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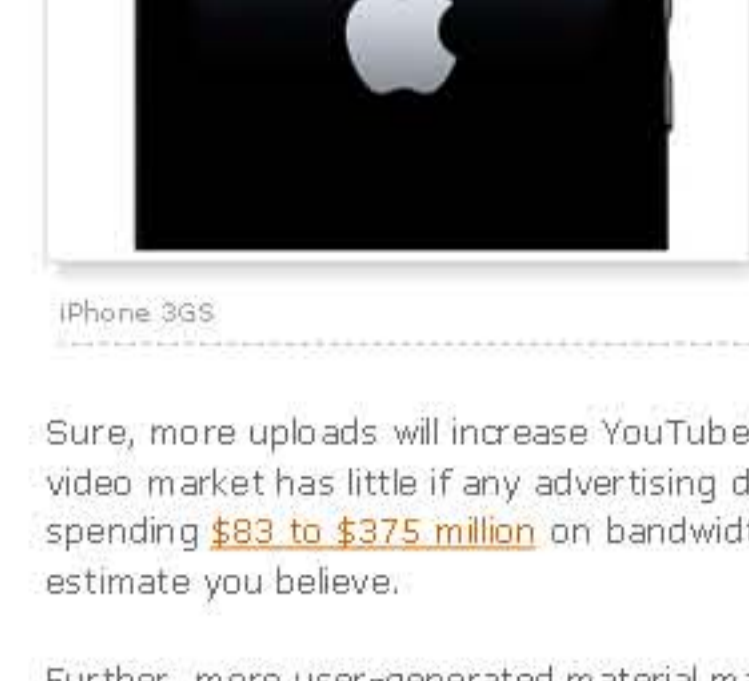
Video Cameras in iPods: Bad News for YouTube?

More Mobile Uploads of Content Advertisers Don't Want to Buy

Posted by [Abbey Klaassen](#) on [07.06.09](#) @ [05:15 PM](#)



Within the first week of Apple's new iPhone 3GS being available, YouTube reported a 400% increase in mobile video uploads. Now [TechCrunch reports](#) a rumor that the next generation of iPods Touch and Nano will have video cameras. If so, the Google-owned site could soon be on the receiving end of a lot more one-the-go content.



This is bad news for Flip video cameras and their ilk. But it's also potentially bad news for YouTube and its bid to reach profitability. Here's why: YouTube users are already uploading 20 hours of video a minute to the service and, thanks to dead-simple, one-touch uploads on iPhones and iPods, that will quickly increase. Of course, these are precisely the videos that YouTube can't monetize and that advertisers don't want. As of this spring, YouTube had sold ads against [only 9%](#) of videos in the U.S.

Sure, more uploads will increase YouTube's market dominance, but the user-generated video market has little if any advertising dollars pursuing it. Meanwhile, YouTube is spending [\\$83 to \\$375 million](#) on bandwidth and storage per year, depending on which estimate you believe.

Further, more user-generated material makes it harder for YouTube to direct viewers to the ad-supported video that could, one day, [pay its bills](#).

So, how beneficial is a glut of spur-of-the-moment video uploads of people [crushing soda cans](#) or a friend's [recent wedding](#)? Will marketers be clamoring to put their ads next to a majority of these mobile-video uploads? Probably not.

As [Malcolm Gladwell](#) pointed out in last week's dissection of Chris Anderson's "Free" (Excerpted [on AdAge.com](#) by Henry Blodgett): *"When you let people upload and download as many videos as they want, lots of them will take you up on the offer. That's the magic of Free psychology: an estimated seventy-five billion videos will be served up by YouTube this year. ... The problem is that the videos attracted by psychological Free -- pirated material, cat videos, and other forms of user-generated content -- are not the sort of thing that advertisers want to be associated with."*

Clearly, YouTube doesn't see it that way. It's actually [encouraging more folks](#) to upload their mobile videos to the site, launching a contest where users tag videos "mobiletets" and try to make them go viral through their social graphs.

The way we see it, there's one pro-monetization argument YouTube could make: The more video market has little if any advertising dollars pursuing it. Meanwhile, YouTube is spending \$83 to \$375 million on bandwidth and storage per year, depending on which estimate you believe.

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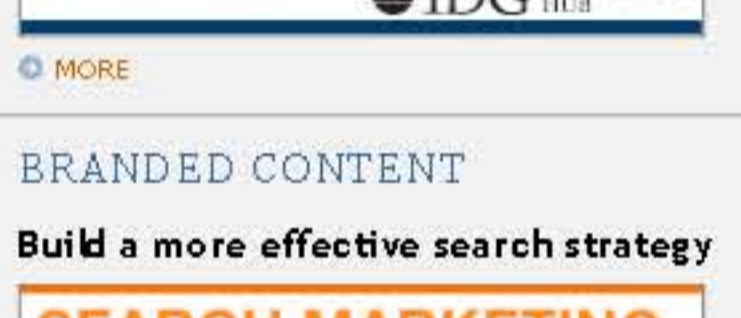
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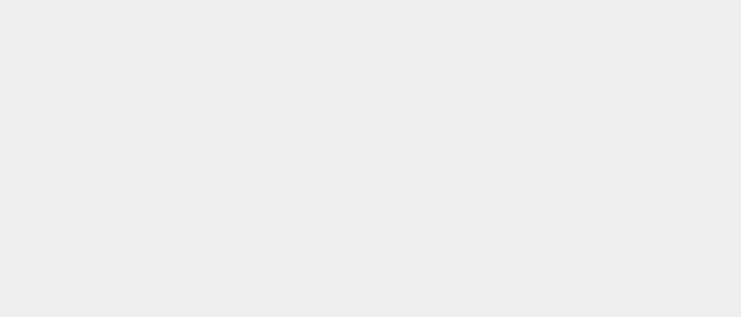
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Contributing: [Michael Learmonth](#)

10 Comments

By [kevin.sonoff](#) | PORTLAND, OR [July 6, 2009 07:04:03 pm](#):

The rapid increase in user generated content as a result of the 3gs makes it all the more important for brands to monitor their social following and online brand mentions. In other words, companies need to be among the first to know when a video is posted that mention their brands or products.

Once a relevant video is found, determine whether it is a positive or negative reflection of your brand. If it's positive, enjoy it (word of mouth is king). If it's negative, respond in a genuine and authentic manner. Don't be defensive, but rather embrace the publisher's opinions and offer to resolve their problems with your product or service and engage them to solicit valuable feedback.

Kevin Sonoff
Founder, Digital Marketing Buzz
<http://www.digitalmarketingbuzz.com>
[Permalink](#)

By [Rodney33](#) | FRISCO, TX [July 6, 2009 07:11:30 pm](#):

Good summary.

Here's a thought for youtube and advertisers alike.

Take a product like Clickable, that allows viewers to click on objects in a video for links and tags that create pop ups with more information while the video plays uninterrupted. Allowing youtube users to tag and hotlink items within home video content with the Clickable tool will enable each person to make their own personal statement with every video they forward.

Suddenly, they're becoming the John Madden's with magic instant replay tools that illustrate their comments.

The Clickable tool would be available and brought in part by a sponsor.

Sponsors would frame the content and based on user tags and clicks, the content would change or update their offer.

This is a hybrid between texting and video viewing, that is personalized and plays perfectly into the mobile web. Text a friend your video link with embedded comments will elevate the entire texting phenomenon.

Pretty simple and the technology already exists.

Monetizing home videos is really not at the top Google or youtube's to-do list. But this platform can help quickly migrate youtube into a more intuitive Web 3.0 interface, especially given the new opportunities to upload directly from smart phones and the ability to take into consideration location as an added dimension.

Rodney Mason, CMO
Moosylvania
The Great State Of Design
www.moosylvania.com
www.twitter.com/rodmoose
www.twitter.com/moosylvania
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By [Rob](#) | Chicago, IL [July 6, 2009 08:25:13 pm](#):

Are you really belyaching that "the" user generated content site is actually making it easier for users to generate content? If P&G or whoever only wants to run their ads next to something produced by "real" broadcasters, they are free to take their business over to hulu.

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By [SingularityDesign](#) | Philadelphia, PA [July 6, 2009 08:52:11 pm](#):

There are two missing elements here. 1) The perfect algorithm to match ads to hugely divers, low-volume videos and 2) a video ad format within easy reach of millions of small businesses.

These are achievable innovations (not time travel). And Google has a great track record of making these types of innovations. The real key is that when they do figure out this formula, they instantly have access to a tsunami of video to run it against and an ocean of small advertisers (through AdWords) to plug in.

I would say that the odds are on their side that they will figure this one out.

Jeff greenhouse
President, Singularity Design
<http://www.SingularityDesign.com>
<http://Twitter.com/SingularityDsgn>
[Permalink](#)

By [scottlackey](#) | New York, NY [July 6, 2009 10:13:21 pm](#):

The proverbial other shoe will drop. Suddenly it becomes a lot easier to make a custom video for blog and social media posts. Don't think about "crushing the soda can." Instead, think of what kind of meaningful and relevant videos the mommy-blogger network, for example, will post. And...what will you find on their sites? Google AdWords or other forms of Google advertising.

Scott Lackey
Jugular, Co-Founder & Strategic Director
<http://www.jugularnyc.com/blog>
<http://twitter.com/JugularAds>
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By [MarcoP123](#) | Philadelphia, PA [July 6, 2009 11:39:56 pm](#):

Good article. That's a lot of money being invested in youtube without a successful monetization model. They should consider automatic pre-roll ads on most content.

Marc
<http://domusinc.blogspot.com>
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By [mgchildr](#) | Athens, GA [July 7, 2009 07:36:55 am](#):

I think this is actually a good thing (for advertisers, anyway). In the long run, advertisers can trim the costs of traditional media by providing an online forum (via social media) for consumers to share their experiences with a brand. This will increase brand awareness and advocacy, and as Abby said above, word of mouth is king. Advocacy is geometrical, not arithmetical, so consumers and advertisers alike win out.

Thus, social media is an invaluable tool for consumers and advertisers. The trick is for advertisers to not only appeal to consumers, but also market products in a way that does not come off as intrusive

This dip details this approach to consumer-centered marketing, and how it works:
<http://bit.ly/szW0U>
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By [jkantort1](#) | St. Petersburg, FL [July 7, 2009 08:38:43 am](#):

The essence of Push marketing is telling people what they want to see and hear. The problem when Push meets User-generated content is that there is a disjunction between content and advertising - targeting based on abstract generalities no longer works. The next step in advertising is to let users create the ads and share in the revenue (Adwords 2.0). A legion of users scouring Youtube for the best (or most outrageous) videos to monetize to their advantage is the answer.

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By [chadschomber](#) | black earth, WI [July 7, 2009 10:30:58 am](#):

I'm sure Apple won't just add video to iPods. They never just do anything. They will change the whole experience for consumers. Being able to edit video right on your iPhone or iPod will dramatically improve content. Yes, the number of America's Funniest Home Video style uploads will increase, but so won't absolute brilliant content - consumer & brand produced.

No, Apple has something up their sleeve. So yes, watch out YouTube. And advertisers, be patient.

Be Better Than Vanilla> <http://chadschomber.com>
Follow me on Twitter> <http://twitter.com/chadschomber>

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By [jigielnik](#) | st. louis, MO [July 7, 2009 10:44:14 am](#):

Yes, youtube is a business, but it should be more focused on simply letting every video make it up there rather than on how to monetize those videos. Youtube is social, and the free exchange of information that is available there must be maintained at all costs. Jon

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