

To: "Sakina Arsiwala" <sakina@google.com>, "Luis Garcia" <luisg@google.com>, "shashis@google.com" <shashis@google.com>, "Matthew Blain" <mblain@google.com>, "Shiva Rajaraman" <shivar@google.com>, "James Byrne" <jbyrne@google.com>, "jmayo@google.com" <jmayo@google.com>, "ajakovleski@google.com" <ajakovleski@google.com>, "Tara Green (taragreen)" <taragreen@google.com>, "Susan Humphries" <susanhumphries@google.com>, "Crid Yu" <crd@google.com>, "Jacquie Duncan" <jduncan@google.com>, "dick soule" <rhsoulejr@yahoo.com>
 From: "Jenny Stefanotti" <jstefanotti@google.com>
 Cc:
 Bcc:
 Received Date: 2007-06-08 21:57:58 GMT
 Subject: Meeting Notes: YouTube APLA Monetization

YouTube Monetization Meeting Notes
 June 4, 2007

Action Items/Next Steps:

- (Jenny/Crid/Sakina) Map ad products and countries – which are most appropriate
- (Jenny) schedule meeting with ad and operations leads to determine preliminary operating model circulate back to the broader team
- (Jenny) schedule follow up with broader team

Attendees:

- YouTube: Dick Soule: YT International Sales Liaison, Shashi Seth: YT Group Product Mgr (Ads), Matthew Liu: YT Product Manager (Ads, Search PV=, PYV), Jamie Byrne: YT Marketing, Alex J: YT Sales Operations Team Lead, =eff Mayo: Mgr YT Sales Operations, Sakina Arsiwala: YT International PM, Lui= Garcia: YT Latam PM
- APLA: Tara Green: Mgr APLA Sales Operations, Susan Humphries: Manager, Consumer Product Specialist, Crid Yu: APLA Branding Lead, Jacqu=e Duncan: Head of VMG, Jenny Stefanotti, Special Projects

YouTube Ad Products

Three distinct advertising opportunities:

1. Engagement Platforms: platform enabling advertiser to engage with community, e.g. brand channels. Advertisers will advertise on site to drive traffic to their brand channels.
2. Scalable Video: home and search page PVA, also allows engagement with community
3. Sponsorships:
 - Video contests, e.g. advertiser creates idea, users submit videos. Developing contest platforms to allow user to submit video, advertiser moderates entries, enables voting by the community.

Self service

tools. Similar to brand channels, just need commitment to spend elsewhere.

- Large scale contests for the YouTube community are done by the marketing team, ad team finds a sponsor. Limited number executes tea=h year. Gotten a ton of heat that programs have only been open to



US users,

huge demand to participate outside the US. Would need to hire marketing team to do this. Built on same tools as contests that any advertiser / user can do

Specific Ad Products

- Home page PVA: click to play ad, allows for connection and engagement with community, sold on a reservation basis per day, on the homepage for an entire day, engages community as a whole but isn't targeted
- Brand Channels: Enhanced look and feel on standard channels
 - Given away to advertisers who spend over a certain amount on ads elsewhere on the site, \$100k-\$250k based on features available on channel.
 - Several tiers of channels bring more features to advertisers spending more
 - Advertiser manages, all self service, scalable approach
- PVA for search: (launching July 1) click to play ad on search results page (today has two banners to be replaced with click to play video ad)
 - Search represents 50% all YT PVs
 - Represents largest component for monetization this year
 - Classify search term as content vertical, allows vertical targeting in the search ads.
 - Content verticals vs. keyword targeting since advertisers are looking for branding not direct response
 - Allows targeting by vertical, demographic, geography, time of day, to some extent keyword targeting if it's a brand keyword
 - Reservation based but with auction based back fill
 - Will have all community features. Will also allow more advanced targeting and community metrics
 - Demographics done off user registration information
- In-Stream Video Ads: (launching late Q3) in premium content and user content in the partner program. Potentially get rid of banner ads entirely at that time. Doing tests now. Looking at graphical in video units, graphical overlays instead of video, could appeal to broader market that does not have video. Advertising is in player itself
- Promote Your Video (PYV): bigger vision to allow content partners and users to promote videos to drive traffic. Auction system for promotion on various places on the site: categories, watch pages, search
- For Sale: ability for partners to monetize content
- Marketplace: to create video ads and use on YouTube

Internationalization of Ad Products:

- Product would love for teams to bring advertisers in who'd be willing to engage with teams in giving feedback
- In US building media programs so sales teams can just pitch bundles. Can do custom on rare occasion.
- \$250k is ok for advertiser commitment in US, may be too much outside the US
- Up to us to modify policies for specific countries, but want to be scalable
- Have very limited initial launch in each country, could do custom deals while we figure out self service model for broader advertisers
- Need some sort of product specialist role who is very creatively

mindful, sales team comes to marketing team for consultative sales advice—to use tools creatively

- Sketchies, YouTube created contests... couldn't do at launch outside the US,
- Branded advertiser channel is #1 ask and contests

Advertising Operations

- How team is set up:
 - Experts on channels, contests, understand how to turn on
 - Sales person gathers info through RFP or meeting with advertiser, pre planning process. Jeff's team provides inventory information, units of video. Then pitches the client
- After sale, order goes into one of Jeff's regionalized teams for fulfillment, ops goes into doubleclick inventory and reserves.

Team comes

- in with assets from agency and execute campaign in doubleclick.
- Takes calls from agencies on optimization, strategist and account manager rolled into media coordinator role, works with agency on the =ack end
- Right now have regional people in the US. They can support international initially. Vision is to have swat teams in US to be avail=ble for international sales roll outs.

Longer term

- Marketing has a packaging group to pull together inventory (YT and Google network) for sales teams to sell to client, based on needs, could proactively push out to high potential verticals. Also may do reactive stuff reacting to an RFP, customize. Could potentially have a sales per=on put together program with account manager.

Current APLA DSO Teams

- Equivalent of Region 4 in EMEA, up to 15 offices in 10 countries, scouts in many more
- Just now creating robust DSO organizations
- Only go 3 roles deep in a pod vs. up to 7 in naso - sales manager, maximizer, customer service
- Starting to put in a few account coordinators for paperwork
- Just starting to verticalize, just hiring vertical heads, industry marketing, vertical operations teams. No country will be fully vertical=zed for the next few years
- 2-4 pods in most countries, supporting multiple verticals
- 5 pods in Australia covering multiple verticals
- China building out before revenue but capped at 6 pods
- Can't get regional teams in most apac countries bc of language, can get some in English and Spanish speaking Latin America
- AUS only market where not the case, young stage three market, trying to evolve from service org to where UK is but probably 2 years behind. Would market the most sense to start here, most built out and mature DSO organization

APLA traffic stats

- April watch pages: Brazil at almost 400M watch pages per month, followed by Mexico, Australia, Hong Kong, Taiwan, and Argentina
- Limited opportunity in China and Korea - huge potential markets but traffic isn't there. Need product focus before monetization

Initial Thoughts

- Only launching in Brazil on June 19 - rest of countries do not yet have launch dates
- Figure out what is suite of products we want to offer to each tier of countries (AI for Jenny/Crid)
- Could train product specialist / PMM role to support in country teams
- Move into existing pod structure
- Hire 1-2 dedicated YouTube people in country
- Elsewhere train existing pods
- Phased approach before can hire and train people

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Jenny Stefanotti
Asia Pacific & Latin America Operations | Google, Inc.
jstefanotti@google.com | [REDACTED]

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