

Written evidence submitted by YouTube

YouTube submission to the Digital, Culture, Media and Sport Select Committee inquiry on Influencer Culture *May 2021*

Introduction

YouTube is pleased to make this submission to the Digital, Culture, Media and Sport Select Committee as part of its inquiry into Influencer Culture. This submission outlines the importance of content Creators to the UK economy, how YouTube works with our Creators, and gives an overview of our policies on paid promotions and content.

Creators on YouTube

The term “influencer” is currently very loosely used, and those given the label can range from someone working in a sponsored brand partnership, to anyone with a large online following who helps to shape opinions (including groups like journalists, industry specialists, or sports personalities) who may not be using their platform to monetise content or to work with brands at all. The breadth of this definition term makes it difficult to identify precisely what is meant by “an influencer”.

On YouTube, we use the term “YouTube Creator”. It is important to establish what we mean by this. On YouTube, our Creators may meet some of the above definitions of “influencers”, but fundamentally, a **YouTube Creator is anyone who posts videos to YouTube.**

That’s the beauty of our platform: **everyone has a voice, and everyone can have a channel**, provided they follow our Community Guidelines. While some of our Creators use our advertising-led model to turn their YouTube channel into successful, full-time jobs and careers, it is equally important to stress that there are millions of Creators on YouTube who are producing high-quality content without seeking monetisation at all. What links them all is the content they produce, and their drive to entertain, engage and inform audiences around the world.

The Creative Economy

Many of the Creators on YouTube use our platform to help them to launch careers in the creative industries. We give these Creators an equal opportunity to appear on the global mainstage by allowing them to share their art, connect with fans, and gain recognition, and we use our recommendation system to match the content that Creators are making with our users' interests.

The UK is one of the most sophisticated digital economies in the world, and is home to a huge number of successful YouTube Creators, who are **building businesses and pushing tech and creative boundaries on the platform**. The evolution of sites like YouTube has given independent creatives a voice and a dedicated audience, and we are proud to play a central role in the UK's creative ecosystem. This is a sector which contributes almost £13 million to the UK economy every hour,¹ while **YouTube itself creates an estimated £1.4 billion annually for the UK economy, and supports over 30,000 jobs**. Our UK content Creators are among the most popular in the world, with 80% of watch time on content produced by UK channels coming from outside Great Britain.

As an open platform, free from the traditional gatekeeper roles of commissioner or scheduler, YouTube **gives opportunities to a diverse range of individuals and communities from right across the UK**. For those who have the creative talent and the dedication to build an audience, YouTube's revenue sharing model allows them to pursue a career in the creative industries, both building a business and connecting with viewers around the world on issues that matter to them. The unlimited nature of the platform allows us to showcase individuals from all walks of life and every corner of the country, meaning we can offer users a range of backgrounds and lived experiences that simply isn't possible through linear TV. Without those limitations, Creators whose voices have traditionally been marginalised can share their own experiences, express their views, and build supportive communities.

A great example of this is YouTuber Jessica Kellgren-Fozard. Based in Brighton, Jessica is an LGBTQ+ vlogger and presenter who challenges stereotypes. She is deaf, visually impaired and has two inherited rare conditions: Ehlers-Danlos syndrome and hereditary neuropathy with pressure palsies. Along with her wife Claudia, and dogs Walter and Tilly, she creates videos around her life with chronic illness in a positive, uplifting and educational way. Jessica's optimistic and upbeat vlogs show how our **Creators use their platform not only to inform but also to encourage and empower people facing similar challenges** around the world.

Moreover, YouTube has allowed for a democratisation of talent. Our users can create content entirely by themselves, **removing traditional barriers to entry for artists and Creators**, fuelling new formats such as serialised web fiction and vlogging. This has allowed entirely new players to enter the creative industry, entering into traditionally competitive and restricted fields of work. On YouTube, **all you need to succeed is an internet connection, a passion, and an idea**. It is through this mantra that **YouTube helps to shine a light on undiscovered talent**, and we want to ensure that creatives working at

¹ <https://www.gov.uk/government/news/uks-creative-industries-contributes-almost-13-million-to-the-uk-economy-every-hour>

home, in their bedrooms, and in every corner of the UK know that YouTube is there to help them pursue their goals and ambitions. Among our success stories is 2021 Brit Award nominee AJ Tracey, who took part only a few years earlier in our Foundry programme that **supports emerging, independent talent with advice to grow their YouTube presence.**

Many YouTubers and content Creators also use their platform to **educate or to actively engage viewers in issues such as public health**, as we've seen especially during the COVID-19 crisis. In March 2020, Joe Wicks set about creating accessible family-friendly YouTube videos, recreating PE lessons while schools were closed. His videos helped millions of people stay active, and in April last year he broke a Guinness world record when 955,158 people tuned in to watch one of his live sessions. Additionally, at a time when accurate and authoritative information is more important than ever, we've also seen collaborations between the NHS and Creators such as Leena Norms to **tackle misinformation and myths surrounding COVID.** Last month Leena [partnered](#) with Dr Nikki Kannai to debunk rumours, answer viewer questions, and explain the science behind a coronavirus vaccine.

Monetising On YouTube Through Advertising

We connect trusted, eligible Creators with advertisers who want to help them reach global audiences, and fans who want to find new ways to support their favorite Creators. By doing so, we continue to play a key role in supporting the UK's thriving creative economy.

Being able to monetize content is key to ensuring Creators can turn their talents into careers, and we have a transparent business model that enables this. **YouTube's business model is built on advertising** (rather than product placement or branded content), which should feel familiar to the viewers of TV or other media - adverts are often played before or mid-way through YouTube videos. For Creators who are in our YouTube Partner Program, the revenue from those adverts support content they have developed. Unlike on other platforms, advertising is the primary way that these Creators monetise their content and we share the majority of revenues generated with them. This advertising creates revenue streams that directly reward Creators for the popularity of their content without the need for sponsorship or other brand partnerships.

Those who want to make money through advertising on their YouTube account **must apply for and be accepted into the YouTube Partner Programme**, which requires that those monetising their content are meeting all our policies and guidelines. To be eligible for the [YouTube Partner Programme](#), a Creator must, at a minimum, have more than 4,000 public watch hours in the previous 12 months and more than 1,000 subscribers. Breaching the terms and conditions of the Programme can lead to a Creator being suspended or removed entirely, thus losing their eligibility for advertising and monetisation. This system therefore ensures that the Creators who are eligible for monetisation are acting transparently and in accordance with the rules set out to govern advertising and marketing online.

Users are very familiar with this approach and we also give context on why they have been served specific adverts, offering the "Why This Ad" button within the ad itself and the option to change your account's Ad settings. Our ["How YouTube Works"](#) page also seeks to better inform our users about this

main method of monetisation in particular. Users are able to [control](#) the ads they see and [block](#) certain ads.

Alternative monetisation on YouTube

While advertising is the principal way in which Creators monetise their content on our platform, **we recognise that some Creators wish to explore other revenue streams and methods of raising money using their content. These forms of monetisation are additive to, and not a replacement for, our primary advertising model.** It is also very important that these revenue streams are as transparent and easy for users to recognise as traditional advertising.

Some of the alternative ways Creators may monetise their content on YouTube include the sale of paid digital goods (e.g. Super Stickers or Super Chat, which are enabled during live streams) and channel memberships. This is a growing opportunity for creative businesses to diversify their revenue streams and engagement with fans - more than 140,000 channels earned money from Super Chats, Super Stickers, or channel memberships in the month of December 2020 alone, for example. Accessing these forms of monetisation also requires the Creator to be a member of the YouTube Partner Programme and to follow the terms and conditions that membership entails.

Paid Promotions on YouTube

Some Creators may choose to enter into brand partnerships, providing another way to make money and work with major brands around the world. They are responsible for compliance with any applicable disclosure obligations, and may do so by using the tools provided by YouTube. **YouTube itself does not have visibility over the contractual relationships between Creators and brands and does not receive any remuneration from such activities.**

It is important to remember that often Creators will also choose to feature or review products or brands without receiving payment or having a commercial relationship with the brand involved. These Creators are therefore best-placed to divulge the relationships they have with brands; where such relationships exist, Creators and brands are themselves responsible for understanding and complying with their legal obligations to disclose paid promotions in their content, and we endeavour to make this as easy and clear as possible for all parties.

YouTube has [policies](#) prohibiting the inclusion of paid promotions for certain products and services, including fraudulent or misleading businesses and illegal products or services. Where existing laws and regulations apply to Creators, they are responsible for following these rules. These include the CAP Code and, the Consumer Protection from Unfair Trading Regulations.

The importance of transparency in brand partnerships

Being transparent about when users are being advertised to is very important and is something YouTube takes very seriously. That transparency comes from both our platform, when we serve ads, and from our Creators when they enter into brand partnerships.

As a platform, **our role is to provide Creators and brands with tools to disclose the existence of paid promotions** and, when we are aware that a video contains paid promotions, to ensure that Creators make such a disclosure so users are well-informed. The rules for video sharing platforms are set out in the Audiovisual Media Services Regulations that recently implemented the Audiovisual Media Services Directive (AVMSD) into UK law. For instance, a video-sharing platform is responsible for “having a functionality for users who upload user-generated videos to declare whether such videos contain audiovisual commercial communications as far as they know or can be reasonably expected to know” and must “clearly inform users where programmes and user-generated videos contain audiovisual commercial communications, provided that such communications are declared [by the Creator] or the provider has knowledge of that fact”.

Our own platform policies and terms of service take account of these regulations, and we work closely with advertising industry bodies and the Advertising Standards Authority and CAP Code system to ensure that our policies remain up to date and reflect the fast-paced developments of the wider sector.

YouTube has clear [policies](#) surrounding paid promotions and endorsements to ensure that Creators and brands are aware that they may have to comply with local legal obligations. These policies are to create awareness of obligations surrounding this area for Creators and brands, and to ensure our users are informed of any paid promotions included in content they are viewing.

- Our policy on paid product endorsements (PPP&E) is available at all times for Creators and users [online](#), and is also linked in our Advertising on YouTube policies. When a Creator joins YouTube, they must agree to the Terms of Service, stating clearly that they will follow our policies on advertising and paid promotions.
- The PPP&E Guidance is linked to directly from the Video Manager area where Creators can upload and/or edit videos, and can be accessed both before and after a video is uploaded.
- All YouTube videos that are marked by the Creator as containing PPP&E show a disclosure message stating that the video contains paid promotions.
- We will [remove](#) videos from the YouTube Kids app where the Creator has notified us of a paid promotion in their video through YouTube's PPP&E notification tools.
- Creators who are accepted into our YouTube Partner Program, which allows them to have advertising on their content must also accept the YouTube Partner Program Terms that incorporate the Terms of Service and relevant policies.
- We do not allow Creators to include adverts for fraudulent or misleading businesses, illegal products, or recreational drugs, although the list of prescribed content is non-exhaustive. If content violates this policy it will be removed, and the Creator may risk their channel being deleted if they repeatedly violate our policies.

Our Creators can also access information and guidance on PPP&E at all times through the [Creator Academy](#), which is freely available for all YouTube users, and is designed to help Creators grow and flourish on our platform. Here, **Creators can learn how to properly monetise their content in accordance with laws and regulations**; the pages explain how they must make clear to their audiences that there is a relationship between the Creator and the brand they are promoting. The site also offers

guidance for Creators on how to grow their channel, how to shoot and edit videos, and how to develop their content.

Exceptional cases where YouTube is directly involved in paid promotions

The rare case where YouTube is directly involved in supporting Creators' paid promotion is that of [YouTube BrandConnect](#) (YTBC). For YTBC, marketing campaigns, YTBC will work directly with both brands and Creators. The YTBC VIP service was launched in the UK in 2018 and has carried out around a dozen campaigns to date in the UK, each of which involved around five Creators and five associated pieces of branded content. Within YTBC deals, Creators remain responsible for the editorial content, and brands/Creators are responsible for legal compliance; however, YouTube includes detailed guidance that Creators are contractually obliged to follow, including on disclosures (requiring all content to have '#Ad' in the title as well as for the Creators to orally disclose the promotion within the video). It also clears all content created, and provides feedback where changes are required.

Conclusion

We are proud of the role that YouTube plays in supporting the UK's creative economy and in giving everyone the opportunity to create the content they are passionate about. Allowing these Creators to monetise that content is essential to allow them to build a career based on their talents. **Through our advertising-driven model, our focus is on creating revenue streams for Creators that enables them to launch careers based on their talent and their audience**, while giving them the freedom to work with other brands if they choose to do so, and do so in a responsible way.

Both advertising and organic paid promotions **must be transparent and compliant with legal requirements and responsibilities. At YouTube, we play our part in having policies in place and providing tools to our Creators to assist them in following these rules.** We look forward to continuing to work with the Government and with relevant regulators to strengthen and improve the regulatory landscape in this area to make sure both Creators and our users can have a safe and fulfilling experience online.