

SOFTWARE AND TECHNOLOGY

## YouTube expands short-form video offerings in effort to fend off competitors

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YouTube's "Permission to Dance" challenge kicked off exclusively on YouTube Shorts in July with K-pop band BTS. Image credit: YouTube

By NORA HOWE

Google's YouTube is introducing the YouTube Short Fund, a \$100 million fund distributed over the course of 2021 and 2022, in an attempt to build a monetization model for its newest short-form video feature.

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Since 2005, YouTube has become a behemoth for digital content, giving rise to the content creator generation. In March, the video channel began beta testing its Shorts feature, a model similar to short-form platform TikTok, in an effort to keep up in an increasingly competitive and dynamic space.

"YouTube has been a pioneer in enabling creators to monetize content through ads," said Lexy Wright, director of business development at [Pixlee](#), San Francisco.

"Shorts allow creators to engage directly with the platform increase the likelihood of product awareness and adoption, giving YouTube a real chance at grabbing some market share for short-form social video against competitors like Instagram, TikTok and Snap," she said. "YouTube is one of the last players to introduce a fund dedicated to helping creators monetize via short-form video, but they are clearly showing that they are eager to catch up and stay in the game."

### YouTube Shorts

YouTube Shorts is a short-form video experience for anyone who wants to create short, enticing videos using only their mobile phones.

Its competitor, TikTok, is one of the fastest-growing global digital platforms and has amassed \$919.2 million in consumer spending ([see story](#)). Through its short-form, unedited creative model, TikTok has emerged as an authentic and innovative space for individuals to create and publish content.

Since introducing the initial beta in India, YouTube has already seen creators utilizing the new Shorts feature, and the number of Indian channels using the creative tools has more than tripled. The YouTube Shorts player has surpassed 6.5 billion daily views globally.

Since Shorts is a new way to watch and create on YouTube, the platform has been strategizing new ways to monetize

and reward creators for their content. Enter the Shorts Fund.

Each month, YouTube will reach out to thousands of eligible creators, inviting them to claim a payment from the Fund, where they can make anything from \$100 to \$10,000 based on viewership and engagement on their Shorts.

### *Introduction to the YouTube Shorts Fund*

The Shorts Fund is available to any creator that meets YouTube's eligibility criteria.

Channels must have uploaded at least one eligible Short in the previous 180 days, abide by YouTube's [Community Guidelines](#), [copyright rules](#) and [monetization policies](#), and cannot non-original videos or from third-party platforms.

Eligibility for the Fund refreshes every month, so if a channel does not qualify one month, it may qualify the next.

For many years, YouTube was the preferred platform for video content, and is still frequently utilized, however, recently Instagram, and now TikTok, has taken its place, especially for beauty promotion.

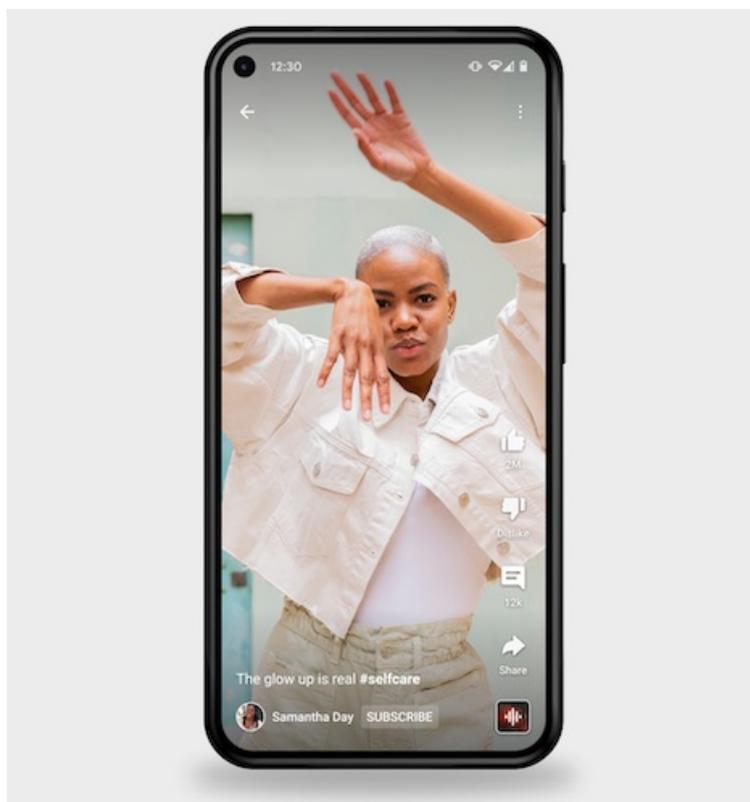
Additionally, digital influencers have replaced celebrity spokespeople as the top preference for collaborations and partnerships, as more than 80 percent of brands believe that these influencers are vital to appeal to millennial customers ([see story](#)).

For upcoming projects, 83 percent of beauty brands are working with influencers as their top choice.

As influencers continue paving the way for digital branding, social platforms are realizing how many opportunities come with these personalities and figures.

In March, U.S. tech giant Facebook introduced new ways in which it will support content creators and diversify revenue on its platform.

From digipubs, video and gaming creators to media companies and cultural institutions, content creators make up a large portion of the communities on Facebook. To provide them the support they need to thrive, the social media company plans to open monetization to more creators, making it possible for them to earn revenue from all video types and access fan support ([see story](#)).



*YouTube Shorts offers creators new tools for creating short-form video experiences. Image credit: YouTube*

Further, supporting social media creators and influencers will likely pay off, as young consumers consult social media for a significant portion of their purchases.

According to resale platform Depop and consulting agency Bain & Company, 80 percent of those shopping on Depop cited social media as a source of inspiration.

Compared to their millennial counterparts, Gen Z takes a more authentic and spontaneous approach to social media, favoring less filtered or curated digital content ([see story](#)).

### Social commerce

Social media is a deeply embedded tool within a consumer's purchase journey, especially in discovery and research, and social buying and live shopping are making incremental gains.

Live commerce has proven successful in China and other parts of Asia, and is rapidly spreading to Western markets, indicating it could hold enormous potential for brands and ecommerce platforms.

According to a recent whitepaper from McKinsey, sales originating from live commerce could account for 10 to 20 percent of all ecommerce by 2026. Live commerce can help brands, retailers and marketplaces primarily in two areas: accelerating conversion and improving brand appeal.

If executed properly, live commerce could potentially increase a brand's appeal and distinctiveness, and pull in additional web traffic. It can strengthen positioning among existing customers and attract new ones, especially young people keen on innovative shopping formats and experiences ([see story](#)).

TikTok has been exploring an expansion of its livestream shopping events as social media moves in a more transactional direction.

The platform is looking to implement features allowing users to buy products within the app, interact with influencers and their product affiliate links and purchase products from livestreaming events.

In December 2020, retail corporation Walmart piloted a livestream fashion event on TikTok that netted seven times more viewers than expected and added 25 percent to its TikTok follower base ([see story](#)).

"Industry studies have shown that short-form video has yielded tremendous success for businesses embracing influencer marketing," Pixlee's Ms. Wright said.