



**MEDIA@LSE**  
Department of **Media** and **Communications**

---

## **MEDIA@LSE MSc Dissertation Series**

Compiled by Dr. Bart Cammaerts, Dr. Nick Anstead and Ruth Garland

---

### **Participatory culture on YouTube: a case study of the multichannel network Machinima**

**Bryan Mueller,**

MSc in Media and Communications (Media and Communication Governance)

---

Other dissertations of the series are available online here:

[http://www.lse.ac.uk/media@lse/research/mediaWorkingPapers/  
/ElectronicMScDissertationSeries.aspx](http://www.lse.ac.uk/media@lse/research/mediaWorkingPapers/ElectronicMScDissertationSeries.aspx)

**Dissertation submitted to the Department of Media and Communications, London School of Economics and Political Science, August 2013, in partial fulfilment of the requirements for the MSc in Media, Communication and Development. Supervised by Dr Bingchun Meng.**

**The Author can be contacted at: [bdmueller@gmail.com](mailto:bdmueller@gmail.com)**

Published by Media@LSE, London School of Economics and Political Science ("LSE"), Houghton Street, London WC2A 2AE. The LSE is a School of the University of London. It is a Charity and is incorporated in England as a company limited by guarantee under the Companies Act (Reg number 70527).

Copyright in editorial matter, LSE © 2014

Copyright, Bryan Mueller © 2014.  
The authors have asserted their moral rights.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means without the prior permission in writing of the publisher nor be issued to the public or circulated in any form of binding or cover other than that in which it is published. In the interests of providing a free flow of debate, views expressed in this dissertation are not necessarily those of the compilers or the LSE.

# **Participatory culture on YouTube: A case study of the multichannel network Machinima**

**Bryan Mueller**

---

## **ABSTRACT**

The theory of participatory culture, described by Henry Jenkins and Yochai Benkler, proposes that the emergence of new media allows for unrestricted access to the system of cultural exchange, and supports a more democratic process of production and distribution in the media industry. An additional benefit of greater participation in society, manifested by active audiences, is a heightened appreciation for creative works and a public that is less controlled by consumer culture. This dissertation investigates the validity of such claims by examining the agency, motivations, and perspectives of executives and partners employed by the YouTube multichannel network (MCN) Machinima. Using a case study methodology involving in-depth interviews and document analysis, the research identified three dominant themes related to the participation of amateur producers in the MCN model: the validity of the aspiration model, the role and legitimacy of the active audience, and the future of the YouTube platform as an outlet for creative expression. The results highlight the main controversies that will determine the future relationships between MCNs, partners, advertisers, and other constituents in the digital media ecosystem, providing a foundation for additional research in the field. In particular, the research showed that while the partner model does allow amateur producers to pursue a professional career in the media industry, the more direct effect is that it provides structure to the scale of YouTube's distribution platform, enabling more effective monetization.

---

## INTRODUCTION

### *'Broadcast Yourself'*

With these simple words, YouTube conjures images of individuals tapping into a generational desire for personal expression and seizing the controls of media production and distribution. That slogan was retired in 2012, and the company that started as a community focused around user-created content is now making a concerted effort to raise the bar in terms of quality in order to position itself as a genuine competitor to traditional media. Stricter copyright protections enabled by content ID technology, investments in original programming, and the implementation of paid subscription services, are a few of the major steps it has taken to acquire a larger share of the advertising revenue that is flowing into the industry (Hustvedt, 2011). It is unclear whether YouTube will be able to capitalize on the scale of its platform to support the type of high quality, long-form content that would legitimize it as an online distributor in the eyes of advertisers. Regardless, the website that users participate in now is certainly much different than it was eight years ago when the company was founded.

Multi-channel networks (MCNs) offer a way for YouTube to manage its massive database of content by acting as an intermediary between the amateur users endemic to the platform and the advertisers that form the core of its revenue-generating potential. Furthermore, the MCNs are in line with YouTube's recent push toward becoming a channel-focused destination (Protalinski, 2013), helping to bring structure and security to the highly fragmented users and uncategorized content. MCNs provide a method of hierarchical control over audience segmentation and content quality that is necessary to realize YouTube's monetization goals, particularly with regard to the procurement of advertising revenue. According to YouTube's website:

Multi-Channel Networks (MCNs) are entities that affiliate with multiple YouTube channels, often to offer assistance in areas such as product, programming, funding, cross-promotion, partner management, digital rights management, monetization/sales and/or audience development. These companies are not affiliated with or endorsed by YouTube or Google (Google, 2013).

Since YouTube's capacity to engage with its user base is constrained by its scale, the MCNs are essentially the evolutionary next step from YouTube's own Partner Program, which allows it to delegate relationship management of advertisers and content creators to a third party. Major players in the industry have taken notice: as the number of subscribers to

YouTube has more than doubled over the last year, with the core demographic of 13-35 year experiencing the biggest growth, financial and strategic investors have spent over half a billion dollars on investments and acquisitions of MCNs with operations on the platform (Knoll et al., 2013). In 2012, Google itself invested \$35 million of its own funds into the MCN Machinima, self-described as “the next generation of video entertainment for gamers” (Knoll, 2013; Forbes, 2012), hoping that the company will serve as a model for other MCNs going forward. Machinima is reportedly courting potential partners for another \$80 million round of additional financing to support its global expansion and the development of original programming for a premium subscription service (Wall Street Journal, 2013).

Machinima itself is an interesting example because of its humble roots as a video sharing community that thrived even before the YouTube platform came to prominence. The word ‘machinima’ is a portmanteau of the words ‘machine’ and ‘cinema’ and is used to define the process of creating animated videos by utilizing a videogame’s real-time graphics engine. As the genre grew into the company, Machinima, Inc., with its 2.2 billion views per month and 7,500 partners worldwide, the path from community space to global business and the obstacles encountered have paralleled the evolution of the YouTube platform. Therefore, a critical analysis of Machinima and its goals and accomplishments can help elucidate the processes by which users become amateur producers and join the ranks of professionals in the media industry (a process referred to as ‘participatory culture’). There is indeed a great amount of optimism regarding YouTube’s potential to allow greater audience engagement and participation in the system of production and distribution. By studying Machinima as a specific site of participatory culture, one can critique such assumptions about YouTube and its likely future relationships with its audience.

Therefore, the purpose of this dissertation is to examine claims about the impact of new media in society, and to contribute to established theory on the subject by investigating the relationships and behavior of actual participants in the system. I will begin with an overview of the theory of participatory culture and related concepts in the academic literature to identify the prevailing opinions and expectations. Using a case study of the MCN, Machinima, I will then analyze the specific motivations, individual agency, and sites of conflict for different stakeholders on the YouTube platform, and critically evaluate whether the promises of participatory culture as a force for change in the industry are realistic given the recorded observations.

## **LITERATURE REVIEW**

### **Participatory culture and new media**

The concept of ‘participatory culture’, developed by the American media scholar Henry Jenkins, is useful for interpreting changes to the media industry and the YouTube platform, specifically. It can be traced to earlier discussions of popular culture in the cultural studies, and is historically linked to other debates about contemporary society such as labor, class politics, industrialization, globalization, and literacy. Being associated with expectations about the future of media in society, participatory culture is often explained as the antithesis of consumer culture by rejecting the passivity of the consumer in the capitalist system, and inviting individuals to take an active role in the production, dissemination and interpretation of cultural goods (Jenkins, 2006). Although the term is mostly used in reference to the circulation of published media, participatory culture promotes the social aspects of creativity in shared learning and human development more generally. Benkler (2006) claims that the effect of expanded participation in media is a more self-reflective and critical public, which ultimately encourages a deeper understanding and appreciation of culture and the systems that facilitate its construction. Moreover, participatory culture has reshaped the economic relationships of cultural exchange by altering expectations about social, emotional, and moral investments in society (Green & Jenkins, 2009: 213–225). Together, Jenkins and Benkler highlight the movement’s potential for supporting greater civic engagement and distributed power over the mechanisms of control in the capitalist system of media production.

In particular, participatory culture evokes the democratic ideals of equal access, expression, and representation. Benkler (2006) describes how the new information economy has enabled heterogeneous groups of diversely motivated individuals to generate and circulate creative works through independent channels, free of the top-down hierarchical models of organization associated with industrialized production, a paradigmatic shift that he refers to as ‘network culture’. In conjunction with major advances in personal computing technology, multimedia processing, storage and networking capability, the Internet enables individuals to create and publish private works independently from the traditional models of mass media production. Participatory culture promotes democratic ideals by both lowering the barriers to entry for the average person, as well as creating new incentives for participation, separate from the traditional monetary rewards of the capitalist system. Peer-to-peer (P2P) production is characterized by equal participation and self-selection in determining roles, rather than from an authority figure, and the work produced is typically judged by the

community of peers through a process of communal validation (Bauwens, 2009; 2013). The open source movement can be viewed as the transformative manifestation of P2P collaboration and Benkler's theory of commons based peer production (CBPP), suggesting that such organizational structures have a natural course of action (Raymond, 2000). Others have made more candid appeals to politicize participatory culture by claiming independence from the traditional system of production and consumption (Rosen, 2006).

Hence, there is an enduring expectation that new media, as the term is used to describe those media forms driven by the digital revolution, will eventually replace old media. However, sites of participatory culture are a convergence of old and new media, with complex relationships between commercial and noncommercial interests, grassroots communities and corporations, amateurs and professionals (Jenkins, 2006).

A long list of academic terms and industry classifications have been adopted to portray the variety of organizational structures and production models that exist in the participatory culture mold similar to CBPP. Toffler's (1980) 'prosumer' was the first to identify the emergence of the active consumer, and the muddling of the distinction between the amateur and the professional. The concept of 'media-actives' supposes that attitudes toward media content and expectations about participation are part of a generational shift away from traditional consumption practices (Frank, 2004). Active consumers take on a variety of roles such as 'inspirational consumers', 'connectors', and 'influencers' (Roberts, 2005), and behave differently based on their unique skills and motivations, but in coordination can be aligned to promote shared interests. Even in the absence of a local community in the traditional sense, individuals participate in sites of shared knowledge, learning and collective production, called 'affinity spaces' (Gee, 2004). These spaces exhibit diverse social dynamics and are non-exclusive with each other, allowing individuals to retain their social mobility. The emergence of such spaces is fundamentally due to the technological affordances of the Internet, which significantly enhance communication between persons with common goals and interests, irrespective of their location.

The concept of 'co-creation' is used to describe the process by which consumers use the tools and social environment of digital platforms to take an active role in the production and distribution of media (Deuze & Banks, 2009). User-generated content, as well as the evaluation, filtering, and entrepreneurial activities associated with it, are examples of the value co-created through consumer-producer interactions (Potts et. al., 2008). Brun (2008) uses the term 'produsage' to define 'the collaborative and continuous building and extending of existing content in pursuit of further improvement.' In her view, 'audience', 'consumer',

and 'producer' no longer carry exclusive meaning, and this signifies a shift away from traditional economic models, and a revival of the cooperative, commons based form of production that Benkler recognized (Bruns, 2006: 275-284; 2012). Ritzer & Jurgenson (2010) argue that 'prosumption' has been a feature of capitalism for as long as production and consumption have co-existed, and that it is becoming the dominant model in the digital economy and a regular part of every day life. Each of these models and concepts seek to dissect and define the processes by which active users combine with technology to create economic and cultural value.

### **Web 2.0 and digital labor**

Despite the social promise of participatory culture, there is concern that such communities can be exploited for monetary gain. The buzzword 'Web 2.0' is often viewed as an attempt to commercialize participatory culture by incorporating the logic and rhetoric of social engagement and democratic empowerment into the technology of web-based consumer products and services. Jenkins (2006) is careful to differentiate participatory culture from Web 2.0 and acknowledge their diverging interests, stating that the former may or may not be associated with commercial interests, while the latter is essentially a business model. He admits, 'Web 2.0 companies follow a commercial imperative, however much they may also wish to facilitate the needs and interests of their consumer base,' but nevertheless remains positive about the potential of participatory culture, and entreats industry leaders to emulate the model in their businesses (Jenkins, 2006; 2010). Web 2.0 is epitomized by the growth in online video and social networking websites that offer accessible, low cost self-publishing and communication tools, and feature easy-to-use programming templates to attract a massive following of users. Various business manifestos have celebrated the entrepreneurial prospects inherent in Web 2.0, mimicking the idealistic and opportunistic tone of the 1960s counterculture (Weinberger et al., 2000; Surowiecki, 2004; Tapscott & Williams, 2006; O'Reilly, 2007; Leadbeater, 2004; 2007). They tend to frame Web 2.0 as an enabler of participatory culture and its utopian ideals, such as the democratization of cultural production, making a causal link between technological innovation and positive social and economic change. Accordingly, its proponents see the switch to Web 2.0 as a shift in the way that modern business models should be envisaged:

The central principle behind the success of the giants born in the Web 1.0 era who have survived to lead the Web 2.0 era appears to be this, that they have embraced the power of the web to harness collective intelligence.... The lesson: Network effects from user contributions are the key to market dominance in the Web 2.0 era (O'Reilly, 2005).



A major criticism of the Web 2.0 business model is that it tends to obscure the distinction between commercial and noncommercial services and platforms, since commercial forms are likely to have hidden as well as stated obligations to select stakeholders, such as investors and other strategic partners, which may not be compatible with the interests or values of all participants. Van Dijck and Nieborg (2009) argue that online participation and the glorification of the ‘user’ in Web 2.0 platforms is simply a rhetorical ploy intended to disguise what is essentially the same version of the consumer culture framework for a new technological age. The Web 2.0 manifestos’ true aim is to combine the interests of the consumer and the producer, the market and the commons, by shifting attention from the product to the networked user communities that co-create value (Van Dijck & Nieborg, 2009). Hearn (2010) also observes a new form of market conditioning associated with the selection and circulation of content in the construction of meaning and identity, similar to branding. Not only do users participate in the process of providing and selecting content for new media platforms, they also form audiences of like-minded individuals for advertisers to target and engage with (McDonald, 2009). Still, it is claimed that hybrid commercial and non-commercial economies will be the most successful at creating new value propositions in the digital economy (Lessig, 2008). Not every Web 2.0 platform is created equal; compensation, privacy, intellectual property rights, and transparency are some of the most hotly debated issues among scholars, fans, and users, and there are very little in terms of universally established standards.

As with the various organizational structures and models of production outlined above, many theorists have remarked on the exploitative potential in systems employing paid and unpaid labor over the Internet. In exchange for participation in the system of co-creation and a modicum of control over creative work, new media websites such as YouTube benefit from the voluntary time and energy used to grow and sustain their online communities (Farchy, 2009). Yet, as Terranova (2000) observes, co-creation does not necessarily equal access to the means of production. Free labor is a recurring feature of the modern capitalist cultural economy, and one that is intensified by recent developments in digital technology and the Internet (Terranova, 2000; Kücklich, 2005; de Peuter & Dyer-Witthof, 2005). Research on digital labor has focused on the melding of recreation, leisure and work in the digital economy, with renewed interest in Marxist theory as a way to conceptualize the struggle between users, platform owners, and rights holders (Scholz, 2013; De Kosnik, 2013). Exploitation can also take shape as the extraction of user-generated data used for analytics-based marketing, rather than the production of user-generated content itself (Adrejevic,

2009). As users become aware of the value of the work and data they produce, and the ways that businesses take advantage of it, the debate over digital labor is only likely to escalate.

### **The political economy of new media**

As we have seen within the different discourses surrounding new media, there exist competing narratives about the nature of new media, its relationship with other institutions in the creative industries, and its relative position within the system of capitalism. Some, such as Jenkins and Benkler, view participatory culture as inherently disruptive to the media industries and their hegemonic control of cultural production and exchange, while others believe that the participatory opportunities of new media have already been co-opted into the system of capitalistic production, distribution, and consumption. Political economy of communication is traditionally interested in studying media as cultural commodities produced by the industry in the system of capitalism (Murdock & Golding, 1973: 205-234), and has a history of skepticism with regard to the transcendent appeal of new cultural paradigms and their ability to challenge the power dynamics of communication in society. Political economy focuses less on the technology driving change, and more on the redistribution of power, sites of conflict, the legacy of past structures, and new structures as they emerge (Wasko, 2004: 309-329; McChesney, 2008; Mosco, 2009).

Critics of the participatory culture ideal point out the continuities between the old and new systems, arguing that participation is simply one aspect of the new expanded consumer experience under the old framework of capitalism. Rather than being a vehicle for resistance, it serves to strengthen the established system by incorporating into the lifecycle of the product or brand the energy and attention of the participant, raising questions about the ability of individuals to escape consumerism, and the impact of participatory culture as a force for change in the industry (Verstraete, 2011). Critiques of the technological platforms themselves also show how the dominant ideology imposes certain constraints on participation by filtering it through specific conditions about the value of such contributions, as in the perception of professional quality and social relevance on user-created content (Carpentier, 2009). Therefore, notions of participatory culture tend to exaggerate user agency and underestimate the mediated environment when evaluating the opportunities in new media technologies (Van Dijck, 2009).

Burgess & Green (2009) question the democratizing potential of YouTube and the idea that access to YouTube's distribution platform is enough to enable anyone with an idea and sufficient talent to achieve success within the system—an assumption that is common in the

media discourse surrounding amateur video. YouTube actively promotes amateur participation that follows a process of formalization and professionalization in order to make it more compatible with the website's copyright protection policies, and the interests of advertisers, in an attempt to increase the ratio of monetizable content (Burgess, 2012: 53-58). Through this process, acceptable forms of amateur cultural production are incorporated and institutionalized into the system, while others are discouraged and marginalized.

## **CONCEPTUAL FRAMEWORK**

### **YouTube as a site of participatory culture**

The video hosting and sharing platform YouTube is the archetypical example of a media platform that exhibits the characteristics of the Web 2.0 model, and the associated ideals of participatory culture in its community and in the rhetoric of the company. In many ways, YouTube is a microcosm of the digital media ecosystem and its competing stakeholders and interests. It is a site of collective expression, collaboration, discussion, and learning for the amateur and semi-professional users who create, share, watch, and comment on videos hosted by the website. It is also a platform for media rights owners to cultivate an audience for their properties, and a window for advertisers to promote products using interactive and viral marketing strategies.

YouTube claims to afford equal access to participation by allowing anyone with an Internet connection to register, upload, and comment on videos. There is a sense that exposure to content is allocated fairly by ranking popularity in terms of views, even though YouTube's recommendation and filtering algorithms play a significant albeit hidden part of the process. For the amateur producer, YouTube provides an alternative to traditional distribution models and their studio and agency gatekeepers, and is theoretically neutral with regard to the commerciality of the work. Therefore, YouTube not only provides an outlet for expression that did not exist prior to its creation, but also has the potential to be disruptive to the traditional modes of production, distribution, and exhibition in the media industries.

Nevertheless, Google's purchase of YouTube, LLC in 2008 means that the website is now also subject to the requirements of its investors and shareholders. It is under pressure to monetize its services so that they eventually receive a return on their investment. Its current revenue model is heavily dependent on online advertising, which also brings with it added

obligations and constraints, as advertisers have specific attitudes and expectations about the type of content that their products are placed next to. Attracting established industry talent and encouraging the production of professional grade programming are seen as key strategies for legitimizing YouTube as a protected site for advertising (Macdonald, 2009). Accordingly, YouTube has undertaken the development of its partnership program, original channel ventures, and MCNs (Knoll, 2013).

Thus, YouTube represents a seemingly uneasy compromise between the democratic and empowering values of participatory culture, and the economic interests of incumbent media institutions whose lucrative business models are based on an industrialized system of intellectual property rights developed before the emergence of the Internet. Political economy theory provides an appropriate framework for interpretation of the discourse surrounding professional quality on YouTube and its ongoing endeavors to monetize content. Drawing from the literature on the system of capitalist production and distribution, Marxist conceptions of digital labor, and the balance of institutional power in the media industries, my analysis of the Machinima case study serves as a critique of the claims of participatory culture within such Web 2.0 platforms.

### **Research objectives**

To evaluate these claims, I have documented and analyzed accounts of individual agency, attitudes, perceptions, and experiences within the organization of a MCN on YouTube. The major focus of study is the partnership program, which provides amateur users compensation, recognition, and a pathway to a career within the media industries. A secondary focus relates to efforts to professionalize amateur content, and whether it compromises opportunities for expression.

My rationale for studying MCNs is that they represent a significant evolution of YouTube's monetization strategy, and a new hierarchical system of user incorporation and the formalization of content through the partner model. By affording YouTube a more secure and robust structure for managing the relationships between amateur producers and advertisers, MCNs are likely to have a major impact on the new media ecosystem and the processes of cultural exchange that take place. My ultimate goal is to identify the main features of this new arrangement that support or reject the theoretical claims of the participatory culture ideal.

My central research objective is therefore:

*To investigate if YouTube's effort to increase the monetization potential of the content on its platform is compatible with the theoretical claim of participatory culture to afford increased opportunities for engagement, expression, and democratic participation within the system of media production and distribution.*

This objective can be broken down into three principal sub-questions:

1. What are the motivations and obstacles for amateur producers participating in the partner program and its aspirational model?
2. To what extent do MCNs influence the type of content that is produced by users on YouTube?
3. How have YouTube's monetization pressures and strategic partnerships dictated the evolution of MCNs in terms of their structure and goals?

## **RESEARCH DESIGN AND METHODOLOGY**

### **Methodology**

In order to investigate my stated research questions, I have chosen a case study approach that utilizes the methodological strategies of qualitative interviewing and document analysis. Borrowing from Yin (2003), the justification for this approach is threefold, as case studies are particularly useful when: (i) the objective is to analyze the working processes of institutions within a system, (ii) when the analysis is dealing with contemporary events, and (iii) when there is more than one data source. The MCN Machinima represents a unique opportunity for case study research since the company holds an influential position within the YouTube ecosystem and represents a model for new media businesses within the system of capitalistic production. The rise of MCNs is also a relatively new development on the YouTube platform that, although having received considerable attention from the media, has not previously been the focus of academic research. Having experienced a period of rapid growth and transformation in terms of its operations and audience, Machinima employs a large number of in-house personnel and affiliated partners with diverse backgrounds and perspectives that can provide data for analysis.

The methodological approach needed to combine empirical research on motivations and perspectives with the theoretical framework provided by the political economy literature. Agency of YouTube users is a complex concept that describes the value-creating potential as well as the thought processes, motivations, and behaviors involved in engagement and participation. Since the research objective is primarily exploratory in nature, a qualitative approach incorporating multiple methodological techniques was chosen. Case studies are appropriate when the goal is to generate a hypothesis about the causal mechanisms important to an observed system (Gerring 2006). They facilitate a research scope that is deep rather than broad, and can involve more than one methodological technique such as interviews and document analysis. They also allow the researcher to construct a narrative about the subject within a given time period or other context based on the observations collected—of particular advantage when the subject is being encountered or considered in a new light. Finally, results from case study can be used to gain insights about a larger group of subjects, or inform the design of further research.

The main limitation of case study design stems from the interpretation of the data, as it is inherently difficult to generalize about other cases with much confidence by focusing on a single case (Gerring, 2006). However, when there are multiple variables and relationships to consider for a specific observation, the subjectivity intrinsic in the case study design can provide a useful level of flexibility to create new associations. In this manner, case studies allow the subject to be explored in more detail than in a cross-case analysis, and response validity tends to be higher (Dul & Hak, 2008). Surveys and short form interviews with the potential to reach a larger sample were considered and ultimately rejected due to the lack of investigative depth. Ethnography was also considered and rejected due to a lack of access to the primary work environment, and geographical separation between the researcher and the various subjects. Such a method would be impractical given the time and monetary constraints for this dissertation.

### **Data selection and analysis**

Interviews and documents were the preferred sources of data for this study. By using more than one type of source data, one is able to address a broader range of historical, attitudinal, and behavioral issues (Yin, 2003). Interviews were used to supply data about personal opinions, experiences, and agency of the Machinima employees and partners, whereas document analysis permitted historical access to other relevant perspectives (Johnson & Joslyn, 2001: 237-270). Together they provided a useful account of the company's

operations and served to illuminate the complex relationships that exist between the company and other institutions in the YouTube ecosystem.

Individual agency, motivations, and opinions collected from interviews form the main components of the themes that lead to hypothesis generation and inform the development of theory. Given the time allowed for the study and restricted access to interview participants, the majority of the data for the Machinima case consisted of a sample of 6 in-depth, elite interviews. Previously recorded interviews, discussion panels, and press releases formed the bulk of the documents analyzed. The benefit of this document analysis proved to be the access to quotes from higher-level executives over a longer period of time. This served to support or contradict the claims and issues raised by the interview participants, and added an additional perspective to the overall narrative.

Given the hypothesis-building nature of the research objectives and the different data sources available for examination, thematic analysis and coding was deemed the most appropriate data analysis technique for the case study. Thematic analysis allows the researcher to identify the relevant themes, relationships, and concepts from the data through the process of systematic observation and categorization (Mills, 2010). This process can be divided into three phases: (i) open coding, (ii) axial coding, and (iii) selective coding. By beginning with open coding and moving through the other phases, one identifies and describes the relevant issues and themes in an organized progression. Because the objective is to investigate a new subject, it is important to maintain a level of independence from the established theory, and it is through this coding process that the main themes and issues emerge organically (Ezzy, 2002). Thematic analysis is not without its own limitations, however, as there is always a risk that the researcher may apply a selective bias during the process of constructing thematic categories. If sufficient data are collected, the risk can be minimized by aggregating more keywords and phrases at coding phase, but never eliminated entirely. Therefore, future analysis would likely benefit from a larger sample of interview participants.

### **Design of research tools**

For the interview design, Aberbach & Rockman (2012: 673-676) highlight three main considerations: the degree of prior research, response validity, and receptiveness. In this Machinima case study, subjects had not previously been the focus of any academic research. Therefore, open-ended questions were preferred to close-ended questions in order to maximize the output of data for analysis. Close-ended, structured interviews have the

tendency to restrict the identification of new themes and patterns, and the statistical advantages of such an approach are less important in light of the small sample size (Berger, 1998: 55-62). Open-ended questions also allow the participant the freedom to articulate answers using their own language and viewpoint, thereby increasing response validity (Aberbach & Rockman, 2012).

Accordingly, the questions for the topic guide were designed with an open-ended structure, combining concepts from the established theory and general knowledge of the field of study, to provide a framework for discussion (topic guide attached in Appendix I). The research sub-questions, in particular, informed the structure of the topic guide at the outset by identifying the relevant issues. Bauer & Gaskell (2000: 38-56) note, however, that it is important to allow for a degree of flexibility and improvisation during interviews. The topic guide should be used mainly for linking concepts and issues in logical sequence and in time-management. The topic guide also served as a deductive starting point for open coding. Each interview session was recorded via Skype, transcribed into text, and pooled with quotes from the documents collected. An example of a transcribed interview is presented in Appendix II.

## **RESULTS AND INTERPRETATION**

The aim of this study is to describe the primary issues determining the efficacy of the participatory culture ideal within the MCN model. The study anticipated collecting data about the effects of monetization pressure on organizational goals, individual motivations, and creative control from interviews with Machinima executives and partners. In particular, this study successfully revealed certain attitudes among executives and partners regarding the validity of the aspiration model, the role and legitimacy of the active audience, and the future of the YouTube platform as an outlet for creative expression. The results highlight the main controversies that will determine the future relationships between MCNs, partners, advertisers, and other constituents in the digital media ecosystem, providing a foundation for additional research in the field.

### **Machinima as a paradigm of participatory culture**



A dominant theme in the discussion of new media is the notion that MNCs such as Machinima offer users participating in the partner model a pathway to a professional career, thus supporting the theory that new media can be a democratizing force in the industry. Partners who distribute their content through the program have the opportunity to refine their production quality and style, and learn best practices for cultivating a wider audience. This offers the potential of increasing revenue generation, leading to a rise through the hierarchical ranks of the MNC itself. In rare cases, partners would achieve exposure to lucrative Hollywood producing relationships.

This process, which Machinima refers to as its ‘aspirational model’ for partners, is theoretically compatible with the company’s stated goal of increasing the quality of its programming, and the building of relationships that support the production of premium content from additional revenue streams. However, success in this goal may in fact be at the expense of grooming partner talent. Partners themselves have found it difficult to maintain the attention of the Machinima executives most responsible for promoting premium content, and who are increasingly looking outside of the platform for new business opportunities.

Since its early days as a community website, Machinima has made assurances that the cultivation of its core audience and the partnership model remain at the center of its operations, despite recent announcements that the company is stepping up its production of premium, long-form, directed content, featured through its Machinima Prime channel (Keller, 2013). This MCN has had little trouble attracting new partners by offering them a variety of incentives, from better revenue sharing deals to protections from copyright infringement threats, as well as outlining a path for successful partners to be promoted to the status of Machinima director. Directors are given permission to upload videos directly through Machinima branded channels, and are groomed for larger promotional roles within the MCN. Directors can also work on higher budget productions subsidized by the MCN. ‘We’re working with them on a daily basis to kind of develop their own programming, which we subsidize, and then will also feature and promote,’ says President and Co-Founder Philip DeBevoise. ‘We’re creating new stars on the network’ (Mipmarkets, 2012).

A Machinima representative from affiliate operations describes the partner ‘aspirational model’ as a three-tiered ladder:

We want to bring [new producers] into the network and start equipping them ... in the sense of like, “guys, here’s how you develop a programming strategy, here’s how you develop your brand, here’s how you have better content from audio to video or editing.” Our goal with those guys is to reach out and say, this could be a legitimate career for you. ... and it’s the people that above them, kind of this mid-tier ... they’ve probably been a part of an MCN and they’ve probably garnered a nice audience. ... Now, how do I continue to, uh, garner strong engagement in my audience? ... Who do I collaborate with? [In the third tier] it’s understood that you’re going to be able to monetize your content. ... How can this MCN be giving [partners] unique opportunities into content financing, into meeting directors, producers, writers, animators, editors, whoever it may be that can start taking their brand to the next level.

Machinima has a stated interest in developing the business strategy of its partners at a very early stage, while gradually introducing them to new collaborative opportunities as they progress up the ladder through company events and networking opportunities. The benefits of the partner program to both partners and MCN are tangible: the model allows Machinima to build scale, identify emerging talent, and capitalize on a revenue sharing opportunity. Partners gain additional views through affiliation with the MCN, brand development expertise, and content formatting support. They also gain the backing of Machinima’s demographic-focused advertising sales team, which equates to a greater revenue share than YouTube is able to provide on its own.

The necessary conditions for reaching the top tier of the aspirational model and working with Machinima on its higher budget productions, however, are more opaque, since those partners that are successful rarely follow the same path. In one notable case, the dance choreographer Kevin Tancharoen was hired by Machinima to direct a 10-episode reboot of the Warner Brothers franchise *Mortal Kombat*, after his YouTube short based on the same property went viral (Sawers, 2013; Bulkley, 2013). The web series is now in its second season of production, with a feature film in development. His path to becoming a director, however, could be viewed as one taken by an industry insider, since Tancharoen had a career working with Hollywood stars such as Madonna and Britney Spears, and had previously directed a remake of the dance film *Fame* before deciding to move into directing action films.

Still, Machinima claims that it offers an easier route than traditional media. According to one executive,

You look at individuals and the colleges, the schools and trying to get into traditional Hollywood—they're paying for all these film festivals, and when you look at digital and YouTube, hey man, you don't have to pay for anything. In fact, it's likely that you'll get paid for your content ... Start building your virtual resume on YouTube, start getting involved with MCNs like Machinima who fit their demographic, the type of content they want to do, and you can build your career today.

It is an appealing proposition for the amateur YouTube producer. The offering of monetary compensation, for what many originally considered just a hobby, is difficult to turn down. There are many cases of Machinima partners making six figure incomes from advertising revenue alone. The idea that Machinima partnership can lead to a career in the entertainment industry is also enticing. One partner, whose channel receives over 202 million views and has nearly 1 million subscribers, disclosed that she had been approached to act in a television show, although she turned the offer down. Having started at Machinima with minimal production experience, she is currently working with a publisher to write a book based on one of her web series. She says,

A publisher approached me and we're in the process of creating a book, and uh, I have gotten offers for to be, you know, in a TV series, or like in a UK show, but I didn't, I honestly didn't feel like they were as profitable as YouTube would be.

At a certain point, however, some appear to outgrow the partner model. Partners have various reasons for leaving the MCN, but in general a sense of detachment from the Machinima team seems to be the common cause. Thankful for the opportunities that the system brought to her, she expressed disappointment at the lack of attention from Machinima executives, and a disconnect from the major deals being made at the company:

I honestly don't know what direction they're going in, and I know that they're changing ... for all I know the CEOs of the company, I don't even know them, they're probably, you know, don't give a damn about me, but I feel, I do give them some credit as to where I am now.

Thus, while success stories exist, it's unclear how much is a result of grooming from Machinima management. In the majority of cases, it seems to be the partner's responsibility to make moves to achieve recognition from the team involved in premium programming strategy and business development. Indeed, there are feelings within the company that it would be impossible to give all the partners the attention they desire. One manager admits,

[Machinima's] bringing in more people than [it] can really handle. ... you promise them certain chances to be a part of, like, brand integration deals or to share different things that is within our clout, but the reality it that, like, if you're not part of a network, go ahead, somewhere else, you'll get marginally better benefits. ... We're trying to bridge the gap between traditional and non-traditional media. And it's like, yeah, the partnership program exists, but we're trying to do bigger, and crazier [deals].

With a network of over 7,500 partners worldwide and growing (according to recent statistics on Machinima's homepage [2013]), such a situation seems inevitable. Unsurprisingly, the company sees studio co-productions and partnerships with established industry talent as one of the fastest growing parts of its business. Statements from Machinima executives suggest that the aspirational model for partners is in line with the company's goal to raise the quality of content produced on its channels, and that there will be opportunities for collaboration with professional producers and directors. Describing it as an incremental process, an executive in business development illustrates how participation in larger productions might be achieved:

They're used to doing stuff on budgets of a couple grand, and now we're giving them 10, 20, 50 thousand dollars to create a short. We get the short out there, if that's really successful, then we have the rights to do, you know, what we call, sort of a 90 minute um, either series or pilot, right? Um, and if that does really well, then we move to 13 hours, which would be more like a typical television format, right? And, of course we're talking to a lot of studios who are very interested in this, and if that's successful then there's a feature film or it goes to television. So, we're kind of, we're kind of creating that sort of pyramid, right, and we're showing partners on YouTube the way to get there.

The intent is to give emerging directors a chance to showcase their talents, possibly leading to more substantial production opportunities and increased exposure. Examples, however, are difficult to unearth, aside from extraordinary cases such as Kevin Tanchareon's. There is definite interest in increasing the crossover potential for Machinima's partners, as one executive considers, 'it would be cool to see them be taking on more of an acting role, a producer role, a directors role, and a lot of what traditional Hollywood does, too,' but it does not appear to be the focus of company's overall strategy. More important is the value of the distribution network and the guaranteed views afforded by the scale of the partner model, which the company can use to attract producers of traditional media online. In terms of Machinima's evolving goals and structure, scale was a necessary prerequisite in the development of premium content. As one executive explains,

[to] create our own programming, um, learn how to program for the Internet, do it in a cost effective way, both in house and leveraging our partners, so that's kind of phase one, right? Phase two is once you have scale, then you can start to go after, you know, higher quality production, um, because you can justify those kind of budgets, because you can get it funded by a very big advertiser who wants to reach your very big audience.

This is where the partner model and the premium content initiative appear to diverge in focus at times. Although collaboration and the tiered system of production experience is important for the aspirational model, the roles offered to successful partners have more to do with audience engagement and additional promotional activities. Accordingly, Machinima tries to identify partners with certain skills and attributes that can translate into new marketing opportunities, and those that are best able to create value for advertisers are held in the highest regard. As an executive from partner operations asserts,

... [Machinima is] looking for opportunities, like for example, if that guy or girl is really good at driving views, uh, to different, to different areas, and different traffic resources, then could we use that person as a brand ambassador in which he drives views to some of the sales campaigns we're doing, some of the new original series we're doing, and how can we pay him for that? So we're looking at ways to not only bring more money to the partner, but more money to Machinima, more promotional opportunities, and more audience development, and those aspects.

In the worst case, there exists a division between the employees of the company and the partners on YouTube, separating those who understand the basics of advertising and monetization and those who do not. The manager of one Machinima branded channel considered how the amateur-professional divide affects his relationship with partners:

... like as a professional YouTuber who makes video logs of holding a camera, like videotaping themselves, gets a hundred thousand views—is that professional now? And what do they deserve? Like, what's considered professional from both a creative production standpoint and like a larger business sense of understanding YouTube and the mechanics behind the platform. ... it's like someone trying to enter the TV game and not knowing who Nielsen is, you know? ... or how ratings work; or like how up fronts, or commercials or anything like that works, you know? Well, they're like, "well I have this show, put it on some channel."

If a channel is underperforming, the MCN is sometimes forced to terminate the contract. 'We had to actually pull back a few months ago and actually start recognizing who our loss leaders were,' explains one manager. Consequently, from the very early stages of

involvement in the MCN, considerable resources are spent on educating partners about the basics of marketing and advertising, and developing those with the right attributes into brand ambassadors and using popular personalities to drive audience traffic for specific campaigns or channels. Machinima also invests in the channels of partners that show potential as future brands. In some cases, those with talent and producing inclinations that are compatible with the premium content strategy set out by Machinima are selected to participate in collaborative productions, occasionally involving industry professionals from outside of YouTube. Thus, there is merit to the argument that YouTube and MCNs provide access into the system of production and distribution. But as a democratizing force, in terms of the allocation of resources for premium content and inclusion in overarching corporate strategy, it has only limited impact. The main focus of the partner model seems to be the value derived from the scale of the distribution network and its aggregated audience, which can be used to attract professional talent, coordinate larger marketing and advertising campaigns, and develop new franchise properties.

### **The role and legitimacy of active audiences on YouTube**

A second theme closely related to the aspirational model is the value of the partners and their active audiences to the incubation of new intellectual properties. In the traditional media industries development costs can reach astronomical figures, whereas the YouTube platform provides an inexpensive mechanism for incubating project ideas through partners and testing them against an engaged audience with quantifiable feedback. While cultivating an active audience is necessary for the success of both partners and the MCN, it is questionable whether this type of development can be considered legitimate participation or whether it is in reality more exploitative of user labor and data.

Both Machinima executives and partners share an appreciation of audience engagement on YouTube, highlighting the social aspects of the digital platform in the success of the online distribution model. Partners gain feedback, influence, and inspiration from the active communities of users that visit their channels, and rate and comment on videos. Machinima in turn uses this information to advise the development of new projects, cross-promotions and other business ventures. The technological affordances of the YouTube platform, in particular, have been a major factor in garnering strong audience engagement. In the words of one executive,

You can be anywhere, it's mobile, you can share it, Facebook about it, Tweet about it, comment, like subscribe, rate, you know, there's so much that you can do that adds that

social engagement aspect and really starts creating conversation uh, and interaction about it ... The viewers are becoming like an influencer in the content curation part.

Since views and subscriptions can easily quantify the popularity of YouTube channels, these numbers have a significant effect on monetization, both directly from the advertising revenue that the channel receives, and indirectly with respect to sponsorship and other promotional opportunities. Partners understand that companies look at these numbers closely, with one asserting, 'that's basically how much you're worth, is your fan base.' This extends to Machinima's business relationships, where a larger aggregated view count and subscription rate can help the company negotiate more favorable deals.

Staying attuned to the tastes and preferences of its core audience appears to be equally important for determining content development strategy. In the words of Machinima chairman/CEO and co-founder Allen DeBevoise, 'if you're not listening to the audience ... you're dead' (USC Annenberg Innovation Lab, 2013). At a very basic level, it tells the company what is and what isn't working in terms of programming, and the company can adjust accordingly. This ability to incubate new story concepts and properties is a key feature of the partner model that is enhanced by having an active audience.

As an example, in March 2013, Machinima announced a new partnership with the film director Ridley Scott to produce 12 science fiction short films that could eventually develop into franchises for the company. 'By combining this unique incubation model together with our powerful partnership of established creative talent and scaled distribution to millions on Machinima, we believe new sci-fi franchises will be born,' says DeBevoise (Fleming, 2013). By starting with low budget short films, the company can test audience engagement and collect feedback about which properties and ideas the core demographic likes the most, and then decide exactly when and how to step up production. This is in contrast to the typical development cycle at a major studio, where the cost of hiring writers to polish and rewrite scripts, combined with the cost of optioning the underlying rights to different properties, can be extremely expensive. Pinpointing those factors that determine whether a project is going to be a break-out hit or a flop is nearly impossible, given the unpredictability in the way that certain videos go viral. Machinima executives are often surprised by the success of certain channels over others.

To their amazement,

you just never know with YouTube either, what's going to be a hit, or what's not going to be. Like, some kids playing [the video game] Minecraft have like, started off as like fledglings—they had like 20,000 subscribers—and all of a sudden two years later, they have like 2 million subscribers and they're pulling in 30 million views a month, and you're like, what? How does that happen?

A measure of confidence is needed in such an unpredictable business, and the short-film model yields immediate, observable feedback. DeBevoise (2013) describes the process:

We see an opportunity to adjust the development process to say, well, what if we did 11 minutes of content that was leading into a full 13 hour season, to you know, test it out at \$100,000 dollars per ... let's call it an episode. [Multiply that by] 12 different concepts, but have the scale that YouTube has, which is a billion people worldwide, and really see, do 10 million people really love this or not? ... [The Ridley Scott deal] cost us, let's say a million dollars to invest in it, and by the way, we generate revenue off of that development of the process. So it's not just throwing stuff up against the wall or sitting in a studio and saying we tested it out. This actually can be tested with an audience.

YouTube analytics allows Machinima to look at viewership in each territory and survey audience feedback, including both comments and the number of times the video is shared or marked as a favorite. According to Sanjay Sharma, EVP of Business Development and Strategy, 'a short that may have smaller technical viewership than another one, but clearly demonstrates a kind of passionate committed audience, is probably one we bet on over one that didn't have that but had slightly more views' (Keller, 2013). In this manner, Machinima's active audience has become an influencer in the development process, in a sense similar to that evoked by Roberts (2005). This creates a positive dialogue between the audience that is actively interested in the content, and the partners who want to produce more of it.

The development process isn't the only use of audience-generated data. By tracking comments on Machinima videos, the company can also identify strategic partnerships that might fit the demographic. One of the managers of Machinima Versus, a channel devoted to coverage of competitive gaming and e-sports events, recounted how, for example, 'our audience indexes well against kids who listen to EDM music, so we're trying to cut deals with [the record label] Ultra.' In this way, data from audience participation is co-opted for other monetization purposes, and it calls into question the virtue of participatory culture through increased audience engagement. Interactivity between partners and their audiences could be interpreted as a heightened appreciation of the production process, and



a benefit to those users that seek a richer connection with the media that they consume. The MCN, on the other hand, extracts value directly from the process, by converting social behavior into data for new marketing opportunities. This particular relationship invokes the controversies of the literature on digital labor, and the exploitation of user data. Nonetheless, this arrangement between Machinima, its partners, and the leagues of engaged users on YouTube, has clear benefits for all those involved in the legitimization of the digital distribution model, and the types of cultural expression endemic to the platform.

### **Monetization and the future of the new media ecosystem**

A final theme encapsulates anxieties over the future of YouTube, its position among other institutions within the evolving new media landscape, and how such relationships restrict or present new entrepreneurial opportunities. This concern is common among both MNC executives and amateur partners, whose cooperative efforts through the partner model provide structure to the YouTube ecosystem by legitimizing amateur works for the advertising industry. This ‘formalization’ of user content (as described by Burgess), however, does not appear to have a negative impact on editorial control or the opportunities for creative expression through the platform, contrary to some disbelievers in the established literature. In this case, the goals of amateur producers and MNCs to develop a brand, marketing, and monetization strategy, appear to be in alignment. By providing structure and demographic-unique attention, Machinima has made it easier for amateur producers to build relationships with industry gatekeepers and demystify the process of monetizing production and distribution. Without an intermediary like Machinima to court them directly, advertisers would be hesitant to make the switch from traditional media. One executive remarks on the inability of the average advertiser to deal with the scale of the platform:

For someone like Ubisoft to have to go out and manage, you know, 200, 300 partners, to get in front of them, that would be fairly difficult, but that’s what we do every day. So, you can see how, how sort of that ecosystem kind of aligns.

Online platforms such as YouTube still have the stigma of being less brand-safe than traditional media. Nevertheless, the industry is warming to the idea of amateurs becoming trendsetters and tastemakers. This change in attitudes can to some extent be attributed to Machinima’s effort to legitimize the online space as a place for advertisers, providing one of the main benefits to YouTube and its community in general. A manager from Machinima’s ad sales team noted that,

Advertisers like the idea of using influencers to promote, almost endorse, their content or brand. Some advertisers are more open to it, while others are not ... these are usually the ones with stricter legal teams.

Moreover, none of the interview participants felt that advertisers put pressure on partners to produce certain types of content or adjust their production style to suit a specific product or campaign. One partner stated confidently,

... if an advertiser comes to me, they're not trying to change me. They're coming because they like my style, and it's not, they're not trying to change the way I do things at all.

Machinima believes that having a closer relationship with advertisers and more control of the monetization process gives them an edge over the explosion of new competitors. As one executive put it,

YouTube's growing so fast, there's so much content that, you know, it's, I think, it goes in fits and starts in terms of how well YouTube can monetize, um, on their own, so that's why it's so important for us to have a direct relationship with the advertisers, um, so that we, you know, we are in control of that.

Nonetheless, while the industry has witnessed a gradual acceptance from advertisers, there is still a general sense of uncertainty shared among both amateur producers and Machinima executives. With the pace that the digital media landscape is evolving, a common belief is that staying too tied to the YouTube platform could be a risk. Multiple partners expressed their desire to establish a presence on multiple platforms, highlighting the indeterminate role that YouTube currently occupies in the evolving digital media ecosystem. 'My main goal is to expand [my brand] outside of YouTube, because honestly I don't know how long it's going to last,' explains one partner. Likewise, Machinima wants the flexibility to go wherever its core demographic is most active. '[We want to] keep Machinima, you know, flowing throughout the space in which our partners and our audience are really interacting,' says one executive. Alternative distribution platforms offer additional revenue streams that can help the company reach its ultimate goal of increasing the quality and breadth of its content, and continuing to expand its audience. As one executive noted,

[YouTube] is constantly in flux ... We're at the intersection of several disruptions ... Gaming is going through what happened with book publishing, and film ... everything's going digital;

um, the cost to produce stuff is significantly lower, so people can do it on their own; the cost to publishers are getting blown up, like THQ.

No one claims to know exactly what the industry is going to look in the long term, but the flexibility of the MCN model allows the company to expand to other platforms when it deems fit.

## **CONCLUSION**

To determine whether YouTube contributes to the ideal of participatory culture, this dissertation investigated the agency, motivations, and perspectives of executives and partners at the MCN Machinima. It aimed to achieve a foundational understanding of the partner model, and the process by which amateur users become affiliated with the MCN and develop within the system.

The research showed that, as an extension of YouTube's evolving monetization efforts, the partner model is perceived as a way of providing structure to the enormous scale of the distribution platform, by outsourcing the process of extracting value from its aggregated audience of active users. In this specific case study, the MCN used the model to extend the reach of its distribution network, and increase the number of eyeballs that count towards its total audience, which in turn allows the company to attract more lucrative production relationships. The structure of the partner model, enabled by the unique technological affordances of the YouTube platform, also allows the MCN to identify emerging talent, incubate new franchise properties, and capitalize on a revenue sharing arrangement. Partners gain a number of benefits from participating in the model, including brand coaching, content formatting assistance, collaboration opportunities, and the additional views that affiliation with the MCN brings. Machinima and its partners both benefit from the MCN's highly focused demographic, which enables its advertising sales team to coordinate more effecting marketing and advertising campaigns, and ultimately generate more revenue from operations.

Contrary to claims that increased participation in new media is necessarily disruptive of the capitalistic mode of media consumption, the results of this research show that the data produced from active audiences on YouTube channels are utilized by the MCN to develop its content and explore new monetization propositions. Although a richer understanding of cultural production is a key aspect of Benkler's (2006) participatory culture ideal, the

economic value of this relationship is exploited primarily by the MCN and its partners. Van Dijck & Nieborg (2009), Hearn (2010), and Verstraete's (2011) dissection of Web 2.0 and the expanded lifecycle of the cultural product are particularly relevant, highlighting the need to interrogate the assumptions regarding the value of active users in the capitalistic system of production and consumption. Moreover, while participation in the aspirational model does provide partners a pathway to a career in the media industry, opportunities for transcending the perceived amateur-professional divide, to work on higher quality productions, are less common. This reinforces Carpentier's (2009) claim that the dominant ideology of cultural production, industrial capitalism, uses the perception of quality to filter productive activity. Therefore, Benkler (2006) and Jenkins (2006) assertion that participation leads to the distribution of communicative power, through equal access and representation, may have its limitations even in the partner model used by MCNs.

Still, there is evidence that the organizational structures such as the MCN are an improvement over traditional studio production and distribution and its closed system. Machinima has an interest in educating its partners on the strategy of developing a brand and cultivating an audience, thereby legitimizing YouTube as a space for cultural production and expanding the monetization opportunities for both MCNs and amateur producers endemic to the platform. This mutual benefit is illustrative of Lessig's (2008) conception of the hybrid commercial and non-commercial economy. Furthermore, the partner model does not appear to significantly influence production style or the type of content produced, and the system allows partners to maintain control of the direction of their work. While the perception of professional quality is still a barrier for advancement within the media industry, the research shows that attitudes toward amateur content are changing, and this is increasing the opportunities for participation within the system. Consequently, the formalization of content on YouTube appears to be in alignment with the goals of amateur producers as well as MCNs and advertisers.

The MCN model is a relatively new phenomenon that would benefit from more comprehensive analysis of the major controversies. Possible areas for further research include the precise relationship between MCN partners and their audiences, and the extraction of value from user data. Another area of focus is the model for incubating franchise properties, and the process by which MCNs use short films to gain insights about potential investments. Both areas would benefit from a larger sample of interview participants to analyze the relationships and the themes and issues associated with them.

## **REFERENCES**

- Aberbach, J. D. & Rockman, B. A. (2012) 'Conducting and Coding Elite Interviews', in J. D. Aberbach & B. A. Rockman (eds.) *PS: Political Science and Politics*, 35(4), (pp. 673-676). Washington, DC: American Political Science Association
- Adrejevic, M. (2009) 'Exploiting YouTube: Contradictions of User-Generated Labor', in P. Snickars & P. Vonderau (eds.) *The YouTube Reader*. Stockholm: National Library of Sweden/Wallflower Press.
- Banks, J. & Humphreys, S. (2008) 'The labour of user co-creators: emergent social network markets?' *Convergence*, 14, 401-418.
- Bauer, M. W. & Gaskell, G. (2000) 'Individual and group interviewing', in M. W. Bauer & G. Gaskell (eds.) *Qualitative researching: with text, image and sound. A practical Handbook*, (pp. 38-56). London: SAGE Publications, Inc.
- Bauwens, M. (2005) The political economy of peer production, *Ctheory*, 12 January, URL: <http://www.ctheory.net/articles.aspx?id=499> [Last consulted May 5, 2013]
- Bauwens, M. (2009) 'Class and capital in peer production', *Capital & Class*, 33(1), 121-141.
- Benkler, Y. (2006) *The wealth of networks: how social production transforms markets and freedom*, New Haven, CT: Yale University Press.
- Berger, A. (1998) 'Depth Interviews: favorite singers and recordings', in A. Berger (ed.) *Media research techniques*, (pp. 55-62). London: SAGE Publications, Inc.
- Bruns, A. (2006) 'Towards Prodisage: Futures for User-Led Content Production', in F. Sudweeks, H. Hrachovec, C. Ess (eds.) *Proceedings Cultural Attitudes towards Communication and Technology*, (pp. 275-284). Perth, Australia: Murdoch University.
- Bruns, A. (2008) *Blogs, Wikipedia, Second Life and Beyond: From Production to Prodisage*, New York: Peter Lang.
- Bruns, A. (2012) 'Reconciling Community and Commerce? Collaboration between Prodisage Communities and Commercial Operators', *Information, Communication & Society*, 15(6), 815-835.
- Bulkley, K. (2012) Machinima: monetising the gaming industry's 'lost boys', *The Guardian*, 31 July, URL: <http://www.theguardian.com/media-network/media-network-blog/2012/jul/31/machinima-monetising-gaming-industry-lost-boys> [Last consulted May 13, 2013]
- Burgess, J. (2012) 'YouTube and the formalisation of amateur media', in D. Hunter, R. Lobato, M. Richardson, & J. Thomas (eds.) *Amateur media: Social, cultural and legal perspectives*, (pp. 53-58). Abingdon: Routledge
- Burgess, J. E. & Green, J. B. (2009) 'The entrepreneurial vlogger: participatory culture beyond the professional-amateur divide', in P. Snickars & P. Vonderau (eds.) *The YouTube Reader*. Stockholm: National Library of Sweden/Wallflower Press.
- Burgess, J. E., & Green, J. B. (2009) *YouTube: Online video and participatory culture*, Malden, MA: Polity.
- Carpentier, N. (2009) 'Participation Is Not Enough: The Conditions of Possibility of Mediated Participatory Practices', *European Journal of Communication*, 24(4), 407-420.
- De Kosnik, A. (n.d.) Interrogating "free" fan labor. *Spreadable Media*, URL: <http://spreadablemedia.org/essays/kosnik/#.UMpZx3f5dFt> [Last consulted May 13, 2013]
- De Peuter, G. & Dyer-Witheford, N. (2005) 'A Playful Multitude? Mobilising and Counter-Mobilising Immaterial Game Labour', *FibreCulture Journal*, 5. URL: <http://five.fibreculturejournal.org/fcj-024-a-playful-multitude-mobilising-and-counter-mobilising-immaterial-game-labour/> [Last consulted May 1, 2013]
- Delwiche, A. & Henderson, J. J. (2011) *The Participatory Cultures Handbook*, New York: Routledge.
- Deuze, M. & Banks, J. (2009) 'Co-Creative Labor', *The International Journal of Cultural Studies*, 12(5), 419-431.
- Dul, J. & Hak, T. (2008) *Case Study Methodology in Business Research*, Oxford, UK: Elsevier Ltd.
- Ezzy, D. (2002) *Qualitative Analysis: Practice and Innovation*, Sydney, Australia: Allen & Unwin.

- Farchy, J. (2009) 'Economics of Sharing Platforms: What's Wrong with the Cultural Industries?', in P. Snickars & P. Vonderau (eds.) *The YouTube Reader*. Stockholm: National Library of Sweden/Wallflower Press.
- Fleming, M. (2013) Ridley Scott Partners With Machinima To Develop Episodic SciFi Web Programming, *Deadline Hollywood*, 11 March, URL: <http://www.deadline.com/2013/03/ridleyscottpartnerswithmachinimatodevelopepisodicsciwebprogramming/> [Last consulted March 11, 2013]
- Forbes (2011, May 25) *Why Machinima.com Is A YouTube Success*, 25 May, URL: <http://www.youtube.com/watch?v=9I4ltPYeHeE> [Last consulted May 15, 2013]
- Frank, B. (2004) Changing Media, Changing Audiences, Remarks at the MIT Communication Forum, Cambridge, MA, 1 April, URL: [http://web.mit.edu/comm-forum/forums/changing\\_audiences.html](http://web.mit.edu/comm-forum/forums/changing_audiences.html) [Last consulted May 15, 2013]
- Gee, J. (2004) *Situated Language and Learning: A Critique of Traditional Schooling*, New York: Routledge.
- Gerring, J. (2006) *Case Study Research: Principles and Practices*, Cambridge: Cambridge University Press.
- Green J. & Jenkins H. (2009) 'The moral economy of Web 2.0: audience research and convergence culture', in J. Holt & A. Perren (eds.) *Media Industries: History, Theory, and Method*, (pp. 213–225). Malden, MA: Blackwell Publishing.
- Hartley, J., Burgess, J. E., & Bruns, A. (2013) *A companion to new media dynamics*, Chichester: Wiley-Blackwell.
- Hearn, A. (2010) 'Structuring feeling: Web 2.0, online ranking and rating, and the digital 'reputation' economy', *Ephemera: Theory and Politics in Organization*, 10, 421–438, URL: <http://www.ephemerajournal.org/sites/default/files/10-3hearn.pdf> [Last consulted May 10, 2013]
- Holstein, J. A. & Gubrium, J. F. (1997) 'Active Interviewing', in D. Silverman (ed.) *Qualitative research: theory, method and practice*, (pp. 113-129). London: SAGE Publications, Inc.
- Hustvedt, M. (2011) YouTube Reveals Original Channels, *TUBEFILTER*, 28 October, URL: <http://www.tubefilter.com/2011/10/28/youtube-original-channels/> [Last consulted July 24, 2013]
- ICM Reporting (2013) Philip DeBevoise #DME13, URL: <http://www.youtube.com/watch?v=Srm68sggJgE> [Last consulted May 15, 2013]
- IrishWelshCelt (2012) FIFA 12: Youtube Partnership, Yeousch, why I left Machinima and YouTube Ads, URL: <http://www.youtube.com/watch?v=LP6Nu3-5Kkg> [Last consulted May 15, 2013]
- Jenkins, H. (2006) *Convergence Culture: Where Old and New Media Collide*, New York: New York University Press.
- Jenkins, H. (2006) *Fans, bloggers, and gamers: exploring participatory culture*, New York: New York University Press.
- Jenkins, H. (2010) Why Participatory Culture Is Not Web 2.0: Some Basic Distinctions, *HenryJenkins.org*, 24 May, URL: [http://henryjenkins.org/2010/05/why\\_participatory\\_culture\\_is\\_n.html](http://henryjenkins.org/2010/05/why_participatory_culture_is_n.html) [Last consulted May 24, 2013]
- Johnson, J. & Joslyn, R. (2001) 'Document Analysis: Using the written record', in J. Johnson & R. Joslyn (eds.) *Political science research methods*, (pp. 237-270). Washington, DC: CQ Press.
- Keller, J. (2013) How Machinima is diving into scripted content without leaving gamers in the dust, *Fast Company Create*, 8 July, URL: <http://www.fastcocreate.com/1682844/how-machinima-is-diving-into-scripted-content-without-leaving-gamers-in-the-dust> [Last consulted July 15, 2013]
- Knoll, E., Maude, I., Enders, A. (2013) YouTube's Original Channels venture, *Enders Analysis*, 8 January, URL: <http://www.endersanalysis.com/content/publication/youtube%E2%80%99s-original-channels-venture> [Last consulted May 1, 2013]
- Knoll, E. (2013) YouTube MCNs: The New Networks, *Enders Analysis*, 21 August, URL: <http://www.endersanalysis.com/content/publication/youtube-mcns-new-networks> [Last consulted August 24, 2013]

- Küicklich, J. (2005) 'Precarious playbour: modders and the digital games industry,' *Fibreculture Journal*, 5, URL: <http://www.five.fibreculturejournal.org/fcj-025-precarius-playbour-modders-and-thedigital-games-industry/> [Last consulted May 1, 2013]
- Leadbeater, C. (2007) *We-Think. Why Mass Creativity Is the Next Big Thing*, URL: <http://www.wethinkthebook.net/cms/site/docs/charles%20full%20draft.pdf> [Last consulted May 15, 2013]
- Leadbeater, C. & Miller, P. (2004) *The Pro-Am Revolution: How Enthusiasts Are Changing Our Economy and Society*, URL: <http://www.demos.co.uk/publications/proameconomy/> [Last consulted May 1, 2013]
- Lessig, L. (2008) *Remix: Making Art and Commerce Thrive in the Hybrid Economy*, New York: Penguin.
- Locke, C., Levine, R., Searles, D., Weinberger, D. (2000) *A Cluetrain Manifesto: The End of Business as Usual*, New York: Perseus Books.
- Machinima (n.d.) About Machinima, URL: <http://www.machinima.com/overview> [Last consulted August 20, 2013]
- McChesney, R. (2008) *The Political Economy of the Media*, New York: Monthly Review Press.
- McDonald, P. (2009). 'Digital Discords in the Online Media Economy: Advertising versus Content versus Copyright', in P. Snickars, & P. Vonderau (eds.) *The YouTube Reader*. Stockholm: National Library of Sweden/Wallflower Press.
- Mills, A. J. (2010) *Encyclopedia of Case Study Research*, 1. Thousand Oaks, CA: SAGE Publications, Inc.
- MIPMarkets (2012) Keynote: Philip DeBevoise, Machinima - MIPCube 2012, URL: <http://www.youtube.com/watch?v=1jWaRn99ylo> [Last consulted May 15, 2013]
- Mosco, V. (2009) *The Political Economy of Communication*, 2<sup>nd</sup> ed., London: SAGE Publications, Inc.
- Murdock, G. & Golding, P. (1973) 'For a political economy of mass communication', in R. Miliband et al (eds.) *The Socialist Register*, (pp. 205-234). London: Merlin Press.
- O'Reilly, T. (2007) 'What is Web 2.0: Design Patterns and Business Models for the Next Generation of Software', *Communications & Strategies*, (1), 17, URL: <http://ssrn.com/abstract=1008839> [Last consulted May 21, 2013]
- Potts, J., Hartley, J., Banks, J., Burgess, J., Cobcroft, R., Cunningham, S., & Montgomery, L. (2008) 'Consumer Co-creation and situated creativity', *Industry & Innovation*, 15(5), 459-474, URL: <http://eprints.qut.edu.au/> [Last consulted May 24, 2013]
- Protalinski, E. (2013) YouTube rolls out redesigned 'One Channel' layout to all users, *The Next Web*, 5 June, URL: <http://thenextweb.com/google/2013/06/05/youtube-rolls-out-redesigned-one-channel-layout-to-all-users/> [Last consulted July 24, 2013]
- Raymond, E. S. (2000) The Cathedral and the Bazaar, URL: <http://www.catb.org/~esr/writings/cathedral-bazaar/cathedral-bazaar/index.html> [Last consulted May 1, 2013]
- ReelSEO (2012). Allen Debevoise CEO, Machinima: Video Advertising & Monetization, [https://www.youtube.com/watch?v=6buT1zE\\_Vew](https://www.youtube.com/watch?v=6buT1zE_Vew) [Last consulted May 15, 2013]
- Ritzer, G. & Jurgenson, N. (2010) 'Production, Consumption, Prosumption: The nature of capitalism in the age of the digital prosumer', *Journal of Consumer Culture*, 10(1), 13-36.
- Roberts, K. (2005) *Lovemarks: The Future Beyond Brands*, New York: Powerhouse.
- Rosen, J. (2006) The People Formerly Known as the Audience, *PressThink*, 27 June, URL: [http://archive.pressthink.org/2006/06/27/ppl\\_frmr.html](http://archive.pressthink.org/2006/06/27/ppl_frmr.html) [Last consulted May 24, 2013]
- Sawers, P. (2013, April 8) Mortal Kombat, Legacy: The story behind Warner's accidental YouTube blockbuster, *The Next Web*, 8 April, URL: <http://thenextweb.com/events/2013/04/08/mortal-kombat-xxxx-talks-building-a-split-screen-blockbuster/> [Last consulted May 15, 2013]
- Scholz, T. (2013) *Digital Labor: The Internet as Playground and Factory*, New York: Routledge.

- Smart Bits (2012) Interview with Allen DeBevoise of Machinima, URL: <http://www.youtube.com/watch?v=d89KIuMcd4I> [Last consulted May 15, 2013]
- Surowiecki, J. (2004) *The Wisdom of Crowds: Why the Many Are Smarter than the Few and How Collective Wisdom Shapes Business, Economies, Societies, and Nations*, New York, NY: Doubleday.
- Tapscott, D. & Williams, A. D. (2006) *Wikinomics: How Mass Collaboration Changes Everything*, New York: Portfolio.
- Terranova, T. (2000) 'Free labor. Producing culture for the digital economy', *Social Text*, 18(2), 33–58.
- Toffler, A. (1980) *The Third Wave*, New York, NY: Morrow.
- Totilo, S. (2012) He's a Video Game Video Star, And He Wants Out. *Kotaku*, 29 March, URL: <http://kotaku.com/5897574/hes-a-video-game-video-star-and-he-wants-out> [Last consulted May 20, 2013]
- USC Annenberg Innovation Lab (2013) Innovation Summit 2013: The Future of Television, URL: <https://vimeo.com/65776148> [Last consulted June 15, 2013]
- Van Dijck, J. (2009) 'Users like you? Theorizing agency in user-generated content', *Media, Culture & Society*, 31, 41–58.
- Van Dijck, J. & Nieborg, D. (2009) 'Wikinomics and its discontents: a critical analysis of Web 2.0 business manifestos', *New Media & Society*, 11(5), 855-874.
- Verstraete, G. (2011) 'The politics of convergence on the role of the mobile object', *Cultural Studies*, 25(4), 534-547.
- Wasko, J. (2004) 'The Political Economy of Communications' in J. D. H. Downing et al (eds.), *The Sage Handbook of Media Studies*, (pp. 309-329). London: SAGE Publications, Inc.
- xJawz (2013) Why I left Machinima, URL: <http://www.youtube.com/watch?v=TPwE9p7eMao> [Last consulted May 15, 2013]
- Yin, R. K. (2003) *Case study research: design and methods*, Thousand Oaks, CA: SAGE Publications, Inc.
- Yin, R. K. (2003) *Applications of case study research*, London: SAGE Publications, Inc.



## **APPENDIX I: TOPIC GUIDE**

### **Interviews with Machinima Executives**

How was the partner model created? What were the original goals of the model?  
What makes a potential partner want to join Machinima? What is the partner selection process like?  
What is the hypothetical best partner? What can you do to attract them?  
What kind of relationship do you maintain with partners? When do you decide to let certain partners go?  
Who is involved in curating content, and developing an overall identity for the company?  
How independent are the partners in this respect?  
What do advertisers think about the partner model? What kinds of feedback do you get about partner content and marketing opportunities?  
What are Machinima's goals for increasing profitability? Is advertising revenue the main source?  
What kinds of restrictions does the ad revenue model place on the company?  
What's your take on the future of online advertising?  
What is competition like between MCNs?  
What are the pros and cons of Machinima's massive, but still niche audience (predominantly male gamers 18-34) in terms of ad sales?  
Is there a desire to expand that audience to make it more mainstream?  
What kinds of feedback do you receive from your audience? How do you collect feedback?  
How is the audience involved in developing new ideas for programming?  
Machinima has recently announced a number of high profile co-productions and partnerships with established Hollywood talent such as Ridley Scott.  
Are there plans for YouTube partners to be involved in development or production of premium content?  
How would a new premium service affect YouTube partners? How would it affect the quality of content?  
What would ensure success relative to other premium service competitors?  
Machinima closed a \$35m financing round with Google.  
What kind of goals did the company have in mind when it obtained that funding? What are the obstacles to this growth?  
Where do the YouTube partners fit into this plan, versus co-productions and partnerships with Hollywood talent?  
Is there a desire to expand onto other platforms or traditional media? To develop a proprietary platform?  
What is Machinima's number one goal? Where will the company be in 1 year, 5 years?

### **Interviews with Machinima Partners/Directors**

How did you get first interested or involved in YouTube and "vlogging"?  
Did you have any prior experience in production? How did you learn to make videos?  
Do you get production advice or assistance from Machinima or from your audience?  
Does Machinima have any production standards or requirements for the videos that you post?  
What kinds of feedback do you get from your audience, and from Machinima managers?  
Do you have a different sense of what a quality video is now compared to when you first started?  
Do you feel any pressure to change your production style or the type of content that you produce?  
What kinds of restrictions does the advertising revenue model place on your channel?  
What's your target audience? Are you looking to expand your audience?  
Would you rather your channel appeal to a niche group, or the mainstream?

What do you feel is the main benefit of being affiliated with Machinima?  
What is the main benefit of YouTube as a distribution platform?  
What other platforms do you use?  
Are there opportunities for you to develop your brand outside of YouTube?  
Do you have any desire to work in traditional media, such as film or television?  
What's your number one goal for your channel?

## **Electronic MSc Dissertation Series**

The Media@LSE Electronic MSc Dissertations Series presents high quality MSc Dissertations which received a mark of 72% and above (Distinction).

Selected dissertations are published electronically as PDF files, subject to review and approval by the Editors.

Authors retain copyright, and publication here does not preclude the subsequent development of the paper for publication elsewhere.

---

---

---