

It appears that Youtube can only monetize about 4pct of its content. Which leads to the question of "how can Youtube monetize the other 96pct of its content ?"

The answer, believe it or not lives within Youtube and begins with another question: "Can Youtube generate enough traffic per video to cover the cost of reviewing content for copyright violations ?" After all, Google is the king of traffic generation and monetization, right ?

Now before you go all crazy and flaming about how many gazillion hours per minute of video is uploaded to Youtube and how it would be impossible to determine what videos had materials that is public domain, has already licensed content , is fair use, etc, etc,... do some basic math.

If its estimated that Youtube will generate about 200mm in revenue around 4pct of its content, is it feasible to think that using a combination of manual and automated review, they could jump that to 20pct and increase their revenues by 500mm dollars ?

Would it cost more or less than 500mm per year to hire, train and put in place a datacenter that has enough people to take a quick look at the 10minutes or less videos, and if they are unsure if its copyright clean for any reason, run it through the content fingerprint database that Google already has in place? If the video passes, it goes to encoding and gets posted. If not, the same process that takes place when a takedown notice is posted against a video is initiated. Someone has to prove they have the rights to the video before its posted.

Its that simple.

Realize that they are already doing this process for the 4pct of videos they do monetize. The 4pct have licenses from the content owner/distributor to Youtube. Youtube has to make sure that the person representing himself as the owner truly is. So they go through this process already and 4pct of videos is no small number. So they think the numbers work for those videos, so why shouldnt it work for all videos ?

At this point, someone says... why not just look for the videos that are starting to generate the most views and get in touch with them , sign a license and glom on some advertising ? Thats a problem under the DMCA. Youtube employees pretty much are not allowed to review their site for unlicensed user uploads. If they take a peak, and the video they look at has what appears to be obviously infringing content, they have to check it out and if its infringing, take it down.

So the Youtube cure is simple. Review videos first. Run them through the same process they use for the 4pct they have confirmed and only post those that pass. It should be a no brainer. After all, If Google cant leverage all their traffic and monetization skills to allow Youtube to continue to thrive after this change and finally generate revenue, who can ? IF Google cant generate enough traffic for qualified videos to cover this cost, why would content owners want to license their content to Google to put on Youtube ?

Of course, there is the risk that by introducing this process, Youtube loses its crown as the ultimate video destination. Its a tough situation to be in, when your mind is on your money and your money is on your mind..But sometimes you have to decide between the crown and the cash