

IMPACT OF YOUTUBE ADVERTISEMENTS FACTORS ON PURCHASE INTENTIONS OF YOUTH: AN EMPIRICAL STUDY

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ABSTRACT

This study aims to examine the factors within YouTube advertisements that entice the youth to purchase gaming products. The study is based on primary data collected from Indian Youth through an online questionnaire with a 5-point scale using snowball sampling. Collected data were subjected to regression analysis which revealed that the Length of the YouTube advertisement, the presence of a celebrity in the advertisement, and the factual information presented in the advertisement positively impact the purchase intentions of youth looking to buy gaming products. Results have implications for the marketers of gaming products in India. This research does not consider external factors like the preference for gaming products, time exposed to YouTube advertisements, and time spent on gaming, which may explain or impact the purchase intentions.

Keywords: Purchase intention, youth, gaming products, YouTube advertisements factors

Introduction

The media used by advertisers has changed dynamically over time: from brochures to newspapers to radio then television and now finally social media and streaming services. YouTube provides a special feature for advertisers which generally other streaming platforms do not offer. For example, YouTube's advertisements cannot be fast-forwarded like a recorded TV show or be swiped up to the next reel like Facebook or Instagram; hence the user is forced to watch the ads.

YouTube is the most popular video-sharing platform with over 2.5 billion people accessing its content in 2022 (Ceci, 2024). Although a paid version of the platform removes all forms of advertisement, only 20 million users have opted for the premium version (Ceci, 2022); therefore, the majority of the users still watch advertisements, making YouTube one of the

most popular advertisement platforms. YouTube has generated over 29 billion dollars in ad revenue in 2022 (Ceci, 2023).

YouTube also provides targeted advertising; for example, a user sharpening his English skills is shown advertisements related to companies that provide English tutoring or software that helps augment one's English like Grammarly. Another example would be the advertisement of specialized controllers, mechanical keyboards, gaming mouse, and online coaching courses for users interested in watching gaming videos. According to the official Google website, YouTube ads can be categorized into six distinct types of ads: skippable in-stream ads, In-feed ads, non-skippable in-stream ads, bumper ads, and out-stream ads (Google, 2023).

The gaming market, which has grown into a 2.8-billion-dollar industry in India itself in 2022 and is expected to continue growing at a compound annual growth rate of approximately 30% (Yadav, 2023), presents a significant opportunity for advertisers to reach out to a growing market. The value of the gaming market is expected to reach 8.6 billion by 2027. Advertisers nowadays, not only have a large range of models to advertise such as in-game purchases, plugins, and merchandise, but also a variety of platforms: Xbox, PlayStation, and Nintendo are popular platforms and the availability of a game on each of these platforms might affect both, the purchase attention of consumers and advertisers' strategy.

This study aims to determine the factors of YouTube advertisements that lead to the viewer purchasing or clicking on a website of a gaming product; the factors include the duration of the ad, how informative the message of the ad is, whether the ad has a celebrity presence, and whether the ad is non-skippable.

This research paper is divided into the 4 sections. The first section is an introduction followed by a Review of Relevant Literature. The next section is about the Research Methodology followed by statistical analysis and implications of the research findings. The concluding section of the research enumerates the Limitations of the study and Future Research Directions.

Review of Relevant Literature

Advertising on YouTube has increased drastically in recent years: from approximately 8 billion dollars in 2017 to 29 billion dollars in 2022 (Ceci, 2023). Studies have shown that simply attaching an ad banner to a video clip may not effectively capture the attention of visitors (Tangmanee, 2016). By understanding the interests, preferences, and behaviors of the youth, advertisers can create targeted campaigns that resonate with their audience, increasing the chances of the viewer purchasing the product. Additionally, (Nabila, S., & Achyar, A., 2020) also stated that social media and digital video ads are more effective methods of advertisement compared to others. This approach enhances engagement and increases the likelihood of

conversion.

According to (Berryman et al. 2018), social media platforms, including YouTube, have become popular interactive tools among young adults. A significant number of users within the age range of 18-34 years are active on these platforms (Talwar et al., 2020) and (YouTube, 2020). Young adults utilize social media to fulfil various social needs (Young et al., 2017).

This age group is highly engaged and stays updated on market trends and developments, making them suitable participants for studies related to online advertising and purchasing. Additionally, younger viewers prefer watching YouTube videos due to the perceived authenticity of user-generated content (Holland, 2016).

Online Video Advertising:

(Duffett, R. 2020) highlighted the unique characteristics of YouTube as a marketing communication platform, particularly among young consumers. His study mentioned that YouTube has become a massive platform for targeting Generation Z and influencing their purchase decision process. This suggests that YouTube ads may have distinct characteristics and effects compared to traditional ads. This generation, which has primarily lived in a period of Google, is generally independent, individualistic, and ambitious, as well as exude diversity in terms of culture, population group, gender, and sexual orientation. Hence, organizations should embrace these traits and incorporate this cohort's uniqueness in developing more sustainable marketing campaigns, to support the diverse values that are prevalent among young consumers (Duffett, R. 2020).

Influence of Celebrity Endorsements:

Celebrity endorsements have become evident in social media ads due to the shift from traditional advertising tools to modern ones. (Statista, 2017; Feleke, 2018). Ahmad *et al.* (2019) studied in detail how celebrity endorsements influence purchase intentions and investigated how young celebrities endorsing products or services through social media advertisements can affect the perception of the brand. The paper examined the impact of factors such as similarity and respect between the celebrity and the target audience and suggested that if young consumers perceive a similarity or feel respect towards the celebrity endorsing a brand on social media, it can positively influence their perception of the brand image and hence purchase intentions. An endorsement by young celebrities on social media platforms can affect the likelihood of young consumers considering and intending to purchase the endorsed products or services. The findings indicate that brand image and celebrity endorsements in social media significantly contribute to influencing the purchase intention of young consumers.

Hence hypothesis H01: Celebrity endorsement in YouTube advertisements does not influence the purchase intentions of youth.

Informativeness

According to Firat (2019), YouTube advertising serves to provide information about a business, product, service, or brand, which is referred to as informativeness. The research discovered that informativeness had a positive impact on web advertisements and mobile advertising. Furthermore, research exploring the influence of informativeness on product involvement and purchasing intention revealed that it had a positive effect on both aspects. A study by Tariyal et al. (2023) to examine the opinions of YouTube users regarding advertisements through their narratives resulted in the identification of two main themes:

subjective distress and information & entertainment. Subjective distress refers to the negative experiences that users express, such as feeling bothered by frequent advertisements, advertisements being placed in undesirable contexts, and excessively long advertisements. On the other hand, the information and entertainment aspect of YouTube advertisements occurs when users perceive the ads as introducing new products or presenting them uniquely and creatively. In such cases, users find the advertisements informative or entertaining, leading them to watch the ads multiple times. This repeated exposure to the ads can influence customers' purchase decision-making process. Nabila & Achyar (2020), Dehghani et al. (2016), and Martin et al. (2018) discovered that the way consumers perceive information in YouTube advertisements directly affects their perception of the value of those ads. This finding aligns with Ducoffe (1995), who emphasized the substantial impact of informativeness on the value of advertisements. The author suggested that optimizing the value of ads for consumers requires crafting messages that effectively convey the most informative content that marketers can provide. Ad informativeness was identified as the key factor contributing to the development of a positive attitude. This implies that consumers appreciate ads that provide valuable information.

Hence hypothesis H02: Informativeness of YouTube advertisements does not influence the purchase intentions of youth.

Audience Engagement and Control:

YouTube offers both skippable and non-skippable ads, affecting audience engagement. Users exposed to skippable ads, known as active audiences, have greater control over the advertising content. As a result, they tend to focus on and process the initial part of the ad. In contrast, users viewing non-skippable ads referred to as passive audiences, have limited control over the content and are more receptive to the overall stimulus provided by the ad. Advertisers should consider capturing the attention of passive audiences with a high-arousal stimulus before

presenting key information to be remembered (Belanche, Flavián, & Pérez- Rueda, 2020). In skippable advertisements, the effect of irritation on attitude is found to be less compared to full-length advertisements. This suggests that consumers might find skippable ads less annoying, leading to more favourable attitudes. Research showed a stronger viewer preference for skippable advertisements than conventional non-skippable types suggesting a better viewing experience without sacrificing advertising value (Pashkevich Dorai-Raj, Keller & Zigmund,2012).

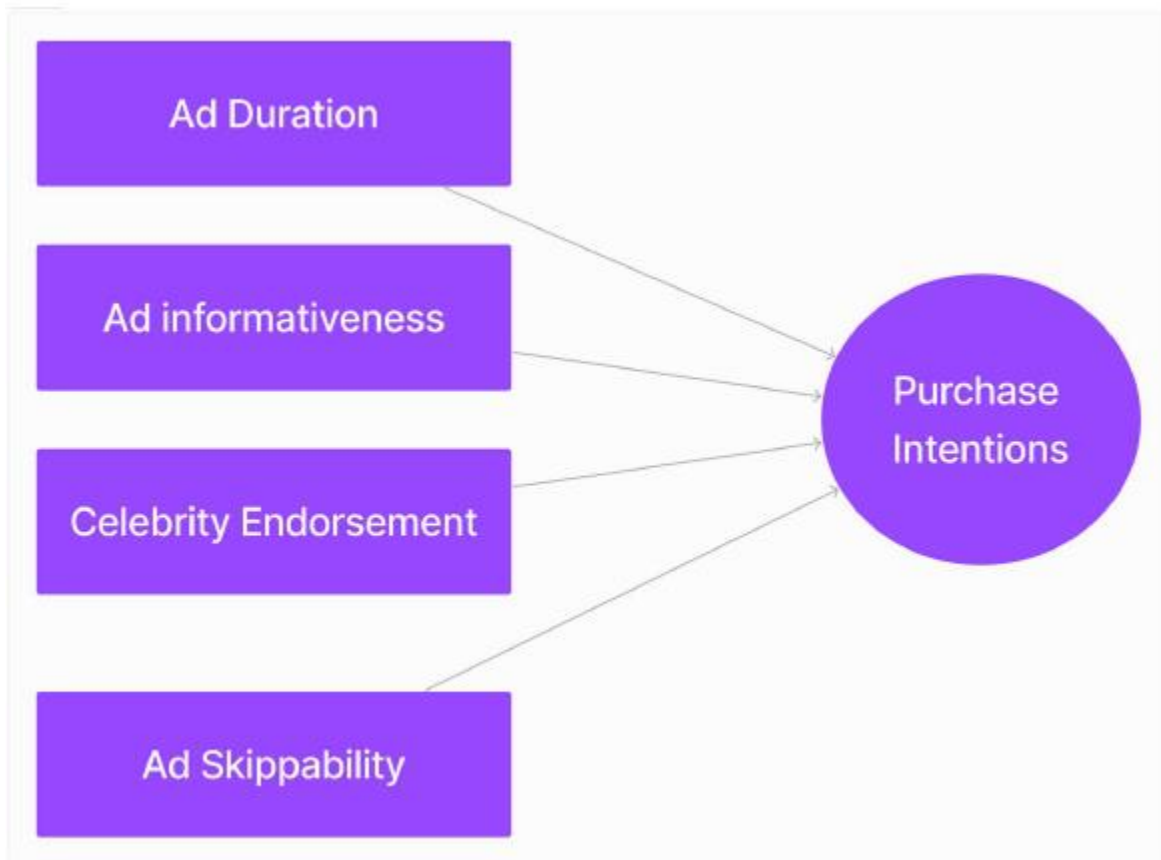
Hence hypothesis H03: Skippable feature in YouTube advertisements does not influence the purchase intentions of youth.

Length of Advertisements and Consumer Perception:

Studies have consistently highlighted the effectiveness of shorter advertisements in capturing and maintaining individual attention (Ridout et al., 2010). These concise and catchy ads are more likely to leave a positive impression on consumers, contributing to a favorable perception of the brand and its identity. Research by Sebastian et al. (2021) suggests that viewers respond positively to brief ad durations, reporting increased interest and attention. The findings indicate that such short-form content not only grabs attention but also plays a crucial role in shaping a positive consumer opinion, ultimately influencing purchase intention. However, contrary to the prevailing notion favoring shorter ads, there is evidence suggesting longer video durations of advertising stories have been associated with a more positive consumer perception of brand image and identity. Despite initial discomfort reported by some individuals exposed to lengthy ads, repeated exposure seems to contribute to a positive shift in consumer opinion. This challenges the conventional belief that shorter ads are universally more effective, emphasizing the importance of considering the nuanced relationship between ad duration and consumer response (Sebastian et al., 2021). Hence, there is evidence suggesting that the length of an advertisement can impact consumer perception and purchase intention (Tsai, 2020).

Hence hypothesis H04: Shorter duration of the YouTube advertisements does not influence the purchase intentions of youth.

Given below is the research structure as proposed by the researcher:



Research Methodology

This study uses both primary and secondary data. Secondary data in the paper is the ideas and points made by other authors and researchers giving a preview of the previously proven theories on similar topics. A dataset consisting of 219 responses, collected by circulating a Google form, is the primary data obtained directly from people in India. From these 219 responses, 136 entries were selected based on suitability to the research. These 136 responses were then analyzed using the Multiple Regression technique to test the hypotheses.

Statistical analysis:

Total responses 219, 83 did not see YouTube ads. 136 were exposed to advertisements on YouTube and 24.3 % purchased a gaming product after looking at YouTube advertisements. Out of these, 41.9% were females and 58.1% were males. 97.8 % were unmarried and almost the entire sample was composed of students studying in school or early years of college. The majority belonged to Delhi (~53%) with an Average age of 19.5 years (SD 3.7 years). Almost 50% had a monthly household income up to 5 lakh.

Used scale was tested for reliability and was found to be reliable with the value of Cronbach’s Alpha being .924. The researcher checked Construct-wise reliability and alle given in Table 1. All values indicate adequate internal consistency. Regression analysis was done to predict the influence of Ad duration (AD) (short ads), Celebrity Endorsement (CE), Ad informativeness (AI), and Ad Skippability of (SA) on Purchase Intentions (PI). As indicated by Table: 2, the proportion of variance explained by the model is .629, meaning thereby that almost 63% of the variance in the Behavioural Intention of the respondent is explained by the predictors. The value of adjusted R2 is quite similar to the value of R2, so we can say that our model generalizes well. The Durbin–Watson statistic for the model is 2.19, which is very close to 2, so we can conclude that the assumption of independent errors of regression has also been met. The value of $F(4, 131) = 58.3, p < 0.001$, indicates that the model is a significant fit to the data.

(Table: 1)

Reliability Statistics		
	Cronbach's Alpha	No of Items
Entire Scale	.924	10
Purchase Intentions (PI)	.798	2
Ad duration (AD)	.821	2
Celebrity Endorsement (CE)	.858	2
Ad informativeness (AI)	.815	2
Ad Skippability (SA)	.754	2

Table: 2 further shows that Ad duration (AD) ($t(133) = 4.64, p < 0.05$), Celebrity Endorsement (CE) ($t(133) = 3.27, p < 0.05$), and Ad informativeness (AI) ($t(133) = 2.74, p < 0.05$) are significant and contributing significantly to the ability to estimate value of Purchase Intention (PI). Standardized beta values tell us that AD ($\beta = 0.375, p < 0.05$) is the most important significant positive influence on PI followed by CE ($\beta = 0.229, p < 0.05$) and AD ($\beta = 0.221, p < 0.05$). Hence, Hypotheses H01, H02 and H03 are supported. However, Ad Skippability (SA) ($\beta = 0.109, p > 0.05$) was not found to be significantly influencing the Purchase Intention. Hence, Hypothesis H04 is not supported. The collinearity statistics given in the table lead us to safely conclude that there is no collinearity within our data as the VIF values are all below 10 and the tolerance statistics are all well above 0.2. The normal probability plot of Regression Standardised Residual, values of standardized residuals and Cook’s distance indicated that model appears, in most senses, to be both accurate for the sample and generalizable to the population.

(Table: 2)

Model Summary ^b								
R ²	Adjusted R ²		β	Coefficients ^a		Collinearity Statistics		Durbin-Watson
				T	Sig.	Tolerance	VIF	
.640 ^a	.629	(Constant)		1.02	0.308			2.19
		AD	0.375	4.64	< .001	.421	2.38	
		CE	0.229	3.27	0.001	.559	1.79	
		AI	0.221	2.74	0.007	.423	2.37	
		SA	0.109	1.02	0.308	.516	1.94	

a. Predictors: (Constant), Ad duration, Celebrity Endorsement, Ad informativeness, Ad Skippability

b. Dependent Variable: Purchase Intention $F(4, 131) = 58.3, p < 0.001$

Summary of the hypotheses testing is given in Table 3.

(Table : 3)

Regression Analysis			
Dependent Variable	Predictor(s)	Hypotheses	Result
PI	AD	H01	Not Supported
	CE	H02	Not supported
	AI	H03	Not Supported
	SA	H04	Supported

Implications of the research

This study provides an idea of the characteristics of a company’s YouTube advertisement, such as ROG ASUS or SCUFF who are looking to promote their gaming products on YouTube. According to the inference from the data, the shorter duration of the ad, informativeness of the ad, and presence of a celebrity in the ad positively impact the purchase intentions of the viewer, therefore the advertisements can have these traits to increase the odds of consumers buying their products. The skippability aspect of the ad does not have an impact on the purchase intentions. Hence, marketers should keep these points in mind while advertising the gaming products on YouTube. The study identifies potential collinearity issues, particularly related to celebrity endorsement, hence marketers should be cautious about the interdependence of predictors and may consider adjusting strategies to minimize multicollinearity, ensuring that each predictor's unique contribution is accurately assessed.

Limitations of the study

The study is based on 136 responses; hence it does not cover a diverse sample size, possibly leading to a bias in the collected primary data, which may alter the conclusion presented in this study. This study reflects only on the factors associated with YouTube advertisements that affect gaming purchases but does not take into consideration external factors like preference for gaming products, time exposed to YouTube advertisements, and time spent on gaming. Many different methods are available to block advertisements such as installing external Ad blockers or using browsers within built one. The complete blocking of advertisements may increase or decrease, varying from person to person, the attention span of a viewer when occasionally presented with an advertisement. Since this study does not take into account this factor, it may conclude contrastingly from one that does. This study refers to purchase intention, and because there is no mathematical model to quantify such a subjective topic, this research leads to a rather broad conclusion than a conclusive mathematical one.

Future Research Directions:

This research makes inferences using only 136 responses, so while the data may contain a diverse set of respondents (various states in India), the sample size is relatively small; hence deeper research into this topic should ideally include a significantly larger sample size. Additionally, this research has respondents only from India, but covering a larger demographic, in terms of nationality, will provide a better understanding of the preferences across various parts of the world. Another key area of focus can be measuring external factors like preference towards gaming, affordability, and the money allotted to spend on gaming as these can dynamically change the primary data collected. This area of research is extremely subjective and innumerable factors might affect purchase intention so any future research should take into account as many variables as possible. For instance, repeated advertisements of the same product might irritate the viewer, reducing the possibility of the viewer buying the product; this factor's effect on purchase intention can also be taken into account. YouTube can be a valuable source of data for researchers. It tracks a variety of metrics, including the duration of advertisements watched, the number of times a website is clicked on after an advertisement is viewed, and the advertisements of companies that the viewer has seen on YouTube. This data is objective rather than subjective and will likely produce a more precise conclusion.

Conclusion

This research concludes that the factors of YouTube advertisements that significantly affected purchase intention of gaming products of consumers are the duration, celebrity endorsement and informativeness of the advertisement; also, whether the advertisement is skippable or not does

not affect the purchase intention of the consumer. The regression analysis's R^2 value of 0.64 indicates that approximately 64% of the variance in the dependent variable (Purchase Intention) can be explained by the mentioned factors (Ad duration, Celebrity Endorsement, Ad informativeness, Ad Skippability). Therefore, the H01, H02, H03 hypotheses are not supported and the H04 hypothesis is supported.

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