



 youtube premium: product growth strategy



presented by
Allison Ho

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Opportunity Area

EXECUTIVE SUMMARY:

- According to Google's 2020 Q2 report:
 - Youtube Premium and TV have expanded considerably, and will continue to grow.
 - Good reception so far (increase of 60% versus the prior year, currently 20 million paid subscribers)
- If Youtube TV and Premium can scale up, so will the avenues for potential advertisers

CHALLENGE:

- Youtube's original function as a popular user-to-user service remains unparalleled but the expansion towards television, music, and original content have strong competition such as Amazon, Netflix, and Facebook.
- Whilst an ad-free version of Youtube with downloadable content is currently in demand, and has generated considerable revenue this quarter, once that market is sated, how can we continue to grow our paid-subscriptions?
- What are the current marketing campaigns to push Youtube Premium/ TV/ Music?
 - Ensure consumers know the differences between the avenues and can easily make decisions

YouTube TV

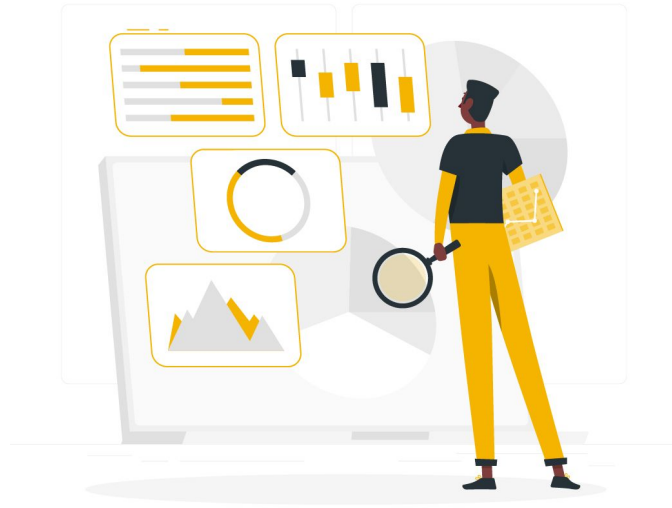
- Offers cord-cutters a promising alternative
- However the June 2020 price hitch poses the challenge of continuing the conversion of that audience
 - + maintaining our original audience

Premium

- Ad free
- Background play
- Access to Youtube Originals + Music
- Offline access
 - A unique streaming platform, but is it enough to convince users that an ad-free experience is worth the monthly payment?

YouTube Music

- Music Premium included w/ Premium
- Confusing to the consumer– especially with the upcoming axe of Google Play Music
- Could emphasize the unique nature of user-uploaded music
 - Potential competitor SoundCloud?
- Direct competitor: Spotify



Goals and Success Metrics

The goal is to continue the mission of putting **users first**, whilst **increasing subscriptions** to Youtube Premium, Music, and TV.

**Innovating the future of the digital
entertainment space** – Youtube can
venture into packaging VOD and music
together while maintaining its **unique
community platform**

Reinforcing YouTube's **unique** features
and opportunities through **branding and**
marketing campaigns

Success Metrics: What will we measure?

- **Increase in paid subscriptions**
 - KPIs: increase in % subscriptions for Youtube Premium, increase in views for Youtube Original content (since it could lead to people purchasing Youtube Premium for more content), increase in people clicking on advertisements for Youtube Premium
- **Increase in user-traffic for Youtube Music Premium**
 - Since Youtube Premium offers Youtube Music Premium as a part of the service, monitoring how much traffic it generates. Could offer valuable insight whether or not to pursue Youtube Music Premium as a separate avenue.
 - KPIs: increase in traffic, % increase in time spent listening to Youtube Music
- **Revenue**
 - How much profit is made from ad revenue after factoring in advertising costs
 - KPIs: % of interactions with advertisements to join Youtube Premium, % of interactions with products in Youtube TV advertisements



Market & Competitive Landscape

Competitive Analysis

	Youtube Premium	Youtube TV	Hulu Live TV	Regular Cable	Netflix
Value Proposition	<ul style="list-style-type: none"> - (user-generated content, VOD) - Youtube Originals - Youtube Music Premium 	<ul style="list-style-type: none"> - Alternative to cable - Live entertainment 	<ul style="list-style-type: none"> - Offers two key features: Cable <i>and</i> all the streamable content from Hulu 	<ul style="list-style-type: none"> - Users spend 2x more time watching cable, still advertisers' main choice 	<ul style="list-style-type: none"> - Big competitor in the VOD market - Original content & licensed content
Streaming/VOD	Y	N	Y	N	Y
Cable	N	Y	Y	Y	N
Ad-Free	N	N	Y	N	N
Community	N	N	N	N	N
Positioning	An elevated experience of Youtube + bonus content, has a community platform	Cable alternative, providing additional channels will be costly	Cable + Streaming capabilities	For users that want to enjoy cable, pricing might be the same with other alternatives	Streaming VOD content, both for shows and movies, has licensed some cult classics (eg Friends)

Challenge

- Youtube Premium's main competitor as a platform for user-generated content would be its own free version of Youtube with advertisements.
- Youtube Originals under Youtube Premium places it in the competitive streaming space against Netflix, Hulu, Disney Plus, HBO Max etc

Opportunities

- Although Youtube Music is now a free service, and Music Premium is already included in a Youtube Premium subscription, emphasizing this in future marketing campaigns could better indicate to consumers how worth it these services could be
 - From a consumer POV, the idea of getting more benefits for the same price allows for the consumer to feel more satisfied
 - This could also be an opportunity to see if this deal could motivate Spotify users to switch over to Youtube Music Premium



Approach

Targeting Indie Artists and their Platforms

Product Growth Recommendation #1

Objectives

- Motivate indie artists (as indie music has become much more popular lately) to upload their music to Youtube Music since it can potentially have lower barriers to entry in comparison to competitors like Spotify

Audience

- Indie artists and their fans

Approach & Impact

- **What:** Highlight the unique aspect of Youtube as a site that hosts professional artists' music but also the lack of barriers to entry for new indie artists to upload music to Youtube Music could be an attractive opportunity
- **How:** With the rise in popularity of indie music, starting with motivating artists to create unique content only available on Youtube Music → perhaps including benefits for the artists to encourage them to choose Youtube Music over other platforms, could encourage artists that Youtube can foster more of an intimate community
- **Why:** This pull from new music could then trickle down to increasing users for Youtube Music as a service

Increased Promotion to Improve Product Awareness

Product Growth Recommendation #2

Objectives

- There are many articles on the Internet breaking down the differences between Youtube TV, Youtube Premium, Youtube Music, Youtube Music Premium, because the average consumer may not be completely aware of all the services that Youtube now offers.

Audience

- Youtube users

Approach & Impact

- **What:** Conduct a marketing campaign for the audience to better understand what we offer, and hopefully be more inclined to use our services
- **How:** Short video advertisements placed before free Youtube videos highlighting the ease of using Youtube's various services, and how each targets their own respective audience
- **Why:** The increased product awareness would encourage word-of-mouth advertising from existing customers and may attract new users that now have a clear understanding of the differences between products

Summary

Purpose

Attract a **new audience** with indie artists and **increase marketing** to **increase product awareness**

Barrier To Growth

Competition: Being able to motivate new users that already use Spotify or are okay with having Youtube advertisements
Discovery: Many need better understandings of Youtube's array of services

Goals

Offer a clearer scope of Youtube's various services so that **users can make the choice for themselves**

Product Magic

Users can choose whether they want an elevated version of Youtube or access to different artists that competitors may not be able to offer

User Insight

People like getting a better idea of what they may invest their money into, but also enjoy the **exclusivity of elevated experiences** from entertainment platforms

Competitive Landscape

Youtube Premium is competing internally with **Youtube with advertisements**, as well with external competition with other platforms like **Netflix** and **Spotify**

Brand Promise

Giving the users the choice to choose whichever service best suits them