



The Future of Online Video: Multi-Channel Video Strategy

Preparing for a Post-YouTube World

White Paper • March 2014



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So You're Big on YouTube ... Now What?

Take Control

Time to Take Control ...

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- of Your Advertising
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Building a Multi-Channel Strategy

- How to Build an Owned & Operated (O&O) Video Destination Site
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So You're Big on YouTube ... Now What?

YouTube is an amazing platform in many ways - it's free, functional, feature-packed, and user-friendly. However, it is also a relic of a by-gone era where self-hosted video was too complex and too expensive for the average content creator to leverage. Today, with technologies like **JW Player**, it's easy and cost-effective to create an Owned and Operated (O&O) video destination site that lets you **take control of your brand, your traffic, and most importantly, your advertising revenue.**

Developing a multi-channel strategy is a key step in any YouTube content creator's lifecycle. This step is the maturation of your YouTube production from hobby stage to business stage. If you're serious about making a living from YouTube, developing a multi-channel strategy is critical to your success.

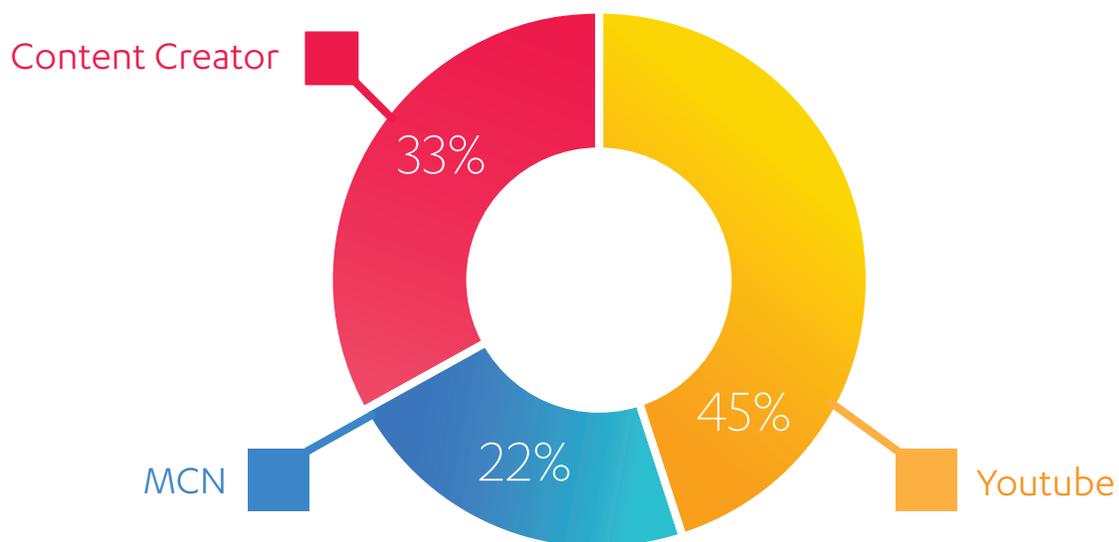
It is important to stress that **a multi-channel strategy is not a zero-sum game.** It does not mean taking your videos off YouTube and putting them on a self-hosted site. **It means leveraging YouTube as a customer acquisition platform and driving a percentage of your YouTube audience to a self-hosted site that has higher earning potential.** After all, YouTube is simply a video distributor at the end of the day, and you should have many video distribution channels if you want to build a video business.

In this white paper, we'll go over the benefits of having an O&O site and how you can leverage your YouTube (or Vimeo, Twitch, UStream, etc.) presence to drive more traffic to your content and increase the amount of money that goes into your pocket.

Time to Take Control ... of Your Revenue

When you start monetizing your video content on YouTube, 45% of your revenue goes straight into YouTube's coffers.¹ Maybe you're also one of the many YouTube content creators who decides to enter a contract with a Multi-Channel Network (MCN) which promises production and promotion assistance in exchange for a share of your advertising revenue (usually a 40/60 split²).

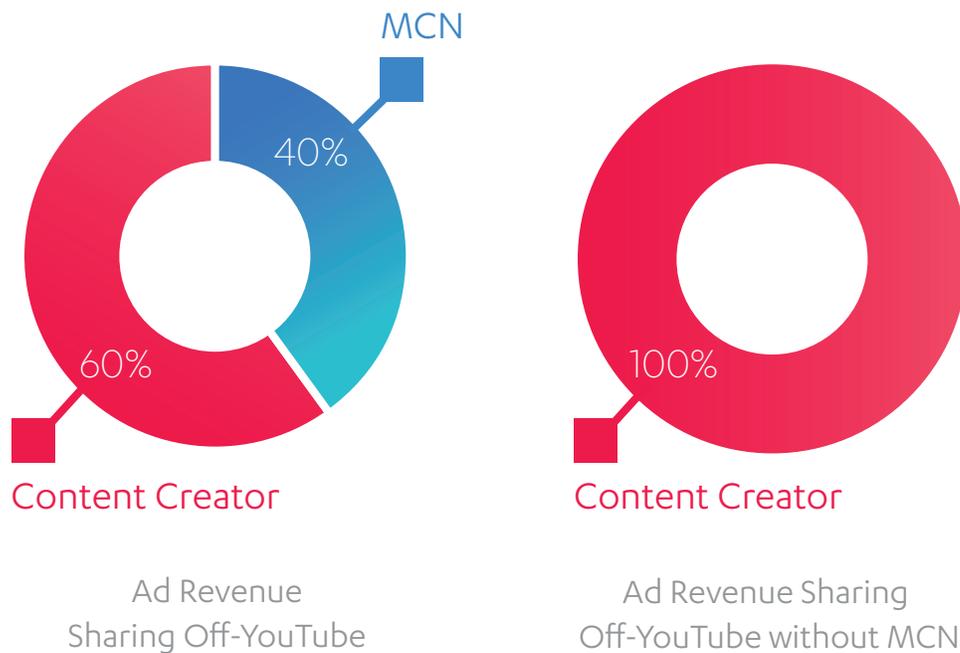
That means your slice of the advertising revenue pie looks something like this:



Ad Revenue Sharing on YouTube

1. "Variety,"
<http://variety.com/2013/biz/news/YouTubes-new-deal-biz-wary-of-revised-ad-sharing-terms-1200829684/>
2. "Mark Suster,"
<http://www.bothsidesofthetable.com/2013/09/15/why-the-media-has-mostly-been-wrong-about-youtube/>

It's pretty clear that by moving at least a portion of your content off YouTube, you stand to gain a substantial increase in the percentage of revenue you pocket:



But, your piece of the pie isn't the only thing that increases when you move away from YouTube. The pie itself actually gets larger.

This is because when you control your own advertising, you will get higher CPMs (cost per thousand impressions) for video ads than YouTube does. Want to know how this works? Keep reading!

Take Control ... of Your Advertising

The reality of YouTube's advertising ecosystem is that there are simply too many videos and not enough ad dollars chasing them. This problem is compounded by the fact that Google does not have a dedicated team selling ads for YouTube specifically, let alone individual channels. ³

What does this mean for you, the content creator?

It means that **YouTube isn't capturing as much ad money as it could**. Video pre-roll ads are sold alongside search ads using the same per-click metrics - this optimizes revenue for Google, but not for content creators. Additionally, Google's bulk volume discounts for major brands further drives down YouTube CPMs. ⁴ YouTube's CPMs vary from partner to partner, but generally range from \$2.50 to \$10. This is significantly less than the rate content creators can get for hosting videos and selling advertising independently - video makers with O&O sites who have moved from YouTube frequently cite CPMs of \$20. ⁵

Controlling your advertising isn't just important for maximizing your revenue, it's also crucial to building your brand.

When you monetize with video advertising on YouTube, you're letting YouTube decide which ads to run in front of your video and where end-of-video traffic is redirected.

Let's say you're a content creator who posts videos of cats on YouTube. An ad for cat food may play before your video ... or an ad for erectile dysfunction may display. There's really no mechanism for you to say, "Hey, YouTube, I'd really prefer not to have my brand associated with erectile dysfunction." **When you hand over control of your advertising to YouTube, you hand over control of your brand.**

3. "The Verge," <http://www.theverge.com/2013/3/4/4062810/YouTube-partners-complain-revenue-sharing-google-ads>

4. "Tubefilter," <http://www.tubefilter.com/2013/10/21/the-death-destruction-rebirth-of-the-online-video-ad-market/>

5. "All Things SD," <http://allthingsd.com/20130304/youtubes-show-me-the-money-problem/>

Take Control ... of Your Brand

Establishing your brand identity is integral to building a successful online video business. Unfortunately, YouTube's branding options are very limited. With YouTube, you lack full control over basic branding features like page design and embeddable player customization.

When you move to an O&O site, you can reinforce your brand identity through fully customized page layouts, designs, color palettes, and content. You can even skin your player to fit the unique personality of your content and your brand.

Another tool you should leverage to build your brand presence is the "recommended videos" function. **Recommended videos are a great way to promote content discovery and increase your number of video and ad views.** Since YouTube is primarily a content aggregator and not a creator, it doesn't need to worry about the individual profitability of any one brand. At the end of your Youtube-hosted video, instead of redirecting traffic to your other videos via the "recommended videos" mechanism, Youtube redirects traffic to the videos that give them the highest advertising revenue returns. It is in Youtube's best interest to promote videos that will be most profitable for Youtube, even if those videos belong to your competitors.

As a content creator, you could benefit greatly by **promoting your own content or paid affiliate content**, redirecting views and improving discovery of owned content.

Take Control ... of Your Content

YouTube and similar sites often **enforce copyright policies that are unfavorable toward content publishers.** YouTube's ContentID system allows people to flag videos for copyright infringement and removes "flagged"

content or redirects ad revenue to a third party without the original uploader's permission.⁶ This means if you show game footage of a Nintendo game in your video and there is random music playing in the background, someone could flag your video because of the random music, even if you have permission from Nintendo itself to post the game video. Because the ContentID system automatically acts in the flagger's favor, content creators must dispute the charge to get their content restored, meanwhile losing revenue as they wait for a resolution.

Moving to an O&O video destination site means that **no one can remove your content but you**. This means you're able to exercise your better judgment when it comes to copyright disputes without sacrificing potential revenue while a third party decides for you.

Take Control ... of Your Subscribers

For privacy reasons, YouTube doesn't share valuable subscriber information like email address with you as the content creator. This makes little sense given that **when a consumer clicks to subscribe to your YouTube channel, they are explicitly choosing to create a relationship with you**, the content creator - not YouTube.

With a multi-channel strategy, you can deepen engagement with your fans by allowing them to opt-in to further communications with you and your brand. With visibility over your own subscribers, you will be able to better optimize your marketing strategy by creating a dialogue with your consumers. This dialogue is key to understanding your audience and increasing engagement and views.

6. "Forbes," <http://www.forbes.com/sites/insertcoin/2013/12/19/the-injustice-of-the-youtube-content-id-crackdown-reveals-googles-dark-side/>

Building a Multi-Channel Strategy

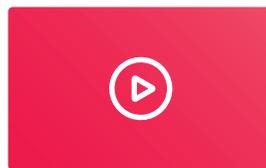
Building a multi-channel strategy is the best way to grow your video business. However, the execution piece isn't quite as simple. A multi-channel strategy isn't just about how to get video content from point A to point B – it's also about getting viewers from point A to point B. In the next section, we'll guide you through the process of building an O&O video destination site and driving traffic to higher margin content.

How to Build an Owned & Operated Video Destination Site

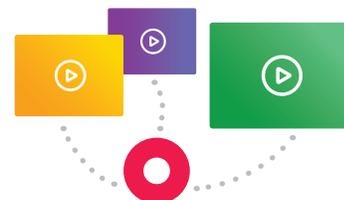
You will need:



Your own website
(domain, web hosting)



Your own ad-enabled
video player using your
choice of ad network



A video hosting
and streaming
service

Optimize Your YouTube Content for a Multi-Channel Strategy

If you already have a YouTube following, congratulations! The biggest hurdle is over. Now, the fun begins - how do you turn YouTube viewers and subscribers into O&O website viewers?

The first thing you need to do is craft a compelling Call-to-Action (CTA). A great CTA tells viewers:

1. **What to do** (visit my website)
2. **How to do it** (click this link)
3. **Why to do it** (for more awesome videos)

The second thing you need to do is implement your CTA in all your YouTube videos to drive traffic to your O&O website:

1 Optimize Your Video Descriptions

YouTube truncates all video descriptions, so make sure you include a link back to your O&O website within the first couple lines of your YouTube video description. This will ensure that your YouTube viewers actually see that you have your own website and increase the likelihood of them clicking through.

2 Take Advantage of Overlays

YouTube allows you to annotate your video with links to external content. You can place text overlays (annotations) over your YouTube videos and layer links to your O&O website. You can also customize the size, color, placement, and timing of your annotations.

Size/Color

Since your goal is to drive traffic to your O&O site, make sure you create bold annotations that are visible to the majority of your viewers. Avoid using color combinations like red and green that are not accessible to those with color blindness, an affliction that affects 8-10% of your male viewers! ⁷

7. <http://wearecolorblind.com/article/a-quick-introduction-to-color-blindness/>

Timing

On average, videos lose about 33% of their viewers within the first 30 seconds.⁸ Don't just rely on averages, though - study your YouTube video analytics to figure out where abandonment typically occurs in each of your videos and make sure you time your annotations to reach the right part of your audience. You should craft different annotations to speak to the widest part of your audience (first 30 seconds) and the most engaged part of your audience (last 30 seconds).

Placement

First and foremost, make sure your annotations do not get in the way of your actual content. You want to drive traffic to your O&O website without degrading the YouTube viewing experience. Secondly, ensure that your annotations are visible and not obscured by YouTube ads or the embedded player frame. Avoid placing annotations in the lower third of your video and along the very top of the frame.⁹

3 Post-Video CTA

Another great way to convert your YouTube viewers to O&O website visitors is to ask them to visit your website at the end of your video. This is the best time to drive your viewers to your O&O site because they are already fully engaged with your video content. You can do this in a couple ways:

Show a static screen as part of your video

The low-touch method of this is to end your videos with a simple screenshot directing viewers to your website. This screenshot should last no more than 10-15 seconds, enough time for viewers to process and remember your O&O domain name.

8. <http://adage.com/article/digitalnext/marketing-online-video-viewers-quit-30-seconds/146218/>

9. <http://blog.kissmetrics.com/2013-youtube-marketing-guide/>

Personal invitation at the end of your video

A more engaging and compelling way of getting YouTube viewers to visit your website is to pitch it yourself at the end of your YouTube videos. This can consist of just a few short seconds where you verbalize your CTA. Remember, YouTube is a social site and the more personal engagement you offer, the more likely viewers will be to visit your O&O content.

4 Build Relationships with Your Audience

The most effective way to drive traffic to your O&O website is to build rapport with your audience. The greater the connection you build with viewers, the more likely they will be to follow you across the internet.

Always reply to comments

Start a dialogue with your viewers by going through your comments and responding to your audience. Ask questions to engage your commenters on a personal level and follow-up to build rapport.

Cross-promote with other YouTubers

Find relevant YouTube channels and engage with the content creators and their audiences. Build relationships with other content creators so you can cross-promote your videos and website.

Court your subscribers

Subscribers have already demonstrated that they want to hear more from you by subscribing to your channel - post a bulletin on YouTube to all your subscribers with your CTA!

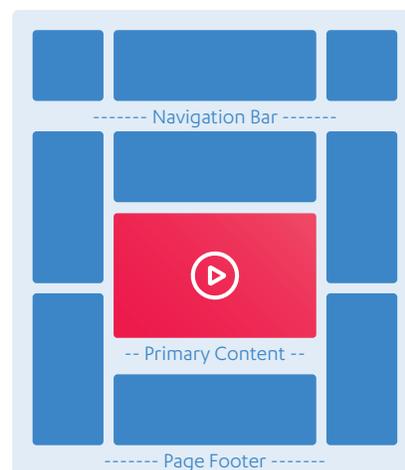
Optimize Your Site for Revenue

You've captured the 45% upside in video advertising revenue that YouTube once controlled by moving to an O&O site. Now, it's time to grow the ad revenue pie even more by pursuing multiple advertising strategies.

Think of your website as a piece of real estate. When you were relying on YouTube's real estate to host and deliver your video content, you could only advertise on top of your own video (e.g. pre-roll video ads). Now that you've bought your own nice plot of land (your O&O website), you have plenty of real estate to play with.

Traditional Display Advertising

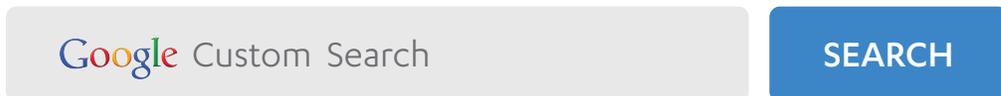
Even though traditional display (e.g. banner) advertising averages at only \$1.90 CPM¹⁰, more than one ad can be displayed at any given time on your website, allowing you to stack your ad revenue. Take advantage of the extra real estate on your O&O site and place traditional display ads strategically on your page to increase your incremental ad revenue each time someone visits your site:



10. "Zenith Optimedia," <http://www.adexchanger.com/agencies/2014-forecasts-global-ad-dollars-surge-driven-by-mobile-social/>

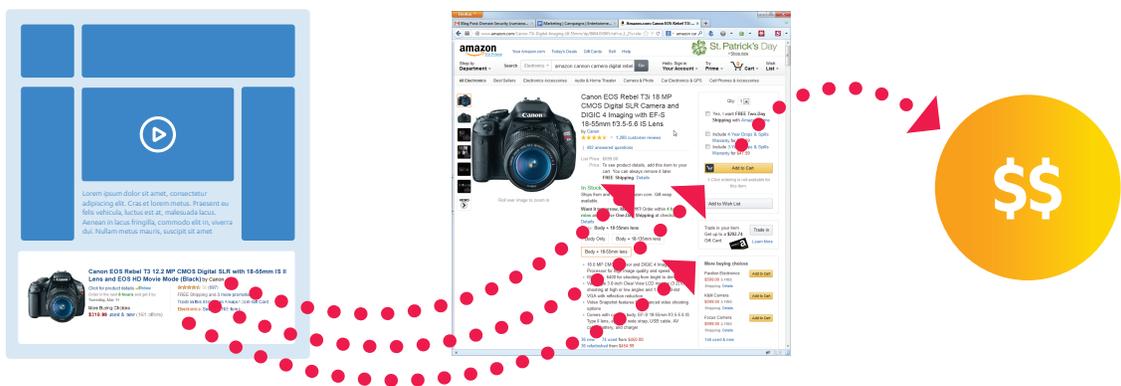
Custom Search Advertising

You can insert a custom search bar on your website using Google AdSense. This allows users to search for content on your site while you monetize their queries. Custom search ads use the search query to deliver highly targeted, relevant ads resulting in satisfied users and more revenue.



Affiliate Marketing

If you have a large YouTube following already, chances are you're already influencing the purchasing intentions of your viewers whether you know it or not. Consider joining a program like Amazon Associates that pays you a commission for purchases driven from your website. That way, you get to benefit from representing brands and products that you love and recommending them to your audience.



Advertise products on your web page

People follow the links to Amazon

Earn up to 15% when they buy

The JW Player Difference

JW Player is the trusted partner of thousands of online video publishers, from individual YouTube content creators to Fortune 500 entertainment companies. We've not only helped customers develop multi-channel video monetization strategies but we've also guided them through the implementation process with our technical expertise and superior customer support.

We offer a full range of online video services featuring our best-in-class video player, robust video platform, advanced analytics suite, and flexible advertising solution. With **JW Player** technology, you can partner with any ad network to monetize your video content. Our reliable video player will ensure that both your videos and ads will be streamed quickly and consistently across all mobile and desktop devices.

For more information on how **JW Player** can help you implement a multi-channel video strategy, visit our website at www.jwplayer.com or contact us directly at mktg@jwplayer.com!

