

To: 'Tim Armstrong' <tim@google.com>; 'Kurt Abrahamson' <kurt@google.com>  
 From: Suzie Reider <sreider@youtube.com>  
 Cc:  
 Bcc:  
 Received Date: 2007-03-21 02:24:00 CST  
 Subject: YT monetization March 2007.ppt

1  
**Figueira Decl. Tab**  
 1

Sharing the PPT that was shared with Susan, Gokul, Rajas and Joan today.

Shashi Seth has joined the YT team focused on monetization and led this discussion.

He's driving much of this development and today's check-in as largely so Susan could hear about development support

Again, by early summer we should have a) the ad concepts baked, b) the systems/back-end ready to go and c) a large team in place to sell like crazy.

It feels like it is coming along.

It'll be fun to see the usability testing this week for the instream...

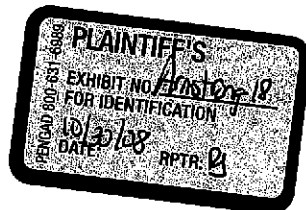
YouTube treasury is (referenced in here... ) I don't think we have one... it really just means paying the users will need to be done through adsense.

We're getting closer.

The other tension which I'll highlight in our next quarterly business review is our commitment to monetize the partner content and the challenge of low page views on it.

Attachments:

YT monetization March 2007.ppt



# YouTube Monetization Strategy

March 2007



# Monetization Strategy: Develop monetization platforms that drive revenue while protecting the user experience

**User-generated Content**  
channels, brand advertisers

**Partner Content**  
Display, In-stream Ads, etc

**Monetize YouTube Site**  
Homepage, Search, Channels, etc.

**Sponsorships**  
Contests, channels, brand advertisers

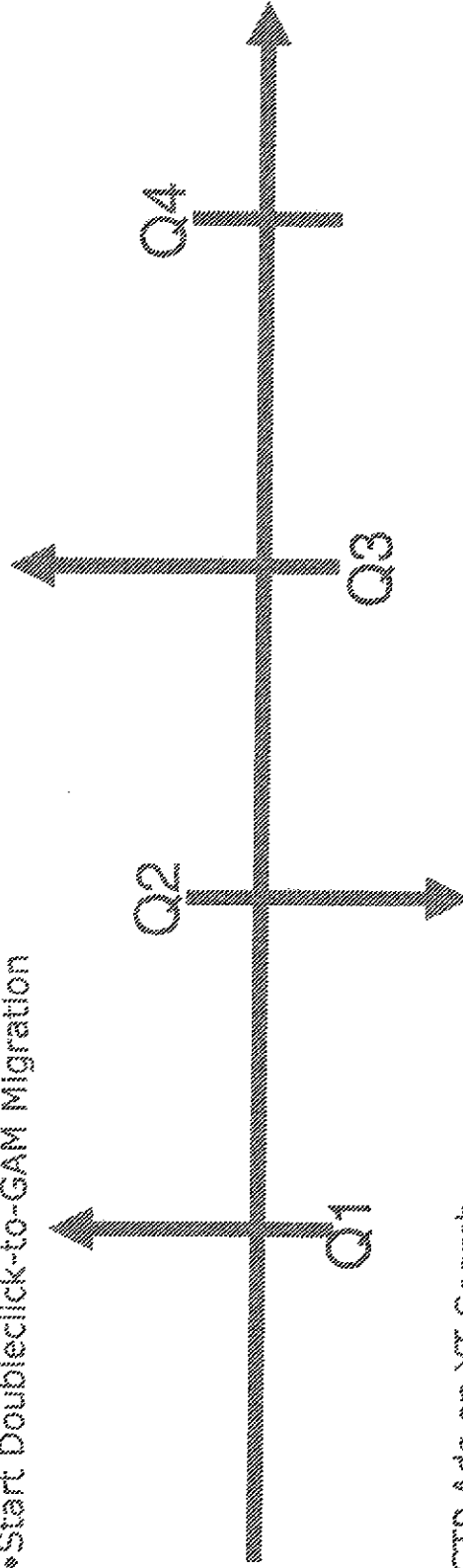
**Promotion**  
Bidding for traffic

**Data**  
Selling interesting data

Date	Avg. Daily Registrations (000s)	Avg. Daily Uploads (000s)
16	16	16
22	22	22
28	28	28
31	31	31
03	33	33
05	35	35
07	37	37
09	39	39
11	41	41
13	43	43
15	45	45
17	47	47
19	49	49
21	51	51
23	53	53
25	55	55
27	57	57
29	59	59
31	61	61
01	63	63
03	65	65
05	67	67
07	69	69
09	71	71
11	73	73
13	75	75
15	77	77
17	79	79
19	81	81
21	83	83
23	85	85
25	87	87
27	89	89
29	91	91
31	93	93
01	95	95
03	97	97
05	99	99
07	101	101
09	103	103
11	105	105
13	107	107
15	109	109
17	111	111
19	113	113
21	115	115
23	117	117
25	119	119
27	121	121
29	123	123
31	125	125
01	127	127
03	129	129
05	131	131
07	133	133
09	135	135
11	137	137
13	139	139
15	141	141
17	143	143
19	145	145
21	147	147
23	149	149
25	151	151
27	153	153
29	155	155
31	157	157
01	159	159
03	161	161
05	163	163
07	165	165
09	167	167
11	169	169
13	171	171
15	173	173
17	175	175
19	177	177
21	179	179
23	181	181
25	183	183
27	185	185
29	187	187
31	189	189
01	191	191
03	193	193
05	195	195
07	197	197
09	199	199
11	201	201
13	203	203
15	205	205
17	207	207
19	209	209
21	211	211
23	213	213
25	215	215
27	217	217
29	219	219
31	221	221
01	223	223
03	225	225
05	227	227
07	229	229
09	231	231
11	233	233
13	235	235
15	237	237
17	239	239
19	241	241
21	243	243
23	245	245
25	247	247
27	249	249
29	251	251
31	253	253
01	255	255
03	257	257
05	259	259
07	261	261
09	263	263
11	265	265
13	267	267
15	269	269
17	271	271
19	273	273
21	275	275
23	277	277
25	279	279
27	281	281
29	283	283
31	285	285
01	287	287
03	289	289
05	291	291
07	293	293
09	295	295
11	297	297
13	299	299
15	301	301
17	303	303
19	305	305
21	307	307
23	309	309
25	311	311
27	313	313
29	315	315
31	317	317
01	319	319
03	321	321
05	323	323
07	325	325
09	327	327
11	329	329
13	331	331
15	333	333
17	335	335
19	337	337
21	339	339
23	341	341
25	343	343
27	345	345
29	347	347
31	349	349
01	351	351
03	353	353
05	355	355
07	357	357
09	359	359
11	361	361
13	363	363
15	365	365
17	367	367
19	369	369
21	371	371
23	373	373
25	375	375
27	377	377
29	379	379
31	381	381
01	383	383
03	385	385
05	387	387
07	389	389
09	391	391
11	393	393
13	395	395
15	397	397
17	399	399
19	401	401
21	403	403
23	405	405
25	407	407
27	409	409
29	411	411
31	413	413
01	415	415
03	417	417
05	419	419
07	421	421
09	423	423
11	425	425
13	427	427
15	429	429
17	431	431
19	433	433
21	435	435
23	437	437
25	439	439
27	441	441
29	443	443
31	445	445
01	447	447
03	449	449
05	451	451
07	453	453
09	455	455
11	457	457
13	459	459
15	461	461
17	463	463
19	465	465
21	467	467
23	469	469
25	471	471
27	473	473
29	475	475
31	477	477
01	479	479
03	481	481
05	483	483
07	485	485
09	487	487
11	489	489
13	491	491
15	493	493
17	495	495
19	497	497
21	499	499
23	501	501
25	503	503
27	505	505
29	507	507
31	509	509
01	511	511
03	513	513
05	515	515
07	517	517
09	519	519
11	521	521
13	523	523
15	525	525
17	527	527
19	529	529
21	531	531
23	533	533
25	535	535
27	537	537
29	539	539
31	541	541
01	543	543
03	545	545
05	547	547
07	549	549
09	551	551
11	553	553
13	555	555
15	557	557
17	559	559
19	561	561
21	563	563
23	565	565
25	567	567
27	569	569
29	571	571
31	573	573
01	575	575
03	577	577
05	579	579
07	581	581
09	583	583
11	585	585
13	587	587
15	589	589
17	591	591
19	593	593
21	595	595
23	597	597
25	599	599
27	601	601
29	603	603
31	605	605
01	607	607
03	609	609
05	611	611
07	613	613
09	615	615
11	617	617
13	619	619
15	621	621
17	623	623
19	625	625
21	627	627
23	629	629
25	631	631
27	633	633
29	635	635
31	637	637
01	639	639
03	641	641
05	643	643
07	645	645
09	647	647
11	649	649
13	651	651
15	653	653
17	655	655
19	657	657
21	659	659
23	661	661
25	663	663
27	665	665
29	667	667
31	669	669
01	671	671
03	673	673
05	675	675
07	677	677
09	679	679
11	681	681
13	683	683
15	685	685
17	687	687
19	689	689
21	691	691
23	693	693
25	695	695
27	697	697
29	699	699
31	701	701
01	703	703
03	705	705
05	707	707
07	709	709
09	711	711
11	713	713
13	715	715
15	717	717
17	719	719
19	721	721
21	723	723
23	725	725
25	727	727
27	729	729
29	731	731
31	733	733
01	735	735
03	737	737
05	739	739
07	741	741
09	743	743
11	745	745
13	747	747
15	749	749
17	751	751
19	753	753
21	755	755
23	757	757
25	759	759
27	761	761
29	763	763
31	765	765
01	767	767
03	769	769
05	771	771
07	773	773
09	775	775
11	777	777
13	779	779
15	781	781
17	783	783
19	785	785
21	787	787
23	789	789
25	791	791
27	793	793
29	795	795
31	797	797
01	799	799
03	801	801
05	803	803
07	805	805
09	807	807
11	809	809
13	811	811
15	813	813
17	815	815
19	817	817
21	819	819
23	821	821
25	823	823
27	825	825
29	827	827
31	829	829
01	831	831
03	833	833
05	835	835
07	837	837
09	839	839
11	841	841
13	843	843
15	845	845
17	847	847
19	849	849
21	851	851
23	853	853
25	855	855
27	857	857
29	859	859
31	861	861
01	863	863
03	865	865
05	867	867
07	869	869
09		

# Consolidated Roadmap for YT Monetization - 2007

- UGC Content Monetization Pilot
- In-stream Ads Test
- Start Doubleclick-to-GAM Migration
- Launch Full UGC Monetization program
- PYV Phase II
- Test New Ad Formats



- CTP Ads on YT Search
- Publish results from In-stream Ads and Usability
- Doubleclick-to-GAM Migration Complete
- GAM to AdSense Integration Complete
- PYV Phase I

1-0004

YouTube Confidential



# Monetizing User- Generated Content



# Problem we are addressing

- Top user-publishers are looking for ways to monetize their content
  - Competitors have started revenue sharing and attracting some of our talent away

1-0006

YouT uba Confidential



# Goals

- We will provide a platform for our users that will allow them to make a living out of their creativity
  - Attract and retain talent on YouTube
  - Encourage creation of higher quality (and quantity) UGC on YouTube
  - Provides top talent carrot for following copyright laws
  - Focus the top talent on creating new content, and YouTube will take care of business

1-0007



YouTube Confidential

## Pilot details

- Top 50 users invited to participate
- Allow users to tell us which content can be monetized in the upload process or my accounts
- Only display ads used at this time
- Ads served by GAM
- Ensure that only original content can be monetized (fingerprinting and manual-review)
  - Also ensure that duplicated monetizable-content cannot be uploaded
- Provide simple reporting on a daily basis on my accounts
- Payment through YouTube treasury

1-0008







# Key Dates and Roadmap

Date:	What will be delivered:
3/28/2007	<ul style="list-style-type: none"><li>• Launch Pilot</li></ul>
4/30/2007	<ul style="list-style-type: none"><li>• Publish results from the Pilot</li><li>• Results from in-stream Ad experiments back</li></ul>
5/30/2007	<ul style="list-style-type: none"><li>• GAM to Adsense Integration complete</li></ul>
6/14/2007	<ul style="list-style-type: none"><li>• Launch Full UGC Revenue Sharing</li></ul>

1-0010

YouTube Confidential

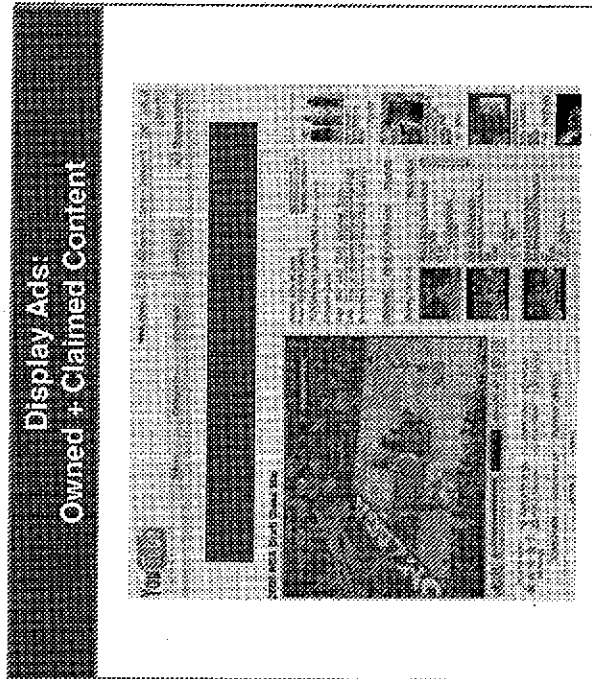


# Monetizing Partner Content



# Monetization Models

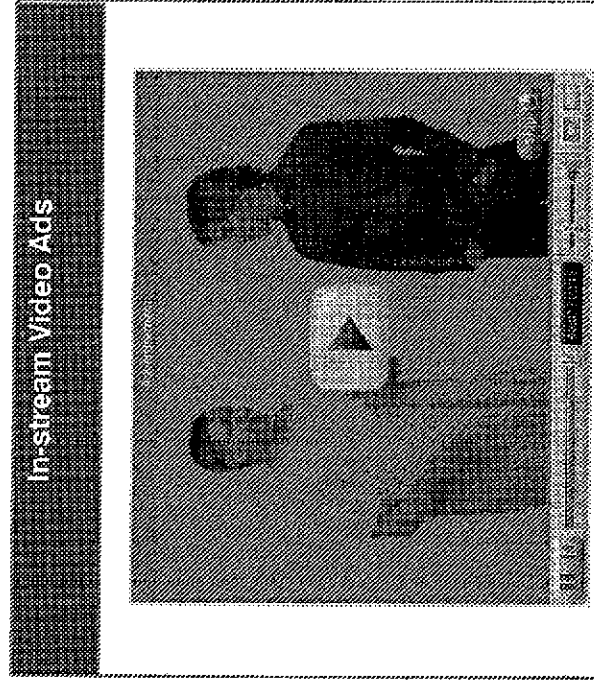
Available: Now



CPM: \$8 Floor

728x90 Display Banner

Available: 2H07



CPM TBD

1-0012



# YouTube Sales Philosophy

- YouTube pursuing a direct sales, reservation-based sales strategy
  - Delivers on promise of YouTube for blue chip brand advertisers
  - Maximizes revenue and protects value of inventory
- Obtaining sponsorships for individual partners, artists, or events is non-scalable
  - No proven track record or inventory forecasts
  - YouTube becomes liable for traffic guarantees
  - Generally low volumes of per partner inventory not attractive to advertisers
- YouTube will maximize revenue by leveraging larger pools of inventory available through content category targeting
  - Allows increased CPM rates through audience targeting
  - Creates scalable program sizes for large advertising commitments
  - Smaller partners benefit from scale of aggregated inventory

1-0013



# Category-Based Sales Approach

## Category-Based Targeting

- Autos / Vehicles
- Comedy
- Entertainment
- Film & Animation
- Gadgets & Games
- How To & DIY
- Music
- News & Politics
- People & Blogs
- Pets & Animals
- Sports
- Travel & Places

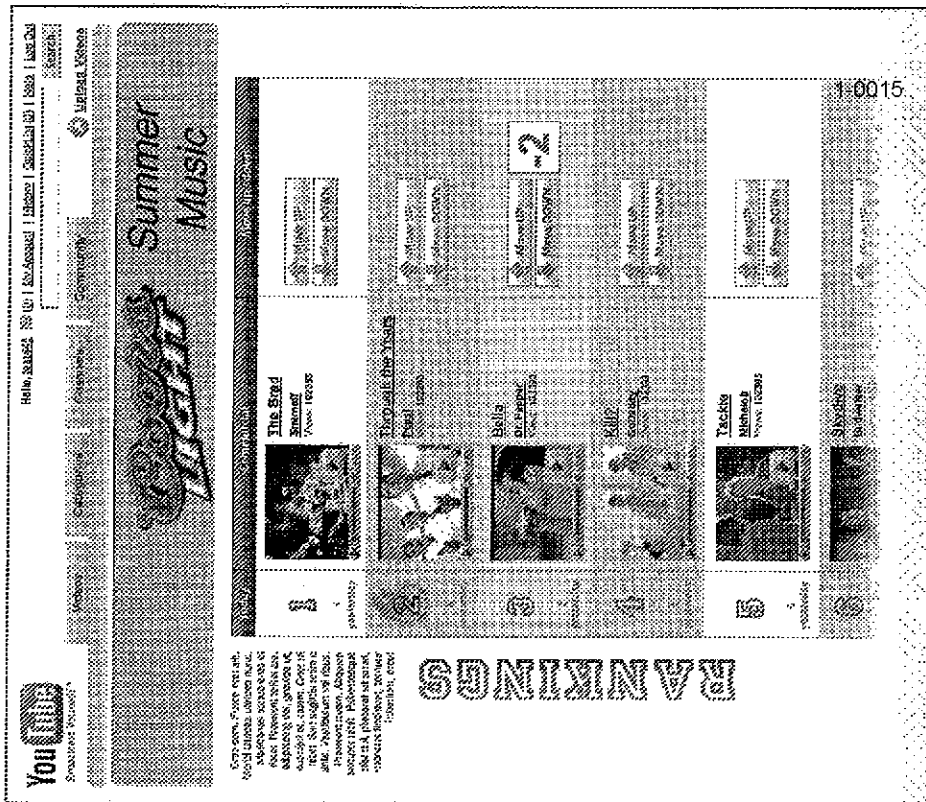
1-0014



YouTube Confidential

# Sponsorship Programs

- We will explore packaging content from multiple providers in scalable programs
  - Summer Music
  - Oscar Nominee Special
- Long Term Vision: We will explore the development of a bid-based marketplace sponsorship system towards Q4



# Key Dates and Roadmap

Date:	What will be delivered:
NOW!	<ul style="list-style-type: none"><li>• Monetization of Partner Content</li></ul>
March - May 2007	<ul style="list-style-type: none"><li>• GAM Migration</li></ul>
March 2007	<ul style="list-style-type: none"><li>• In-Stream Ad Trial</li></ul>
April 4, 2007	<ul style="list-style-type: none"><li>• Premium Content Sales Training</li></ul>

1-0016



YouTube Confidential



# Video Ads Test



# Goals

- TEST several ad models for user response, ad performance, and brand effectiveness
- First step in scalable innovation: content/geo-targeting, enabling midsize advertisers, high bar for creative
- Discover optimal model(s) to consider for broader rollout -- not all models will survive this test
- Establish performance metrics

1-0018



# Overview and key dates

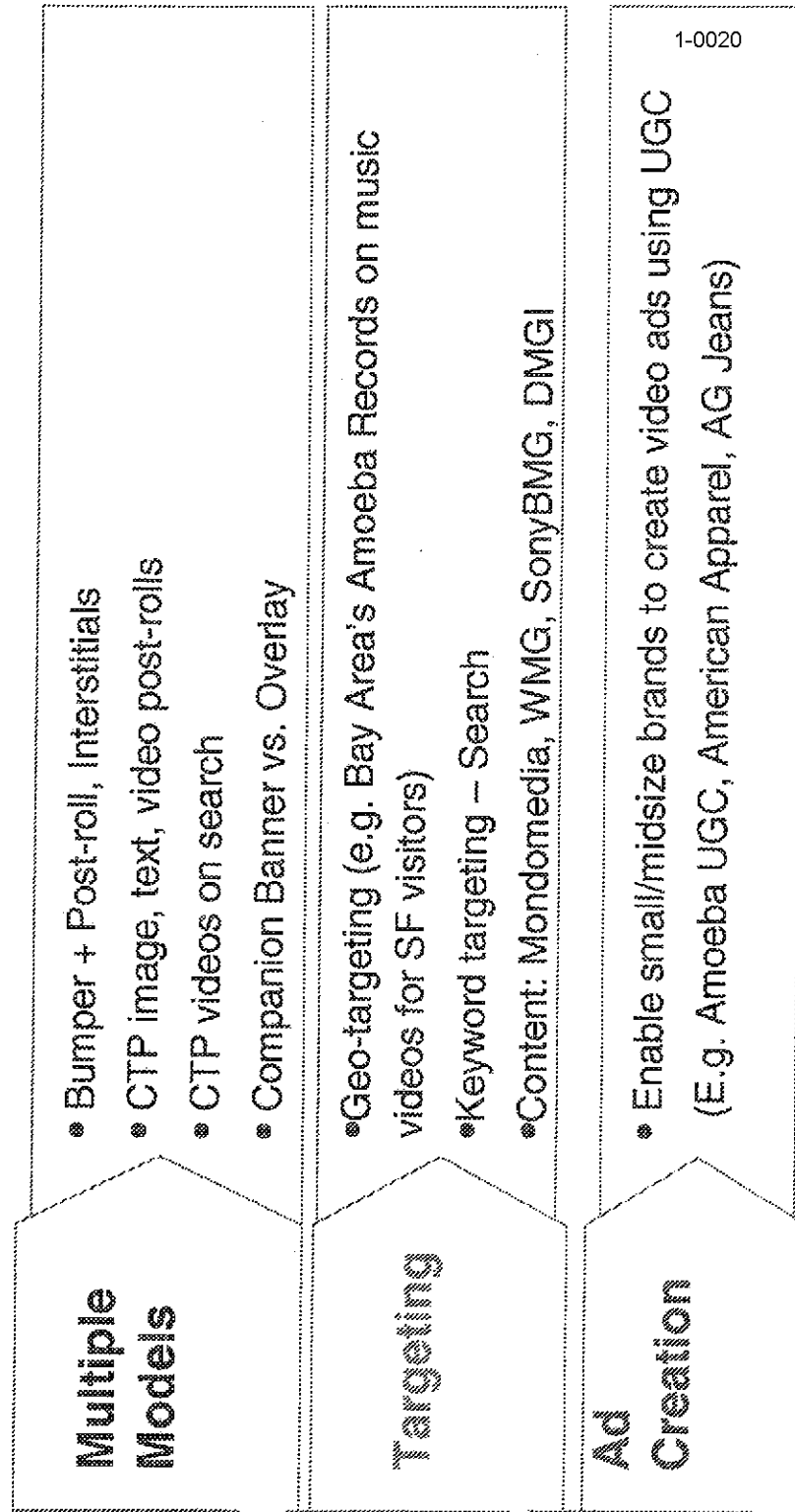
- **When:** 1 week test in March (March 28 tentative)
- **Objective:** Evaluate user response and ad performance for several ad models including combinations of placement, companion units, geo-/content-targeting
- **Scope:** 5-10 advertisers, 50-70 videos
- **Management:** All campaigns will be frequency-capped, targeted to specific videos, and in some cases geo-targeted
- **Measurement:** Detailed consumption reporting and user response/brand effectiveness study

1-0019



# What are we testing

Goal is to test variety of ad models and pursue potential innovations in targeting and advertiser enablement



# Search: keyword-targeted CTP video ads

User-initiated video ads tied to search keywords

**Search**

Video results for 'movie'

**Search in**

- Videos
- Channels
- Groups
- Playlists

**Sort By**

- Relevance
- Date Added
- View Count
- Rating

**Refine by Category**

- All
- Arts & Animation
- Automotive & Vehicles
- Comedy
- Entertainment
- Music
- News & Events
- People
- Pets & Animals
- Science & Technology
- Sports
- Travel & Places
- Video Games

---

**Wii-icious - Playing the Wii in a Movie Theater**  
05:11

Playing Wii Sports at a movie theater on a 34" screen using a homemade wireless sensor bar

Tags: [Wii](#), [Wii Sports](#), [Wireless](#), [WiiPlay](#), [Wii](#)

Added 1 month ago in Category: [Entertainment](#)

Views: 558,123

★★★★★  
\$40 ratings

---

**Good Morning Don LaFontaine**  
03:46

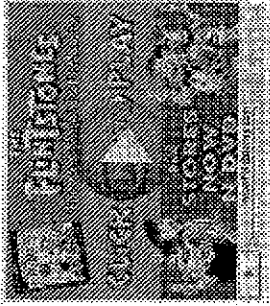
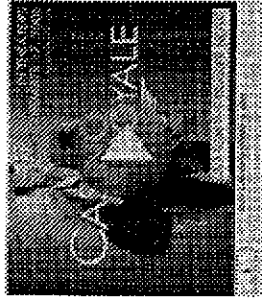
Good Morning Don LaFontaine Bill Weir, former ABC-TV Sports Anchor and now co-host of Good Morning America Weekend Edition, interviewed The Don of Movie Trailers & Promos. Here's one of the most memorable TV segments about our industry (sm)

Tags: [DON](#), [LAFONTAINE](#), [VOICE](#), [OVER](#), [CREATIONS](#)

Added 5 months ago in Category: [Entertainment](#)

Views: 254,756

★★★★★  
537 ratings



1-0021



YouTube Confidential

# Regional brand: Bumper "teaser" + geo-targeted Post-roll "feature"

American Apparel

Geo-targeted  
LA,  
SF



Our Selected  
Retailers

1015 Haight St.  
San Francisco, CA 94117  
Tel: (415) 421-4078

Store Hours  
Mon - Thu: 11am - 9pm  
Fri - Sat: 11am - 10pm  
Sun: 12pm - 7pm

Map / Directions

:03s

:15s "UGC" testimonial Call to action

1-0022



YouTube Confidential

# Key Dates and Next Steps

Date	Action required:
2/9/2007	<ul style="list-style-type: none"> <li>Initial agency meetings (Suzie scheduled)</li> </ul>
2/12/2007	<ul style="list-style-type: none"> <li>Create advertiser shortlist</li> <li>Finalize target videos</li> <li>Schedule initial agency/advertiser calls</li> </ul>
2/29/2007	<ul style="list-style-type: none"> <li>Finalize advertiser commitment</li> <li>Cement comm strategy</li> </ul>
3/15/2007	<ul style="list-style-type: none"> <li>All creative uploaded</li> <li>All GAM campaigns programmed</li> </ul>
3/28/2007	<ul style="list-style-type: none"> <li>Launch pilot</li> </ul>

-0023



You're Connected

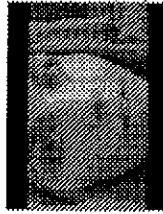
Promote Your Video



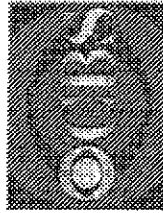


# Marketplace Participants Highly Interested in Promotion

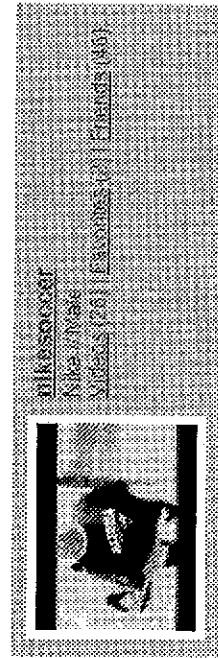
- As YouTube grows it becomes increasingly difficult for content to be organically discovered - quality content is oftentimes buried
- Three types of participants driven by two goals
  - Revenue
  - Recognition
- YouTube needs to surface quality content that can be monetized



**Annex 198113**  
 Views: 8892478  
 Subscribers: 86837  
 Style: Vlogging



**CBS**  
 Views: 1221157  
 Subscribers: 49072  
 Style: Broadcaster



# Goals

- Empower community participants of all types (users, partners, advertisers) to promote their content in a variety of ways
- Strengthen YouTube's competitive advantage in delivering content to the largest Internet video audience in the world
- Use promotions and feedback from campaigns to filter up high-quality content for consumption
- Provide the incentives for participants of "CYC for users" to re-engage the marketplace and continually feed revenue back to YouTube
- Develop a long-term monetization strategy based on a self-serve auction model

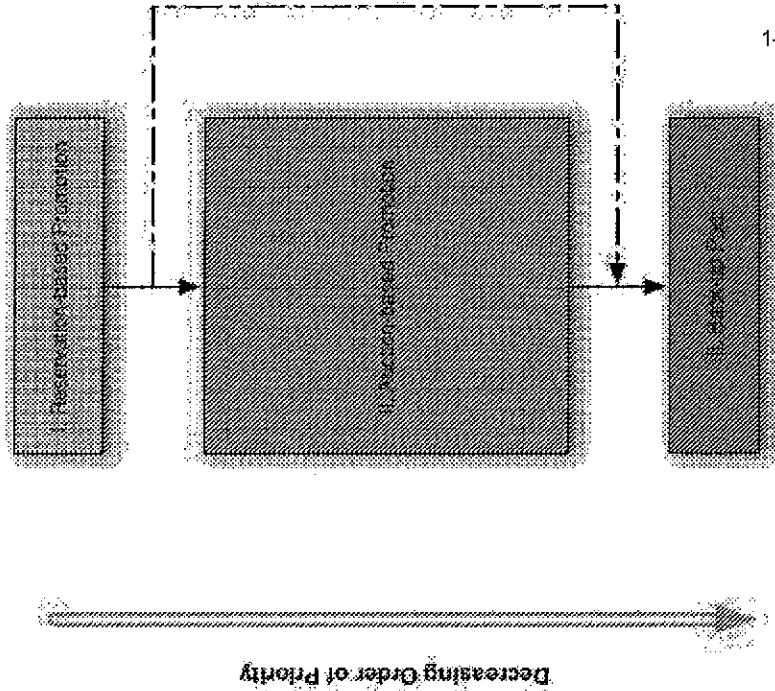
1-0026

YouTube Confidential



# Product details

- Three - tiered promotional model
  - Reservation
  - Self-serve Auction
  - Back-up "clean" pool
- Ultimate goal is to have an automated marketplace
- Will balance professional (partner/advertiser) and UGC
- Explore various forms of promotion
  - Promote Your Video Slots
  - Click-To-Play Ads (PVA)
  - Sponsored Search/Highlighted Results
- Placement and targeting
  - Home, Search, Watch pages
  - Categories --> Keywords --> Contextual



1-0027



YouTube Confidential



# Key Dates and Roadmap (Tentative)

Date:	What will be delivered:
Pre-launch (Q1/Q2)	<ul style="list-style-type: none"> <li>• CTP Ad Trial on Search Results</li> </ul>
Phase I (Middle/End Q2)	<ul style="list-style-type: none"> <li>• Reservation and auction systems live</li> <li>• Limited promotional choices</li> <li>• Targeting by categories</li> <li>• Basic Reporting</li> </ul>
Phase II (Q3)	<ul style="list-style-type: none"> <li>• Increased promotional choices</li> <li>• Targeting by keywords or context (legal permitting)</li> <li>• More advanced user and internal reporting</li> </ul>

1-0029

