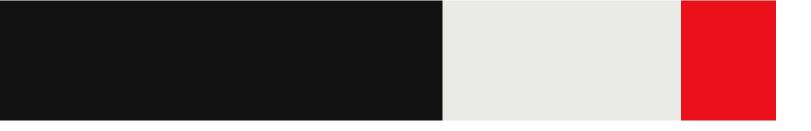
Amazon poaches MrBeast to generate a hit for Prime Video

Article





The news: Amazon has signed a deal with **James Donaldson**, the **YouTube** star known as **MrBeast**, to produce a reality competition series for **Prime Video**, the company announced Tuesday.



- The show will be titled "Beast Games" and feature over 1,000 contestants competing for a \$5 million prize.
- MrBeast's name is synonymous with YouTube. He has the second-most subscribed-to channel on YouTube and has leveraged his audience to launch several CPG businesses. He frequently produces reality competition-styled videos (like one styled after "Squid Game") with cash prizes.

Poaching talent: It's unlikely that Donaldson will stop producing content on YouTube as a result of the deal, but it shows that his loyalties don't lie with a specific platform—even if it afforded him internet superstardom and a vast fortune.

- It's YouTube's openness as a platform that gave Amazon the opportunity to swoop in and strike a deal with the creator, who's become something of a mascot for the platform, where he routinely rakes in tens of millions (if not hundreds of millions) of views.
- By creating a reality competition series in the vein of Donaldson's existing content, Prime Video can cheaply produce a show that attracts Donaldson's enormous viewership at a relatively low cost, essentially guaranteeing a hit.

Prime Video needs a hit: Amazon made an aggressive push into the video advertising market early this year when it made ad-supported viewing the default tier for Prime Video. That change gave Prime Video <u>the largest audience for an ad-supported subscription video service</u> in the US, but it will take more than flipping the switch to ensure success.

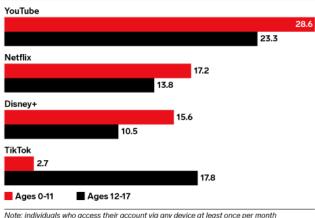
- Prime Video, with its treasure trove of user data from Amazon, <u>competitive CPMs</u>, and steep user penetration, is <u>an enticing prospect for advertisers</u>. But there are still headwinds.
- For one, original content spending on Prime Video is high; for every \$1 Netflix spent on content last year, <u>Amazon spent \$3</u>. Amazon's handling of its ad-supported launch has also received <u>blowback from consumers</u>, and <u>subscription growth is stagnating</u> for most leading services.
- The MrBeast deal targets all three of those pain points. Reality content is far cheaper to
 produce than scripted content, and Donaldson's presence is likely to draw a large audience of
 new, young users to the platform—users who are already accustomed to seeing mid-roll ads
 on MrBeast videos.

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US Children and Teen Digital Video Viewers, by Platform, 2024

millions



Note: individuals who access their account via any device at least once per month Source: Insider Intelligence | eMarketer Forecast, Sep 2023 284734 Insider Intelligence | eMarketer



