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Interview with Chris Young from Digital Broadcasting Group



Adrian Bye: Today, I'm here with Chris Young, who is going to tell us a little bit about his business in online video, advertising, sponsorship and promotion. So, Chris maybe can you take it away and tell us a little bit about who you are and what it is you're up to.

Chris Young: Sure, I'd love to. Where to start? I founded a company called Klipmart in 1999 which specialized in putting ad banners on the Internet but specifically encouraging advertisers to run their video, the TV spots within those ad banners. This took off in about 2002, 2003 and we sold the business growing it from 6 people to 65 people and \$20,000 in revenue to \$15 million in revenue in 2006. So, DoubleClick at which I was the Executive Vice-President worldwide of their rich media business and responsible for incorporating Klipmart into DoubleClick in a world class market leading business and I've just recently left after doing

exactly that of DoubleClick Rich Media is now the number 1 product in the market.

Now I've just launched a new business, I think the entrepreneur in me is, once it's there, it never goes away, so now I've started a new business called Digital Broadcasting Group or DBG and basically, what we're focused on is creating, producing and syndicating original broadband webisodic content. So, in other words, creating shows for the Internet whether they're scripted comedies, whether they're documentaries, etc., the list is endless and we're working with all kinds of different people in creating shows and then we secure agencies and advertisers to sponsor the show.

So, that's really the business model. Then, there's a bunch of syndication revenue once the show is up and running. There's syndication revenue as well. So, that's really what I believe is the future in the 21st century with an empowered consumer. This is really creating a broadband show of 10 shows in a series, 3-5 minutes in length and sponsoring that as an advertiser is really the next step. It's kind of going beyond the banner. We've got empowered consumer, can switch you on, switch you off as

a brand at a bat of an eyelash and creating a webisodic as a way to really emerge your brand and engage your consumer in their lifestyle and their firms rather than talking down to a very smart, empowered consumer in an ad banner. So this is really what I...

Adrian Bye: Let's take a couple of steps back I mean, you obviously, your business has been video in the Internet, I mean, where did that come from? Are you the kid that like watched TV for 18 hours a day and when the Internet came along you're like "Damn, I've got to figure out how to get TV on this." Why the focus on video?

Chris Young: Yes, that's a great question. I mean, my premise back in 1999 when I founded Klipmart, the mission statement for the company was to take the best of TV broadcast commercial and marry it with the interactive and reporting capabilities of the Internet and what it was, that mission statement never changed over the 7 years of the company. In essence, the thought process was TV is a tried and true medium. It's just a matter of time before it migrates its way onto the Internet, flesh and blood video and that's exactly what happened. It started potentially because it was broadband constrained to 30-second commercials, 60-second commercials. Now, it's moving from the TV commercial realm into long form video content because the broadband pipes can support it. That's what advertisers love, they love their beloved commercials that they've been working with for 15 years and consumers love flesh and blood video.



Adrian Bye: So, this is Klipmart spelled with a K (K L I P M A R T).

Chris Young: Correct.

Adrian Bye: So, you sold to DoubleClick. Can you talk about the deal size when you made the sale?

Chris Young: Yes, I guess, I just closed it now. It doesn't really matter, we sold the business for well maybe, I'm under confidentiality, I can't remember. We sold about a 5 time multiple on our 2006 revenue.

Adrian Bye: The interesting thing for me there is that you started then in 1999, so you started when things were great and concepts were still being worked out and then you've done video all through the new killer winner of marketing on the Internet and then come out the other side. I mean, you've ridden the wave in a pretty difficult way, I mean, how was that?

Chris Young: It wasn't easy, I'll tell you that. I learned to make do on \$30,000 a year in my late 20s, living in New York City.

Adrian Bye: In New York City.

Chris Young: It wasn't easy but you know it really builds character; it was a lot of fun. I was surrounded by a great team of people and we wouldn't take no for an answer.

Adrian Bye: On \$30,000 a year, doesn't a panhandler in New York make more than that?

Chris Young: Probably, on welfare. But we always paid our employees but it was the top management, we always had that very tight salaries. But in the absence of salary, there were plenty of stock options to go around and people that got stock options certainly made out very well when we sold the business. But it was great, it was a combination of persistence; we knew it was a good idea, we knew it made sense, we knew it was logical and there were some early adopters like Sony Pictures Entertainment, Lexus, to name a couple that were just really big, first movers to video in their respective industries in entertainment and automotive.

Adrian Bye: So, help me understand how this works? So, you're putting video in banners, is this something that increases click-through rates and therefore makes advertising more effective, is this what they want to do, is it that they feel they're branding, therefore if they're going to pay a CPM of a certain rate, the CPM per video is therefore, they're getting a higher advantage? I mean, how does it work and what's like the ROI, like what was dynamic because I really don't understand that all so I'm really fascinated to have you explain it.

Chris Young: Yes, great question. I think, the angle there with video which is kind of thrown into a bucket of rich media; rich media ads are anything with sight, sound and motion. It could be heavy flash animation or it could be video and with rich media in general, in particular video, we're able to measure a lot of things that you can't necessarily measure when you're running an ad on television or just running a simple banner ad. Namely, we look at the percent of video viewed. So, the clip index if you will in 2006 indicated that on average, a consumer would watch 20.5 seconds of a 30-second spot. That's a really dynamic new low metric that advertisers could only kind of guesstimate through Nielsen Ratings the audience that might be tuned in and might be looking at the television screen rather than changing the baby's diapers etc., or not have the TV on at all.

So, to be able to go a huge step further towards accountability and say alright, this is how many people you've reached and this was the percent of the video that they watched, was a huge watershed moment. I think advertisers who had constantly had to defend their marketing budget every time there's an economic downturn, the first thing, especially among luxury goods manufacturers to flash is the marketing budget. It's a lot harder to be considered a flashbulb expense nowadays, in that there's so much more accountability with the Internet.

So, the percent of video viewed was important. Click-through rate was always higher with the video ad but I think as an industry we really struck ourselves in the foot in the mid 90s saying "Look here, look here, pick me, pick me, look at what we can do; we can track the amount of people that click on an ad." It was a double-edge sword because yes, that's cool but at the end of the day, the industry got dragged down by this fairly ineffective metric that had nothing to do with branding. It was really a contrived direct response mechanism and we really held to that. It took a long time. Probably it took about 9 years. It wasn't until 2004 I would say that we finally shrugged off the click-through rate and people effectively didn't look at that. So, Klipmart and now DoubleClick, we have a 90% market share among entertainment studios that utilize...

Adrian Bye: So, what does an ad look like? I mean, the tacky direct response ad like everyone knows is punch the monkey or the free iPod ads. They've seen some really tacky stuff out there but it's very well-known because it's driven a lot of revenue. What would be the finest ad that you guys have done?

Chris Young: We've done some really neat executions. A guy by the name of Joe Jaffy who does a whole creative; looked at creative banner work included in a lot of his presentations. We've got some neat stuff where we shot Tiger Woods on green screen for Electronics Arts, really interesting execution and I think that won some Lion, Cannes awards. We did some interesting stuff last year at this time where we did live banner streaming, where we live streamed an event directly into an ad banner for New Line Entertainment for *The Number 23* and there was a big front page of the New York Times business section dedicated to that in that and that trend.

So, we've got some really neat executions. We're really innovating. But generally speaking, what an ad looks like is as you're reading an article, there's an ad within the page and say it's 300 x 250 in size and instead of it being a movie posted, to follow along the entertainment example, instead of it being a movie poster saying, "XYZ film opening on such and such date" rather automatically, when the end users reading the article and the page loads, the TV commercial starts playing within that ad unit. That's what a video ad looks like and there are millions of different variations on the theme, different shapes and sizes and some expand if you roll your mouse over them, etc.

Adrian Bye: So, a typical engagement will be someone like Sony will say "Okay, we've got a new movie coming out" and then, you'll talk to them and you'll help them promote the movie, you'll make the creative. Do you help them with the media buying as well to put it out...

Chris Young: No, the great thing about this business is the ad agency does the media buy. So, they deliver the media plan often times there is a creative staff involved that builds the ad. What we do is we take the assets that the creative staff gives us, or rather what Klipmart did and what DoubleClick Rich Media now does is it takes the creative assets from the creative agency and it takes the media plan from the media agency and then it takes the video assets from the advertiser and puts them all together, then distributes it to the websites from the media plan. So, it's very much a vendor within the...

Adrian Bye: So, you're effectively in that business, you're a consulting agency helping create the creatives?

Chris Young: I pick the creatives and executing it into media plan.

Adrian Bye: So, the bit I was trying to clarify and I understand is you're not actually doing the media buy, you just do the creative and then another agency is doing the media buy or you do the media buy as well?

Chris Young: No we don't do media and effectively we don't do creative. We're delivered the shell of the ads, then we get the video, we get the shells, we get a media plan telling us where it should be executed and we put the whole thing together. We prepare the plate in the kitchen if you will. Then,

we handle all the metrics tracking, all the rich reporting that happens on the back end, the percent of video viewed, we tag everything so that we can do a lot of reporting against it and then if there's live streaming we handle that, if there's green screen, we handle that. So, we're really experts in video.

Adrian Bye: Right, okay. So, then my next question is my experience in learning comes a lot from direct response and so we're very much bottom line focused whether it's around a lead or making a sale or something else and remnant inventory. Whereas you've come from a totally different space and the thing that we can always say is well all of our advertising is justified by the bottom line, the problem is that we ended up with punch the monkey ads which are pretty tacky but they drive a lot of revenue. In your case, obviously there is a higher value to branding and there's got to be some increase but it's confusing to me at sometimes how big the difference is, I mean, 50 cent inventory up to you know, it can be \$10 if it's branding. How do you justify that and how do you keep the companies... I mean, are you involved in those transactions or discussions where they're setting what the CPM rate is and how is that justified and how are they kept happy that they're paying what they actually should be paying.



Chris Young: That's a good question. Regarding the CPM rate, we're not really involved in that. That's between the agency and the website in terms of what they're going to pay. I would say for a banner video ad, the rates are probably on average about \$15. So, it is branding, this is not direct response, this is branding. However DoubleClick Rich Media has just began a massive relationship with Scottrade. Scottrade is a big direct response and branding advertiser. Any advertiser that wants a TV spot on TV is branded. Those are branding dollars. They can't measure anything. So, yes, there is a whole universe out there that is branding focused. The CPMs are about \$15 and what we charge is about \$2 as the vendor, we charge a \$2 CPM to deliver that video ad. So, we do the posting.

Adrian Bye: They'll pay \$15 for the spot or \$12 or \$8 or \$10 or whatever and then an extra \$2 to you guys for actually handling the technology.

Chris Young: Yes. For all intents and purposes, that's correct or we'll embed our rate with the websites. So, we have global deals in place with Yahoo, AOL, MSN. Where our fee is baked into the

cost of the media. So, it might be \$13, it might be \$15, \$13 is going to the website and \$2 is going to us.

Adrian Bye: Very interesting and then for the measurement of that is like how long a video is being previewed for has been the main measurement and that's been one of the things they've been using to justify the CPM rate?

Chris Young: Yes, among many other things. We're able to track all kinds of things.

Adrian Bye: What have been other key metrics then that their tracking those?

Chris Young: We're able to track, so we look at percent of video viewed, we can look at the different things within an ad. So, say it's got a game in it, say it's got the video in it, say you can download a wallpaper, etc. We're able to track who did what, who played the game, for how long did they play, who downloaded the wallpaper, which wallpaper did they download? Then, what we're able to do is track things like say there is a functionality which is share this ad with a friend or put this ad on your social network page. So, then, we have a whole API built out, a widget share function where from the ad unit you're able to very seamlessly share the ad to your social network page. Then, what we're able to do is track the amounts of times it's been viewed and then pass around on the social network pages.

Adrian Bye: So, do people actually want to go and put an ad on their social networking sites?

Chris Young: Yes, I mean, some of these ads are really cool, have all kinds of functionalities, we're doing a lot of different movie ads, people like to share that. Yes, we did it for *A Mighty Heart* with Angelina Jolie for Paramount Vantage. We did a share function.

Adrian Bye: That's fascinating. So, basically then you can go and buy a bunch of media and then it will get virally passed around. You might have a CPM buy at, we're talking about \$12-\$15 but then you go and get all these free inventory because people go and putting all these ads.

Chris Young: Exactly and once it's on their sites, you can basically pump whatever you want into that viral receptacle if you will. You have to be careful...

Adrian Bye: Do you have any numbers on how that actually works like if you spent \$15 would you get another couple of dollars extra in free inventory?

Chris Young: It's pretty good. I was with a client a couple of weeks ago at Sundance and I said, "How did that go?" Without revealing too much it was very effective. I was amazed that the amount of impressions he ran to the amount of people that actually shared it that it was so high. I was actually shocked. This was Paramount Vantage. Yes, it's very successful and it goes right back to what I was saying at the beginning which is in the 21st century you have the notion with the capital E and the capital C of the Empowered Consumer. They can switch a brand on, switch a brand off at a push of a button. You need to now elevate the conversation with your consumer which is on their terms,

which is immersing your brand into their experience hence the share functionality; the share widget functionality or empowering them to participate.

So, what we're doing, for example we have a new show that we're producing called *Celebrity Game Wars* and in that show, it's going to revolve around this new game called Rock Band. So, we're going to have a celebrity show up, we're going to interview them, they can fill their band with their entourage, then they face off, the points tell only half the story, the Internet audience can then vote for who they thought rocked out the hardest and in essence will select the celebrity winner.

Adrian Bye: If you don't mind, I want to ask you a bunch of questions about your current company; I've just had a couple more questions before we move on.

Chris Young: Yes, please. No, go ahead.

Adrian Bye: One of my friends after he sold his company, he talked about how he retired and he went to Europe for three weeks and then came back and is working in that company, has founded a tough transition to go from being an entrepreneur running his own show to being a cog in a much larger machine. How did you find that then going to DoubleClick in doing what you're doing and then I guess that influenced what you're doing now?

Chris Young: That's a great, great question, terrific question and it's always the great unknown with entrepreneurs, it was a great unknown for me and how'd I react. I'm a very low ego kind of guy and I wanted to make sure that DoubleClick got what they paid for and what I promised them they'd get. So, I jumped right in, I had a very senior role so I reported directly to the CEO, there were 8 people on the executive team for the company, I was one of them and we executed. I knew exactly what needed to be done and we did it. I was very happy working for David Rosenblatt, the CEO of DoubleClick. We had and have a very good relationship. It was just a pleasure. I learned a lot from him and I was happy to call him my boss. Again, I think that drives me personally as an individual that I don't have an ego and it is what it is regarding that. So, I think I had a little bit of transition pain going from the Prime Minister to the Queen of England if you will, but after a couple of months it was fine, worked out really well.

Adrian Bye: How long did you stay at DoubleClick?

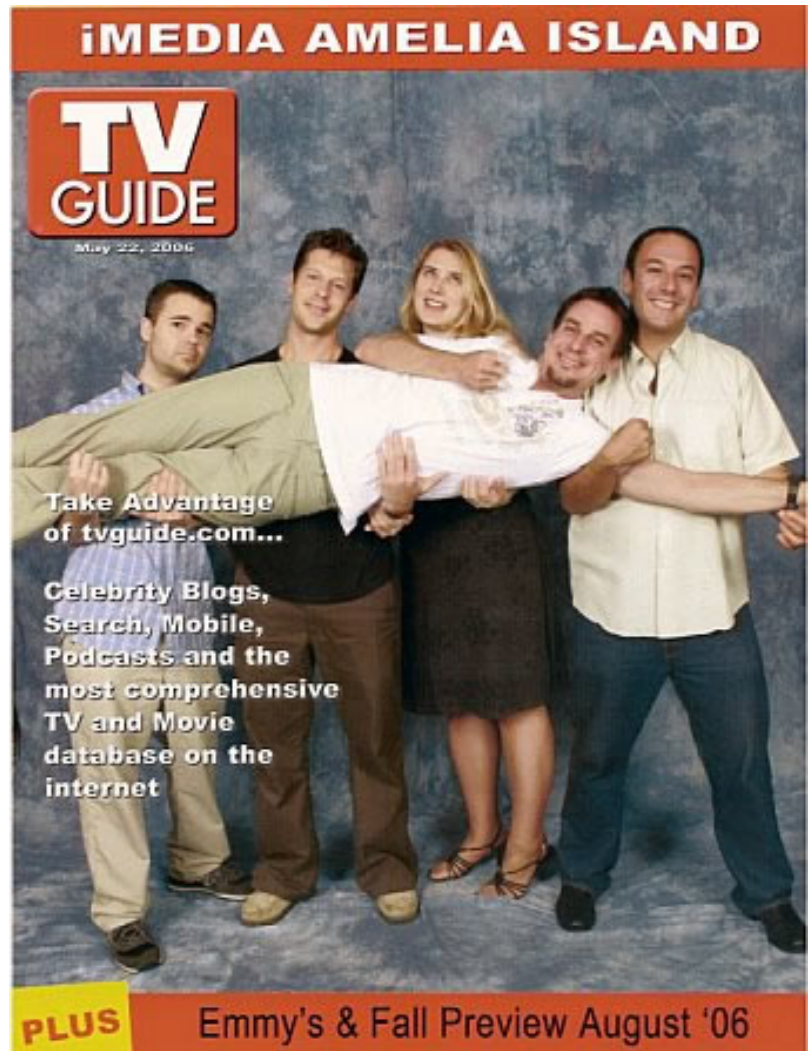
Chris Young: Eighteen months. I sold in June 2006 and I stayed until January 2008 and we had 2007 earnout. I had very tight goals to make that division of the company number 1 in the market. We were second to a company called PointRoll and we overtook them. So, it was very successful.

Adrian Bye: So, it became like another competition. You had an earnout you had to meet and so you worked your butt off to get the earnout, you set everything up and then you're able to move on and everybody's happy.

Chris Young: Exactly and that's part of being an entrepreneur, it's part of the exit. You've got to manage the exit and in my case, you've got to properly manage the exit. Then, the entrepreneurial blood gets pumping again and you come up with something else.

Adrian Bye: Yes. So, let's talk about that. So, your concept you're working with now is again taking video and you want to have short clips of video that users can easily put on different websites around the net but instead of this time working with advertisers, you're actually producing content, is that right?

Chris Young: Yes and no. What we're doing if you think about the value chain is we concept or co-concept broadband shows, we secure ad sponsors; digital ad sponsors to sponsor those shows and foot the bill for production. Then, we produce those shows and then we need to create reach and frequency for those shows because unlike TV, you don't have a built in audience somewhere. So, you got to sit down with the media agency and say, "Where do we want this show to live?" We need to put it on MySpace, we need to put it on Yahoo, we need to put it on Facebook, etc. We create in essence, a syndication plan to say, okay, per webisode where the syndication plan, we expect to get 2 million views per show and we're going to have 10 shows in this series. So, that in essence what we're doing is creating shows but they only live online. So, I met with Kevin Costner about 6 weeks ago and he's got a new show that he's concepted and produced that he stars in and he wants to take it to the Internet. He's a very switched on guy, totally understand the notion of syndication etc. So, in that case, we're not concepting, we're not producing, but we are securing the ad sponsor and we're syndicating, we're providing the reach and frequency.



Adrian Bye: So, it's going to be a 2-3 minutes webisode about Kevin Costner, is that right or something that's...

Chris Young: No. He stars in it. It's a show. It's a piece of entertainment. It's a show.

Adrian Bye: So, then the idea here is then that people watch this show they say, "Wow, that was pretty funny and so, I'll put that on my MySpace page." Then, I'll start to get interested; I want to

watch more of them. Then, that kind of has a payload along with it which is the advertising which people see as well. So, you do a media buy, it then spreads the show which is good for Kevin Costner and what he's doing and then it virally can keep spreading itself.

Chris Young: Exactly, and that's one function, the viral aspect. Some advertisers may say I don't want the viral feature which is fine. DBG will heavily encourage it but that's one particular function.

Adrian Bye: So, in the case of Kevin Costner deal for example, who's going to advertise on his stuff?

Chris Young: Well, it depends on the, you know, I can't really disclose anything about that project and we're just in discussions. Who knows if we'll end up doing it, we're just talking. But in general, it really depends on the nature of the show, who its skewed towards. So, for example, we have a show, to follow on the example of *Celebrity Game Wars*, that's going to be focused more towards the 18-34 year old male demographic and maybe a EA or an Ubisoft would want to sponsor that show.

Adrian Bye: So, how does the sponsoring work? Does an ad run before or after or during like how does that come together?

Chris Young: Well, there's a lot of product integration built into the show. So, for example, we have another show called *Shopping with the Stars* where there's a famous person, they go up and down Rodeo Drive, go to the star's favorite shops and there's some no name person that has a thousand dollars to spend and they kind of get outfitted and get fashion tips from this star. So, in that case, there are opportunities to do tasteful product integration and we want to do it smart integration because remember, we have a very smart, empowered consumer. They're not stupid and we can't put it in their face. So, the cars that they drive to get to the stores, the credit cards they use, different things like that, the stores that they go to, different ways to do that. So, the advertiser, the sponsor is getting product integration and maybe a 15-second pre-roll before the show starts rolling, there's a 15-second ad for the sponsors brand or it could be a 5-second intro saying "Brought to you by Chevy" or whatever. So, that kind of how that works.

Adrian Bye: I mean, if the user doesn't know or like he might know that Kevin Costner is going to be in this webisode, what's going to keep him sitting there to want to watch it and stay there through that ads to actually watch the show?

Chris Young: Well, there probably wouldn't be an ad. Well, there's the anticipation that they've clicked to see this piece of content and just the way I watch *Lost* on ABC on Thursday nights, I watch the commercial before my episode starts. So, it's the exact same model.

Adrian Bye: I guess you could say it's almost like pre-sold. Actually I just did an interview last week with the CEO of [Break.com](http://break.com) and so it could be something that's hosted on a site like Break.com and let's say I'm on Digg and I'm reading through Digg and then I see this, "Hey come and see this guy falling off a chair" and so then I clicked on that, I see the 15-seconds of ad and then I get to see the guy falling off a chair.

Chris Young: Exactly. It might just be a “Brought to you by” rather than a big long ad because there’s going to be product integration, it’s the advertiser’s content. So, they don’t necessarily need to run a 15-second ad in front of it but they have the option should they choose.

Adrian Bye: Okay, so, the concepts then these are webisode, so we’re going to see more than just one of these. I want to, presumably watch the Kevin Costner series, how do I know there are others and how do I get those and subscribe to them and find out when they’re more?

Chris Young: Two great questions. Basically what we do is the show would live on an anchor site. Say, it lives on MySpace.com and to follow along the example of *Celebrity Game Wars*, MySpace.com/CelebrityGameWars. So, we’ll have an anchor on some sort of website, partner site that we pick. Maybe it would be Yahoo or MSN or MySpace or whatever. So, it would live and breathe then there’d be a whole community there where there’d be news about the upcoming show, this, that and the other. That’s great. But to really create reach, you need to go beyond the destination site.

So, we would say, okay, we’d sit down with the media agency of the sponsor and say alright, what’s your consumer, where do they live, where therefore do we want this show to live, and then we will begin to build out a syndication plan just like a media plan but this is a syndication plan of the show. So, the show is not only going to live on a destination site, it’s also going to live in a whole bunch of places around the Internet. Then, on the site that it’s living on...

Adrian Bye: So, what do you mean by you’re living on other sites, do you mean sites like Break.com or like where else does it go?

Chris Young: Sure, to go on say, *Celebrity Game Wars* following the gaming analogy. It can go on MaximOnline.com, MTV, Heavy.com, IGN.com, GameSpy, Yahoo Games, MSN Entertainment, whatever.

Adrian Bye: So, it’s in all of those sites you can pay to have the video on all of those sites and then it will run on those with your ads, they don’t try and put their own ad on it?

Chris Young: No, they don’t because it’s a paid buy.

Adrian Bye: It doesn’t show up on their site as like a featured video?

Chris Young: Yes, it would be within their player. So, it would just be another piece of content within their player and depending on the deal that we’ve struck with the website, we have a whole syndication group at DBG that does this in conjunction with the ad agency. Depending on the deal that struck, they might run a whole bunch of banner ads promoting the show. So, your original question, how do we know it’s on there, there would be promotional ad banners. But it would run in their player, it wouldn’t be a separate player.

Adrian Bye: So, you guys, you give them the roll of video and then they'll convert that and put that on their site and run that on their site as a featured video for the time frame that you paid for it to be there?

Chris Young: You bet. It's interesting stuff.

Adrian Bye: Yes.

Chris Young: It's brand new. I mean, we are forging exactly what you're saying "Meet The Innovators" we're innovating and that's exactly what I did in 1999. Everybody thought I was completely bonkers when I was talking about taking their TV spot and sticking it within an ad unit. They had no idea what I was talking about and likewise, we're at the exact same point. But the writer strike, the recent Hollywood writer strike has really helped to prove the model and brought the notion of creating broadband webisodic shows much more mainstream. So, advertisers are pretty aware of this or hip to it.

Adrian Bye: You're saying the writers strike actually helped you?



Chris Young: Oh yes, because the writers were not precluded from writing for the Internet. So, they were all looking to do stuff and worked their creative juices and they did that by doing Internet things.

Adrian Bye: So, you've had access to all the best writers and for a while at discounted rates.

Chris Young: Yes, to a certain extent plus they've done their own thing. So, they've helped to prove the

efficacy of the model. My guy, Michael Eisner, former CEO of Disney has started a company. They did a program last year called *Prom Queen* which was a reality show about 14 girls vying to be the prom queen. Mark Burnett Productions did an online show called *Gold Rush* that wasn't syndicated but ran on AOL and big names like Best Buy, General Motors, Coke all sponsored that broadband reality show *Gold Rush*. So, those were early, early starters of this and now it's still very emerging, very new.

So, what I'm able to do is I've teamed up my partners in this new business, come from HBO and VH1, they're writers, producers so they really have the expertise in executive producing and the

production chops that are much more green on. What I bring to the table is all the digital expertise and all the rich media reporting expertise and all the relationships with advertising sponsors. So, it's a really nice, holistic marriage of bringing the digital expertise with the offline production expertise to really create digital broadcasting group and the company is really positioned as a boutique.

So, if you want to do really good broadband production, concepting production and distribution with people that get it, understand how a show should live online. It's not a one-way mechanism, it's not Chris or Adrian sitting on their couch and getting a one-way TV spot. It's a two-way street; it's an interactive mechanism where you're interacting with the empowered consumer of the 21st century. That's what it's all about.

So, my biggest challenge is how do I sit on my hands and limit myself to 20 projects a year when I come from the background of Klipmart and DoubleClick where we do a thousand campaigns a month churning and burning this stuff. This is much more boutique, this is much more high end. It's very interesting. I really enjoy it.

Adrian Bye: How does the deal get to put together like does the advertiser come in, do they then pay all of your costs and all of your stuff as well as like do the actors and all of those guys, I mean, obviously someone is going to be paying actors and writers and all of those people, is all of that covered by the advertisers?

Chris Young: Correct.

Adrian Bye: Is that a hard sell to bring that to the advertiser?

Chris Young: No. It's the TV model. It's exactly the same way on TV. Who pays for all those talent salaries on television? Corporate sponsors. They do it indirectly through their TV spot purchases but it's the exact same thing.

Adrian Bye: So this way they actually have more control over it, don't they?

Chris Young: A hundred percent and much better reporting metrics and it's much more targeted to their consumer. It's the wave of the future. The television will be replaced by the computer as the video distribution vehicle in the next 5 to 10 years without a doubt.

Adrian Bye: What I'm not getting completely clear on this like let's say it's a series, let's say it's a Kevin Costner show and I watched the second one, I miss the first one because I didn't see but I've got the second one, how do I find out about the remaining episode and catch up? Do I look at them, is there a link at the end which says, come and see other episodes here and then I just go and sit there and watch them, are you collecting people's e-mail addresses or you're having them subscribe to an RSS feeds? Like how are you actually building a relationship and getting their content at the consumer ongoing?

Chris Young: Well because the consumer knows that every Tuesday at 11:00 am for example, *Celebrity Game Wars*, the new install of *Celebrity Game Wars* comes out or *Shopping with the Stars*.

It's being syndicated across a bunch of websites. So, people will see it by the sheer fact that they're consuming video on all these top websites. So, it comes out on the anchor site and simultaneously comes out on all the syndicated sites on a regularly scheduled phase.

Adrian Bye: You're pushing it out there so you're paying for it, I mean, are there people sitting on the edge of their seats at 11:00, refreshing the site, waiting for it to show up or are they just happening to notice as they going about browsing the web?

Chris Young: Say that one more time, Adrian.

Adrian Bye: I mean, you guys hooked on a TV show, there's a lot of people that whenever *Lost* is on will be making sure they're home to watch *Lost*. Does that kind of getting hooked on these sort of things happened yet or are they just happening to browse them as they go about their normal day on the web?

Chris Young: I think it's a bit of both quite frankly.

Adrian Bye: They're not like getting an e-mail saying "Hey, there's a new episode up", they're not getting it into an RSS feed, it is more from the fact that it is on the anchor site as well as being pushed out to all these syndication sites?

Chris Young: Yes. I mean, it's a combination. There'll be a lot of awareness through the anchor sites but there'll be just as much awareness through the syndicated sites in order to generate the demand and quite frankly you've got to have compelling content. I mean, if you don't, no one's ever going to watch your show.

Adrian Bye: Then generally are people then taking this content and putting it on their social networking sites as well, is that built into a lot of this?

Chris Young: Oh yes, the viral aspect for sure.

Adrian Bye: Okay. Well, I'm almost running out of questions, so let me ask you, is there anything else that you would like to talk about that we haven't talked about?

Chris Young: I think we're good. I think it's really an exciting time to innovate. It's what so exciting about the Internet is it's kind of like the industrial revolution or the agricultural revolution etc. We've got the opportunity that the previous couple of generations didn't have to really innovate with this really fun, brand new medium. So, it's really exciting to kind of redefine modern media. It's just fascinating and I love it, watching this since 1999 and I'm really excited about broadband video and where it's going and how I think it's going to completely transform our media consumption habits. So, we'll see. I mean, we should do a follow up in about a year, see how the new business fairs. Maybe, we'll do that down in the DR.

Adrian Bye: So, maybe you'll be in Turks and Caicos by then having sold this company as well.

Chris Young: Yes, you can come around for drinks for the weekend.

Adrian Bye: Very good. Well, Chris, thank you very much for your time.

Chris Young: Yes, cheers and we'll do a follow up.