

Business



Old v new media

Youtubers are coming for Hollywood

The lines between social media and television are blurring

FIVE MILLION DOLLARS were on offer to contestants in "Beast Games", a new game show being made for Amazon's Prime Video streaming service. Instead, some participants received physical injuries, emotional distress and sexual harassment, according to a complaint filed in a Los Angeles court on September 16th. Amazon and the show's creator, Jimmy Donaldson, a 26-year-old YouTuber known as MrBeast, have not commented on the lawsuit. But the fiasco has reassured some Hollywood executives that they have little to fear from social-media upstarts.

Should they be so confident? On the face of it, social-media stars are struggling to break into traditional media. MrBeast, who with 317m followers runs YouTube's biggest channel, is not the only one to stumble. Ryan Kaji, a 12-year-old YouTuber, released a feature film last month which bombed in theatres. Disney's reality show about the D'Amelios, a TikTok dynasty, was cancelled in June. Television presenters such as Tucker Carlson, who makes a

show for X, have embraced social media only after being dropped by the mainstream sort.

But in the battle for viewers and advertising dollars, the amateurs are increasingly beating the pros at their own game. Americans now spend more time watching YouTube on their televisions than any other source of content, according to Nielsen, a data company (see chart 1 on next page). Worldwide, 2.5bn people tune in monthly. When YouTube's chief executive, Neal Mohan, boasted in May that "creators

are the new Hollywood", some in Tinseltown scoffed. But admen are listening, and siphoning TV budgets into the medium. As social media and television blend into one, two previously distinct markets are being thrown into fierce competition.

The gap between user-generated video and television is real, but narrowing. "It's way bigger than just a bunch of guys in their bedroom filming," says Jordan Schwarzenberger, manager of the Sidemen, a group of seven British YouTubers with a combined subscriber-count of more than 100m. The group has a staff of 40, from set designers to thumbnail-graphic artists, based in a studio in Hoxton. Their weekly videos of an hour or two often have six-figure production budgets; a trip to shoot three episodes in America cost millions, says Mr Schwarzenberger. The group's biggest revenue stream is the 55% cut of advertising revenue that YouTube gives to creators who clear a popularity threshold. Like MrBeast, the Sidemen are exploring sidelines, including a restaurant chain and a vodka brand.

Few YouTubers have such a sophisticated setup, but professionalisation is becoming more common. In Britain alone more than 15,000 creators employ others to work on their YouTube channel, the video site estimates. Technology is raising production quality. "The tools are becoming much more sophisticated...and it really is blurring the lines of what I would call inde- ▶▶

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