How do you build a premium/scalable online video business?

May 11th, 2011
Getting information off the Internet is like taking a drink from a fire hydrant.

Mitchell Kapor
4bn

number of new screens produced last year

https://www.flickr.com/photos/zeis/974019/
Overall, 53% of online users are consuming content outside of a publisher’s site - through the use of widgets, RSS readers, social networks and mobile devices.

Richard MacManus describing a Universal McCann report
We tend to think the tiger represents the animal kingdom, but in truth, a grasshopper is a truer statistical example of an animal. The handcrafted Hollywood film won’t go away, but if we want to see the future of motion pictures, we need to study the swarming food chain below — YouTube, indie films, TV serials and insect-scale lip-sync mashups — and not just the tiny apex of tigers. The bottom is where the action is, and where screen literacy originates.

Kevin Kelly | NYT
“Content Is Not king, Marketing Is.”
Barrier Of Entry

Do you still belong to this economy?
Welcome to the
No Kings Economy

Know what you’re really good at, pick your frienemies, and scale with a smart ROI...
Today companies that make their boundaries porous to external ideas and human capital outperform companies that rely solely on their internal resources and capabilities.

Don Tapscott and Anthony D. Williams in *Wikinomics* (p.21)
US Online Display Ad Spending, by Format, 2009-2014

billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Banner ads</th>
<th>Rich media</th>
<th>Video</th>
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<tr>
<td>2009</td>
<td>$7.58</td>
<td>$1.02</td>
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<td></td>
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<td>2010</td>
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<td>2011</td>
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<td>$6.56</td>
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<td>2012</td>
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Source: eMarketer, Nov 2010
1. Existing publishers need video, but cannot replicate textual strategies, produce videos with scale and create an ROI for it.

2. Video producers need eyeballs and are not able to reach their audiences through their O&O platforms.

3. Video should live on every page on the web.
5MIN MEDIA IS THE LARGEST ONLINE VIDEO SYNDICATION PLATFORM

- 200K+ vertically-segmented curated premium entertainment, lifestyle and how-to videos
- Over 1,000 content partners
- Syndicating to 600+ publishers
- 13th largest video content provider in the US
- Industry leading proprietary VideoSeed technology
- Acquired by AOL, September 2010
1) Embrace fragmentation

2) Focus on curation

3) Build frictionless products
Demo
Our Philosophy

Scale and premium content are the key drivers of the online video economy. Both are essential!

By finding the balance between them, we will enable advertisers to efficiently shift TV dollars to the web.
We embrace the no kings economy

Scale

We produce a lot, but aggressively curate video experiences. 3rd party content creators are key to our success...

Content

On top of our traffic, we work with publishers and committed to help them scale!
Aol’s video activity in the last year

- **January 25th, 2010**: AOL acquires StudioNow
- **November 1st, 2010**: AOL launches “You’ve Got”, an original video series
- **November 15th, 2010**: Full “Devilization” announced
- **January 13th, 2011**: AOL partners with Endemol for two new series
- **January 31st, 2011**: AOL Europe acquires GoViral
- **September 27th, 2010**: AOL acquires 5Min
- **November 12th, 2010**: 5min Media syndication across AOL O&O properties
- **January 15th, 2011**: Advertising.com Video Network ranked #1 in brand recognition in Break Media study
- **January 24th, 2011**: “AOL Late Night” launches
- **March 15th, 2011**: AOL Video launches
We play wherever premium content lives

Aol. Access to premium sites

5minMedia Syndication in scale

Advertising.com Extended reach

goviral Branded Entertainment

Aol Video.

Aol Studios Custom production
#2

Most trafficked video platform on the web

Source: comScore Video Metrix, March 2011
400% Growth in video streams

Source: Year/Year growth according comScore Video Metrix, December 2010
6X

Growth in aol.com streams

Source: Year/Year growth according comScore Video Metrix, December 2010
#1

Video provider of health, pets, fashion/beauty, home, travel, & food

Source: comScore Video Metrix, December 2010
AOL Video sees over **463M streams** from over **57M viewers** each month

Viewers on an AOL watch **39.2 minutes** of video - more than Facebook, Fox, ESPN or ABC.

People watch an average of **8 videos** on AOL video sites each day¹

18-34 year olds watch a lot of video, and AOL Video reaches **19M** each month.

*Source: comScore Media Metrix, March 2011*
Join us...
AOL is building a video ecosystem for the next decade...[an] end-to-end video offering from content creation through syndication and distribution to the consumer experience and monetization.

Tim Armstrong
CEO, AOL
Thank You

Ran Harnevo
@harnevo