

Opinion

Everyone's a winner in Spotify's face-off with Neil Young

Will Page

On January 24, Canadian rock musician Neil Young threatened to remove his recordings from Spotify because he believed the streaming company had given podcaster Joe Rogan a platform on which to spread misinformation about vaccines. On the same day, he amassed 1.2mn streams around the world on all audio and video services, based on MRC Data.

Spotify's market capitalisation on January 24 was \$37bn. A few days later, with Young's songs removed, his tally of daily streams passed the 2mn threshold, while Spotify's market cap bounced to \$39bn.

That's wild. Neil Young is the 711th biggest artist in the US and 1,134th worldwide, yet by foregoing 60 per cent

of his streaming income "in the name of truth", all other streaming services boosted their love of "Heart of Gold" (and many other Young hits) by 300 per cent. Six days after the removal, Spotify's earnings call saw its stock fall back to where it was at the time of direct listing in April 2018.

Tellingly, Young's original statement and acknowledgment didn't actually name Rogan, referring only to Spotify's "responsibility to mitigate the spread of misinformation". The inference was that *The Joe Rogan Experience* may have influenced an audience "who are [mostly] 24 years old" and "impressible and easy to swing to the wrong side of the truth".

Audience matters. Rogan's hovers at around 12mn a month, with roughly 60 per cent under the age of 35, whereas Young reaches 6mn listeners a month, almost 60 per cent of whom are over 35. Many of those under 35 wouldn't know who Young is, while many between 35 and 65 wouldn't know he's still around (and those

over 65 might not know what Spotify is). As the dust settles, one common misperception needs mopping up: removing songs from streaming services is not the same as removing CDs from stores. The consumer still spends £9.99 a month and the money simply goes to different artists.

What's more, you need to be able to afford such a ballsy move. Young could – he sold rights to more than 1,000 of his own songs to the Hipgnosis Songs Fund for \$150mn last year, so removing the recordings will cost his record label and publisher around £1.5mn in 2022. However, for investors in the Hipgnosis fund, including the Church of England, this may feel like a bait and switch.

The really knotty problem is content moderation. Sure, artificial intelligence is making inroads in moderating visual and text content, but for podcasts basic speech to text technology has limitations: the spoken word demands an appreciation of context and that involves listening to every podcast from start to finish. It's going to get costly, too,

with two new podcasts being uploaded every minute. Software valuations have long been driven by the notion that there's no marginal cost, but content moderation might be their first.

Spotify is discovering what happens when you offer podcasts exclusively. This is "Tarzan economics" in action: with many podcasters wanting to hold

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on to the old vine of the RSS feed in which podcasts are open and distributed everywhere, while Rogan represents the new vine of exclusives.

Spotify, which previously never hosted his podcast, acquired the show for \$100mn and ported over the back catalogue from Libsyn in a bid to appropriate Rogan's YouTube fan base. You

bought it, you own it, you distribute it, then you take responsibility for it – case closed.

This raises a more profound question about what podcasts are meant to be. Merging the word "iPod" with "broadcast" gets us nowhere. James Cridland, co-presenter of the Podland podcast, asks us to imagine a long tail that (in credibility) is hit-heavy at the top but long and skinny at the bottom. Pointing to data from Buzzsprout, he suggests that just 1 per cent of podcasts makes up 95 per cent of listening and ad revenue – 90 per cent of podcasts don't make any revenue at all.

Spotify's long tail stretches out to 82mn songs and 3.8mn podcasts, which makes it hard for any creator to stand out from the crowd. That brings us back to Young. It's a sign of our times when, rather than engage with the debate and pen a new protest song on Spotify ("Keep on Podding in the Free World" perhaps?), the artist disengages and removes his old songs instead.

Then again, maybe both Young and

Spotify had the last laugh. The former has banked \$150mn for songs that can't be heard on the world's biggest streaming service, bagged his own show on Sirius and now dominates the landing pages of Apple Music and Amazon. Meanwhile, Spotify has slapped a "Learn About Covid" banner next to Rogan's podcasts, enjoyed more marketing than money can buy, introduced streaming to an audience that's never heard of it and will surely reach the milestone of half a billion monthly active users faster as a result.

Spotify's been here before, most famously with Taylor Swift in 2014, and it'll be here again. But the adage that "there's no such thing as bad publicity" still holds true. Every time we see rows like this play out, Spotify grows faster. As the apocryphal Hollywood agents say to their clients: "Don't read your press, weigh it."

The writer is author of *Tarzan Economics*. He was previously chief economist of Spotify and PRS for Music

A former comic with no real experience of government is facing down Russia. By Ben Hall and Roman Olearchyk

There is a scene in the television show *Servant of the People*, when a fictional Ukrainian leader confronts his country's western backers. "I want to thank the head of the IMF and its board of directors for time wasted on us, and for a very meaningful conversation," says the president, played by Volodymyr Zelensky. "Feeling deep gratitude I want to say: Stick your head in your ass!"

Fiction has turned to fact. Zelensky, elected president in 2019, is now the one defying his western partners, led by Washington, over their ever more insistent warnings of a large-scale Russian invasion of Ukraine.

Last month, he rebuked President Joe Biden for a gaffe about how a "minor incursion" by Russian forces might elicit a less severe western response. Then Kyiv berated Washington for withdrawing some US diplomats and their families. Last week, Zelensky took issue with repeated US warnings about an imminent Russian invasion, saying they could spread panic and serve Vladimir Putin's aims of weakening the economy and destabilising the country.

"I'm the president of Ukraine. I'm based here, and I think I know the details deeper than any other president," Zelensky said.

Many Ukrainian politicians and analysts share their president's doubts that Russia is poised for a large-scale invasion. But castigating your closest ally, to his critics, evidence that nearly three years into his presidency the former actor is ill-equipped for the job. "The messaging on the Russian threat is a total mess," says Pavlo Klimkin, a former foreign minister.

Supporters see a gutsy politician with a better appreciation than distant allies of the risks facing Ukraine. "On this one [invasion risk], I think he's right," said a European official. "He has to be calming the situation. He should be frustrated with the west. He should be furious with the Americans for pulling people out."

Zelensky, 44, had no real-life experience of government before becoming head of state. A Russian-speaking Jew, he formed a comedy outfit in his youth, known as Kvarial 95, which later became a successful production company. He shot to fame as the star of *Servant of the People* in which he plays a history teacher whose rant against corruption propels him to the presidency, a plot line that later became reality.

He won the election with two vague promises: to end the war in the Donbas region, stirred up by Moscow and its separatist proxies in 2014, and to break the oligarchs' corrupting influence on the state. A war-weary population angry with pervasive graft lapped it up, seduced by his likeable, clean image.

Zelensky hoped to be "a good guy for everyone", says Maria Zolkinia of the Democratic Initiatives Foundation, a think-tank in Kyiv. Once he started taking positions, disillusionment set in. His early, fruitless attempts to forge a deal with Putin angered Ukrainian nationalists, while disappointing pro-Russian voters, a key part of his electorate.

Person in the News | Volodymyr Zelensky

The president acting to protect Ukraine

Even allies say he was too optimistic at the outset. "He was really dreaming of a fast, successful transformation. He believed he'd find some solution with Russia. He believed he would get some support from the west," says Yuriy Vitrenko, head of energy group Naftogaz. At their first summit, Zelensky hoped to woo Putin with his personal warmth, Vitrenko adds. "Putin was not joking. He was not even tough. He was cruel."

The Ukrainian president's efforts against the oligarchs are meanwhile making limited progress. Last year, he slapped sanctions on Viktor Medvedchuk, a pro-Russian businessman and politician, and closed down his TV channels, infuriating Putin. But then Kolomoisky, a businessman who supported his election campaign, and who is under investigation in the US for fraud and money laundering, has faced no charges in Ukraine.

Zelensky's government has passed some reforms, including a liberalisation of land sales. But he has a record of

removing ministers and officials who fail to bring him instant results. The government is run by a small team of aides, some of them associates of Kvarial 95. European officials complain of an "information bubble" surrounding Zelensky. A lot of power lies with Andriy Yermak, the head of the

He is an emotional, intuitive politician with a tendency to make snap decisions on his own

presidential administration, who is a family friend, lawyer and film producer by background. "The institutions are currently extremely weak," says Klimkin. "It is all about people calling each other. There are no systems. The bureaucrats are totally disorientated."

Zelensky is an emotional, intuitive politician with a tendency to make snap

decisions on his own. Advisers acknowledge that this habit can rub people up the wrong way.

He resents the west's failure to appreciate the complexity of Ukraine's problems, says a European diplomat. Weak sanctions against Russia, Washington's earlier reluctance to arm Kyiv, Donald Trump's attempt to use Zelensky for the purpose of discrediting Biden and Germany's new gas pipeline from Russia, bypassing Ukraine, have all created a distrust of western intentions.

Zelensky fears being forced into a Donbas peace deal closer to Russian terms, which many patriotic Ukrainians would not accept, pushing the country to civil unrest. "He doesn't trust the west," says Klimkin. "He sees it as [exerting] all kinds of pressure. That's his problem. He doesn't trust Putin. He doesn't trust the oligarchs. It is a big problem in his presidency."

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Wordle and recipes are the secret sauce of news

It is a testament to the addictive quality of Wordle that when the five-letter word game was acquired by the New York Times for a low seven-figure sum this week, it felt like a financial bargain. Any challenge that millions, including me, look forward to tackling each morning is a precious asset.

A brain-teasing puzzle that can be played on a mobile phone, with the results shared on Twitter, does not seem at first glance to be the perfect fit for a news publication that takes both its mission and itself extremely seriously, and has just set a new target of gaining 15mn subscribers by 2027. "We seek the truth and help people understand the world," it proudly proclaims.

But many customers do not come for "all the news that's fit to print," as the NYT promises on its front page. They gather online for puzzles and recipes: its Cooking and Games websites and apps now have more than 2m subscriptions and are adding to the total rapidly – faster than the rate at which subscribers are signing up for its political, economic and general news.

Newspaper journalists have always lived with the painful knowledge that many readers were more devoted to the daily crossword than to our articles. When the internet swept away print advertising, it undid the bundle of news, comment, games and curiosities for good at many papers.

That bundle has returned online at the NYT. Its main crossword first appeared in 1942, but it has been adding puzzles since 2014 as part of its digital subscription efforts. The mini crossword fits nicely on a phone, and was played 245mn times last year, a lesson absorbed by Josh Wardle, the inventor of Wordle, for its design.

Then there is home cooking. The NYT started to print recipes in the 1850s and one 21st-century reader wrote fondly of repeatedly cooking a 1967 recipe for Veal Chops Beau Séjour. "I'm still using the original copy from the paper, now deep yellow with age, fragile, held together by Scotch tape... this favourite dinner, I think, has contributed to the longevity of our marriage."

So it is not surprising that the NYT has attracted so many \$40 a year subscribers to its cooking site, which has a database of 21,000 recipes, adding 700 in 2021 alone. The most popular recipe last year was Old-Fashioned Beef Stew from 1994 by Molly O'Neill, which was viewed 5.6m times; O'Neill died in 2019, but her work lives on.

Mark Thompson, former chief executive of the NYT, observes that coverage of many leisure topics, from cooking to theatre and book reviews, was originally added to hard news by newspapers

because they attracted advertising. But "print ads going away does not mean that the activities have lost their interest to readers".

I would go further. It is not much fun to read a lot of news these days, and the partisan slanging matches surrounding it on social media do not help. Recipes and puzzles used to lighten the austerity of the print Grey Lady, as the NYT was known; now they also offer solace in the age of online angst.

Wordle is ingenious in this regard. When I wandered over to the FT news desk this week, the editors were keenly engaged in comparing their Wordle scores from earlier that morning. The game is not too difficult – it is rare not to be able to guess the answer within six attempts – yet it gives its players the warm feeling of having met an intellectual challenge.

The puzzle is also expertly constructed to encourage online sharing and good-natured rivalry. Little is so tempting on Twitter as being able to appear helpful while boasting, a trick that Wardle built in by letting players display their results with blank green, orange and black squares (green for the right letter in the right place, orange for a correct one in the wrong square).

Many of the NYT's articles are about the US and of secondary interest to global readers. Wordle and its other puzzles (and indeed recipes) translate easily across borders, at least for the 135m English-speaking people it now targets. The closest thing to a Wordle culture

Papers have lived with the knowledge that readers were more devoted to the crossword than to articles

war broke out in January over its American, rather than British, spelling of the answer "favor".

It has not put the Brits off. Richard Moore, head of the Secret Intelligence Service, tweeted this week that he was "thinking of unfollowing those who post their Wordle results", and the cyber agency GCHQ replied "Sorry" in green letters. When an outfit that played a key role in cracking the Enigma code in the second world war jokes that it can solve a word puzzle, it must be viral.

This raises the question of whether the NYT will keep Wordle free or fold it within its digital subscriptions, which it introduced for news in 2011 and which brought in revenues of \$774mn last year. It offers some puzzles free but was this week asking about Wordle's fate, promising only that it would be free "at the time it moves".

Whatever Wordle's new owner decides, today's internet excitement will one day fade and it will turn into another reader staple, like the crossword and an old recipe for beef stew. But here is a five-letter word that they all make: money.

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