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Michael Nathanson (MoffettNathanson): Okay, everyone. We're going to get started. Okay, ready? This is going -- let me start with the Safe Harbor, Neal. So some of the comments Mr. Mohan may make today could be considered forward looking. These statements involve a number of risks and uncertainties that could cause actual results to differ materially. Please refer to Alphabet's Form 10-K and 10-Q including the risk factors. Any forward-looking statements that Mr. Mohan makes are based on assumptions as of today, Alphabet undertakes no obligations to update them.

Neal, thank you for being here.

Neal Mohan, CEO of YouTube: Thank you. Thanks for having me.

Michael Nathanson (MoffettNathanson): I know you guys are excited about that. Let me tell you about Neal before we get going. CEO of YouTube. His focus is on empowering creators, fostering community, and driving the future of video. Prior to becoming CEO in 2023, he served as YouTube's Chief Product Officer. Before joining YouTube, Neal was a pioneer in digital advertising, first leading product development and strategy at DoubleClick and then as Senior Vice President of Display and Video Advertising at Google.

Neal holds a Degree of Electrical Engineering from Stanford and an MBA from Stanford as well. Last year he was named "Time Magazine's" CEO of the Year. Congratulations on that.

Neal Mohan, CEO of YouTube: Thank you.

Michael Nathanson (MoffettNathanson): This is Neal's third appearance in the past four years and we are honored to have him. So, congrats on being named CEO of the Year by "Time." In that article you were quoted as saying the entire dynamics of the media industry are changing before our very eyes. It's incredibly disruptive. And if you don't adapt, you can be left by the wayside.

So now all of us in this room are quite familiar and well versed about that disruption. But can you talk about some of the biggest adaptations that you've made in the past years since you last graced our stage?

Neal Mohan, CEO of YouTube: Yeah. First of all, thank you for having me. It's a privilege to be here. Nice to see some familiar faces in the audience as well. I'll start by maybe just a little bit of big picture, because I think that sets the context for the rest of our conversation which is as you point out, it is an incredibly dynamic time in the industry. Lots of aspects of it are changing, driven by all of us as consumers and viewers of media.

And so for us or at least for me, it's helpful that there's lots of consistency to our strategy. And so in terms of context, I'll say a little bit of what I shared last year, because the most important thing is our strategy remains the same. Which is at YouTube, we have this flywheel and it always starts with our creators. That, I believe, is a unique proposition about YouTube.

Creators, YouTubers, call YouTube their home. That's differentiated from social media. It's differentiated from streaming and TV. And so everything starts with that. Our adaptation there is to keep pace with what these creators want to do from a business standpoint in terms of creation tools. In terms of, you know, expanding their audiences, connecting them with new audiences all over the world.

For example, eliminating in many ways the only barrier that exists between a creator and their fans in the world - which is language, through things like AI-powered, you know, multi-audio dubbing. Right? Multi-track audio.

So creators are the core piece, but that's what attracts the 2 billion viewers that come to YouTube every day across all screens, across Living Room, Mobile, Desktop. Living Room in the U.S. gets 200 million hours of watch time every single day. And so viewers are really important.

And then ultimately, obviously, that's what attracts the monetization, we are primarily an AVOD business but a third of our business is now SVOD, subscriptions. That is also an area that is very ripe for innovation. A lot of it AI-powered, which we can talk about.

So that's the broad flywheel. Creators, viewers, and monetization. And what's accelerated it - what's changed about it in the last year is it's just accelerated. I think a lot of that is through our efforts. I'll just give you two examples.

The first is we talk about our creators. Many of you heard me talk about creators, YouTubers. Those are the core strength of YouTube. It's interesting to me especially in the last 12 months how many non-endemic creators, people who come from other parts

of the media industry whether they are athletes. At our Brandcast event last night we had Dwyane Wade and Draymond Green talking about their channels on YouTube. Whether Trevor Noah or Oprah, all of them wanting to become YouTubers. So that's a big sort of trend in the last few months. I think accelerates this flywheel.

The other piece is going in the other direction which is if you are a YouTuber, it opens up a whole plethora of opportunities for you. One of my favorite examples, everybody knows about MrBeast, but one of my favorite examples is Markiplier. Mark built a movie. He self-funded it. He led his millions and million of subscribers on YouTube through that journey over the last several years and then released it in theaters.

He thought it was an independent production, so maybe it would be in two or three theaters. Maybe 50 theaters. Because of his YouTuber follower base, it opened to thousands of theaters and was the number-one-grossing movie on the weekend it was released.

And so that trend, those trends of creators really sort of being these businesses and other folks wanting to become creators really accelerates that flywheel. That is a trend we've seen in the last 12 months.

Michael Nathanson (MoffettNathanson): I was going to say to you, when I think about our own coverage here at MoffettNathanson, it feels to us in the past couple years, it's striking to see the traditional media world now waking up to YouTube and the power of YouTube. And I know you've had Brandcast for the past seven or eight years.

You've been at YouTube for a while, what were the early bets and innovations that you thought would pay off; right? When you go back to this crazy idea called YouTube, now it's what it is. But what attracted you to it as a business model?

Neal Mohan, CEO of YouTube: Yeah. I think one of the nice things at YouTube and being part of the Alphabet family is we can make long-term bets. And whether it's, you know, investing in AI alongside our sister company in Google DeepMind. But I'll just give you some examples of those.

One of the longest bets we made and people thought was crazy at the time was investing in our subscriptions business. Today YouTube Music and Premium has as of last year over 125 million subscribers. You know, YouTube TV is what it is. And when we were making those bets, people were like why would people pay? You already offer all of this for free.

And it turns out that if you add user value whether it's interruption-free, downloads, background, or building more features on top of it, users see value in that and that's why we built that business. So that was a bet we made a really long time ago.

Fast forward to today, this last quarter, we added the most non-trial subscribers ever in the history of Premium globally but also in the U.S. So that was a really big bet we invested in. Another one which I talk a lot about, because it was also kind of one of those overnight successes that turns out was many, many years in the making is YouTube in the Living Room. [The primary device for] watch time of YouTube happens on TV screens in the U.S¹.

We saw those early trends actually well before COVID. Obviously accelerated in COVID and kind of continued, but that was a bet even before COVID. And it required an enormous amount of technological innovation, because the television market, unlike mobile, is very heterogeneous. All kinds of OEMs, etc.

We had to make the video feel cinematic: 4K, 8K. We had to invest in episodic content. Podcasts is another one where it turns out that actually hosting podcasts and betting on people wanting to watch, not just listen turned out to be a big bet. And we are now the number-one podcast platform globally.

And so those are some examples of how we identify trends and then we invest in them heavily, forward invest for many years in many cases before they end up producing returns. And, you know, they've led to the successful position we are in now in Living Room, podcasts, et cetera.

Michael Nathanson (MoffettNathanson): You segued to my next question which is we know YouTube is more than \$60 billion of revenue. We know it is the biggest media company in the world. You talk about subscriptions. It's growing faster, probably twice as fast as advertising. Right?

So can you talk a bit about the products that drive that? Any surprises in the learnings? I know you made a bet on subscriptions, but it's growing at literally high teens rates based on our work.

Neal Mohan, CEO of YouTube: Yeah. As you know, Michael, we have two subscription businesses. We have YouTube Music and Premium. That's the 125 million+ subscribers. And then we have YouTube TV. And I would say that the strategic insights or the product insights are similar in both of them.

¹ Revised to correct an inaccuracy.

The first and, you know, probably the most important is just product innovation. So we've invested very heavily. Hopefully many of you are subscribers in the YouTube TV experience. Right? Things like multiview, things like key plays. Really leaning into if we're fans of that media, how would we want to consume that type of content?

So product innovation is one. I already talked about how we thought about that with YouTube Music and Premium. But the second is actually giving real consumer choice. So the fact we offer a paid subscription that comes with a particular set of features and content, that in and of itself is a way of giving consumers choice. But we've really leaned into that.

So for example, with Premium, we now have a SKU that's, below that, called Premium Lite. And Premium Lite is a way for people to pick the SKU that works best for their wallets but also for the value they're looking to get out of it.

We just launched on YouTube TV ten different tiers. Sports bundle, Sports plus News, Entertainment, et cetera. Again to just give broader consumer choice. And I view that as TAM expanding, opportunity expanding, delivering value for viewers. And those have been the two most salient insights in terms of how we've been able to grow the subscription business.

Michael Nathanson (MoffettNathanson): I want to come back to the bundles and the packs with YouTube TV. But I want to talk to you first about pricing. Because I think for the first time in three years, you increased pricing on YouTube Premium. I can tell you my YouTube bill for TV is higher now than it was three or four years ago. So talk about what's driving those price increases and what gives you confidence there's not consumer pushback and churn doesn't increase.

Neal Mohan, CEO of YouTube: You're right. It's the first time in three years we raised prices on Premium just a few weeks ago. First and foremost is what I said which is we look at making sure we're delivering real user value. There's multiple ways of doing that. Obviously acquisition and churn is one way, sort of, kind of a hard metric way of doing it. We survey our users pretty regularly. We keep getting that feedback.

So if you're not delivering that value, you don't have a right to raise prices. That's the biggest thing. These are businesses where we also have to make sure that we are fair to our partners. You know, it costs money to put this content in front of our users, our SVOD businesses have a professional content provider aspect to them. Whether it's the traditional media company partners, whether it's the music labels.

And so we pay them for our subscribers. And so -- all of that goes into the consideration. You know, I think the most important thing is that we all as consumers get to vote with our feet, so to speak. Despite the price increases over the years, our business has continued to grow. As I said, this was our strongest quarter ever in Q1.

So that to me at least is an indicator that our viewers who have lots and lots of choice see a lot of value in our subscription products.

Michael Nathanson (MoffettNathanson): What's great about having you here is there's been a ton of discussion at this conference about AI and the dream of AI. You're actually using AI. You've been using it for a while. Can you talk about how you're using AI across your creator market, ad market, consumer market and where you are in that journey. How would you measure where you are today and what are the things you're dreaming of the next couple years?

Neal Mohan, CEO of YouTube: Yeah. I do think that YouTube has this very sort of unique vantage point when it comes to this AI sort of revolution that we're in. On the one hand, we are working with the most cutting-edge technology, the deepest technology, inventing it at YouTube, working as I said very closely with DeepMind on a daily basis.

And so we're exposed to that depth of technology and how fast it's moving. But we also face the creative industry, the media industries every single day. So the way I think about AI and how it is transforming or really empowering the YouTube businesses, really empowering human creativity.

And I'll go back to the flywheel that I talked about. For us, AI is first and foremost about making our creators' jobs easier and more effective. And so the most obvious place where you see it in the YouTube product is when you open up the app and you hit that plus button. A lot of the creation tools that exist there are powered by Gemini, Veo, all of our investments in AI models.

And so now, you know, if you are watching a YouTube Short and you want to insert yourself in it, you can do that through AI. And that might have been something you were able to do, sort of kludge together, might have taken a few days. Now it happens in less than a minute; right?

And so what that does is it makes creators free to go and do other things that they otherwise wouldn't have been able to do. And it also expands the pool of creators. And so that's on the creation side. Viewers, I think it's about two things. One is using AI to continually improve the power of YouTube recommendations. Hopefully this is

something that you all experience, an improvement literally on a monthly basis. And that is a deep investment in Gemini and making it so that there's a much deeper understanding of all of us as viewers when you open up the app that makes the recommendations better.

And then from a monetization standpoint, it's really about making it so that we can deliver ROI for advertisers. Whether it's being able to generate creative using AI that they can put in Shorts or in YouTube traditional long form. Whether it's about better optimizing their campaigns that run on YouTube.

And so it really is every aspect of the flywheel. I could go on and on. There's so many parts.

Michael Nathanson (MoffettNathanson): Of the three markets you serve, where do you think you're the furthest along, where you see the most tangible benefits from rolling these tools out today?

Neal Mohan, CEO of YouTube: I think it's across all of these. The creation tools have been in the product for I'd say now a couple years. Every week, every month we're adding new capabilities there. One aspect that every time I talk to creators that I hear about is not just these creation tools around videos, but how do we make the whole creative journey easier.

So I was with a creator at our Brandcast event last night and she was telling me how much she loves a product called Ask Studio. That's when you go into YouTube Studio which is the product that creators use to manage their videos on YouTube. And instead of going and maybe asking for a particular report or a slice of data, you can just Ask Studio and it literally will give you deep insights in terms of trends on your videos, on your channel, what have you.

And now there's infinite pieces of insights that you can get out of something that you previously would have just -- it would have taken you days or weeks to actually pull that insight using all the reporting that we had. Now it happens instantaneously.

And so I'm very proud of how far we've moved the ball from a creator standpoint. We have a feature called Ask on the viewer side. So if you watch a YouTube video on your phone or desktop, you might notice that Ask button below the video, that's a way for you to interact much more deeply with the video itself.

So if you're listening to a new Justin Bieber song or video, well, you can ask where

those lyrics come from. How do we think about that? It's just a deeper connection between viewers and creators and just in April that had 75 million users using it on a regular basis. So those are just some examples of how you see it in the core YouTube experience, enhancing it.

So it's really all of these pieces are being accelerated. Every month you see new capabilities getting layered on.

Michael Nathanson (MoffettNathanson): Right. And are things developing faster than you thought? Are you being blown away by things you're seeing on the creator side?

Neal Mohan, CEO of YouTube: I mean, I think every time you put a new set of capabilities in front of creators, it is really amazing how quickly they adopt them. And it's really amazing what new types of formats and creativity it produces. And given how fast the underlying AI technology is developing especially at Google, it's no surprise you're seeing that in terms of how creators are using these features.

Michael Nathanson (MoffettNathanson): Let me ask you some questions we get from covering other industries. So we cover the music industry. A question we get a lot is can you talk a bit about how you view the impact of AI-created content consumer behavior when it comes to music. How do you think that develops?

Neal Mohan, CEO of YouTube: Well, there's two aspects of it. One is on the actual creation side. And music, you know, for decades -- and I've been in the music industry for a very long time. Artists adopt new technology; right? The drum machine back in the '80s or new ways to actually produce new sounds. They incorporate that into their creativity, into their craft.

And so that's one aspect where you're seeing that in the music industry. Again, it is a tool to empower the human creativity as opposed to a replacement, in my view. And so that's one piece. We partner very closely with our music partners in that regard. Whether they're the labels, artists directly themselves.

The other piece is that my guess was that when it came to AI and the media industry, music would actually be one of the places that would be impacted first and perhaps most profoundly at least early on. And so one of the things that we did was I went to all of our label partners and tried to come up with these set of principles how we would innovate here. And the first principle was, you know, the industry couldn't bury its head in the sand. It had to be bold in terms of adopting these technologies, because they were coming.

But then also, we had to do it in a way that was responsible to the artist, to their fans, et cetera. And so to give you a flavor of that, one of the pieces of technology that we've worked on a lot in the AI realm is something called Likeness Detection. And so those of you familiar with YouTube, you'll know that one of the foundational pieces of the entire creator economy is a technology called Content ID.

And Content ID is about giving rights holders the ability to have their content -- it's actually one of the earliest uses of AI at YouTube. Almost ten years ago, maybe longer. Where they have control over what comes down and how it gets monetized. So we're taking that same principle to the AI world with likeness detection.

And so if an artist's singing voice is generated, then that artist should have control over how it's used. Output control over it. And so that is a unique-to-YouTube-type capability and principle that we're bringing to the AI realm and music is one of the places where you'll see its adoption. Because now if you're an artist, you get to decide. Do I want to monetize that or do I want it removed?

Michael Nathanson (MoffettNathanson): Do you think there's a risk long-term that consumption -- consumers will start adopting more AI-created content over traditional recorded music? And you see -- you probably see the data from YouTube Music side of it.

Neal Mohan, CEO of YouTube: My belief is that a lot of music and why we all fall in love with music and why it's such a core part of the culture in our core memories through our life is because there's human stories behind them; right? Like two computers can play chess, but in order for us to be interested at least one of them has to be human; right?

And so I think the same thing applies in the music realm. It doesn't mean there won't be AI-generated music, that is part of this journey, but at least in my view I don't view it as a replacement.

Michael Nathanson (MoffettNathanson): Okay. I have to ask you about platform health and AI slop. As the technology develops, how do you prevent AI slop from really infesting the platform and hurting both the user experience and the creators' ability to connect and build community?

Neal Mohan, CEO of YouTube: Look. I mean, we talked about all of these amazing tools that are -- that AI will enable. And one of them -- one of the aspects of them is a lot

more people can create. And the cost of producing videos for YouTube goes down dramatically. And that can lead to amazing content, but it can also lead to low-quality content.

And this notion of low-quality or spammy content has been, you know, a concept that has existed on platforms including YouTube for many, many years that we have dealt with effectively through our content policies, our trust and safety systems, but also our recommendation systems. The way that our recommendation systems on YouTube work is looking at a concept of long-term satisfaction.

So not just watch time in the near term, but are you satisfied over the long-term in terms of your YouTube experience? And that is a very, very effective tool at weeding out low-quality, spammy-type content in the process. And those same techniques are being applied to things like AI slop, low-quality AI-generated content.

I'm pleased with what we're seeing. It doesn't mean the challenge isn't going to be there, but it's my team's responsibility to remain on top of it so that it doesn't become something that you associate with your experience on YouTube. I'm confident it won't be, but that's sort of how -- that's how we approach it.

The other thing I'll say quickly on that, Michael, is it's also important to make sure that we don't overdo that. AI is also going to enable many new forms of creativity. And there are lots and lots of very many mainstream popular genres on YouTube today that might have seemed strange when they were first invented. Like the most canonical example is, you know, watching live streams of people playing Minecraft. Like, who would do that? Turns out that's an enormous vertical on YouTube.

Michael Nathanson (MoffettNathanson): I've asked that question.

Neal Mohan, CEO of YouTube: And it's created a culture that resulted in a \$300 million grossing Minecraft movie last year. And so it's really important to make sure that we don't suppress those types of emerging forms of creativity that might have seemed strange at first.

And so we're always trying to strike that balance. But, you know, AI slop is not something that we -- you're going to see prevalence of on YouTube because of these techniques.

Michael Nathanson (MoffettNathanson): You've said it here today, you've said it throughout your whole time as a leader. You're really focused on the creator, the creator

world. That's something you guys are truly supportive of. Seems like in the past couple years, a lot of your competitors have woken up to the power of the creator universe.

So what are you doing to ensure the creators on YouTube will continue to stay on YouTube? And can you talk a bit about the monetization opportunities that are on YouTube versus other platforms?

Neal Mohan, CEO of YouTube: Yeah. Again, it's so fitting that this is happening right after our annual Brandcast upfront last night. It was a celebration of creators. We talked about so many new projects that our creators are embarking on because of YouTube. Show after show after show, the audience excitement, the advertiser excitement was palpable.

And it goes back to the fact that when you speak with these creators, they tell you over and over that their home is on YouTube. And when their success on YouTube creates opportunities off of YouTube, I view that as the success of those creators on YouTube, but also YouTube's success.

Because of the audience that we have been able to build for them, the fandom that we've been able to build because of the monetization opportunities we give them on YouTube, it creates all these opportunities on YouTube but also off of it. And I think that contributes to the flywheel. And our creators tell us that. You know, our biggest creator did a show -- did "Beast Games," MrBeast. You go into his offices, there's a sign that says the first rule of MrBeast is YouTube first. Because he knows that the fount of his success whether it's Feastables, whether it's "Beast Games" derives from his strategy and commitment on YouTube. And I see that across all of our creators. They tell me that over and over.

Now, it's nice -- it's amazing to see that other platforms have sort of identified YouTube creators as sort of the center of culture, and they are talking to them. But repeatedly -- and the one thing that's nice is our creators recognize they have this position of strength now and they can dictate the terms including -- having YouTube remain their home.

But, you know, some of the big things that really contribute to that are not just the audience that we build for them. But what we can do from a business standpoint. These are entrepreneurs. In the last four years, up to last year we paid out over \$100 billion to the creator economy across all of our partners. That is an enormous investment in our creators.

We have 3 million creators in our YouTube Partner Program that monetize every single

day. And we grow new forms of monetization all the time. We talk about AVOD and SVOD, but we also have direct fan funding models like channel memberships, like other -- like paid digital goods, gifting, et cetera that contribute to creators' revenue on our platform. And we're going to continue to invest in that.

Michael Nathanson (MoffettNathanson): Okay. Let me take you to Ads. You know well from even your days pre-YouTube, at DoubleClick, and then post DoubleClick again. Where do you see, is the biggest opportunity to drive better Ad growth at YouTube?

Neal Mohan, CEO of YouTube: I think -- the big picture is the reason why advertisers are interested in YouTube starts with, again, back to the flywheel. The creators and viewers that are there. When you go to YouTube, there is every type of format, every type of creative idea from on-demand to live. From 30-second Shorts to 15-hour live streams to everything in between. From watching a highlight clip for five minutes to two-hour podcasts about sports.

And so that's the essence of what actually makes it truly attractive to advertisers, because of that depth of content whether it's on the Living Room screen, whether it's on your mobile device is what gives advertisers every sort of use case. Meaning from the top of the funnel to the bottom conversion, you can do all of that on YouTube.

And that is something that our advertisers recognize. If you're a brand advertiser, you can build relevancy around your brand, build a story. And so just last night we had a great example from Coach. 85-year-old brand -- over 80-year-old brand. It was looking to recapture some of the relevancy around the brand, particularly around Gen Z and young users which of course are on YouTube.

And so they really leaned into creative storytelling on YouTube. It was a 60% increase in awareness. 600% -- six times increase in consideration. And a substantial increase in acquisition. And so every aspect of the funnel was hit by their YouTube strategy. And I think that is a unique differentiator of YouTube from all the other players whether it's social media on one end or kind of traditional linear TV and streaming on the other end.

The same thing applies to new opportunities like shopping. That's an area as you know that we're investing in heavily. So whether it's boosting creator content that already has links to -- affiliate links to your products. Whether it's turning a television screen, not just as a viewing medium but as a shopping medium but having things like purchase with Google Pay or QR codes.

Our job there is to create all of these new ad products that tap into the core aspect of YouTube which is every device, every type of format of content. And when I speak with advertisers and brands, that's what really resonates with them over the long run.

Michael Nathanson (MoffettNathanson): So over the past 12 months YouTube has decelerated as Search has accelerated. Can you talk about the factors that may be causing kind of the change in the growth rate from where it was 12 months ago?

Neal Mohan, CEO of YouTube: Yeah. Again, I think the way we look at it is ultimately all of the ad products that we build whether it's the AI conversation we were having, whether that empowers new creative types, new forms of optimization, it's about ROI to our advertisers and that sort of ultimately is what grows the Google Ad business. Of which YouTube also benefits. Not just Search over the long run.

And so that's really the best way to look at it. And that's what you should expect not just from YouTube but from Google overall in terms of how we look at it which is ultimately what is in the best interest of our advertisers. What are they telling us? They care about ROI on the performance side. Brand advertisers also have their success metrics that they measure in ROI terms. It's not just about views or reach, it's about how you actually hit those goals of awareness or consideration that I described in the Coach case.

And that's how you should expect Google to look at that.

Michael Nathanson (MoffettNathanson): Can I ask you about live events? YouTube had an NFL game last year. You have the Oscars coming in 2029. What is your appetite for continuing premium events and putting in front of your paywall and importantly how does the conversation change with rights holders as you've added some of these premium events?

Neal Mohan, CEO of YouTube: I think the best way to think about it -- again, just to give you some inside framework on this -- is it's really about live events as you said. YouTube is a place, we really are the epicenter of culture. Not just because of what the creators are doing every day. But also because of these big tentpole moments that exist and live is a way -- is one of the few mechanisms of true water cooler moments and the place where that happens is on YouTube.

Whether it was the Artemis launch. I'm guessing most people watched it, if you watched it live, on their YouTube channel. Whether it's Coachella which was this -- you know, it was happening at 3:00 in the morning on the east coast time when Justin Bieber was on stage, yet it became the world's biggest cultural moment. His vibe session in terms of

his YouTube history.

And especially if you're a young person; right? That was the culture for a week or two. And so we see that in the data all the time. Live is a big driver of that. And that's kind of one of the theses behind our investment. Whether it's sports as you mentioned, the Oscars because they are these cultural moments and they get amplified when they're on YouTube because of all the fandom that happens around them that shows up in Shorts or other forms of long-form VOD content.

And so -- and we look at -- I look at it sort of three lens. Can we -- by having it on YouTube, is there a chance to expand the opportunity? So in the context of Sunday Ticket, that was, well you don't need a guy to install a dish on your house. You can get it with two taps. That's TAM expanding; right? You don't need it to be tied to another subscription; right? That's one piece.

The second is, can YouTube bring some real technological innovation? So Multiview; right? Multiview is a great example on the YouTube TV side on the sports. Well, guess what? One of the ways people consume Coachella the most is Multiview, because Coachella is this concert that's across multiple stages. Wouldn't it be great if you could see four stages at once?

And then the third piece is our Creators. Can they enhance that viewing experience? And so you saw that in the context of the NFL. You should expect to see that in the context of something like the Oscars.

Michael Nathanson (MoffettNathanson): Cool. Connected TV. We touched on it before. The growth from connected TV has been amazing. You now tower over the number two company Netflix. We get a question about what type of content is driving this consumption trend? And talk a bit about the demographics. Because the data, older viewers like myself are growing faster than even younger viewers.

Can you give us under the hood on CTV, what are you seeing?

Neal Mohan, CEO of YouTube: Yeah. I think -- so there's over a billion hours of watch time every single day on living room devices on YouTube globally. 200 million in the U.S. There's -- there are billions of hours of YouTube -- I mean of Shorts watch time over the course of a month in the Living Room.

So at that scale, from a demographic standpoint, it's really all demographics. Otherwise you're not at those types of numbers. In terms of what's driving it, I think it's back to

what I said, which is, can we create an experience that really allows this content to shine? And most of the content that is consumed on YouTube on Living Room are from our creators, from YouTubers. That is the reality, because that's what viewers, especially young viewers, want to watch.

So when they're turning on the TV, they're turning on YouTube and it's their YouTube experience that they're getting. And so that's probably the most fundamental sort of profound thing that I would say about Living Room growth. I think that's an area that's -- that has lots of future opportunities.

Michael Nathanson (MoffettNathanson): And demographically in terms of the mix?

Neal Mohan, CEO of YouTube: I think it's across the board.

Michael Nathanson (MoffettNathanson): Okay. Got it. We have time for a couple more. Let me ask about Shorts. It looks like Meta reels are driving revenue pretty aggressively. Some of that could be allowed also in reels, but to what extent can Shorts drive further monetization for YouTube? Last year you broke the news that YouTube Shorts was monetizing.

Neal Mohan, CEO of YouTube: Right here.

Michael Nathanson (MoffettNathanson): Exactly, so why don't you break some more news. But what do you see now in terms of the ability to monetize Shorts and where does it go from here?

Neal Mohan, CEO of YouTube: Yeah. First and foremost, the way we think about Shorts is it's another creative format for our creators. It's another way for all of us as viewers to enjoy their YouTube experience. It is a mobile-first experience. Although, you know, one of the fastest growing places for Shorts is on the Living Room screen, believe it or not.

And so that's what you should continue to see -- that's what you should expect us to continue to invest in is the viewer and creator experience. In my view and I've been in the ad business for a long time, the advertising opportunities really stem from that. The nice thing about Shorts is that you can come up with formats that are less interruptive in the feed; right?

And that is what you have hopefully seen in your own Shorts experience. You can even have formats like stickers. I was speaking about shopping as a growth opportunity on

YouTube. We have shopping stickers on Shorts that allow for product placement and driving shopping that way. And that's seeing lots of success. We have over 500,000 creators that have tagged their videos with shopping.

So in terms of the RPM trends that you were talking about, we have -- we've reached parity not just in the U.S. but in several countries. In some countries we've even exceeded it including the U.S. So that's just a continued investment really in that full flywheel. I would really encourage folks to not just think about it from an advertising standpoint in isolation. It really is about delivering creator and viewer value first.

Michael Nathanson (MoffettNathanson): So my last question, it would not be a MoffettNathanson Conference if I didn't ask about YouTube TV and the changes you brought to linear bundle television. I thank you. You know I'm a big user. You announced ten specialized plans. What has been the consumer response to those plans? We would have hoped that the sports/news bundle would have been cheaper versus the big bundle. I was looking for a discount here on the sports and news.

So talk to us about consumer adoption on that plan and maybe the hopes longer term to find more efficiencies.

Neal Mohan, CEO of YouTube: Yeah. I mean, look. It goes back to what I said earlier about giving consumer choice. That was our vision with YouTube TV when it first started. And then these tiers that we introduced really are about just giving more choice at various price points. Lots of customers of YouTube TV are sports fans. Could we give them a tier that's sort of close to that? But lots of them are also not sports fans and do we have offerings for them too?

It's really only been launched for a couple months now. So it's still really early, probably too early to say anything concrete about it. But it's our vision of actually giving more consumer choice. And I don't really think about it in terms of bundling or not, aggregation or not. For me it's really about consumer choice. You're describing an experience in YouTube TV. On YouTube, the main app, we also try to replicate that with things like prime time channels alongside the endemic YouTube content and creators you're watching.

Michael Nathanson (MoffettNathanson): Do you think we'll get to a place where we get all our content that we subscribe to at YouTube TV; right? It still bothers me to go in and out of YouTube TV to get games here and there.

Neal Mohan, CEO of YouTube: You mean going to other apps?

Michael Nathanson (MoffettNathanson): Yeah. I'd love to have a super aggregator of all my premium content in one place.

Neal Mohan, CEO of YouTube: I think one of the strengths of YouTube is like I said. You can get everything from your 15-second Shorts from your favorite creators to 15-hour live streams to, you know, 3-hour NFL games and everything in between. That is the vision. That is an intentional vision. A lot of our investment goes towards that.

When we see pockets of content that are missing, we innovate. That's where YouTube TV came from. Linear, live sports, live news, et cetera. That's where prime time channels came from. Could you get your professionally produced traditional content alongside your creator content? That's our vision. That's our approach. We have many, many prime time channel partners now. We're in a handful of countries. We want to roll that out to more countries.

And so that's sort of how we think about solving that particular consumer pain point.

Michael Nathanson (MoffettNathanson): Neal, thanks for being here. Congratulations on the success. We appreciate it.

Neal Mohan, CEO of YouTube: Thank you, everybody.