

## [Transcript] Plain English with Derek Thompson / True or False: 10 Controversial Predictions About the Future of Streaming, Tech, and Media

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On today's episode, we got predictions, predictions, provocations and premises about the future of streaming, tech and entertainment.

Last year was a bloodbath for media of all stripes.

Netflix was down, the ad market cratered, Disney fired a CEO Bob and replaced him with another CEO Bob, Warner Brothers Discovery was Nightmarish and meanwhile the domestic box office for films was down too.

Outside a handful of huge hits like Top Gun Maverick and Avatar, the movie business is still struggling to get people to see original films that aren't just the latest installation of familiar franchises.

And what's interesting is that you'd think, okay well if people aren't watching movies but they're still consuming a lot of video entertainment then surely the streaming companies are doing well but basically all the streaming companies seem to have negative or minuscule earnings themselves.

I mean like it really has been difficult in an age of rising interest rates to look across the landscape of media entertainment and say, aha they're the ones that have really got their stuff together.

Everybody seems to be suffering at the same time.

But that said, I feel like one mistake that media people like me can often make is that we mistake current trends for permanent trends.

But just because X is happening now it does not mean it's going to go on forever and frankly nothing goes on forever.

Almost everything changes very frequently.

You think about something like Netflix soaring in 2021, got clobbered in 2022 and now might be poised to have a huge comeback in 2023.

So what I thought we might do today is run through several predictions and provocations that I'm hearing from my friends and sources in the media and entertainment space and throw all of them at a smart media analyst and see what he has to say about this prevailing wisdom.

So today that's what we're going to do and I'm very pleased to say that today's guest is Rich Greenfield, the light shed media analyst.

He's been on this show before, he's absolutely fantastic, he really knows his stuff across TV, film, tech and I think we're going to have a lot of fun today throwing stuff at him from TikTok to the future of the metaverse and VR to what Disney should do about ESPN.

I'm Derek Thompson, this is Plain English.

Rich Greenfield, welcome back to the show.

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Thank you, good to have you back.

Okay, so Rich, here's what I have in store for you today.

I have 10 sentences, 10, call them predictions or provocations that I'm going to throw at you and I want you to tell me whether you think that statement about the future of media and tech is true or false.

And to be clear, if you think it's false, I want you to tell me in very clear terms that it is false, false, false because I don't necessarily believe in all of these statements. They're more just morsels that I'm getting from putting my ear to the ground or reading stuff and trying to figure out what the conventional wisdom of the media entertainment space might be today.

So let's get ready.

I'm going to start with this.

We are nearing award season and there is an emerging theme in the media right now that the prestige blockbuster is nearly dead as a genre.

You have prestige films and then you have blockbusters and they used to be the same, they used to have things like Forrest Gump and Titanic, but now they have mostly decoupled and you look at the last few award winners for Best Picture, Coda, Nomadland, the favorites for this year like the Fablemen's and Tar, small box office, all of them.

So true or false rich, the day has finally arrived when prestige films are no longer viable in theaters because streaming has so forever altered the face of cinema.

I think it's true, but I think it was already true.

I mean, I think it's been true for the last four or five years.

I mean, the pandemic obviously I think has accelerated a lot of this transition, especially when you layer on streaming on top of the pandemic, but I think consumer behavior was already shifting away from movie theaters for all but quote unquote event films.

And I think so when you think about the films that you're talking about, I mean, think about a few years ago, I forget the name of the movie from Fox, Searchlight, it was the fish film, right?

The Shape of Water?

I mean, okay, seven people saw that film, right?

Yeah, You, Me and Five Other People, yeah.

Right, or three billboards over, forget what state or city it was, but like Missouri, yeah.

But we've had this, this has been an ongoing issue for years and it's, I think, why interest in award shows has waned as well.

I think it's a direct result, right?

People are not seeing the movies that are winning these awards.

Maybe Top Gun changes that at the Oscars, I doubt it, but I mean, we'll see.

But I think there's been an ongoing issue where big movies that people actually see are not the ones winning awards, which is funny because when you think about what happens in TV, I think some of the biggest TV shows actually do win awards when you think about Emmys and even Golden Globes.

I do think that there is sort of, maybe not perfect correlation, but more of a correlation between those two.

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That's such a great point, yeah.

If you're a Golden Globes award viewer and you look at the movies that are most nominated and you compare to the television shows that are most nominated, you're comparing, *Banshees of Inna Sheeran*, I think was the most nominated movie.

I saw it, I saw it at home on a couch that I can see from the basement that I'm podcasting with you, but then you compare it to *Abbott Elementary* or *Hash the Dragon*.

These are really, really popular shows that are being nominated on television for Golden Globes.

You're right, it's an interesting division that we're seeing between prestige in television versus film.

I mean, *Squid Game*, one of the actresses won at the Emmys this year, and that was by far the most watched series over the course of the year.

Again, I just think there's a big disc, and even the nominees are far more connected than what you see in the movie business.

I have another true or false statement to throw at you, we've got to get through all 10 of these.

True or false, we're moving on to Disney.

Disney's number one problem in the last few years is that its movies just haven't been good enough.

Well, I think that's false.

The movies have been good.

I think the problem is they are less good than they were, right?

I think it has been sort of the challenge for Disney is because they wanted to go into streaming, they ramped up dramatically everything they were doing.

And so instead of making one Marvel film a year, you're making multiple Marvel films a year.

Not to mention on top of that, you're making multiple Marvel TV series a year, and you're trying to do the same thing with Lucasfilms.

And it just, when you try to do more, it is really, there's a real challenge of trying to do quality and quantity at the same time at the same level.

And Disney's been a company that has only historically focused on quality, far more than quantity.

And now it's trying to do both, and I think it's finding it very difficult.

And so I do think the quality is less than it's been.

And I think that's showing in sort of the success and visibility, I think a lot of these Marvel and Lucasfilm TV shows haven't really broken out the way, look at the way something like *Wednesday* broke out on Netflix.

We just haven't seen, I can't remember a true breakout, breakout hit on Disney Plus really since *Mandalorian*.

Yeah.

It's *Mandalorian*.

That's what I was going to say if you didn't mention it first.

That's what three years ago, right?

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I mean, we're talking 2019.

Right.

I think that's true.

I mean, I think it's interesting that you said false to the premise that the movies have been good enough, but you identified the core tension here, which is that there is this difficult trade-off between quantity and quality.

If you were, if you would ask me, how does Disney's content even at its level of success compared to every other studio, you'd say still Disney's doing better than everybody else.

Right.

It's a relative decline.

How do you think, to the extent that this is a problem, this quantity quality trade-off, do you have a theory for how Bob Shepek, the new CEO, might have a different take on it than the outgoing CEO, excuse me, new CEO Bob Iker has a different take on it than the outgoing Bob Shepek?

I think it's a great question and unfortunately, we haven't really seen what Iker wants to do.

I think it, you know, in many ways, Iger is the one who set this in motion, right?

This is not, you can't pin this on Shepek.

Shepek certainly put his foot to the pedal on Iger's strategy, but the strategy of ramping up within these categories was definitely an Iger creation.

And so I think we're going to learn a lot over the course of the next couple of months.

I don't know the answer to that.

I do think that my guess is the right answer is slowing down on these franchises, putting more TLC, and then broadening out the content beyond these franchises.

True or false, number three, Disney should sell ESPN in the next 12 months.

False, or I don't think it's going to happen because I think, unfortunately, Disney sort of needs the cash from ESPN.

And I think, you know, with the economy slowing recession, I do think that despite the headwinds ESPN is facing, Disney needs that cash.

I do think that it is an asset that probably deserves far less investment than it gets today.

Like, I don't think it's, Disney doesn't own the content.

The NFL does, Major League Baseball does, NHL does.

I do think reducing investment.

You know, they recently exited Big Ten rights.

I think how they reduce investment in ESPN is really important because it's not the asset it used to be, as I think most of your listeners, you know, increasingly cut the cord.

And I'm guessing most people listening to this podcast are not viewers of linear television at nine o'clock anymore, the way they were five or 10 years ago.

And that's a big problem for cable networks like ESPN.

It's really important, I think, to recognize that what Disney is trying to execute with

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the growth of streaming business is really, really hard in a high rate environment. Because in a low rate environment where people were willing to price companies based on what they were going to be in five or 10 years because interest rates are basically zero.

Okay, you can say, you can announce, we're a streaming company now, streaming is the future.

Don't look at the fact that we're losing billions of dollars a year on streaming.

Don't look at that.

Just pay attention to what we might be in a decade.

But now that rates are going up and up and the Fed is still going to raise rates a few times.

I think this year, even though we just today, I'm speaking to you on Thursday, saw a measure of core inflation come down and headline inflation has come down five in the last six months.

You still are going to have higher rates.

Higher rates means that Disney needs some cash coming in in order to keep investors believing in the company in the next few months.

And where's that cash coming from?

It's not coming from streaming.

It's not coming from the identity that they talked about over the last few years.

It's coming from things like ESPN and all those affiliate fees and the advertising that's related to it.

So, it seems to me like this company is in a weird place, right?

Because it relies in terms of earnings on an identity that seems to be going out the door while it's building another identity that doesn't yet have earnings at all yet.

There is.

This is tough.

And I don't think it's just tough for Disney.

I think this is the problem facing all media companies right now is that the golden goose that just kept printing money for these companies was cable networks in the box office and consumer

behavior is moving very rapidly.

And I think these companies, none of them, again, I don't think this is Disney specific.

I think all of them are trying to figure out what is the right strategy.

They jumped into streaming because it seemed like the thing to do, as you said, and now they're going sort of, oh, shit, what now?

We can't get to scale.

This is not really what we, you know, we're not really direct to consumer companies.

Shurn is hard.

You got to do more quantity over quality.

Like this is really, really hard.

And it's not, you know, most of these companies, I mean, think about it, they were B2B, right?

Like Disney didn't sell to you directly.

You bought cable networks and broadcast networks from a cable company or a satellite company.

You didn't buy their movies directly.

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You went to Walmart or you went to the movie theater.

Like you didn't buy from them directly.

Being in the D to C business is just new for every single one of these companies and they're learning what, you know, what Netflix lives and breathes over, you know, the last 12 plus years.

It's hard.

Number four, we're going to hold on to the sports theme for a bit.

Number four, true or false, Google and Amazon will eventually regret spending so much money on live sports deals.

He's rubbing his temple right now.

Regret.

I think it's false.

I think the reality is the sports has been a part of every major.

When you think about anyone who has built them, you know, media businesses, almost all of them have, you know, Netflix is the outlier at the moment, but potentially everybody has used sports as an important part of their offering.

There's nothing that attracts consumers, especially hype, you know, think about the NFL.

So Google has done a YouTube TV deal, Amazon's done a Thursday night football deal.

I mean, the NFL is the world's pinnacle, the best content in the world.

And if you're trying to attract advertisers, attract consumers, what better way to sort of use a battering ram to break into this business than with the world's most valuable content in the NFL?

Did the prices they pay?

Are they high?

Are they aggressive?

But the difference is, you know, I think the reason I sort of answer false to your question is that these companies, this is not the be all end all, meaning they don't, the profit and loss of their media businesses is not how these companies are judged.

Like they have a very different lens.

They're focusing on how do they capture more time spent with media in terms of their overall ecosystem.

And so they're using a very different lens.

They don't have the PNL, like Disney back to your question, Derek, like Disney has to look at this is like, how much do we spend on each piece of content knowing that the revenue line of ESPN is in secular decline?

How much can we spend on each piece of content?

There are revenue drivers of Google and Amazon that have nothing to do with their video subscription

video offerings at all.

And so I think, you know, it's part of a much larger game.

You know, if you're Amazon, you're looking at what happens to, you know, retail sales, what happens, can it drive, you know, the Amazon music business, like all the different pieces of the equation, it's a very different calculus.

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And I think from that standpoint, since they are using a different economic lens, I think moving into sports is smart for both companies.

There's an amazing statistic that I found.

So I should say, in terms of this specific true or false, I don't have a strong opinion.

I think it's fascinating that YouTube and Amazon are spending so much money on the NFL right now.

I initially, when I saw those numbers, thought maybe this is going to be read as an overspend in five, 10 years when we look back on the price tag.

But this is an incredible statistic from 2022.

If you look at the 100 highest rated live shows of 2022, NFL games account for 82 of the 100 highest rated live shows or linear TV, TV hours in 2022.

First football was another five.

Other sports accounted for another seven or eight.

The only non-sports on this list were the Academy Awards, the Thanksgiving Day Parade, and the election.

So basically, when it comes to linear TV, sports is the entire ballgame.

It is 90 plus percent of the most watched things on television.

And I also think that you're right, you know, you look at the Amazon signups that came from the initial airings of Thursday Night Football, it seems meaningful and the lifetime value of those customers could theoretically justify the price tag.

It is just, man, it is so damn high.

Okay, I've got, yeah.

Number five, I've gotten a couple of falses in a row.

Let's see if we can turn this around.

True or false, the worst is over for Netflix.

Within a few months, with the ad supported tier, maybe some crackdown on password sharing in the US and other international markets, the combination of this will drive revenue growth, drive appreciation, appreciation of the stock value.

The worst is over for Netflix.

True or false?

True.

Care to elaborate?

Sure.

You know, I think the two things are happening.

One is we had a, I think Reed Hastings never assumed that the peers, you know, all the companies that we were just talking about earlier, I don't think he ever assumed that everybody would launch streaming services and lose billions of dollars, like Peacock losing two and a half billion, HBO Max losing, you know, two to three billion, Paramount losing two billion, like the level of aggression with no business plan from so many companies, look Disney raising price and realizing they have to cut their streaming losses and think all of this ties together and that there was this massive surge in competition that now is going to slow down as everyone retrenches and realizes just how difficult this is, not to mention in a recessionary environment, economic headwinds, everyone is sort of realizing



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that with their core businesses in trouble, they've got to sort of figure out ways to slow the losses of these streaming businesses.

I think that's a nice sort of inflection point where it was bad for Netflix and it's going to start to ease up.

So I think that's going to be really helpful over the course of the next 12 or 18 months.

And then on top of it, I think, look, having a cheaper advertising plan, even if most consumers don't want it, I think having a lower price point is going to be great for a marketing standpoint, especially as you crack down on password sharing.

And I think the services become so must have.

And I think if you look at the content hot streak, the company's been on over the last six months, when you start to crack down on passwords, but you have all the content people want and as others start to pull back, it makes it even easier to justify setting up your own subscription or having somebody pay for you to have an incremental account.

I just think the revenue growth reaccelerates pretty meaningfully at Netflix in 23 and 24, 2023 and 2024.

And so I do think the worst is behind them.

And there's a lot of opportunities as they sort of reassert their leadership in streaming.

Number six, this is the year that virtual reality fully breaks into the mainstream.

True or false?

False.

I just think we're still very early, honestly.

Because I think, look, can it break into the mainstream in gaming?

For sure.

And with Sony coming out with a new device, you're going to see a new device, I mean,

I think you're going to see a device from Apple.

I think you're going to see a new device from Meta.

All of this is going to make it, I think, far more appealing for gamers.

Anyone who buys, think about all your friends that have a PlayStation or an Xbox.

For those consumers, this is going to be a big year.

But I sort of take the way you phrase the question, true mainstream, meaning not just people who are avid gamers, but sort of anybody, I think that's a stretch.

I think it's going to take more use cases.

And I don't know what those are, but I think we're still very early in this being something that is compelling beyond core gamers.

I totally agree with you.

And yeah, you took the meaning of my statement exactly correctly.

I still, you know, I think Mark Zuckerberg is a brilliant guy.

I am willing to grant genius status to Mark Zuckerberg.

I don't get what he's doing.

I understand it from the standpoint of he feels like he's boxed in by some of these hardware makers like Apple that own the iPhone or like Samsung that own their phones.

He feels like a renter on these platforms.

He can't control the rules at these platforms right for themselves.



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And it means that whenever Apple changes their privacy code, it can really, really dent his ability to do psychographic profiling and make advertising revenue as efficiently.

And so he wants to build his own hardware platform.

Okay, got it.

Holy crap, like virtual reality, wrap around goggles.

I just don't see it as the next iPhone.

I see it as something like the younger brother of the next Xbox.

I see it as a fun tool for gamers, which are a big industry, but not the kind of mainstream that I'm referring to.

How do you see meta strategy here any differently?

You're a really sophisticated reader of corporate strategy, especially in the media and tech space.

Is he nuts or does this make a kind of kooky sense?

Look, is there going to be forms of blended reality experiences?

I don't think it's with headgear that looks like a MetaQuest Pro looks like today as it gets to the point of being eye aware or contacts.

Is there a future where mixed reality will be very interesting and have lots of use cases?

I'm absolutely sure there will be.

I'm a little less convinced on pure VR just because it cuts off so much of the world around you outside of gamers.

But I do think that, I think there's something there, I do question in terms of like, think about Derek, think about the companies that have historically been best at blending hardware and software.

You probably would say this little company called Apple is the one that's most interesting when we talk about this.

We haven't seen how Apple's going to play here.

I mean, there's been lots of speculation and talk of what's coming this year.

I think what Apple is going to do is going to make Mark look not crazy.

The question is, can Meta slash Facebook, who has never been a hardware builder really, can they actually compete with the blend of hardware and software the way Apple can?

And that's to be determined.

But I don't think Mark is crazy.

I just question whether they're the ultimate winner here.

Hmm.

Number seven, true or false, TikTok will sell US operations to an American-based company in the next 12 months.

False.

I mean, I just don't see our government focused enough on that or unified enough to sort of, I think a lot of people are worried about TikTok and what it does.

But I think actually getting the government to remove something that has become, and you're not really saying fully banned.

You're saying, hey, force it to be sold.

But I still feel like it feels like the government is going to get comfortable enough with TikTok's

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sort of Oracle data storage solution that won't necessitate a full sale of TikTok to a US company.

I just don't see enough groundswell to make it happen.

I hear, I see some senators, I see an FCC commissioner, but I don't see the type of massive groundswell

nor a executive branch that has this sort of stated as a must win or must execute on issue.

Yeah.

I'm really torn on this.

I think you're probably right.

If I had to bet money, I would bet that TikTok is not sold in the next 12 months in terms of their American consumer base.

At the same time, one thing that I'm just consistently surprised by in US politics is that it's kind of like the potentially apocryphal Mark Twain quote about bankruptcy.

It's always slowly, slowly, and all at once.

You think about something like the craze about gas stoves versus electric stoves that maybe you've seen if you've logged online in the last 24, 48 hours, everyone debating whether or not the US government is some environmental totalitarian by thinking about banning gas stoves.

This is everything.

I can see so many people talking about this all of a sudden, even though for months and months, I was vaguely aware of this debate about electric versus gas stoves happening in some environmental corners.

This debate is happening.

It's happening on Capitol Hill.

It's happening among regulators.

It's happening among writers, and it's happening within the tech world.

There is clearly this ambient sense that it's sort of crazy that we are allowing the Chinese Communist Party, which is a geopolitical foe, to be the owner of the by far most popular social media app for young people and maybe for all people.

I haven't seen the latest total demographic data, and that ambient awareness could at any given moment, based on any given speech or event or photo of something terrible happening in Xinjiang or China, concretize, crystallize into a moment where there's an awakening in Washington where people say, wait, it is kind of crazy that we aren't forcing this to happen right now.

The very last point is that Republicans and Democrats do not agree about a lot of things these days, but one thing that the Biden White House and Republicans definitely agree on is that they are no friend of the Chinese Communist Party, and this could be the kind of issue that if it has that kind of crystallizing moment that I briefly outlined, it could be the sort of thing that Republicans could work with the White House on.

That's my best case for how it could happen.

I still think, gun to my head, you forced me to bet \$100 on it, I'd say tech talk remains entirely in Chinese ownership in February of 2024, but that's my best case.

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Think about how many US, how many people, regulators, they and all of their kids and families are on this application every single day, hours a day.

Just hard.

It's just hard to ban, and I'm not sure banning, it's even the right solution.

You wouldn't even ban it.

I think it would be that pressure from regulators and the federal government accelerates a sale rather than a federal ban coming down, followed by a few months of, holy shit, what are we going to do?

Followed by a sale to, for example, Oracle or whatever.

My guess is that it's the pressure or fear of a ban that accelerates a sale rather than a ban actually happening, but again, I'm spitting science fiction here, none of this has happened. I'm skeptical.

You're skeptical.

We can move right along.

Number eight, true or false, in the last decade, the streaming companies anthologized linear TV, for example, to show you, which appeared on linear TV, but then it went to Netflix and became huge.

This decade, linear TV will anthologize the streamers.

That is to say that all of these linear television channels, ABCs and Lifetimes the World, they're going to start running shows like The Bear or The Dropout.

On linear TV, even though these shows debuted on streaming, so the relationship between streamers and linear TV will flip in this way, true or false, this flipping is in our near future.

True.

I think this is part of our predictions for this coming year.

I think this is going to be a big topic when you think about it.

If you go back to the early days of cable television, remember, cable used to just be a rebroadcast product for broadcast.

You would see Allie McBiell or the X-Files run on Fox, and then you'd see reruns run on the FX network, or you would see Big Bang on CBS, and then you would see Big Bang show up on TBS in reruns.

Cable television was the second window for broadcast TV.

I think what you're going to see now is broadcast itself is going to become the second window for streaming, where you see stuff on Peacock, and then it runs on Peacock, and then it airs on the NBC network maybe a month later, a year later.

I think the number of people watching linear TV is so small outside of sports that to actually create programming specifically for network television, honestly, it feels absurd, like literally absurd.

This is a good way to de-risk your programming because you know that it already succeeded in Hulu.

It's already successful.

Take the cost down and use it as essentially a marketing engine to drive people back to your streaming service.

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I should say full disclosure, I absolutely stole this directly from your 2023 predictions. I thought it was really, really clever.

I had never heard of anyone talking about that, but it seems it's one of those things that you read it, and you're like, of course, that is so unbelievably obvious.

There's a couple of small examples of it, Paramount's tried it a little bit.

You're seeing a few examples of where people are trying this, but I think they're going to be forced to.

They may not want to do this, Derek, but I think they're going to be forced to economically over the course of the year.

Number nine, true or false, one of the following companies will enter into an agreement to sell itself in the next 12 months, Peloton, Snap, Netflix.

One of these companies will enter into an agreement to sell itself in the next 12 months, Peloton, Snap, Netflix.

I'll say true because I do think that Peloton's got to do something.

I think they're being attacked from so many different angles.

I saw in Netflix launching fitness classes, I think they're just under attack from so many different angles that they will need the leverage of a larger entity.

I don't know who that would be, but I think it just feels like it needs to be part of a larger company.

I don't think the other two, I think it's highly unlikely, but I wouldn't be surprised to see Peloton part of a larger company in the next 12 months.

What kind of company?

I don't know.

I mean, look, I'm a big believer that subscription companies are best when they have lots of different subscriptions.

If you think about what Amazon does, two-day shipping, but then you also get music and then you also get video and how many different things that are different.

You don't want a subscription that's all the same.

You want things that are different, that touch different parts of your lives and different parts of your family.

Anybody who's in the subscription business could look at Peloton as an incremental way of reducing churn and strengthening that bundle.

I mean, obviously Amazon and Apple are obvious, but I don't know who else could take a look at it.

Yeah.

Amazon seems really an issue to me.

If Amazon especially wants to enter a tiptoe into the health space a little bit, am I wrong that they try to launch their own healthcare product or healthcare disruptor thing?

What was that like several years ago?

Maybe they were like teaming up with JP Morgan.

I feel like Amazon wants to get into healthcare and it makes sense.

If you want to essentially be something like 1% of the consumer economy, what do consumers spend on?

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Well, they buy a lot of stuff.

That's definitely true.

They watch a lot of stuff.

Amazon is all over consumer goods.

They're all over video and music.

What else do we spend our money on?

18, 20% of the US economy is healthcare.

People spend a ton of money on everything they think about as healthcare, not just on their doctors, but also on things like gym memberships.

It might be a really interesting way for them to get a little bit of that market that also happens to have a screen through which you could sell them more stuff within the Amazon empire.

It feels like it clicks in to Amazon pretty well.

Other than that, maybe I thought of Nike.

If Nike wants to build out more of a virtual presence for its stuff, it might make sense for them to buy Peloton, but Amazon and Nike are the two words that I had written down.

Yeah.

All right.

Last one.

This is actually a fill in the blank.

The biggest winner in media and entertainment of 2023 will be which company?

The biggest winner of 2023.

I feel like we've sort of in some ways already answered that.

I do feel like this is sort of Netflix's year.

They're replacing CBS during upfront weeks or like during the big week in May when all the advertisers gather, CBS has said they've canceled their live presentation for the first time in history.

Netflix is going to have a presentation for the first time in history.

This is, I think that's a pretty, you know, seismic change in the industry of Paramount out or CBS out and Netflix in, they're advertising.

Every advertiser on planet Earth wants to be part of Netflix right now.

They just don't have enough inventory.

They don't have enough users of Netflix ad supported.

But I think the content is surging.

The advertising offering is bringing down the price at a time when the economy is more difficult and they're cracking down on a lot of people who have been using it and not paying it.

It just, it feels like this is going to be a very big year for Netflix and I think you're going to start to get that sense over the course of the next month.

That's a really interesting one.

And it goes to show, I think, just how strange the last three years have been that you look at all these companies like Netflix that absolutely took off during the pandemic and then just thoroughly crashed between November of 21 and the end of 2022.

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But you know, they're not going to give up all those gains forever.

I mean, this is a company that has just such extraordinary penetration in the U.S., continues to grow overseas.

I'm very interested to see what they do with advertising and how their advertising tier takes off.

That's a pretty fast-hitting pick.

Rich Greenfield, thank you for playing along true or false, fill in the blank.

I really appreciate it.

This was fun.

Derek, thanks as always.

I love it.

And anyone can certainly follow us on on social.

It's just rich light shed and we love more followers and more, we love feedback.

So let us know what you think.

Fantastic.

Thanks, Rich.

Thank you for listening.

German English is produced by Devon Manzi.

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