



## The New Path

Companies are starting to stray from solely endorsing traditional celebrities and moving into the tight knit communities of YouTube. Unlike traditional celebrities, people see YouTubers as approachable friends and equals. However, YouTubers need to be careful not to violate the trust of their viewers and disclose the fact a brand is sponsoring them.

## YouTubers' Business Model

YouTubers are able to profit for themselves in multiple ways. One way is through revenue generated by advertising in their videos, but YouTube usually keeps around 45% of that revenue. Some YouTubers are also expanding into the book business by publishing their own books like Alfie Deyes' "The Pointless Book" from the Pointlessblog YouTube channel and Zoe Sugg's "Girl Online" from the YouTube channel Zoella. Others like Michelle Phan have expanded in all other Medias. She has a book called "Make Up" and her own cosmetics line from L'Oreal .She also has endorsed products including Dr. Pepper, Toyota and SanDisk.

## Downside of YouTube

YouTubers have to occasionally face complications most of them related to copyright and trademark breach issues. An example of this is YouTuber Michelle Phan. She was sued for \$150,000 per copyright infringement by Ultra Records for using music signed to their record label in her videos. Outside companies are not the only ones causing problems for YouTubers, YouTube itself is providing obstacles to YouTubers, especially for Video Game vloggers. YouTube's automated anti-theft system started flagging popular videos of YouTubers reviewing, critiquing, and playing popular video games. However, Ubisoft, Capcom, Blizzard, Deep Silver and other giants in the gaming industry have spoken up and promise to clear things up with YouTube, since videos of that nature are some of the most popular in the website.

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## Introduction

The purpose of this research project is to find out how YouTubers and YouTube-user companies make money through YouTube, in order to better understand how marketing strategists decide to invest in and utilize emerging media.

## Background Information

YouTube was started in 2005 by three former PayPal employees: Steve Chen, Chad Hurley, and Jawed Karim. Their goal was to create a place where users could upload, view, and share their videos. As users grew, it developed into the ideal tool for finding specific video material. It was later sold to Google.

## Statistics

- As of January 2008, every minute, 10 hours of content were uploaded to the video sharing platform YouTube.
- According to ComScore Media Metrix, in the US, 178.4 million unique viewers watched 33.5 billion videos for an average of 16.8 hours per viewer during June 2011.
- Daily viewing time on YouTube grew by also 50 per cent in 2013, according to the platform
- Nearly a quarter of 18- to 24-year-olds follow a video blogger, or 'vlogger', according to a survey by ICM commissioned by Marketing Week
- 36 % of people would be discouraged from reading a blog that contains paid for content, according to a study by Research Now

## Online Celebrities

YouTube stars, or as they are more commonly known vloggers or YouTubers, are a growing group of individuals that rose to fame by making videos and are now celebrities in their own right with immense fan bases. Some examples of this new breed of celebrities are beauty vlogger Zoe Sugg from the YouTube channel "Zoella" and game vlogger Felix Kjellberf from "PewDiePie".