

Hollywood makeover for YouTube

'Despite the growth in viewership, YouTube is still struggling to monetise in a meaningful way'

**By Matthew Garrahan
in Los Angeles**

Google is deepening its ties with Hollywood by enlisting top stars to supply original content for YouTube in a bid to boost profits and user engagement at the company's online video site.

Google has been making the rounds of Hollywood's biggest talent agencies, outlining plans to create a network of channels based around specific themes or niches, such as fashion, food and video games.

It is offering stars cash advances against future advertising revenues in return for lending their name to these channels and overseeing the content, according to people familiar with the plans.

It is unclear how many stars or production companies have signed up.

Google declined to comment although other people briefed on the situation stressed that YouTube was not seeking to move away from its roots as the home of user-generated content.

YouTube made revenues of \$825m in 2010 and is forecast to generate \$1.3bn in 2011, according to research by Mark Mahaney, an analyst with Citi.

Still, in meetings with Crea-

tive Artists Agency, International Creative Management, United Talent Agency, and William Morris Endeavor Entertainment – the agencies which represent Hollywood's biggest stars – Google has made no secret of its desire to add more professional, original content to YouTube.

The aim is to generate better CPMs – the cost per thousand ad impressions – for the advertising on YouTube, said a person familiar with the situation. "Despite the growth in viewership, YouTube is still struggling to monetise in a meaningful way. They are trying to professionalise their content to get the attention of Madison Avenue."

Google recently acquired Next New Networks, which has rela-

tionships with many independent online video producers. It has also hired a new team of executives with Hollywood experience to lead its push into original content.

The company last year hired Robert Kyncl, a former Netflix executive, who negotiated a \$900m, five-year deal to stream movies made by Paramount Pictures, MGM and Lions Gate Entertainment for the DVD subscription and movie streaming company. "YouTube is more focused and they have a better plan than they have had in the last five years," said one film executive pitched to by Google.

Google's push comes as Netflix recently struck a \$100m deal to stream a new US version of *House of Cards*, starring Kevin Spacey – before it airs on TV.



La trasformazione di Hollywood a vantaggio di YouTube (pds)