

YOUTUBE AND ADVERTISING SUCCESS



Google's video service, YouTube, is currently competing for some of the advertising money, as it is a service that around 800 million individuals from around the world use to view billions of hours of videos each and every month. YouTube will be hosting for hundreds of different advertising agencies and advertisers during the month of May, showing off some of its new and original channels. The move YouTube is trying to make is to get more money on advertisement spending through the online video instead of through traditional types of broadcasts, which would include television and radio. The vice president of YouTube, Robert Kyncl, showed off a number of original channels already, which took place during the month of October. Some of these original channels that have already made their appearance on the popular video streaming website include Madonna, Felicia Day, and Tony Hawk. Within the next few months, it is expected that many more original channels will debut, which may include channels from Shaquille O'Neal and Amy Poehler. YouTube has not been very specific about its advertising sales and whether or not they are doing well. However, Advertising Age claims that the YouTube Company is looking to sell some advertisement packages for \$62 million per year. The one channel sponsorships are currently costing anywhere from \$2-\$4 million each year. Different packages will cost more, ultimately depending on how much advertising is being done and where it is being done. The president for the video advertising marketplace of Adap.tv, Toby Gabriner, believes that YouTube will be able to generate higher rates from advertisements by targeting teenagers, especially since they fit the specific demographic and are more likely to watch certain videos with higher ad revenue. The audience size does not have everything to do with advertisement revenue, which is something Gabriner believes in. He says that if it did rely simply on audience size, YouTube will have already made billions of dollars since there are so many people who rely on this website each day. Idealistically, having sponsorship is the big picture for YouTube and so far, it seems like the possibility of gaining more sponsors is there. As of right now, Toyota is already sponsoring channels that are aimed towards women while GM is currently sponsoring channels that have to do with sports and Red Bull. One of the channel producers for YouTube says that the statistics strictly show that the vast majority of viewer audience is moving to the online aspect of things, which is why they are making the move. He says that things will not always go as planned and it will be a lot of work, but as they move along, things will become situated and will work out for the best for the company.

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