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At YouTube, Adolescence Begins at 5

By [BRAD STONE](#)

SAN FRANCISCO — Early this year, the most popular [YouTube](#) video of all time — a 2007 clip of a British toddler gleefully biting the finger of his older brother — was supplanted by a brash newcomer.

The upstart was [Lady Gaga](#)'s slithering, sci-fi-themed music video for her hit single “Bad Romance.”

The shift was symbolic: YouTube, a subsidiary of the search giant [Google](#), is growing up. Once known primarily for skateboard-riding cats, dancing geeks and a variety of cute-baby high jinks, YouTube now features a smorgasbord of more professional video that is drawing ever larger and more engaged audiences.

“Our biggest challenge is making sure we don't taste too many things,” Chad Hurley, YouTube's low-profile and low-key co-founder and chief executive, said in a wide-ranging interview last week.

That cornucopia of content appears to be turning YouTube — considered by many to be a risky investment when it was bought for \$1.65 billion at the end of 2006 — into one of Google's smartest acquisitions. On Monday, YouTube will celebrate its fifth birthday by announcing it has passed two billion video views a day; YouTube said it reached the one billion mark in October.

Bolstering YouTube's growing audience is the popularity of live broadcasts, like the recent Indian Premier League cricket matches, and the integration of instructional videos directly into Google search results.

YouTube also holds a large catalog of music videos that contain advertisements, thanks to Google's partnership with three of the four major American music labels in an effort called Vevo.

Mr. Hurley, 33, said YouTube was increasingly focused on showing users what their friends had watched, as a way of helping people navigate the tens of thousands of hours of video uploaded to the site every day. He also contended that more rights-holders were quietly allowing fans to appropriate short snippets of their content for mash-ups and parodies, “though a lot of them might not come out and say it for business reasons.”

Mr. Hurley declined to discuss YouTube's financial performance, though he cited overall improvement.

Google executives said in January that the site, which has perennially lost money, had increased its revenue, and that ad space on YouTube's home pages for 20 countries was sold out every day toward the end of 2009. Many analysts say YouTube could break even this year for the first time, after five years of large losses generated by its high bandwidth and storage costs.

YouTube has faced a fight in another regard as well: it has so far failed to persuade major American film studios and television networks to view it as an outlet for anything other than promotional snippets of long-form programming.

In January, YouTube introduced a movie rental store, though its only offerings are from independent film companies and Bollywood studios.

James L. McQuivey, an analyst at [Forrester Research](#), said YouTube's Vevo partnership with music labels "shows what YouTube can accomplish when it works with the media industry. It's really one of the first legitimizations of YouTube as a commercial platform."

Mr. Hurley indicated that convincing media companies to embrace YouTube was no longer an important goal, adding that chasing [Hulu.com](#), the joint venture of Fox, [NBC](#) and ABC, "may have been a distraction for us."

Hulu is "starting to have some troubles in terms of their long-term model and relationship with their owners," Mr. Hurley said, referring to the increasing unease among broadcasters with the practice of streaming programming free on the Web, where ad rates are significantly lower than they are on television.

One possibility is that YouTube would start scouring the rest of the Internet for video, Mr. Hurley said, "indexing more video wherever it may live" and then pointing users to it, even if the video did not reside on YouTube's servers. YouTube already has the second most popular search engine in the world, according to [comScore](#). (Second, naturally, to Google.)

One factor driving YouTube's growth is the ever-easier availability of the Internet on the living room television through devices like [TiVo](#) and Roku set-top boxes.

Google is planning to back that trend in a big way at its annual I/O developers' conference this week in San Francisco. The company plans to introduce Google TV, a software platform for the television that it is developing with [Sony](#), [Intel](#) and [Logitech](#), according to people briefed on its plans who were not authorized to talk about them publicly.

YouTube is expected to play a prominent role in bringing a variety of video to the Google TV platform, and Mr. Hurley contended that the rise of Web video on the television was inevitable.

"I don't think there's going to be much of a difference between a phone, a computer and a television. It's going to be size and presentation," he said. Although he might not have gotten the memo about the Google TV efforts, since he added, "Maybe we just have to wait until [Apple](#) releases a bigger [iPhone](#) that you can strap onto the wall," he said.

Finally, Mr. Hurley tipped his entrepreneurial hat to a chaotic, controversial and suddenly popular site that resembles the YouTube of five years ago: ChatRoulette. The site, created by an 18-year-old from Moscow, Andrey Ternovskiy, allows people around the world to engage in random, instantaneous one-on-one conversations.

ChatRoulette “demonstrates that there is still so much more that can be unleashed with video online,” Mr. Hurley said, adding that Mr. Ternovskiy, whom he said he would like to meet, “has the spotlight and the opportunity to do great things.”