

1 Try, Fail, Analyze, Adjust: A YouTube History Lesson

Have you ever watched the first video uploaded to YouTube?

It's an important question. No really, it matters. I don't think it matters just because I'm a YouTube expert and think it's high-quality content (spoiler alert: it's not). I think it matters because it's history, and we can learn so much from history. As a video guy, I love documentaries and biopics. They fascinate me because learning about the past helps us understand and navigate our world in the present. When we explore history, we see how decisions and events affect people, whether for good or bad, and how they impact people's families, communities, and ultimately, the entire world.

But why the heck am I talking about the impact of history on the world in a book that's supposed to be about YouTube and making you money? I'll tell you why: studying the history of anything can benefit someone who wants to learn more about that topic and succeed in that space. It should be obvious that the same applies to YouTube creators as well. I truly believe that if creators and businesses will take the time to learn from YouTube's history—how it became the mega-platform that it is based on decisions that lead to failure and

success—they will become better content creators and businesses and be more equipped to generate their own success on the platform.

So how did YouTube start, and how does that affect you and your content?

In July 2002, the prestigious start-up company PayPal had just been acquired by eBay for \$1.5 billion. This created a lot of buzz in Silicon Valley. Ideas were being tossed around for websites, apps, and platforms that could possibly bring in a lot of money and transform the world into a digital money-making giant. Three PayPal employees, Jawed Karim, Chad Hurley, and Steven Chen, were some of these idea generators. They soon came up with the idea for the YouTube website, but it was nothing like the website we are familiar with today—they started it as a dating website.

From their makeshift office in a garage, the domain name “YouTube.com” was activated on February 14, 2005, Valentine’s Day—the perfect day of the year to start a dating website. On April 23, they uploaded YouTube’s first video called “Me at the zoo.” It was 19 seconds of Karim at the San Diego Zoo talking about the elephants. If you go and watch it now, you’ll laugh because you know he was trying to get the website to be a place to find a date, and he makes an innuendo about the anatomy of the elephant. The video was actually pretty good quality for nonprofessionals at the time.

Now that they had the ball rolling and the servers going, these guys needed active website users. Who was the demographic of people looking for love? College-age students. So they pitched at the nearest university campus, Stanford, and canvased pretty heavily, passing out flyers to everyone who would take one. Their slogan was, “Tune in, hook up.” There were virtually no videos on the site yet, so they uploaded footage of 747 planes taking off and landing. There was no rhyme or reason; they just wanted videos on there. “The whole thing didn’t make any sense,” Karim said. “We were so desperate for some actual dating videos, whatever that even means, that we turned to the

website any desperate person would turn to: Craigslist.” They ran the ad in Los Angeles and Las Vegas, offering to pay women \$20/video to upload videos of themselves. They got exactly zero responses.

Here is where it gets interesting and applicable: Once people began using their “dating” website, the trio looked at the data coming in those first few weeks and months, and they realized that the website’s handful of users were not coming for dating at all; they were coming for self-broadcasting. They were posting videos of themselves and their friends doing funny or embarrassing or weird things. They were posting videos of their pets, videos of snowboarding, videos of random places and things, and the like.

At this critical juncture, Karim, Hurley, and Chen had a decision to make: should they continue to push YouTube as a dating website as planned, or should they change their business model entirely because the data showed that the usership was not the I-want-a-date crowd? “Forget the dating aspect,” said Chen. “Let’s just open it up to any video.” Herein the power of YouTube was born. Based on the data feedback, they switched gears and catered to what the users wanted.

In June, they created tools that encouraged self-broadcasting. They supplied a growing ecosystem of whatever random videos were being uploaded by the people. They launched an “embed” video option that became a game changer for websites and promotion. In short, they gave self-video creators the platform and the control to share their videos with the world from anywhere in the world, because that’s what the people wanted. These website users were not looking to hook up on YouTube; they were finding a place to put their work and their creativity.

That decision to pivot led to YouTube becoming the most powerful video platform in the world and disrupted the entertainment industry as we knew it. It was a game changer in video entertainment, taking creation from the hands of the few to the hands of everyone, if they so desired. With access to a recording device and an Internet

connection, anyone could broadcast a video to the entire world! This is the norm today, but think about how monumental it was in the beginning. Big businesses and brands started to pay attention, changing their content creation and advertising strategies. With power shifting to the regular joes, brands seized on the opportunity to sponsor creators who had a unique, organic viewership. Big business had never had this kind of competition before, and it was a force to be reckoned with.

The website continued to grow quickly. Google saw the early potential of the site, and they acquired YouTube in 2006 for \$1.65 billion. Today, more than one-third of all Internet mobile traffic comes from YouTube traffic. There are more than a billion combined hours watched on YouTube every day, and almost two billion logged-in users visit the site every month. Nearly 100 countries have local versions of the platform available to them.

Do you think all of this would have happened if the guys had ignored the data feedback, deciding to stick to their original plan, and insisting that YouTube had to be a dating website? They had tried the dating website, and it had failed. So they focused on the problem, analyzed what was working and why, and they adjusted their strategies to support more of that.

YouTube's origin story is the ultimate meta-example of how to try, fail, analyze, and adjust to succeed on YouTube. This formula *is* the YouTube Formula. Understanding its history will help you as a creator or business understand how to utilize the formula for your own success. You have to analyze what's working and what's not, and make changes accordingly. This is the premise on which the whole book is built. If you can grasp this "big idea" foundational formula, you're starting out on the right foot, and you're ready to learn the step-by-step tweaks that make all the difference in the wide world of YouTube.

In Part I, I break down the algorithm so you know exactly how the YouTube platform works in order to become a part of it. In Part II, I open your eyes to the endless opportunities available on YouTube—opportunities for exposure, artistry, collaboration, sponsorship, merchandising, and business ownership. I tell you how all different kinds of creators and businesses have seized on these opportunities and gone beyond “making a living” from YouTube. There is so much money to be made in so many ways on YouTube, but even more, there is so much power in influence. I can show you how your influence can make a big difference.

In Part III, I dissect the YouTube Formula for content planning, creation, execution, distribution, analysis, and adjustment. I teach you how to find your audience, speak to them, and convert them into your own loyal community. I teach you the importance of traffic sources so you know where the viewers come from and how you can get your content seen. I help you read metrics graphs so you can recognize data patterns. Your YouTube success depends on developing these skills, so get ready to learn and embrace them.

I’ve helped countless YouTube channels tap into growth opportunities they could not see on their own. And I’ve helped creators and brands learn the steps to get views, make money, and build businesses. If you follow the Formula and open your mind to the opportunities I am going to show you, you can get the results you’ve always wanted on YouTube.

