



BEYOND CLICKS AND VIEWS: A COMPREHENSIVE EVALUATION OF THE EFFECT OF YOUTUBE ADVERTISING ON PURCHASE INTENTIONS OF VIEWERS.

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Abstract

Humans process visual stimulation at lightning speed – this fact is the reason why video advertising is considered to be the most effective form of advertisement. YouTube is one of the most prominent platforms for the same. Without having a YouTube Premium account it is almost impossible to stream a video on YouTube without seeing an advertisement. Although most of the viewers dislike any kind of advertisements, they unconsciously consume information about products and services which sometimes can also influence their present or future buying behaviour. This paper will discuss the findings of some of the research that has been done pertaining to YouTube advertising value – positive and negative. Along with it, based on the findings of the available research, this paper will also shed some light on how the reactions to YouTube advertisements differ according to the different demographic characteristics of the viewers.

Keywords: advertisement, advertising value, viewers, YouTube, Youtube advertising

INTRODUCTION:

Social media is a digital technology used to facilitate the sharing of content through virtual networks. There are more than 4.2 billion^[1] social media users around the world. Among the many facets of social media one of the most important one is the way it has opened up two-way communication between businesses and audience to increase transparency and visibility. It has facilitated the process of businesses having full control over advertising directly to their target market resulting in an expansion of business sales. The largest social media platforms are

Facebook, YouTube, Whatsapp, Instagram and WeChat^[2]. Amongst these, YouTube is the most prominent platform for advertising.

YouTube is the second largest social media platform after Facebook and the second largest search engine after Google. This makes YouTube an unique blend of the above mentioned two categories, a property that no other social media platform or search engine possesses. With over two billion users^[2] every month, YouTube offers all kinds of video content ranging from music, entertainment, education, news and much more. With such a wide reach across the globe it has become an attraction for small and large businesses to advertise their products and services.

It is important to note that limited research exists regarding the impact of YouTube advertising. Most of the available research either focuses on certain types of products (electronic gadgets, cosmetics etc.) or focuses on certain group of people selected on the basis of certain geographic or demographic characteristics. It is noteworthy that most of the researches in this respect do conclude that YouTube advertising has some sort of impact on the minds of the viewers – positive or negative.

TYPES OF YOUTUBE ADVERTISEMENTS:

There are various types of advertisements available on YouTube from which an advertiser chooses the type which is most suitable for the product or service they wish to advertise. Each type is different from the other and the cost associated with it is also different. It can also be said that the impact of different kinds of advertisements is also different. There can be more subtypes, but broadly YouTube advertisements are of five types.

[3]



1. SKIPPABLE VIDEO ADVERTISEMENTS:

These are the kind of advertisements that can be skipped after five seconds. The advertiser has to only pay for each completed view (when the advertisement is watched in full and not skipped) or if the viewer watches it for thirty seconds or more, whichever is earlier.

2. NON-SKIPPABLE VIDEO ADVERTISEMENTS:

These kind of video advertisements cannot be skipped after a few seconds. The viewer is bound to watch the advertisement in full. Here the cost is calculated on each view. Such advertisements appear before, during or after the video. They can be fifteen to twenty seconds long.

3. BUMPER ADVERTISEMENTS:

Bumper advertisements are six seconds long advertisements that play before, during or after a video. This advertisements cannot be skipped. They are used to get a message across in a short and catchy way. The cost is calculated on the basis of impressions.

4. DISPLAY ADVERTISEMENTS:

Display advertisements consist of an image that appears to the right of the video. These images may include text and links that allow viewers to click through to take them to the advertiser's website.

5. OVERLAY ADVERTISEMENTS:

Overlay advertisements appear at the bottom of a video and in the form of pop-up cards. They are simple images or text that can be removed by clicking on the 'X' icon on the top right corner of it. If a viewer clicks on the advertisement they will be redirected to the website of the advertiser.

6. SPONSORED CARDS:

Sponsored cards advertisements show content that is mostly related to the video that is being viewed. The cards could show products, services or events that might appear in the video.

The first three are in-stream video advertisements, which might interrupt the viewing experience of the viewer whereas, the last three do not interrupt the viewing experience.

Apart from the above mentioned types of advertisements there are other ways of advertising on YouTube. Like businesses can collaborate with an already existing YouTube channel to promote their products or services. YouTube channels with decent number of subscribers can be used for this. Apart from this the channel that creates

content related to the category of product or services which are to be advertised can be selected. Businesses can also create their own YouTube channel to advertise their products.

POSITIVE ADVERTISING VALUE:

Advertising value is a term that is used to describe the impact of an advertisement. Positive advertising value refers to the positive impact that the advertiser gains from running a specific advertisement, such as increased brand recognition, increased sales or increased customer engagement.

POSITIVE YOUTUBE ADVERTISING VALUE:

YouTube advertising value refers to the benefits that a company or business can gain from advertising on YouTube. If watching an advertisement on YouTube causes a viewer to remember and retain the brand, causes curiosity about the product or service or influences their purchase intention it can be termed as the positive value of the YouTube advertisement.

YouTube advertising value has a positive impact on purchasing intention^[4]. There are certain factors that help in having a positive impact on the viewers – informativeness, entertainment and personalization.

INFORMATIVENESS: Informativeness has a positive effect on YouTube advertising value^[4]. Information regarding new products and services does help people in making an informed purchase decision. Many products are introduced to the viewers first time through YouTube advertisements^[5]. There are many businesses that do not advertise through the traditional means and are active only on social media. Information regarding such products and services is obtained from YouTube advertisements. YouTube advertisements can be used as a tool to acquire information to compare different products^[5]. Viewers continue to watch a skippable advertisement even after five seconds if they find it informative^[6].

ENTERTAINMENT : Entertainment has a positive effect on YouTube advertising value^[4]. Advertisements can be entertaining as well. An entertaining advertisement can attract attention of the viewers without causing any distress. Viewers continue to watch skippable advertisements even after five seconds if they find it entertaining^[6]. Advertisements which are distinctive are noticed more^[5]. If the advertisements are creative and novel then the viewers would like to re-watch it^[5]. When advertisements are re-watched the recollection power of the viewer increases for the said product or service at the time of making a purchase. Attractive/entertaining advertisements

can aid future purchases as well because they have a lasting impact than the boring ones^[5]. This means that if a viewer sees an entertaining advertisement about a product or service which they do not immediately need, they might recollect the advertisement when they have to actually make a purchase for a similar product in the future.

PERSONALIZATION: Personalization of an advertisement is the act of customizing it according to the interests and needs of the target market. Personalization has a positive impact on YouTube advertising value. Cookies and caches used by websites and applications help in personalization of advertisements for each user, but this is not fool proof^[5]. YouTube uses the information of the viewers for providing recommendations, personalizing search results and serving relevant advertisements^[7]. For e.g. a female in her twenties will see more advertisements regarding cosmetics and apparels than a male in his fifties. The advertisements are also customized on the basis of the type of videos the viewer prefers to watch.

NEGATIVE ADVERTISING VALUE:

Negative advertising value is the negative impact that an advertisement has on a company's brand image, reputation or sales. Negative advertising value can result from various factors including offensive or insensitive content, poor execution or messaging, misleading claims or controversial endorsements.

NEGATIVE YOUTUBE ADVERTISING VALUE:

If a YouTube advertisement causes the viewer to feel irritation, interrupts their activity on the platform or if they constantly see irrelevant advertisements then it causes negative impact of the advertisement which can be termed as negative YouTube advertising value.

IRRITABILITY: Irritability has negative impact on YouTube advertising value^[4]. Most of the times viewers find any kind of advertisements to be irritating or interrupting. Viewers experience subjective distress towards YouTube advertisements. The factors that add to such distress are recurrent advertisements, placement and length of the advertisements^[5]. Some advertisements are enjoyable or entertaining but if they are played over and over again, they lose value and cause irritation^[5]. In-stream advertisements are mostly placed in three slots: before, during and after the video. The advertisements that play in the middle of the video are considered to be most irritating since they effect the continuity of the content the viewer is watching^[5]. That being said, advertisements

that play mid roll also get most of the attention (although unwillingly) compared to advertisements that are played before or after the video.

IRRELEVANCY: Irrelevant advertisements can be termed as those advertisements that are irrelevant to the viewer due to a variety of reasons, such as the product not being useful to them, the unavailability of the product due to geographical or financial reasons or if the viewer already has the product etc. If a viewer is seeing an advertisement about a product or service which is of no use to them or is unavailable to them then it loses its value^[5]. However this is subjective. If the viewer is not amongst the target audience the advertisement can lead to irritation and therefore personalization of advertisements is becoming more important in the present advertising scenario.

FORCED ADVERTISEMENTS: In-stream video advertisements on YouTube are of two types: skippable and non-skippable. The skippable ones can be skipped after five seconds whereas the non-skippable ones have to be seen in full before the viewer can further access the content on YouTube. Most of the viewers prefer watching a skippable advertisement than a non-skippable one. When the viewer is forced to watch the advertisement in full then it leads to negative value of the YouTube advertisement. If viewers are forced to watch an advertisement, a policy which YouTube is increasingly adopting, then that will lead to negative effect on users. It will reduce the advertising value which may lead to de-marketing^[8]. It is not unusual for a viewer to not pay attention to an advertisement especially when they are forced to see it. Most of the times the viewers do not know what the advertisement was about when it is over^[5].

INFLUENCE OF DEMOGRAPHIC CHARACTERISTICS OF VIEWERS ON YOUTUBE ADVERTISING VALUE:

It has been observed that demographic characteristics of the viewers such as age, gender and income do influence their reaction to a particular advertisement. Advertisers do take into account these factors when they design an advertisement keeping in mind their target audience.

AGE: People in early adulthood tend to be more active on internet and social media platforms, so they are more prone to watching online advertisements^[5]. Due to this cosmetics and gadgets are the most advertised products on YouTube^[5]. With regards to informativeness it was found that older viewers give more importance to it rather

than younger viewers^[4]. Younger people give more attention to an advertisement that is catchy and entertaining rather than informative. Younger viewers skip advertisements less than older people^[8].

GENDER: Male involvement is greater than women in internet usage including social media and gaming^[6]. Men skip advertisements more than women^[8]. Men are likely to get more irritated than women due to an advertisement^[4].

INCOME: With the availability of YouTube Premium in India, it is assumed that most of the people prone to YouTube advertising belong to the middle class section of the country^[5]. Viewers with higher income are less interested in informativeness than viewers with lower income^[4]. This can be due to the fact that people with lower income are mostly on a budget and would like to get all the available information before making a purchase decision. Viewers with lower income get irritated easily due to an advertisement than people with higher income^[4]. Viewers with higher income have low advertisement skipping behaviour than viewers with lower income^[8].

CONCLUSION:

The study of the selected researches on the topic of YouTube advertising have shown that mostly viewers feel distress due to an advertisement, especially when it interrupts their watching experience on YouTube. However it is important to note that in spite that YouTube advertisements do influence the purchase decision of the viewers. This can happen consciously or subconsciously. In order to gain maximum value of a YouTube advertisement it is important that the advertiser does take into consideration the following points:

- Get the message across in the shortest time possible.
- The more creative and entertaining an advertisement will be, the more it will catch attention.
- If feasible, using skippable advertisements is a better option than non-skippable advertisements.
- Personalization of the advertisement according to the demographic characteristics of the target market is the most important key to an effective advertising.

YouTube is a very prominent social media platform in the present world. YouTube users range from three years old to people over eighty, from lower middle class to the most privileged, from uneducated to people having the highest educational qualifications. This makes YouTube the ultimate platform for advertising any kind of product or service. The key however is the proper understanding of how to profitably use it.

LIMITATION:

This paper focuses on only a few selected aspects of YouTube advertising and there is scope for further research.

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