? It's just a Twitch alternative.  
So kick is basically a Twitch alternative.  
But the kind of the interesting part is it started by this gambling company, Stake.  
So we've talked about Stake before, remember?  
It's this company that just absolutely prints cash.  
And one of the main ways the main way that Stake was growing,  
or one of the best growth mechanisms was they would pay streamers or give streamers  
money to gamble on Stake live on stream.  
And so people got to see it.  
Didn't they give Drake like a jet?  
Yeah, they gave Drake like \$20 million and whatever.  
But the issue was you couldn't do it in America, right?  
So a lot of the streamers and and they would have to go to Mexico or Canada.  
And it's still very much like that.  
You can't do it in America.  
Yeah, you got to like get on a boat,  
go to international waters and start your stream basically.  
Yeah. And a lot of the guys were doing this in Mexico.  
And so now kick basically came in.  
They started kick is like a distribution like top of funnel on top of this gambling business.  
Which who knows if it's going to be legal in the US in two to three years.  
They actually have stake dot US that you can play in America.  
It's just a lot of the games that you have on stake dot com are not there.  
But yeah, a lot of controversy on on this topic because Twitch banned it.  
And that's why kick started is because Twitch banned all gambling on their website.  
It's like there's these stories sometimes in business where it's like  
like I have a buddy who's like this, the guys who bought Milk Road,  
they own one of them started this thing called Jam Jam Boolean, which is like a gold.  
It's the biggest website from buying and selling gold online.  
And I was like, how did you do it?  
What's the origin story?  
And he's telling me the origin story.  
And really when he started, he was just trying to be a lead gen for  
like somebody else would fulfill the orders.  
He didn't have any gold inventory.  
He wasn't shipping anything.  
He was like, dude, I'm an affiliate marketer.

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I just I get the lead from Google.  
Somebody places the order.  
I go tell the company who actually does this thing to go sell it, to go send it to them.  
And what happened was that they were they're kind of yanking them around,  
changing the rates, and eventually they just cut them off.  
And he's like, oh my God, they just killed my business.  
Like they don't want my customers.  
Like what do I do?  
He's like, well, either I take this zero or I create the whole like distribution.  
I create the whole supply chain myself.  
I basically go, I get the physical inventory.  
I get the warehouses and we start shipping this ourselves.  
So that's what they did.  
They ended up becoming bigger than the other company.  
And I think they bought them along the way.  
They bought that other company that had rejected them and like went on to become  
the number one site for this.  
And it's kind of the same, the same thing that you're talking about here with like  
kick was using Twitch as like a distribution platform.  
And then when it didn't work, they're like, all right, we'll have to make our own Twitch,  
which is kind of like a huge endeavor.  
But what they're doing is they're giving streamers these contracts that  
I kicked the tires on this to figure out if it was real,  
because they gave XQC, who's one of the top Twitch streamers,  
like a reported two-year \$100 million contract.  
What?  
So that means that this guy's making more than LeBron James playing for the Lakers this year.  
Like per year, that would be the deal.  
And same thing.  
And crazier than that is that he doesn't have to stop streaming on Twitch.  
He could still stream on Twitch, right?  
And so when you first hear this, this sounds crazy.  
It's like you signed a non-exclusive \$100 million deal for some kid in his bedroom  
playing video games.  
That sounds insane.  
And then they did that with a bunch of other streamers.  
So a bunch of other streamers are also making \$10 million, \$20 million, \$30 million a year  
to stream on Kick right now.  
And the big question is, will this strategy work?  
Will Kick become a thing?  
Will it just die?  
Will this give stake to a bunch of customers?  
Or is this a giant money bid?

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How new is the website?

Because Kick.com, according to a similar web, has like 150 million monthly uniques already.

Yeah.

So this has been going for how long?

Like six to eight months?

Maybe?

Yeah, like within this year, basically, they've been doing this.

How did they get that much traffic that fast?

I mean, that's one of the faster growing websites out there.

Yeah, so what happened here was two Twitch streamers that, when they banned gambling, couldn't stream on Twitch anymore because their brands were essentially built around stake, which one was TrainRex, who had a really loyal following on Twitch.

And then they also then signed Aden second.

And so TrainRex and Aden started streaming on Kick, which drove a lot of people over to that website.

And then the XQC, everyone else that they started signing was just driving more and more traffic.

And it started to just become a thing of like anti-Twitch, go to Kick.

They'll also, the one thing to point out is ad revenue on Twitch.

If you're a partner on Twitch, it used to be \$70.30.

They brought it down to \$50.50, which sparked outrage on the internet.

And then Kick came out and said, we're going to do \$90.10 for everyone.

Doesn't matter if you're a partner or not.

We're going to lose an incredible amount of money on the content business.

And just make sure that stake.com remains like the cash cow.

And so that's like the big thing that they have against Twitch is like, they don't really care if they have a profitable streaming business or not.

But how did they finance this entire thing?

I thought, Sean, that we had talked about these guys.

Wasn't the founder of stake, is it like a 28 or back then,

I think we were talking about a year ago, it was like a 26 year old guy who bought like a \$50 million mansion in Australia.

Is it still like a bunch of young guys doing this without financing?

I mean, not without financing.

The financing is stakes.

I mean, outside financing.

It had like an \$800 million dividend last year.

What?

It's the same, like that business is just ultra, ultra profitable.

And so their competitive advantage is basically that they, like Reed said, their business model is not ads on kick or subscription cut.

It's, can we funnel these users to come gamble in our casino?

And we have a casino, Twitch doesn't have a casino.

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That's the bet that they're making.

The other thing that I, because I tweeted this out, I was like,

I said, this thing is fishy.

I said, they're paying XUC \$100 million for two years of non-exclusive streaming.

Are they A, lying?

B, is this like incentive based or some like tiered, like, you know, some, some like stock deal, they're inflating the value of the stock or something like that to make the number set, the headline number sound really big.

Are they just laundering money?

Is that what this is?

Like, what is going on here?

And basically it was, here's the thought, here's what the answer was.

Basically it's a combination of cash and equity.

So their equity part might go to zero.

So that, that part of the deal might, might go to zero.

Or it has incentives where it's like, it's based on the number of customers you bring over.

And the second part is that the non-exclusive part is basically so that he could just like funnel traffic from Twitch to kick.

So if he just turned off, like, this is like a big deal, like when Microsoft poached Ninja from Twitch, he had to stop streaming on Twitch that day and like go stream on this other platform.

And so most people on Twitch are just like, kind of like out of sight, out of mind.

Yeah, some people followed him over there to check it out.

But like ultimately their habit was still built on Twitch.

What these guys are doing is different.

He streams on Twitch and he says, all right, I'm going to finish my stream or I'm going to like play the big game over on kick.

And then he just like, it's like a call to action.

He just funnels a bunch of traffic over and over.

When I was at Twitch, we did the same thing.

When we were losing foothold in one market in Brazil, we acquired this huge YouTube streamer.

And I was like, and it was an exclusive deal.

But he started streaming on YouTube while he was streaming on Twitch.

And at first people in the company were like, yo, what the hell, man?

You just spent all this money, millions of dollars like signing this streamer.

And he's still streaming on YouTube over there for free.

Like, what's the deal?

And I was like, actually, wait, this is probably excellent because all we have to do is just get him to like block part of the screen or like do a cliffhanger and be like, I'm finishing this over at Twitch.

And he'll just keep bringing traffic over.

And that's what he did.

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We just basically let him violate his deal because we realized, actually, he was smarter than us.  
That was a better funnel for us than an exclusive deal would have been.  
That's insane.  
Reed, I imagine you've talked to these, you know these state guys well.  
Is this like a Sam Bankman free type of company or an FTX company where there's like a bunch of crazy young kids?  
Or is this like a dialed in thing?  
What are these guys like?  
I don't know them well enough, honestly, to know if it's going to become a problem.  
I would say that from my conversations with them, they seem like they have this thing under control.  
It's generating a lot of cash.  
FTX thing, the company wasn't generating any cash when Bitcoin went down.  
It was like just completely fell apart.  
But I don't mean is it a scam?  
But I mean, young people just being wild.  
Imagine a 27-year-old making \$800 million dividend, just like a wild child type of setup.  
I haven't seen that from them.  
But it seems like they're a little bit more laid back in Australia, don't really communicate with a lot of people.  
So I haven't seen that behavior.  
I mean, that could change.  
I'm just, and I know way too much about the deal structures and everything else and how this stuff works.  
But I'm pretty confident and kick over at least the next couple of years.  
We'll see where this goes if they continue to want to do that business.  
I would imagine stake is going to just continue to get so big that maybe kick eventually becomes a distraction.  
I don't know.  
But I would say they'll double down on stake.us over the next 18 months as states open up and allow them to start doing this.  
That's insane.  
There was also a secondary business called Rubet as well.  
That was essentially the stake.com competitor.  
I'm not 100% sure what happened to Rubet.  
But it's still around.  
And so there is other businesses like stake.  
Stake just completely won because they were able to sign the biggest creators like Train.  
They signed Drake, which you guys said.  
At the moment, it's a runaway train.  
They're kind of taking all the market share.

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In one of your other podcasts, you'd mentioned how you're like, well, a lot of creators they think, well, I have an audience.

I'm going to launch this product.

And you're like, well, that can work for a couple of months.

But if you do a good job, this turns into a proper company.

And the real challenge you were saying, the real challenge that I'm in is finding amazing executives to actually run the companies and build these into real companies.

You said for Feastables, I think you said you had the president of RxBar to come and be the CEO for the burger business or the restaurant business.

You partnered with someone and you also sounds like had a president or CEO of that company.

What type of deals are you striking with some of these CEOs to make it worth their while to do this?

Yeah, thankfully, a lot of them realize the opportunity when they come into these businesses, they know that there's an unfair advantage in go-to-market because the creator has hopefully built this massive platform already that gives them instant distribution and just consumers.

And so a lot of the people that we interview for CEOs are actually incredibly excited about the opportunity and are willing to leave their big job at PepsiCo or wherever that is.

And so how the deals are really structured is very similar to any other business.

So you have the cash basis that you're paying them and then you also negotiate some piece of equity over a four-year vesting schedule.

And so we've had a lot of success doing that.

But for the most part, we usually don't have to explain the competitive advantage to the business. Like when we start meeting these individuals, they already know they've seen it.

They saw it with Prime.

They're seeing it with Feastables.

They've seen it with Happy Dad.

A lot of the individuals that we're interviewing already know.

And so it makes it a little bit easier for us to get them to leave that specific job.

But it's structured very similar to what a CEO would potentially make if they came in and ran the startup.

And are you funding the company with a bit?

We fund up to a certain amount.

What's that amount usually?

It honestly depends on the business.

I would say it falls anywhere between the \$250 on the low end and \$1 million on the high end.

So Feastables, that's just a million bucks, you think?

Yeah. The big issue with Feastables was, and this is the issue we're now having with some of our consumer products, is retailers instead of...

So if you started a chips business or whatever, and you didn't have a creator attached to it or anyone attached to it



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that gave you an unfair advantage on go-to-market, you would go to a retailer and they would say, we want to test you in 100 stores or we want to test you in 200 stores. And from a cost perspective to fund the PO, it wouldn't put that much strain on the business. The issue that we had with Feastables was, Walmart was willing to put us in all 4,650 stores right when we launched. And so that's becoming the issue with some of these businesses, is that how do you fund the PO of \$6,7, \$8 million right out of the gate to meet that retail demand? And so that's the one that we've had to either raise capital, go beg a bank to give us the money as a PO loan. And so that's kind of the issue that we've run into. And even with Feastables, we raised a small amount of capital and it was really just to fund the 4 million chocolate bars that we ended up selling in season one that sold out and I think it was 45 days. That was the biggest cash constraint to the business. Let's talk a little bit about Prime. So Prime seems to be just taking over. It's really, really impressive. I don't know how much we've talked about it on here before, but can you just explain what's going on with Prime in a way that would, for somebody who's kind of out of the loop, maybe vaguely heard of it but doesn't really truly appreciate the extent it's what it's doing? Yeah. So if you don't know what Prime is, Prime is a hydration drink that was started by Logan Paul, who many people are probably familiar with, and then KSI who is based out of the UK, but I would say the most popular creator to ever come out of that region. And so they very notably boxed against each other multiple times. They were enemies and the story was that I'm coming together to start this business. And the company that they partnered with actually made an energy drink called Elani New. That's actually, you see it next to Prime. I think in every grocery store retail chain I go into, it's like Prime sits here, Elani New sits right next to it. And so the founders of Elani New basically created this drink that they've had called Prime and Logan Paul and KSI came in. Really, it's just the marketing engine. They don't do anything operationally for the business. They really just market it and it became like a clout piece to hold a bottle of Prime. Like now these 10, 12, 13-year-old kids have to have it. They have to drink it. And we've seen some of the... I mean, I saw an article about people saying the FDA needs to go regulate this business

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because it has too much caffeine in the energy drink.  
And so now there's just a lot of stuff going on about the company,  
but it's grown an incredible amount.  
I can't remember what Logan said on one of his podcasts,  
but I think they did \$45 million in revenue in January of this year.  
And that was the last thing that I'd seen them say publicly about the business.  
I think he said, if I remember correctly, Sean, we talked about it.  
It might have been six months ago.  
I think he said like \$200 million for the year.  
Is that right?  
Yeah, that's the number.  
That's one number we had heard,  
but \$45 million obviously would put them on a totally different trajectory than that.  
So, yeah, it appears to be just an absolute monster.  
Who's Logan Paul's manager?  
Who's his read?  
His name's Jeff.  
He's on the podcast.  
He's been his same manager for a long time.  
Logan talks about him quite a bit.  
And so, if you watch some Logan's older videos too,  
he would periodically show up.  
And so, they've been together for a long time,  
and Jeff put together that deal,  
and it's been incredibly successful.  
We'll see how it ends up.  
I don't know.  
I would imagine they're going to want to continue to do this thing  
for another couple of years and then probably sell it.  
And those guys who created the drink,  
you said they created Elani New,  
but that wasn't that big.  
I remember when Prime first came out,  
I was like, who are these guys?  
And I think it's two dudes, right?  
Who are the founders of that?  
And they didn't really have a huge hit before that.  
How did they even secure that deal?  
And why did they partner with them  
over some more established thing?  
Do you know?  
I honestly don't know.  
I'd never had that conversation with Jeff

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of why partner with this company instead of doing it yourself.

I think I would imagine what happened was this company presented them with the opportunity. And it was something that really resonated with Logan. And then I remember the story of him saying he called KSI and tried to get him on board, which he did.

And so it probably was just right place, right time.

Logan was ready to lean into something else.

Logan's done a lot of different business ventures over the last five years.

I mean, this one obviously is far and beyond the most successful.

But again, I would imagine right place, right time.

They liked the products that got along with the individuals who were operating the business.

And the partnering with KSI, were they just actually friends the whole time and the whole boxing thing was just a sort of frenemies thing or like,

because that's kind of a genius move, right?

Like you kind of have to give credit to be like, you know, what will make this even bigger?

Because normally let's say you're one of the biggest YouTubers.

Those people tend to have like a bit of an ego.

I am distribution.

I don't need anybody else to do this.

I don't need to split the pie, especially with my enemy.

So that's kind of interesting.

Well, what's going on there?

No, they did not like each other.

The boxing beef was real.

They were definitely enemies.

And from my understanding of the story,

and I've only heard Logan side of this,

I haven't heard KSI speak about it.

It took a lot of convincing for Logan to get KSI on board

because there was still a lot of animosity between the relationship there.

I mean, a lot of stuff was said,

a lot of personal things were said about girlfriends and parents.

And I mean, it was a very personal beef that went on

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in this YouTube space for a while.

And so I think that's why it was so surprising when those two came together to launch Prime because it was the last two individuals you'd ever thought to partner together on a hydration program.

He said my Pokemon was a PSA8.

It got ugly.

Yeah.

Yeah.

But now it's like, for us, it's been helpful because they launched in Australia and it went incredibly well for them.

They launched in the UK.

It went very well.

And so Feastable was like, we're probably six to eight months behind because they had a product and launched a lot sooner than we did.

But it's allowed us to then go into those conversations in Australia, UK, Southeast Asia, where the retailers have already had massive success with Prime, where it's a much easier conversation for us to explain to them why they should take Feastables, where I think if we were the first ones coming into the industry, like into Woolies in Australia, probably a little harder conversation pre-Prime.

That Prime seems like an amazing category.

Like that, to me, the drink, the hydration drink, water basically, like fancy water, is a better category than chocolate bars.

How do you think about categories that you're going to go into?

Do you think that's a better category?

And also like, how do you choose what category to go to?

Is you could basically promote anything.

Dude, when we did the thing with the Sean Organizes thing and he brought a bunch of Feastables,

I ate about eight of those things in one night.

I felt horrible the next day.

I did eat dinner.

I just ate all this chocolate.

So at least for that night, it felt like a good category.

Yeah. Well, okay.

See, I have to back up to explain how this all started.

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And so, you know, this started with my, you know, in a parking lot, kind of brainstorming ideas. While he was in between him filming this video that never got posted, like most videos that like just got filmed and people never saw it. But anyway, we came up with this idea where we wanted to launch a snacks company and we wanted to build this content idea around launching the snacks company. And chocolate bars to us felt like the right category for a couple of reasons. Like one is it's a massive business. Like it's a \$26 billion industry. It's very holiday seasonal dependent, which if you're a parent going into a store for Halloween or for Easter or something like that, it's like Hershey's is sitting here and Feastables is sitting here and you have an eight, nine, 10, 12 year old son, daughter, like it's a no brainer. Like you're going to buy the Feastables chocolate. And so that was one reason. Another thing is the 50th anniversary of Willy Wonka was in 2021. And so the initial idea was, let's put Golden tickets in chocolate bars and sell that and give away a chocolate factory, which became just a thing in itself of, you know, buying a warehouse and turning into a chocolate factory was no easy feat. But that really kind of sparked the conversation of, okay, well, if we're going to build this on this chocolate factory giveaway with a chocolate bar, what are the other categories that we can eventually go into? The cookie really came because, you know, had this joke on his channel and it's been since the beginning is you guys see it in the banner. It's like subscribe and I'll give you a cookie. And so we wanted to venture into cookies next. It's not, I would say, as big of a focus for us as chocolate. I think we're really trying to build out seasonality in chocolate. We're trying to build multi-pack in chocolate. I don't think people truly understand how big Hershey's actually is

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and how dominant they are in space.  
Like they truly dominate chocolate  
because they also own Reese's,  
which is like if you walk in a chocolate aisle  
and Walmart, Target, Kroger, wherever,  
you see a giant wall of orange and a giant wall of bread.  
It's like you very clearly, those two businesses  
or those two brands dominate the chocolate aisle.  
And so we thought it was a good space for us to go at  
because it wasn't so oversaturated by 20, 30, 40 different companies.  
It's like we really knew who we were competing against.  
We were like, we're competing against Hershey.  
We need to be more innovative.  
We need to build this gamification layer.  
We need to build a better product  
that has higher quality ingredients.  
We knew like what the roadmap looked like to compete with them.  
It's been a lot harder than we thought.  
Just global chocolate supply chain,  
I think was something Jimmy and I knew nothing about.  
Thank God for our team that understands this  
that we've been working with.  
But yeah, I think we'll definitely go.  
I don't know if Jimmy said anything to you guys  
when you were in Greenville,  
but there's a roadmap of products  
that we're going to do over the next two to three years.  
We're trying to figure out what the rollout strategy is going to be.  
But for 2023 and going to 2024,  
chocolate is the main priority in getting more space in retail.  
I got to take back what I said.  
I think it's a great category.  
You convinced me I was wrong.  
That was great.  
Actually, I think what you guys are doing is really smart there.  
By the way, Hershey's makes like \$8 or \$9 billion a year in revenue  
off of their thing.  
And the reason I think it's a great category  
actually based on what you said was the audience fit,  
but also just like how old that competition is.  
And like, you know, you didn't say this,  
but like if I'm Mars or I'm Mondelez or I'm Hershey's,  
you know, I look at my acquisition targets,

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my M&A targets, there's not many.  
And I think this is an opportunity  
where I don't think the business itself  
is going to generate a ton of profit  
just because physical goods and, you know, like as you scale up,  
it's like, you know, it's not the thickest margins.  
But I do think this is like a business  
where you're going to look up and sell it  
for \$500 million or something like that someday if you wanted to.  
Yeah.

So I take that back.

It's you'd actually be surprised.

The chocolate actually is a pretty good margin business for us.

And I mean, Hershey is still, you know,  
they probably turn off \$600 to \$800 million in profit  
every single year and have been doing this for 50 plus years.

And so we, yeah, it's been challenging for us,  
but we understand like what the roadmap is.

We really think that, and we don't know  
how Hershey is going to compete with us seasonally.

That's like one thing big for us.

Like Halloween is going to be big for us this year.

We're doing a lot of different sweepstakes  
and promotional things.

And so, you know, for us, if we can win those months,  
like October then becomes \$100 to \$200 million just in a single month.

And we can put our full force into just October  
and then into holiday.

And then you turn it around and you're like,  
okay, now like what are we doing for Valentine's Day?

What are we doing for Easter?

And so these are all like the conversations  
that we've been having over the last year.

What number would kind of cross the threshold of,  
all right, we should take this acquisition seriously  
if one of those guys came to you at the end of the year?

I don't think he takes a multi-billion dollar  
acquisition right now.

There's just too much upside in the business right now.  
Just for faceables.

Yeah, it's just, it's the amount of opportunity for us.

Not only, okay, let's just, I'm just talking domestically.

So now let's just, let's talk about just the world, right?

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Chocolate is popular like globally.  
And we haven't really talked about this yet,  
but I know he talks about it on your guys' podcast is we launch  
all these multi-language channels.  
There's really a method to the madness here is like,  
you know, we now dub in I think 16 different languages,  
including Japanese and French and Hindi.  
Those are all markets for us that we're pushing into  
over the next like 12 to 18 months.  
And so the opportunity for us is just way too big  
to even look at an acquisition at the moment  
because for us like Asia is a huge market.  
The Middle East has actually become one of our highest growing  
markets at the moment, which we're now figuring out  
like what are the points of distribution.  
And then we're eventually going to be able to just specifically  
market to those regions.  
Like we're going to be able to put a video file up  
and it's going to be the Japanese dub.  
But instead of being like, hey, go to your local Walmart  
and Target, it's going to be like our dub artist in Japanese,  
which is the voice actor of Naruso saying, oh,  
you can go buy it at your local 7-Eleven  
or other convenience stores available in Japan.  
And so we're going to make everything very localized.  
And so to us, like we're like, haven't even rounded first base yet  
to what this business opportunity is.  
And so I don't know, we haven't even had like acquisition  
to our like isn't even a thing.  
Well, when we when we all hung out with him,  
he was talking about, he was talking to the same thing.  
I don't know if he was saying feasibles,  
but just like his enterprise, you know,  
he threw around crazy ideas of like maybe IPO,  
maybe sell for billions of dollars.  
I don't know, like, but he approached it in a,  
this isn't an insult, but it was very naive.  
Like he sounded like an innocent like,  
oh, I'm just going to do this and then this and then this.  
That's it. Like it's going to work.  
And I remember, but I found it to be like believable.  
A, like I believe that he actually could potentially do that,  
which is crazy.



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But B, I felt like his ignorance a little bit about business was actually a massive tool for him a little bit, right? Where I was like, man, that's like, you'd be one of the biggest things in the world. And in his brain, he's like, well, yeah, what do you what do you expect? And I don't know if that's maybe naive is not the right word, but there was almost an innocence about it that I really appreciated. Do you think you have that same kind of mindset with this or are half the things that you guys are working on, not just you and him, but your rest of your artists or the rest of your folks on your team? Are you like, I don't know if we could pull this off, but whatever, let's just try and get into it and we'll see what happens. He's probably, we're a little bit different in that regard. I think I'm a little bit more of a realist in terms of, you know, knowing how hard these things are to build, knowing how hard these things are to sell. I said, ultimately, it's going to be his decision, you know, if he wants to sell this thing or not. But I think there is a level of him and I are very naive to, to at least when we entered the chocolate arena, we didn't really have a good understanding of what we needed to create, how we needed to compete. And I actually think that was an advantage for us because we were just running as fast as possible, trying to get product out. And we made a lot of critical, I would say, decisions that were either big positives or big negatives, and we were able to go change the negatives very quickly. I think one is, I think you said you didn't even have customer support the day you launched or something like that. We didn't have customer support in which we then learned in festivals like, okay, and a little different business. So we had a full customer social support team when we launched festivals, thankfully. And you, you know, you've done a couple of these now. And I think I've always been amazed, like some creators are much better promoters than others. And it's not just like, it matters like in a couple of different ways. Sometimes if your brand is like, I'm super real and authentic, anytime you say anything promotional,

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the audience is like, you know, sell out, you know, you can't do that.

And other people whose brand is to be more of a spectacle or more interesting, they can get away with a little more.

But there's also just the creator's motivation.

So as brands throw money at creators to, you know, tell people, hey, swipe up and do this.

Hey, swipe up and do this.

You know, like at some point, I think everybody becomes a little numb to it, the audience and the creator.

What I've been impressed with is for something like Feastable, or I also felt this way with Prime.

I felt like with Prime, Logan Paul is like the CMO.

And he's like, he's looking for every edge he's got.

It almost, you know, like, I don't think they own the majority of the company.

I think they own a small minority of that company, but he almost treats it like a majority owner.

I remember when he went to like, he goes to like, you know, the WWE thing or UFC fight, he's got his Prime bottle with him.

And then he'll do something that he knows is going to, he'll like embarrass himself.

So he gets memed like a million times on Instagram.

But he's like, yeah, I got meme, but I was holding Prime, wasn't I?

And he's like, you know, basically it was all intentional.

He's like looking for these little edges.

And that's very different than, you know, the old days when, you know, an influencer holds up some detox tea and just says, you know, try this.

What do you think is the difference in buying?

And that kind of like, that mindset of like, I'm going to use my engine to promote this like to level 100.

What have you seen is the difference there?

And how does that happen?

Yeah, I mean, there's also just a different level of excitement when you have ownership in the brand versus you don't.

Whereas like, there's a cash exchange for you to promote audible.com.

You're not going to be as excited.

You're not going to put as much time creatively into this ad.

Let's just say ad read that you will if you own the business.

And so I actually first saw this when we did finger on the app.

I'd seen them do a lot of like, we've done a lot of mobile

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integrations on the channel.  
And then when we did finger on the app, it was our thing.  
We owned it.  
It was like our competition.  
Explain what it is for somebody who doesn't know.  
Finger on the app was we created this mobile game  
where a person puts their finger on their cell phone.  
And the last person to take the finger off the phone went 100 grand.  
And there's little bombs that would pop up.  
So you'd have to like move your thumb around to just avoid objects  
that would pop on your phone.  
It ended up lasting 72 hours and then someone won 100K.  
But level of excitement and level of promotion  
just went to the next level.  
He was telling people why they should download it.  
And he was messaging people back on Twitter who was like,  
hey, I just downloaded.  
I'm ready for the game.  
He was responding.  
And so there's like a much more depth to the level of excitement  
on the creator side.  
And you really see that with Prime.  
And with Feastfuls.  
And you see it with also Happy Dad with Nelk.  
They're going all in on Happy Dad.  
The podcast is essentially built around Happy Dad is everywhere  
for each podcast episode.  
And I do think the future is creators starting businesses.  
The issue is like most of the time it's just going to happen at the top  
where we are seeing some interesting businesses for like a mid-tier creator  
who maybe isn't to the level of Logan Paul or Nelk.  
But they're cars versus bids or something like that  
where it's the channel maybe has two, three million subscribers doing 500K video.  
And they're gaining a lot of traction on that type of business.  
What are some other examples like that in the creator space?  
In the creator space.  
Cool creator businesses that are not just like,  
well, I'm the most famous guy on earth.  
So whatever I say works.  
What are some like we had Doug Demeron for cars and bids.  
What are some other examples like that?  
There's one called Rare Candy.  
It's with Leonhart who's, you know, he's a relatively large Pokemon style creator.

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And he has a marketplace where you can buy Pokemon cards and do Pokemon unboxing.  
So it's similar to whatnot and how it works.  
But it's, you know, Leonhart owns a large piece of that business.  
I am to go back to the top like Emma Chamberlain coffee.  
I think it's another one.  
It's like very organic or talks a lot about coffee.  
And now I'm starting to see a lot of businesses pop up on the smaller end where it's maybe you have a channel that washes windows, right?  
So it's like a TikTok creator who maybe it does ASMR through like washing a house or washing windows.  
And they use it as like this top of funnel in like a city where all of these individual houses or all these people are now reaching out to and be like, oh, this person's in Austin.  
I'll pay them \$400 to come pressure wash my house.  
I've seen a lot of those for pressure washing.  
They're all over the place and the grass cutting, like lawn mowing.  
Yeah. Lawn mowing, vending machines, seeing a lot of like little small niche businesses getting built.  
But I think these businesses are much bigger than people think they are.  
They're gaining, like even in the pressure washing, like I'm meeting creators and they're making like \$20, \$30,000 a month just from pressure washing homes.  
And then all of a sudden, they hire two or three other people because the demand is so high for people booking them out to clean their home that they start to hire employees.  
And then it becomes a real business that once just started is like one TikTok video of them pressure washing their own house.  
Are you from the Midwest?  
I am from North Dakota.  
You're the first person on the pod that says the word wash like I do with an R.  
I grew up 40 miles from the Canadian border.  
So I'm probably just as Canadian as American at this point.  
I get made fun of all the time for saying that word, that way that I've embarrassed to even say it, but I just heard you say it.  
Are there any companies or any creator businesses out there that are shockingly large that many people don't know about?  
Yeah. So one that I was wildly impressed by that was much bigger than I initially thought was Darman.  
So it's the largest scripted YouTube channel on the Internet.  
And so it's all like it's daily uploading, but it's long form scripted storytelling.  
And so I really didn't understand like how big of an operation that was and how many people and how many sets and just the sheer volume of content

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coming out of that business.

That was one I was pretty surprised by.

And if you don't know what it is, I remember when I first saw it,

I was like, are people watching this?

And then I just had been paying attention.

It's slowly growing.

It's almost like the Hallmark or Lifetime channel, but for like...

How do you spell it?

What is it?

Darman, D-A-A-R, space, M-A-N-N.

He has 18.5 million subscribers.

It's like there's like a lesson to be learned in like each episode.

Is that right, Reed?

Yeah.

He used to do something completely different, right?

Dar was doing something completely different.

And then he pivoted into this.

If he found his footing in scripted storytelling on YouTube,

more fast-paced, a little bit more light on the scripted,

like storytelling aspect, because it's like more content and volume.

I'm pretty sure this guy had a giant weed business before this.

Makeup, actually.

But I think he also had a weed business.

Wife is also an influencer.

I think she has a makeup business.

I'm pretty sure this guy had a cannabis business.

I don't know if I got that right.

But that's so funny.

Yeah, We Grow.

He started We Grow.

He started We Grow.

It sold hydroponics and marketed for growing medical marijuana.

That's funny.

Why is this guy impressive to you, Reed?

What's the behind-the-scenes information?

Just the sheer, like the sheer size of the production company.

You know, people say it.

They're like, oh, you can build production entities on top of YouTube and creators or hiring employees.

You know, it's like this is a good example of massive production entity built on YouTube, cashflow positive, making money.

You know, I think most people thought that, you know, you couldn't do scripted storytelling on YouTube

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and actually make it a profitable business just because it didn't make sense with how the ad revenue worked and how the splits worked. And he's really figured it out. And it's hard because you have to upload daily and you have to average 2, 3, 4, 5 million views per video to start making significant amount of money. But they've really figured it out on a large scale. Did they get the revenue up or did they get the expenses down? What did they do different than you would have expected? Or what did they... What was the trick? From what I've seen in the scripted space on YouTube, and this is also like in the streaming services, scripted content is very expensive. You know, you have writers on staff. Like it's usually long timelines. They figured out how to create content on a scripted basis much quicker and much more cost efficient, where it's like, Dar is doing a lot of the writing. They have a lot of just like part-time talent that comes in periodically and acts. And then they also just like figured out how to do this with their own sets. So they're not renting space. Like they actually built their own sets in LA. And they're just reusing the same sets. I mean, if you watch a lot of Darman videos, you'll see the school. You'll see the movie theater. There's like a gas station. There's a lot of like staple sets that just continue to show up. And they do a really good job just repurposing those sets. That's amazing. I can't believe I remember seeing this guy when he was coming up. I never a million years would have bet that this would have been a good one. What are what are some other businesses out there that you've seen that are just shockingly interesting? So this wasn't, it's not a channel that's a business yet, but I stumbled upon it a couple weeks ago. It's called Ryan Hall Yoll. And he was a former meteorologist. And it's like a channel based on just what weather is happening across the country. Different things that you should know about like the hurricane season

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and how it's going to affect the like us, the Southeast.  
And you know, I'd seen channels try and do this in the past.  
He's the first one that's gaining like tremendous traction.  
And you can see it in the views per video.  
You know, it's like two, three million views per video.  
Just talking about different weather patterns.  
And this is one that could I think become pretty interesting long term.  
Whether he decides to build something on top of that.  
And I'm guessing it's like a very minimal team.  
It's probably him plus an editor.  
What is he doing?  
Because weather is so local.  
People, you know, what do I care about the weather in Toledo, right?  
Unless it's a natural disaster.  
Like, you know, what do I care?  
So how is he, how is he doing this?  
This is incredible.  
More of like the talking about just the whole things  
that you should know about tornadoes or these are the most dangerous  
weather patterns of the year of the month.  
So he talks more holistically about just the entire industry.  
It's not really localized.  
I mean, I'm sure he could start localizing channels,  
but that becomes a much smaller opportunity.  
You have to make these videos appeal to everyone.  
And he's done such a good job right now.  
But these type of like little niche channels  
that start to pull a tremendous amount of views  
pop up every single month on YouTube.  
I mean, the vending machine one was something  
that I went down that rabbit hole and farming.  
I went down the farming rabbit hole as well.  
What's the farming and vending machine ones?  
Yeah. So farming cold, the corn star.  
I'll hit you with a few.  
And so millennial farmer is probably the one that I watch the most.  
And I grew up on a farm.  
And so it wasn't that interesting to me  
because I know all the stuff that he's doing.  
But for a normal person on the coast who  
has it doesn't know about, you know, cultivating or anything like that.  
I think it's really interesting to them.  
And so he's one that it's more, I think appeals more to an older crowd.

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Cold, the corn star is another one that probably appeals to a little bit younger demographic, where it's a little bit more like Frank's and things like that on the farm. And then Lauren Farms, a female channel, also kind of showing like in the daily aspect of just what do you do on a farm? And so there really is a space for all types of content on the internet now. That's why the argument of the internet is so oversaturated. It's hard to break through as a creator. Like I just have never bought that argument because on TikTok and YouTube shorts, I'm seeing things that continue to break through on a weekly basis. And then people are figuring out how to turn it into an actual channel that's profitable. And we're seeing it with people like Ryan All y'all who, you know, nobody would have ever thought that a channel about the weather could pull 3 million views of video. But yet here he is doing it time and time again. Well, that kind of makes sense. One of the comments on Ryan Hall's videos that said, man, the weather channel has really lost its way. I'm so excited that Ryan is doing it this way. And which is funny that someone like, and that was actually the most upvoted comment, which means a lot of people pay attention to the weather channel enough so to actually like wonder if it's lost its way or not. So it kind of makes sense where you can just look at like, what are like, for example, you could be like, well, court TV, court TV has been around for, or C span. Some of these things have been around forever. You could go and look at what the revenue is. You could see like what's interesting about them, what's not interesting about them, taking to spin. So Weather Channel is owned by, it's that the guy in Hollywood, Byron Allen. I think he was an actor. Now he's like one of the richest black men in America. He owns Weather Channel. I think they still make like \$500 million a year in revenue. So like great business. And we had, we were friends with this guy named John, who was the president of BuzzFeed.



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And he told me, he was like, man, if you look at CSNBC, they only have like 50,000 concurrent visitors or viewers on their, on the channel, but they make this much in revenue.

I'm going to create that, but for Facebook live.

And he ended up launching Cheddar and sold it for hundreds of millions of dollars.

And so like, this is like an interesting strategy of just like looking like,

which channels have lived for 50 years and are doing good,

but they're just kind of like been doing the same thing over and over and over again for a while.

So it's kind of an actually an interesting strategy.

Totally agree.

Like building a new Weather Channel, I think is incredibly complex and complicated, but he definitely has the type of distribution that could start that business.

I think Dennis is like, you would need to find a partner to help him probably execute that.

But yeah, that's, I think why I found that the channel so interesting.

It's like, I go to the Weather Channel.

I even have a widget on my iPhone that like pops up from,

it's like automated from the Weather Channel.

It gives me the weather every single day.

I was like, I would much rather download a Ryan All Y'all widget that like gave me.

Totally.

Much rather support that than the Weather Channel.

And so yeah, I think there's a much,

there's a pretty interesting opportunity there for him.

You'd made a comment.

You said something like you would bet that YouTube will be five times more valuable than any other platform combined in terms of value to, from a creator's point of view of the type of business you can build on top of it.

You know more than I do, but Sean and I had made this argument like a year and a half or two years ago where we're like bent Twitters like happening in the tech field.

But there's not really like a, what's the Kardashian lady, the Jenner.

There's not like one of the Jenner persons who have like launched this like Instagram business that became a billion dollar company off of Twitter yet.

But we think that there's going to be something there.

And then Sean was like, yeah, there's like the guys on the guy mafia on Twitter.

There's like the strip mall guy.

There's like the storage guy.

And they're actually like raising a significant amount of investor money to create some of these companies.

Do you, have you been playing around with Twitter and seeing like some of the micro influencers and the major differences instead of like what you do, which is more pop culture.

This is a little bit more B2B and much older.

But have you paid attention to like Twitter and played around with the idea of one of these folks, whether it's like a sweaty startup, our friend, Nick Huber, who's got like a 400,000 following

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about them building like pretty big companies in the back of Twitter as opposed to YouTube. Yeah, I've seen it.

I'm actually not surprised because I've been pretty outspoken of social platform.

Where do you build the most fan loyalty across social?

And I've seen that Twitter is at the top of the pyramid in terms of fan loyalty, like a Twitter follower that will comment on your tweets is much more valuable than a casual viewer on TikTok or Instagram, because usually like they actually care.

And so I think people are now starting to figure that out that Twitter is actually incredibly valuable if you can start to interaction and start to get people that really engage.

It's also, it's an older demographic where I think the one thing that YouTube is really struggling with right now is, you know, yes, there's people like Ryan Hall and there's people like Millennial Farmer who are appealing to maybe a 20 to 30 year old.

But it's much more suited for an eight year old to watch content.

Whereas Twitter to me is like I spend most of my time on Twitter.

The people that I meet on Twitter, like I would buy products from if they actually promoted something.

And so I just think that Twitter for me has been really interesting from just a fan loyalty perspective. It's the depth of the platform. Whereas Instagram and TikTok to me have been more casual. I buy things on Instagram, but it's rare.

And TikTok is like my mindshare is like every single second I'm seeing a new video.

I don't even remember the names of the channels that I see on TikTok.

They just come and go. And when I'm at different events and I see a lot of TikTok creators, I recognize them because I've seen them on TikTok.

I have no idea what their TikTok channels are, which is bad.

But I will remember like someone's Twitter at that I see and I'll be like,

oh my gosh, that's at whatever it is. I'm very rarely do I say that about TikTok.

And so I just think that the depth of consumers is just much different on Twitter.

Who would you buy a product from? Which of the quote Twitter creators would you buy a product from? Or rather, who are some of your favorite follows?

I mean, I met Blake Robbins, which we did a podcast together. I met him on Twitter.

That was how we met. I thought his tweets were incredibly interesting.

I thought as an investor, he was talking about a lot of things that interest me.

And so if Blake would have sold anything three to four years ago before I knew him,

I would have instantly bought it because he had built up that loyalty.

I had that loyalty of like, I not only agreed with a lot of things he was saying,

I thought it was really interesting to the point where I would take time to comment or like that tweet. And I have a lot of those now just that I follow on Twitter.

And then you get to like the \*\*\*\* of it that are getting hundreds of thousands of likes.

And I think, you know, now that you have the \*\*\*\* and you have a lot of internet trolls and stuff like that. But where Blake kind of sits is in the 30, 40,000 follower range.

And a lot of those people care about what he's saying. And then the word of mouth becomes really interesting where someone says, Hey, I use an eight-sleep mattress.

It's changed my life. If someone like Blake or you guys tweet that, I'm going to be like,

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what is an eight-sleep mattress? I should probably figure out why they like this so much. But if someone on TikTok is like, Oh, my eight-sleep mattress, well, I probably just scroll past it and don't even think twice about it. So that to me is like something that I've noticed. I treated out that I love eight-sleep. Like I don't have any affiliation with them. I just had one of their mattresses and I treated out how much I loved it. And then right away, their team reached

out like, Hey, can we do an affiliate deal? Or do you ever want to partner together? I'm like, No man, I just, I'm just talking about cool \*\*\*\* that I like. And so they said they, they said they sold a lot of mattresses from that tweet.

Yeah. The people that follow you also can afford the product. They, you know, probably been following you for a long time. They trust what you say because you guys aren't shilling a ton of stuff constantly. So when you authentically talk about a product, like people pay attention. It's like Tim Ferriss, right? Like I used to pay a lot of attention to what Tim Ferriss was using and talking about on Twitter.

Are there any other good follows that you have that you could see launching a business and succeeding? I mean, you guys mentioned some really good ones. It's not a platform that I pay a lot of attention to in terms of individuals like that can grow businesses.

I think I'm, I'm much more suited for YouTube. I live in the depths of YouTube every single day. Twitter for me is like following people I know. You guys are my friends, like other people in the business sphere. But we'll see. I hope they're able to grow businesses on top of it. I have a lot of confidence in Twitter just as a platform to grow family loyalty.

What about threads? We didn't ask you about threads.

If you guys look at the Google Trends for threads, it's not looking good. I also saw a graph this morning on daily active users for threads that just like fell off a cliff. I didn't have a lot of faith in it, but we'll see. I don't think that I saw a lot of people talking about that.

And I think their takeaway is like, oh, it's not working or it failed. But like that was always going to happen, even whether threads is going to succeed or not.

If they got a hundred million people to download the app, any app, look at the Twitter app, we'll do the same. If you get a hundred million people in a day to download the thing, you're going to churn. Like, you know, 80% of them won't just start using the app regularly, habitually, right away. So to me, I see that and I'm like, this is completely normal. And like, to me has no, like that was going to happen either way. There was no chance that a hundred million people are going to download it and a hundred million people are going to keep using it next week. That's no app in the history of mankind ever has worked that way. And so the question is like, what happens? I don't know, three months from now, once they get their kind of core base of users, does that start growing or not? And well, like, there's no way to know until then. Yeah, totally agree. I've logged on. I logged on the first day I downloaded it and haven't really been on since. So I, there's also like, you know, you tell your talent to like, keep an eye on it, or would you tell your talent?

No, we honestly don't care. It's up to them. Most of them will download it and we'll post on it and see if they like it. I think we're, we'll wait, like you said, it's going to take months to figure out if this is going to be traction. I think most of them are just going to patiently wait. I don't think any of our talents going to fully the threads there. They're better off

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putting their time into making amazing YouTube videos. We did this video. Sean and I did this video like two weeks ago or a week ago, where we were talking about how we liked that Zuck did this and we were team Zuck and Sean, we officially have a new nickname. I don't know if you saw this in the comments of YouTube, but we are officially now Zuck's cock. Zuck's plural, both of us. Zuck's cocks. They call this Zuck's cocks. The t-shirts are getting printed. We should be all right. I don't know how we are his cock. Does that mean we are having sex with his wife or is he having sex with our wife? It's more like the mighty ducks. It's like, we're the mighty ducks with this small group of people who really believe in this thing that everybody else kind of has written off or hates. Yeah, but we're a cock. So I don't know who's having sex with whose wife, but something is happening there of which we are involved in. We are officially Zuck's cocks, which I'm okay with. Yeah, I'm a Zuck cock for sure. Okay, well, once they box or fight MMA, like I'll be in Elon's side of the octagon. So maybe we'll say, I think so. I think so. I will bet you a large sum of money that if that ever happens, that Zuck would crush him.

Yeah, I guess in terms of who would win, I mean, just looking at the pictures that Mark posted with Israel Adesanya and Volkanovsky, it scares me a little bit if I'm Elon Musk, but I still like, I got to support you. So, winner or lose.

Do you, last couple of questions, but what would you sell night media for right now?

I wouldn't. I created night because I really enjoy it. What would I do if I sold night media?

I become an investor, like I already get to do that. So I like...

Yeah, but there's always, there's got to be a number. What do you think it's worth?

Man, I don't know, to be honest. It all depends on how you value the subsidiary labs businesses. I mean, I could probably... I know what the core management company is worth and what the subsidiary businesses are. I think it's like where it could flex quite a bit.

But sure, I enjoy it. I think if I sold night, the acquiring business would have to make me the CEO. If we sold it to an agency, they would have to make me the CEO of that major agency or management company because I'd actually enjoy doing this. It's not something like I didn't start night media to sell night media. I started night media. So I was like, I really enjoy it. I really want to do this. I find fulfillment in it. I have a venture capital fund. I get to invest. I get to start businesses. I get to be entrepreneurial. I get to be a manager. I get all the perks of being a manager. I don't want to do anything else right now. That might change in a few years. Who knows like what time we'll do. But yeah, I don't know. I wouldn't sell it. We've had offers. I just wouldn't sell it. What? Hundreds of millions of dollars, I would assume. I wouldn't sell it for hundreds of millions of dollars. There's no chance in hell. That's wild. You're in a good position to be in, right? Yeah. I mean, there's just... I feel like we're... I'd sell this on a fee source. I feel this about the whole company in general as we haven't even got started. It'd be hard for me to sell this thing with the amount of upside that I see over the next five years. I could see a partnership of some sort. I don't think I could just fully sell it and walk away or have an earn out over multiple years right now. Not yet. Well, you raised a hundred million dollars.

Or you received a hundred million dollars from churning in a separate fund to buy consumer businesses that you could then plug in YouTube distribution into something like that. I think that's the idea. Can you explain the big idea there and if you've done anything with that yet?

Yeah. Labs will start a business zero to one. Feastables will start at ground level, raise capital, hire the CEO. Night capital is more fixated on finding a business that's generating

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cash that maybe is doing five, 10, \$15 million a year and we think we can come in, buy a majority, stake in that business, roll some creators or a celebrity onto the cap table and expand what that business is doing or just continue to grow that business. It's very similar to what churning does and is doing with cars and bids and did with Barstool and Hello Sunshine and all these other businesses. Yeah, they've done that a ton of times. Yeah, a massive opportunity for us to do it as well because we understand this creator ecosystem and just internet pop culture so much better than anyone

else. That ideally is why we did Night Capital. We're not in a hurry to do a deal. I think the economy has been something that's scared us a little bit and everyone that did deals in 2022 I think is really regretting a lot of those. We're just patiently waiting for what that thing is going to be. Well, dude, we appreciate you doing this. You're the man. I like just hearing what you're tinkering with. You have a very interesting perspective on things. What do you think, Sean? Yeah, this was fun and I'm glad. I don't know how well we stuck to our mission, but I think we... It was pretty good. Yeah, it was pretty good. We'll bleep out every mention because this is the Zero Clout podcast. Zero Clout chasing podcast and we have no cloud policy. We did not want to do that.

Wait, but do we have to use this face on a thumbnail? No, we're going to blur it out.

I think we have to put his face and then Reed's face next to it and blur out Reed's face and the thumbnail is like the man behind the scenes or something ridiculous. I'll let you guys figure that one out. I mean, there's plenty of things that... No, you got to figure it out. We don't know how to do it. We suck at YouTube. You guys are killing it. No, YouTube is... We have way more downloads on the actual podcasts, iTunes and stuff like that. We suck at YouTube. I would argue that a listener on iTunes or Spotify is probably way more valuable than a single listener on YouTube and the podcast genre. I think what you guys are doing is incredible and I would continue to focus on listens across other platforms. I wouldn't hedge too highly on YouTube at the moment. I agree. We went hard on YouTube for the last 12 months and now it's like, oh, man, actually the podcast number, that just steadily grows every single week. Whereas YouTube, it's a little lumpy. I love YouTube. I think it's great. I think I just like the comments, I guess. I love it too, but I do think that I consume your guys' podcasts on Spotify. Yeah, I guess that's what you get used to. Wherever you consume it, you're like, this is a good place for things. Yeah, that's where things go. All right, Reed. Thanks for coming on, man. Where should people follow you or find you? Shout out wherever you want people to

go. I mean, we spoke a lot about Twitter, so it's just read JD on Twitter. I probably am the most active on Instagram in terms of answering messages. Same thing, read JD on Instagram.

So I appreciate you guys. Thanks for having me on. See ya.

On the road, let's travel, never looking back.