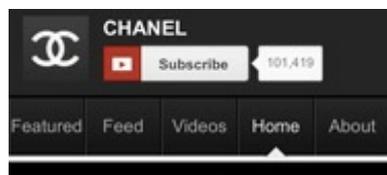


MOBILE

## YouTube's mobile fortunes take-off as smartphone content consumption grows

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By CHANTAL TODE

YouTube's mobile advertising sales skyrocketed in the first half of 2013 as marketers looked to reach consumers where digital content is being consumed – on their smartphones and tablets.

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The Google-owned YouTube service, like other social media sites, is experiencing significant growth in mobile use as its user base increasingly migrates their social activity from desktop to smartphones. One of the growth drivers is that YouTube, beginning last fall with the launch of a standalone YouTube app for iOS, was able to monetize its iOS app with ads, something Apple did not allow it to do when YouTube was a native iOS app.

“We’ve definitely seen an uptick in the demand from clients attempting to capture the attention of potential consumers on mobile devices through video content, and YouTube inventory is always top of mind,” said Seth Hittman, CEO of [Run DSP](#), New York.

“The main benefit of mobile advertising on YouTube is the robust and engaging environment it creates,” he said. “By strategically pairing a brand’s message with relevant content, marketers are capitalizing on a moment when the consumer is willingly listening

to and processing information.”

### Pre-roll ads

Digital content is increasingly being consumed via smartphones and tablets and YouTube is a big player here, so it only makes sense that marketers would want to get their messaging in front of these users.

YouTube is seeing significant growth from mobile users, with the amount of time spent watching YouTube via smartphone by Gen C users – those who have grown up accessing content across multiple channels – increasing 74 percent in the past year, according to the company.

Approximately one-quarter, or 250 million, of YouTube’s users now access the service via their smartphones.

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“Consumption of content via mobile is going through the roof, creating a great opportunity for brands,” said Aaron Everson, president/CEO of [Shoutlet](#), Madison, WI.

“For example, pre-roll advertising on YouTube was not expected on the user side when it was experimentally rolled out, but now we know it's an effective tool for brands,” he said.

“In terms of increased interest, it's quite early to tell who has a mobile video ad program in place, but one thing is certain – brands are keen to know how to make money via mobile, and this is definitely a great way to get started.”

### iOS app boost

Highlighting YouTube’s growing mobile fortunes, a company executive recently told Bloomberg that ad sales on mobile have tripled in the past six months.

The standalone app has been instrumental in helping YouTube capture more mobile ads, with the new YouTube app a consistent top-performing non-gaming app on iOS.

Google is trying to monetize mobile opportunities on YouTube in other ways, as well.

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For example, it recently introduced a premium paid channels offering on YouTube that will give content creators a choice in how they monetize content through a combination of subscriptions and ads.

The pilot program offers subscription-based channels enabling mobile, desktop and TV users to watch content from a variety of providers with fees starting at \$0.99 per month and each offering a 14-day free trial. There are 53 channels at launch, including Ultimate Fighting Championship, which is offering classic fights.

The lean-back nature of the subscription-based content could help YouTube attract more big brands to the platform.

## Quality content

YouTube faces some challenges in attracting marketers, including the need to create great content and getting it in front of the right audience as well as the ability to drive call-to-actions outside the YouTube site could be stronger.

“There's a lot of pressure to deliver quality content and there's an extremely short time frame to capture a user's attention,” Mr. Everson said.

“Captivating the audience early is crucial for success when using pre-roll video ads,” he said. “Users can skip past it after only a few seconds, so the only way to make a return on the interaction is to front-load the content with extremely compelling creative.”

Targeting is another challenge for marketers on YouTube's mobile offerings.

While the industry is making gains in targeting, marketers are still looking for more transparency about where their ads are appearing.

“Marketers must have the proper technology in place to ensure their ads are running in the right environment, with all the necessary brand safety controls available to them, in real time,” Run DSP's Mr. Hittman said.

“This is another area where transparency into where the mobile ads are being displayed is critical, and the more granular you can ingest the individual videos, the better able you are to ensure you are truly running in the most appropriate video content for that particular brand,” he said.

“Naturally, it would put a brand at a disadvantage if it were to be associated with content that doesn't reflect its core values, and that has been and always will be a huge concern for brand advertisers when running in video content, regardless of the device.”

## Final Take

*Chantal Tode is associate editor on Mobile Marketer, New York*