

TEAM SIGMA

A Produscope Case Study on



Hrishikesh Rai | Samyuktha Ganeshkumar | Neelam Deshmukh | K Lalika Laya



Product Brief

What?

YouTube, like most other Google properties, earns the bulk of its revenue through advertisements. With a massive user base of 2.3 B users, the ads have always annoyed every user.

Almost 76% of the users have reported that they automatically skip ads. Some advertisers choose to even run pre-roll or mid-roll ads that don't have a skip button at all.

Why?

At the moment, an average user has to watch two unskippable ads on the platform before they finally watch the video. Our goal here is to provide the user with a better experience while on the platform by allowing them to disable ads for a limited time.

Who?

The premium feature that YouTube provides has around 30M subscribers, which is only 1.3 per cent of their total user base. So, the target audience here are basically non-premium users.

Analysis of possible features

1.Payment

- More value for user's money as they pay only for the needed hours/days.
- Users are not required to pay high amount at once.
- Users do not have to worry about renewal every month.

2.Filling surveys

- Advertisers get a tool to assess and research their market.
- Promotes user interaction and engagement on the platform.
- Approximately 85% would prefer this since it is quick and easy and can be conducted by anyone.
- A successful survey earns much higher than ads.

3.Postponement

- Ads are immediately disabled with very few actions from the user.
- It has a quick response from user end and beneficial strategic approach to disable ads for time being.

PROS

CONS

- 30%(majority) of the user base is 16-20-year-olds who would prefer saving money by just watching or waiting to skip ads.
- Paying on a daily/weekly basis would eventually be more expensive than the premium feature.
- Users wouldnt prefer spending money on a platform which is used only 40 mins as an average per day.

- This feature puts a cognitive load on the user when they have come for entertainment.
- It eventually distracts them from their goal.
- Not all users would prefer participating in such market analysis surveys for free.
- Users may not feel encouraged to provide accurate, honest answers.

- Loopholes like the user watching a random video after postponing the previous video can make the whole point meaningless.
- Frequent postponing could lead to a situation of having to watch too many ads in a later video.
- Piled up ads would make user to change platform or go offline.

Prioritisation of features

	REACH	IMPACT	CONFIDENCE	EFFORT	SCORE
1	5 Total accounts=2.3 B #Premium accounts=30 M #Non-premium accounts=2.27B	2.5 Attracts the least number of users since Youtube is mainly viewed as a free product.	3.5 Existing products in the market which have limited time plans proves the success of this feature.	2.5 Payment integration is already being used for the premium option and hence this can be achieved with lesser trouble.	$5 * 2.5 * 3.5 / 2.5 = 17.5$
2	%Non-premium accounts $= (2.27 / 2.3) * 100 = 98.7\%$ Hence, the reach is almost 5 and is the same for all features because everything if implemented would be available to all non-premium accounts (potential user base).	3.5 It will definitely have a more positive impact since it offers a better user experience than having to sit through ads.	3.5 Surveys are already a feature on Youtube so reintroducing it as an alternative way to disable ads will be welcomed.	3 Similar to the payment option, only the frequency of surveys would have to be increased appropriately and hence can be shipped out faster.	$5 * 3.5 * 3.5 / 3 = 20.41$
3		3 This feature adds value to the product, but will it retain users when ads are piled up?	3 Low confidence since it is a new feature and we do not have data to back it up.	3.5 It would require more person-months for the team to build and test it out.	$5 * 3 * 3 / 3.5 = 12.85$

Our solution

A Point Based System for disabling ads

We are presenting an intuitive point-based system that enables users to earn points for the videos and ads they watch and also for any surveys they fill. The collected points can be redeemed for enjoying an ad-free experience on the platform for a time frame they like.

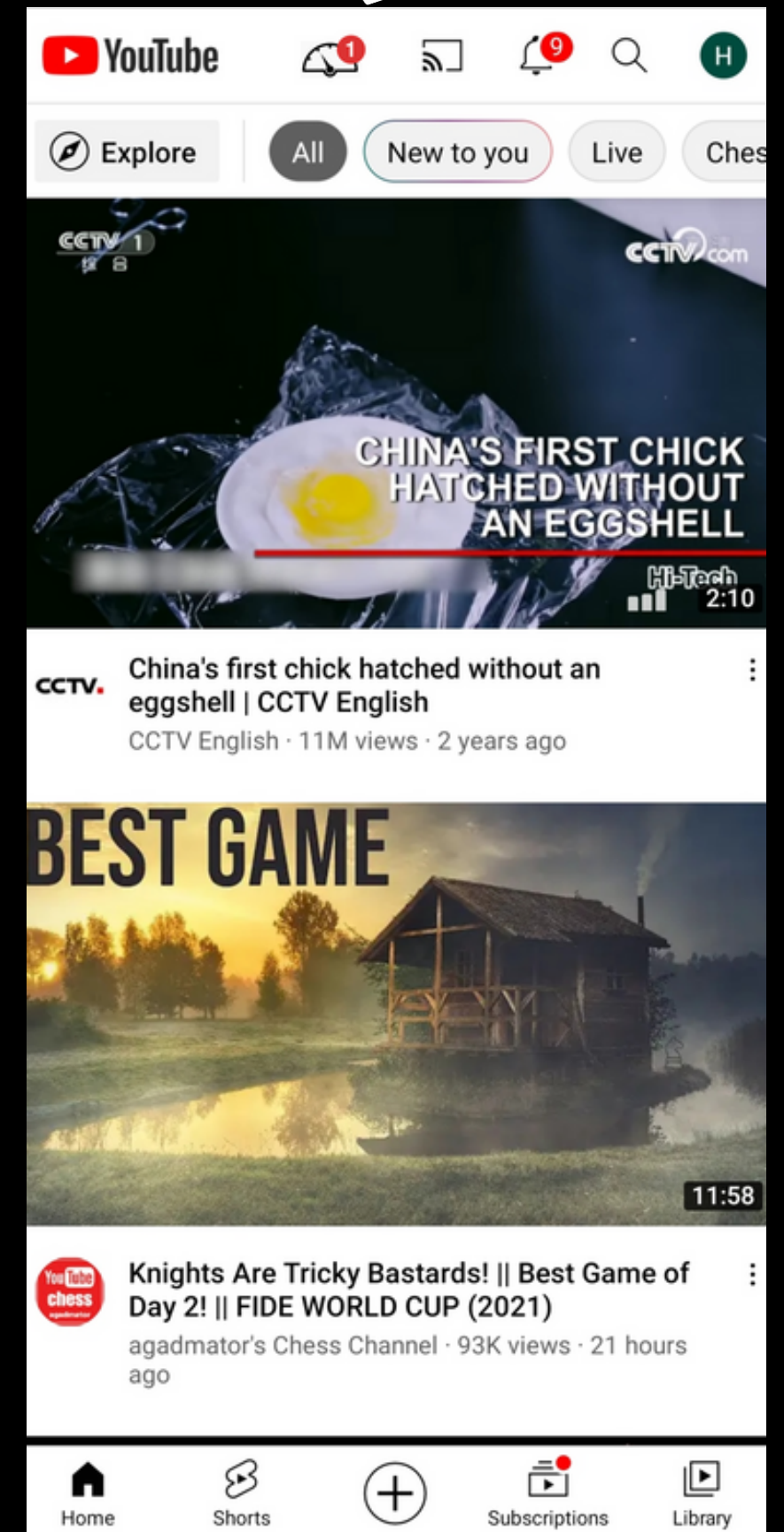
REACH	IMPACT	CONFIDENCE	EFFORT	SCORE
5	4	4.5	4	
%Non-premium accounts = $(2.27/2.3)*100$ =98.7% Hence this feature would affect almost everybody on the platform.	This feature would impact more users as it is driven by a cashless economy model. Here, users won't have to compromise on their time or money. It also improves engagement and a better user experience.	Factors like the reach and impact definitely triumph over the effort required for this to be a success.	This is also a new feature that has not been tested out on the platform. It has quite a few tech components that have to be integrated for making the point system fail proof.	$5 * 4 * 4.5 / 4$ = 22.25

Using the RICE framework, the features are prioritized accordingly and since our alternative solution has the highest score after considering all the factors, we will be moving ahead with the same.

Functional Requirements

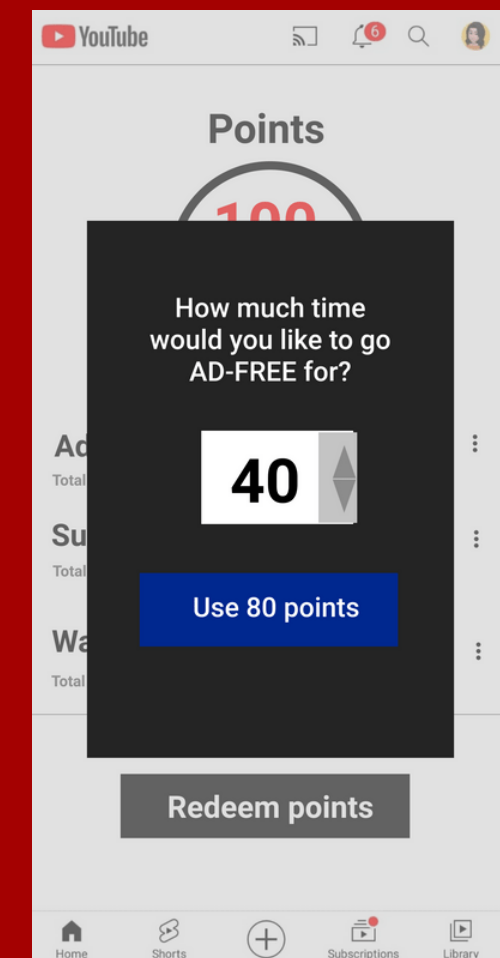
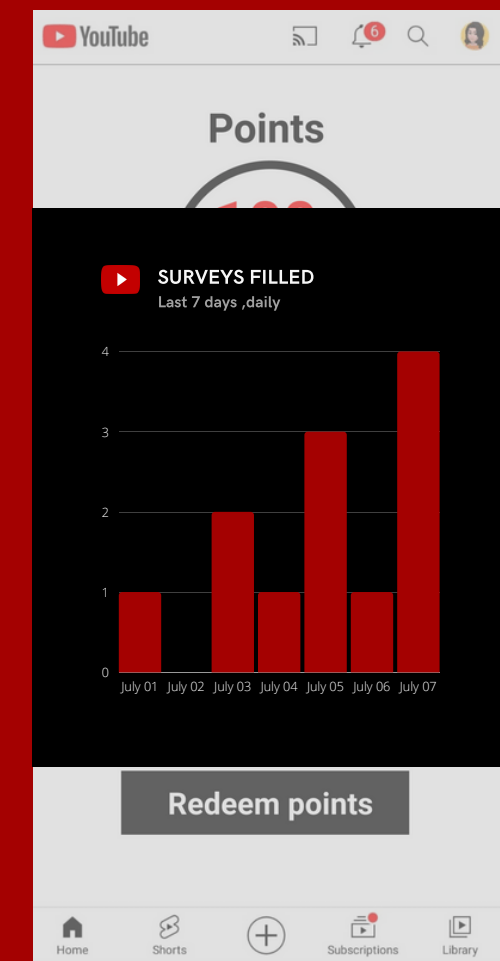
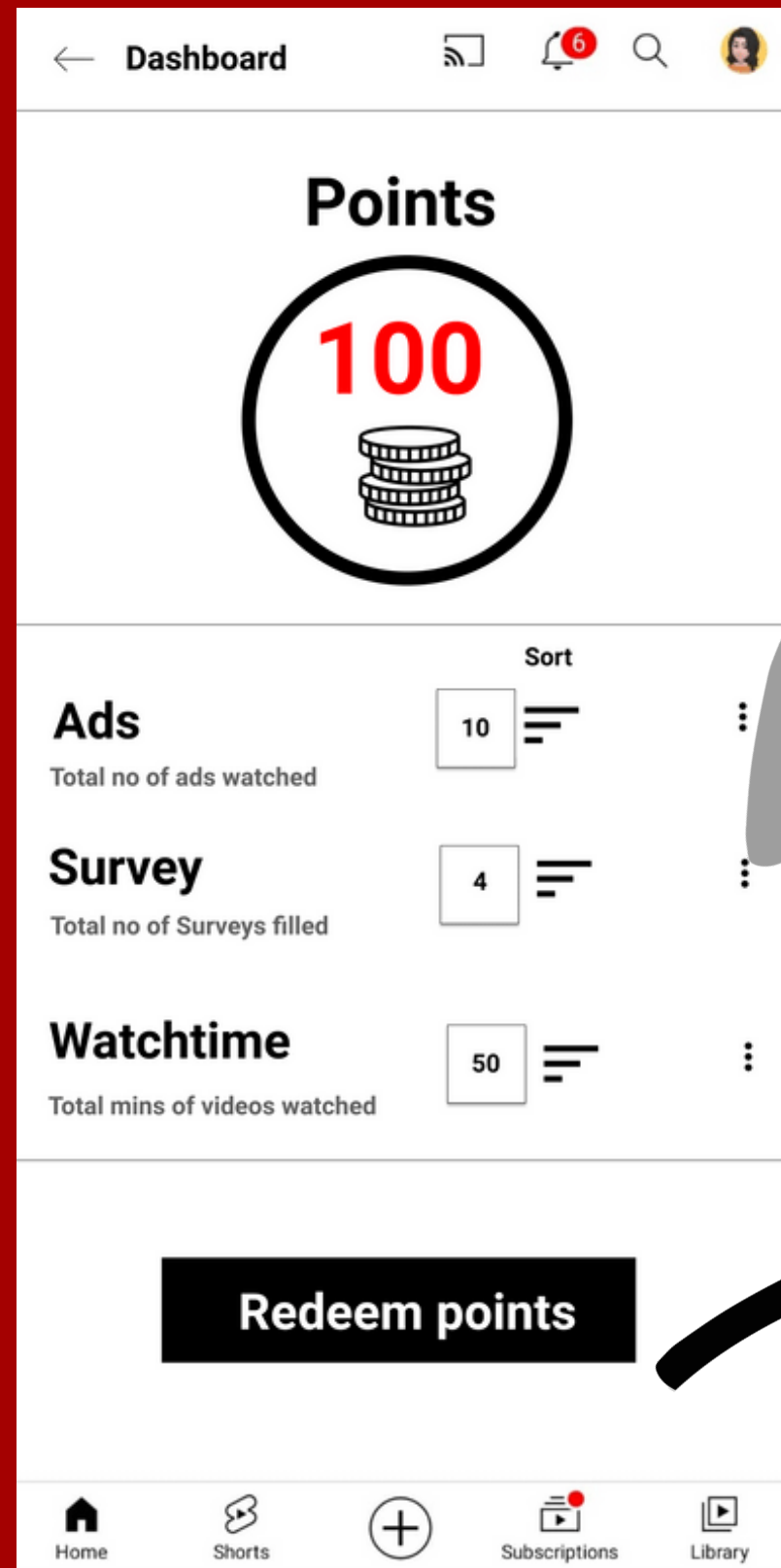
Discovering the "Points" icon

- The points icon is located on the top nav bar to the left of the screencasting icon.
- Clicking the points icon for the first time would show a welcome message and a quick onboarding tutorial to understand how the points work.
- For the first use, every account will be given complimentary 60 points to start with.
- The red badge would be the points they currently have and while they are on the "disabled ad" mode wherein they have redeemed these points for a specific time frame, it would reflect the amount of ad-free watchtime they have left on the platform.



Dashboard for points

- The dashboard displays the data for the user to keep track of the points they earned from a certain method (ad, survey, watch time).
- Sorting on the points can also be done based on the present day, week or month.
- The menu option would show a popup with statistics for the points spent through each feature in the past week, month, or even year.
- The "Redeem Points" button would show a pop up for selecting a time frame during which ads will be disabled completely. A dynamic button would display the points calculated in the backend accordingly.



Milestones

- v 0.1 Internal launch to an alpha group of YouTube employees.
- v 0.3 Private beta launch to trusted testers with improvement based on feedback from the alpha group.
- v 0.9 Soft launch to 1% of YouTube customers to observe the impact (see KPIs).
- v 1.0 Rollout to 100% of YouTube users.

KPI's/Metrics

- $\text{Average number of surveys filled (now)} / \text{Average number of surveys filled before introducing our feature}$

- $\text{Average engagement time on Youtube (now)} / \text{Average engagement time before introducing the feature.}$

- $\text{Daily Active Users(DAU)}$
Unique # of users who redeem points.

- $\text{Click-Through Rate (CTR)} = \frac{[\# \text{ of unique clicks on Redeem button }]}{[\# \text{ of users visited the dashboard }]}$

Logistics of the point-based system

YouTube Premium charges 140 INR / month.

If an average user uses premium for one month(Considering Average time to be 40 mins), the money spent would be,
 $140/(40*30) = 0.117 \text{ INR / minute}$

According to our calculations, we would give a user 1 point for watching 1 minute of any video, 2 points for watching 1 ad and 2 points for completing a survey.

$\# \text{ of points collected} = 2 * (\# \text{ of watched ads} + \# \text{ of answered surveys}) + \# \text{ of mins spent}$

An average user spends 40 mins on the platform(according to data).

Assuming, # of ads = 5 and # of surveys = 2,

- If he watches all ads and answers all surveys:

Total points earned = $2 * (5 + 2) + 40 = 54 \text{ points}$

- If he skips those ads and answers the surveys:

Total points earned = $2 * (0 + 2) + 40 = 44 \text{ points}$

- If he skips both ads and surveys:

Total points earned = $2 * (0 + 0) + 40 = 40 \text{ points}$

So, a user can earn in the range of 40 to 54 in 40 minutes.

If we charge them 2 points for 1 min of ad-free watch time (i.e. 2 points/minute), then he will need 80 points to watch 40 minutes of ad-free videos.

We would also increase the number of surveys as they are very quick to answer. The survey to ad number ratio can be taken as 1:4 to provide a better user experience without affecting the youtube revenue system.

Revenue Impact

- Potential increase in watch time even if the points are used to skip the ads and surveys which will ultimately increase the revenue.
- Companies can offer review surveys on YouTube from which both are at profit.
- Gradually, users might tend to fill surveys as a hobby instead of skipping, to gain points for a longer ad-free experience, which in turn increases the revenue by multiple folds.

Potential Risks and Analysis

- When the user is out of points, then he/she is forced to skip/watch surveys and ads, which could lead to the dissolution of points feature, but according to our calculations, we have developed it in a way that would create a balance on the number of points earned and spent without either affecting YouTube revenue nor interfering user experience.
- The user might earn points via watch-time only or might run short of points very soon. In future, more ways to earn points can be offered.

Future Ideas

- Our feature can also provide an option to buy points via real money in the future so that the user is not limited by the ways we have now to earn points and disable ads for a limited time.