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Episode 2: Twitch's CMO Doug Scott: Brands are Still Wrapping their Heads Around the Engagement Power of Live Streaming

Mike (19s):

Hey guys, this is Mike Shields, and this week on Next in Marketing, I got to talk with Twitch CMO Doug Scott. We discussed how the live streaming platform has exploded since the stay at home lockdowns began. How Twitch is trying to expand its programming beyond gaming and how he explains eSports to old school brand marketers. Let's get into it. Hi everybody. I'm here today with Doug Scott. Who's the CMO of Twitch, an Amazon owned platform focused on live video game streaming. Doug, thanks for joining us today.

Doug (48s):

It's my pleasure. Excited to be here. Yeah.

Mike (50s):

So you're relatively new CMO, right? Kind of an interesting time to join a big company to take on a new assignment.

Doug (58s):

Yeah, no, that's that's for sure. But I've, I've been in and around the gaming industry for a long time. And so I've been, you know, deeply aware and impressed by what Twitch has built over the past decade or so. And so when the opportunity arose for me to come on over to Twitch, about six months ago, I jumped at it. I was really excited about it. So interesting times for sure. But one that's been nothing but a lot of fun.



Mike (1m 28s):

Okay. So I think I'm going to sum up what I believe a lot of the industry's knowledge is of Twitch. I think if you're in the gaming world, you know, really well you're, if you're in direct advertising, you probably don't really well. I wonder if the average CMO thinks they understand, Oh, that's that huge thing where people watch people play games. I know Amazon owns, I know it's a big deal. I don't totally grasp it. How do you, so give me, give us like the Twitch origin story and what made you so excited about it?

Doug (1m 56s):

Well, there's the Twitch origin story, but then there's also just, you know, what Twitch is today. And I think that's really what you know, very differently. Correct. Yeah. I mean, it started out as Justin TV, you know, following Justin around with the camera basically and broadcasting his life on the internet. But what it's going into is this live interactive streaming service. It's got content that spans gaming and sports and music cooking. I mean, literally anything that people are interested in can pretty much be live streamed.

Doug (2m 28s):

And what's so compelling about that is that at the end of the day, this is an interactive platform. Everybody is a participant to some level, and it's not just about sitting back and receiving some video. It's about participating. It's about asking questions. It's about commenting. It's about connecting with other people in chat and what happens as an inevitable result of whenever, really humans start to interact like that as they start to bond and they start to build communities and that creates this tremendously different emotional connection, really to the platform and to the content.

Doug (3m 2s):

And that's, that's what really makes Twitch Twitch. And it creates a tremendous opportunity for marketers to become a part of that conversation, to join those communities and to find ways to be relevant and generous within them. And they will be repaid with a lot of, a lot of love.



Mike (3m 18s):

So help people who, who kind of grasp it, but help them picture it or what is Twitch look like? I know it's broad and there's, and there's a million different creators on there. I think people envision somebody watching some crazy, amazing gamer blow through league of legends, but what does it, what does it look like for the, for the, for the naive or the amateur?

Doug (3m 39s):

Yeah. I mean, I can describe a little bit of what it looks like on the screen. There's a streamer that will begin to stream and we have about 4 million streamers a month on average is sort of what we have at any given time you've got about a million and a half viewers on the platform concurrently.

Mike (3m 57s):

At any given moment like that a month number, that's not,

Doug (4m 1s):

No, no, no, no, no, yeah, no, there's, there's huge numbers monthly. Th like if you're talking about uniques, but this is really, I think the really compelling part of Twitch is just how engaged people are with the platform and how deep, deeply they connect. But to go back to your question about describing what twitch is with twitch is like is there's a video stream that a streamer is putting together that can be them broadcasting, a game that they're playing and chatting over the top of that and to the right, there's a chat window, which if anyone has been on it, you know, just how vibrant a, an arena, the chat on Twitch is each channel has its own kind of lingo.

Doug (4m 40s):

They have emotes, which are visual representations of different emotional states. Often that people use liberally on each channel. And it really creates a sense of, of comradery around the stream. So the stream is going on, but oftentimes the people are more engaged chatting with



one another while things are happening on the screen and it, and the streamer themselves will be responding. What's happening in chat. He creates this real conversational environment, right?

Mike (5m 8s):

So it's the very opposite of a lean back viewing experience. Like it is really active and participant in that and the audience isn't?

Doug (5m 16s):

By definition, it's an interactive experience. Yeah, very much. It couldn't be more different from a lean back experience. And I think one of the best ways to sort of sum up what the Twitch experience is like is, and I'll put it through my own personal lens, as you get connected and you find communities and streamers that you really, you know, really like and relate to, and you start to spend time there and you start to chat, you start to get to know other people who feel the same way about that content and that streamer, you really start to bond.

Doug (5m 49s):

And as a result, when, you know, when a streamer goes live, you'll get a push notification if you're following them. And the reaction that I have is so much, cause it doesn't, maybe it's it's live. So it's not, maybe it's not convenient for me at that moment. Maybe I'm in a meeting or something, but the emotional reaction that I have to it is not necessarily like, Oh, I got to pipe in and see what, you know, what they're playing today or whatever. It's actually, I feel like I I'm, like I gotta pop in and say, hi

Mike (6m 17s):

That's my fear that it's almost, I always try to think of an analogy from traditional media or is it, it's almost like if you're, I'm a Yankee fan and they, and they sent you a notice like, Hey, the game is starting now. Like, you know, Aaron Judge is telling you to join him or someone from your favorite show is trying to tell you that, Hey, let's watch it now or something. I don't, I don't know if that makes sense.



Doug (6m 38s):

You guys are at the very top of their game, so to speak, right? So, you know, your Aaron Judge analogy is a good one, you know, or if it was LeBron or whatever, it's like, you're getting like, come in, check it out. I'm playing right now. It's on, let's go. And you know, there's a lot of different reasons why people might use Twitch. Some people come there to try to understand how to crack a level in a game. Other people are coming there just to relax and chill out and connect with other people. So there's a lot of different sort of, you know, need states if you will, that people, you know, can use Twitch to solve for.

Doug (7m 11s):

But that's a really cool one getting to see some incredibly great gamers, you know, at, at the top of their game. And it's not just gaming. I think it's really important that, you know, like one of the things that we've seen over the last couple of years is an explosion in content. That's not gaming, you know? So you can see other people who are at the top of their game, in their relative disciplines across the board, whether it's musicians, or we actually been, particularly recently, we've had a ton of, of sports stars and athletes and personas who have started to come onto the platform.

Doug (7m 47s):

So it's a re it's a really cool, it's a really cool environment for connecting to the thing that you're into. And it's, it's, it's really compelling.

Mike (7m 57s):

Do you have a sense okay. So right now, like you mentioned cooking and musicians and other forms of entertainment, is it like 90% gaming? So right now, and is it like, what does it look like and how do you think that's going to evolve over time?



Doug (8m 12s):

Honestly, right now everything's changing dramatically. So it's like any number I gave you today would be hopelessly out of date in a couple of weeks, probably we've just seen a tremendous evolution of the platform. I think it was underway before the pandemic really settled in. We were seeing, you know, non-gaming content, it could drupal over the prior three years. And, you know, so it's just like a, you know, a lot of really rapid growth in some of those non gaming areas. Gaming is still the absolute beating heart of Twitch.

Doug (8m 45s):

It has been for a super, since really the beginning. You know, I think gamers are quick to adopt a technology when they see that it's gonna, it has some, some real merit and they're often early adopters. And I think that that happened with Twitch, but there's nothing inherently true about the Twitch service from a technological standpoint or live streaming for that matter. That's inherently built around gaming per se. It can be applied to any interests that you have and we're seeing that.

Mike (9m 18s):

So you alluded to, what's been going on lately, let's, let's back up for a second. So you come on six months ago, roughly where they ask you to do what were you trying to do? And then I'd love to get into how that's changing since the pandemic took hold.

Doug (9m 29s):

Sure. You know, You know, part of, part of this is a two way street, right? I also chose to join Twitch because I've always seen it as like a truly revolutionary form of entertainment. You know, it's so much more than video, right? It's this community that we've talked about and that combination is incredibly powerful. Also as a marketer, I'm not coming in to a brand that doesn't exist. This is one of the greatest joys that you have as a marketer is, you know, and greatest responsibilities is to work on brands that are truly beloved.



Doug (10m 4s):

And, you know, Twitch is definitely that. And if you've ever been to a TwitchCon, then you know what I'm talking about, it's absolutely amazing how passionate the core is about the experience that the service delivers and what that means to them in their lives. So to get to work on that as a marketer is a tremendous honor and, and really, really fun and exciting. It gives you a lot to work with. So I was really excited about, you know, all of those elements and that, because that dovetails perfectly with the mission and the mission is ultimately to bring the experience of Twitch, you know, the unique culture or brand, ultimately the passionate community that is Twitch to new audiences and new markets.

Doug (10m 43s):

That's really the primary goal of marketing, no matter what the business is, but I felt like the, the joy that Twitch brings people in their daily lives is the kind of thing that makes me excited as a marketer to get out of bed every morning.

Mike (10m 58s):

So, yeah, let's break that down a little bit. If you could, how much of your life about just trying to make Twitch broader and bigger in the consumer world versus are you also trying to do a B2B mission where you're trying to get more marketers to understand this audience, understand this platform what's going on?

Doug (11m 17s):

Yeah, it's I spend my time thinking in multiple directions, there's obviously growing viewers and we think about expanding into, you know, obviously continuing to grow and solidify our place at really the core of gaming. You know, we are deeply intertwined with that culture and, and that's something that we take a tremendous amount of pride in. And, you know, the company certainly has a lot of very core gamers coursing throughout its halls.



Doug (11m 48s):

And, but that said, we're also looking at how do we expand? And we've been begun. We've begun to invest in areas like music and sports in particular to really start to drive those forward. And, you know, that's been accelerated during this pandemic period, but it's, you know, that's, those are really great opportunities for us right now from a growth standpoint. So these new areas also, we still have plenty of growth opportunities internationally. We are a global brand and we're consumed globally. And, but we have a lot of penetrations still to go.

Doug (12m 20s):

There's tons of people who haven't really experienced live streaming in a significant way yet. So very excited about the growth side of it at the viewer level that said, there's also a creator marketing aspect of what we do thinking about how do we bring on new creators? How do we help onboard them? How do we make that experience as positive as it can be? We've done, we've released a ton of stuff. There's an incredible focus on the creators within Twitch, as you probably imagine,

Mike (12m 47s):

they're vocal, right? If, if, if they're not happy, they'll probably let you know about

Doug (12m 51s):

they're very, very excellent communicators. Yeah. They're they don't, they don't hesitate to let us know how they feel about things. And we really listen. I mean, it is, it absolutely is driven through the very core foundational element of the company that creators are our partners. And without them, you know, there's nothing, there's nothing to Twitch really. So we really nurture that. And then you, but you brought up advertisers as well. And I work very closely with our sales team to articulate why, why Twitch is a, is a great medium for, for brand marketers and marketers of all, all, all types to reach their core audience.



Mike (13m 31s):

So I imagine that's still a very much, it probably depends on the brand, but there's still probably a lot of education. That is what that is warranted there.

Doug (13m 38s):

Yeah. But that's true. And I think it was particularly true. Even six months ago, we were, we were still in a lot of education depending on the category. So obviously some categories that are very familiar with Twitch. Yeah. If you're red bull or the gaming, anything that's been focused really on sort of, you know, younger males, you know, in Western markets is very aware of Twitch and is as engaged with us. We've had tremendous brands work with us, whether it's, you know, Nike, or you mentioned red bull or any number of other brands, endemic gaming brands across the board.

Doug (14m 14s):

So there's a lot of great brands that have engaged with us already. But what we're seeing is tremendous interest now from a lot of different categories, CPG has been really leaning in heavily. We've had some great partnerships with Proctor and Gamble for instance, over the past couple of months. And they're very leaned in to the platform.

Mike (14m 35s):

Why is that? Because was this happening already? Because they're wondering about, oh my reach is now it used to be active to reach younger men, or is it driven by the way you've seen in terms of the COVID spikes?

Doug (14m 47s):

It was already happening and you nailed the reason. I mean, you, the Twitch audience, like 39% of them don't watch TV at all at all. Like, you know, it's just like, yeah. I mean, if you want to reach them, you need to reach them in digital environments. And, and, you know, I think any marketer, you know, worth their salt is, is not so imp, you know, impression isn't that important of a thing.



Engagement is the thing that you look for. You want people to engage in your brand and pay attention to your message and understand the benefits that your product or service can bring.

Doug (15m 23s):

And Twitch is a hundred percent about engagement. I mean, people on average are watching two hours of streaming a day on Twitch. That's like insane. That's insane for a given service. That's an insane amount of engagement. And they're talking about television overall is five hours, but that's everything on television. Yeah. Right. It's five hours a day. And also that's a lean back experience. A lot of the reason why that five hours exists is because people have it on it's in the background, they're doing other things they're not leaned in on Twitch.

Doug (15m 56s):

They're leaned in for two hours. It's, you know, typing, you know, interacting. So they're really leaned into advertising. Recall advertising is off the charts when it's on Twitch.

Mike (16m 7s):

Okay. So I want to ask you about what advertising looks like, but so let's, let's back up, help me break down. Okay. How, how big is Twitch and in terms of audience, maybe in a daily basis, and then maybe if you could talk about what it looks like in terms of the global footprint, is it primarily, I believe it's got a huge audience in Asia, but also the U S like help me break down the Twitch demos and big numbers.

Doug (16m 32s):

Yeah. I mean, I mentioned earlier on average, we get 1.5 million people concurrently at any given time, like goes up and down a little bit across the day, but because it's a global product, it doesn't vary a ton. You know, it's sort of right in that, that general wheelhouse it's been growing ever since it ever, since it came into existence and that's not showing any, any signs of slowing down, we've got 4 million streamers each month. It's about 10 billion hours watched a month.



Mike (17m 2s):

So that's just people making stuff, not watching stuff.

Doug (17m 6s):

That's 10 million, 10 billion hours watched it's 4 million streamers, 4 million like creating content. Yes. So it's tremendously engaged on both sides of the coin and really, really scaled. You mentioned it like it is global. We have viewers from pretty much every country on the planet at this point. And, and, but again, like there's tremendous growth for the platform going forward.

Doug (17m 35s):

There's a ton of people who haven't even been exposed to live streaming before. And, and don't really understand its benefits as clearly as they can.

Mike (17m 43s):

And roughly how much of it is US right now?

Doug (17m 46s):

Oh, you know, it's like our largest territory is EMEA. So, you know, it's kind of like a roughly split, if you will, pretty evenly, I would say it's probably 40%-40%, you know, US EMEA, 20% Asia, still some work to do in, in growing some of those territories.



Mike (18m 5s):

Okay. So you're, you, you joined the company, the audience is growing. The programming is, it's already pretty big. Now, what have you guys seen since everybody went to lockdown? Well, more people are stuck at home. What, what, what kind of patterns have you seen happen or emerge?

Doug (18m 20s):

You know, like obviously none of us are happy about the reason why this is happening, but we have seen tremendous growth on the platform since the shelter and home policies went into place. We've seen pretty much every metric is up over 50% from its pre COVID levels. And that's pretty crazy when you think about the fact that Twitch has been around and is a totally dominant live streaming platform. So that kind of growth is tremendous.

Mike (18m 52s):

Yeah, I wouldn't, I wouldn't be shocked. I'm sorry to interrupt you. I wouldn't be shocked if you're a big Twitch person and you're stuck at home, you're going to watch like crazy. I would, but it sounds like you're getting a whole lot more new people and I wonder how that's happening.

Doug (19m 4s):

Well, I mean, I think the demand has been created naturally that people are looking for online environments. You know, obviously they're stuck at home, so they're looking for different entertainment experiences. And a lot of people have heard about Twitch. Maybe never tried it before. So there's a lot of that sort of natural demand being created on the viewer side where they're trying it out and they're getting maybe giving it a shot for the first time. And so we're capitalizing on a lot of the awareness that's been created over the years and maybe the consideration that's been created, but people haven't actually ever converted to trying and that's happening now.



Doug (19m 37s):

And what we're finding is that people are sticking. It's not like people came in and tried it and were like, oh no, this isn't for me. Like it's completely sticking. And the reason why is because there's a super compelling core experience here, that's very different from what people can get other places. And right now, not only are people looking to be transported through entertainment, which obviously Twitch provides, but they're also looking to connect to people. People are feeling isolated, their home, they want that human connection and Twitch is right at the intersection of those two things.

Mike (20m 10s):

So this is almost like your zoom for a lot of people plus your entertainment?

Doug (20m 13s):

Yeah. It's a tremendously compelling moment for people because you know, and the thing about Twitch is like, you don't, you don't have to interact. You can sit there and just watch, you can lurk on a channel. It's nothing wrong with that. You can do that. So it gives people like a lot of control over the level of engagement that they have and the level of interaction that they have, which I think is very empowering for people at this time as well. But it gives people a window to human interaction and human connection at a time when they needed most.

Mike (20m 44s):

So since we, since this phenomenon has happened with more and more folks coming during social distancing are different things popping. Like, are you seeing, you know, the new, the new people coming on and watching more, more musicians or getting into different games that aren't weren't as big or what's what's going on that's interesting?

Doug (21m 1s):

Yeah. I mean, everything is up. Gaming has been up and it's been driven by, has been driven by a bunch of things. Obviously it's, Twitch's known as like the home of gaming and a lot of ways, you



know, when it comes to live streaming and we've had some really big releases like valorous and stuff like that, that have driven a lot of interest, but we've been blown away by how much other categories have grown. And the thing that's really popped as you just mentioned, is music in particular, artists are in a place where obviously a lot of their revenue streams, the things that they do on a day to day basis to perform, they don't have any place to do that.

Doug (21m 38s):

And so they're stuck at home and, you know, they're looking for ways to connect with their communities, lost revenue, streams, and twitches kind of purpose built for that. If you think about it twitches a little bit, like it's a performance. Yeah. It's like a live performance musicians are very comfortable with that concept and they crave it. And so they've been adopting Twitch in droves, all different types of musicians, all different sizes, everyone from the biggest musicians in the world down to singer songwriters who are, you know, buskers like every in, in, you know, DJs have been particularly engaged on the platform.

Doug (22m 17s):

So I think that there's, we're, we're just really leaned in right now trying to help them be successful as successful as they can be as creators. And we're learning a lot together as we go. But the engagement that we're seeing on the viewer side has been incredible. And I think it's really showing that music has a, a place on Twitch for the long haul.

Mike (22m 37s):

Yeah. And I imagine musicians and DJs are bringing new people on with them?

Doug (22m 41s):

Totally. Absolutely. They have huge existing user bases and fan bases and they're like moving them over and Twitch. I mean, let's be clear, which is like, you know, the most fully featured creator live streaming platform on the planet without question. And so monetization capabilities are more enhanced. The technical infrastructure is purpose built for this type of experience. And



so it's, it's kind of, I think they're just waking up to the fact that this, this platform has been here all this time or now all this time for the last couple of years, at least.

Doug (23m 19s):

And it, it represents a meaningful business opportunity for them to really connect with their, their fan bases. So they're, they're, they're bringing a lot of their fans with them to the platform.

Mike (23m 30s):

So yeah, you alluded to monetization, maybe you could just help us understand. Here's what I think advertising and monetization looks like on Twitch, somebody from right. I believe you have, you can buy standard media pre-rolls you can donate to certain influencers you like, and there, I think there are some commerce elements maybe, maybe just talk about like, what does advertising look like and then maybe where it's going.

Doug (23m 55s):

Sure. Yeah. There's a lot of different ways for brands to engage with an audience on Twitch. As you mentioned, there's a more standard sort of format advertising that like runs in peep pre-roll or it can be mid-roll where top streamers will engage advertising in the middle of their stream. Obviously this is an incredibly leaned in moment it's unskippable. And so you get just tremendous engagement with those ad slots.

Doug (24m 27s):

There's also a product called bounty board that we have where an advertiser can come in and offer certain rewards and a streamer can come and select that. So it's a really nice opportunity for brands to engage with streamers, because I think one of the things that's super important on a, on a leaned in platform and an interactive platform like Twitch is finding ways to integrate into the content, to work with the streamers as the sort of voice of their channel to do.



Doug (25m 5s):

What's often termed as influencer marketing on behalf of a brand and PR bounty board is great because it, it really allows the influencers to ultimately connect with the brands that they have the most passion for and are excited about the proposition of introducing their communities to that creates this tremendously authentic voice that really taps into a deeply engaged audience in a very credible way. So there's a lot of different ways, you know, to do that. And obviously brands can directly engage with streamers as well, too, to build plans and, and find ways to integrate.

Doug (25m 41s):

So there's lots of different ways for brands to work with streamers.

Mike (25m 47s):

You, I imagine, sorry. I imagine when you're talking to the, the newer categories, the Proctor and gamble is the BC CBG brands. I wonder if you hear from them a concern that they probably have about gaming overall, but, but going into Twitch, I wonder if they say to you, well, you know, we, we have, we, we're worried about this generation that is watching Netflix with no ads and they are they're accustomed to control. They don't want us there. They don't want us interrupting this. I'm afraid to get, I'm afraid to get, you know, these gamers will scream about us being in there, and wrecking their experience.

Mike (26m 22s):

Do you get that, those questions and what do you, how do you explain it to them?

Doug (26m 27s):

Well, it goes back to a lot of the things that we just talked about, which is that this is a community. And so that's one of the reasons why something like bounty board is so powerful is that because it's not the brand interrupting in that case, this is something that's ultimately, the community knows is benefiting the streamer, it's something. And so they're, they're very charitable at that moment in terms of, you know, being open to the messaging. And I think that



that's because it's the emotional state that the community is in at that point is one of engagement and connection.

Doug (27m 4s):

And so I think that that represents actually a tremendous opportunity for brands to have a much warmer interaction than you might in a more traditional ad advertising environment. And I think that goes back. If you look at sort of how commerce operates on Twitch, obviously anyone can watch a channel, but monetization on the commerce side from viewers is done through either subscriptions or through, you know, moments where you're, you're cheering someone or providing them with bits, which are just small, incremental, you know, currency that you can just basically donate to a streamer.

Doug (27m 41s):

It's, it's a very positive opt in kind of monetization platform. And, and I think that that's very true for advertising. So it was, you know, people understand that advertisers are there and are supporting their streamers and supporting these communities. And therefore they're much more open to some of that messaging.

Mike (27m 60s):

What about brand safety? It's been an issue that many, that many open platforms have had to deal with. I'm, you know, gamers have a reputation for being, you know, frank with maybe their language and the stuff they talk about, how big an issue is at and what do you guys do to do, to make brands comfortable?

Doug (28m 16s):

I mean, it's a massive focus for the business. As you mentioned, any online platform can be beset by people, trolling or behaving badly. And one of the things that I like the most about Twitch is that I believe it has taken measures far above and beyond what pretty much any other platform that I'm aware of has in order to make sure that they're creating a really safe environment, not just for brands, but for viewers and for creators as well.



Mike (28m 45s):

Right? You've got to get that right for the experience overall.

Doug (28m 48s):

Absolutely. It's critical and nothing can sour a stream faster than if you get some trolls in there. And some of the things that we have in place, first of all, we're not a free speech platform. We don't pretend to be. We have very strict rules and community guidelines that, you know, maintain a very clear baseline for what's

acceptable. So it's not a free for all out there. Like absolutely not. So yeah, no, we have a tremendous amount of tools to monitor that. And we're very, very quick to come in and shut down a stream or a chat that has gone to a place that's unacceptable versus our community guidelines.

Doug (29m 23s):

And those are available to anyone. They can read what those are. Everyone signs up to adhere to those when they joined the platform. And we, we monitor and moderate that aggressively. And you know, one of my favorite, favorite parts of Twitch, and it just really speaks to this concept of community is our community moderators. Almost every channel of any size at all, has, can empower community members to moderate chat. And we've built a ton of tools to empower those moderators and those mods within the community to manage those, those streams so that if somebody comes in and starts to like pipe off and chat in a way that is unacceptable, it, it might even be within guidelines on the platform, but it might be something that's uncomfortable for the streamer and or the, the viewers on, on that, on that channel and mods have the power to delete messages to hold things.



Doug (30m 24s):

You know, we have a bunch of automation that holds messages for them to review before they get posted and the band people, if they're not behaving well. And if you've ever been on Twitch, you know, that the mods are beloved within the community. The streamers love the mods.

Mike (30m 40s):

So they're not the narcs like the community gets them and wants them there. They make it, they make the experience.

Doug (30m 45s):

They are the community and they help to enforce a safe environment, a positive environment as defined by that community. And it really makes a huge difference in the overall safety of the platform. So there's that we also take a lot of responsibility that we built a ton of tools. We've doubled the size of our safety operations team in the past year to try to make sure that we continue to provide as safe and positive environment as we possibly can. And we take it very, very seriously.

Mike (31m 17s):

Can that ever be automated through technology given that you're live? I know that it's not easy. It's not easy to have texts, sniff out stuff like that in VOD environments, it's gotta be really hard and live.

Doug (31m 31s):

It is. They're like I'm not going to lie. It's a difficult technical challenge, but we have a huge team focused exclusively on this. Literally hundreds of people within Twitch are focused on what we call trust and safety. And that includes engineers, includes product managers, and it includes a ton of safety professionals who are working with our community and mods and streamers and viewers



to make sure that they're rapidly identifying and responding to anything that could be a negative experience on the platform.

Doug (32m 3s):

So it's, you know, we do build a ton of technology as well to identify so it's, yes, it's a difficult technical challenge. It's not impossible to make major strides in that area. And we have over the last several years and we will continue to, it's an area of sustained focus because it needs to be.

Mike (32m 22s):

Let's, let's shift gears a little bit. Doug, talk about, eSports – obviously huge topic. It's something associated with Twitch, but I feel like even myself, I find myself getting confused or conflating big gaming influencers with eSports. Can you give us like the lay of the land? Like not every big Twitch influencer, is a big eSports person, but they're, those guys are on there. You, you show eSports, but not everything is eSports can, can help us lay out or understand what that looks like.

Doug (32m 49s):

Yeah, yeah, absolutely. eSports is near and dear to my heart. Twitch Twitch has been, you know, synonymous with eSports for really its entire existence. I think they really grew up together in a lot of ways. And, and for those, if anyone out there doesn't know what eSports is, it really is. It's competitive forms of video gaming. Often there are leagues or specific tournaments that might be happening at any given point across the world.

Doug (33m 22s):

And almost all of them are being streamed on, on Twitch. So Twitch is really the home of eSports and we produce our own eSports tournament series, which is called Twitch rivals. And that can be everything from sort of entertaining aspects where we might pair up. We did a thing at this at the super bowl called streamer bowl, where we paired up an NFL player with a top fortnight player. And they, they played in a in an elimination style tournament, which was a blast all the way down to like hardcore, League of Legends tournaments.



Doug (33m 54s):

So it really is like a broad range. And we also recently launched something called our eSports directory. The eSports directory is a section of the site that really pulls all of the eSports content into one place to help grow discovery and, you know, drive viewership of that

Mike (34m 11s):

Because it's a fairly fragmented world. Right?

Doug (34m 14s):

Sure. It's extremely fragmented. And it's, it's just kind of constantly going, you know, it might be a tournament in Asia, you know, that's happening, you know, at midnight in California, so, and vice versa. So it's a global phenomenon it's been growing tremendously, the average age of an eSports fan, the person who sort of says that eSports is their favorite form of live sport, you know, is much younger than the, than virtually every single other form of sports.

Doug (34m 45s):

And it's been growing dramatically for really, for the last decade. So it's a really exciting area. It's very integrated into what Twitch is and you know, we're doing a lot right now to continue to nurture it and grow it as we go forward.

Mike (35m 0s):

But it's interesting that it's, it's not like I always want to make these analogies to traditional media. It's not like you have exclusive rights to one league and then somebody else has the other one, all the leagues work with Twitch in some capacity,



Doug (35m 15s):

There are examples of exclusivity that exist within the category, but we welcome. We welcome all the youth sports to Twitch and almost everybody uses Twitch on some level to reach their audience cause they know their audiences on Twitch.

Mike (35m 32s):

But again, just to make the distinction for the, the maybe uninitiated that you can, there are huge, big name gamers who are influencers. We're not necessarily, we're not belong competing in eSports. Right. And then, but then there are also eSports guys who have Twitch channels who do stuff that isn't just competition, right?

Doug (35m 52s):

A hundred percent. Yeah. I mean, some of the biggest streamers aren't necessarily the guys that are going to win every, every turn eSports tournament. We have those top eSports competitors, you know, but putting on a great stream is a combination of things, right? It's not just being able to watch someone who's at the top of the game. That's part of it. You know, like it's amazing to be able to watch someone who just won like the fortnight world cup, go to go to town on Twitch and learn from them and participate in that stream. It's really, really cool.

Doug (36m 23s):

And to watch people who are at the top of their game and be amazed by just how incredible those guys are, as we can only call them athletes really. And at the same time, a bunch of the most popular streams, aren't people who are the top competitors. They happen to be really compelling personalities. They might be funny, you know, they might be, you know, Starkey, it depends on the tone and whatever you, whatever you sort of caught into is available for you on Twitch.



Doug (36m 53s):

But yeah, you're absolutely right. You know, and some of them are like, you know, like Pokemon is one of our top streamers. She's just kinda like just chatting and stuff like that too. So it's like, it's a really, it's a different, it's a really different sense of skin, very different. They can align. And sometimes they don't. And again, it's, it's really, like I mentioned before, there's different segments of users, too. They come for different things. And if you're looking for the best of the best to watch and learn, they're there, you can watch them streaming if you're coming to be entertained and participate in something that makes you laugh those streamers are there too.

Mike (37m 27s):

Yeah. It's almost, you, you mentioned a LeBron before, like it's, it's almost, as if you're asking you, you wouldn't expect LeBron to also be able to be an announcer during his, his, his game and also cracking jokes and narrating his play. Like it's, it's a really different set of skills and just being awesome at it at a particular game

Doug (37m 43s):

Yeah. You know, but there would be some that you would write, like, can you imagine like Charles Barkley might be really good at that? I don't know if only twitch been around. Yeah, no, but like, and I think that's, it, it is a, it's a new form. It's a new medium on some levels and it requires you can't just immediately translate something from a different experience or medium to this one.

Mike (38m 5s):

I want to ask you a couple more big picture questions before we wrap this up. This has been terrific. You mentioned like, I think we've talked about this a little bit, but you're, you've been in the gaming world for a while. It's always been, it's been an area where, where brands in general have been interested. They want to get this audience. They want to understand where they fit, but there are, it's a little bit awkward. It's not, it's not as clear cut as buying TV ads or radio. How would you sum up? I imagine that their eyes are being opened right now with all the gameplay that's going on pre know post COVID.



Mike (38m 38s):

How do you, how do you sum up the state of advertising and video games and maybe where it might be headed or isn't it headed?

Doug (38m 44s):

Yeah, I think it has a very rosy future, you know, as someone who's worked in the gaming business and is also a marketer, I think I'm probably in an interesting position to comment on this. I think, you know, traditionally brands, I think struggled a little bit because they were, they were in this position where they were constantly trying to create a very controlled experience, defined experience that goes into a linear environment and people are leaned back and they just receive that and that's not gaming and that, and that's not live streaming either.

Doug (39m 17s):

I think that there's, there's a lot of crossover here between these two points, which is that these are deeply engaged, interactive experiences. And so the most important thing as a brand is to find ways to really integrate in a way that feels additive and complimentary to what's happening there. And that's been something I think people have traditionally struggled with. I think Twitch opens up a lot of the opportunity there though for brands, because you have these people who are streaming for hours, you have viewers engaged for hours and you can partner deeply with creators to find very creative ways to get integrated into that and get your message across in a way that isn't so much you forcing it down someone's throat.

Doug (40m 1s):

It is you partnering with the streamer to deliver that message to their deeply engaged community. So I think that's like the mentality that brands need to have as they approach something like live streaming and brands love that. I mean, any marketer, like I said, loves something where you can get people to engage with your brand. And yeah, it's a little bit harder sometimes creatively to find that way, but that's where you can partner with a streamer partner with a creator and really find a great way to get that message across.



Mike (40m 32s):

But do you think you'll ever like you, right brands were always kinda like, I don't want to interrupt game play, especially if someone paid 60 bucks to play a console game, you know, I don't want to shove a shove, a 30 second into Madden, but now, but people wonder, well, okay, now there's a lot more free to play games, Fortnite, et cetera. Do you think we'll start seeing like more traditional linear advertising coming to gaming lot to gameplay or is that kind of crazy?

Doug (40m 56s):

No, I don't think it's, I don't think it's crazy at all. I think the free to play environment we'll always have any free to play game will have a fair amount of advertising integrated into it because free to play is the thing I've always liked about the free to play category is that it really puts the power in the consumer's hands. You can choose your path and people might criticize it as paid away and in some situations, but I think good game design avoids that. And it really ultimately is an empowering moment for creator, for view or viewers or players, I should say because they can ultimately choose to, if they have more time than money, they might work on grinding away at a level.

Doug (41m 37s):

They have more money than time. They might find ways to accelerate their path through the game. So I think like it's an environment that has a very clear consumer benefit for advertising and therefore you will see it, I think in any free to play environment.

Mike (41m 53s):

I have a weird question for you, there's been a lot of talk of how YouTube has graduated to the television as OTTs or smart TV's has become bigger. Do people watch Twitch on TV more?

Doug (42m 3s):

Oh yeah, yeah, yeah, no, it's a very popular, very popular environment. And what, you know, we all know that TV is sort of a two screen experience for people and they have their phone in their



hands or their tablet on their lives. And so what you might have people doing is because again, interfacing with chat is a little bit more difficult on a TV than it is on some other devices, which you often have is people streaming it up on the screen and then really handling chat on their phone. So, yeah. So it's just like a, you know, it's a really dynamic environment

Mike (42m 36s):

Cause you kind of lead me to my last question is, I wonder you mentioned how this is, this experience is so engaging in so much more participatory and social inherently. I don't know if you can answer this, but how does that affect this generation is going to grow up this way. That's what they're going to expect their media to operate in this fashion. I want. So do you think, are they going to eventually be okay with sitting back and leaning and bingeing shows in TV and consuming content in a more passive fashion or is it going to happen Is media going to have to catch up and be more twitchy so to speak?

Doug (43m 10s):

I mean, I think the short answer is that media is going to have to catch up and find ways to be more interactive and be more community-based. I think that it's an experience that people prefer when they can have it. I think the limitation on live streaming is that we have busy lives and live happens when life happens and things like VOD can be on demand and that can fit into people's lives. So I don't think, I don't think VOD and the lean back sort of experience will ever go away completely. I think it will be a meaningful part of the entertainment landscape for a long time to come.

Doug (43m 40s):

That said, I think that to you're essentially the essence of your question. I don't think that live streaming has achieved its sort of peak penetration, if you will, of the entertainment category. I think it has a lot of people will find that live is really interesting for them. And we're starting to see that, you know, like people assume that around gaming because it's always been this interactive medium, but we're starting to see that around things like Sports. When we like coast stream Thursday night football on Twitch, all of a sudden you've got, you know, whatever Tim, the tap man, and he's got his stream going.



Doug (44m 13s):

That is very fun. It's a really fun way to watch and NFL game. And you can imagine that as that proliferates people will choose those to consume things that traditionally have been part of linear entertainment. They'll choose to consume those things in environments that are more community oriented going forward, just cause it's more fun. It's more entertaining.

Mike (44m 33s):

Yeah. Yeah. You already can barely watch a game news event without having your phone as part of the experience. If that's all baked into this universe, it's going to be fascinating around right now. One last thing I were reading that you guys are expanding into some more programming. You're talking about some new, new formats can you get into, like, it looks like maybe you were to see dating shows and other kind of reality. Can you talk about that a little?

Doug (44m 57s):

Yeah. We have a, we have a big content and programming team within Twitch. That's really thinking about how do we continue to build different experiences on the platform and compelling entertainment, just like any entertainment platform, you know, would be looking to do. Ultimately I think that there's a, well, we look to other forms of entertainment for inspiration, just like other forms of entertainment. Like to us, I guess for inspiration sometimes there's no like super defined set of, we're only investing in these areas.

Doug (45m 29s):

We're open to lots of interesting ideas working with lots of different partners. And, and as I think we've said a couple of times, two areas that we're particularly interested in are music and sports. And we've been working closely with those communities to look at ways that we can create super compelling programming around those areas. But it's not limited to that at all. We're just trying to find really cool ways to leverage the interactivity of the platform and the way the communities can work together around pieces of content to create something that's, you know, a bigger and better.



Mike (46m 2s):

Very cool. Well, it's going to be fascinating to see how it evolves, especially as more people jump on the platform and where we're home longer and looking for new forms of entertainment. Doug, thanks so much for a great conversation, really enjoyed chatting, and stay safe. And we'll hopefully talk again down the road. Doug Scott CMO of Twitch.

Doug (46m 18s):

Thanks again for having me. I really enjoyed it.