

Development and Prospect Analysis of YouTube

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Abstract. In this digital economy era, the video sharing platform has developed very fast, and it has brought many changes to people's lives. The research of video sharing platform has practical significance. This paper takes the YouTube platform as an example. YouTube is an American video sharing platform serving the public. However, with the rapid development of information technology, YouTube also gets many competitors. So we deeply studies the background and business model of YouTube, and puts forward solutions to solve the problems. And hopes to promote the development of YouTube in the new media market.

Keywords: YouTube; Company; Development; Prospect; Platform.

1. Introduction

YouTube, a company founded on Valentine's day in 2005, is headquartered in San Bruno, California. YouTube is an American video sharing platform that allows users to upload videos, view videos, rate videos, share videos, add videos to playlists, and subscribe to other users. One year after its establishment, YouTube was acquired by Google for \$1.6 billion, that it really found its feet. Since then, YouTube has built a large-scale base of more than 2 billion monthly active users and more than 30 million paying users. YouTube let the world know that its time has come.

YouTube can upload more than 100 hours of videos per minute. YouTube's greatest contribution is that it provides job opportunities for new media and mainstream media creators.

2. YouTube profile and analysis of competitors

Vimeo founded in 2004, it is headquartered in New York City, and this company is a strong competitor. There are no advertisements on Vimeo, because Vimeo's revenue model are comes from subscription. And Vimeo has a more professional customer base, Including Wix, Deloitte, Samsung and MailChimp. The year before last, Vimeo acquired a company called magisto, in order to make it more convenient for users to use tools for making and editing short videos. This is Vimeo's strategy. They provide a comprehensive set of video production, editing and storage tools, thus eliminating the demand for other platforms. Vimeo's move has increased the competitive pressure of YouTube in the market media. However, this is also a very good opportunity to show the strength of Youtube.

3. Current strategy

The current policy of YouTube should be to find out what types of video your audience wants.

For any type of content produced by editors, you should ensure that it is consistent with the needs of your audience. The first thing to know is what types of video your audience want to search and where they want to see similar content from you. YouTube can refer to its competitors or other video platforms in the same industry to see which videos they have received the most views and participation. This will let you know what topics the audience wants to know and what style of video they prefer, so as to improve the user experience and continuously improve the number of users on your own platform.

4. Business model and how is Youtube successful and what can be improved

4.1 I think we can think about the business model of YouTube from seven aspects.

The first is value proposition it's about what the company can attract consumers. First of all, YouTube's mission statement is to 'give everyone a voice and show them the world.' Jimmy Donaldson's more famous name is Mr. beast. Gradually, he became famous YouTuber. He signed up for a YouTube account at the age of 15 and posted videos of his games on it. At that time, he couldn't even afford a microphone. What can keep him going is the people who like him and the huge number of views on YouTube. Gradually, he became famous YouTuber. The famous "Mr. beast" is the fifth largest subscription channel on the YouTube platform. Indicating that YouTube has developed the power not only to make people famous within its platform but to elevate them to true celebrity status.

Number 2 is Customer segments is a decomposition process, which carefully divides customers into multiple categories in order to more effectively market to these customers. YouTube company distinguishes customers through advertising in order to better serve and understand consumer needs. At the same time, advertisers also hope to establish contact with users and then recommend their products to them.

Number 3 is customer relationships YouTube users can rate videos, leave comments, and express likes or dislikes. It makes them feel like they are part of the community. Users can create their own playlists and add their favorite videos to the watch list and favorites.

Number 4 is revenue stream advertising it's the main economic source of YouTube and Google will directly embed targeted advertising into the YouTube platform. When people click into the video, they will see the advertisements running in the video, which will generate advertising revenue. As long as visitors click on advertisements, advertisers will pay YouTube.

Number 5 is key partners refer to suppliers or business partners that can contribute to the development of the company.

Google is the main parent company, Content creators Brands and TV manufacturers are also key partners.

Number 6 is key resources enable companies to enter the market, maintain relationships with customers, and earn income from them. YouTube needs the advertising ability provided by Google to help it innovate and develop continuously.

The last one is number 7 it's key activities YouTube has more and more users, and its marketing is booming. If it goes on like this, it will generate more traffic. Of course, YouTube should also effectively manage these traffic. Follow the changing trend and constantly update the uploaded content.

But YouTube also has shortcomings, such as its low data security. In August 2020, the information of 230million instagram, youtube and tiktok users was exposed due to leakage. The data leakage of so many users on YouTube platform will cause users to distrust the company and reduce usage.

4.2 Reasons for YouTube's success

There are two reasons why YouTube's business strategy is so successful. First of all, YouTube platform can provide higher access time and low bounce rate. The average access time is 21.46 minutes. Compared with other video platforms, YouTube is the winner. Secondly, YouTube has cultivated its excellent creator community, and YouTube has provided funds for them. This enables them to be loyal to the platform and generate regular, high-quality content to attract more customers. For the competitors of YouTube platform, they will never be the market leader. Because the close relationship between YouTube and Google ensures that it will definitely get a lot of traffic and advertising opportunities. Ultimately, YouTube will be very successful with this trend.

5. Share my recommendation

I got three suggestions for YouTube:

Reduce advertising; for those users who are not willing to bear the cost of YouTube premium, when the audience is waiting for the video, advertising will be very distracting, and even cause users to leave the website in frustration. So we should reduce advertising and retain all the customers.

3D experience; YouTube can add a new dimension. For example, the 3D function can make the viewer more immersive to watch the movie, so as to improve the user's sense of experience.

New creator community; create a new creator community this will be a new online forum to encourage creators to cooperate with each other and let experienced creators share suggestions. So that more creators become famous through the YouTube platform.

6. Conclusion

YouTube is an American video sharing platform serving the public. It was founded by Chad Hurley, Steve Chen and Jawed Karim in 2005. Headquartered in California, USA. But it was acquired by Google for \$1.65 billion in 2006. Now, according to the reported quarterly advertising revenue, YouTube has an estimated annual revenue of \$15 billion. YouTube has brought unlimited possibilities and rich wealth to Google. In this fast-paced era, when people are no longer willing to spend time reading and research, they need to rely on platforms like YouTube to get the information they want. With the faster and faster development of information technology, YouTube also has many competitors. For example, new applications such as TikTok and TikTok may come and go, but YouTube will maintain its concise style of operation and rich content, which will become more and more popular in new media and attract more people.

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