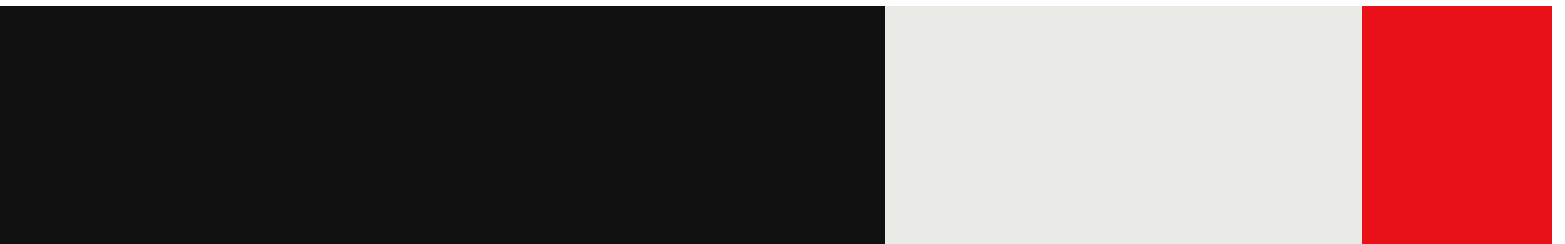


# The Weekly Listen: Are Shorts eating long-form video, paying to avoid Instagram ads, and serving two ads at once

Audio



On today's podcast episode, we discuss whether YouTube Shorts are cannibalizing long-form content, Instagram and Facebook users potentially being able to pay to avoid ads in Europe, how Netflix's password crackdown is getting on, whether serving multiple ads at once is a good idea, the impact of the Digital Services Act's arrival, how long it would take you to drive around every road in the US, and more. Tune in to the discussion with our forecasting writer Ethan Cramer-Flood, analyst Bill Fisher, and forecasting analyst Zach Goldner.

*Subscribe to the “Behind the Numbers” podcast on [Apple Podcasts](#), [Spotify](#), [Pandora](#), [Stitcher](#), Podbean or wherever you listen to podcasts. [Follow us on Instagram](#)*



Episode Transcript:

Marcus Johnson:

This episode is made possible by Awin. Two thirds of digital ad spend currently flows to the three big tech platforms, Google, Meta, and Amazon, but their auction-based ad models favor

their own bottom line and inflate costs at a time when every single marketing dollar counts. Awin's affiliate partnerships platform offers a real alternative to big tech, and puts you back in control of your ad spend. Want to find out how? Visit [awin.com/emarketer](https://awin.com/emarketer) to learn more.

Hello, everyone, and thanks for hanging out with us for the Behind the Numbers Weekly Listen, an eMarketer podcast made possible by Awin. This is the Friday show that thinks that Utah is Colorado and vice versa. I'm your host, Marcus Johnson, in today's show.

Are YouTube shorts cannibalizing long form content?

Ethan Cramer-Flood:

They're calling it cannibalization because they haven't quite figured out or they're not quite sure if this way of engaging with their users and viewers is going to allow them to generate as many advertising dollars, as would the long form.

Marcus Johnson:

Will Instagram and Facebook users in Europe be able to pay to avoid ads?

Bill Fisher:

This is a flex, I think. There's a lot of different regulation coming in, and the big tech players have to do something. Or at least, be seen to be doing something.

Marcus Johnson:

How has Netflix's password cracked down getting on?

Zach Goldner:

They're going on to some of those cheaper options, and those cheaper options are actually generating in more revenue and are being more profitable than that of some of the premium or what used to be the basic tier of Netflix.

Marcus Johnson:

Is multiple ads in one a good idea? The Digital Services Act arrives, and as some facts about roads.

Join me for this episode. We have three people. Let's meet. And we start with one of our senior forecasting analysts based out of Colorado. It's Zach Golden, ladies and gentlemen.

Zach Goldner:

Hey, Marcus. Thanks for remembering the difference between Colorado and Utah. Two different states, important to know, both pretty similar, different people. Yeah, thanks.

Marcus Johnson:

It's your fault. It's just you. It's just what it comes to you.

Zach Goldner:

Good.

Marcus Johnson:

We're also joined by one of our principal analysts who covers everything UK. He is the host of the Around the World Show. We have him on the Behind the Numbers network, and he also guest hosted for me recently, so thank you for that, Bill. Based on the south coast of England, ladies and gentlemen, it's Bill Fisher.

Bill Fisher:

Hey, Marcus.

Marcus Johnson:

Hello, there.

Bill Fisher:

The south coast is a bit more general.

Marcus Johnson:

Than what?

Bill Fisher:

Than the state.

Marcus Johnson:

Oh, yeah, yeah, yeah, yeah. Yeah.

Bill Fisher:

Or the city.

Marcus Johnson:

Yeah, I know. I should just say, in the middle. Zach, based in the middle of America. That covers most places.

We're also joined by principal forecasting writer, based in New York City. It's Ethan Cramer-Flood, ladies and gentlemen.

Ethan Cramer-Flood:

Hi. I'm here also.

Marcus Johnson:

There he is. It's true. What do we have in store for you? We'll talk about short form video versus the long form kind in the story of the week. Then, we move to the game of the week where our contestants will try to win a very made up championship belt. And finally, we have dinner party data. We talk about random trivia. Let's get to it.

We start, of course, with the story of the week.

Are YouTube shorts cannibalizing long form content? So, YouTube shorts are the tiny videos that you can click on YouTube. This is a question asked by Ashley King of Digital Music News. She writes that, according to a new report from the Financial Times, citing senior staff, many are worried that shorts, YouTube shorts videos, are cannibalizing its core business. The longer ones.

Gents, is it?

Ethan Cramer-Flood:

Apparently, it is, because this is the information that has leaked, internally. They refer to it as such to put a negative spin on it. I mean, the word cannibalization suggests that something is going wrong here or something to be concerned about. Had it not been phrased that way, another way would be to say that shorts have become successful, which we thought is what they wanted, so much like reels on Instagram is now taking up more and more of people's time. Shorts on YouTube is taking up more and more of people's time. That's what they

wanted. It's working and anyone who uses YouTube probably has a similar experience. It's kind of like what happened on Instagram. You just see them everywhere now, and sometimes you end up watching them, and maybe you end up watching a bunch, and you're doing that instead of whatever it is you otherwise would have done.

They're calling it cannibalization because they haven't quite figured out or they're not quite sure if this way of engaging with their users and viewers is going to allow them to generate as many advertising dollars as with the long form. So, this is sort of on them. I mean, you head down a certain path, the TikTok path, like everybody else, and then you get there, and then if you haven't figured out how to monetize that, that's on you. But otherwise, YouTube itself seems to be doing fine. Everyone's there more than ever, and they're having a good time. And now, it's sort of incumbent on YouTube and these other platforms to make sure they can monetize this new engagement in the same way that they were before.

Zach Goldner:

Yeah. Similar to Ethan's point, YouTube shorts doesn't monetize at the same rate as YouTube's long form content. Same issue that Instagram's having with reels, however short video is, what's in and what's popular. And just because shorts isn't generating as much revenue, it is bringing users towards long form content. So, it's up to the creators to create content on shorts that drive traffic to their long form content.

And I don't know whether or not YouTube shorts is going to succeed, but short video is what is in and what's popular. The truth of the matter is that, advertisers and content creators have to learn how to use this tool to help better leverage their longer form content, and get people into their main channels so they can help bring in larger audiences.

Bill Fisher:

Is YouTube its own worst enemy here? Because jack-of-all-trades, is that a phrase that you guys understand, stateside?

Zach Goldner:

Yeah.

Ethan Cramer-Flood:

Yes.

Bill Fisher:

Yeah? Because YouTube sits in this longer form field area, and it's trying to get into short form. But then, you look at its competition and its competitors sit squarely in one or the other, right? So, to your point, Ethan, cannibalization is its own problem, so far, in a way. I don't know.

Marcus Johnson:

I mean, to what Zach was saying, yeah. And Ethan, you alluded to is, they are making more money from longer form videos. The concern here is that, the supply of long-form videos is slowing down, and creators are uploading fewer longer videos, and so there's going to be less of that content for them to monetize.

And yeah, this is part of the concern, I think, is that, if you do one thing really, really well, it's fine. But then, when other people are doing things different to you and that's taking users' attention, you either adapt and do something similar, or you stick with what you were doing and hope that users don't completely disappear. And so, what I mean by that is, YouTube's under attack from the long side form of things as well.

Jeremy Goldman, who's the senior director of briefings was noting, Instagram is reportedly testing longer videos on reels, challenging YouTube's dominance with long form video. And developer, Alessandra Pallozzi saying, Instagram is considering extending reels to 10 minutes, a sizable increase from the current 90 seconds limit. Verified YouTube accounts can upload videos up to 12 hours, unverified ones capped at 15 minutes.

And so, social media platforms continue to imitate each other. And Jeremy was saying, "A one size fits all or jack-of-all-trades...", as you mentions, Bill, "raises user experience questions." And he was asking, Jeremy was asking, "Should platforms offer dedicated apps for short and long content or integrate all types?"

Bill Fisher:

Yeah, I think that would be better, the former, because there is confusion, right? Historically. So, let's go back a couple of years. If I wanted longer form stuff, I'd go to YouTube. If I'm on my big screen, on my connected TV, I mean, YouTube is still king there, right? If I want this new, fangled, short form, 30-second stuff, nonsense that my kids watch, I'm on TikTok, I'm on my mobile device. And it was a simpler time, in my opinion. You're on your mobile, you're on



TikTok, you're getting the short form stuff, Instagram comes in and gives you this real stuff, and suddenly you're like, "What's Instagram about?" And now, YouTube comes in with shorts for you. What's going on here? I think it muddies the waters a little bit. And again, it comes back to this point that you picked up on. Again, what does YouTube want to be? A jack-of-all-trades? Does it want to excel in one area? I mean, I understand why it's looking for all the revenue streams, but I don't know, it looks messy to me.

Ethan Cramer-Flood:

I like how Bill threw his kids onto the bus while having acknowledged to us a few weeks ago that, at one point, he spent like eight hours on TikTok one weekend. But no, this is only the nonsense that this kids watch about it.

Bill Fisher:

Busted.

Zach Goldner:

I do want to make out one call towards CTV with our time spent forecast. We're understanding that the fastest growing device for YouTube is on the big screen. And with that being said, YouTube shorts is also going over to the big screen. If you've ever used YouTube shorts on your TV, it's a really terrible product. Who wants to watch a vertical, square video on your big screen TV? Those 30-second things that you would prefer to watch on your phone.

The gist of it is, YouTube shorts is just not a great feature on your phone. It's okay, it's... Whatever. But when it comes to watching it on your CTV or on your desktop laptop, it's not a good experience. One other thing that I've seen commonly referred to is the approval or the enjoyment that Gen Z or people that are using YouTube shorts gets out of it, and it constantly ranks below that of reels and TikTok. So, people who aren't necessarily enjoying the app and the experience that they're getting on connected TVs and desktop laptops are even worse than that on their mobile.

Ethan Cramer-Flood:

Yeah. YouTube might need to pull it out into a separate part of the app, and this is the Instagram experience where you can scroll entirely through reels, if that's what you're looking for, or you can stay on your feed scrolling and get your image and your text and your short videos and everything altogether. And that's sort of the user choice. And YouTube is probably

going to have to think about dividing itself up a little bit, based on the consumer experience, what they're looking for at the time, particularly given that they've got the NFL package now. If they get YouTube tea, they've got a whole lot going on, and they're trying to compete everywhere all at once, and maybe that's the way to go. I'm not necessarily sure that they're wrong on that, because the real fight here is for time spent, and if you can get all the time spent, you're going to find a way to monetize that.

But to Zach's point, I mean, some of this stuff doesn't work, at all, in some places, and so they probably need to change that UI as best they can.

Zach Goldner:

Ethan, just as a point, they do have a short feature on it, but the thing is, with YouTube, you can watch on the home screen as well, so there is a separate tab. You can just scroll through, have your TikTok moment if you want it.

Ethan Cramer-Flood:

Yeah, I've seen that. But I was thinking on the CTV, where when you're on, you're watching YouTube on TV, and your search results come up, and it's all just kind of there, and some of them are not going to be... They're going to look terrible. It's not going to be a good experience.

Zach Goldner:

Agreed.

Marcus Johnson:

I wonder what the definition of short forms is going to end up being, as a lot of these platforms start to blur the lines with, okay, you get 30 seconds, now it's a minute, five, 10, or 10 minutes of short form compared to two hours. And so, I think a big question here is, how long do people want to watch a video for? And Jeremy made this point in his piece saying, "Not everyone wants three-second videos over time, as a December McKnight survey, suggesting, most Americans, 55% mainly, watch videos that are a few minutes long, and 29%, which is a fair amount, fewer prioritized short clips, lasting 60 seconds or less."

One of the issues here, though, is that, the advertising dollars, short versus long form ad dollars. According to MAGNA Global, long form video ad spending will fall 5% this year, to

short forms, plus four. So, negative five to short forms, plus four. And then, long form next year will be flat, and short form will grow 10% plus 10%. We're starting from a smaller base, but still, I think, maybe... Is there, perhaps, a bit of an overreaction to short form video at the expense of your bread and butter long form if your YouTube, perhaps, is trying to get the balance, if you're on any platform, really?

And the question here is, is this push into short form affecting YouTube's revenue? And YouTube's ad revenue has been negative three of the last four quarters. Negative two, negative eight, negative three. The most recent quarter they hit, plus four. Can you attribute all that to shorts? No, not necessarily. It's time to pass out why that is necessarily. But yeah, it's not been going in the right direction for a little while.

All right, folks, that's what we've got time for, for the story of the week. Time for the game of the week. Today's game, what's the point?

I'll read out four stories and have contestants. Zach, Ethan, and Bill will tell us what they think is the main takeaway of the story. Okay answers get one point, good answers get two. And answers, they could be the same feeling as when, as a kid, your mum would quietly walk into the room, and instead of waking you up, whisper, "It snowed, schools are closed, go back to sleep." That's a good feeling.

Bill Fisher:

You can't get that feeling anymore, though, because-

Marcus Johnson:

I can't get that feeling in England-

Bill Fisher:

Some kids are-

Marcus Johnson:

No.

Bill Fisher:

... being homeschooled.

Marcus Johnson:

Your mom's like, "It rained again. Get up. You're still going."

Zach Goldner:

Remote school day. That's what it means.

Ethan Cramer-Flood:

There's no school cancellations anymore, they just transition you back to remote for that day. It's just, they're never getting a day off ever again.

Marcus Johnson:

There was one comment on the internet that said... After they read that, they said, "I literally just got a tear in my eye. I'm never going to feel that again. Adulthood, it's BS."

Well, anyway. Yeah, answers that leave you with snow day feelings, that we used to have, no more, they'll give you three points. Each person gets 20 seconds to answer before they hear this. If you run long, I say yellow card, and minus two points. Two yellows gets you a red, and ascending off. Whoever's the most points, wins, gets the last word.

Let's play. We start with round one. And Ethan, we'll start. Meta may let Instagram and Facebook users in Europe pay to avoid ads, notes Mike Isaac and Adam Satariano of the New York Times. They write that this could help Meta fend off privacy concerns and other scrutiny from EU regulators, by giving users an alternative to the company's ad-based services, which rely on analyzing folks' data. We don't yet know how much an ad-free version would cost, but the free ad supported versions that we're all used to from Facebook and Instagram will still be available.

But Ethan, Meta may let Instagram and Facebook users in Europe pay to avoid ads. What's the point?

Ethan Cramer-Flood:

Yeah, this is quite an announcement. I mean it. All right, let's be clear. No one is going to pay to use Facebook or Instagram. That's just not going to happen. I mean, I don't even want to use these things for free. However, this is probably a good move on the part of Meta, right? This is both a political move and a hedge. The political part is to present this option to European

Union regulators to demonstrate that all those hundreds of millions of EU citizens, that the regulator's acts are being forced into giving up their data, do have an alternative option, and could choose this route even though we know they're not going to.

And then, the hedging part is, just in case the regulatory onslaught does just continue and continue and continue and continue to the point where Meta is really... And the others are facing an existential threat to their ability to continue to exist, and the revenue model isn't going to exist, then having this kind of option in place might actually be a good idea if it comes down to it, where eventually, the only way you can continue to use their services is by paying.

But for now, no, this is just sort of a show.

Zach Goldner:

Marcus, can I refuse-

Marcus Johnson:

Zach.

Zach Goldner:

... Ethan's point here?

Marcus Johnson:

Oh, please.

Zach Goldner:

So, you say that no one would pay for-

Ethan Cramer-Flood:

No. No.

Zach Goldner:

... Instagram or Facebook, paid for alternative, but think about Twitter Blue or Snapchat Plus. Yeah, they don't have big user bases, but they are bringing in incremental revenue. And this would just bring in alternatives for people that are seeking it. So, if people are ever wondering

why Facebook and Instagram are free, well, they're not just doing it out of the kindness of their hearts, but rather they're making a lot of money off of it.

In the US, if we were to look at unduplicated Facebook and Instagram users, Meta is bringing in roughly \$250 per head. In the EU, that's a lot lower, but you're still looking at roughly, let's say, a hundred dollars per person an annual year. If you were to come out to a monthly subscription, this would be roughly like \$10 a day. The question is, maybe I wouldn't pay for it for what was already a free platform, but others would. And I think it'll be a great test for Meta to see how many people in the EU may adopt this. And if it works out for them, of seeing, in what other markets may follow suit if tougher legislation, like that's occurring in the EU, occurs in these other markets.

Marcus Johnson:

I love how this is Zach's. Like, "Screw your game of the week, Marcus. This is a debate now."

Bill, these Americans, they love a competition, didn't they? You're up.

Bill Fisher:

Yeah, I don't want to get any lift at this fight of...

Zach Goldner:

Football season. The blood is flowing for us.

Bill Fisher:

Maybe I'll sit on the fence. I'll be European. I'll be Swiss about this and sit on the fence.

Sure, a few people might pay for it. I don't think many people will, but a few people might, to Zach's point. But I do also agree with Ethan that this is a flex, I think. There's a lot of different regulation coming in, and the big tech players have to do something, or at least be seen to be doing something. I mean, the idea of this for Meta would be, gets rid of this headache, right? If it's just making money from subscriptions, it doesn't have to serve ads then. All those issues around data collection, data transfer, as they relate to GDPR and the DSP that we're going to talk about in a moment, goes away. But not everyone will pay, anyway. There will always be some people who won't, the vast majority, in my opinion. Or none, in Ethan's opinion.

So, the headache still remains. They're still going to have to comply with certain rules. So, I hadn't really thought about Zach's point too much. Potentially, it's a good test, but I'm not so sure. I'd be happy to be proved wrong, though.

Ethan Cramer-Flood:

So, I'll just throw out that, first of all, I think an incredibly small amount of people are actually paying Twitter for that check mark, to the point where they were actually giving them away free. And even though Snapchat has had slightly more success, what they're doing is, they're providing benefits. You're paying for something extra, you're paying for features that you wouldn't otherwise have, and Meta didn't make any sort of announcement that you're going to get any kind of benefits or extra features. You're not paying for any kind of bonus, anything, you're just getting rid of the ads that everyone has already been looking at for 10 years, and is fine with.

So, unless they pivot and they start giving you something for what you're paying for which, at most, would achieve Snapchat's very, very limited success. And what I think is, Twitter's like zero success. That doesn't convince me-

Zach Goldner:

That is a good point.

Ethan Cramer-Flood:

... if I got hundreds of millions of users.

Zach Goldner:

So, Snapchat Plus didn't get rid of the ads. But I mean, if you were to compare it to subscription OTT service, whether it's Netflix, Hulu you're seeing, Google that are willing to pay for the same product without ads, who knows when Instagram starts flooding even more and more. It becomes much more of a burden than becomes something more, it sounds like. Maybe we pay eight or \$10. Would I personally do it? No. No chance, but...

Ethan Cramer-Flood:

Find me someone who says they will. I mean, we all pay to get rid of ads when we're watching a movie or a TV show, but they're just not disruptive on social media, which is why we're all used to just scrolling past them and why we will continue to.

Zach Goldner:

Yeah.

Marcus Johnson:

All right. Very nice, gents. Great answers in round one. Let's move to round two.

How is Netflix's password cracked down, getting on? We start with Zach. In June, the streaming giant saw a 130% spike in gross editions in the US versus May, the month when the Netflix password cracked down took effect, and July saw a near 70% jump versus May. Those numbers are from Antenna.

But Zach, how has Netflix's password crackdown, getting on? What's the point?

Zach Goldner:

I think it's been successful. I mean, Netflix is getting a lot of incremental revenue. They're getting new accounts subscriptions from it, and I think it's hard to think that things are going wrong once you're getting more revenue or account signups. With that being said, Netflix still has a lot more to do. It can go tougher on the Netflix password crackdown, which I may not enjoy myself, but what it's doing is having more people sign on to some of those cheaper tiers. Like I mentioned in my previous answer, alternatives are great. The anything but ads... Ex-CEO, Reed Hastings, even admitted that their ad supported tier was being really successful. And a lot of those people that are getting cut off of either their family's account or their ex-girlfriend's account, they're going on to some of those cheaper options, and those cheaper options are actually generating in more revenue and are being more profitable than that of some of the premium or what used to be the basic tier of Netflix. So, I think it's been good, so far, but more room to grow from where they're at.

Marcus Johnson:

Bill.

Bill Fisher:

Yeah, I think that the numbers tell the story. It's working, it's doing okay. I think Netflix was pretty smart with the timing. And the crackdown came when it was adding these ad supported tiers, as Zach mentioned. I think it's been smart with the messaging as well. We noticed you're in a different location, do you want to be put on as an extra subscriber to this



plan? That kind of thing. And I think, also, quality content always wins out. There's enough of it on Netflix to keep customers interested, to get new customers on board. So, yeah, so far, a success. More to go, but a success so far.

Marcus Johnson:

Ethan.

Ethan Cramer-Flood:

Yeah. I think that, actually, the last thing Bill said is the real point right now, because we probably already knew that the password crackdown was a success that was evident from their first results. What's interesting now is that, there's no real way to know how many people are out there that lost access to Netflix, and they're still kind of stewing about it. This addressable market is a bit of a mystery, and it seems like there's still more to go.

So, it's got legs. This success has legs, and they're still outperforming on new signups. There's holdouts. There's people that are still thinking about it. There's people that maybe didn't need it over the summer. But that's the good news, right? So, it's sort of like, oh, wow, there's more months to go where they're going to continue to have even more signups than we maybe otherwise would've thought they would've had. And then, to Zach's point, this does give them the opportunity to build out that ad supported tier, in a way that maybe they wouldn't have been able to because all these people wouldn't have had to make that choice.

Zach Goldner:

You may lose viewers in the short term for those that still don't want to pay, and have gone, kind of pushed away from Netflix's new initiative to charge all users that are watching.

One other quick point, Netflix did start to implement this pass our crackdown the first quarter after they announced that they had a loss in subscribers in North America. So, it has been successful in regaining some new accounts.

Marcus Johnson:

Good point. Yeah. Some more numbers from my Antenna show that, just as recently as October of last year, 40% of people were on the basic plan. That has now gone away, and you see that starting to diminish over the months since last October. And the standard with ads is growing in share. So, obviously, the ads one, the tier didn't exist last October. Now, that

accounts for 23% of Netflix's signups. This is by plan type. So, today or July. And standard with ads accounts for 23%. Most of the signups are the standard plan, 35%, and then the premium one at 29, and then a small amount for basic, but that, as I mentioned, went away in July, at least in the US.

Halfway mark, all tied on five. Let's move to round three. We start with Bill. Is multiple ads in one, a good idea? Instagram is testing a fresh ad style for reels, featuring a multi-advertiser display that showcases related brands on a single screen between posts, writes senior director of briefings, Jeremy Goldman. He explains that, after engaging with one ad, users are presented with more promotions below the initial post featuring related ads, based on their interests.

But bill, multiple ads in one, is it a good idea? What's the point?

Bill Fisher:

Looking at this from a couple of angles, so the advertiser side and the Meta or Instagram side first, there's immediately a bump in available inventory. So, that's good for both sides, particularly for Meta. It affects their bottom line. In theory, your ad is going to be highly relevant, as you mentioned. That's good for advertisers. But then, on the flip side of that, do advertisers want to compete for attention, and will overall attention be diminished? Because there's already a lot of clutter on these platforms already. Is a multi-ad placement really an improvement on the user experience? I'd say no. So, the jury's out for me. Let's see how they perform. But I'm erring on the side of a bad idea. That's from a user viewpoint, of course.

Marcus Johnson:

Ethan.

Ethan Cramer-Flood:

Yeah. I mean, I think this is probably going to move forward. They'll have the data. I don't know whether this is a good idea or not, but it seems like in early testing, it has worked out because you get that... For the advertisers, it's probably going to cost less. And it might not be as ridiculous an idea as we think, because it's not that unusual to have competing ads next to each other through all of history, right? Think about a catalog experience where if you're looking for a particular kind of product, their algorithm knows that you're the type of person

who's in the market for X, and you see three choices in front of you instead of one. I mean, that's what it used to be like to flip through something.

So, if you're the marketer, yes, your competitor is right next to each other, but you're all paying less. And then, the user, many of us that will find that an annoying experience. But if you actually are looking for that type of thing, and then now you've got three choices in front of you, maybe that does increase the likelihood that you click on one of them, and then everybody's happy, and the screen is just more cluttered. But the advertisers are happy and Instagram is happy and the users are not happy, except for the one who found what they were shopping for. And so, yeah, this could work.

Marcus Johnson:

Zach.

Zach Goldner:

Yeah. I really don't have too much to add to what Bill and Ethan have to say. I think they summed up pretty well. I think it'll be a relevant ad for the user if they're interacting with that ad, then they'll just be fed another one similar to it. So, it keeps going in that new algorithm, whether you're in short video, like we're talking about beforehand. You're going from one ad that you like off to the next one. It just keeps feeding it more and more down the line.

And then, for advertisers as well, you're just looking at CPMs continue to lower for that of Facebook and Instagram. I've already seen, thus far in 2023, that CPMs have already tanked huge amount with new ad inventory, and this is just going to continue to put downward pressure on CPMs, moving forward.

Marcus Johnson:

Gents, heck of a game. All tied up on seven, heading into round four. We start with Ethan.

Ethan Cramer-Flood:

I forgot we were keeping track of the score.

Marcus Johnson:

Yeah. Yeah. I don't know why bother. To pretend to make it exciting. No one really cares.

Round four, the EU's Digital Services Act, the DSA is here. So, what? Emma Roth of The Verge notes that the DSA just went into effect at the end of August. And now, tech giants think Google, Facebook, Amazon, and more must comply with sweeping legislation. That does a number of things. I'll give you a couple. A, holds online platforms legally accountable for the content posted to them. B, bans targeted ads based on a person's sexual orientation, religion, ethnicity or politics. C, puts restrictions on targeting ads to kids. D, requires online platforms to provide more transparency on how their algorithms work and more things as well.

This legislation only applies to very large online platforms, search engines, aka those with over 45 million monthly users in the EU. There are about 19 platforms search engines that would qualify, according to that definition. If platforms don't comply with DSA's rules, they get fined up to 6% of their global revenue. A serial offender could result in a temporary suspension in the EU.

But Ethan, the DSA is here. What's the point?

Ethan Cramer-Flood:

Boy, this story, in particular, although we're in the middle of this unending regulatory assaults on American tech companies and platform companies. Not that I'm suggesting that these laws are a necessarily bad idea, they all actually sound extremely reasonable and they might be paving the path for many other countries to emulate, and maybe they should be.

But nonetheless, what stands out from this, particularly this latest iteration, the DSA, it's their designation of the 19 companies that qualify to be regulated because they have 45 million or more monthly users in the EU. And among the list of 19, there were only two European companies, and there were two Chinese, and all the rest are American. So, this is the business environment that EU regulators are confronted with, and it also gives them a certain freedom, because as they initiate these crackdowns that all of our Silicon Valley companies are complaining and whining and skimming about in Seattle companies, et cetera, for the Europeans, it's like, "Well, this is all just a bunch of American companies, and we're going to make life difficult for them, to make life better for our own citizens." And no one is really likely to stand in the way of that.

Bill Fisher:

Zach.

Zach Goldner:

Yeah. I think that this is a win for the consumer and for the privacy advocates as well. They've been able to strong arm the American tech behemoths and Chinese tech behemoths as well. And I don't even know where's Orlando is. But yeah, it is a win.

But you're looking at a couple of the different things that's entailed in this piece of legislation, like the option to remove the personalized feed or having the option for a chronological order to TikTok. What does that do for the consumer who wants to use TikTok, that's not personalized to them.?That doesn't seem like a fun version of TikTok.

But regardless, this piece is a huge win for consumers, is holding companies accountable for transparency and what's going behind the algorithm. So, long term, I do think that this is a win for consumers, and enacting more privacy and holding them accountable. And if a platform doesn't comply with these pieces of legislation, it could result in a temporary suspension, which I think is huge. It's no longer just a slap on the wrist or a fine, but maybe taking off the platforms for a little bit of time.

Marcus Johnson:

Bill.

Bill Fisher:

Yeah, excellent points. And what Zach said there about more than this being just a slap on a wrist is really important. I think back to when GDPR first came into force, there was this really generous grace period. Nobody was ready. Nobody was ready. No way. But the DSA coming in, we've seen all the big names already making big announcements, like the TikTok and Instagram, allowing users to switch off the algorithm. As you mentioned, they're taking it seriously. I looked at GDPR earlier this year because it was its fifth anniversary, and I looked at the fines that had been handed out, and they counted for virtually nothing in the first three and a half years nearly. And then, 18 months later, fines had tripled.

So, I just get the sense that the EU aren't going to mess around with the DSA, and I think big tech knows this, and so it's getting itself ready.

Ethan Cramer-Flood:

What are the chances that Twitter is going to be able to comply with any of this? I feel like-

Bill Fisher:

It just won't, really. It just won't.

Ethan Cramer-Flood:

An X. Elon Musk, first of all, clearly, is not going to want to comply with any of this. But do they even have the internal, technical wherewithal to implement the changes that will be necessary? This is the significant, significant changes that are going to be necessary. I feel like they fired all those people. They can't even comply, even if they wanted to. I mean, their days could be numbered, which is a fascinating outcome given that threads isn't in Europe either, because they can't comply with existing regulations, if Twitter gets the boot also.

Zach Goldner:

I'll say this, Twitter's ad revenues are already down 60%. Why not take it down the whole hundred percent?

Ethan Cramer-Flood:

Yeah, take out a couple of hundred million extra users. Sure.

Marcus Johnson:

I mean, there's a fine of up to 6% of global revenue, but that also feels like it could just be called a tax, just like a cost of doing business. And like you guys were saying, the potential suspension is huge because I feel like, 6% of revenue, if you can get away with some of this stuff and you don't have to spend all this money, complying, you can have spending more than 6% of global revenue, trying to comply with all this stuff.

Ethan Cramer-Flood:

Yeah, but not, because they're going to keep finding you, right? So, that's not sustainable.

Marcus Johnson:

Yeah. But I guess... I don't know. If you're making billions, as long... Yeah, it has to have to-

Ethan Cramer-Flood:

I mean, for Twitter-

Marcus Johnson:

... add up.

Ethan Cramer-Flood:

... that's like \$6. I mean, I don't even think they can afford that.

Marcus Johnson:

For Twitter, maybe not.

All right, gents, very nice game of the week. Indeed. We count the scores. Of course, this week's winner... Zach, is this week's winner of the game of the week. 13 points. Bill and Ethan tied on 11. Very close, indeed. Gents tied going to double points round four. Zach pulls away.

Zach, you get the championship belt.

Zach Goldner:

Thanks, Marcus. I'd like to thank my mom, my dad, the Chicago Bears, who the Sunday are going their first game. Beat, the Green Bay Packers. We're all going to be very happy. Thank you. Thank you. Thank you.

Marcus Johnson:

You're a Bears fan? You're from Utah/Colorado and you're a Bears fan? It's like Oscar being a 49ERs fan. He's from New York.

Ethan Cramer-Flood:

He is from Chicago.

Marcus Johnson:

Oh my god.

Ethan Cramer-Flood:

Marcus-

Marcus Johnson:

Zach, pick a place.

Ethan Cramer-Flood:

... I'd say to you now, of all the places I've been, everywhere I've lived... This is hurting my feelings right now. Know my hometown.

Marcus Johnson:

He's from everywhere. All right. But does that mean you're at what? Bulls? Cubs? The whole-

Zach Goldner:

The whole shebang.

Marcus Johnson:

... set?

Zach Goldner:

Yeah.

Marcus Johnson:

All right. Fair enough. They won't win, by the way. They're going to get trounced.

All right. That's all we've got time for, for the game of the week. Congratulations to Zach for winning. We move now to dinner party data.

This is the part of the show where we tell you about the most interesting thing we've learned this week.

We start with Zach, despite him being a Bears fan.

Zach Goldner:

Oh, I wasn't ready for this.

Marcus Johnson:

What do you mean you weren't ready for this?

Zach Goldner:

I was too-



Ethan Cramer-Flood:

For dinner party data.

Zach Goldner:

... busy celebrating right here. I forgot that we had to recap.

Marcus Johnson:

Oh, good. No, what do you mean recap? No, you don't have to recap everything.

Ethan Cramer-Flood:

No, we're doing dinner party data.

Marcus Johnson:

Dinner party data.

Zach Goldner:

Oh, so we're not recapping anything? I thought we're giving our point-

Marcus Johnson:

No, no, no, no, no. No recap.

Zach Goldner:

... takeaway. Okay.

Marcus Johnson:

No.

Zach Goldner:

Apologies.

Marcus Johnson:

Zach literally got up and did a victory lap around his room, and was not paying attention. In fact, we moved on to the next segment. Zach, we're at dinner party data. Did you bring any or are you like Ross in-

Zach Goldner:

I brought some to play. I brought some to play. So, in honor of the US Open that's currently going on, my dinner party data is 65 million. That is the total overall player compensation that's getting paid out for this tournament, which is a new all time high for the tournament. An 8% increase from 2022, and the men's and women's singles champions will each win \$3 million for whoever will reign supreme this year. My hope is either, the American or Alcaraz. We all love Alcaraz.

And the other fun part, if you've been watching the US Open, is this is the 50th year of equal pay for both men and female athletes.

Marcus Johnson:

Very nice. Very nice, indeed, folks.

Folks, sorry. I don't know why I said folks. Zach, you came up with that. Are we watching?

Ethan Cramer-Flood:

We are watching. And in fact, I'm surprised this is the first time this has ever happened on one of your shows, Marcus. But I also have US Open and tennis-related facts for today's-

Marcus Johnson:

If they're the same-

Ethan Cramer-Flood:

... dinner data. In fact, when Zach started speaking, I was like, "Oh, no." But no, it's totally different. I have a totally different set of fact.

Marcus Johnson:

That has happened once. I think Rahul stole something from me, once.

Ethan Cramer-Flood:

Yeah. If you don't go first, then somebody sneaks it out from you. Luckily, I had a completely different set of facts.

Marcus Johnson:

Okay.

Ethan Cramer-Flood:

But the US Open is top of mind. I'm actually in New York. I'm not in Utah or Colorado or Chicago or wherever Zach claims to be. Everyone in New York knows that when the US Open is going out, it sort of dominates the conversation. And there's been good tennis. It's also been unbelievably hot. There's been some brutal scenarios out there. But I decided to go back in time. I was just kicking around the internet, and I came across a factoid and decided to dive into some history lessons because I always find that kind of stuff fascinating. So, I have tennis history facts for you and the listeners today.

Tennis dates back to the 12th century in France. That is a very, very long time ago. It began as a handball game called, paume. And the first tennis racket was created by adding a handle to a leather glove, because they used to just wear leather gloves and slap the ball back and forth. That hurt too much, so they put a stick on the leather glove. So, handball began its transition into tennis, but that was all the way back in the 12th century. In the 14th century-

Marcus Johnson:

How rigid was this glove? That doesn't sound like it would work.

Ethan Cramer-Flood:

They weren't taking pictures.

Marcus Johnson:

Okay.

Ethan Cramer-Flood:

So I can't tell you.

Marcus Johnson:

Okay. No short videos. All right.

Ethan Cramer-Flood:

This early tennis was very popular among monks in the 14th century. The modern hollow rubber tennis ball, that yellow felt that we're familiar with, that didn't come into existence until

the 1970s. Before that, balls were made of wood, and then leather, and then cloth stuffed with horse hair. So, that bouncy green felty thing is only 50 years old.

Now, the major championships, for folks who don't know tennis, there are four major tournaments that are bigger than the others. And the US Open is one of them, which is why we're talking about it right now. So, history lesson on these four big ones, obviously, the oldest, the granddaddy of them all is Wimbledon. I'm sure you all could have guessed that. Although, it is not as much the granddaddy of them all as anyone might have thought. Wimbledon dates to 1877. That is a very long time ago. And indeed, that was the first. But the US Open dates to 1881, so only four years younger is the US Open. However, the US Open, when it started, was restricted, of course, only to men, but also only members of the US National Law and Tennis Association. So, it really wasn't an open at all. I don't know why or I don't know if or why it was called the US Open. It was just private tournament.

The French Open came in in 1891. These are all very old. All these have been going on for a very long time. And the French Open did become a genuine open in 1925 when women and non-French were allowed to compete good on them. That's almost a hundred years ago. And then, the Australian Open came in in 1905, and tennis has also been in Olympic sport since 1896. So, this is a very, very, very old sport compared to a lot of the things that we all watch and engage with on TV. So, good on them.

Marcus Johnson:

Very nice. I still can't go over that glove thing. No drawings. Nothing. Okay.

Bill, you're up.

Bill Fisher:

I have nothing tennis-related.

Marcus Johnson:

Oh, okay. I thought you did.

Bill Fisher:

I don't know if that's a good or bad thing.

Ethan Cramer-Flood:

You didn't get the memo?

Bill Fisher:

No. I'm going to go back in time, though. Did you know that up to the mid 19th century, the English alphabet used to have 27 letters in it?

Ethan Cramer-Flood:

What do we have now? 26?

Bill Fisher:

Well done. Yeah. There used to be an extra letter.

Marcus Johnson:

We might have to cut that, because if we can't be back on the show with that kind of...

Ethan Cramer-Flood:

All right. I write for a living. What do I know about letters and alphabets?

Marcus Johnson:

Wait, what are we missing?

Bill Fisher:

Any idea what it was?

Ethan Cramer-Flood:

The extra letter.

Bill Fisher:

You'll be familiar with it. It's not a letter exactly, it's the ampersand.

Marcus Johnson:

Ah.

Ethan Cramer-Flood:

Oh, that was in the alphabet?

Marcus Johnson:

Interesting.

Bill Fisher:

It was in the alphabet. So, the ampersand, aka the and letter, appeared at the end of the alphabet. Just real brief... The symbol came about as a ligature of the Latin word for and, which is et, Et tu, Brute? So, the E and the T got smooshed together. That's what ligature is. And it creates this squiggly form that we now know. So, that's where the and comes from. And it was used in the alphabet to designate that you were talking about the letters A or I, themselves, because they can also be words, the indefinite article or the personal pronoun. You're with me? Yeah?

So, you would use the and letter along with a bit more Latin, per se, which means by itself, to indicate you were talking about the letters A or I. So, you would say, and per se I, or and per se A.

Ethan Cramer-Flood:

What a pain.

Bill Fisher:

Exactly. This is why they dropped it. So, it appeared at the end of the alphabet, so when you were reciting the alphabet, when you got to the end, rather than finishing off with X, Y, Z... Or sorry, X, Y, and Z, you would finish off with X, Y, Z and per se, and. By itself, and, and then-

Marcus Johnson:

That ruin the song.

Bill Fisher:

... stay quick enough, the ampersand. I think it's brilliant. I love etymology of words.

But anyway, yeah, they figured out it's a complete load of nonsense and too convoluted, so they ditched it. Quite rightly.

Ethan Cramer-Flood:

And when... Wait, sorry, what year did we make this change?

Bill Fisher:

Around the mid 19th century. So, just before Wimbledon and the US Open.

Marcus Johnson:

Yeah, no...

Zach Goldner:

It made the alphabet song after that, though. Gotcha.

Bill Fisher:

Yeah, it ruins it. It completely ruins it.

Ethan Cramer-Flood:

We've replaced it with hashtag, I think.

Zach Goldner:

W, X, Y, and Z-

Ethan Cramer-Flood:

Isn't hashtag the 27th letter now?

Zach Goldner:

... and the ampersand.

Marcus Johnson:

Or at.

Zach Goldner:

It's not the same. Yeah.

Marcus Johnson:

All right. Very nice. I've got one for you real quick. If you remember, from the beginning of the show, it's about?

Ethan Cramer-Flood:

Roads.

Marcus Johnson:

Yes.

Ethan Cramer-Flood:

I've been on the edge of my...

Marcus Johnson:

You fell off twice, I saw it. Okay, here we go. First fact, there are approximately 4 million miles or six and a half million kilometers for our European friends, or basically the rest of the world who uses kilometers. There are 4 million miles of roads in the US that would be driving back and forth across America over 650 times. Back and forth one, back and forth two. And you keep going. One estimate suggests that, if you drove at a rather aggressive 100 miles per hour, you could drive all of America's roads in about 50 years, 5-0. But that's without was stopping, which is insane.

Also, what's the difference between a highway, a freeway and an interstate? One of them is pretty obvious, but do you guys know the difference between a highway and a freeway?

Ethan Cramer-Flood:

I didn't-

Marcus Johnson:

No one really knows because no one really caress.

Ethan Cramer-Flood:

No.

Marcus Johnson:



But I went and found out. So, a highway has some intersections while others have on/off ramps. Whereas, a freeway is only accessed using on/off ramps. They accommodate a large volume of traffic, and typically have higher speed limits. So, freeways are typically, the short version, is the bigger ones, highways are the smaller ones.

An interstate is very self-explanatory. It goes in state. The interstate system was developed in 1956 and accounts for just 1% of American roads, the interstate system. But 25% of all traffic, north and south running interstates, have odd numbers, and even numbered interstates run east to west. They also go in order as well. And the longest interstate, anyone? Bill, you should really know this.

Ethan Cramer-Flood:

66.

Marcus Johnson:

It is 90. Interstate 90, I-90.

Ethan Cramer-Flood:

Oh, that goes through my hometown.

Marcus Johnson:

It runs through all of Zach's hometowns. So, it's an east, west transcontinental freeway. The longest interstate highway in the US at 3,021 miles, nearly 5,000 kilometers, it goes all the way from Seattle to Boston.

Ethan Cramer-Flood:

And mainly, through Syracuse.

Marcus Johnson:

Predominantly, yes. Yeah. Pretty good, right? And you thought they weren't going to be interesting.

Bill Fisher:

It was worth the wait.

Marcus Johnson:

They're okay. That's what we've got time for for this episode. Thank you so much to my guests. Thank you to Ethan.

Ethan Cramer-Flood:

Thank you.

Marcus Johnson:

Of course, thank you to Bill.

Bill Fisher:

It's a pleasure.

Marcus Johnson:

Thank you to this week's winner of the game of the week, Zach.

Zach Goldner:

Thanks, Marcus.

Marcus Johnson:

Thank you to Victoria who edits the show, James, who copy edits it, and Stuart who runs the team, thanks to Stephanie. And Bill, again, for guest hosting recently. And thanks to everyone for listening in. You can head to [behindthenumbers\\_podcast](#) on Instagram for all the behind the scenes content you can possibly want. Outtakes, photos and more.

We'll see you guys on Monday for the Behind the Numbers Daily and eMarket podcast made possible by Awin. Happy weekends.

Not like the place in Greek, just as in... Just roads.

Ethan Cramer-Flood:

Can't wait.

Marcus Johnson:

Okay. They're actually not bad.

Ethan Cramer-Flood:

Just watching pavement drive. This is what we have to look forward to.

Zach Goldner:

Better than Ethan's mother facts, I'll say that. I already tell.