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magic murray’s viral videos

Holly Earith and Colin McDougall wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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On September 28, 2015, Murray Sawchuck was sitting in his office drinking his morning coffee and scanning a seemingly endless volume of e-mails when he stumbled across one from a young man named Seth Leach that caught his attention (see Exhibit 1).

Sawchuck sat back and scratched his head. After spending years building his reputation and image, he wondered if he really wanted to risk all of that collaborating with a stranger. Not one to say no too hastily, Sawchuck began to wonder about his current YouTube presence and whether he should revamp his approach to focus on creating viral videos that could better help him grow his business as a magician.

Although he had built his magic act into a solid success by performing regularly on the Las Vegas Strip, the exposure viral videos might provide seemed too big an opportunity for Sawchuck to pass up. Sawchuck was interested to know if this was an opportunity to build his brand in a way he had not considered before as well as a potential source of added exposure. He decided to take a chance and reply to Leach; he arranged to meet him at one of the busiest intersections on Las Vegas Boulevard to discuss ideas for their first video and see where it could lead.

**Boy Inside The Magic Man**

Born in Burnaby, British Columbia, Sawchuck had always had a passion for entertaining people. At the age of seven, he received his first magic kit from his parents—something that would profoundly change his life. From that moment on, Sawchuck’s love of magic and entertaining people was his passion. He worked tirelessly to make his dreams of being a headlining act in Las Vegas come true:

Ever since I can remember, I would perform magic shows any time I got the chance. If my parents’ friends were over, it was even better—bigger audience equalled greater applause. There is no greater feeling than seeing people believe in the power of magic and, in the process, making their day a little more entertaining.

From a young age, Sawchuck had an incredibly strong work ethic. While he was a teenager, he held over 21 different jobs to support his development as a magician and entertainer. His educational path included a degree in broadcast communications and journalism from the Columbia Academy Broadcasting School. During his early years as a performer, Sawchuck would take virtually any opportunity to perform that was presented to him. This approach of saying yes to everything served to greatly enhance his personal network of contacts.

At one of his performances, Sawchuck connected with a couple who had toured worldwide for over 50 years—Marvyn (“Mr. Electric”) and Carol Roy. Sawchuck and the couple developed a mentor–mentee relationship, and Sawchuck learned a great deal about what it took to be a successful touring performer.

Sawchuck made his mark as a household name in 2010 when he exploded onto the national entertainment scene with a successful run to the semi-finals of the hit NBC television show *America’s Got Talent*. The exposure from the show helped him increase his market presence in Las Vegas, and he ultimately became a headlining act at Planet Hollywood Resort & Casino. Dubbed “The ‘Dennis the Menace’ of Magic,” Sawchuck created shows using a blend of comical mishaps that resulted in illusions that often undermined a perceived authority figure such as a police officer or teacher.

Sawchuck’s core business strategy for remaining relevant in the ultra-competitive Las Vegas show market was to be omnipresent on television and other communication mediums. This approach landed him feature roles on over 20 reality shows, including the immensely popular *Pawn Stars* on the History Channel, where he regularly appeared as a magic expert. Other television shows he appeared on included *Masters of Illusion*, *Wizard Wars*, *Celebracadabra*, *Four Houses,* *What Not to Wear*, *Extreme Escapes*, *Don’t Blink*, *Master Chef*, and *Top Gear.*

As of 2015, Sawchuck had won over 32 awards worldwide for his performances and had delighted audiences in theatres from Monaco to Paris to Las Vegas—even the legendary Playboy Mansion. His most recent awards included the LA Comedy Festival award for best comedy show and inclusion in the Top 100 Businessmen of Nevada list.[[1]](#footnote-1)

**Teenage Mutant Ninja Video Producer**

Born and raised in Denver, Colorado, Leach developed a passion for viral videos well before any of the major online video-sharing platforms had even formed. Beginning in high school, Leach produced videos consisting of stunts and pranks modelled on the *Jackass* television show where danger, recklessness, and sheer foolishness resulted in massive interest and popularity among Leach’s peer group.

At the time, posting videos to lesser-known sites such as CollegeHumor.com and StupidVideos.com was the only way Leach could distribute his videos, but this did little to deter him from his passion to create compelling content. Leach’s videos sparked substantial controversy due to their extreme nature, and they quickly became popular among teenagers. He eventually gained enough popularity to monetize his videos on the site Break.com, which was willing to pay him US$500[[2]](#footnote-2) for every video he uploaded when he was just 15 years old.

When YouTube was created, Leach was one of the first 500 people to create an account. He posted his videos without initially thinking too much about the implications of doing so, but he soon received substantial positive feedback and increasing viewership. To repeat his success, he studied the videos posted by other regular contributors that were doing well in hopes of increasing the popularity of his own.

For a period, Leach himself became the focal point of several traditional media outlets, which posted stories vilifying him for creating videos that were seen to inspire teens to engage in high-risk activities in the hopes of garnering a level of celebrity. Leach embraced the interest and agreed to appear on shows such as *Dr. Phil* and NBC’s *Today* show, where he was scathingly attacked by the hosts for his negative influence on youth.

By the end of 2016, with the controversy long subsided, Leach managed nearly 20 YouTube channels that boasted over 10 billion views. His digital media success crossed many genres, including magic and do-it-yourself projects. In one popular viral video, a police officer pulled over his girlfriend so that he could propose to her. That video alone achieved more than 100 million views on Facebook.

In addition to helping grow viewership on his various channels, Leach also helped his clients and partners learn more about their audiences through an array of YouTube evaluation tools, including tools that analyzed geographic and demographic trends. For example, Sawchuck’s prime video audience consisted of 19–24 year olds, 94 per cent of his viewers were male, and his largest fan base resided in the state of Texas.

**The Ongoing History Of New Cat Videos**

Viral videos were those produced by a brand with a direct or indirect commercial goal. The term was often used generically to refer to videos that had reached a high number of views, but this could be achieved through different means, such as paid content promotion, recommendations from similar videos on YouTube, or TV broadcasting, which had an amplifying effect. One of the main principles of viral marketing was that the videos had to be shared by many individual users. While a successful viral video might reach a large number of views, the videos were designed specifically to induce sharing behaviour. In order to encourage content sharing, viral videos were stored and disseminated through a network. The large number of views implicit in multiple sharing was achieved in a brief period of time; after the initial peak, the growth in hits dramatically decreased.[[3]](#footnote-3)

The biggest player in the viral video game, YouTube, was a U.S.-based video-sharing media firm headquartered in California. The website had users watching almost five billion videos every day, and consumers and marketing firms uploaded over 300 hours of video every minute.

YouTube was launched by three former Pay-Pal employees who began operating in a small space above a Japanese restaurant in California. It grew from a site where people could easily upload their own, self-created videos to become the world’s most popular online video site. The website was free to use and was home to over 1.3 billion users by early 2017. In 2006, Google bought the site for a whopping $1.65 billion and now operates it as one of its most valuable subsidiaries.

YouTube had recently introduced a trending tab to alert users of viral videos by using an algorithm based on comments, views, external references, and even geographic location. There was no clear underlying theme or easily visible rationale as to the popularity of viral videos featured on the trending tab. Videos featured here ranged from those with powerful social or political messages to stunts gone wrong to cute cat videos; all trended and garnered massive audiences but for clearly different reasons.

Sawchuck often wondered if there were any fundamental drivers behind the viral nature of certain videos: “I know it seems random when you can see both a great speech by President Obama and two dogs comically battling for the attention of a disinterested cat get over a million views, but to me there has to be something underlying it all that causes people to want to share both.”

YouTube videos could also be embedded in other social media platforms so its users could seamlessly share any video they wished across their entire network in any manner they chose. Platforms such as Facebook and Twitter were commonly used to distribute popular videos as well as to spread social messages or to challenge connections to show support for causes as in the Ice Bucket Challenge, which aimed to raise awareness of Lou Gehrig’s disease.

Everyone who joined YouTube as a member had access to a personal YouTube channel, which served as the home page for the user’s account. Members entered and approved information such as [account name](https://www.lifewire.com/create-a-youtube-business-account-2655503)s and personal descriptions, and their personal channels showed the public videos they had uploaded, a list of members who were friends, and other user information they had entered. Each channel also included a section where other members could comment.

YouTube members could also customize the background and colour schemes of their personal channels and control some of the information that appeared. This customization allowed users to tie in branding of a person or business. Businesses could also have dedicated online channels that could be used effectively to build up brand advocates and make it easy for them to share any content the business posted to the channel.[[4]](#footnote-4)

**Bad Boys, Bad Boys, What’cha Gonna Do?**

During a road trip one summer, Leach’s partner convinced him to attend Sawchuck’s magic show in Las Vegas. While watching the show, Leach clearly saw the viral video potential within Sawchuck’s tricks. He decided to research Sawchuck online and noticed that Sawchuck regularly posted videos on YouTube—though most of these were of recent TV and other media appearances. Leach waited for several months for Sawchuck to realize that his YouTube marketing efforts were not going to be effective before sending him an e-mail with his business proposal.

Sawchuck wondered whether Leach truly understood what drove people to pass along videos to their friends on social platforms or if he was purely interested by the platform’s entertainment capabilities—making any viral qualities the videos enjoyed a more-or-less happy accident.

Excited by the news that Sawchuck wanted to give viral videos a try, Leach wanted to begin shooting right away and demonstrate to Sawchuck just how powerful this new marketing medium could be. Eager to put his film-making skills to the test, Leach packed his state-of-the-art camera and headed off to meet Sawchuck at one of the busiest intersections on the Las Vegas strip. The two discussed the terms of a one-time financial deal for their first video, shook on it, and dove right in to several potential concepts for their first effort, all while keeping Sawchuck’s brand as a prankster in mind. They quickly decided the best way to kick-start this foray into viral videos would be to pull a public prank on an actual Las Vegas police officer.

The idea for the video was simple: Sawchuck would appear to be publicly drinking alcohol in the streets of Las Vegas, while Leach hid out of sight filming the prank in a single “voyeuristic” shot. Sawchuck would argue with the officer before magically making the alcohol bottle disappear, leaving the police officer bewildered. Later, when the officer let Sawchuck go, he would make the bottle reappear and continue drinking in public.

They shot the video successfully on their first attempt, in less than 20 minutes. After a few minor edits, they uploaded the video to YouTube, and Sawchuck was amazed at the response. Tens of thousands of initial views and shares quickly became millions of views overnight, leaving Sawchuck in complete awe. Leach and Sawchuck quickly agreed that this was only the start of a great digital media partnership. Sawchuck explained:

I was in Daytona about a week after we posted the video, and this woman approached me asking if I was the “guy in that cop prank video”—I couldn’t believe it! After all my awards and features on TV, the thing people began to recognize me from was a viral YouTube video in less than a week! I got noticed 9 or 10 times that weekend in Daytona, and all but one of those interactions were related to the YouTube video—it was simply mind-blowing.

**Lather, Rinse, REPEAT**

Having hit a viral homerun with over 87 million views to date from his first video collaboration with Leach, Sawchuck wanted to see if the pair could replicate or even increase their viewership with more prankster-themed videos. He decided to scrap the one-time arrangement with Leach and instead form a true partnership.

With so many differing popular videos out there, Sawchuck wondered if there were common elements that made videos go viral. He also questioned how relevant or timely videos needed to be in order to be popular. One market study on viral videos he found indicated that videos that elicited a strongly favourable, emotional reaction from viewers were far more likely to be shared.[[5]](#footnote-5) Sawchuck was sure his magic tricks were entertaining, but he was unsure about how to capture them on film in a way that would attract new fans. Humour and surprise were seemingly key elements that inspired pass-along behaviour among viewers, but Sawchuck had seen funny and surprising videos himself that he felt no interest in sharing—so was there something more specific to it all?

Sawchuck also wondered if all his videos should utilize the same key foundational element (such as humour or surprise) or whether he needed to look at other possible underlying viral elements to keep things fresh so his subscribers would not know what they were in for every time he posted a new video. Sawchuck and Leach needed their videos to create a sufficiently emotional reaction that would prompt viewers to share them enthusiastically across their personal networks. The key question was just how they should go about doing it.

**Hocus Pocus, Be Brand-Focused**

While the success of these videos was reassuring, Sawchuck recognized that, to be truly effective, he needed to think more about just how he could use their impact to grow his core business of live magic shows. Among his considerations were whether or not to tag each video with a hot link back to his website or the ticketing page of his hotel partner, Planet Hollywood, and whether to include special offers to subscribers or incentives to gain subscribers. The possibilities were seemingly endless. Sawchuck knew that trends—especially those in the realm of social media—changed fast. The real trick would be to determine how he could use his viral video success to stay current in the market.

If the “‘Dennis the Menace’ of Magic” brand he had built up over the years was to accrue more value from these videos, he really needed to think through just how he could accomplish this. Though the videos did not take long to execute, a substantial amount of planning and critical thought would go into making them. Sawchuck needed to decide just how much of his time he was willing to invest into making viral videos with Leach and how he should split his focus between his current headline show and creating new video content.

**And Now, For My Next Trick . . .**

The vast majority of videos on YouTube never made it to the threshold where the creators saw a financial benefit from their viewership. Unlike the videos Sawchuck and Leach intended to make, most videos posted online were not constructed or produced with the goal of becoming viral. The success of their first video collaboration did actually generate some income for the partners, and it became important for Sawchuck to understand the way YouTubers—those who produced videos with the express purpose of generating income from viewership—made their money.

Sawchuck learned that YouTubers made money in three different ways: views, sponsors, and advertisements. Viewing rates were a fixed dollar amount per 1,000 views (YouTube would pay $1,000 to creators for approximately one million views).[[6]](#footnote-6) Sponsors often wanted either to be featured in a video or to be mentioned as a supporter of the channel in exchange for some level of payment to creators. They also provided merchandise or logos creators could feature in videos, and the video creators would receive a kickback for doing so. Finally, YouTube played advertisements in the middle of videos. The longer people watched videos, the more money video creators could make from advertisements.

Sawchuck needed to consider whether his YouTube channel should be a stand-alone revenue stream or merely a tool used for leveraging his current business and brand. Although YouTubers did not make money from subscribers, a subscriber base was extremely important. Avid and active subscribers provided reliable viewership of videos and were the foundation for sharing. When a YouTube channel had 100,000 subscribers, Leach estimated that there were 5,000 passionate subscribers—those who would purchase merchandise, travel to meet the creators, and otherwise be highly involved. Leach further estimated that there were about 50,000 whom he called “active watchers”—those who consistently watched new videos and would continue to remain interested and supportive of the channel. The remaining 45,000 were what Leach would describe as “potentials”; they were interested enough to subscribe but would need further convincing to become passionate or active watchers.

Interacting with subscribers went a long way toward growing a fan base. One study conducted at a YouTuber’s meet-and-greet event found that the majority of the fans who showed up did so because the video creators responded to their comments, establishing clear, personal connections. With social media having such a strong presence in society, fans became far more involved when they felt they were included in a celebrity’s everyday life. This one-to-one relationship was highly desirable by fans as it created a sense of inclusion. Staying in continual contact with a fan base could increase the number of subscribers and increase the perceived value of a channel and the brand itself.

Subscribers could also be useful in generating revenue in indirect ways. When negotiating with sponsors who wanted to be featured in videos, creators could use the size of their channels as levers in negotiating a rate to be charged for promotion. Leach indicated that when a channel hit 150,000 subscribers, sponsors started reaching out to be featured in videos. These brand deals provided a greater revenue stream compared to money generated from views.

Through talking with other successful YouTubers, Sawchuck learned a few tricks to increase viewership, including making sure the initial image of the video, or the thumbnail, was attractive enough to make viewers want to click and view the content. Uploading content on a consistent weekly basis was a key underlying factor that triggered YouTube’s algorithm for the trending tab. YouTube suggested videos to users based on an algorithm: if a channel posted content on a consistent schedule, the video would appear in more users’ suggested viewing screens. In addition, videos that received “thumbs up” were suggested to other viewers more frequently. Sawchuck also learned to tag every video with all relevant terms to ensure they appeared when viewers searched those terms on YouTube. It was in YouTube’s best interest to suggest popular videos because more views led to more advertisements, which in turn created more revenue.

After considering all the relevant factors, Sawchuck felt more torn than ever. He did not know whether he should be trying to grow his business through YouTube or treating it as a distinct source of income, thereby diverting a substantial amount of energy away from his day-to-day activities with his show.

He brewed a new pot of coffee and sat down to consider what his next big trick ought to be.

**Exhibit 1: e-mail message from Seth Leach**

September 28, 2015

From: Seth Leach

To: Murray Sawchuck

Re: Viral Videos & Your Magic

Hi Murray,

I saw you on *America’s Got Talent* and caught your live show in Vegas recently. I love your tricks and your persona and thought we could possibly work together.

I have been making videos since I was 14 years old and have a strong background in film and video editing. I have a solid track record when it comes to generating a lot of views on YouTube and think your magic could be a great source of ongoing content. What do you think?

We can get as creative as you’d like—perhaps we can meet up to discuss it further?

Thanks,

Seth

Source: Seth Leach, e-mail message to Murray Sawchuck, September 28, 2015. Used with permission.

1. “Meet Murray,” Murray the Magician, accessed May 5, 2017, https://murraymagic.com/about-magician-murray-Sawchuck-biography/. [↑](#footnote-ref-1)
2. All currency is in U.S. dollars unless specified otherwise. [↑](#footnote-ref-2)
3. Alberto Defonte-Gomez, “The Key Elements of Viral Advertising. From Motivation to Emotion in the Most Shared Videos,” *Comunicar* (English edition) 22, no. 43 (2014): 199–206. doi:10.3916/C43-2014-20. [↑](#footnote-ref-3)
4. Marziah Karch, “What Is a YouTube Channel?: Your YouTube Channel is Your Home Page on YouTube,” Lifewire, updated July 5, 2017, accessed May 7, 2017, www.lifewire.com/channel-youtube-1616635. [↑](#footnote-ref-4)
5. Defonte-Gomez, op. cit. [↑](#footnote-ref-5)
6. Jim Edwards, “Yes, You Can Make Six Figures as A YouTube Star . . . And Still End Up Poor,” Business Insider, February 10, 2014, accessed May 6, 2017, www.businessinsider.com/how-much-money-youtube-stars-actually-make-2014-2. [↑](#footnote-ref-6)