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More stars than you see in the sky – on YouTube?

By Jefferson Graham, USA TODAY

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Forget *Variety*. [Michael Green](#) has put down the bible of showbiz and is actively seeking the next big star among a wave of homegrown YouTube producers and performers attracting millions of viewers online.

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Green, who represented stars such as [Roseanne Barr](#) and [Martin Lawrence](#) at the height of their TV careers, realized there was a new business to be had from the online audience.

"It's a seismic shift," says Green, the CEO of The Collective, a company he formed to manage careers and work with Internet creators to produce content.

Other Los Angeles-based firms -- Big Frame, Maker Studios and Mighty Fresh lead the pack -- are also looking to YouTubers as a major new source of potential income.

Why not? The popularity of some YouTube performers and their "channels" dwarfs many TV shows, and their videos have been seen more than a billion times. Ray William Johnson, Shane Dawson's *ShaneDawsonTV*, Dane Boedigheimer's *Annoying Orange*, [Justine Ezarik's iJustine](#) and Freddie Wong and Brandon Laatsch's *Freddiew* channels are among the biggest.

YouTube itself is on a major expansion kick this year, trying to keep viewers tuned in longer by shifting them from watching single videos to channels.

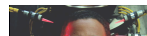
YouTube is investing \$100 million to help launch 100 channels this year, from heavyweights such as Madonna and [Ashton Kutcher](#) to YouTube stars such as Mystery Guitar Man and Michelle Phan.

The idea is to have "channels that act like curators, that help you find the content you're passionate about," says Jamie Byrne, YouTube head of original programming.

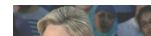
On YouTube, anyone can become a star by signing up, making videos and posting them. They can even make a living doing so.

YouTube shares ad revenue with folks who sign up for Google's AdSense program, which places ads all over the Web. When the performers start making lots of videos and

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attracting audiences, they can sign up for the YouTube "partner" program, which will give them a larger portion of the revenue.

YouTube says it has 30,000 partners, and "hundreds" are making six figures a year.

YouTube's plan is "to create a parallel universe" where these celebrities and new channels exist, says James McQuivey, an analyst at [Forrester Research](#). The next step is to become a viable competitor to traditional television. He expects the channels strategy to be more of a factor by year's end.

YouTube wants to win over those consumers who'd like to ditch or cut back on cable, satellite and other pay-TV services in favor of set-top boxes and other devices that connect the Internet to the TV, a trend that is in its early stages..

The new channels give YouTube "the opportunity to be taken more seriously in Hollywood," says Richard Frias, founder of Mighty Fresh, a [Los Angeles](#) talent management company that is producing two channels: the Warner Sound, featuring music produced by the Warner Music label; and Fawn, which showcases videos from his client, Michelle Phan.

Before joining forces with Frias, Phan did how-to-apply-makeup videos in her Florida bedroom. Now, he's signed her to Lancôme as a spokeswoman.

Dane Boedigheimer steps into his Los Angeles garage most days to churn out YouTube videos for his *Annoying Orange* series, about a high-pitched citrus that cracks bad jokes. This summer, the series makes its debut on cable TV's Cartoon Network, part of a deal Green put together.

Green also took another YouTube star, Lucas Cruikshank's Fred, to the big screen, where he's done two feature films for Nickelodeon, with a third on the way, and the TV series, *Fred: The Show*. "It's an advantage to walk in the door with an audience," says Green.

Both projects are via The Collective's Digital Studio. Unlike traditional management, which takes a percentage of the performer's earnings, the studio co-produces projects with clients, sells the advertising and sponsorships, and splits the revenue.

The performers need all the help they can get. "These guys are starring in the video, doing the lighting, music, editing and uploading, and that's just what 20% of their time is spent on," says Sarah Penna, co-founder of Big Frame. "Then they have to be their own marketing company, as well."

She should know. Her husband, Joe Penna (aka Mystery Guitar Man), oversees one of YouTube's most popular channels, with more than 300 million views, featuring techno wizardry for two weekly music videos showcasing his guitar picking.

Lisa Donovan left running an active YouTube channel to form Maker Studios, hoping to improve lives for other YouTubers by handling their business.

As a creator, "I could be more than just an actress; I could write, edit, direct and more," she says. "However, the same thing that I loved about the platform also posed a challenge, as my channel grew and became more successful."

Both Maker and Big Frame are part of the new channel initiative at YouTube.

Big Frame's Bammo channel features Mystery Guitar Man, DeStorm Power and Mike Diva. These artists continue to make new works on their individual channels, too.

Maker has launched two new channels -- TuTele, targeted to Latinos and the Mom's View.

Maker clients include Kassem Gharaibeh (KassemG) and Ray William Johnson.

Getting access to grow

Shane Dawson joined The Collective in late 2011, after 4 years of making videos from his apartment in Los Angeles.

He wanted to take his work to a new level. With The Collective, Dawson had access to producers, editors and musicians. He recently made a music video and put the song on iTunes.

"Before us, Shane wouldn't have had the time, or the knowledge base of the music industry to execute it efficiently," says The Collective's Dan Weinstein, a partner in its Digital Studio.

The Collective is also working with entertainment industry veterans in this new medium. Together with producer Anthony Zuicker, the creator of CBS' *CSI* franchise, they're launching BlackBoxTV, a horror/sci-fi YouTube channel, today.

The Collective's aim is to straddle the worlds of TV and online, with an emphasis on getting the new media stars to old media.

But some YouTubers wonder whether the changes coming to the video service will lure viewers to new stars and away from old favorites.

YouTube's Byrne doesn't think so.

"If the channel increases user engagement, original YouTube stars should see greater success and develop deeper relationships with brands and advertisers. It will have a cascading effect."

But even with the new channel focus, analyst McQuivey says it's unlikely that a hit national show such as *Mad Men* or *The Sopranos* will come from YouTube.

"More and more people will get their 15 minutes of fame, but they will not turn into multimillionaires on the scale of Oprah Winfrey," he says.

"Those days are gone."

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