EPISODE 18

[INTRODUCTION]

[0:00:00.6] JM: Apple controls the iOS ecosystem. As an accident of history, Apple also controls the podcasting ecosystem. Unlike most ecosystems within Apple's dominion, podcast remain open. A podcaster merely has to record an MP3 distributed via RSS feed and submit that RSS feed to the iTunes podcast portal. Podcasting has thrived in recent years but very few technology companies have managed to take advantage of that growth.

Libsyn is the most popular place to host a podcast. Libsyn is accommodation of a CDN, a hosting service, analytics, and a place to get an RSS feed for a podcast. There have been many clones of Libsyn over the years but the company remains the industry standard. For people who are confused, iTunes does not host any audio files. iTunes is just an index of RSS feeds. A podcaster who needs to host audio files somewhere gives iTunes access to those audio files via the RSS feed.

Today's guest, Rob Walch, joins the show to talk about podcasts, the evolution of podcasting, and his podcast today in iOS. I had a great time meeting Rob at the Microsoft Build Conference. It's always fun to go deep on the strange and nuanced podcast ecosystem and infrastructure. Thanks to Rob, and also thanks to Barrat Bot for organizing the podcast booths at Microsoft Build. That's where I interviewed Rob Walch, so I had a great time at Microsoft Build. I hope this is episode.

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[INTERVIEW]

[0:03:04.9] JM: I'm sitting here with Rob Walch, who is the host of several podcasts inside the podcaster studio today in iOS which we'll probably be focusing on, and podcasting tips for everyone. Rob also is the VP of podcaster relations at Libsyn, which I use personally. I love the products. It's great analytics.

I want to start off by talking about iOS because this is Software Engineering Daily, it's an audience for science software engineers. We specialize in software engineering contents, so I don't want to betray the audience. We're sitting here at Microsoft Build. Why is Microsoft build of interest to somebody that specializes in iOS podcasting?

[0:03:49.1] RW: My audience is a mixture of people that want to know more about the iPhone; consumers, your moms, maybe yourself if you have an iPhone. Then the other side of my audience is developers, and these are want to be developers, weekend warrior developers. Some people are developing for their company. They are the guy that everyone came to, went to get computers working at the company. Now, they are the they go to when, "Hey, we have an idea. We should have this company app and we don't to spend hundred thousand dollars. You need to go figure out how to build this app for us."

That's kind of my audience, it's the mixture of the iOS users and the iOS developers, and the iOS developers are listening to the show to find out what's the latest in news and information in the world iOS, so that they kind of want to see the trends, what's going on. I try to bring the whole world iOS to them in a nice little one hour capsule, about once every 10 days, 7 to 10

days, sometimes 10 to 14 days between episodes. It's not really today. I know, the show is called Today in iOS. It's more like every fortnight in iOS.

[0:04:54.3] JM: My personal experience with iOS, I am also working on company right now that is mostly an iOS app, that's the core functionality of it. It's been a rude awakening to how the iOS App Store actually works. How this app submission process works. It's dramatically different than the process of shipping a web app where I just put it online and I can easily access it, submitting it to the iOS App Store is an onerous process. What are the costs and benefits to Apple's ecosystem of having this really high barrier to entry to getting your app excepted?

[0:05:29.5] RW: The reason they have the high barrier to entry is they want to make sure nothing gets through the walled garden that shouldn't be there. That's what they're going to tell you. The walled garden is there to protect people from the malware issue that you deal with on, say, android. You don't hear about that issues on the iOS side. iOS users are going to download more apps. If you get in there, you're going to get a more loyal group that's more likely to consume apps.

Apple developers will tell you, it can be a little draconian. I joked to you earlier that the first time you're an app developer, if you submit to the App Store, you can expect your app to get rejected. It might not be anything you did wrong. I really believe sometimes Apple just wants to roll the newspaper up and smack you on the nose and let you know that they are the alpha and you behave.

Maybe I'm being a little mysterious in my thinking, but personally, we had an app from my podcast and it went through six rounds of getting rejected. One of the rounds of getting rejected, it said, "The app didn't do this." Then two rounds later it was, "Your app should do this." I got in trouble because it didn't do it, then I got in trouble because it did. It's like, "Wait a second, you can't reject me for not doing it and then reject me for doing it."

[0:06:49.9] JM: Right. Yes, they can.

[0:06:50.9] RW: Yes, they can.

[0:06:51.1] JM: That's their point.

[0:06:52.0] RW: Yeah. Their point was, "Well, we can do anything we want."

Overall, Apple has gotten better at approving apps. It's faster than it used to be. It used to be two to four weeks, and they've gotten faster. From the app developers I talk with, even internally. At Libsyn, we submit a lot of apps. They seem to get approved a lot faster than they used to. Apple's gotten better at it.

[0:07:15.1] JM: Wasn't there a big initiative recently by what Phil Schiller, or whoever —

[0:07:19.8] JM: Yeah, whoever took over for Scott. Yeah. I think they've put more resources to it, and they've made more automation in checking the apps for nefarious things.

[0:07:30.1] JM: You still take like a week to get your apps approved, or two weeks.

[0:07:32.9] RW: Oh, longer. Yeah. They would tell you it's two, and that we would see people and talk to people that was four weeks. Like, "Oh, no. No. We're two." I'll be like, "Well, not everyone I'm talking to. I'm talking to a four." It does ebb and flow depending on the time of the year. This is a bad time of the year to be submitting apps. A lot of people submitting apps before WWDC. Things do ebb and flow between Thanksgiving and New Year's. They will tell you it'll take longer because there's a lot of people at Apple just take off and they're gone.

Through the regular year up until, say, through April and May, beginning of May, you're looking now lately less than a one week period to get apps approved for resubmitting for updates on your app. The updates go faster. Again, it's different if you're submitting a first time developer, submitting your first app, you can expect to get it rejected. You want to build probably two rejections into your timeline.

[0:08:33.1] JM: Tell me why you started today in iOS.

[0:08:35.5] RW: I wanted an iPhone. It was originally called Today in iPhone, so I started 10 years ago before the iPhone came out. I said, "Ooh!" Steve got on stage and he showed that

shiny little thing and I said, "I want one. How do I justify it to my wife? Oh! I'll just start a podcast on it." I was already podcasting." I said, "Oh, I'll just start one call today in iPhone," and I did and I launched it in April of 2007 and I actually got an advertiser, Audible, right out of the gate. They paid me sight on scene enough to cover me for the iPhone and the cell plan for a year. I figured out, "Here's how much it was going to cost." The first three months, that was what they paid me. I had the phone and the first year taken care of right out of the gate.

[0:09:17.9] JM: You just continued it despite the fact that your wife eventually was probably one over to buy an iPhone herself.

[0:09:25.5] RW: She was the longest convert I've had of anyone I know. She had a blackberry until the iPhone SE came out last year. Yeah, here I am doing the first podcast on the phone and I couldn't even get my wife to go away from her blackberry. She's very non-technical.

[0:09:41.3] JM: Do you still find yourself legitimately interested in the stuff that goes on in iOS ecosystem or is it more of like momentum that you've just built an audience and you're —

[0:09:50.6] RW: No. I really am interested.

[0:09:51.8] JM: You're interested.

[0:09:52.1] RW: Yeah. I read about it even if I wasn't doing the show.

[0:09:55.0] JM: Tell me about some of the nuances in — Because it's so funny. I do all these shows about software engineering. I don't do a whole lot about — I can't do many shows with Apple engineers, because Apple doesn't talk to me. Apple doesn't talk to anybody. I don't do a whole lot of shows about Microsoft, although listeners have been asking for more about Microsoft and yet these are two that used to be the preeminent tech giants. I also can't do many shows about Amazon.

It's funny because I just interview people and we talk about the tech giants a lot but I can't talk directly to the tech giants. Tell me some of the nuances that you've learned about the modern

iOS ecosystem that's you wouldn't know unless you were doing day-in and day-out reporting about the iOS ecosystem.

[0:10:40.7] RW: I think the one thing about the Apple ecosystem is Apple has a plan for it. They want it to be a very controlled ecosystem. They wanted for not the ends of the curve but the middle of the curve. When you look at it, they don't care about the top 5%, they don't care about the bottom 5%. They care about that 90% in the middle of users.

If you're going to be a superpower user and you're going to totally customize everything, then maybe android is a way for you to go. That's not what Apple is trying to claim their ecosystem is about, but they want you to be able to come into their ecosystem and do everything, everything that you want to do with your smart phone.

I think the nuances with the iOS ecosystem versus android is people are more actually likely to use third-party apps in that ecosystem on the iOS side than android users are. When you actually look at it, I think there's really — It's like three groups of smartphone users in the world. There is iPhone users, iOS users. There's the Samsung users, and then there's the rest of the android users. I think what these breakdown to is people get a — Want a phone. Just want a phone. Don't care about anything else. Just want a phone, maybe email, texting, they get an android. People that want more than a phone, they get an iPhone. People that want more than a phone that don't like Apple, get a Samsung.

[0:12:07.9] JM: Wow! Interesting breakdown of the market. I had not heard it presented that way. That makes a lot of sense. How does that impact — Give me an example of how that impacts something subtle.

[0:12:18.8] RW: Okay. There was a report recently by a company and they said, "Oh, iPhones crash more often than other devices." Then when they gave the numbers, they had this breakdown of what caused the crashes and it was very interesting. It said, "iPhone crashes." Ironically, they didn't nominalize it based on how much time people use on the devices. They just looked at the total number of crashes, but iPhone users, most of the crashes came with third-party apps. Android users, most of the crashes came with native apps except for Samsung users. The Samsung users crash with third-party apps.

What it said was, "Really, when you looked at it, it was iPhone users and Samsung users were crashing with third-party apps because they were actually using third-party apps, but the rest of the android users were crashing with native apps because they weren't using third-party apps," because third-party apps are always going to crash more than native apps, or should in a perfect world.

[0:13:16.9] JM: Let's clear things up. When you're talking about third-party apps, you're talking about if I'm on —

[0:13:23.1] RW: Uber. You're on Uber or something like that. Any app that wasn't natively installed on your device by the manufacturer, and that app crashes. That's what they consider a third-party app.

Now, the company did a bad job when reporting, because I actually reached out to them on the show and I talked about this. I said, "Did you not nominalize to the amount of hours used?" Because if you have 10 crashes and someone used the app for a hundred hours in a week and the other phone crashed eight times but they only used it for five hours, you can't say this one crashed more than that. Yeah, it did, technically, it had 10 crashes versus eight, but for nominalize for amount of usage, then you can't say that, and that's not a valid data point. They admitted, "No. We didn't nominalize for amount of usage. We just looked at the devices."

When you looked at it, when you look at their data, it really did show third-party app crashes happened on iOS and Samsung devices, so Apple and Samsung devices. Which when you think about it, those really are the two big brands, and then there's all the other android phones. The other android phones are people making decisions based on price for the most part.

[0:14:28.7] JM: In your show, are you trying to report mostly on the present state or are you also prognosticating about, "Oh, Apple is preparing for their augmented reality headset."

[0:14:44.6] RW: I hate talking about augmented reality.

[0:14:47.8] JM: You hate talking about augmented reality.

[0:14:48.1] RW: Yeah. It's like —

[0:14:50.8] JM: Let's be clear. I'm not asking you about augmented reality but I'm asking about whether or not you talk about [inaudible 0**:**14**:**54.9].

[0:14:55.5] RW: I do speculate on some things. I have segment — The basic show is a breakdown of I'll talk about some of the latest news that's actually news for something, like, "Here's the latest version of the betas. What's new in the versions of the betas? Here's the latest version of iOS. They just launched it. What are some of the new features in that?"

We'll talk about some of that, or Apple released some new software or new app or something that's really actually news. Then I'll get into listener feedback. I do a lot of us the feedback and they'll have people ask questions. Sometimes they're going to answer questions. Ironically, I have a Google Plus community for my iOS podcast.

I just like the Google Plus community better than the Facebook community. Gets a little better search juice. That was what I settled on at the time. Then I'll get into some rumors. In the rumors, sometimes it's just brutal because it's just like so many. Sometimes I'll just skip a couple of episodes. Like, "I am just burned out on rumors." They could talk about iPhone rumors, because they're coming out of the wood works. There's some really fake news sites, like anything from DigiTimes, you throw it out the window." If it's as rumor from DigiTimes, it's not true.

[0:16:04.8] JM: What kind of fake news is in the Apple rumors fake news bases?

[0:16:09.0] RW: Literally, you'll get companies like DigiTimes that will say, "The iPhone 8 is going to be released on September this," or "and in our supply chain says that it's going to release on time." Then two weeks later they say, "Our supply chain said it's going to be late." Then six months later they report, "Hey, look! We were right on this one." They'll say, "It's going to happen. It's not going to happen," and then they report back, "Hey! We told you it wasn't going to happen." They completely make stuff up.

[0:16:39.0] JM: The site like Mac Rumors is credible, somewhat credible.

[0:16:42.2] RW: Mac Rumors isn't too bad. 9 to 5 Mac isn't too bad. Those are the ones that are more legit. Anything from BGR, forget it. The Verge, forget it. Those are fake news sites.

[0:16:52.4] JM: Verge?

[0:16:53.5] RW: Oh! Anything that had to do with rumors, Verge just makes it up. Absolutely.

[0:16:57.2] JM: Really?

[0:16:57.7] RW: This came from This is My Next. This is My Next was one of the worst fake news sites about rumors when they launched. We just know, if they made stuff up about "Apple's next device" because it will always be an unnamed source or people in the know. You know what that means? When you hear unnamed source of people in the know, that's the way of you knowing the reporter made it up based on speculation and this is what that reporter thought was going to happen, and use reporter with air quotes.

Yeah, if you look at a tutorial that comes from The Verge or a tutorial that comes from BGR, they're fine. If you look at rumors from The Verge or rumors from BGR, they're as bad as DigiTimes as far as hit rates. That's one of things I'll do on the show is I'll call out the fake news sites.

[SPONSOR MESSAGE]

[0:17:50.6] JM: For more than 30 years, DNS has been one of the fundamental protocols of the internet. Yet, despite its accepted importance, it has never quite gotten the due that it deserves. Today's dynamic applications, hybrid clouds and volatile internet, demand that you rethink the strategic value and importance of your DNS choices.

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[INTERVIEW]

[0:19:49.8] JM: A lot of the people, myself included, would find it shocking to learn that a lot of Verge's Apple related rumors are "fake news". Do call in to question other things they write about?

[0:20:05.2] RW: I don't look closely at the other things. I look closely at iOS rumors and I know and I track them and I have everything in Evernote and have all my show notes forever, and I go back and I look when the iPhone comes out. I'll go back in a look at which sites were right and which sites were wrong.

By doing that overtime, This is My Next was absolutely the worst. I mean they were so far off. They would literally make stuff up. You could tell it was made up, and then that became the Verge. These are things I've said on the show. I'm not calling out.

Again, tutorials they do the job, but when it comes to rumors and when it's unnamed sources and its things like that, you can't buy it. You can't believe any of it. It's really just like DigiTimes. I actually stopped reporting on rumors. When the source is BGR, The Verge, or DigiTtimes, I won't even put those rumors into my episodes anymore. People email me, "How come you didn't talk about this?" I'll go, "But well, it came from DigiTimes." I completely stop reporting a DigiTimes because it's so bad.

[0:21:08.6] JM: Tell me more about your reporting process, because Software Engineering Daily, it's not exactly news. It's not exactly opinions. It's kind of like report — It's almost like secondary sources or like looking at the widely accepted media or talking to people and then creating app ads on top of that. It kind of sounds like that's what you do, you look out at the what's going on in the ether and then you congeal into something that synthesizes a lot of that information and also injects your own opinion viewpoint.

[0:21:49.5] RW: Exactly. That's what I've tried to do. I'm trying to make it where there's an hour-long episode where you're driving or whatever you're doing that you can kind of catch up on the latest news, helpfully have some tips and tricks where you can learn something new. Mix in a little dry humor, sometimes too dry for people to even notice. Kind of a little British humor in there, and try to have some fun with it.

I have a segment of how wrong were they at the beginning of the episode, where I give a quote from somebody said something in the past and would just kind of laugh at how far off base they were on the quote. Like, "Oh, the new Blackberry is going to eat the iPhone's launch." It's a quote from like three years ago. I'm like, "What were you thinking? This is what you have to take from InfoWorld or wherever it was from." It's like, "Remember this when you hear anything from Paul Thurrott about iOS. It's wrong." He's going to tell you that bad is going to happen, anything to do with Apple, and Thurrott is always because he's so anti-Apple.

There are certain people that you can't trust their judgment when it comes anything iOS related. There's other people that do really good jobs. There are some that come pretty good to mark. I would say Rene Ritchie. iMore is a pretty reliable source. Taco Mac. It's a Mac Mac website out of Japan. I forgot how to pronounce it. He does pretty good.

There're others that get — Ming Chi Kuo is one of those that gets over, said, "Oh, he's right all the time." No. He's not right all the time. He's right more than others, but he's not even right half the time. I if you have a batting average that's good in baseball for Mac rumors, that's a pretty good average.

[0:23:36.2] JM: Okay. I want to segue in talking some about podcasting, because you work at Libsyn, and we had some very interesting conversation podcasting before the show. To segue that, Apple obviously dominates the podcast listenership audience in terms of where are people listening, because if you open up statistics in Libsyn for any podcast — Libsyn, by the way, for people who don't know. I think you guys are prominently CDN/hosting solution for podcasters who want analytics that they can say to an advertiser, "We have Libsyn analytic," and it's sort of a certification almost, because people trust that brand name.

You also can see macro analytics from working at Libsyn, so you probably know — What is it? 80% of people listen to the podcast on iTunes?

[0:24:30.9] RW: It's iOS app. Apple's Podcast App. They just changed the name. Apple's Podcast App and iTunes. That's the Apple ecosystem.

[0:24:40.4] JM: Is it 80%, or 85.

[0:24:41.4] RW: It's about 70% direct to those. Plus, then there's another 10% that go to Overcast and Shifty Jelly Pocket Cast and Downcast which those directories are scraped from the iTunes directory. Apple actually either directly or indirectly affects about 80% to 85% of the downloads.

[0:25:00.2] JM: Because they are the index of record for podcast.

[0:25:04.4] RW: Yeah, a lot of people don't realize that if you use Overcast or Shifty Jelly Pocket Cast, those directories are scraped from the iTunes directory.

[0:25:12.3] JM: Are there superset? Do they get other podcast or are they just a mirror and just scape it?

[0:25:15.9] RW: Some of them are just a mirror. Instacast is a kind of a combo and there's some others that are combo where they poll but then you can also add. I think Instacast, so many people add a podcast, it automatically gets into their directory going forward for others.

[0:25:34.0] JM: I feel when I talk to people about how much effect Apple has on podcast, it's almost like a Rorschach test, because for some it's like they're happy that Apple hasn't changed the ecosystem much because it's kind of the Wild Wild West still in some regards, but other people are like, "Oh, why aren't they —" For example, you and I were talking about what counts as a listen versus a download versus a lack thereof earlier today. Why doesn't Apple standardize that? They control the podcasting market. Couldn't they just standardize that? Maybe Apple should make it easier for you to monetize your podcast.

People have varying beliefs on this, but I don't know. I guess I want to hear your opinion about why do you — I guess, first question; do you fault Apple for how they have handled their accidental dominance of the podcast market?

[0:26:28.1] RW: It's funny. A lot of people in the space, in the podcasting space, especially the New York Pro-casting community, the public radio folks, the Nick Claus and those folks, they want to beat Apple up for not doing more. I'm like, "Wow! If it wasn't for Apple, podcasting wouldn't be where it's at." Don't fault Apple for creating an ecosystem where people actually wanted to consume and can consume easily podcast. If you want to beat somebody up — The irony is they're beating up Apple. You want to beat someone up? Beat up Google. Where is the native app on Google?

Let's put some numbers here for people. I want to put this in perspective so you'll understand why I'm saying this. 86% of all of our downloads last month went to a mobile device. Of the 86% that went to mobile devices, there was a 4-1/2 to 1 ratio, iOS to android.

[0:27:16.6] JM: Wow!

[0:27:16.6] RW: That's wow. You want to make it wower? That's a global number; 4.5 to 1. Now, there's over 5 to 1 ratio of android devices to iOS. That means it's a 25 to 1 ratio of consumption for average iOS device to average android device. 25 to 1. Why is that? Because as a native app on iOS that Apple is supported. There is no native standalone podcast up. If you want to beat somebody up, you want to get mad at somebody as a podcast, be mad at Google for not having a native app. That's who you should be mad about. Don't worry about whether Apple is

giving out stats or this or that. Advertisers are still paying for advertising. They don't need all these validation, like people want Apple to provide it back.

Matter of fact, Apple said, "Be careful what you wish for." We don't want the numbers back. It's not Apple's fault, and don't beat up Apple for being successful in giving an ecosystem consumers actually wanted to use. I was in podcasting before Apple was. I started by podcasting in 2004. Libsyn started in 2004. The big inflection point in podcasting was June 2005 when iTunes supported podcasting. Then there was another inflection point when the iPhone came out and another one when iOS 8 came out because that's when the podcast app went native. It wasn't serial. It was it iOS 8 app. That's what really shifted podcasting a couple of years ago.

People think it's Serial. No. That Serial got lucky and launched right after iOS 8 went native. People don't realize, less than 5% of all podcast listeners have ever listened to Serial. That's it. Less than 5% of podcast listeners have listened to Serial and they called this great big breakout hit. Let's put that in perspective. Over half the people in America that watch television and watched MASH. That's a breakout. One-tenth that percentage is what listened to Serial of podcast listeners.

[0:29:13.0] JM: What could Apple do better?

[0:29:16.5] RW: That's the million-dollar question, because Apple said recently that they plan to help podcasting or that they're going to do some additional tools or something like that. Eddy Cue was in an interview and he mentioned briefly that they're looking into the space. What could Apple do? One of the rumors is that they could make it possible for you to sell episodes. Make some premium where people could go in.

[0:29:41.4] JM: Oh, so let's be [inaudible 0:29:41.4].

[0:29:43.5] RW: Right. Advertising doesn't make a lot of people think, "Oh, Apple is going to get into advertising with podcasting." Why? They didn't succeed with banner ads, with iAds, right? That was easy relatively speaking.

[0:29:56.5] JM: That's completely an opposition to their culture.

[0:29:58.5] RW: Right. Even if they were — Here's the thing. Even if Apple got into podcast advertising and they were super super successful at it, what percentage of that $250 billion would that make up? Such a small error. The amount of time that this episode ran, the interest they made on their 250 billion would be more than they'd make in a year from podcast advertising.

[0:30:21.0] JM: Yeah, although the podcaster would probably be saying, "Hey, but it helps us," and maybe it encourages more people to make podcasts of its easy turnkey to monetize your podcast.

[0:30:32.9] RW: I think a lot of times — I've been in a room where people — And Apple was in the room and there was a bunch of these people that were beating up Apple. Yeah, there's was a person from Apple in the room and they were beating up Apple that we need to get more stuff back. Really, these people have this attitude that Apple owed it to them. It's like, "Whoa! Apple creates ecosystem not for the people that are benefiting from it, but for the consumers. Apple's ecosystem drive."

That's what I think is really different between iOS and android. Android, the users are the sheep. The advertisers are who the android system is built for That's what Google created android, for the advertisers. That's their customer base. They're not selling phones realistically. Yeah, sure, they have one, but they're not — If you look at the numbers, they're not really selling phones. They're making their money through advertising and their applications that are in that ecosystem and that's from advertisers. It's all about advertisers.

Apple makes the money from the users. That's the two primary differences between the ecosystems, and that goes back to podcasting. It's the same thing. Yes, we as broadcasters are benefiting from Apple having this ecosystem, but Apple doesn't owe us anything. Apple does owe the advertisers anything, because they didn't create the ecosystem for us or the advertisers. They created it for the end-users. They are grateful that as we as podcasters are there. In a day when podcasting got added, it made a lot of sense for Apple to have podcasting.

If you do not understand the history of podcasting and Apple, the reason that podcast got added to iTunes was because Apple was launching iTunes stores around the world and didn't have rights for music and movies and there was no apps at the time. Apple, to launch an iTunes store in Botswana where there was nothing put in the store because they didn't have rights for music or movies, would be an empty store, but they had this free content called podcasting and that help them and that helped them sell iPods at the time. That's really why Apple got into podcasting in the day.

[0:32:33.3] JM: That's insane. I had no idea.

[0:32:34.4] RW: Yeah. That was why Apple got into podcasting, because it helped them at that time.

[0:32:39.7] RW: Were they expecting this to be just a free content delivery network where people could do music and video and whatever.

[0:32:46.5] RW: They always knew they're going to sell music, so at the time they're already selling music in the U.S. but they were rolling out iTunes around the world and they didn't have rights and they wanted to get these iTunes stores up in these countries. That the iPods — When you had an iPod, you had something to put on it.

[0:33:00.0] JM: Okay. I understand. In Botswana, if iTunes —

[0:33:04.5] RW: In Saudi Arabia and other countries like that.

[0:33:05.7] JM: Sure. The iTunes store is empty from day one, but the podcast —

[0:33:09.2] RW: They didn't even launched in those countries until they had podcasts.

[0:33:12.9] JM: Okay. They had podcasts.

[0:33:13.2] RW: Because they didn't want to launch an iTunes store in a country and have absolutely nothing in it.

[0:33:18.1] JM: Yeah. They had launched podcast though, and back then it was like, "Okay, you've got .netrocks and probably some techno podcasts so you can listen to some techno.

[0:33:28.9] RW: Right. In the early days, yeah, it was all a lot of tech podcasts. It was Skepticality and Podcast 101, my podcast. There were some podcasters that were there podcasting before June of 2005. You could download the iTunes application but there wasn't a "iTunes Store" for those different countries. As they rolled out the stores in preparation, they get the music rights and get the movie rights. This was a way for them to have content in there. Again, this was well before there was an app store, because the app store didn't come around until 2008.

[0:34:02.7] JM: Okay. We've talked about the pasta little bit here. Do you think the future podcast is video?

[0:34:10.7] RW: No. I just recently ran some numbers and I looked at all the shows that host at Libsyn and put Libsyn perspective. We did over a 4.6 billion downloads last year, over 25% of all the downloads. It went through iTunes, came to our server, and no else is even 10%. We have a pretty big data set to look at. When I looked in January, I looked at all the episodes released in the month of January, measured them at the end of February. On average, each episode was about 45 days old, and I looked at all the ones that had 100,000 downloads or more. Less than 3% were video.

[0:34:46.1] JM: Sure. That's the present.

[0:34:48.4] RW: That's the present. In the past, that was higher. If you'd go into iTunes right now and you going in to — Anybody could do this. You go into iTunes store and you look at the top episodes. Look at how many of the top episodes are audio versus video.

[0:35:00.9] JM: I get. If you look at the history and try to project trends based on that, it's going to look like videos going nowhere. What I see is that the internet is making its way to the television and podcasting is the best way to — As far as I'm concerned, I will generally listen to the podcast over an audiobook, and I will listen to an audiobook over music. I'm a huge music

fan. Podcasting is basically the top of my listening queue for stuff that I'm going to listen to. Obvious there's different contextual stuff. Maybe I'm in the gym, I'm listening to — While I'm listening to music or whatever. That feels like a product of this ecosystem building overtime and gradually for a number of reasons turning into the strange unregulated beast.

When I think about that strange unregulated beast applying to video and video making its way to the television where people actually want to watch it in an unregulated fashion, which is happening gradually, it would make sense that maybe we'll have video going out through an RSS feed and having some consumptive platform like the podcast player that makes it easier to consume that unregulated video.

[0:36:11.0] RW: YouTube won video.

[0:36:13.4] JM: But YouTube is regulated.

[0:36:15.0] RW: YouTube won. The thing is they won the video. Because back in the day of podcasting, early on in podcasting, Libsyn hosted a lot of the big video podcast. We hosted Tiki bar TV. We hosted Ask a Ninja. We hosted some of the big early YouTube stars too, like Hot For Words and some other ones. We had some really big DoogTones and some of the other big video ones.

We had these big video podcasts early on, and it was almost a 50-50 split in the early days of audio and video, but YouTube ultimately won the video. Now, podcasting consumption-wise — You mentioned, have all these audio. Here's the thing, in your day you have more time to consume audio than you do video. When you're driving in the car, when you're working out, you're doing yard work, that's where podcast consumption comes in as the audio content. People are using their time to multitask with audio. You can't multitask a video. You can't drive the car and watch video. Not successfully, not for long, not without getting killed. You can't sit at work and watch video, not for long, not without getting fired. You can sit at work and listen to a podcast and get that done and get your work done.

If the boss comes round the corner, you got your earplugs in and you're listening to a podcast, that's fine. You're being quiet and you're getting the job done. You're happy. The boss is happy.

He comes around the corner and you're watching the latest episode of the guys down in Texas, the shot guys, you're probably going to lose your job. Dude Perfect, whatever it is.

The trends I've seen in the last 12 years has been audio dominating the podcast space and YouTube dominating the video space. I used to go out and actually recruit and try to get YouTubers over. The other thing is it's much more expensive to do video podcasting. If you want to get an audio file out there, 64 kb per second is fine. That's half a mega minute, MP3, mono.

You want to get the same amount of time a video. If you did 640 x 360 resolution, which is really low. It's not even 540p, you're looking at six mega minute. You start getting to 540p, then you're up at some 20 minute, 20 mega minute. Now, say, you'd want to do 720p, and God forbid you wanted to do an 1080p, you're up in 60 or more meg per minute compared to half a mega minute for audio. There is a cost factor involved; storage for your audiences' consumption of the video, for their data plans.

[0:38:42.6] JM: If you imagine the future as — Future is not just going to be YouTube. It's going to be YouTube, Facebook, Netflix, Amazon streaming and other stuff. Why wouldn't there be a very open platform like a podcast player on the TV, especially because it's just a client-side device. It's just pulling from a network somewhere. It's this exact same model as your device listening on your podcast. Nobody is paying out of pocket unless they are — It's the exact same model as how I listen to audio now. The only friction is there's not a screen to watch things on. There's not the perfect interface, and as things become easier to make great interfaces for, as the YouTube interface becomes a commodity, then why wouldn't there be an opened up platform for people to put video on?

[0:39:41.3] RW: There already is technically. iTunes supports video. It's audio and video, even PDFs, and Libsyn supports audio, video, and PDFs. It's been there all along, but what's happened over time is the use case of podcasting has become audio. The consumers have spoke — Consumers have chosen that they want to listen to podcasts and they don't want to watch podcasts. We have podcasters that do both audio and video. Gary V. used to do both audio and video. Joyce Meyers with us has audio video. C Consumer Reports has audio and video, and almost to tee, it's 10 to 1 downloads audio to video.

Ironically, the ones that are doing 10 to 1 for audio to video are spending more money on bandwidth for the video and getting less than 1/10th of downloads they get from their audio. Folks like Gary V. and some others have stopped actually doing the video podcasts because they were like, "It doesn't make any sense. I'm getting all my downloads from audio."

The producers who have looked at this, who've done the same content as audio and video said, "Well, my consumers have chosen. They chose audio." There's nothing stopping video podcasts from going out there. All the tools are in place and have supported it. I just think the podcasting, because of the smartphone, has really become this listen to it while you do something else type medium, where the phone is in your pocket, you're driving down the road.

I joke with people, I say — They want to make the connected car be this big deal, and I'm like, "The connected car is the glorified Bluetooth speaker." People aren't picking the podcast or listening to in their car, they're picking the podcast they're listening to in their car, while they're in the kitchen, on the way out to the car. They're like, "Okay, I'm going to hit this, I hit play," and they start hitting play and listening as they walk to their car and they get in the car and then the Bluetooth takes over.

It's all about the smartphone, is really what podcasting has become. For podcast consumption on the smartphone, it really is about audio. When we look at set-top boxes, which we track, it's like 21-100ths of a percent is what percentage goes to set-top boxes. It's not even half a percent. It's 21-100ths. It's miniscule. I'm probably one of those user agents. I'm probably miscounting to set-top boxes, they also have a smartphone app. It's like, "Where do I put them? They started as set-top, so I'll put them at set-top." I'm probably overstating it at 21-100ths. Mobile is 86. Most of the mobile is audio at this point.

[SPONSOR MESSAGE]

[0:42:27.6] JM: Ready to build your own stunning website? Go to wix.com and start for free. With Wix, you can choose from hundreds of beautiful, designer-made templates. Simply drag and drop to customize anything and everything. Add your text, images, videos and more. Wix makes it easy to get your stunning website looking exactly the way you want. Plus, your site is

mobile optimized, so you'll look amazing on any device. Whatever you need a website for, Wix has you covered.

So, showcase your talents. Start that dev blog, detailing your latest projects. Grow your network with Wix apps made to work seamlessly with your site. Or, simply explore and share new ideas. You decide. Over one-hundred-million people choose Wix to create their website. What are you waiting for? Make yours happen today. It's easy and free. And when you're ready to upgrade, use the promo code "sedaily" for a special SE Daily listener discount. Terms and conditions apply. For more details, go to Wix.com/wix-lp/sedaily. Create your stunning website today with Wix.com, that's W-I-X-DOT-com.

[INTERVIEW]

[0:43:48.4] JM: You mentioned audible a couple of times already. Audible is a really interesting player in this space because not only do they buy so many ads on podcasts because it's like obvious shared audience there. Okay, if you listen to a lot of podcast, probably you're going to listen to an audiobook. They're doing this thing with podcast where they're sort of trying to balkanize podcasting in their own little world where they have these things. You can up Audible and listen to these Audible only podcasts.

[0:44:19.6] RW: Which are not technically even podcasts. What they've done is they've gone out and gotten some podcasters to create some original content for Audible. Somehow, they've called it a podcast. It's not.

Here's my definition about podcast, and some people hate this, but here's my definition. You have an RSS 2.0 feed and your show is in iTunes. If you're show isn't in iTunes, you're not a podcast. Again, that comes back to — They control 80% of the market either directly or indirectly through their directory. If you're not in iTunes, you're not in Overcast, you're not in Shifty Jelly Pocket Cast, you're not in Podcast Attic. Are you a really a podcast if you're in those? No, because you're not in those. Less than 20% the audience ever even hope to get you.

[0:45:00.4] JM: What's the rationale behind their strategy?

[0:45:03.0] RW: Audible?

[0:45:03.2] JM: Yeah.

[0:45:03.7] RW: Oh! Adding value. I'm not knocking them for what they're doing, but don't call podcasting. They're mislabeling it, misnaming it to try to ride on the podcast coattails that have been popular for the last couple of years in the press. What they're doing is just creating original audio content by some well-known podcasters. That's fine. That's great. It's no more than what, say, Pandora. People want to say, "Oh! Pandora is getting into podcasting." No, they haven't. They talk to about three or four podcasters to get their content on there and some unique basis. Pandora hasn't embraced podcasting in any way, shape, or form.

I always joke to people, "Libsyn's goal is to get you to say to your audience, "Listen to my podcast. Any place you listen to audio, except Pandora and Audible as well."

[0:45:52.4] JM: Right. I guess what Audible is ultimately saying is Amazon, which owns Audible, is we're in the subscription business. We are not in the open format running ads on this business, so we're not going to form-fit our audio — Because Amazon, which says, "We want to make original audio content, but we're not in the business of running ads on our content. Why get into that business? We've already got Audible. Let's just throw our original audio content on Audible."

To the end consumer it feels pretty weird, like, "I've tried listening to the podcast-like experiences on Audible. I don't like it. Maybe it's a matter of habit. Maybe it's that I don't really like the content that they're putting out. For some reason or another, I'm just like, "I don't really like this."

[0:46:39.9] RW: Again, Audible is trying to do something for their audience based on how their audience works, and that's a different audience. Not 100% different —

[0:46:48.5] JM: Maybe, but is it like — What do you think is the overlap, percentage overlap between Audible listeners and podcast listeners?

[0:46:54.8] RW: Obviously, there's clearly a big overlap. I would say this, if you listen on Audible, there's a good chance you listen on podcasts. I would say more Audible listeners listen than podcasts listen to Audible, but there's a lot of people that came to Audible from podcasting because of all the advertising they've done in the space. They've been doing advertising in the space. Again, they were the first advertiser on Today in iOS when [inaudible 0:47:18.1] iPhone. They've been doing this over 10 years, and they haven't continued with it for 10 years because it wasn't effective. They continued because it's effective that do in DR, so they track everybody's number, so they know.

But it is a different use case, and that there's a lot of original content that's nowhere else. There are books. A lot of people are listening because they wanted Game of Thrones. It's been huge boon for Audible. When there are other hit series that haven't made it all the way to production, people go and consume ahead of time because they don't have time to read some.

If you're a fan of Game of Thrones and you don't have time to read, you may go ahead and get all the books. Now, Game of Thrones has actually caught up finally to where the books are, and there are some differences, like Baratheon — What is it? What was that one guy? I can't remember the name. The one guard who died in — I'll probably going to do a spoiler, so I'll stop there. Yeah, I don't want to spoil it to anybody. There was one character who died in Game of Thrones on television but is alive in the book.

[0:48:24.7] JM: Oh, okay. Anyway, thinking about it more, I guess if there were a podcast or an Audible Exclusive, whatever they're calling it, with somebody I really loved, like let's say I was a huge Mak Maron fan, and Mark Maron said, "I'm going on Audible." I'd probably switch to Audible whenever. It's probably a matter of time until they have some fairly compelling content.

It's like Amazon prime video in their earliest days I don't think had that much going on, but it's kept gathering steam. Anyways —

[0:48:57.7] RW: Audible has some great content and they're trying to add podcaster original content to that, and that's fine, just don't call it podcasting. I think they're co-opting the name,

and if it's on Audible and it's not on RSS feed, it's not a podcast. It's original audio content created by podcaster, someone who happens to be a podcaster, , but it's not a podcast.

[0:49:24.5] JM: Yeah, okay. I want to talk about Libsyn. Libsyn has been around for 13 years at this point, 14 years.

[0:49:30.8] RW: November 2004.

[0:49:32.2] JM: Right. 13 years. It is a hosting and analytics and CDN's all-in-one service for — I guess podcasters is the word.

[0:49:42.8] RW: Yeah. Our core market is podcasters. People that want to get their podcast even before there was iTunes. People that want to have an RSS feed to get the show out.

[0:49:54.1] JM: How has Libsyn remained the dominant force? Because it seems in some ways, like commodity, it's just hosting and analytics. Can't anybody do this? Can't any company come out and do this?

[0:50:07.3] RW: We are podcast. A lot of people at work at Libsyn are podcasters. We built a really reliable backend. I was talking to earlier on knock on wood, because my developer tell me I have to.

We've had 100% uptime the last 3 plus years. that's over 10 billion downloads straight with no downtime for the end-users. We've done that by putting a lot of hard work into our backend. Because we have so many users, our cost gets spread out, so we're able to get better backend equipment. Where other people are trying to cut corners to make ends meet, we're not cutting corners. We're adding corners. We dual CDN. We don't have one CDN. We have two that we have. If one of them goes down, we've got the backup.

We've got multiple data centers, we redundant. Then on top of that, we have a very simple belief. We believe anybody should podcast, be able to podcast. We want to give anyone with no technical knowledge. You don't have to know how to have a web — Code a website. You don't have to know anything about WordPress. If you've never had a website your life, you should be

a will to go Linbsyn, signup, get a webpage, upload your files, get an RSS feed and submit it to iTunes. That's been our philosophy, is we want everybody to be able to podcast, and we want everybody be everywhere. It's not just being in iTunes. Yes, iTunes is 80%, but we also have deals with Google Play Music, and with iHeart Radio, and Spotify, and we'll take your audio and convert it to video to get it into YouTube, because YouTube has some really nice SEO juice, and we'll take your audio converted to video to put it into Facebook. We can publish to Twitter and to LinkedIn and into your blogger page, or your Tumblr page.

We believe on getting content everywhere. We'll make a smartphone app for you. We'll make an iOS app, an android, even a Windows phone app for you. The hosting is a key part of it. Then we have a couple of other ways to help you monetize. We can help you monetize either to a premium offering or advertising, and then we have a pro-service for the bigger folks. If you into iTunes and see of the bigger names in podcasting, there's a good chance those are hosted with Libsyn.

There's Dave Ramsey's and the Joyce Meyers of the world. We also have the Mark Maren's and the Joe Rogan's, and Welcome to Night Vale. We have a lot of these big shows and we have a lot of shows that people have never heard of that get 15, 20 downloads an episode. By the way, they're very happy with those 15 or 20 downloads because they're podcasting for a hobby. We think hobbyists should be of the podcast just as much as a folk for MPR should be able to podcast.

Podcasting is not radio, and a lot of people in radio want to tell you that podcasting is radio. No. Podcasting is audio on demand and it's not radio. It's not a broadcast medium. It's a niche medium. It's more like magazines than it is radio. It just happens to be in audio format.

[0:53:03.0] JM: Since this is Software Engineering Daily, we're talking about of a lot of non-software engineering topics. Can you talk some about the infrastructure? Just give an overview of the infrastructure, what does a mature podcast hosting and analytics service architecture look like?

[0:53:18.5] RW: We have a lot of devs, and I don't — I'll put it, I don't do any of the dev work. I'm more closer in analogy as a product manager, and I do the biz dev and sales and product

management. I'll come back to our team and say, "Hey, here's some features we need." I'm a
podcaster, so I'm asking for things that I want myself. For example, the converting of audio to
video and uploading to YouTube, that was something I used to do manually, and I know other
podcasters are doing it manually. Now, we do it automatic.

Back to your question. I hear other guys talking a lot about JSON and Java, but we code it all
internally. I don't even know our primary language, SQL. Obviously, a lot of database. I used to
be actually a pretty good programmer once as a high school and then I went to college and I
said, "Oh, I'm going to become an engineer and I'll still program." Yeah, that didn't work out so
well. I should have stayed with computer science.

[0:54:19.3] JM: Yeah. Well, you and I are having some interesting conversations earlier where
you said, "We actually have to be in two CDNs. Amazon is too slow for us." Even the AWS
podcast, it sounds like it's hosted in Libysn.

[0:54:31.4] RW: Amazon has some official podcast and they host with us. This is no secret. You
can go and look and see where our CDNs are. We use Highwinds and EdgeCast. We dual
CDN. Our backend support is done well. Then we have traffic servers in Pittsburgh and we've
got — Our main servers for the files are down in Texas and then redundant servers and in
Florida. The backups there. Then the CDNs push out to 60 nodes around the world. No matter
where you are, when you go get a file, it's delivered quickly right to you. If you're in Australia,
you're not pulling a file from Texas. You're actually pulling a file from Australia. It helps speed up
the end-user case. We spent a lot a lot of time building up a very very robust backend.

[0:55:18.5] JM: All the copycats that have come along since then where they built some kind of
hosting and analytics service, basically it sounds like it's not as if Libsyn does anything that's
uncopyable, but rather you have so many small areas of value add that it wraps up into a nice
package that is really hard to replace unless you care enough about podcasting to understand
every little nook and cranny of the product.

[0:55:46.0] RW: One of the things we've done from day one is we've made it easy to leave
Libsyn, which you would think would hurt us. We believe in a free open Internet and we believe

that if you host a podcast with us, you should be able to leave because you want to not — You shouldn't stay with us because you have to.

We have always given podcasters the tools to make their own decisions, and then what tried to do because of that is make sure our service is really really good, because if we'd make it easy for you to leave, we better not give you a reason to leave. It's that simple.

There are services out there that you'll sign up for and they won't redirect your RSS feed. They won't let you leave. You can go on to social media and cry and moan and complain, and they won't let you leave. Libsyn, you can put in your own redirect. It's right in the UI. You don't even have to ask us. We'll put a permanent one in if you want so you can close your account down and it'll always be there. You can put it in iTunes new feed tech. To start with, you can bring over your own custom URLs so your feed isn't even our feed.

[0:56:47.3] JM: Is there any added latency if I make a redirect from —

[0:56:50.3] RW: No. You'll add the redirect and you put the iTunes new feed tech, your new feed and you're good to go.

Because we make it easy, again, our philosophy is we don't want you to leave. But if you want to leave, that's fine. We don't want you to stay if you want to stay. We want to give you reasons to stay, and I think what it comes down to as a podcast, you're podcaster, what do you want? You want people to listen to your content. You think you've created something good. That's what I think with a podcaster, and I want as many people to listen to it as possible and in as many places as possible.

I think one of the biggest mistakes I see today from new services popping up is this walled garden approach, "You have to use our player. You have to only listen on this site. We're not going to put it out everywhere." Podcast listeners are —

[0:57:35.0] JM: It's insane and it's so — I've talked to some of these companies that are trying to do stuff like this. I'm like, "You guys, this is not going to work. It doesn't work."

[0:57:44.1] RW: No. I've had people like, "No. You can't put your podcast on Google Play Music because they rehost it." "I know. We don't care. Actually, we like that. That's fine." Google pay for the bandwidth, right?

You want to be everywhere. Podcast listeners are like cats. You're not going to herd cats over to this platform. You're not going to say, "Hey, I know you like to listen to podcast on this app, but if you listen on this app, I can give you my ads better." No one's ever going to make that move. That doesn't make any sense. Our tools aren't built around making advertisers happy. Our tools are around making consumers happy.

[0:58:19.8] JM: Speaking of the ad space, the dream that everybody wants in the ad space if you're developing a product is something where you can aggregate all that listens from the people who have — All these people who have a podcast to get every episode gets 500 listens or 1,500 listens or 600 listens. Somewhere, it's like kind of hard to strike a deal with an advertiser, but if you could have some kind of aggregation where, "Okay, Audible buys 10,000 listens across eight different random podcasts. That would be great."

This is the dream that everybody wants. It seems like there is not quite enough volume on the advertiser demand side of things or people don't want dynamic ad insertion very much. People just want host reads and it's hard to negotiate host reads across a bulk purchase of seven different podcast advertising.

Give me a picture for the biggest frictions in the podcast advertising industry, because when blogs started getting Google AdSense, I think that helped a lot of bloggers. Bloggers were able to just — One click, you drop in some JavaScript and you've got ads on your blog and now you make good money. Podcasters can't do that.

[0:59:34.6] RW: Right. First off, a lot of the bloggers had put in that didn't make any money, because the average blog read is like 3. But people that had an audience, decent size audience, made some money, and it's like that in podcasting. If you have a decent size audience, you can make some money. You're going to make the most money with a host read ad. A host read ad, you're going to be in the $40 to $50 range CPM. For $40 to $50 for every thousand downloads.

If you're getting 10,000 downloads or 100,000 downloads, that adds up to some significant money, but if you're getting 100 downloads or 500 downloads are 1,500 downloads and it's a programmatic ad buy. This is a programmatic where they're going to stitch ads in. Your CPM rate that you're going to get paid is going to be $3 dollars. If you're getting 1,000 downloads in a month or an episode and you're getting $3 for that, is it worth it to you as a podcast to interrupt your podcast with this ad that you have no say in what it is.

[1:00:34.1] JM: The dream would be some platform where you have host read ads. The host gets a ping, "Hey, read these five different ads. We'll dynamically insert them."

[1:00:45.0] RW: All right. The host does the ad read. You got a thousand downloads an episode, and the host does that ad read. Now he's getting $20 for that ad read. For a thousand, $20. Is that worth it for you? The question is; does make sense? When does it make sense?

When you look at, the only one that makes money when you aggregate those together is the person aggregating it. The producers don't really make out on those deals. If you want to monetize and you have and audience of 1,000, advertising isn't how you monetize. Premium is how you monetize. You get subscribers. You get your listeners to donate or pay you 4.99 a month. For a thousand people paying you 4.99 a month, do the math. It's a lot better than advertisers getting you $20.

[1:01:32.2] JM: Did you build that on Libsyn? Do you built a Patreon type of thing on Libsyn?

[1:01:35.3] RW: Well, built it before Patreon. Yes, Mark Maren used to use us. He had 43,000 paid subscribers. 43,000 people were paying a buck 99 a month for his back catalog. If you are a podcaster and you've got a niche topic and you have 1,000 people listening to your show and you come out with a subject, some premium content, and you charge 4.99, you may get 10% of your audience if it's really niche and you have a good connection. That's 100 people at five bucks. That's $500 in a month.

If you want to go advertising, you get $20 an episode. You release four episodes in a month. That's $80. The math is not there for advertising when your show is below 5,000 downloads an

episode. It's there for premium. If you're below 5,000, premium is the way to go. If you're above 5,000, you should do a hybrid; premium and advertising.

Yeah, if you're not going to use — If you're not with Libsyn, go with Patreon or go with a PayPal donation button. That's what Dan Carlin does. Nothing says you have to use Patreon. Before there was Patreon, there was PayPal, and people had that little donate button. Talk TWiT and Leo Laporte back in their early days.

[1:02:47.2] JM: Is that what he did?

[1:02:47.7] RW: Yeah, early on. He had the donate button for the PayPal.

Advertising is fine to make as a revenue generation device if your show is in the five or 10 or Midroll would tell you 50,000 or more. Midroll's low limit is 50. The advertisers we work with happen to be five. Below five, it doesn't really make much sense for anybody unless you have a really super niche and you go out and get a sponsorship.

What I tell podcasters is, "If you want to get advertising revenue and your show is 1,000 and you have a niche, go out and get a magazine in that niche, find every advertiser that has a half page ad or less, collect those names, go to the advertiser, ask how much a half page ad and a quarter page ad costs. Now, you know what they paid. Then go contact those advertisers directly, say, "Hey, I have a topic that covers what you're looking for. The same psychographic, and I'll let you sponsor an episode for 2**:**50."

Forget the CPM and all that stuff. Go for sponsorship directly on a psychographic. Forget demographics, think psychographics, go out and do the research for your own show. Don't look at a network. Don't look at a Libsyn to do the work for you. If you got a show about bowling management, you've got a podcast that talks about the bowling management. If you own a bowling alley, there's actually a magazine for this, for bowling alley owners.

[1:04:11.2] JM: Interesting .

[1:04:12.0] RW: If you had a podcast on the same thing, you just go through that magazine and find all the people that are advertising it, and that's your advertisers. That's how you get sponsorship. I don't call it advertising at that point, I call it sponsorship, because they're not looking at CPM. They're just looking at a flat rate for your episode.

[1:04:27.0] JM: We'll begin to wrap up in a second. I just want to ask a little bit more about advertising and then we'll finish up. Do you have dynamic ads on Libsyn?

[1:04:36.5] RW: Yes. We've had it for 10 years.

[1:04:37.7] JM: Okay. I haven't used it.

[1:04:40.6] RW: We've done advertising both ways, and I tell people this, "Less than 10% of the advertiser that buy dynamic ads come back. Over 90% of the advertisers that do host read ads come back.

[1:04:50.9] JM: Oh! Massive turn.

[1:04:51.9] RW: Yeah. Host read ads are effective. Ad inserted ads are not. We have the tools. We sell them both ways. We're not biased one way or the other. We were doing dynamic ads long before these companies that "recently invented dynamic ads" if you read these articles. It's nothing new. Dynamicads has been around for a long time, but the return on investment isn't there and the audiences don't like them as much.

[1:05:19.1] JM: Yeah, they sure don't. Okay, to close off, when do we start seeing brand advertisers in podcasts?

[1:05:27.4] RW: They've been here. They've been here, and that's the thing. They've been here and they went away. We had Coca-Cola, the U.S. Navy, Ford, Saturn, when Saturn used to be in business. That's how long ago. We've had them come in his brand advertisers and we did some the ad stitching stuff. The problem with brand advertisers is the rates they want to pay are a lot lower than the rates the DR people are. It's not that brand advertisers are willing to come in, they're just not willing to pay what the DR folks are paying right now.

You're going to see more brand advertisers come in. We still see some brand ad campaigns coming in from time to time. I don't think we get to see where brand advertising is the majority of advertising. I think, again, I've been at conferences where they've talked about it and they say, "Oh! Radio gets this amount of ad revenue and these many billions of dollars each year in advertising on radio." First off, most of that advertising revenue is local. It's a local car dealership and everything else. Podcasting is anything but local.

Again, that comes back to don't think of podcast like radio. They're not radio. We're not going to see all that local advertising come to podcasting. There's a podcasts that do well local, because they're about — Ken City startup podcast, one of my podcast that I did, which is all about the Ken City startup team.

[1:06:48.0] JM: Fascinating.

[1:06:48.6] RW: Yeah it's local, but I did it more as a fun hobby to see if I could podcast off from an iPhone. I would do it all in my iPhone and upload and publish. It's a local podcast. That one I could go out to a local advertiser, but the numbers are small. Niche podcast for a small market are always going to be very small, unless it's the sports team, then you get a little bit better, like Gleeman and The Geed., it's a Minnesota Twins podcast, or IVNV is a Chicago Cubs podcast. Those get some decent numbers. Outside of sports, local podcasts are very small numbers.

I would like people to stop taking like it's radio. Start thinking niche. Start thinking more like magazines. I think you'll be more successful, especially as a smaller podcast. If your show happens to hit big, then yeah, there are people like Libsyn and Midroll and others that will help you with advertising.

[1:07:38.6] JM: Are you saying that Coke should not be advertising on podcasts?

[1:07:43.0] RW: What I'm saying is Coke should be advertising a podcasts, but they're not to pay the rate that the DR people are going to pay. What happens is you have an inventory. As a podcast, what do you want to do you? Do you want to sell your inventory at a five dollars CPM to Coke for you to do host read ad, or do you want to sell it at $50 for Harry's?

[1:08:04.5] JM: But somebody Coke still buys Super Bowl ads. I guess Super Bowl ads —

[1:08:11.3] RW: First off, you can't use the Super Bowl ads as a realistic measuring stick because it' the rate they pay.

[1:08:19.1] JM: That's kind of a like a Tim Ferriss ad.

[1:08:20.3] RW: Right. Yes, but it's a very limited supply.

[1:08:24.7] JM: It's like Tim Ferriss.

[1:08:25.3] RW: Right. There's a limited supply. What you pay for an ad on the Super Bowl at that time that the ad is running is a lot different than what you're paying for murder she wrote on one of the other channels on a cable box, right? Don't look at that. Look at what people are paying for regular television ads and the audience and the CPM's and what they're paying for radio.

I would love to see big brands come in, pay close to what the DR people are paying because I think it'll be effective for them. Right now, they aren't ready to do that. They haven't shown overall the willingness to pay what the DR folks are paying because they haven't figured out how to really measure the value, because unfortunately a lot of the people to pitching the Cokes and the Pepsi's are the same ones pitching the radio and they're trying to sell podcasting like it's radio, and Coke knows how effective radio is. Podcasting's more effective than radio, and the rate should be higher.

I want big brands come in but at the rates the DR people have already shown podcasting is worth not what radio is shown radios worth, because it's two different mediums.

[1:09:39.8] JM: Do you listen to The Daily? That New York Times podcasts?

[1:09:43.9] RW: No.

[1:09:43.9] JM: Okay. All right. Well, I think it's the most popular podcast right now. It's sort of like 20 minutes every day, five days a week, where they talk about and what crazy stuff is happening in the White House or whatever, and they only have one advertiser every day. It's the all new BMW 5 series. Complete brand advertiser and basically the same spot every day. Super short ad, but, basically, BMW bought the entire inventory for this season of the show. I guess that's — I don't know. That's one way to do brand advertising on a podcast.

[1:10:18.5] RW: They probably paid a decent rate for that.

[1:10:20.9] JM: I think they did. Although, they apparently still got — In terms of CPM, if we would look at it in terms of CPM, they got a great deal because the podcast took off more than anybody could have imagined.

[1:10:31.8] RW: The owner of the podcast is looking at it while I left a lot of money on the table.

[1:10:36.6] JM: Maybe. It's the New York Times, so they're probably just like, "This is awesome. How do we replicate this?"

[1:10:41.6] RW: There have been Ford, Saturn, Coke, the U.S. Navy. There have been brand advertisers in. Some have paid a decent rate. Some have offered up really low rates. We've turned down low rates from brand advertisers because if we're going to spend our time selling, we're going to sell at the higher rates for the DR folks. I don't think there's anything wrong with that selling at the higher rates. I think that's what you want to do is sales. I want to get the most money I can for the podcasters I'm working with. I would love to see Coke come in and spend in $30 and $40 CPMs. I think it's justified based on what — Again, based on the feedback from the DR folks. I think it's justified.

Hopefully, Coke will see it as justified at some point in the future and some other guys will see it as justified in the future. We're not there yet. The IAB is trying to help by standardizing ad rates and having some up-fronts and some other things. We're at a better place today than we were three years ago as far as advertising goes. It's gotten better. But the DR world is going to, I think, for the next few years, still dominate the world of podcasting. You're still going to hear —

Sorry. You're going to hear more stamps.com, more Hello Fresh, more Harry's Razors, more Casper Ads.

[1:11:59.4] JM: It's an argument for more brands doing direct response also. If you're a brand and you don't have a direct response model, why not build one?

[1:12:07.3] RW: Yeah. When we did one with Coke universal, there was actually a little bit of a DR aspect to it where they wanted to get people to go to an event at Universal Theme Parks. It was a Coke Universal Themes Park campaign where they were trying to drive people to the website because of a special celebration going on at the Theme Park, and we even geo-targeted through different cities in Florida. We had that part of it. But Saturn was completely a brand play. U.S. Navy was a mixture.

It's was a recruiting play, which by the way, to tell you how bad things were, the U.S. Navy was trying to recruit 18-year-old males and turned down— One of the podcast, they turned down for the campaign was Hot For Words, because it was too sexy. That was the reasoning at the time. They turned down a show because it was a girl — You have to go to YouTube and find Hot for Words, but it was a Russian woman teaching you the etymology of the word in a bikini and they thought that was inappropriate to recruit 18-year-old males. Yes, because 18-year-old males are not interested in hot Russian women speaking about etymology of words.

[1:13:21.7] JM: Yeah. Okay. All right. Final question. Three interesting podcasts that you started listening to recently.

[1:13:30.3] RW: One of them was — I just started listening to Today. It was interesting. One I hadn't heard of, it's called Built in a Day, and I actually interviewed the producer today. I started listening to it because I was interviewing him. He's worked for Microsoft and I saw, "Oh, he has a podcast." I'm like, "Check it out."

Built in a Day, what they do is they find people that have a business and they go through and say, "I have a business idea." They go, "Let's see if this is actually a worthy business idea." They listen to it and they give the person a task, go out and do this testing and see what results you

get. Then they come back, they do that and they kind of pause for a few seconds what in reality is like a week, and then they finish the episode with the results.

[1:14:13.2] JM: That's incredible. What a great idea.

[1:14:15.7] RW: It really is. The guys do a really good job.

[1:14:17.7] JM: Like, he goes and interviews a laundry business and says, "Okay, now remove three of your machines and see if your ROI is better." Then they come back a week later and say, "How did your ROI change?"

[1:14:31.7] RW: Right. One of them, it was company, they wanted to do — Could you not? Eulogies for hire. Basically, the company would write eulogies for you. They said, "Go out and test this and see what — Talk to some funeral homes and see what happens." They came back and the testing basically said the business was not going to work.

Yeah, very interesting show. Built in a Day is one that I literally discovered today. I said, "I'll listen to one episode." I wound up listening to four episodes. I liked it so much.

[1:15:05.3] JM: I'm going to check it out.

[1:15:08.0] RW: Joe is one of the hosts and he works for Microsoft. Really good one. I'm always testing different ones. One of the ones that I've gotten into recently; Case File, but it's been around for a while, but I've been listening to that one recently.

I'm a history buff, so love any history podcasts, so I'm always listening to history podcasts. The most recent one I got into now is History of World War II. It's been around for a while, but I just started listening to that because I've gotten through some of my other history ones. Ray is doing a good job with that. Life of Caesar is another good one that I have in my queue as well. I'm a history nerd, so you got to watch my recommendations. If you love history, those are two really good ones to go with.

[1:15:55.9] JM: I do. I will check those out. Okay. Thanks for coming on the show. It's been a great conversation. I already forgot your name because I just met you today. Rob. Okay. Rob, it's been great.

[1:16:05.0] RW: Jeff, thanks for having me on.

[1:16:05.2] JM: I love Libsyn. I've been a longtime customer and I don't see myself leaving anytime soon. Not because I'm locked in.

[1:16:13.9] RW: Right. Again, that's our philosophy. Stay because you want to.

[1:16:17.0] JM: Right. Okay, thanks Rob.

[END OF INTERVIEW]

[1:16:20.6] JM: Thanks to Symphono for sponsoring Software Engineering Daily. Symphono is a custom engineering shop where senior engineers tackle big tech challenges while learning from each other. Check it out at symphono.com/sedaily. That's symphono.com/sedaily.

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