While YouTube's policies and software are fairly transparent, the company's financial structure is more mysterious. YouTube began as a private entity created by Chad Hurley, Steve Chen and Jawed Karim (Karim would later leave the company to continue his education). In the beginning, YouTube had no means of generating revenue -- it depended on investors like Sequoia Capital, which provided enough funding for YouTube to emerge from beta testing and go live in December 2005.

YouTube needed investments to stay afloat. Video footage, even in compressed Flash format, uses a lot of bandwidth, and companies must pay for the bandwidth they use. YouTube's popularity was both a blessing and a curse. It had become a major Web destination, but it also meant that bandwidth usage was on the rise. YouTube doesn't say how much bandwidth it uses, but articles published in 2006 claimed that YouTube streamed up to 200 **terabytes** a day [source: Forbes]. A terabyte is one trillion bytes.

Despite the fact that YouTube and its hosting provider, Limelight Networks, don't share their business accounting information, plenty of blogs guess about how much money YouTube must pay monthly for all that bandwidth. Most estimates are around $1 million per month, though some bloggers place the amount closer to $5 million. Either way, YouTube's bandwidth costs are just one of its expenses. Other expenditures include employee salaries and digital storage fees.



Bryan Bedder/Getty Images
YouTube cofounders Steve Chen and Chad Hurley accept the Webby Person of the Year award at the 11th Annual Webby Awards on June 5, 2007, in New York City.

In November 2006, Google purchased YouTube for a reported $1.65 billion [source: New York Times]. YouTube still hadn't implemented a revenue strategy. The site's popularity continued to rise, but there wasn't a way to capitalize on it. Google began to look for ways to incorporate advertising on YouTube without alienating the YouTube community. In August 2007, Google began to introduce advertising in a few YouTube videos.

YouTube's ads are **overlays** -- transparent banners that appear at the bottom of videos about 15 seconds after the clip begins to play. Although an overlay partially obscures the video, YouTube claims that users find the ads more helpful than annoying and that the ads are five to 10 times more effective than other forms of display advertising [source: Telegraph].

Some YouTube members were worried that Google's advertising strategy would earn money off the videos of average members. Google must have foreseen members' anxiety and announced that it would share advertising revenue with video creators. Not all videos feature advertising -- only videos with a lot of views or creators with a large subscription base get to participate [source: YouTube].

Whether or not YouTube is a financially successful organization, it's certainly an important entity. It may even represent the next step in how we access media. Many people in the television industry believe that in the future, televisions and computers will merge together. Viewers will be able to access entertainment on demand. YouTube's popularity seems to support those assumptions.

To learn more about YouTube and related subjects, follow the links on the next page.

Lots More Information

Related HowStuffWorks Articles

- How Analog-Digital Recording Works
- How Blogs Work
- How HDTV Works
- How Internet TV Works
- How Movie Sound Works
- How MySpace Works
- How Speakers Work
- How Streaming Video and Audio Work
- How Surround Sound Works
- How Television Works
- How Video Formatting Works

More Great Links

- YouTube
- YouTube Blog

Sources

- YouTube http://www.youtube.com
- Sahlin, Doug and Botello, Chris. "YouTube for Dummies." Wiley Publishing, Inc. 2007.
- Greenberg, Andy. "YouTube's Filter Fails to Please." Forbes.com. October 18, 2007. http://www.forbes.com/technology/2007/10/18/google-viacom-video-tech-cx_ag_1018youtube.html
- Jones, Ashley. "YouTube's Legal Issues Grow." EContent. November 2007.
- "Social Video: Videoblogging & YouTube." Library Technology Reports. September-October 2007.
- Klaassen, Abbey. "YouTube ads bypass user-generated video." Advertising Age. August 27, 2007. Vol. 78, Issue 34.
- Graham, Jefferson. "Google plans ad 'overlays' for some YouTube videos." USA Today. August 21, 2007. http://www.usatoday.com/tech/techinvestor/corporatenews/2007-08-21-you-tube-ads_N.htm

- Rosmarin, Rachel. "Hunting Video Pirates." Forbes.com. October 15, 2007. http://www.forbes.com/technology/2007/10/15/youtube-google-videoid-tech-internet-cx_rr_1015techyoutube.html
- "Ban on YouTube lifted after deal." The Nation. August 31, 2007. http://www.nationmultimedia.com/2007/08/31/headlines/headlines_30047192.php
- Green, Tom. "The Rise of Flash Video." Digital Web Magazine. October 9, 2006. http://www.digital-web.com/articles/the_rise_of_flash_video_part_1/
- Frommer, Dan. "Your Tube, Whose Dime?" Forbes.com. April 28, 2006. http://www.forbes.com/intelligentinfrastructure/2006/04/27/video-youtube-myspace_cx_df_0428video.html
- Thelwell, Emma. "Google launches first YouTube ads." Telegraph.co.uk. August 23, 2007. http://www.telegraph.co.uk/money/main.jhtml?xml=/money/2007/08/22/bcngoog122.xml
- Helft, Miguel. "Google Aims to Make YouTube Profitable With Ads." The New York Times. August 22, 2007. http://www.nytimes.com/2007/08/22/technology/22google.html?_r=1&oref=slogin
- "Viacom Files Copyright Infringement Lawsuit Against YouTube and Google Over Unauthorized Use Of The Company's Shows." FindLaw. March 13, 2007. http://news.findlaw.com/cnn/docs/google/viacomyoutube31307cmp.html
- "Google buys YouTube for $1.65bn." BBC News. October 10, 2006. http://news.bbc.co.uk/2/hi/business/6034577.stm
- Helft, Miguel. "Contributors on YouTube May Share Advertising Revenue." The New York Times. May 5, 2007. http://www.nytimes.com/2007/05/05/technology/05tube.html
- Blodget, Henry. "Analyzing YouTube's Revenue Potential." Silicon Alley Insider. August 21, 2007. http://www.alleyinsider.com/2007/08/youtubes-video-.html
- Delahunty, Jamie. "Thailand YouTube ban lifted." Afterdawn.com. August 31, 2007. http://www.afterdawn.com/news/archive/10913.cfm

Home | Communication | Food | Home & Garden | Company Info | Privacy | RSS | HSW China 博闻网 Consumer Guide Products | TLC | Planet Green | Military Channel | Turbo |

Adventure | Computer | Geography | Money | Advertise With Us | Contact Us | HSW Tools Video Center | Make HSW your homepage Animal Planet | Discovery Kids Investigation Discovery | Discovery Education

Animals | Electronics | Health | People | Newsletter | Help | HowStuffWorks | Maps | Discovery Communications, LLC | Discovery Health | Petfinder | HD Theater | ATTENTION! We recently updated our privacy policy. The changes are effective as of Thursday, October 30, 2008.

Auto | Entertainment | History | Science Careers | Visitor Agreement | HSW Brazil | Consumer Guide Auto | Discovery Channel | Science Channel | TreeHugger | FitTV | To see the new policy, click [here]. Questions? See the policy for the contact information.

© 1998-2009 HowStuffWorks, Inc.

http://web.archive.org/web/20090618182809/http://help.youtube.com/support/youtube/bin/answer.py?hl=en&answer=95715

INTERNET ARCHIVE WayBackMachine
http://help.youtube.com/support/youtube/bin/answer.py?hl=en&answer=95715
Go
7 captures
18 Jun 2009 - 9 Feb 2011
MAY 2008 | JUN 18 2009 | JUN 2010
About this capture

YouTube Home
Help topics
- Create & Manage Account
- Watching
- Uploading
- Channels
- **Advanced**
- Solve a Problem
- Account and Policies
- Mobile
- Partner
- Promoted Videos

Help forum

Videos
Channels
Community

YouTube Glossary: Upload

Print

Upload - An upload is content which is posted to a server. When you upload videos to YouTube you are loading your video file onto our server which will then host it for you to share with other users.

More info on **Uploads**

updated 6/3/2009

Was this article:

The information you were looking for? ○ Yes ○ No

You may also be interested in...

Other helpful articles:
YouTube Glossary: Send Message
YouTube Glossary: Splice
YouTube Glossary: Share Video

Post follow-up questions to the YouTube Community Help Forums

Help resources

YouTube Help Forum
Learn from other users

Current site issues
Recently reported problems

Check our glossary

Make our help center better!

Google Gadgets powered by Google

Try YouTube in a new web browser!

Download Google Chrome

© 2009 YouTube, LLC -

Change Language: English (US)

http://web.archive.org/web/20090618185414/http://help.youtube.com/support/youtube/bin/answer.py?hl=en&answer=95688

INTERNET ARCHIVE WayBackMachine
http://help.youtube.com/support/youtube/bin/answer.py?hl=en&answer=95688
Go
7 captures
18 Jun 2009 - 9 Feb 2011
MAY 2008 | JUN 18 2009 | JUN 2010
About this capture

YouTube Home
Help topics
- Create & Manage Account
- Watching
- Uploading
- Channels
- **Advanced**
- Solve a Problem
- Account and Policies
- Mobile
- Partner
- Promoted Videos

Help forum

Videos
Channels
Community

YouTube Glossary: Tag

Print

Tag - Tags on a video are located to the right of the video, on its watch page. It is a field of text including information about the content of the video. This text can only be edited by the owner of the video. You can enter many different "tags" for each of your videos. To edit the tags on one of your videos, click the Account link located at the top-right of any page. Then click the Uploaded Videos link. Choose the video you want to edit and click the small, triangle-shaped button next to the thumbnail. Click the "Edit" button and click the "Video Information" link to edit the tags.

updated 6/3/2009

Was this article:

The information you were looking for? ○ Yes ○ No

You may also be interested in...

Other helpful articles:
YouTube Glossary: Send Message
YouTube Glossary: Splice
YouTube Glossary: Share Video

Post follow-up questions to the YouTube Community Help Forums

Help resources

YouTube Help Forum
Learn from other users

Current site issues
Recently reported problems

Check our glossary

Make our help center better!

Google Gadgets powered by Google

Try YouTube in a new web browser!

Download Google Chrome

© 2009 YouTube, LLC -

Change Language: English (US)

http://web.archive.org/web/20090618180217/http://help.youtube.com/support/youtube/bin/answer.py?hl=en&answer=95674

INTERNET ARCHIVE WayBackMachine
http://help.youtube.com/support/youtube/bin/answer.py?hl=en&answer=95674
Go
7 captures
18 Jun 2009 - 9 Feb 2011
MAY 2008 | JUN 18 2009 | JUN 2010
About this capture

YouTube Home
Help topics
- Create & Manage Account
- Watching
- Uploading
- Channels
- **Advanced**
- Solve a Problem
- Account and Policies
- Mobile
- Partner
- Promoted Videos

Help forum

Videos
Channels
Community

YouTube Glossary: Share Video

Print

Share Video: If you find a video you'd like to share with other people, click the "Share" link located under the video to send a notice to any friend of your choice containing a link to that video. You can also use this link to post the video to an aggregating service or blog.

updated 6/3/2009

Was this article:

The information you were looking for? ○ Yes ○ No

You may also be interested in...

Other helpful articles:
YouTube Glossary: Send Message
YouTube Glossary: Splice
YouTube Glossary: Safety Tips

Post follow-up questions to the YouTube Community Help Forums

Help resources

YouTube Help Forum
Learn from other users

Current site issues
Recently reported problems

Check our glossary

Make our help center better!

Google Gadgets powered by Google

Try YouTube in a new web browser!

Download Google Chrome

© 2009 YouTube, LLC -

Change Language: English (US)

http://web.archive.org/web/20090618182308/http://help.youtube.com/support/youtube/bin/answer.py?hl=en&answer=95534

INTERNET ARCHIVE WayBackMachine
http://help.youtube.com/support/youtube/bin/answer.py?hl=en&answer=95534
Go
3 captures
18 Jun 2009 - 1 Jul 2009
MAY 2008 | JUN 18 2009 | JUL 2010
About this capture

YouTube Home
Help topics
- Create & Manage Account
- Watching
- Uploading
- Channels
- **Advanced**
- Solve a Problem
- Account and Policies
- Mobile
- Partner
- Promoted Videos

Help forum

Videos
Channels
Community

YouTube Glossary: Private Video

Print

Private Video - If you would like to limit the exposure of one of your videos, you can set it to be a "Private" video. To edit the privacy settings for one of your videos, click the Account link located at the top-right of any page, then click the Uploaded Videos link. Choose the video you want to edit and click the small, triangle-shaped button next to the thumbnail. Click "Edit", then click the "Broadcasting and Sharing Options" link and select "Privacy". There you can select specifically who can view your video.

updated 6/3/2009

Was this article:

The information you were looking for? ○ Yes ○ No

You may also be interested in...

Other helpful articles:
YouTube Glossary: Send Message
YouTube Glossary: Splice
YouTube Glossary: Share Video

Post follow-up questions to the YouTube Community Help Forums

Help resources

YouTube Help Forum
Learn from other users

Current site issues
Recently reported problems

Check our glossary

Make our help center better!

Google Gadgets powered by Google

Try YouTube in a new web browser!

Download Google Chrome

© 2009 YouTube, LLC -

Change Language: English (US)

http://web.archive.org/web/20090618184608/http://help.youtube.com/support/youtube/bin/answer.py?hl=en&answer=95488

INTERNET ARCHIVE WayBackMachine
http://help.youtube.com/support/youtube/bin/answer.py?hl=en&answer=95488
Go
7 captures
18 Jun 2009 - 9 Feb 2011
MAY 2008 | JUN 18 2009 | JUN 2010
About this capture

YouTube Home
Help topics
- Create & Manage Account
- Watching
- Uploading
- Channels
- **Advanced**
- Solve a Problem
- Account and Policies
- Mobile
- Partner
- Promoted Videos

Help forum

Videos
Channels
Community

YouTube Glossary: Metadata

Print

Metadata - For videos on YouTube, this is the title, description, tags, etc. To edit your videos' metadata, click the Account link located at the top-right of any page. Then click the Uploaded Videos link. Choose the video you want to edit and click the small, triangle-shaped button next to the thumbnail. Click the "Edit" button to edit your video.

updated 6/3/2009

Was this article:

The information you were looking for? ○ Yes ○ No

You may also be interested in...

Other helpful articles:
YouTube Glossary: Send Message
YouTube Glossary: Splice
YouTube Glossary: Share Video

Post follow-up questions to the YouTube Community Help Forums

Help resources

YouTube Help Forum
Learn from other users

Current site issues
Recently reported problems

Check our glossary

Make our help center better!

Google Gadgets powered by Google

Try YouTube in a new web browser!

Download Google Chrome

© 2009 YouTube, LLC -

Change Language: English (US)

http://web.archive.org/web/20090618183050/http://help.youtube.com/support/youtube/bin/answer.py?hl=en&answer=95402

INTERNET ARCHIVE WayBackMachine
http://help.youtube.com/support/youtube/bin/answer.py?hl=en&answer=95402
Go
14 captures
15 May 2009 - 4 Mar 2016
MAY 2008 | JUN 18 2009 | JUN 2010
About this capture

YouTube Home
Help topics
- Create & Manage Account
- Watching
- Uploading
- Channels
- **Advanced**
- Solve a Problem
- Account and Policies
- Mobile
- Partner
- Promoted Videos

Help forum

Videos
Channels
Community

YouTube Glossary: Flash

Print

In the context of YouTube, Flash refers to Adobe Flash Player. YouTube uses the Adobe Flash Player to display the videos you watch on the site every day. Flash Player is a plug-in for your web browser, and like most software it is *updated* periodically by Adobe.

We have found that users with *the most recent version of Flash*, Flash Player 10, experience improved performance such as smoother playback when watching videos on YouTube. We encourage you to upgrade to the most recent version of the Flash Player by visiting the Adobe download site.

updated 6/3/2009

Was this article:

The information you were looking for? ○ Yes ○ No

You may also be interested in...

Other helpful articles:
YouTube Glossary: Send Message
YouTube Glossary: Splice
YouTube Glossary: Share Video

Post follow-up questions to the YouTube Community Help Forums

Help resources

YouTube Help Forum
Learn from other users

Current site issues
Recently reported problems

Check our glossary

Make our help center better!

Google Gadgets powered by Google

Try YouTube in a new web browser!

Download Google Chrome

© 2009 YouTube, LLC -

Change Language: English (US)

http://web.archive.org/web/20090618185026/http://help.youtube.com/support/youtube/bin/answer.py?hl=en&answer=95366

INTERNET ARCHIVE WayBackMachine
http://help.youtube.com/support/youtube/bin/answer.py?hl=en&answer=95366
Go
7 captures
18 Jun 2009 - 9 Feb 2011
MAY 2008 | JUN 18 2009 | JUN 2010
About this capture

YouTube Home
Help topics
- Create & Manage Account
- Watching
- Uploading
- Channels
- **Advanced**
- Solve a Problem
- Account and Policies
- Mobile
- Partner
- Promoted Videos

Help forum

Videos
Channels
Community

YouTube Glossary: Embedding / Embeddable Player

Print

Embedding / Embeddable Player - You can have YouTube videos appear inside other webpages and blogs. If the video owner has enabled embedding, simply copy the code in the field marked "Embed", located to the right of the video (Note: If the video owner has disabled embedding, the "Embed" field will not be displayed and you will not be allowed to embed their video).

You may also customize your own embeddable player by clicking on the Account link located at the top-right of every page, and clicking the Custom Video Players link within the "More" section. After filling out your player information, picking a theme, selecting a layout, choosing your content, and finally, generating the embed code, you can then use the code to display your YouTube videos on your own site or blog.

updated 6/3/2009

Was this article:

The information you were looking for? ○ Yes ○ No

You may also be interested in...

Other helpful articles:
YouTube Glossary: Send Message
YouTube Glossary: Splice
YouTube Glossary: Share Video

Post follow-up questions to the YouTube Community Help Forums

Help resources

YouTube Help Forum
Learn from other users

Current site issues
Recently reported problems

Check our glossary

Make our help center better!

Google Gadgets powered by Google

Try YouTube in a new web browser!

Download Google Chrome

© 2009 YouTube, LLC -

Change Language: English (US)

http://web.archive.org/web/20090618191630/http://help.youtube.com/support/youtube/bin/answer.py?hl=en&answer=57411

INTERNET ARCHIVE WayBackMachine
http://help.youtube.com/support/youtube/bin/answer.py?hl=en&answer=57411
Go
6 captures
18 Jun 2009 - 9 Feb 2011
MAY 18 2008
JUN 18 2009
JUN 18 2010
About this capture

YouTube Home
Help topics
- Create & Manage Account
- Watching
- **Uploading**
- Channels
- Advanced
- Solve a Problem
- Account and Policies
- Mobile
- Partner
- Promoted Videos

Help forum

Videos
Channels
Community

Getting Started: Editing my video

Print

Most computers come with some sort of video editing application already installed, such as Apple iMovie or Microsoft Movie Maker. Using these programs, you can easily edit your videos, add soundtracks, change the file type, compress the file size, etc.

There are also more advanced editing programs available for purchase or download online. We encourage you to look around and find the editing software that's right for you.

updated 6/3/2009

Was this article:

The information you were looking for? ○ Yes ○ No

You may also be interested in...

Other helpful articles:
Getting Started: File formats
Getting Started: Video length and size
Getting Started: Videos with JPEGs

Post follow-up questions to the YouTube Community Help Forums

Help resources

YouTube Help Forum
Learn from other users

Current site issues
Recently reported problems

Check our glossary

Editing my video

Adobe Flash Player is no longer supported

View more helpful videos

Make our help center better!

Google Gadgets powered by Google

Try YouTube in a new web browser!

Download Google Chrome

© 2009 YouTube, LLC -

Change Language: English (US)

http://web.archive.org/web/20090618185100/http://help.youtube.com/support/youtube/bin/answer.py?hl=en&answer=95362

INTERNET ARCHIVE WayBackMachine
http://help.youtube.com/support/youtube/bin/answer.py?hl=en&answer=95362
Go
3 captures
18 Jun 2009 - 1 Jul 2009
MAY JUN 18 2009 JUL
2008 2010
About this capture

YouTube Home
Help topics
- Create & Manage Account
- Watching
- Uploading
- Channels
- **Advanced**
- Solve a Problem
- Account and Policies
- Mobile
- Partner
- Promoted Videos

Help forum

Videos
Channels
Community

YouTube Glossary: Edit Video Info

Print

Edit Video Info - The "Edit Video Info" button allows you to edit the title, description, tags, category, thumbnail, date and map options, broadcasting, and sharing options for any particular video uploaded to your account. To edit one of your videos, click the Account link located at the top-right of any page. Then click the Uploaded Videos link. Choose the video you want to edit and click the small, triangle-shaped button next to the thumbnail. Click the "Edit" button to edit your video.

updated 6/3/2009

Was this article:

The information you were looking for? ○ Yes ○ No

You may also be interested in...

Other helpful articles:
YouTube Glossary: Send Message
YouTube Glossary: Splice
YouTube Glossary: Share Video

Post follow-up questions to the YouTube Community Help Forums

Help resources

YouTube Help Forum
Learn from other users

Current site issues
Recently reported problems

Check our glossary

Make our help center better!

Google Gadgets powered by Google

Try YouTube in a new web browser!

Download Google Chrome

© 2009 YouTube, LLC -

Change Language: English (US)

http://web.archive.org/web/20090618181757/http://help.youtube.com/support/youtube/bin/answer.py?hl=en&answer=94365

INTERNET ARCHIVE WayBackMachine
http://help.youtube.com/support/youtube/bin/answer.py?hl=en&answer=94365
Go
7 captures
18 Jun 2009 - 9 Feb 2011
MAY 2008 | JUN 18 2009 | JUN 2010
About this capture

YouTube Home
Help topics
- Create & Manage Account
- Watching
- Uploading
- Channels
- **Advanced**
- Solve a Problem
- Account and Policies
- Mobile
- Partner
- Promoted Videos

Help forum

Videos
Channels
Community

YouTube Glossary: Custom Player

Print

Custom Player - You can design your own custom embedded player by clicking on the Account link located at the top-right of every page, and clicking the Custom Video Players link within the "More" section. After filling out your player information, picking a theme, selecting a layout, choosing your content, and finally, generating the embed code, you can then use the code to display your YouTube videos on your own site or blog.

updated 6/3/2009

Was this article:

The information you were looking for? ○ Yes ○ No

You may also be interested in...

Other helpful articles:
YouTube Glossary: Send Message
YouTube Glossary: Splice
YouTube Glossary: Share Video

Post follow-up questions to the YouTube Community Help Forums

Help resources

YouTube Help Forum
Learn from other users

Current site issues
Recently reported problems

Check our glossary

Make our help center better!

Google Gadgets powered by Google

Try YouTube in a new web browser!

Download Google Chrome

© 2009 YouTube, LLC -

Change Language: English (US)

http://web.archive.org/web/20090618183227/http://help.youtube.com/support/youtube/bin/answer.py?hl=en&answer=94321

INTERNET ARCHIVE WayBackMachine
http://help.youtube.com/support/youtube/bin/answer.py?hl=en&answer=94321
Go
7 captures
18 Jun 2009 - 9 Feb 2011
MAY 2008 | JUN 18 2009 | JUN 2010
About this capture

YouTube Home
Help topics
- Create & Manage Account
- Watching
- Uploading
- Channels
- **Advanced**
- Solve a Problem
- Account and Policies
- Mobile
- Partner
- Promoted Videos

Help forum

Videos
Channels
Community

YouTube Glossary: Buffering

Print

Buffering - The YouTube video player downloads a video as it plays. A buffer is a section of memory in your computer which allows for the simultaneous writing and reading of information -- on YouTube the buffered section is represented by the red section of the video timeline. The YouTube video player reads video information from one section of the buffer while writing to another. This kind of multitasking allows for smoother playback of video during a continuous process of downloading which is especially helpful for slower connections.

updated 6/3/2009

Was this article:

The information you were looking for? ○ Yes ○ No

You may also be interested in...

Other helpful articles:
YouTube Glossary: Send Message
YouTube Glossary: Splice
YouTube Glossary: Share Video

Post follow-up questions to the YouTube Community Help Forums

Help resources

YouTube Help Forum
Learn from other users

Current site issues
Recently reported problems

Check our glossary

Make our help center better!

Google Gadgets powered by Google

Try YouTube in a new web browser!

Download Google Chrome

© 2009 YouTube, LLC -

Change Language: English (US)

http://web.archive.org/web/20090618132401/http://help.youtube.com/support/youtube/bin/topic.py?topic=13660