



YouTube

Legal and Business Affairs BMTY7002

YouTube

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Contents Page

1. Introduction
2. YouTube
3. Conclusion

1. Introduction

In this Case Study I will be critically analysing the business strategies, challenges and mechanisms related to the commercialisation of music and entertainment content on YouTube. I will display and evaluate the data and information that relates to YouTube.

I will research a variety of sources in order to interrogate and critique YouTube from my reading list, industry news, blogs and websites including musictank.co.uk and musicbusinessworldwide.com.

This case study will display a detailed a working understanding of the role of intellectual property relating to music creators and users. I will also Analyse and critique the ways that stakeholders utilise intellectual property to protect and monetise their work.

Originally launched in 2005 in San Bruno, California by three former PayPal employees Chad Hurley, Steve Chen, and Jawed Karim. YouTube has an emphasis on user-generated content, YouTube has become the world's leading online video site and a vital venue for some of the most significant developments and scandals in today's new media environment. Throughout its relatively short history, the "participatory shift" associated with "Web 2.0" business models' partial dependence on amateur content and social networking has also intersected and been the subject of academic debates related to the new media's governance, economics, and cultures.

Despite the slow pace of conventional scholarly publication, the literature of media and cultural studies substantially dedicated to the definition and critical understanding of the texts, practises and policies of YouTube is still limited, but it is steadily growing. At the same time, since its inception researchers from a wide variety of disciplines and analytical viewpoints have considered YouTube useful as a source of examples and case studies, some of which are included here; others have specifically experimented with the platform's own scientific and educational potential.

At the same time, since its inception researchers from a wide variety of disciplines and analytical viewpoints have considered YouTube useful as a source of examples and case studies, some of which are included here in this Case Study; others have specifically experimented with the platform's own scientific and educational potential. For these purposes, while based primarily on the traditional media, internet, and cultural studies publishing outlets, this bibliography draws eclectically from a wide variety of sources— including sources very closely associated with the web business literature and the YouTube community itself. (Harrison, 2017)

YouTube is the world's third most-trafficked website, with more than a billion unique visitors a month. It is unparalleled as a video content hosting and sharing platform and can easily be integrated with other social media platforms. You can connect with your audience through YouTube in ways that Facebook, Twitter and Google+ do not—from the point of view of content creation—have a powerful social dimension, too. YouTube channels also allow for a lot of flexibility and offer opportunities to improve

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the branding across platforms. You can connect with your audience through YouTube in ways that Facebook, Twitter and Google+ do not—from the point of view of content creation—have a powerful social dimension, too. YouTube channels also allow for a lot of flexibility and offer opportunities to improve the branding across platforms. YouTube provides all users with a powerful analytics tool, so it's easy to track the amount of views you get, which videos produce the greatest interest, and which countries / demographics contribute the most to your views count.

YouTube hasn't long stayed small. Kingmakers Sequoia Capital had raised \$3.5 million by the end of the year followed by another \$8 million in early 2006 alongside Artis Capital Management. Venture capital wasn't the company's only source of interest: Google came knocking late 2006, no less. YouTube eventually became a Google (now Alphabet) company, \$1.65 billion in stock.

Time would include YouTube covering the same year on your person of the year. The person concerned was 'you' primarily content creators with a mirror inserted cover, rather than YouTube itself.

YouTube's decision, however, was not unimportant cementing the position of the young site as the place where independent content creators could share their work with the world.

In adding a number of innovative features to support creators and users alike, YouTube gained this reputation and managed to retain it. Viewer ratings, below - the-line comments, easy-to-use embed functionality, livestreaming, content algorithms, and voice recognition rank among those which have helped it retain its edge.

While it has still remained a bastion of user-created content, with many Internet celebrities rising to fame via YouTube channels (PewDiePie is perhaps the best known, as well as one of the most controversial / unsavourable), YouTube has come to represent a far broader audience of content creators. Brands are using the marketing platform, media outlets to host video output, artists and labels to release music; they have even played a role in hosting debates during US presidential elections. (Holmes, 2016)

Users can use the online YouTube Music service to watch feature films, listen to music, or subscribe to YouTube Premium, which allows access to original content and ad-free streaming, or YouTube Music Unlimited. More on those ads below, but it's enough to know the biggest content channels in the world (and, it can be argued, social media sites) are prime ad immobility's.

Profits aren't just YouTube; this YouTube ad income is shared with top content creators—a (very) small proportion of which through the web will produce a healthy return. Also, top performing producers get a preferential break.

So, which are the most popular YouTube videos? How many people do frequently use it? Who are the top earners at YouTube?

Find the answers to these questions below, together with a variety of other data and statistics on YouTube. (Mulligan, 2016)

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Promotional videos are a key part of the marketing process for most artists who are aiming for a commercial chart position making YouTube essential

Most musicians don't really understand how to use your YouTube. They see it as website video-hosting. That surely is. But it's a network, like every other social platform. The quality standards have evolved as high-quality audio and video recording became more affordable. In 2007 it was completely acceptable to sit in front of an acoustic guitar webcam to sing through a poor-quality built-in computer mic. You were overlooked in 2011 because you didn't have a professional look and sound music video. The level of competition amongst YouTubers has risen rapidly. By 2020, most YouTubers have become fully self-sufficient to invest in a high-end DSLR camera, lighting equipment and professional editing software such as Photoshop and Final Cut Pro for example. (Herstand, 2017)

The top youtubers

Key YouTube Statistics

- 2 billion monthly active YouTube users
- 73% of US adults use YouTube
- YouTube the most-downloaded iOS app in 2018
- As of December 2018, YouTube installed on 5 billion Android devices
- One billion hours of YouTube content viewed per day
- 500 hours of content uploaded to YouTube every minute
- 250 million hours of YouTube viewed per day on TV screens
- YouTube localised to 91 countries, and accessible in 80 different languages
- “Despacito” most-viewed video on YouTube, with over 6 billion views
- First video to 1 million views was a Nike ad featuring footballer Ronaldinho
- First video to 1 billion views was Psy’s “Gangnam Style”
- Fastest video to 1 billion views was Adele’s “Hello” (87.4 days)
- Most-viewed video over 24 hours is “Boy with Luv” by BTS and Haley (78 million views)
- T-Series most-subscribed YouTube channel (105 million in July 2019)
- T-Series also most-viewed YouTube channel (70 billion views in May 2019)
- ‘Song’ is the most-commonly searched term on YouTube – by a factor of 1.7 (4.2 if we discount number two search term, ‘songs’)
- JuegaGerman is the most-subscribed YouTube gaming channel (35.1 million)
- Minecraft is the most-uploaded game to YouTube
- Top-10 YouTube channels earned \$180.5 billion between June 2017 and June 2018
- Ryan Kaji of RyanToysReview top YouTube earner in 2018, making \$22 million
- 50 YouTube Original series viewed 2.5 billion times over 2018
- 47% of on-demand music streaming takes place on YouTube
- YouTube Premium Music counts an estimated 15 million users
- 50 billion hours of YouTube gaming content viewed over 2018

- 4,505 gaming streamers per day on average (in January 2019)
- 8 million users of YouTube Kids, registering 30 billion views
- 64% of YouTube users report coming across false/untrue content
- YouTube ads command an attention rate of 62% (television registers 45%)
- YouTube revenue for 2018 is estimated at between \$9.5 billion and \$14 billion
- 2018 US YouTube ad revenue estimated at \$3.36-\$4.43 billion
- Estimated YouTube valuation is \$140-\$160 billion

(Courrielche, 2019)

The controversy between the music industry and YouTube has been dragged out into public view for the past couple of years as a messy, adulterous divorce proceeding. Initially inspired by independent music producers, now some of the most famous music stars have started to speak out openly against the way artists and their copyrights have been handled by one of the most powerful corporations in world history.

First among their concerns was the "safe harbour" protection given by YouTube in 1998's Digital Millennium Copyright Act (DMCA), a Bill Clinton-era law that protects the organisation from its users' copyright infringement. The statute effectively places the burden of enforcing infringements on the copyright owner by requiring them to request removal from YouTube.com for each instance of infringing content on their site—a provision of the DMCA alleged by copyright owners forcing them to adhere to the licencing terms of YouTube.

In April 2016, when industry heavyweights Katy Perry, Jon Bon Jovi, Deadmau5, Billy Joel and many others began to publicise signed petitions calling for a change to the DMCA to wrestle control back from businesses hidden behind the "safe harbour" clause, the growing consensus for the music industry against YouTube reached a head. That same month, when she released an op-ed with the unambiguous headline, Debbie Harry made clear which business was doing the hiding: "Art matters. YouTube would pay fairly to the artists."

In response to the fervour, in an article entitled "Setting the Record Straight," the Head of YouTube International Music Partnerships, Christophe Muller, addressed some of the music industry's most influential grievances. But perhaps the most underreported part of his post – with far-reaching, long-term consequences for music producers – was YouTube's comparison to radio.

Although global music consumption is at an all-time high – and YouTube is the number one source of music streams, attracting more viewers than Spotify and Apple Music combined – only a small amount of the income from that consumption is passed on to artists and musicians, the letter says. The share of the artists is ostensibly dwarfed by the platform's "huge profits." YouTube saw a more than 100 percent increase in the number of videos playing last year, while money sent to U.S. musicians saw only a 17 percent increase, according to the Recording Industry Association of America.

The music industry has long argued that YouTube is not nearly as effective as it claims to be in detecting videos uploaded by fans or other third parties that infringe copyright. Furthering ongoing issues of piracy in the industry.

Artists are receiving revenues from ads shown before and next to a film, but those revenues seem to be dropping. YouTube charged music rights holders \$740 million in 2015, a rise of 15 per cent year-on-year, according to analysis from Midia. But at the same time, streams on YouTube and Vevo have grown to a record 751 billion plays a whopping 132 per cent.

According to Midia, this surge in plays cut the effective payment rate per stream to rights holders in half, from \$0.002 in 2014 to \$0.001 in 2015, based on record industry data and YouTube announcements. The drop in pay-out rates amounted to a loss of \$755 million for the record industry, Midia reports.

YouTube does not report annual ad revenue figures, though a source "close to the company" told the Financial Times that the amount of \$740 million is "understated" for 2015.

Conclusion

In this case study I critically analysing the business strategies, challenges and mechanisms related to the commercialisation of music and entertainment content on YouTube. I displayed and evaluated the data and information that relates to YouTube.

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Top earners on YouTube 2018

Rank	Channel	Name	Earnings	Subscribers	Total views
1	Ryan ToysReview	Ryan Kaji	\$22 million	19 million	29 billion
2	Jake Paul	Jake Paul	\$21.5 million	19 million	6 billion
3	Dude Perfect	Coby Cotton, Cory Cotton, Garrett Hilbert, Cody Jones, and Tyler Toney	\$20 million	42 million	8 billion
4	Dan DTM	Daniel Middleton	\$18.5 million	22 million	15 billion
5	Jeffree Star	Jeffree Star	\$18 million	15 million	2 billion
6	Markiplier	Mark Edward Fischbach		24 million	11 billion
7	Vanoss Gaming	Evan Fong	\$17 million	25 million	11 billion
8	Jacksepticeye	Seán McLoughlin	\$16 million	22 million	11 billion
9	PewDiePie	Felix Kjellberg	\$15.5 million	96 million	21 billion
10	Logan Paul	Logan Paul	\$14.5 million	19 million	4 billion

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