

A Short History of YouTube

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Founded in February 2005, YouTube is now the world's most popular online video community, allowing millions of people to discover, watch, and share originally created videos. In this chapter, you will learn why YouTube took off, how it changed the online video landscape, and when it passed some memorable milestones.

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Life before YouTube

“You know how it is with technology—once something becomes so ubiquitous and so universally used, it is simply impossible to imagine life without it,” observed Chris Tryhorn of guardian.co.uk on August 29, 2008. Embedded in his article “Life before YouTube” is a funny video (www.youtube.com/watch?v=HWDcEJ9ZfI) by Matt Koval. As Figure 1.1 illustrates, “YouTube in 1985 (collab)” imagines what the personal video sharing service would have looked like a human generation ago.

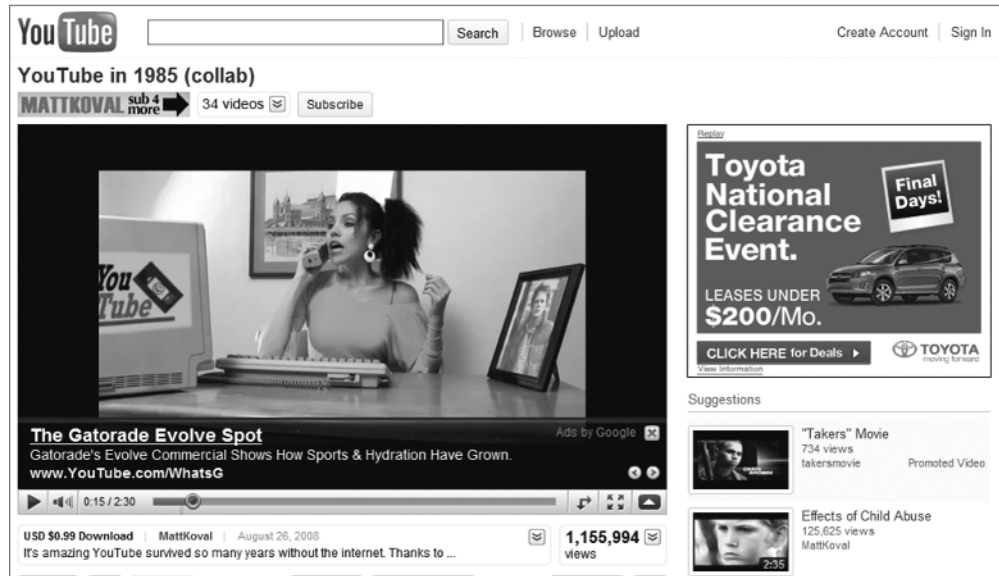


Figure 1.1 “YouTube in 1985 (collab)”

When Koval calls to submit his latest video, a woman on the YouTube staff asks, “On VHS or Betamax?”

Fast-forward from a mythical time to the real dot-com era and the first-mover advantage in online video actually belonged to Singingfish. Founded in 1999, it was one of the earliest search engines to focus on audio and video content. A public alpha version of Singingfish was unveiled in June 2000, and the company was acquired by Thomson Multimedia in November 2000.

Singingfish employed its own web crawler, Asterias, which was designed to ferret out audio and video links across the Web. It also used a proprietary system to process each of the links it discovered, extracting what little metadata it could find and then enhancing it prior to indexing.

However, Singingfish had the misfortune of going to market just as the dot-com bubble was bursting. So, even as it was being launched, Singingfish was being down-sized dramatically.

AOL acquired Singingfish in October 2003 and eventually folded it into AOL Video.

Now, a first mover isn't always able to capitalize on its advantages. It often faces higher R&D and marketing costs because the first mover is creating products and markets from scratch.

That's why the title of this book isn't *Singingfish Marketing: An Hour a Day*. And it also explains why many companies pursue a fast-follower strategy.

Fast followers try to learn from the first mover what works and what doesn't. Then they try to use their resources to make superior products or outmarket the first mover. In the words of a civil war general, they try to “git thar fustest with the mostest.”

For example, blinkx launched an audio and video search engine December 2004. Google launched a video search engine in January 2005. And Yahoo! launched a video search engine in May 2005.

But being fast followers didn't turn out to be a winning strategy for blinkx, Google Video, or Yahoo! Video. If it had worked, then this book would be titled *Video Search Engine Optimization: An Hour a Day*.

So why did YouTube become the world's most popular online video community?

That's the question I'll answer in this chapter.

2005–2006: Early Days

The YouTube backstory is short. In fact, the Company History page on YouTube is about 400 words long, and “The Making of YouTube” video (www.youtube.com/watch?v=X2N_V2dfS1U) is only 3 minutes and 37 seconds long.

Feb. 2005: YouTube Founded

YouTube was founded in February 2005 by three former PayPal employees: Chad Hurley, Steve Chen, and Jawed Karim. According to Jim Hopkins of *USA Today* (Oct. 11, 2006), the idea for what became YouTube sprang from two very different events in 2004: Janet Jackson's “wardrobe malfunction” during the Super Bowl XXXVIII halftime show and the great Sumatra-Andaman earthquake, also known as the Asian Tsunami or Boxing Day Tsunami.

In February 2005, it was difficult to find and share online videos of either event. At a San Francisco dinner party, Karim proposed to Hurley and Chen that they create a video-sharing site. “I thought it was a good idea,” Karim told Hopkins.

Within a few days, the three agreed to develop the idea and then divided work based on their skills: Hurley designed the site's interface, while Chen and Karim split the technical duties for making the site work. None of the three had strengths or interests in marketing. In May 2005, a public beta test version of YouTube went live.



Note: Later, when the cofounders divided up management responsibilities, Hurley became CEO, Chen became CTO, and Karim assumed an advisory role after leaving YouTube to get a master's degree in computer science at Stanford.

Apr. 2005: First Video Uploaded

The first video on YouTube was shot by Yakov Lapitsky and features Karim at the San Diego Zoo. As Figure 1.2 illustrates, “Me at the zoo” (www.youtube.com/watch?v=jNQXAC9IVRw) is only 19 seconds long.

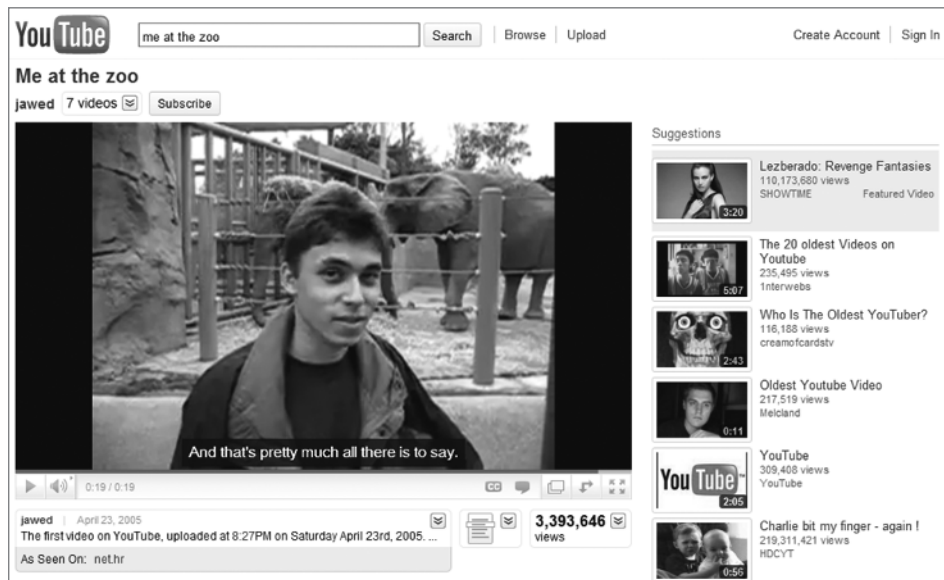


Figure 1.2 “Me at the zoo”

That video was uploaded on Saturday, April 23, 2005, at 8:27 p.m. At that time, YouTube’s headquarters was above a pizzeria and Japanese restaurant in San Mateo, California.

In front of the elephants, Karim says, “The cool thing about these guys today is that they have really, really, really long, um, trunks.” An annotation added more than three years later asks, “Can you hear the goat? MEEEEEEEEEEEEH!”

As of today, “Me at the zoo” has over 4.8 million views.

Why is this ordinary moment so extraordinary? In spite of what Karim says, it’s not the elephants or their trunks. And despite the annotation, it’s not the goat.

May 2005: YouTube Beta Launched

That’s why the real story is what happened next. And it’s only in hindsight that we can see why YouTube went on to become the world’s most popular online video community.

The beta launch of YouTube took place in May 2005 and YouTube users like Cobaltgruv (www.youtube.com/cobaltgruv) started putting up videos.

On his Channel, Cobalt, 32, says, “Hey... well I’m the crazy guy... who found youtube the second week it was out... became user 42 or something... My first intention with YouTube was to share my channel with family, and friends... then look what happened!!!”

He adds, “I’ll only live once in this life... and now I’m trying to document it, and perhaps entertain your boredom. I love making films and would love to go to school for it one day. I have many other passions but this would have to be my #1 for many years now... Just another way to show who I am, and have fun doing it... even if it is to the whole world... thanks for the views!!!”

Created on May 3, 2005, Cobaltgruv’s channel has over 11,000 subscribers today, and his videos have over 264,000 views.

Aug. 2005: YouTube Embeds Enabled

Although YouTube didn’t spend much time or effort communicating with marketers or advertisers in 2005, the company did a great job of communicating with users. In fact, the YouTube Blog was created in July 2005 “in an effort to communicate improvements and changes.”

The blog said, “We are continuously working towards our goal of making YouTube *the* digital video repository for the Internet. That said, please let us know if there’s something you’d like us to address—we really, really, really do value *any* input our users send.”

And in early August, the blog acknowledged that many of the changes being announced “are in direct response to your feedback.”

Later that month, the blog announced, “We have added a ton of new features to our site.” One of these new features enabled users to embed the YouTube video player into their own web page. “That way people can view the video on your website without even coming to YouTube!”

Nov. 2005: YouTube Secures First Round of Funding

In November 2005, YouTube received \$3.5 million in funding from Sequoia Capital. In a press release, Hurley said, “Since our public preview, we are already moving 8 terabytes of data per day through the YouTube community—the equivalent of moving one Blockbuster store a day over the Internet.”

Dec. 2005: YouTube Officially Launched and “Lazy Sunday” Goes Viral

YouTube was officially launched one month later. The company said its new service “allows people to easily upload, tag, and share personal video clips through www.YouTube.com and across the Internet on other sites, blogs and through e-mail.”

In other words, YouTube began as a personal video sharing service, not as yet another video search engine. This strategy is called “hit ’em where they ain’t.” It enabled YouTube to emerge from relative obscurity shortly after December 17, 2005, when a video entitled “Lazy Sunday”—which was a copy of the Saturday Night Live skit “The Chronicles of Narnia Rap”—was uploaded to the video sharing site.

On December 27, Dave Itzkoff of the *New York Times* reported that “Lazy Sunday” had already been viewed more than 1.2 million times.

The next day, LeeAnn Prescott, who was the research director at Hitwise at the time, posted her analysis of the hot video of the past week on her Hitwise Intelligence Analyst Weblog. Visits to YouTube, where people could discover, watch, and share “The Chronicles of Narnia Rap,” shot up 83 percent in one week—and surpassed visits to Google Video.

As Figure 1.3 illustrates, Prescott’s examination of clickstream data for YouTube revealed the viral nature of videos: Many of the top upstream sites that sent visitors to YouTube the previous week were either community sites like MySpace or web email services.

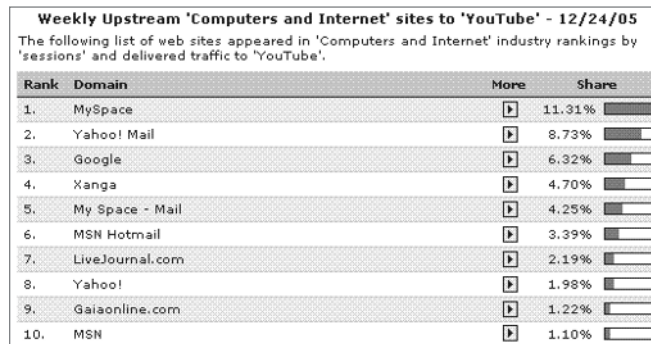


Figure 1.3 Weekly Upstream “Computers and Internet” sites to “YouTube” 12/24/05

She added, “Not surprisingly, given the nature of the video and the upstream traffic, visitors to YouTube are overwhelmingly young.” For the four weeks ending December 24, 2005, 45 percent of the visitors to YouTube were in the 18 to 24 age group. By comparison, 24 percent of the visitors to Google Video and 35 percent of the visitors to Yahoo! Video Search were in the 18 to 24 bracket.

By the end of January, Prescott reported, “Since my post last month on YouTube and the SNL Chronicles of Narnia rap, YouTube has continued to gain market share against other video search sites, and since surpassing Google Video, it has also surpassed Yahoo! Video Search.”

In February 2006, almost two months after “Lazy Sunday” had been uploaded to YouTube, the video was removed from the video sharing site. The YouTube staff posted this explanation on the YouTube Blog: “Hi Tubers! NBC recently contacted

YouTube and asked us to remove Saturday Night Live’s ‘Lazy Sunday: Chronicles of Narnia’ video. We know how popular that video is but YouTube respects the rights of copyright holders. You can still watch SNL’s ‘Lazy Sunday’ video for free on NBC’s website.”

The YouTube staff added, “We are happy to report that YouTube is now serving up more than 15 million videos streamed per day—that’s nearly 465 million videos streamed per month with 20,000 videos being uploaded daily.”

“Lazy Sunday” may have helped YouTube to take the early lead right out of the gate, but it wasn’t the only video fueling the growth of the video sharing site. In fact, after “Lazy Sunday” was removed, YouTube continued to gain market share.

In other words, YouTube wasn’t dependent on a single hit.

Mar. 2006: 10-Minute Limit Implemented

YouTube’s growth also continued the following month, even after the video sharing site implemented a 10-minute limit for video uploads.

In March 2006, Maryrose, a YouTube staff member, posted this on YouTube Blog: “This change won’t impact the vast majority of our users. We know that over 99% of videos uploaded are already under 10 mins, and we also know that most of our users only watch videos that are under about 3 minutes in length.”

If most users were uploading and watching short-form video clips, then why did YouTube even bother to make the change?

Maryrose explained, “If you’ve followed our blog postings or any of the press articles, you know we’re constantly trying to balance the rights of copyright owners with the rights of our users. We poked around the system a bit and found that these longer videos were more likely to be copyrighted videos from (TV) shows and movies than the shorter videos posted.”

May 2006: Video Responses Launched

YouTube noticed that users within many of the different ecosystems on YouTube were communicating with each other through their videos. In addition to text comments and messages, users had once again created something really innovative completely on their own—video responses.

In May 2006, Maryrose said, “It’s been amazing to watch our users create an entirely new mechanism for communicating with one another. However, one of the challenges with these video dialogues has been there is no way to ‘link’ your response back to the original video. To encourage and simplify this type of communication we just launched a new Video Response feature that will allow you to upload your own video reply while you’re watching a video.”

July 2006: 100 Million Mark Passed

On July 16, 2006, YouTube told Reuters that viewers were watching more than 100 million videos per day on its site, marking a surge in demand for its “snack-sized” video fare.

Since springing from out of nowhere in late 2005, YouTube had come to hold the leading position in online video with 29 percent of the U.S. multimedia entertainment market, according to the most recent weekly data from Hitwise.

MySpace, another video sharing site, had a nearly 19 percent share of the market according to Hitwise. Yahoo!, Microsoft’s MSN, Google, and AOL each had 3 percent to 5 percent of the online video market. In other words, the four major video search engines had a smaller collective share than either YouTube or MySpace did alone.

In June, 2.5 billion videos were watched on YouTube. In July, more than 65,000 videos were uploaded daily to YouTube, up from around 50,000 in May.

Aug. 2006: YouTube Launches Advertising

On August 16, 2006, Bill Tancer, the general manager of global research at Hitwise, posted the chart in Figure 1.4 to his analyst weblog comparing the market share of visits to YouTube, MySpace Video, Google Video, and Yahoo! Video.

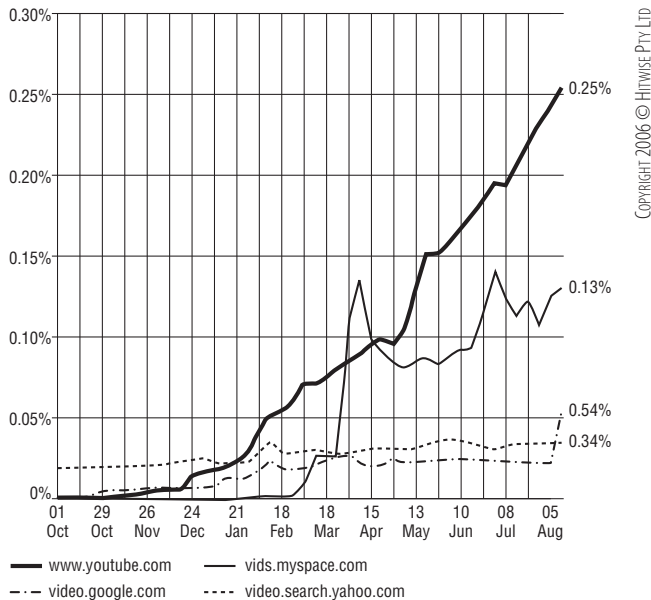


Chart of the weekly all sites market share in 'all categories' based on visits.
 Time periods represented with broken lines indicate insufficient data.
 Generated on: 08/16/2006.

Figure 1.4 Market share of visits to YouTube, MySpace Video, Google Video, and Yahoo! Video

Later that month, YouTube announced two new advertising concepts—participatory video ads and brand channels. These new strategies complemented

YouTube's other offerings, which included banner ads, promotions, and sponsorships. (We'll review brand channels in Chapter 5.)

And on August 30, 2006, Lee Gomes of the *Wall Street Journal* did a scrape of YouTube and found there were 6.1 million videos. Based on how many videos had been uploaded to the site, the length of each, and how many times they had been watched, he did a little multiplication to find out the total time that people had spent watching YouTube since it had started. He said, "The figure is—drum roll, please—9,305 years!"

Eight months earlier, the online video market had been a wide-open field. It included 470 different online video sites, including video sharing sites like YouTube and MySpace Video as well as video search engines like Google Video and Yahoo! Video.

By August 2006, the ballgame was over. YouTube had won.

YouTube's strategy seemed to follow the advice of legendary baseball player Wee Willie Keeler: "Keep your eye clear, and hit 'em where they ain't." Although Keeler is one of the shortest players elected to the Baseball Hall of Fame, standing approximately 5'7", his .385 career batting average after the 1898 season is the highest average in history at season's end for a player with more than 1,000 hits.

In other words, while video search engines were crawling the Web extracting what little metadata they could find for video content, YouTube was empowering millions of people to easily upload video clips and enrich the data by tagging, rating, and commenting. While video search engines were helping people find videos, YouTube was enabling people to discover and share video clips both on YouTube.com and across the Internet as embedded videos and links. While the video search engines seemed focused on beating old competitors, YouTube was focused on building a new community.

Oct. 2006: Google Acquires YouTube

On October 6, 2006, Prescott reported on her Hitwise Weblog, "Today's rumor that Google might be buying YouTube strikes me as highly unlikely, but deserves some analysis."

Although YouTube had a market share of visits four times greater than Google Video, Prescott observed, "Google is YouTube's second most important source of traffic other than MySpace. In September 2006, 10.7% of YouTube's upstream visits came from Google, while MySpace accounted for 16.2% of YouTube's upstream traffic."

Prescott also looked at the data from Google's perspective. She noted that Google had begun sending more traffic to YouTube than Google Video in late June.

Google Video's audience skewed more male and older than YouTube's. YouTube's average session time was double that of Google Video's, at 18 minutes, 33 seconds in the month of September versus 9 minutes, 9 seconds for Google Video. She observed, "YouTube is just plain sticky compared to Google Video."

Prescott concluded, “If there is any truth to this rumor, my feeling is that Google, with its great engineering team, could eventually build all the features of YouTube and make it even better for far less money than it would take to buy it, if indeed the going price is over \$1 billion. However, YouTube has an amazingly large video library and seemingly loyal user base that is only six months old, which would be nearly impossible to replicate. That alone could be worth \$1.6 billion, especially since Google is getting into the video ad space. Let’s see what happens next week.”

On October 9, 2006, Google Inc. announced that it had agreed to acquire YouTube for \$1.65 billion in a stock-for-stock transaction.

In a press release, Eric Schmidt, chief executive officer of Google, said, “The YouTube team has built an exciting and powerful media platform that complements Google’s mission to organize the world’s information and make it universally accessible and useful.”

Chad Hurley, CEO and cofounder of YouTube, added, “Our community has played a vital role in changing the way that people consume media, creating a new clip culture. By joining forces with Google, we can benefit from its global reach and technology leadership to deliver a more comprehensive entertainment experience for our users and to create new opportunities for our partners.”

On a conference call and webcast to discuss the acquisition, Schmidt was asked why Google had acquired YouTube when it already had Google Video. Schmidt answered that Google Video was doing well but YouTube was a clear winner in the social networking side of video.

Yahoo! had also been in the bidding war for YouTube, until very close to the end. The other leading video search engine in the horse race recognized the benefit—or necessity—of having the leading video sharing site in its stable too.

On November 13, 2006, Google closed its acquisition of YouTube. In a press release, Eric Schmidt said, “We look forward to working with content creators and owners large and small to harness the power of the Internet to promote, distribute, and monetize their content.” Chad Hurley added, “The community will remain the most important part of YouTube and we are staying on the same course we set out on nearly one year ago.”

2007–2008: Middle Years

After Google officially bought YouTube, people wondered what would happen next. Google said that YouTube and Google Video would “continue to play to their respective strengths.”

But YouTube’s respective strength had been kicking sand in the face of Google Video’s respective strength for more than a year.

Jan. 2007: Sibling Rivalry Halted

So, on January 25, 2007, Google provided a bit more detail. In a press release, the company said, “Starting today, YouTube video results will appear in the Google Video search index: when users click on YouTube thumbnails, they will be taken to YouTube.com to experience the videos.”

Google added, “Ultimately, we envision most user-generated and premium video content being hosted on YouTube so that it can further enhance the YouTube experience. We also envision YouTube benefiting from future Google Video innovations—especially those involving video search, monetization and distribution.”

Mar. 2007: First YouTube Awards Held

In March 2007, YouTube held the first YouTube Video Awards to recognize the best user-created videos of 2006 in seven categories: most adorable, best comedy, best commentary, most creative, most inspirational, musician of the year, and best series.

We’ll take a closer look at two of the award winners in Chapter 4, but let’s take a quick look now at three other winners of 2006 YouTube Video Awards and a fourth video that was nominated but lost. To create a new derivative work, I’ll mash up my black-and-white descriptions of these videos with some of Virginia Heffernan’s color commentary in the *New York Times* (March 27, 2007).

Most Adorable: “Kiwi!” (www.youtube.com/watch?v=sdUUx5FdySs) was uploaded to Madyeti47’s channel on June 27, 2006, and has more than 27 million views today. The awards tell us a lot about the YouTube community, Virginia. “YouTube’s winners also reveal the site’s mystified attitude toward animation, in the form of the sweet but dull ‘Kiwi!’ cartoon, which takes the most adorable video prize.”

Musician of the Year: “Say It’s Possible” (www.youtube.com/watch?v=ARHyRI9_NB4) was uploaded to TerraNaomi’s channel on June 16, 2006, and has more than 4.1 million views today. And how do you feel about that choice, Virginia? “That’s a wonderful choice. The song has got a sustained ache to it, and the visual setup for the video—the singer at the guitar crowding the camera, before an unused keyboard—is painterly, in the tradition of the best YouTube bedroom guitar videos.”

Best Commentary: “Hotness Prevails/Worst Video Ever” (www.youtube.com/watch?v=w-rcjaBWvx0) was uploaded to TheWineKone’s channel on May 31, 2006, and has more than 3.2 million views today. Tell our readers what you really think about this guy and his commentary, Virginia. “The Wine Kone, a handsome guy with a steady gaze and a wheezy chortle, holds forth there on belly-button issues.”

Also Nominated: “First Blog / Dorkiness Prevails” (www.youtube.com/watch?v=-goXKtd6cPo) was uploaded to lonelygirl15’s channel on June 16, 2006, and has more than 3 million views today. In September 2006, it was revealed to be a hoax, Virginia. “The

widespread animus toward ‘lonelygirl15,’ the hit online series that got its start on YouTube but then seemed to grow too big for its britches, also seems to be alive and well at the YouTube Awards, where it was nominated for several awards but won nothing.”

May 2007: Universal Search Announced

At a Searchology event in May 2007, Google announced a universal search model that incorporated information from a variety of previously separate sources—including videos, news, images, maps, and websites—into a single set of results.

Marissa Mayer, vice president of search products and user experience at Google, said in a post on the Official Google Blog, “With universal search, we’re attempting to break down the walls that traditionally separated our various search properties and integrate the vast amounts of information available into one simple set of search results.”

At first, universal search results were subtle. But over time users discovered they didn’t need to visit Google Video anymore to find a video. They could go to YouTube and run a search or execute a Google Web search and click on a link to a video.

Capiche?

June 2007: Local Versions Rolled Out

In June 2007, YouTube launched local versions in nine countries—including the UK. Canadian versions of YouTube in English and French were launched in November 2007.

Today, YouTube is localized in 25 countries across 43 languages. And 70 percent of YouTube traffic comes from outside the U.S.

July 2007: CNN/YouTube Debate (D) Held

In July 2007, the first CNN/YouTube debate was held live from Charleston, South Carolina. All eight Democratic presidential candidates on the You Choose ’08 platform answered 38 questions users had submitted through videos on YouTube.

As Figure 1.5 illustrates, the Democratic debate included a question about global warming from Billiam the Snowman from Point Hope, Alaska (www.youtube.com/watch?v=-0BPnnvI47Q).

Most instant polls indicated that Barack Obama had decisively “won” the debate. But Deborah White of About.com wrote (July 24, 2007), “The break-out star of Monday’s Jeopardy-style ‘debate’ between the Democratic presidential candidates was YouTube technology, because it allowed a newly authentic, direct connection between candidates and voters.”

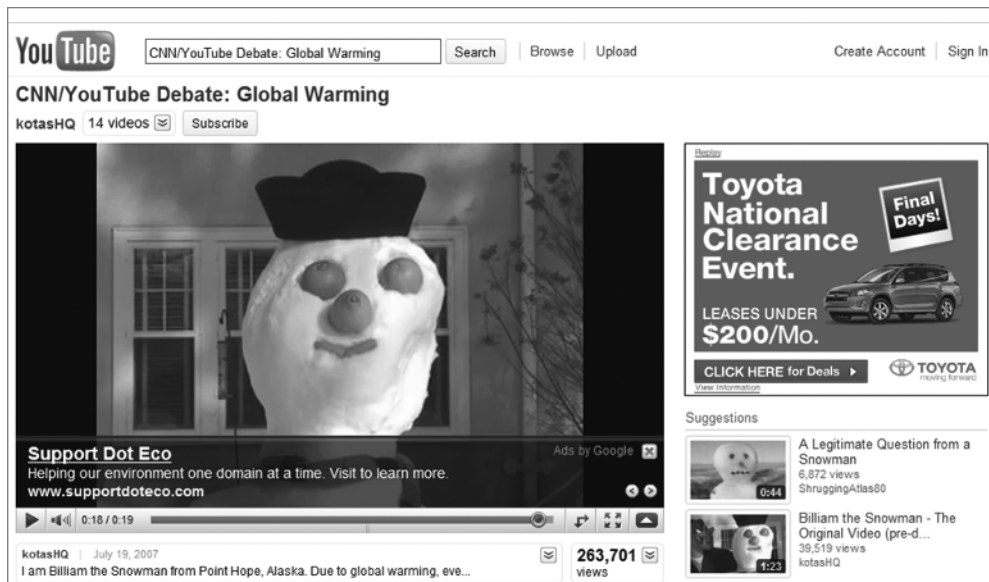


Figure 1.5 “CNN/YouTube Debate: Global Warming”

Aug. 2007: InVideo Ads Launched

In August 2007, YouTube offered select partners the ability to incorporate YouTube InVideo ads into their content. These are animated overlays that appear on the bottom 20 percent of a video.

If viewers were interested by what they saw there, clicking on the overlay launched an interactive video ad while the video they were watching was temporarily paused. If viewers chose not to click on the overlay, it would simply disappear.

Nov. 2007: CNN/YouTube Debate (R) Held

In November 2007, the CNN/YouTube Republican debate was held in St. Petersburg, Florida. All eight Republican presidential candidates on the You Choose '08 platform answered 34 questions users had submitted through videos on YouTube.

As Figure 1.6 illustrates, the Republican debate included a question about the vice president’s power from a Dick Cheney cartoon (www.youtube.com/watch?v=rdVoL35SpWI).

After the Republican debate, there was some controversy about CNN’s choice of questions. Despite the controversy, Blake D. Dvorak of RealClearPolitics wrote (Nov. 30, 2007), “As a political medium, the YouTube technology is useful for pretty much two things anyway: 1) Capturing candidates’ more telling moments for endless replay to a universal audience; and 2) giving candidates the ability to speak directly to voters,

without the hassle of buying airtime. Those are two very significant developments, and because of them, we can correctly say that politics has entered a ‘YouTube Age.’”



Figure 1.6 “Cheney has a question for the Republican candidates”

Dec. 2007: Partner Program Expanded and Queen of England Launches Channel

In December 2007, YouTube invited YouTube users in the United States and Canada to join its expanded Partner Program. A month later, YouTube users in the UK were also invited to join the YouTube Partner Program.

This gave original content creators the chance to reap rewards from their work and receive the same promotional benefits given to YouTube’s professional content partners.

In a YouTube Gram, the company said, “We hope this program will inspire our users to continue to create compelling, engaging and viral content for the YouTube community.”

As Figure 1.7 illustrates, YouTube previewed its application process to a select group of users who had previously expressed interest in becoming partners—including Marina Orlova’s HotForWords (www.youtube.com/hotforwords).

We’ll examine the YouTube Partner Program in Chapter 5.

Later that month, the Queen of England launched The Royal Channel on YouTube (www.youtube.com/TheRoyalChannel), becoming the first monarch to establish a video presence this way.



Figure 1.7 HotForWords

Jan. 2008: YouTube for Mobile Debuts

In January 2008, YouTube announced the official debut of YouTube for Mobile (<http://m.youtube.com>), giving users of mobile phones access to tens of millions of videos. YouTube for Mobile was initially available in 17 countries, including Canada, the United Kingdom, and the United States, as well as in 11 languages, including English and French.

In a YouTube Gram, the company said, “Users will now have access to features regularly used on YouTube, including their YouTube accounts, Favorites, Videos, Channels as well as the ability to directly upload from mobile devices and share videos instantly. Users also will now have the ability to rate and comment on videos directly from their mobile phones.”

Mar. 2008: Last YouTube Awards Held and YouTube Insight Released

In March 2008, the second and last YouTube Awards were held to recognize the best videos of 2007 in 12 categories: adorable, comedy, commentary, creative, eyewitness, inspirational, instructional, music, politics, series, short film, and sports.

We’ll take a closer look at three of the award winners in Chapter 4. But why haven’t the YouTube Awards been held again?

I asked Ricardo Reyes of YouTube that question via email in April 2009 and he replied, “Don’t think we are doing it this year. With YouTube Live last quarter, and the YT symphony orchestra now, we’re pretty booked.”

Okay, that was true. But I believe there’s another reason YouTube didn’t hold its annual awards in 2009 or 2010.

As Elana Schor of guardian.co.uk observed (March 21, 2008), “Imagine an Oscars ceremony where the biggest stars go home empty-handed. That’s what happened today at YouTube’s second annual video awards, as Obama Girl, the “Don’t Tase Me, Bro” student, and other stars of viral video got nominated but lost to unlikely newcomers.”

Or, as Helen A.S. Popkin of MSNBC.com noted (March 24, 2008), “Chris Crocker isn’t much fazed by his YouTube Awards shutout. The unofficial poster child for the video-sharing Web site never expected his infamous ‘Leave Britney Alone!’ post to win the ‘Commentary’ category for which it was nominated.”

Why? Popkin explained, “The Chris haters seem to far outnumber his fans. Despite the million-plus views each new video draws, the majority of viewer comments he receives are fairly ugly.”

So, I can understand why the YouTube Awards might have become the first casualty of a “culture war” that frequently simmers in American society and occasionally boils over in the YouTube community. They were expendable.

Later that month, YouTube released YouTube Insight, a free tool that enables anyone with a YouTube account to view detailed statistics about the videos they upload to the site.

“For example, uploaders can see how often their videos are viewed in different geographic regions, as well as how popular they are relative to all videos in that market over a given period of time,” said Tracy Chan, YouTube’s product manager, in a post on the Official Google Blog. “You can also delve deeper into the lifecycle of your videos, like how long it takes for a video to become popular, and what happens to video views as popularity peaks.”

The tool also helps partners to better understand their audiences, enabling them to increase the number of monetizable views their videos get and, as a result, generate more revenue. We’ll review YouTube Insight in Chapter 9.

June 2008: Video Annotations Announced

In June 2008, YouTube announced a new way to add interactive commentary to your videos—with video annotations. With this feature, you can add background information, create branching stories, or add links to any YouTube video, channel, or search results page—at any point in your video.

Uploaders have control over creating and editing an unlimited number of annotations on their videos. As you play your video, you can insert commentary by adding speech bubbles, notes, and highlight boxes anywhere you want. You can also use the menu to save a draft, delete commentary, edit start/stop times, or add links to your annotations.

Aug. 2008: Captions Added

In August 2008, YouTube added a new captioning feature which allows you to give viewers a deeper understanding of your video. Captions can help people who would not otherwise understand the audio track to follow along, especially those who speak other languages or who are deaf and hard of hearing.

One of the first to start using captions was BBC Worldwide, which provided captions in five different languages on “Top Gear - Richard Hammond toasts Nissan with a jet car - BBC,” shown in Figure 1.8 with a caption in French (www.youtube.com/watch?v=XraeBDMm2PM).

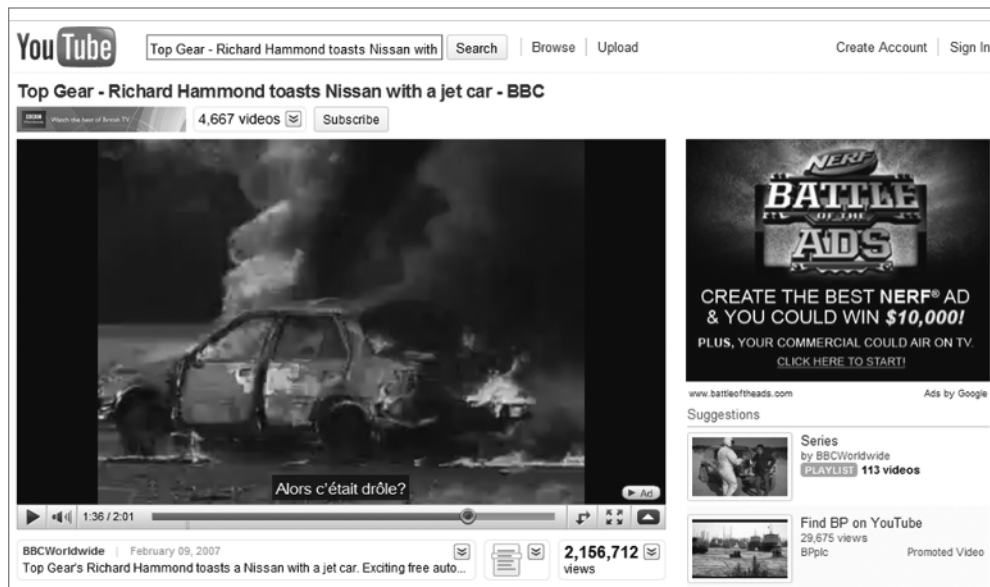


Figure 1.8 “Top Gear - Richard Hammond toasts Nissan with a jet car - BBC”

We’ll dig deeper into annotations and captions in Chapter 3.

Sept. 2008: YouTube Becomes Second Largest Search Engine, after Google

On Sept. 20, 2008, I wrote in Search Engine Watch, “I’ve just had a chance to digest the latest data from comScore for August 2008 and it appears that YouTube has passed Yahoo—if you look at ‘expanded’ search queries instead of ‘core’ search queries.”

According to comScore, a *core* search query is one that occurs on “the five major search engines.” An *expanded* search query is one that occurs on “the top properties where search activity is observed.” In addition to the five major search engines, this includes YouTube, Facebook, eBay, and other “expanded search entities.”

Google had 7.4 billion core search queries and 7.6 billion expanded search queries in August to lead no matter how you define a *search query*. YouTube had 2.6 billion expanded search queries that month. And Yahoo! had 2.3 billion core search queries and 2.4 billion expanded search queries.

YouTube was now the second largest search engine. But YouTube doesn't crawl the Web trying to index videos posted on millions of websites. So the only way you can get your videos found in the second largest search engine is to upload them to YouTube.

Get it? Got it? Good.

Oct. 2008: eCommerce Platform Unveiled and Full-Length TV Shows Tested

In October 2008, YouTube unveiled its eCommerce platform by announcing that users could easily “click-to-buy” products related to the content they were watching from iTunes and Amazon.com.

A few days later, the YouTube Blog announced, “We are starting to test full-length programming on YouTube, beginning with some fan favorites requested by you.”

“Apparently, YouTubers have been asking ‘to be beamed up with Scotty, to devise a world-saving weapon using only gum and paperclips, and to get your grub on at The Peach Pit,’” I said in Search Engine Watch (Oct. 11, 2008), because YouTube was testing full-length episodes of *Star Trek*, *MacGyver*, and *Beverly Hills, 90210* through a deal with CBS.

The YouTube Blog added, “As we test this new format, we also want to ensure that our partners have more options when it comes to advertising on their full-length TV shows. You may see in-stream video ads (including pre-, mid- and post-rolls) embedded in some of these episodes; this advertising format will only appear on premium content where you are most comfortable seeing such ads.”

Nov. 2008: Promoted Videos Launched and YouTube Live Held

In November 2008, YouTube launched Sponsored Videos, which was later renamed Promoted Videos. The YouTube Blog added, “The popularity of YouTube has been outstanding—we have millions of viewers watching hundreds of millions of videos every day, and 13 hours of new video uploaded to the site every minute.”

As Figure 1.9 illustrates, I interviewed YouTube's product manager Matthew Liu at SES New York 2009. He said Promoted Videos is like Google AdWords for YouTube.

And like AdWords, Promoted Videos is a self-serve advertising platform that allows you to promote your video to the audience you are interested in reaching on a cost-per-click basis. We'll analyze Promoted Videos in Chapter 3.

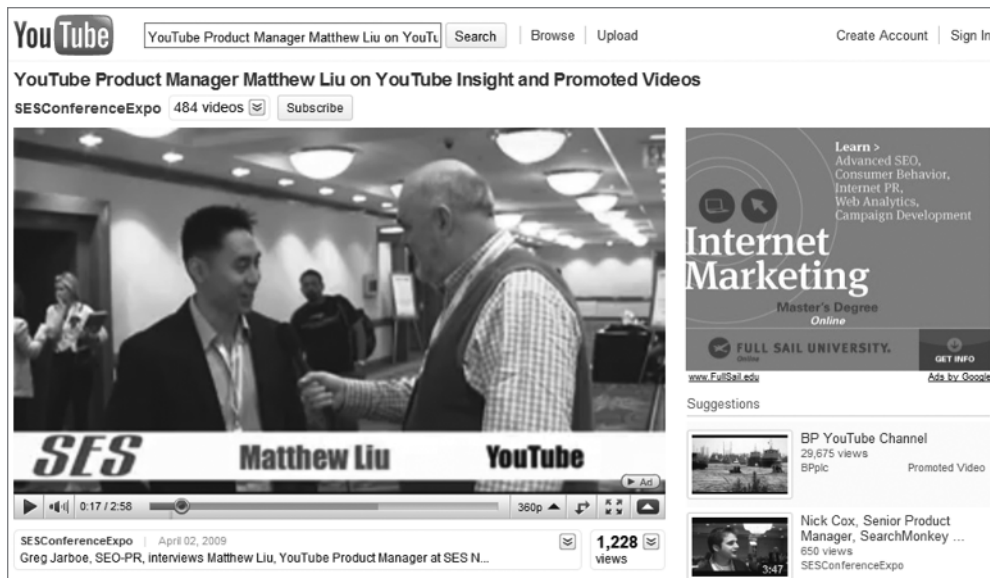


Figure 1.9 “YouTube Product Manager Matthew Liu on YouTube Insight and Promoted Videos”

Later that month, YouTube held YouTube Live. Part concert, part variety show, and part party, YouTube’s first official user event was held in San Francisco at the Herbst Pavilion in Fort Mason Center. YouTube Live was also streamed online.

“For nearly three years the YouTube community has been defining pop culture and in the process has made the site both a place to find and be found,” said Hurley in a press release. “YouTube at its core is a platform where everyone from the famous to the seemingly unknown shares a single stage and YouTube Live is a physical manifestation of this idea.”

Dec. 2008: “YouTube Videos Pull in Real Money” and HD on YouTube Rolled Out

On December 10, 2008, Brian Stelter of the *New York Times* wrote an article titled “YouTube Videos Pull in Real Money.” He said, “One year after YouTube, the online video powerhouse, invited members to become ‘partners’ and added advertising to their videos, the most successful users are earning six-figure incomes from the Web site. For some, like Michael Buckley, the self-taught host of a celebrity chatter show, filming funny videos is now a full-time job.”

Buckley is the writer, producer and star of *What the Buck?!* (www.youtube.com/whatthebuckshow). *What the Buck?!* is one of the most popular entertainment shows on YouTube with over 1 million subscribers and more than 298 million views since the summer of 2006 (Figure 1.9).



Figure 1.10 *What the Buck?!*

Buckley quit his day job as an administrative assistant in September 2008 after his online profits greatly surpassed his salary. One of the original members of YouTube’s Partner Program, he was earning over \$100,000 a year from YouTube advertising.

Later that month, YouTube rolled out a HD player. Starting then, if you clicked the Watch In HD option below an HD player, the video would automatically play in widescreen.

2009–2010: Coming of Age

By 2009, YouTube was coming of age. Although it had begun as a personal video sharing service, it had quickly grown into the world’s leading video community on the Internet.

Jan. 2009: House’s, Senate’s, President’s and Pope’s Channels Launched

On January 12, 2009, the United States Congress and YouTube announced the launch of official Congressional YouTube channels. Each member of the House and Senate could create their own YouTube channel that citizens could locate on a Google Maps interface on the House Hub (www.youtube.com/househub) and the Senate Hub (www.youtube.com/senatehub).

On January 20, 2009, the official White House channel on YouTube (www.youtube.com/whitehouse) was launched. We’ll look at a case study of “the YouTube Presidency” in Chapter 10.

On January 23, the Official Google Blog and the YouTube Blogs both announced that the Vatican had launched a dedicated YouTube Blog (www.youtube.com/vatican).

Mar. 2009: Interest-Based Ads Tested, Disney Deal Signed

On March 11, 2009, Google launched a beta test of interest-based advertising on partner sites and on YouTube. Susan Wojcicki, Google's VP of product management, said on the Official Google Blog, "These ads will associate categories of interest—say sports, gardening, cars, pets—with your browser, based on the types of sites you visit and the pages you view. We may then use those interest categories to show you more relevant text and display ads."

On March 30, 2009, Disney Media Networks and YouTube announced plans to launch multiple ad-supported channels featuring short-form content from ESPN (www.youtube.com/ESPN) and the Disney/ABC Television Group (www.youtube.com/ABC). Under the terms of the agreement, Disney Media Networks had the option to sell its own advertising inventory within the Disney/ABC and ESPN channels. Channels rolled out in mid-April for ESPN and early May for the Disney/ABC Television Group channels, which included ABC Entertainment, ABC News, ABC Family, and SOAPnet.

A month later, Disney announced that ABC would join NBC Universal and Fox as a partner in Hulu.

In an article in the *New York Times* (April 30, 2009), Brad Stone and Stelter said, "The deal is a blow to YouTube, owned by Google and by far the largest video site on the Web. It also courted Disney but struck a deal to display only short clips from shows on ABC and ESPN. People familiar with the negotiations said talks between Disney and YouTube broke down over how a deal would be structured, with Disney insisting on owning a stake in any joint venture."

Apr. 2009: YouTube Symphony Orchestra Performs, Shows and Movies Launched

On April 15, 2009, over 90 musicians from around the world gathered in New York City for the historic YouTube Symphony Orchestra performance at Carnegie Hall. As Figure 1.11 illustrates, Tan Dun's composition Internet symphony "Eroica," as selected and mashed up from nearly 3,000 video submissions from around the globe, also had its world premiere on YouTube's home page.

On April 16, 2009, Shiva Rajaraman, product manager, and Sara Pollack, entertainment marketing manager, announced on the YouTube Blog a new destination for television shows and an improved destination for movies on YouTube. Partners like CBS, Crackle, Lionsgate, MGM, Starz, and many others made thousands of television episodes and hundreds of movies available to watch, comment on, favorite, and share.

On the same day, the Official Google TV Ads Blog announced the beta launch of Google TV Ads Online. Geoff Smith, product manager for Google TV Ads, said, "Today, YouTube launched a new destination for full-length shows and movies, and advertisers will be able to use Google TV Ads Online to reach the millions of people who come to YouTube to watch this content."

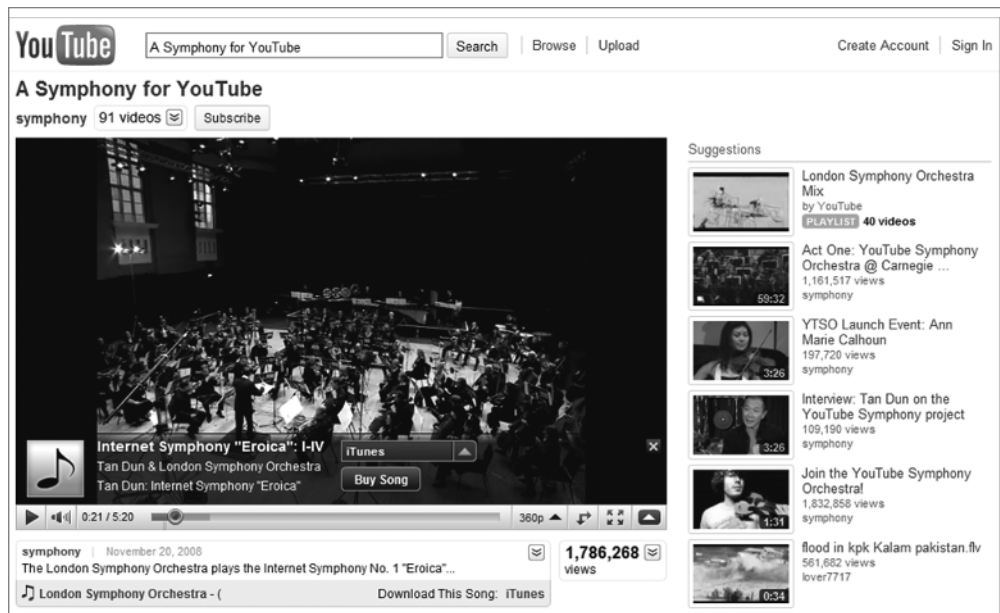


Figure 1.11 “A Symphony for YouTube”

May 2009: 20 Hours of Video Uploaded Every Minute

On May 20, 2009, Ryan Junee, product manager, reported on the YouTube Blog, “In mid-2007, six hours of video were uploaded to YouTube every minute. Then it grew to eight hours per minute, then 10, then 13. In January of this year, it became 15 hours of video uploaded every minute, the equivalent of Hollywood releasing over 86,000 new full-length movies into theaters each week. Now, 20 hours of video are uploaded to YouTube every minute, and it is a testament to the fact that you’ve made YouTube your online video home.”

He added, “We couldn’t have built this site without your commitment to sharing your thoughts, experiences, and creativity with each other. We have news clips and full-length shows and movies, music videos and how-to content, sports highlights and animation, short films, homegrown videos, and, yes, all the dogs on skateboards you can watch. There’s an audience for every type of content on YouTube, and we hope that with all this video, you can find whatever it is you’re interested in on the site.”

June 2009: AutoShare Launched

On June 11, 2009, the YouTube Blog announced the launch of AutoShare. Brian Glick, product manager, said, “With a simple one-time log-in on our upload page, you can now have your YouTube account automatically update your Facebook friends, Twitter followers, and Google Reader shared items when you upload a video.”

July 2009: 3D Launched

On July 22, 2009, the YouTube Blog announced 3D. Peter Bradshaw, software engineer, said, “The format is exploding in popularity, and already there are countless 3D videos on YouTube. We wanted to make it easier for you to watch and enjoy them in a variety of formats, since having a 3D experience usually requires special glasses or viewing techniques.” We’ll discuss 3D in Chapter 3.

Aug. 2009: Individual Video Partnerships Launched

On August 25, 2009, the YouTube Biz Blog announced the launch of individual video partnerships. Shenaz Zack, product manager, said, “Now, when you upload a video to YouTube that accumulates lots of views, we may invite you to monetize that video and start earning revenue from it.” We’ll talk about this topic in Chapter 5.

Oct. 2009: One Billion Views Per Day Announced

On October 9, 2009, Hurley said on the YouTube Blog, “Three years ago today, Steve and I stood out in front of our offices and jokingly crowned ourselves the burger kings of media. We’d just made headlines by joining with Google in our shared goal of organizing the world’s information (in our case, video) and making it easily and quickly accessible to anyone, anywhere. Today, I’m proud to say that we have been serving well over a billion views a day on YouTube.”

That day, I noted on Search Engine Watch, “According to comScore Video Metrix, 120.5 million Americans watched nearly *10 billion* videos on YouTube.com in August 2009.... According to comScore qSearch, Americans conducted *9.4 billion* searches on Google in August 2009. Yep, the numbers are right. There are more videos being watched on YouTube than there are searches being conducted on Google in the United States.”

Nov. 2009: 1080p HD Launched

On November 12, 2009, the YouTube Blog announced support for watching 1080p HD videos in full resolution. Billy Biggs, software engineer, said, “YouTube’s HD mode will add support for viewing videos in 720p or 1080p, depending on the resolution of the original source, up from our maximum output of 720p today.”

Jan. 2010: Rentals Launched

On January 28, 2010, the YouTube Biz Blog announced YouTube Rentals. Through this new offering, content owners now could change videos from ad supported to rental. They could also set the price and rental duration. In short, they could test and customize their distribution to fit their audience’s habits and their business’ needs.

Feb. 2010: President Interviewed Live

On February 1, 2010, the YouTube Blog said its unique interview with President Obama at the White House would be live-streamed on CitizenTube (www.youtube.com/citizentube).

Steve Grove, head of news & politics, said, “For the past five days, since the president’s State of the Union speech, people across the country have been submitting and voting on video and text questions in our Moderator platform on CitizenTube. Looking at your votes, we’ve scoured through the top tier of the over 11,000 questions—and we’ll bring as many as we can to the president today.”

Mar. 2010: 24 Hours of Video Uploaded Every Minute and Video Page Redesigned

On March 17, 2010, the YouTube Blog announced that 24 hours of video were uploaded to YouTube every minute. Hunter Walk, director of product management, said, “In just 60 quick ticks of the second hand, more than a full, action-packed day in Jack Bauer’s life is now uploaded to YouTube.”

On March 31, 2010, the YouTube Blog unveiled one of the largest redesigns in YouTube’s history. Igor Kofman, software engineer, said, “We’re simplifying the look and functionality of the video page. That’s the page you see whenever a video plays, and this redesign is about going ‘back to basics,’ focusing attention on the reason why you came to YouTube in the first place—the video—and all the ways you engage with content and creators.”

Apr. 2010: IPL Bowls Wicked Googly

On April 19, 2010, the YouTube Blog reported on the streaming of the Indian Premier League cricket season on YouTube. Amit Agrawal, strategic partner development manager, said, “We’ve been blown away by the response. We’ve seen views come in from countries around the globe, and the IPL channel on YouTube now has over 40 million views.”

That was a wicked googly!

He added, “We’ve been particularly surprised by the number of cricket fans tuning in from the U.S. Total views from the U.S. for the IPL channel are second only to India. And fans in the U.S. are active, too: they’re second only to those in India in terms of subscribing to the IPL channel and rating, commenting and favoriting videos.”

May 2010: YouTube Turns Five!

On May 16, 2010, YouTube celebrated its fifth birthday. Although it was founded in February 2005, the first beta version of YouTube.com had been launched in May 2005.

The YouTube Blog also announced, “Our site has crossed another milestone: YouTube exceeds over two billion views a day. That’s nearly double the prime-time audience of all three major U.S. television networks combined.”

The company also launched the YouTube Five Year channel (www.youtube.com/user/FiveYear) to celebrate its birthday. And as Figure 1.12 illustrates, the YouTube team uploaded a quick overview of the history and highlights surrounding YouTube's first five years (www.youtube.com/watch?v=T1mho7SY-ic).

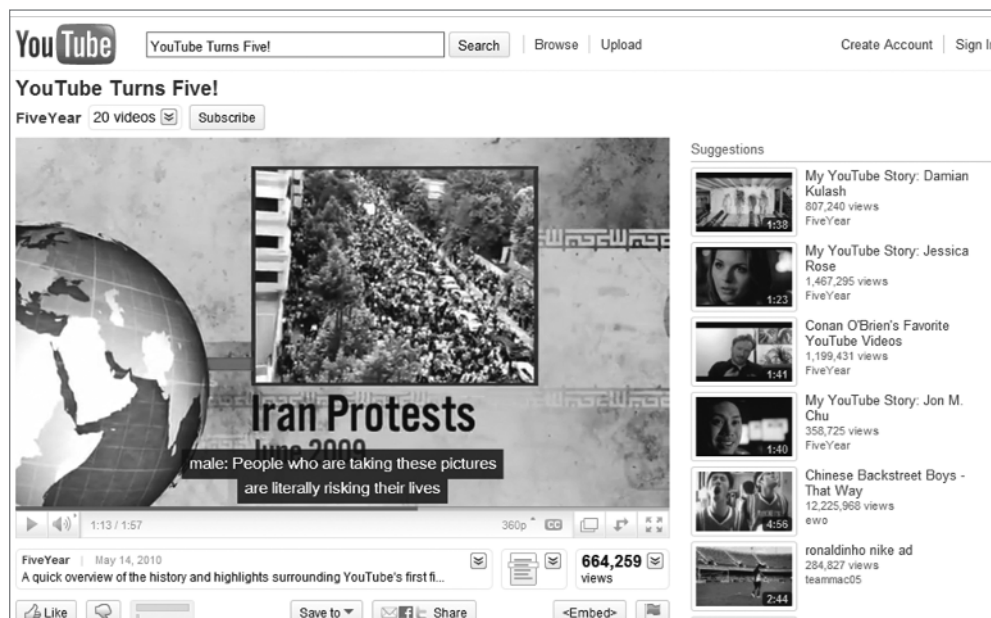


Figure 1.12 "YouTube Turns Five!"

YouTube has announced many new features and enhancements since turning five, but I have to draw the line between history and current events somewhere. Nevertheless, whether you are an aspiring videographer or a YouTube partner, a local retailer or an Ad Age 100 advertiser, the lesson that this short history of YouTube teaches is that things change.

What had started as a site for bedroom vloggers and viral videos has evolved into a global platform that supports HD and broadcasts entire sports seasons live to 200+ countries. YouTube brings feature films from Hollywood studios and independent filmmakers to far-flung audiences. Activists document social unrest seeking to transform societies, and leading civic and political figures stream interviews to the world.

Unfortunately, some marketers still think YouTube is a small video sharing site where any wanna-be director with a video camera and an Internet connection can upload their quirky and unusual amateur content for an audience of 18- to 24-year-olds to discover, watch, and share. Well, it was ... five years ago.

But YouTube has come a long way since December 2006, when the cartoon in Figure 1.13 appeared in the *New Yorker*.



“God, this is going to be all over YouTube.”

Figure 1.13 “God, this is going to be all over YouTube.” (Cartoon by Marshall Hopkins in the *New Yorker*, December 25, 2006)

YouTube’s early reputation explains why many marketers still need to debunk several myths before they can persuade their organizations to launch video marketing campaigns:

Perception #1: YouTube is limited to short-form user-generated content. Reality #1: You can find thousands of full-length feature films on YouTube, from cult classics like *Caddyshack*, *Scarface*, and *Taxi Driver* to blockbuster new releases like *Inception*, *The King’s Speech*, and *Despicable Me*. You can also find thousands of full-length TV episodes on YouTube, from *Star Trek*, *MacGyver*, and *Beverly Hills, 90210* to *How I Met Your Mother*, *Nurse Jackie*, and *United States of Tara*. And YouTube has more than 20,000 partners, including Disney, Turner, and Channel 4.

Perception #2: YouTube videos are grainy and of poor quality. Reality #2: YouTube has more HD videos than any other video site. Ten percent of YouTube’s videos are available in HD. Hundreds of thousands of HD videos are uploaded to the site every month, and tens of millions are viewed every day.

Perception #3: Advertisers are afraid of YouTube. Reality #3: YouTube is monetizing over 2 billion video views per week globally. As this was written, 94 of *Ad Age*’s Top 100 advertisers had run campaigns on YouTube and the Google Display Network. The number of advertisers using display ads on YouTube has increased tenfold in the last year.

Now that you’ve learned why YouTube took off, how it changed the online video landscape, and when it passed some memorable milestones, let’s take a serious look at video marketing.