Deloitte predicts that in 2015 total time spent watching short-form (under 20 minutes’ duration) video online will represent under three percent of all video watched on all screens. Short-form revenues will be about $5 billion: by comparison long-form TV content will generate over $400 billion from advertising and subscription revenues alone.

These stats may appear surprising, given that short-form is often proclaimed as the future of television. A brief foray on the Internet reveals many articles, with eye-popping numbers to accompany, arguing that short-form is already dominating over long-form, mostly at the expense of traditional TV.”171

Some stats seem to suggest that short-form could usurp traditional long-form television. One of the most successful TV shows in the US at present, Big Bang Theory, attracted an average audience of 17.5 million viewers in its most recent season, with each episode broadcast in a 30-minute slot.172 In comparison, Korean star PSY holds the title for the most-watched video on YouTube, Gangnam Style,173 which has amassed over two billion views since its release in 2012.174 PSY’s official channel has had almost four billion views.175

It is not just professional music videos that can generate billions of hits: the home-made, low-budget clip can do even better. By December 2014 PewDiePie, a UK-based Swede, had amassed seven billion views and 32.5 million subscribers,176 and was adding a further 350 million views per month.177 His videos, mostly voiced-over video game play, typically get a few million views each, and since 2010 he has accumulated billions of views by posting over 2,000 clips.178 To place that number of clips/episodes in context, the longest-running current TV show is the Simpsons, with a “mere” 560 episodes and counting.

Opening children’s toys on camera can also generate billions of views. DisneyCollectorBR is a non-Disney affiliated “channel” (a collection of uploaded videos) whose core output is to show new Disney-branded children’s toys being taken out of their box and used, accompanied by a voice-over.179 About fifty new videos are posted a month.

The top 100 YouTube channels generate over ten billion views per month globally.

Yet despite these successes – and there are many more – short-form generates a small percentage of all screen-based viewing time, and an even smaller proportion of revenues. How can short-form’s numbers be so big, and at the same time also so small?

The answer lies with metrics: comparisons of short-form and long-form are often based on similar-sounding but unequal metrics. Short-form is measured in views; long-form are often based on similar-sounding subscriptions revenues alone.

172 For example see: YouTube multichannel network made up since the future of TV, The Guardian, 16 April 2014: http://www.theguardian.com/media/2014/apr/16/Google-conference-multichannel-networks-youtube-revenue

173 “Gangnam Style” has amassed 2 billion views on YouTube, 15 July 2012: http://www.youtube.com/watch?v=PSY

174 PSY – Gangnam Style, YouTube, 15 July 2012: https://www.youtube.com/watch?v=PSY

175 2.68 billion as of 10 August 2014. See PSY – Gangnam Style, YouTube, 15 July 2012: https://www.youtube.com/watch?v=PSY

176 4.96 billion as of 10 August 2014. See PSY Official YouTube Channel, YouTube, 2014: https://www.youtube.com/user/officialpsyonline


179 As of December 2014, PewDiePie has uploaded 2,000 videos. See: Tubefilter, Tubefilter, as accessed on 12 December 2014: http://www.tubefilter.com/pswy/deliv
Side bar: Views and viewers

Television viewing is typically quantified by viewers (live or within seven days) and online video by all-time views. There are fundamental differences between these two metrics, which are occasionally overlooked when comparing traditional TV with newer forms of video format.

In mature television markets, over $2 billion is spent globally measuring TV viewing among a representative sample of respondents every year. Whenever anyone in the sample is in front of a TV set, their viewing habits are recorded and aggregated. The approach is typically agreed by all key industry players, and acts as the ‘currency’ that underpins the $200 billion global TV advertising industry.

With online video, the definition of a view is typically any request made to a server to play a piece of video. There is no agreed measurement of what constitutes a view, and a view could be anything from a millisecond to the entire clip. According to comScore’s data, the average length of a ‘view’ is about four minutes.¹⁸¹ There do not appear to be any industry-wide or national standards for measuring online video views.

There is no certainty that a video is actually visible on a screen when it is playing; it may well be playing ‘under the line’, on a part of the page that is not visible on a screen. There is also no way of knowing for sure how each online video is used. Music videos, like music stations on TV, may be used more as a jukebox, playing music in the background, rather than as a conventional video service where viewers predominantly look at a screen.¹⁸²

Of the top ten all-time views on YouTube, which together have amassed billions of views, nine are music videos.¹⁸³ Up to 40 percent of all online video views may be views of music videos.¹⁸⁴

While harmonizing different metrics is never entirely straightforward, comparing on a like-for-like basis reveals a distinct consumption pattern.

We estimate that 10 billion hours of aggregate online short-form video per month should be shown on screens, but not necessarily watched, in 2015.¹⁸⁵ This is a spectacular achievement for a format that barely existed a decade ago, but it is equivalent to only 20 hours’ worth of global consumption of long-form video (television programs and movies). Deloitte estimates that in an average month over 360 billion hours of long-form video will be watched,¹⁸⁶ principally on television sets, and mostly live.¹⁸⁷ We do not expect this total to vary substantially over the coming years.

Online short-form content should generate about $5 billion of advertising revenue in 2015.¹⁸⁸ This compares to about $210 billion from long-form advertising on television.¹⁸⁹ We expect short-form subscription services to be in experimental phase in 2015 and to generate trivial revenues; turnover for long-form pay-TV subscriptions should be approaching $200 billion.¹⁹⁰

The production values, monetization, genres, devices and consumption patterns for short-form are likely to differ markedly from long-form.

In 2015 long-form television shows are likely to have budgets of up to several million dollars per hour, and tens of millions of dollars per series.¹⁹¹ We believe that short-form production budgets are typically in the thousands to tens of thousands of dollars per clip.

They can’t be much higher: a short-form video that gets billions of views at a $2 CPM may leave a little over a million dollars, after deducting the platform’s commission.¹⁹² And fewer than a couple of dozen on-line video stars are likely to generate in excess of a billion views in 2015.¹⁹³ For most, a billion views would likely require dozens, and often hundreds, of videos to be created.

The available budget influences the most popular genres on short-form aggregation sites, namely: music; how-to clips (predominantly of make-up and video games); video game play; clips from traditional TV programming (such as individual comedy sketches and sports highlights); unboxing (mostly children’s toys being opened); movie trailers; and entertainment news.¹⁹⁴ Original content is mostly low-cost relative to long-form, with recording equipment usually consisting of a single modest camera, no special lighting, and often self-shot. The exceptions to this rule are music or movie trailers and TV excerpts.¹⁹⁵

These popular genres of short-form video differ entirely from the most-watched types of television program in 2015: drama, soap operas, family entertainment, sport and reality. The reason these types of program may never become major hits on short-form sites is down to budget – premium global TV sports rights alone are expected to be over five times the value ($28 billion) of short-form revenues ($6 billion) in 2015.

The two formats are unlikely to encroach on each other’s screens. Short-form is consumed mostly on laptops, smartphones and tablets, and is often watched in short bursts, to fill gaps during the day, when waiting for a friend, or to ‘graze’ or when distracted.
Online short-form content should generate about $5 billion of advertising revenue in 2015. This compares to about $210 billion from long-form advertising on television.

**Bottom line**

We do not expect short-form online content to usurp long-form traditional television. It is a future, but not the future, of screen-based entertainment; and it is unlikely ever to be the predominant video format, as measured by hours watched or revenues. Short-form’s success should be respected, but it needs to put in context. Any claims about short-form usurping traditional long-form content should be analyzed carefully, using comparable metrics (see side bar: Big Bang Theory and Gangnam Style: a comparison).

Short-form should not be considered as a direct competitor to ‘traditional’ long-form content, but rather as an additional screen-based medium, addressing needs that were previously un-served or which were catered for by other media, such as magazines, guides to playing video games, or cookery books.

Stars are likely to emerge from short-form, but they may well have to diversify to monetize their fame as advertising to increment revenues. For example Zoella, a UK-based video blogger (vlogger), has signed make-up and book deals on the back of her online ubiquity. Zoella’s first book holds the UK record for first-week sales, at 78,000. Vloggers looking to increase their revenues should observe product placement regulations carefully; as short-form gets a higher overall profile, it is likely to come under closer scrutiny.

Multi-channel networks, set up to aggregate vloggers, may also need to look to additional revenue streams, such as taking cuts from ancillary deals with brands that are looking to tap into vloggers’ reach. A charge often made of traditional TV advertising is that some of this is ignored or skipped over. Digitally served advertising is often assumed to be more precise. However, it is also the case that short-form videos may also be skipped, ignored, muted, or even be played out ‘below the line’, that is outside of the current field of view.

Regardless of whether the ads on short-form are watched all the way through, the most popular short-form videos are often ads in themselves. A toy being unboxed should promote interest in that toy; someone watching a video of games play is more likely to purchase the game; music videos can stimulate demand for paid downloads and concert tickets.

Many viewers may well also prefer long-form content as it reduces the need to choose. Short-form, by contrast, can require multiple choices to be made every hour.

We expect short-form only rarely to be watched on a television set (under five percent of all short-form viewing). This is partly because the age group with the highest consumption of short-form content is the under-30s, who are more likely to consume video content on a laptop, and also less likely to own a television set. But another reason is because short-form content is usually optimized for smaller screens; low-production values feel edgy on small screens, but may irritate on larger screens.
Side bar: Big Bang Theory and Gangnam Style: a comparison

At first glance short-form's billions of views make television's mere millions of viewers look meagre. *Big Bang Theory*, averaged 17.5 million viewers in the 2013-2014 season. By comparison, as of end-2014, Korean star PSY's hit *Gangnam Style* had amassed over 2.1 billion views since 2012.

If we convert both viewers (of *Big Bang Theory*) and views (of *Gangnam Style*) to total hours viewed, we estimate US residents have spent, in aggregate, 38 million hours watching *Gangnam Style* since 2012. This is equivalent to the total viewing time for four-and-a-half episodes of *Big Bang Theory* in the US market, or one fifth of a 24-episode series. We have assumed that the average view of *Gangnam Style* is 200 seconds (80 percent of the total time), and that a third of all global views have been in the US.