
YOUTUBE: NOW, *WE'RE* THE GATEKEEPERS

Segment Length: 6:01 minutes

Lesson Description:

How are technological innovations changing the way we find talent? How does it affect the way people earn money? This segment looks at the way YouTube has changed the way performers are discovered and paid.

Concepts & Key Terms:

Creative Destruction – The process of disruptive innovation, where new technologies, products, or services cause the demise or destruction of established technologies, products, or services.

Disruptive Innovation – The development of a new product, service, or process that disrupts an existing market and displaces an earlier technology.

Objectives:

Students will be able to:

- discuss the importance of technological innovation on our lives.
- explain how YouTube allows content creators and consumers to bypass gatekeepers who previously limited access.
- evaluate the effects of content providers appealing directly to consumers.

Preview Activity and Questions:

Have students answer the following questions in their notebooks:

Have you used YouTube? For what purpose? Have you recommended YouTube videos to others? Which videos? Why?

Use Think, Pair, Share to have students answer the preview question.

OR

Have students work in pairs to develop definitions for the terms in Concepts & Key Terms above.

For either activity, poll the students after a few minutes to discuss their answers.

Viewing Guide:

It is recommended that teachers show the video segment twice: once to allow students to view the video and focus on the issues presented, and once to allow them time to complete the viewing guide. After they complete the viewing guide, allow students a few minutes to work in pairs sharing and verifying answers.

Answers to Viewing Guide:

- | | | | |
|------------|----------------|-------------|--------------|
| 1. bake | 3. video games | 5. Today | 7. consumers |
| 2. content | 4. investors | 6. audience | |

Name _____ Date _____

Class _____ Period _____ Teacher _____

YouTube: Now, We're the Gatekeepers Viewing Guide

Directions: As you watch the video, fill in the blanks with the correct words.

1. Rosanna did not plan to _____ for a living.
2. It was the first time I ever went to Target and I got recognized by a gal who worked at the store. She said, "I love the _____ you're creating. It makes me and my daughter so happy. You inspired her to start baking."
3. This Swedish guy named PewDiePie makes \$12 million, just by talking while playing _____.
4. The YouTube platform is such a good platform for people who are starting out who want to create content and don't have _____.
5. It costs money to market your album. It costs money to put your song on the radio. _____ you can get your album to millions of people around the world with just the click of a button.
6. This direct connection with the _____ threatened the music industry.
7. It's a golden age of music for _____ right now.

Now, take a few moments to reflect on the video and answer the questions below:

What does the term "gatekeepers" mean and how does it apply to this video segment?

Discussion and Analysis:

1. Why did Rosanna Pansino post baking videos? Why did people watch?
2. GloZell Green said she isn't that funny and wasn't doing so well as a standup comedian, but that YouTube saved her life because people saw her and thought she was great. When this Stossel segment aired in February 2016, GloZell was making \$50,000 a year. How is that possible?
3. PewDiePie makes \$12 million playing video games? Who pays to watch someone play video games? Why? Why don't you do that? Couldn't you use \$12 million?
4. In 2017, Justin Bieber earned about \$80 million. And it started with a YouTube video.
5. What do Rosanna, Glozell, PewDiePie, Justin Bieber, and Lindsey Stirling have in common?
6. Max Borders says of people becoming YouTube sensations, "That is when the crowd decides." Does that differ from the past? How so?
7. How do YouTube sensations reduce the influence on gatekeepers?
8. These changes are called disruptive innovations. Why disruptive?
9. According to John Stossel, YouTube keeps about 40% of the money. Rosanna said that was fine. Why would she and other YouTube celebrities be fine with that? If they weren't, what options would they have?
10. Steve Knopper said that YouTube is a new way to discover unknown talent. How does one discover unknown talent on YouTube?
11. We learned in the video that when downloading services first started, the music industry sued. Why?
12. If people now pay less money for music because much it is streamed, who does that help? Who does it hurt? How does this relate to creative destruction?
13. Steve Knopper said that this is a golden age of music for consumers right now. How so?

Discuss These Lines from the Video:

1. YouTube has saved my life because I was doing standup and it was not going well 'cause I'm not that funny, but on the internet in a couple of minutes people are like, "Oh she's great!"
2. This Swedish guy named PewDiePie makes \$12 million dollars just by talking while playing video games. He leads Forbes list of highest earning YouTube stars.
3. YouTube keeps about 40 percent of the money.
4. This is a new way to discover unknown talent.
5. YouTube is the great equalizer right now.
6. It used to be there were gatekeepers, some fat guy with a cigar who said you got to please me, maybe sleep with me to get the record out.

7. Look at Lindsey Stirling. She plays the violin. Imagine her showing up at one of the big music studios in New York and saying, “Hey, please can I get a record deal? I’m really good at violin.”
8. The new thing is streaming... which pays musicians just a fraction of a penny per stream.
9. It’s a very diminished business than what it was 10 or 15 years ago absolutely. However, there are many more opportunities for younger bands, littler bands to get big.
10. We have all the music we could ever want for free or for a minimal price at our fingertips on our mobile devices. It’s a golden age of music for consumers right now.

Quotes for Discussion:

The thing that has made YouTube so successful is that you can relate to the people you’re watching to a much higher degree than to the people you see on TV.

– **PewDiePie**

I always believed in the YouTube community and myself. I saw something there. The most difficult thing was others not believing in me. I had a lot of friends in Los Angeles who really thought I was crazy for leaving a steady acting job to start on YouTube.

– **Rosanna Pansino**

YouTube – holy cow! – I can do my career at my own pace. I didn’t have anybody to tell me I wasn’t ready, and I learned how to self-market and how to strategize. “Spontaneous Me” had already been up on iTunes, but besides my mom and grandma, no one bought it. Once it was up on YouTube, it went crazy.

– **Lindsey Stirling**

There’s no good idea that cannot be improved on.

– **Michael Eisner**

We are on the eve of innovations whose scope cannot be foreseen.

– **Ludwig von Mises**

Every new thing creates two new questions and two new opportunities.

– **Jeff Bezos**

Distribution has really changed. You can make a record with a laptop in the morning and have it up on YouTube in the afternoon and be a star overnight. The talent on YouTube is incredible, and it can spread like wildfire. The downside is that it’s very hard to convince the younger generation that they should pay for music.

– **Bonnie Raitt**

The new artist is meeting the general public before they meet the record company. They’re able to put the material on YouTube and have a million views before they even meet an executive at a record company, and get the deal based on that.

– **Curtis Jackson**

I cannot help fearing that men may reach a point where they look on every new theory as a danger, every innovation as a toilsome trouble, every social advance as a first step toward revolution, and that they may absolutely refuse to move at all.

– **Alexis de Tocqueville**

Never before in history has innovation offered promise of so much to so many in so short a time.

– **Bill Gates**

Meaningful innovation does not need to be based on outright invention. Rather, there is an exhilarating shortcut. It is based on bold, new combinations of already existing components that simultaneously unlock heightened levels of consumer value and reduce costs.

– **Gabor George Burt**

Learning and innovation go hand in hand. The arrogance of success is to think that what you did yesterday will be sufficient for tomorrow.

– **William Pollard**

If you always do what you always did, you will always get what you always got.

– **Albert Einstein**

You can't just ask customers what they want and then try to give that to them. By the time you get it built, they'll want something new.

– **Steve Jobs**

Innovation is the specific instrument of entrepreneurship, the act that endows resources with a new capacity to create wealth.

– **Peter Drucker**

No matter how well you perform, there's always somebody of intelligent opinion who thinks it's lousy.

– **Sir Laurence Olivier**

Activities:

1. Have students complete the Created and Disrupted graphic organizer (page 83).
2. Distribute individual quotes from the Quotes for Discussion section to pairs of students. Have the students discuss the meaning of the quote, and write the meaning on the back of the quote. Collect the quotes and the students' explanations as an exit ticket.
3. Pair students homogeneously and, using the Quotes Activity (pages 84-88), distribute a quotation to each pair of students. Have them read the quotation and develop and write an explanation for the quote they are given. Quotations vary in complexity and should be assigned based on student capabilities. This activity can be used as an exit ticket.
4. Show "Elijah McCoy" or "Economics Made the World Great," two of the bonus videos listed in the Resources section (and on this DVD) to the class and have the students draw connections between this Stossel segment and the other video.
5. Research Rosanna Pansino, Glozell Green, PewDiePie, Justin Bieber, or Lindsey Stirling. Then write a biography of the person you selected, with an emphasis on his or her rise to stardom. (See link in the Resources section for help in writing a biography.)
6. Research the development and growth of YouTube. You might consider including the numbers of videos and viewers year by year, the development and growth of channels, and the variety of videos. Then create a slideshow or poster board explaining what you have found. (See link in the Resources section for help in preparing a slideshow.)

7. Read one of the articles in the Resources section. Then write a summary using Cornell (two-column) notes. (See link in the Resources section for help in taking Cornell notes.)
8. Research how the internet is changing our society, our brains, the way we do business (such as advertising, buying and selling), the way we interact, and the way we think. Then, write an essay discussing or produce a video demonstrating what you have found. (See link in the Resources section for help in producing a video.)
9. Research Apple iTunes, Pandora, or Spotify. What do they do? How does their service work? How many consumers do they have? How and why were they developed? Report your findings to the class.
10. Research Max Borders, who appeared in this segment, and his Voice & Exit Conference. What does Max do? What is his conference about and how does it relate to innovation?
11. Research and write an essay on how much your favorite band or musician, or any current band or musician, makes from music sales and streaming fees, and compare that with how much they make on tour.
12. In *Human Action: A Treatise on Economics* (1949), Ludwig von Mises wrote, "But competition does not mean that anybody can prosper by simply imitating what other people do. It means the opportunity to serve the consumers in a better or cheaper way without being restrained by privileges granted to those whose vested interests the innovation hurts." How does this quote relate to the video?
13. Write a tweet, poem, or song about how disruptive innovation and creative disruption can impact people's lives.
14. Watch one of the videos listed in the Resources section. Then, write an essay about the video.
15. Read and write a book report on *Appetite for Self-Destruction* by Steve Knopper.
16. Research the term "creative disruption" or "disruptive innovation" and produce a slideshow with examples that demonstrate the term and how it applies to the economy and our lives. (See link in the Resources section for help in preparing a slideshow.)

Resources:

Guides

A brief explanation of the Think, Pair, Share instructional strategy, with examples:

<http://www.readingquest.org/strat/tps.html>

A video explanation of Think, Pair, Share:

<https://www.teachingchannel.org/videos/think-pair-share-lesson-idea>

How to write a biography:

<http://www.infoplease.com/homework/wsbiography.html>

<http://homeworktips.about.com/od/biography/a/bio.htm>

How to write a book report:

<http://www.infoplease.com/homework/wsbookreporths.html>

For a clear, simple explanation of the Cornell note-taking system:

<http://coe.jmu.edu/learningtoolbox/cornellnotes.html>

<http://www.bucks.edu/~specpop/Cornl-ex.htm>

Producing videos:

https://www.ezvid.com/how_to_make_a_video_presentation_for_school_or_work

<https://tools4students.wikispaces.com/Video+Projects>

Preparing effective slideshow presentations:

http://www.ehow.com/how_5032561_prepare-effective-powerpoint-presentation.html

<http://www.microsoft.com/en-us/showcase/details.aspx?uuid=22f09a63-cecb-4260-a44f-8223d07dd031>

<http://blog.synapsiscreative.com/the-info/7-big-powerpoint-mistakes-you-just-cant-afford-to-make>

Articles

“Accenture: How digital innovations disrupt a wasteful world” by Peter Lacy

<http://www.greenbiz.com/blog/2014/02/06/how-digital-innovations-disrupt-wasteful-world>

“Clayton Christensen On What He Got Wrong About Disruptive Innovation”

by Susan Adams

<https://www.forbes.com/sites/forbestreptalks/2016/10/03/clayton-christensen-on-what-he-got-wrong-about-disruptive-innovation/#5f19c809391b>

“Connecticut Should Be Tesla Country” by Nick Sibilla

<https://www.nytimes.com/2017/07/07/opinion/connecticut-tesla-dealership-laws.html>

“Creative Destruction at Ground Zero in Internet’s Commercialization” by James Mosher

<https://www.aier.org/research/creative-destruction-ground-zero-internet%E2%80%99s-commercialization>

“Fortune 500 firms in 1955 v. 2015; Only 12% remain, thanks to the creative destruction that fuels economic prosperity” by Mark J. Perry

<http://www.aei.org/publication/fortune-500-firms-in-1955-vs-2015-only-12-remain-thanks-to-the-creative-destruction-that-fuels-economic-growth/>

“If You Like Wikipedia, You Should Love Markets” by Gary M. Galles

<http://fee.org/freeman/detail/if-you-like-wikipedia-you-should-love-markets>

“The Internet’s Influence on the Production and Consumption of Culture: Creative Destruction and New Opportunities” by Anu Parthasarathy

<https://www.linkedin.com/pulse/20141016031736-648738-the-internet-s-influence-on-the-production-and-consumption-of-culture-creative-destruction-and-new-opportunities>

“The Myth of Technological Unemployment” by Deirdre Nansen McCloskey

<http://reason.com/archives/2017/07/11/the-myth-of-technological-unem>

“Netflix’s Creative Destruction Is Reshaping a Century of Media” by M.G. Siegler

https://fee.org/articles/netflixs-creative-destruction-is-reshaping-a-century-of-media/?utm_source=FEE+Email+Subscriber+List&utm_campaign=75081daece-MC_FEE_WEEKLY_2017_06_17&utm_medium=email&utm_term=0_84cc8d089b-75081daece-108019909

“What does disruptive innovation disrupt?” Guillaume Villon de Benveniste

<http://theinnovationandstrategyblog.com/2013/02/disruptive-innovation-disrupt/>

“Will Your Business Innovation Disrupt The Market?” by Martin Zwilling

<http://www.forbes.com/sites/martinzwilling/2015/03/19/will-your-business-innovation-disrupt-the-market/>

Books

Appetite for Self-Destruction by Steve Knopper

Disrupting Class: How Disruptive Innovation Will Change the Way the World Learns
by Clayton Christensen and Curtis W. Johnson

Disruptive Innovation Explained by Can Akdeniz

Fifty Years of Disruptive Innovation by Jon E. Kinzenbaw and Mike Dykstra

Human Action: A Treatise on Economics by Ludwig von Mises

The Innovator's Dilemma: The Revolutionary Book That Will Change the Way You Do Business
by Clayton M. Christensen

The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail
by Clayton M. Christensen

The Innovator's Guide to Growth: Putting Disruptive Innovation to Work
by Scott D. Anthony and Mark W. Johnson

Videos

Creative destruction made my iPod obsolete by Rosemarie Fike

<https://www.learnliberty.org/blog/creative-destruction-made-my-ipod-obsolete/>

Elijah McCoy (included on this DVD)

<https://fee.org/articles/elijah-the-inventor/>

Everyone's Space

http://izzit.org/products/detail.php?video=everyones_space

Disruptive Innovation Explained – YouTube

<https://www.youtube.com/watch?v=qDrMAzCHFUU>

The Hockey Stick of Human Prosperity (included on this DVD)

<https://www.mruniversity.com/courses/everyday-economics/trade-growth-hockey-stick-human-prosperity>

Inventing the Future

http://izzit.org/products/detail.php?video=inventing_the_future

The Paradox of Progress

http://izzit.org/products/detail.php?video=paradox_of_progress

Name _____ Date _____

Class _____ Period _____ Teacher _____

YouTube: Now, We're the Gatekeepers **Created and Disrupted by Innovation**

Directions: After reviewing the video and discussing it in class, complete the chart, keeping in mind the terms below.

Creative Destruction—the process of disruptive innovation, where new technologies, products, or services cause the demise or destruction of established technologies, products, or services.

Innovation	Created	Disrupted/Destroyed
YouTube		
Another innovation: _____		
Another innovation: _____		

Do you support or oppose innovation? In a brief paragraph, explain why.

YouTube: Now, We're the Gatekeepers

Quotes Activity

Names: _____ and _____

Read the quote below. Discuss the quote with your partner, and write your explanation, evaluation, or comment.

A. *It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change.* —Charles Darwin

Names: _____ and _____

Read the quote below. Discuss the quote with your partner, and write your explanation, evaluation, or comment.

B. *Embrace change. Envision what could be, challenge the status quo, and drive creative destruction.* —Charles Koch

Names: _____ and _____

Read the quote below. Discuss the quote with your partner, and write your explanation, evaluation, or comment.

C. *Learning and innovation go hand in hand. The arrogance of success is to think that what you did yesterday will be sufficient for tomorrow.* —William Pollard

Names: _____ and _____

Read the quote below. Discuss the quote with your partner, and write your explanation, evaluation, or comment.

D. Expertise is the enemy of innovation.

—Stephen Shapiro

Names: _____ and _____

Read the quote below. Discuss the quote with your partner, and write your explanation, evaluation, or comment.

E. Meaningful innovation does not need to be based on outright invention. Rather, there is an exhilarating shortcut. It is based on bold, new combinations of already existing components that simultaneously unlock heightened levels of consumer value and reduce costs.

—Gabor George Burt

Names: _____ and _____

Read the quote below. Discuss the quote with your partner, and write your explanation, evaluation, or comment.

F. An even cursory examination of tech history makes it clear that "obsolescence"—where a cheaper, single-purpose product is replaced by a more expensive, general purpose product—is just as common as "disruption"—even more so, in fact.

—Braden Kelley

Names: _____ and _____

Read the quote below. Discuss the quote with your partner, and write your explanation, evaluation, or comment.

G. *You can't just ask customers what they want and then try to give that to them. By the time you get it built, they'll want something new.* —Steve Jobs

Names: _____ and _____

Read the quote below. Discuss the quote with your partner, and write your explanation, evaluation, or comment.

H. *If you always do what you always did, you will always get what you always got.* —Albert Einstein

Names: _____ and _____

Read the quote below. Discuss the quote with your partner, and write your explanation, evaluation, or comment.

I. *First, disruptive products are simpler and cheaper; they generally promise lower margins, not greater profits. Second, disruptive technologies typically are first commercialized in emerging or insignificant markets. And third, leading firms' most profitable customers generally don't want, and indeed initially can't use, products based on disruptive technologies.* —Clayton Christensen

Names: _____ **and** _____

Read the quote below. Discuss the quote with your partner, and write your explanation, evaluation, or comment.

J. *Every new thing creates two new questions and two new opportunities.* —Jeff Bezos

Names: _____ **and** _____

Read the quote below. Discuss the quote with your partner, and write your explanation, evaluation, or comment.

K. *No matter how well you perform, there's always somebody of intelligent opinion who thinks it's lousy.* —Sir Laurence Olivier

Names: _____ **and** _____

Read the quote below. Discuss the quote with your partner, and write your explanation, evaluation, or comment.

L. *Adam Smith's "invisible hand" is not above sudden, disturbing, movements. Since its inception, capitalism has known slumps and recessions, bubble and froth; no one has yet dis-invented the business cycle, and probably no one will; and what Schumpeter famously called the 'gales of creative destruction' still roar mightily from time to time. To lament these things is ultimately to lament the bracing blast of freedom itself.* —Margaret Thatcher

Names: _____ and _____

Read the quote below. Discuss the quote with your partner, and write your explanation, evaluation, or comment.

M. ***Discovery is seeing what everybody else has seen, and thinking what nobody else has thought.*** —Albert Szent-Gyorgi

Names: _____ and _____

Read the quote below. Discuss the quote with your partner, and write your explanation, evaluation, or comment.

N. ***The most important feature of an information economy, in which information is defined as surprise, is the overthrow, not the attainment, of equilibrium. The science that we have come to know as information theory establishes the supremacy of the entrepreneur because it appreciates the powerful connection between destruction and what Schumpeter described as "creative destruction," between chaos and creativity.*** —George Gilder

Names: _____ and _____

Read the quote below. Discuss the quote with your partner, and write your explanation, evaluation, or comment.

O. ***At the heart of capitalism is creative destruction.*** —Joseph A. Schumpeter
