UNFIN'SHED

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Welcome back to the Unfinished newsletter, where we explore key issues at the intersection of tech, ethics, and society. I'm Damon Beres.

Today, exploring the link between your Spotify data and Covid-19 conspiracy theories.

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What we're thinking about

Ethics at Spotify: Why is the product built this way, and how does its business model impact the decisions the company makes around questionable content?

Let's start with some quick background: Spotify has around 162 million paying subscribers, **per a recent analysis in the Verge**, which makes it considerably more popular than competing services like Apple Music, Amazon Music, Tencent Music, YouTube Music, and Deezer. It represents about 31 percent of the global music subscription market.

 \bigcirc To quote <u>the original Spider-Man comic</u>, "With great power there must also come — great responsibility!" And Spotify has great power indeed. It has redefined the terms of business for the music industry, and it serves editorial content to a massive audience.

✓ Included in that editorial category is the *Joe Rogan Experience* podcast, which Spotify <u>reportedly paid \$100 million</u> to exclusively distribute. It's an eye-popping sum that has <u>earned scrutiny</u> recently for Rogan's fueling of

Covid-19 conspiracy theories, and for resurfaced clips of flagrantly racist exchanges on the show.

Rogan's behavior, and <u>Spotify's refusal to "silence" him</u>, has led some high-profile artists, like Neil Young and Joni Mitchell, to boycott the streaming service. And last month, a group of 270 "doctors, physicians, and science educators" <u>published an open letter</u> calling for the streamer to enact a misinformation policy in response to Rogan's show. Spotify recently published "<u>platform rules</u>" for content creators on its service, although it doesn't articulate any clear outcomes for violations, stating only that, "Breaking the rules may result in the violative content being removed from Spotify."

This has led to a familiar debate in the tech world: Is Spotify a "publisher" that responsible for the content on Joe Rogan's podcast, which it pays handsomely to exclusively distribute but doesn't have creative control over, or is it merely a "platform" serving content to a user base in the same sense that Barnes and Noble sells books and magazines?

Whatever your view on this question, there's an argument to be made that removing or "deplatforming" Joe Rogan from Spotify would hardly solve the bigger problem his podcast represents. "Quackery won't disappear by deplatforming or censoring people ... Instead, we need to prevent false or misleading health claims from reaching millions of people in the first place," Julia Belluz and John Lavis **argued in the New York Times**.

But wait, isn't Spotify mainly a music service? Why does it care about defending Rogan?

To quote a headline from <u>Martin Peers at *The Information*</u> yesterday, "music streaming is a terrible business." Spotify doesn't own the music it offers, so it must pay out substantial royalties to labels and publishers — <u>not</u> <u>so much their artists</u> — based on how much their songs are played. That may not be sustainable.

Selling ads against officially licensed or owned programming on the other hand, though... Well, here's how Peers puts it: "Rogan has helped beef up Spotify's advertising business, a much higher-margin way to make money [than music-streaming]. Spotify's ad revenue jumped 62% in 2021 ... Among the factors Spotify singled out for that boost was the exclusive licensing of Rogan's podcast."

This era of the digital economy is defined to a great extent by corporations monetizing user data and pulling in venture funding with the promise of becoming as large as possible — "achieving scale." Spotify is a major participant in this economy, having raised more than <u>\$2 billion in 18 funding</u> rounds. Its entire model is based on user growth; get more users to generate more subscription and ad revenue, and keep those users engaged by leveraging their data for personalized playlists, annual "Wrapped" features, and targeted marketing.

So! If you have a problem with the problematic content on Joe Rogan's podcast, consider that it exists in a broader ecosystem. Spotify is incentivized to constantly grow and monetize its user base, which is why your sweet Mitski tunes end up next to the outrageous antics of the *Joe Rogan Experience*. (And why the app's design is oriented around hooking you on personalized selections... a story for another time!)

Seflecting on one of the frequent subjects of this newsletter—the project to build a better internet—this is where some of the ideas in "<u>web3</u>" might be interesting.

^(j) Web3 could offer new pathways for monetization that aren't reliant on endless growth and engagement. The journalist Casey Newton summarized the potential in a <u>recent edition of his newsletter</u> *Platformer*: "Looking at music NFTs, I see flashes of something that goes beyond a scheme to get the world to buy crypto. Festival passes, digital art, pressure on record labels — there's a hint of something practical there. And it seems telling that, in the court of public opinion at least, it's those nascent projects that seem to be getting a pass."

This newsletter <u>recently featured</u> an interview with AudioShake CEO Jessica Powell about the potential here, as well.





If you're looking for an entertaining and mind-expanding watch this weekend, allow us to recommend <u>We Live in Public</u>, a 2009 documentary about the early internet entrepreneur and performance artist Josh Harris. A dizzying and frequently hilarious glance at a bygone era of the web, We Live in Public explores the loss of privacy that many of us now take for granted in the time of smartphones and social media.

Thank you for reading!

Follow Unfinished (<u>@byUnfinished</u>) and me (@<u>dlberes</u>) on Twitter for ongoing chitchat on the changing web.

Have a great, restful weekend.

Damon + the Unfinished team

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