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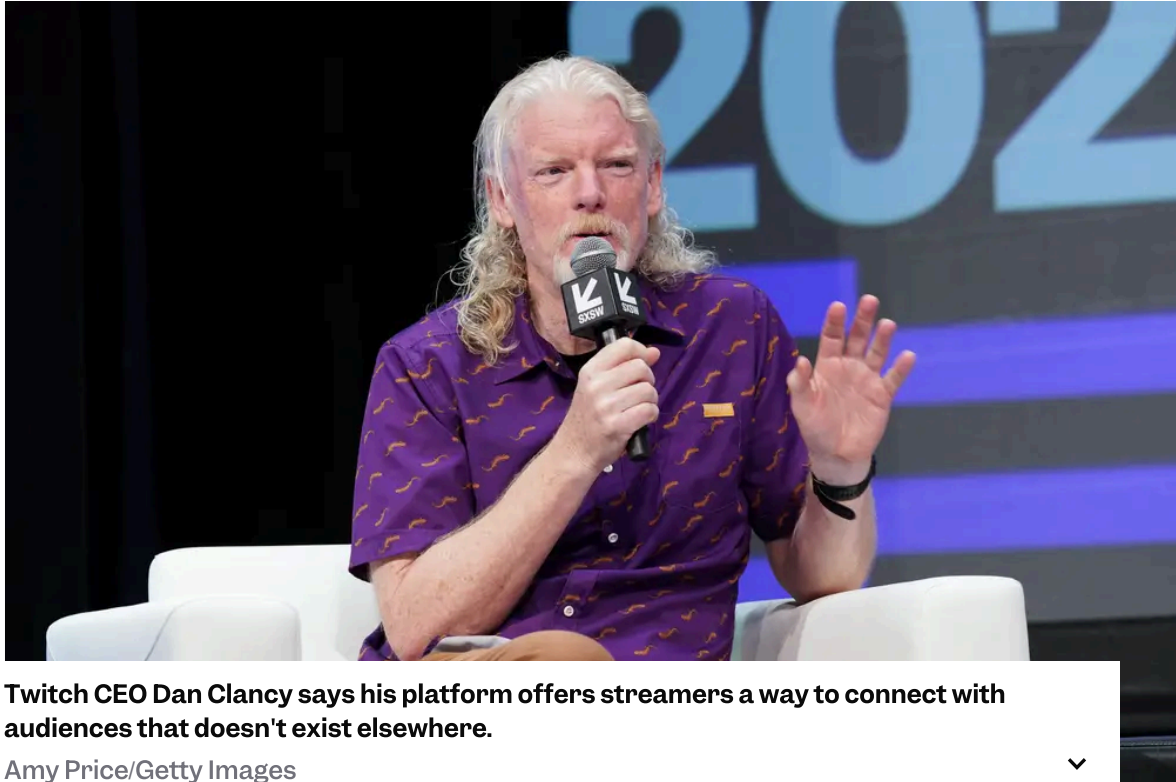
Twitch's CEO on its biggest competition, Big Tech's growth-at-all-costs mindset, and why Twitter isn't really a town square



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Twitch CEO Dan Clancy says his platform offers streamers a way to connect with audiences that doesn't exist elsewhere.

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You have probably heard of Twitch, the company that basically invented livestreaming in the US, and that Amazon bought for \$1 billion in 2014.

Do you use Twitch? That's a different question. There are now lots of places to watch people do things live on the internet. And some streamers who really broke through on Twitch — like Kai Cenat, or Hasan Piker — spend a lot of time on rival platforms, too.

No problem, says Dan Clancy. The Twitch CEO, who's been on the job for two years, says he thinks his platform offers streamers a way to connect with audiences — and, crucially, for audiences to connect with each other — that doesn't exist elsewhere.

I had other questions for Clancy, like: When will Twitch actually make money for Amazon? And what happened to plans to port Twitch-like experiences to other places — like NBA games? And in a world where moderation is a political hot button, how does Twitch deal with streamers who talk for hours on end and are often likely to say something that will upset someone?

We talked about all that in a recent chat, recorded live at South by Southwest in Austin. You can hear the whole thing on my "Channels" podcast. The following is an edited excerpt of our conversation.

Hasan Piker, one of the biggest streamers on Twitch, was recently suspended after making an extended metaphor about the healthcare system that involved killing US Sen. Rick Scott. He's been suspended multiple times. How do you get suspended at Twitch? Do you get involved when it's a high-profile person? Is this automated? How do you get reinstated?

So first of all, the suspensions are not indefinite. They're there for a given period of time.

Sort of a timeout.

Right ... to try to make sure people stay within the guardrails. If someone goes outside the guardrails a little, give them a little bit of timeout. So then [streamers know]: "OK. I'm going to work hard to stay within the community guidelines."

We have a team that does that. It's not automated. I'll be aware of their decisions for certain high-profile [streamers]. But it's not my decision because the whole point is to keep some degree of separation.

Even before last fall's election, we were seeing tech platforms rethinking moderation and rules, and they were moving away from moderation in some cases. Elon Musk led the way on that with Twitter. Now it seems like there's additional political pressure for platforms and media companies. How is that affecting Twitch?

We were lucky in that we were not overly aggressive previously. I think sometimes, especially with misinformation and other things, people moved the line. And we had always consistently said, "Listen, you should be free to say what you want. It's how you say it. You can't be spewing hate. You can't be threatening violence ... "

But you could say, "I want to take ivermectin to deal with my COVID."

Correct. We did have a policy [to deal with] someone whose sole purpose is to spread misinformation, but that doesn't really happen on Twitch. We don't have the viral spreading of information. More often than not, what people say on Twitch is a manifestation of what they hear through the other platforms. So someone might say, "Oh, I read a Facebook post the other day that said this."

So you've always been sort of looser than some of the other platforms. And it doesn't seem like the Jim Jordans of the world are going after you and subpoenaing you and asking you to explain why you censored so-and-so. Is that because it's just a different platform? Is it because they don't know what Twitch is?

No, I think it's because we have not been getting into that space. In general, we have not waded into censoring people.

People talk about Twitter as a town square. Twitter's not really a town square because it just spreads all over the place. In a town square, you're either in the town square or you're not. And on a Twitch channel, either you're watching the channel live or you're not. If someone doesn't want to watch the channel, don't watch it. It doesn't algorithmically suddenly appear in their feed. You show up; you watch a channel. If you don't want someone watching your channel, you can ban them and stop them from watching your channel.



Kai Cenat became famous as a livestreamer on Twitch, but you can now see him in all sorts of places — like this WWE "Monday Night Raw" broadcast from January.
WWE/Getty Images

In the pandemic, a lot of people discovered Twitch, and people spent a lot more time on Twitch. Then there was a rush from YouTube, Microsoft, Facebook to build their own version of Twitch. They offered huge contracts to some of the biggest Twitch streamers. Now they basically have all sort of retreated from that business.

Their hope was, "I'll lose money on this creator. But all these users will come." But when that creator left Twitch, there was another creator ready to step up and become the next big thing on Twitch. They filled that void. And so [rival platforms] said, "No, this doesn't work. We're not really pulling [audience] from Twitch. So why do we want to keep losing money on these deals?"

So you had deep-pocketed competitors that walked away. Does that mean they concluded they could never compete? Or did they decide this business is not worth it for them and they can get a better return doing something else?

It's absolutely the case that the VOD business, like TikTok and YouTube, is a great business. You watch that when you have five minutes here, five minutes there, and you add up the five minutes ... it's a great business. I mean, it's bigger than our business.

Their thought was, "This will be on top of our business." And they still all do live. It's not like they pulled back from live. They've pulled back from signing money-losing deals. And when you pull back from that artificial injection of capital, Twitch, because it focuses on live, [streamers say]: "No, I'd rather be on Twitch."

A while back Twitch was on the radar of media companies, and people like the NBA were saying they wanted their broadcasts to look more like Twitch. They had demos where there was a basketball game going on with all Twitch stuff on the side. It doesn't look like that ever took off. Is that media companies saying, "Actually, we're not really ready for a Twitch-like experience"? Is that the audience saying, "We're not ready for that"?

I think it's people misunderstanding what is so special about Twitch. Let's take music. There's a ton of musicians on Twitch. And people said, "I know — we'll put music on Twitch. We're going to film a concert." So you take one concert and you film it. But then the creator isn't interacting with the community online. It's not distinctly different than what you can watch in a VOD, right? And it happens once. So the people are not building community among themselves.

The musicians that use Twitch — they often use Twitch more to engage with their audience and community and doing whatever they do in their free time. The poster child example is T-Pain, who's a big musician who streams on Twitch all the time. I'll chat with him and hang out with him on Twitch, and he games on Twitch. He does his sound recording on Twitch.

The point is, it's not about taking traditional music media and sticking chat next to it. That doesn't create community. That is just traditional premium media with people chatting alongside, which they already do on Twitter.

Two years ago, you became the Twitch CEO. Then you had layoffs. Then you said Twitch wasn't profitable, which is why you made the cuts. It's kind of shocking to hear that between Amazon's resources and Twitch's cultural cachet that Twitch wasn't making money. Is it making money now?

So I don't talk about where we're at now. But when you say it's shocking — it's not that shocking. Uber didn't make money until last year.

Yes, but they were in a different business. And YouTube was making money — not right away, but ...

I was at YouTube from 2010 to 2012. For a long time, YouTube was not profitable. So I don't think it's that strange.

I think this is an issue in the tech space, where there is this mindset of, "Build your organization for where you're going to be in three or four years." That came out of Google, in part because Google was lucky enough to have a money machine in the back of the house.

So everyone else — it was like grow, grow, grow. Get a big team. Get a big team. And to be honest, part of what happened to Twitch, they kind of fell into that at Amazon.

The Twitch team, when they first got there, they were very scrappy. And then people would come and say, "No, no, no, that's not the game here. You have to argue for more resources." And having been in Big Tech, that is the game: How do you argue for more resources? As opposed to: How do you figure out what is the number you need to serve your audience in your community? And so we were just like many other folks in tech. We were just not running the business as well as we could have.