



## IMPACT OF YOUTUBE COMMERCIALS ON PURCHASE DECISION OF CONSUMERS

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### Abstract

Consumer behaviour is greatly influenced by social media platforms like YouTube, Instagram, Facebook, etc. Among the social media platforms currently, YouTube has more than 1.9 billion users. Global companies use YouTube commercials as a lucrative marketing strategy. The purpose of the research is to find the relationship between various factors like awareness, knowledge, and preference of the consumers on their purchase decision of various products based on the YouTube commercials. Correlation and regression analysis were performed to test the factors influencing purchasing decision. The study also examines whether there exists any relationship between demographics and purchase decision through One Way ANOVA and t test. The findings suggest that there is a positive relationship between factors like preference, knowledge of the product & entertainment of YouTube commercial on the purchase decision of the consumers. The study also signifies that there is a significant difference in the purchase decision of different age group, employment and income of viewers. Overall, it was found that YouTube commercials have a positive impact on purchase decision of the consumers.

**Key Words:** YouTube commercials, Purchase decision, in formativeness of YouTube commercials, Social media marketing, Consumer behaviour, Purchase Intention

### Introduction

Internet has taken over the world by storm in the last two decades. Internet enabled Social Media sites like YouTube, Instagram, Face book, etc help people to connect with one another and share ideas. They build virtual connectivity between people in different parts of the world with a click of button. Smart phones, social media and access to internet has caused tremendous change in the way people spend their time and money. Businesses have noticed that people spend considerable amount of time in social media in their day to day lives. Users of social media tend to grow by the day. Indeed, this has led to Social Media Marketing. Businesses find modern tactics to target and lure prospective consumers. Social media has helped them to connect with new and existing consumers in a unique manner.

YouTube was designed to create and share videos online in the year 2005. It is now the top choice found for creators to upload and stream their video content. As per Ahregs Blog, YouTube is the most visited website world-wide. YouTube is popular and user-friendly as it can be easily used even through its App in Mobile. It has become a prominent channel to transmit messages using audio visual aids in an efficient manner.

The short audio-visual promotions that users see when they watch a video in YouTube are called YouTube commercials. These commercials can appear in the beginning, middle or in the end of the streamed video. Some of the YouTube commercials can also be skipped after watching couple of seconds. YouTube commercials allow the businesses to share their message in a quick and cost-effective manner using animations, celebrity endorsers, influencers or testimonials. In turn, YouTube provides the businesses with metrics regarding the viewers of the commercials which will help the them to gain knowledge about the consumers and target groups. Therefore, Businesses cannot ignore YouTube commercials as a part of their marketing strategy.

The study emphasises the Impact of YouTube Commercials on purchase decision of the consumers. Various factors like awareness, knowledge, liking, preference of the product and entertainment of the YouTube commercials are studied on purchase decision of consumers.

### Review of Literature

Research by (Jawaid & Rajadurai, 2021) studies about marketing on Facebook, Instagram and YouTube leading to Customer Loyalty among University students. Quantitative study was done by the researchers with 218



questionnaire participants. The findings from the Karl Pearson Correlation test showed a significant and positive relationship between the dependent and independent variables in their study.

Study performed by (Astuti & Aziza, 2018) aimed at analysing the factors of YouTube advertising and their impact on perceived YouTube advertising value. The study assessed the effect of YouTube Ads towards customer’s purchase intention. Quantitative study was performed with 261 respondents aged between 18 to 29 years for the purpose of the study. The study found that the advertising value was higher when the YouTube advertisements were more entertaining and informative. They were not able to prove that customization and irritation factors influencing YouTube advertising value. The study was concluded with YouTube advertising having a significantly positive influence on customer’s purchase decision and was partially mediated by brand awareness.

(Duffet, 2020) in his study aimed to study the effect of YouTube marketing communication on traditional and non-traditional attitudinal associations of response hierarchy models. Multi – stage sampling technique was used and 3750 respondents were part of the study. The respondents were school and college learners in South Africa. Hypothesized attitudinal associations and young consumers had positive influence in the study.

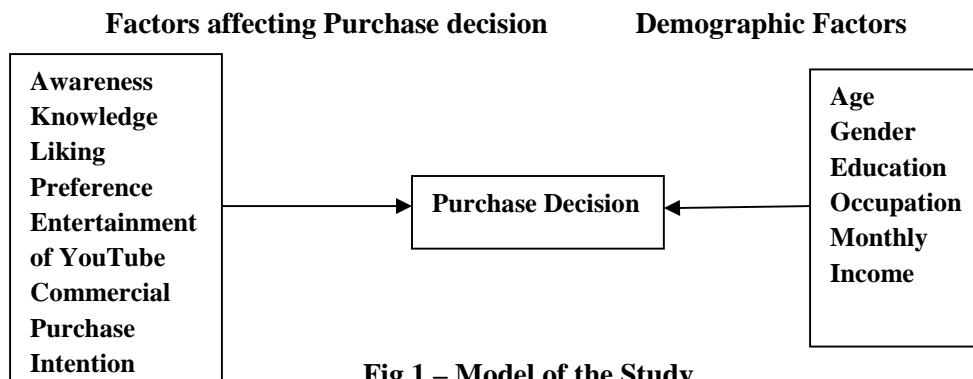
(Firat, 2019) conducted a study to answer the question of how do pertinent factors influence the advertising value of YouTube and does it differ according to demographic variables. The study appraised whether YouTube Ads influence purchase intention. The survey containing 52 items were filled by 420 respondents in Turkey. Multiple Regression, Simple Regression and ANOVA test was performed to determine the effect of YouTube advertising value on purchase intention and to determine the differences in the demographic groups. The study found that informativeness, entertainment and trendiness have a positive impact and irritability has a negative impact. Demographic preferences were varied. The findings showed that YouTube Advertising value positively influence purchase intention.

**Objectives of the study**

- To find the factors influencing the purchase decision of consumers who watch YouTube Commercials
- To find out the relationship between the factors and purchase decision of consumers
- To examine whether there exists any significant difference between demographic profile and purchase decision of consumers.

**Need for the Study**

The framework (fig 1) shows the relationship between independent variables and dependent variable of the study. Purchase decision of the consumers is the dependent variable and the following factors are taken as independent variable – awareness about the product, knowledge of the product, liking of the product, preference of the product and entertainment / trendiness of the YouTube commercial. The study was proposed to find the impact of YouTube commercials on purchase decision of the consumers. The study also concentrated to find out the relationship between purchase decision and demographic profile of the respondents.



**Fig 1 – Model of the Study**



### Research Methodology

Primary data was collected from 130 respondents for the purpose of the study through convenience sampling. Close-ended questionnaire was created with Section A and Section B in Google forms. Section A consisted of 28 questions relating to various factors impacting the purchasing decision of consumers who watch YouTube commercials and Section B contained of demographic profile of the respondents. The demographic profile included questions regarding their as gender, age, education, occupation and monthly income. Section A containing questions regarding factors influencing the purchase decision used 5 – point Linkert Scale ranging from Completely Disagree to Completely Agree. The purpose of the study was to find out the impact of YouTube commercials on the purchase intention and purchase decision of the consumers. Quantitative approach was used in the research where mathematical and statistical tools were applied to see the relationship between dependant and independent variables.

The dependent variable is the purchase decision of the consumers and the independent variables are awareness of the product, knowledge of the product, liking of the product, entertainment / trendiness of the commercial and preference of the product. The independent variables have a direct impact on the purchase decision of the consumers i.e., the dependent variable. SPSS software was used to calculate the relationship between YouTube Commercials and Purchase decision of the consumers. Percentage, Mean, Correlation, Multiple Regression, t-test, ANOVA tests were performed in the study.

### Analysis and Interpretation

#### Demographic Profile

	Personal Information Of The Respondents		Percentage
1.	Gender	Male	18%
		Female	<b>82%</b>
2.	Age (Years)	15 – 20	<b>51.54%</b>
		21 – 25	13.08%
		26 – 30	18.46%
		31 – 35	4.62%
		36 – 40	3.08%
		41 – 45	0.769%
		46 – 50	3.85%
		Above 50	4.62%
3.	Educational Qualification	High school	3.08%
		Bachelor Degree	<b>59.23%</b>
		Master Degree	23.85%
		Professional	13.85%
4.	Occupation	Student	<b>52.31%</b>
		Public Sector	6.15%
		Private Sector	25.38%
		Own Business	2.31%
		Professional	10%
		Others	3.08%
5.	Family Monthly Income	Less Than Rs. 20000	<b>55.38%</b>



		Rs.20000- Rs.40000	13.85%
		Rs.40000- Rs.60000	7.69%
		Rs.60000- Rs.80000	10.77%
		Rs.80000- Rs.100000	6.15%
		Above Rs 100000	6.15%

**Inference:** From the above table it is found out that the gender profile shows that male comprises of 18% and female comprises of 82% of the total sample. 51.54% belong to the age group of 15 – 20, while 13.08% belong to 21 – 25, 18.46% belong to 26 – 30, 4.62% belong to 31-35, 3.08% belong to 36 – 40, 0.769 % belong to 41-45, 3.85% belong to 46 – 50 and 4.62% belong to above 50 years.

With respect to educational qualification 3.08% of the respondents are in high school, 59.23% of the respondents have bachelor degree and 23.85% are master’s degree 13.85% is professional. 52.31% of the respondents are students, 6.15% are employed in public sector, 25.38% are employed in Private sector, 2.31% are business owners, 10% are professionals, 0.769 % are homemakers and 3.08% belong to other category occupation.

With respect to monthly family income 55.38% have below Rs.20000, 13.85% of the respondents are between Rs.20000 – Rs.40000, 7.69% are between Rs.40000 – Rs.60000, 10.77% are between Rs.60000 – Rs.80000, 6.15% have monthly income between Rs.80000 - Rs.1,00,000 and 6.15% have monthly income above Rs.1,00,000.

**Factors influence the Consumer Buying Behaviour:**

Factors	Mean
Awareness	3.67
Knowledge	3.33
Liking	2.94
Entertainment	3.05
Preference	2.99
Purchase Intention	2.84
Purchase Decision	2.79

From the above table it can be inferred that all the factors influencing the purchase decision have a mean score of above 2.8 to 3.7 indicating that the respondents agree that these factors are important in purchase decision of users watching YouTube commercials. The respondents gave first importance to awareness (3.67), followed by knowledge (3.33), entertainment (3.05), Preference (2.99), Liking (2.94), Purchase Intention (2.84) and Purchase Decision (2.79). The consumers make purchase decision by watching YouTube Commercials.

**Correlation between factors of green buying behaviour and repurchase intention:**

Factors	Mean
Awareness	0.395
Knowledge	0.635
Liking	0.741
Entertainment	0.683
Preference	0.801
Purchase Intention	0.763



Significant at 99% confident limit.

The above table depicts that there is a strong relationship between Preference of the product (0.801), Purchase Intention (0.763), Liking of the product (0.683), Knowledge of the product (0.635) and least correlated with Awareness of the product (0.395).

**Regression analysis between Knowledge, Liking, Entertainment, Preference, Purchase Intension and Purchase Decision**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.864 <sup>a</sup>	.746	.733	.44709

a. Predictors: (Constant), PurchaseIntention, Awareness, Knowledge, Liking, Entertainment, Preference

**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	72.167	6	12.028	60.172	.000 <sup>b</sup>
Residual	24.587	123	.200		
Total	96.754	129			

a. Dependent Variable: PurchaseDecision

b. Predictors: (Constant), PurchaseIntention, Awareness, Knowledge, Liking, Entertainment, Preference

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.096	.216		-.445	.657
Awareness	-.146	.070	-.124	-2.075	.040
Knowledge	.229	.081	.198	2.844	.005
Liking	.216	.074	.216	2.930	.004
Entertainment	.071	.079	.068	.896	.372
Preference	.379	.089	.348	4.264	.000
PurchaseIntention	.239	.077	.241	3.118	.002

a. Dependent Variable: PurchaseDecision

The multiple regression shows a substantial relationship between six factors of Purchase Intention and Purchase Decision (R = 0.864). The R-Squared value indicates that about 74.6% of the factors in consumer purchase decision are explained by the six factors of purchase decision.

$$\text{Purchase Decision} = -0.096 - 1.46 (\text{Awareness}) + 0.229 (\text{Knowledge}) + 0.216 (\text{Liking}) + 0.071 (\text{Entertainment}) + 0.379 (\text{Preference}) + 0.239 (\text{Purchase Intention})$$

The beta value indicates the relative influence of the entered variable that the YouTube commercials has the greatest influence on purchase decision as follows: Preference (0.379), Purchase Intention (0.239), Knowledge (0.229), Liking (0.216), Entertainment (0.071), Awareness (-1.46). The negative coefficient on a predictor variable would decrease the value of dependent variable consumer purchase decision.



## Demographics and Purchase Decision

### Gender Group Statistics

	Gender	N	Mean	Std. Deviation	T	Sig. (2 tailed)
Purchase Decision	Male	24	2.4300	.88192	-2.324	.022
	Female	106	2.8775	.84485	-2.262	.030

The independent sample t test was conducted to evaluate null hypothesis. The  $P = 0.022$  ( $p < 0.05$ ) is lesser than 0.05 which means that we accept null hypothesis. There is no significant difference between Gender and Purchase decision.

### ANOVA

#### Age

	Sum Squares	df	Mean Square	F	Sig.
Between Groups	24.039	10	2.404	.612	.801
Within Groups	467.684	119	3.930		
Total	491.723	129			

One Way Analysis of Variance was conducted to evaluate null hypothesis. The P value is 0.801 ( $P > 0.05$ ) which means we reject null hypothesis. There is significant difference between Age group and Purchase decision of the consumers.

### ANOVA

#### Qualification

	Sum Squares	Df	Mean Square	F	Sig.
Between Groups	12.586	10	1.259	2.344	.015
Within Groups	63.883	119	.537		
Total	76.469	129			

One Way Analysis of Variance was conducted to evaluate null hypothesis. The P value is 0.015 ( $P < 0.05$ ) which means we accept null hypothesis. There is no significant difference between Qualification and Purchase decision.

### ANOVA

#### Employment

	Sum Squares	Df	Mean Square	F	Sig.
Between Groups	23.426	10	2.343	1.040	.415
Within Groups	268.143	119	2.253		
Total	291.569	129			

One Way Analysis of Variance was conducted to evaluate null hypothesis. The P value is 0.415 ( $P > 0.05$ ) which means we reject null hypothesis. There is significant difference between Employment and Purchase decision.

### ANOVA

#### Income

	Sum Squares	df	Mean Square	F	Sig.
Between Groups					
Within Groups					
Total					



Between Groups	31.028	10	3.103	1.218	.287
Within Groups	303.249	119	2.548		
Total	334.277	129			

One Way Analysis of Variance was conducted to evaluate null hypothesis. The P value is 0.287 ( $P > 0.05$ ) which means we reject null hypothesis. There is significant difference between Income and Purchase decision.

### Conclusion

YouTube has become a recognised and legitimate platform for content creators. Billions of users are presented with free access to audio-visual content in wide-ranging subjects. So, YouTube commercials have become lucrative marketing strategy for the companies due to the massive reach and viewership at affordable cost when compared to other forms of traditional advertisements. Indeed, marketers must understand the knack of creating a YouTube commercial which appeals to the prospective and existing consumers in an enticing manner. The study examined six factors namely awareness, knowledge, liking, preference of the product, purchase intention & entertainment of the YouTube commercials on the purchase decision of the consumers. All factors were positively correlated with purchase decision but, notably, the liking and preference of the product had a strong correlation with the purchase decision. Awareness of the product was found to be having negative impact in multiple regression analysis though it has the highest mean among all the factors taken in the study. The study also observed significant difference in the various age groups, income and employment level of the viewers of YouTube Commercials. Overall analysis indicates that the factors taken for the purpose of the study are relevant and has a positive impact on the purchase decision of the consumers.

Further research can be performed regarding the role of YouTube Shorts being used as a part of marketing strategy by companies. It is also important to find the extent of scope for customization required and available for viewers of YouTube commercials.

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