

## **Disney and YouTube make a video deal**

*Brooks Barnes and Claire Cain Miller*

Two powerful media companies, the Walt Disney Company and YouTube, are betting that a new partnership will help them surmount separate but equally worrisome hurdles as they each strive for greater Web dominance.

The deal, set to be announced on Monday, is small on its surface: Disney Interactive Media and YouTube, a division of Google, will spend a combined \$10 million to \$15 million on original video series; those shorts will be produced by Disney and distributed on a co-branded channel on Disney.com and YouTube. The channel will also include amateur video culled from the torrent uploaded to YouTube daily.

But the alliance is striking because of what it tacitly acknowledges about each company's weaknesses.

Disney, currently working on yet another overhaul of its Web site, is conceding that its own brand is not a powerful enough draw among children looking for video online; YouTube is viewed as being cooler.

So in a reversal of a go-it-alone Web strategy, Disney will go fishing for youngsters on YouTube in addition to making YouTube a prominent part of its own site — something that the company hopes will coax children to stay longer.

"It's imperative to go where our audience is," said James A. Pitaro, co-president of Disney Interactive. He added that the idea is to "bring Disney's legacy of storytelling to a new generation of families and Disney enthusiasts on the platforms they prefer."

Disney Interactive has been losing money — over \$300 million in the last four quarters — and Mr. Pitaro, part of a new leadership team at the division, is under pressure to create Web videos that can be monetized quickly. Disney.com's traffic has also been dropping at an alarming rate. Unique visitors totaled 12.7 million in September, down from 17.9 million in June, according to the measurement company comScore. Seasonality does affect traffic to some degree.

YouTube hopes to gain something from the Disney brand as well, namely credibility among parents, many of whom aren't thrilled at setting their younger children loose on a site where the videos can be ragged and provocative and the comments even more so. The company wants to compete with cable television for ad dollars by adding more professional videos.

Teaming with a Hollywood heavyweight significantly advances that goal. Studios have been reticent to provide Google with free Web material.

"It's an acknowledgment that we want to work with the best brands and, yes, we expect this partnership to attract new advertisers," said Robert Kyncl, YouTube's global head for content partnerships.

Disney is an important ally for YouTube, which walks a careful line when it comes to attracting children; the site's Terms of Service require users to be at least 13 years old to watch videos and register for an account, though younger children routinely access the site. YouTube also needs Disney because it remains locked in a legal battle with Viacom, which owns the other major player in this arena, Nickelodeon, and keeps its videos (aside from some promotional material) off YouTube.

The Disney-YouTube partnership follows YouTube's announcement late last month that it planned to create dozens of channels featuring comedians, sports stars, musicians and other entertainers. It is also offering cash advances to prospective producers that totaled more than \$100 million, according to people with knowledge of the plan but who were not authorized to speak publicly. The investments in the channels reflect Google's belief that the Internet is the

third phase of the television business, after network TV (with a few channels) and cable TV (with hundreds).

Mr. Kyncl emphasized that YouTube intended to remain a neutral distributor and that its alliance with Disney should not be construed as an effort to move into the production business. Under the terms of the deal, Disney will produce the Web series, the first of which will be based on its popular puzzle app "Where's My Water?" which features a grinning alligator named Swampy. The goal is to have eight original series in production at any given time, Mr. Pitaro said.

Disney will sell the advertising inventory and split part of the revenue with YouTube. Aside from producing the new shorts, Disney will also select amateur video to include on the channel. (Disney said it does not expect to hire any additional staff to handle these duties, relying instead on existing resources.) Video from Disney television shows will also be featured on the channel, although the company must be careful here to avoid angering cable partners by giving too much away at no charge.

Mr. Pitaro, who joined Disney last October after a stint running Yahoo's media properties, pressed for the deal. He said the redesign of Disney.com — a site criticized as slow, poorly organized and too promotional — should be completed by fall 2012. The YouTube partnership, he said, "is a very nice first step. It shows that we're not thinking small."

**Fonte: The New York Times, New York, 8 Nov. 2011, Media & Advertising, online.**

A utilização deste artigo é exclusiva para fins educacionais