

[Transcript] The Realignment / Supercast Ask Me Anything Teaser | Saagar's Birthday Edition - BuzzFeed News Shutdown, Pessimism About America, Getting Narratives Right, and More...

Marshawn Sagar here, welcome back to the Supercast edition of the Realignment podcast, where Sagar and I do a bit of like discussion and then get into the questions and comments that listeners have submitted.

Reminder, if you would like to get the full access to this conversation, you can go to realignment.supercast.com or click the link at the top of the show notes after we hit the end of this teaser, we'll get into the actual questions.

And once again, if you like to get the full access to that, any of our other previous conversations, we'll also submit your own questions.

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OK, Sagar, two things I wanted to hit during the discussion section.

Number one, happy birthday.

This is the birthday edition of the Supercast.

So here's just the quick question.

How does it feel to be 31 years old?

Pretty much feels as I think this is cringe, but in there's a good almost like mental framework that I remember from how I met your mother, where Barney Stinson talks about relationships and how relationships are like highways with with exits.

He's like one week is an exit, three months is an exit, six months.

So I think that life is kind of the same way in terms of like demarcation points.

And I think 31 is in between the 30 and the 35 exit.

It's something where it's like the mile marker and you just drive past it.

You're like, yeah, it exists, but I don't think about it.

So that's where I'm at right now.

Oh, what exits did you see at 30?

I didn't see an exit.

I just knew that they existed.

I was like, this is a milestone.

I mean, look, like if you think about it like so that was a year ago.

That was my 20s are over.

My most was what's the book that you used to talk about?

That you're 20s, 20s matters to define.

It's called the defining decade.

We actually never read it for people.

You could kind of get it from the title.

But I think when we put it this way, it's called the defining decade.

Why your 20s matter.

It came out in 2012 when I think that was more revolutionary.

This idea that because, you know, think back to 2012, this whole story of OK, like I'm in my 20s, I'm going to chill and I'm going to figure things out.

When I turn 30, 31 and the whole point of the book was actually if you just think of your life, if you think of figures throughout history and just general

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psychological reality, your 20s are just really the super, super important time.

I think especially then people in the demographic of people who buy that sort of book just weren't thinking about.

Yeah, so I thought about that a lot.

Actually, I remember thinking that when I was 25, I said, you have five more years to actually do something.

And I know that sounds stupid to a lot of people, but the foundation of a lot of the best things you're ever going to do in life are late in your 20s, at least usually.

I'm not saying you can't work your way out of it.

So anyway, yeah, 30.

I was like, wow, you know, did breaking points like to the show like five years ago was doing this five years later.

I'm doing this. That's pretty crazy.

My life is not all that different than one year ago.

Whereas a year ago, I couldn't set the same thing.

But I mean, that's just what everybody says about getting older, I guess.

So yeah, I don't know.

I've never been more of a birthday guy, but I just I think 31.

31 is like being 24.

What is being 20?

What does that mean?

Like you can't run a car at the lowest rate, but you're still like an adult.

It's just like is.

Yeah, no, it's basically it's more that.

There's just this very cliched turning 30 experience that a lot of you're my pure cohorts and friends are going through.

It's like, oh, man, like I'm 30.

What happened, which is honestly just as exhausted and cliched as how I'm your mother references, though, that's a that's a good reference.

I'm curious how many I think is how I met your mother even on Netflix anymore.

I don't even know you can watch it.

I here's the thing.

I wouldn't want to watch it again.

It's one of those where I try.

I don't think it didn't work.

It needed to be it genuinely needed to be left behind in the 2000s and late 2010.

So here's one other.

This is totally who.

It's not who. Yeah.

It's on who.

OK, so if people want to figure out the things we're referencing, that's just a fact.

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I think the one thing I'll just add because I turned 31 last month is just that I'm just desperately aware of the fact that you and I are no longer just young and up and coming.

There's just something that you that's I think that's what 24 means.

If you're if you're in the business that we're in, if you're 24 year of all this energy, you do all these different things, there's just endless possibility. And I think for the two of us, everything is very much you're just much more tracked and that's I could say the big the big difference between those those two ages. So and then the other thing I want to get into on a more serious note before we get into the actual Q&A is BuzzFeed.

BuzzFeed yesterday announced that they are shutting down BuzzFeed news. BuzzFeed news was never profitable, was never like a driving factor for BuzzFeed.

And it's, you know, ad based digital media.

You know, we're going to build a billion dollar media company dreams.

But the thing that the thing that mattered about BuzzFeed news was it was an it was an assertion of value and weight and significance.

Like with the New York Times, the Africa Bureau is not driving any subs.

Probably lose money on the reporting they do there.

But it matters for the entire package of what the New York Times is supposed to be at a brand level. So when BuzzFeed came out of BuzzFeed news, what they're saying is, look, we know we have listicles.

We know we have debates about whether the dress is like blue or gold.

But we also have news. We have value.

We have brands. So what are your thoughts?

Just as someone who's coming, who's someone who's a successful media builder after the BuzzFeed era?

Yeah, I just think BuzzFeed tried to do with news, what people did with software.

And that was just a fundamentally wrong mistake.

And when I say BuzzFeed, I mean, BuzzFeed news, they basically had a get big, fast approach. So they tried to go into a high prestige, low dollar, low click environment and say, we're going to throw venture cash at this and try and win a Pulitzer Prize and hire all these teams of journalists and investigate it. But they never solved the business question.

They got big, fast, but they never got the revenue big.

And so the revenue never made any sense.

Also, like you're saying, is the thing about the New York Times and the African Bureau, there's a reason there's only like two papers in the United States that still have African bureaus.

I believe it's the Washington Post and the New York Times.

There was a time not that long ago, maybe 30 years ago, where places like the Baltimore Sun had a Paris correspondent, which let's be honest, that's pretty stupid in the age of the internet.

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Like the Baltimore Sun does not need a Paris correspondent in 2020. Because the 70s made a lot of sense, of course, because power people Baltimore are going to know what's going on in France or, for example, like the Dallas Morning News used to have Washington correspondence because Texas journalists would ask politicians Texas questions.

Now, A, all politics is national.

B, send an email.

So, you know, the technology basically cut the feet, cut the legs out from underneath a lot of this type of model.

The times in the past are basically the ones who solved it.

Even then, let's be honest, the past didn't really solve it.

They just have Bezos.

The time is the only one to solve it from an overall business level.

And so I think Mike.com and BuzzFeed, also, they presumed BuzzFeed news and Mike were what millennials wanted for news, which basically repackaged mainstream media.

Like, let's be honest, BuzzFeed news was great, by the way.

If you like mainstream media reporting, they did some decent stories.

But it was the same stuff that you could have read anywhere else, but with, I guess, better headline, better art.

But that's not really what basically.

Yeah, and no paywall, but that's not what people wanted.

You know, it's like the sub-stack.

I think the sub-stack, YouTube, explosion, everything, independent media, et cetera, that actually was in the very nascent stage at the very same time as BuzzFeed at the end of the day, like that was the right bet.

And imagine going back, when did BuzzFeed news launch?

Oh, 2012, maybe 2011.

Around, I forget.

It was, yeah, around early to mid-2010s.

Imagine going back to that time and saying that the guy smoking weed in the basement at Joe Rogan would be bigger than, would not only survive, but would make many multiples times the amount of money that they raised for BuzzFeed news. Nobody would ever think that.

So I just think it's interesting to go back and to think about the bets that people made and really like how wrong they were, just about presuming how people wanted news.

You know, it's interesting about the story you just told, though.

It doesn't lead to a satisfying conclusion for basically anyone.

Because, A, OK, you go back in 2011, 10-year venture capitalists like A-16Z, Mark Andries, and they invested in BuzzFeed.

Mark couldn't have gone to Joe Rogan and said, hey, Joe, give me, take my,

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you're an up-and-coming podcaster of his formats.
Interesting. Take my money.
I'll take X percentage of what you're actually doing.
So that wasn't actually, I get what you're saying in terms of like the editorial voice and everything.
That wasn't actually an option.
Especially because kind of to this day, there's no real effective means of bringing venture onto the creator side in the sense of soccer.
Like breaking points is you and Crystal.
Do you want to sell 30 percent of that to a VC who's going to tell you to grow faster next month?
And you're like, actually, I kind of want to take a vacation.
They're like, does it matter?
We own 30 percent of you. This, this, this or that.
You're not going to do that.
Joe Rogan wasn't going to do that.
So there never really was an opportunity to invest in creators, which is actually why a lot of the investments in sub-stack, the investments in a bunch of the other, like, you know, Supercast, which is how we're doing this platform.
The idea behind the investing in those things were OK, like we can't invest in like Marshall and Sager or Chris, Joe, but let's invest in the platforms that actually enable them to do their work.
Well, good news, bad news, good news.
These platforms are awesome.
Sub-stack works great.
Supercast works awesome.
Like we love these things at a product level, but guess what?
The problem that all of these creator economy startup investments are running into is that in the sub-stack has this problem.
Sub-stack burned through \$95 million and they're having to raise community rounds because they had to spend most of that money giving advances to creators during the platform.
But at the end of the day, there actually aren't that many people capable of generating the amount of revenue that sub-stack needs.
Sub-stack, Supercast, Supercast is a slightly different amount of sub-stack.
But underlyingly, a certain percentage of your subs goes to sub-stack.
It's 10 percent of sub-stack.
It's fifty nine cents with Supercast.
So that's not that much money per subs.
You really, really, really, really need scale there.
And just right now, the scale isn't there.

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There just aren't that many people who could generate a business that would necessitate the venture scale level that would make sense for these businesses. So real talk, guys, you should create.

You should be a podcaster.

I would not be an investor in creator companies or individual creators unless, you know, there's some weird situation where Mr.

Beats would take financing.

But that's just like a unique.

But the key thing there is that Mr.

Beats doesn't really have an editorial voice like you're doing.

Like he's doing fun stuff.

It's more like an entertainment company than it is hard news.

Here's the truth. If you wanted a 10 X return,

I just looked it up in 2010.

You should just invest in Google because it's a \$10 share price.

And today is 105.

So, you know, at the end of the day, you should bet on the real companies that actually had the backbone for for growing the quote unquote creator economy and have it solved.

And look, you know, I bitch about YouTube, YouTube is the best.

There's there's no question. There's no alternative.

Like YouTube is YouTube is a force that is so powerful

that I still don't even think a lot of people have even wrapped their minds around like what the potential is and how everything can go from there.

So yeah, it's kind of funny. You're right.

You're defending the the investor.

I think that's fine.

But I'm more saying like, I don't know if they ever had.

I don't know if they ever had a chance, if that makes sense.

Well, no, totally.

And the last thing I add on this is obviously people on the right are taking the chance to just like dump on BuzzFeed and say, oh, they like were libs and they posted the PP tape or the article about the PP tape, steal the Trump.

I'm not going to go into it.

People can Google that to get the 2016 era reference.

But the key thing is this isn't really about ideology,

because the underlying thesis behind these companies were, OK, no one likes the New York Times anymore.

No one likes the Washington Post anymore, likes or subscribes.

Therefore, the way millennials are going to get news is they're going to go on Facebook, they're going to go on Twitter, they're going to go on Snapchat,

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and they are going to click links that are shared there.

And if we, the media company, could get good at manipulating and writing the algorithm, we could get billions and billions and billions and billions of clicks, we will then, instead of selling subscriptions the way the New York Times does, we will sell those clicks for advertising dollars.

Ergo, we are billion dollar plus companies.

That's a thesis, which is totally ideological neutral.

You could be super conservative.

You could be super liberal.

You could be a communist.

You could be a fascist.

That that's a this is just a business theory.

And it actually turns out that that business theory just does not work.

The platforms are going to change the algorithms every other week.

The platforms like Facebook are going to like sell you video promotion deals and then change the program and cut those deals the next week after that.

So on one level, we could say that they that BuzzFeed didn't have a useful editorial voice compared to Joe Rogan, but on another level, BuzzFeed could have been the Joe Rogan like news media arm.

And if they built their business on getting clicks via Facebook, they would feel regardless.

So just a really interesting intersection of just business.

How just like everything comes down to business model when you're thinking about these things.

Yeah, it's funny.

I saw some NBC reporter like trying to blame this on the platforms.

She was like, this is the problem with the plot.

I was like, this is not about the platforms.

It's about demand.

Like, or I mean, I guess if you want to blame like the overall ad market, but it's like, what do you think you work as?

You know, it's like, that's the funny thing too.

I was she works for NBC news.com.

Like you really think NBC news.com would float on itself or maybe are we taking like network and subscriber fees and being part of a much larger multi-billion dollar corporation, which is subsidizing all of your work.

It's like a lot of these people is don't even understand.

Apparently a lot of people don't understand how business works in the media game, which is probably the biggest problem of all of this.

Jonah Peretti, by the way, everyone was applauding him.

I thought his statement.

Real chicken shit.

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He's like, I should have done better.

You know, I should, I'm sorry.

Like, look, when you're laying people off, it doesn't need to be like the excuses and all that stuff don't matter.

Just be like, here's the idea.

It totally failed.

And this is what we have to do.

So, yeah, I don't know.

I didn't, I didn't like the statement that he put out there.

It almost felt self-pitying.

Yeah, no.

And it's, I think it's just, it's just so interesting to see that we're talking about the Charlie Rossell, who people are going to have mixed opinions on, but he had a good, had a good Atlantic piece where he was like, and a buzzfeed.

That is the actual end of the 2010s.

Like that's the actual pivot point.

I think that's a totally correct take.

There's just something about the way Jonah built the company and the assumptions that really are very, very 2013, 2014.

And that's just like, not true anymore.

Okay.

Now we are going to get into some Q&A, answer questions.

Once again, if you would like to hear the full version of this, go to realignment.supercast.com.

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