

# Measuring The Impact Of Youtube Ads On The Buying Behavior Of Consumers In Chennai Through Brand Recognition And Motivation

Dr.N. Zeenath Zarina<sup>1</sup>, Mr. W. Joshua<sup>2</sup>, Dr. Hannah Catherine<sup>3</sup>, Mr. R. Raghu Raman<sup>4</sup>

<sup>1</sup>M.Com, M.Phil., PhD,

<sup>2</sup>M.Com,

<sup>3</sup>M.Com., M.Phil., PhD,

<sup>4</sup>M.Com.

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**Abstract** - YouTube has become the most influential media in recent times. It has become a place of business and a place where customers pass by. This study aimed to determine the customer's experience when viewing ads on YouTube and see if this has an impact on the customer's purchase intention. A questionnaire was circulated among the customers in Chennai who have experienced YouTube Ads to have their views on the YouTube ads and how it impacts their buying behavior. The research technique used in this research was convenience sampling technique. A Structural model was constructed through AMOS 24 and it was found that buying behavior had a strong impact from motivation which was influenced from Brand recognition which had a direct impact from the YouTube advertisements. The scope of this research further devolves into how marketers can influence buying behavior through motivational factors and brand recognition.

**Keywords:** Brand recognition, YouTube ads, buying behavior, Motivation marketing, YouTube marketing, unskip pable Ads

## I. INTRODUCTION

The concept of social media when it came into existence some 20 years back in the form many websites and applications took the world by storm to the extent to which by the year 2023 almost 3.43 billion people will be using social media i.e. one-third of the world's population (**statista.com**).

The impact that social media has had on the world has opened up a great deal of opportunities for marketers all over the world. The forms in which it has presented itself over the years has

increased a great deal. The most prominent forms of social media are Facebook, YouTube, Twitter, Instagram etc. All of these forms of social media has become revenue generating potentials to those who can utilize them to its optimum.

Social media is defined as “forms of electronic communication (such as websites for social networking and microblogging) through which users create online communities to share information, ideas, personal messages, and other content (such as videos)” (**Merriam-Webster dictionary**). From the definition we can understand that social media is a place where abundance of information is found and enriches the users with knowledge.

Thus we can encapsulate the above given statements such that social media has become a prominent tool in the hands of the marketers and has opened a world of opportunities at the same time has enriched the consumers with information in abundance.

## **II. SOCIAL MEDIA ADVERTISING**

In the recent times there has been an increase in the number of business and firms who has started to use social media advertising as a major part of their business strategy. Especially in the past one year in which the whole world has been affected by the pandemic (Covid) the prominence of social media has grown in greater amount as everyone were forced to stay indoors. The advertising through social media is done in various ways as many websites provide many tools for marketers to promote their brand and product into the minds of the consumers.

Through social media market segmentation and targeting can be done easily which was not the case in traditional methods. Especially with websites like YouTube and Facebook segmenting consumers into different groups has become much easier. The reach of the advertisements through social media is greater than any other medium as it combines word of mouth and also promotional ways.

Therefore, firms have started to focus more on advertising in social media due to its rise in prominence and wide reach potential.

## **III. YOUTUBE**

This study focuses only on one form of social media which is YouTube. YouTube was found by three former PayPal employees in February 2005 as an online video sharing platform where people can post their videos. Google bought it on November 2006 for \$1.65 billion. YouTube is worth around \$200 billion as of now according to Morgan Stanley. Thus one of the giants of social media YouTube has become one of the most popular medium with 2 billion users worldwide.

The study is focused on YouTube because of the greater popularity that this site has above all of the other competing sites and mediums. In the year 2020 YouTube has generated about \$19.77 billion in Advertisement revenue alone (Statista). The ad revenue generated by YouTube is second only to Instagram with \$20 billion.

Thus YouTube has become one of the greatest marketing tool for firms and business all over the world. The biggest advantage of YouTube is that advertising on YouTube is much easier and cheaper. Once a certain point of subscribers is reached self-promotion and can be done and it also becomes a revenue generating medium. Companies like Google, Apple etc. have their own channels which also adds to their revenue and promotional strategies.

#### **IV. ORIGIN OF THE PROBLEM**

YouTube advertising is simpler, cheaper and can also be turned into income generating measures. With all that being said, even though there are so many advantages when firms advertise in YouTube there is always a downside where it may have negative impacts in the minds of the people. YouTube is where most people spend their free time and today due to the pandemic, YouTube has become a more important place not only among young people but also among people of different stages of life. Thus this study focuses on the experience customers have during advertising in YouTube and its impacts on Customer buying behavior through brand recognition and motivation.

#### **OBJECTIVES OF THE STUDY**

The objectives of this study is based fully on the mindset of the consumers and how they act based on their sub-conscious memory. This study focuses on how advertisements which emerge in YouTube impacts the minds or the sub-conscious memory of consumers and prompt them to act upon it.

1. To find out whether the consumers actually give attention to the advertisements that pop-up in YouTube.
2. To find out the relationship between Brand recognition and motivation
3. To find out whether the advertisements that appear in YouTube actually has an Impact on the **Buying behavior of the Consumers.**

#### **VI. LITERATURE REVIEW**

Milad Dehghani, MojtabaKhorramNiaki, Iman Ramezani, Rasoul Sali (June 2016) in their paper titled “Evaluating the influence of YouTube advertising for attraction of young customers” , analyzed that informativeness, customization and entertainment had a positive effect on Ad value of YouTube whereas irritation had a negative effect on its value. They also stated that YouTube ads had a positive effect on brand awareness and customer intention. DuyguFirat, (Sept 2019) in the article titled “YouTube advertising value and its effects on purchase intention” concluded that informativeness and entertainment and trendiness had a positive effect on YouTube advertising value but irritation had a negative effect on YouTube ad values. Dr. VahidrezaMirabi, Hamid Akbariyeh, Hamid Tahmasebifard (Jan 2015) in their study “A Study of Factors Affecting on Customers purchase Intention” concluded that brand advertising and quality of products have a great impact on customers' purchase intention. Viertola, Wilma (2018) in their study titled “To what extent does YouTube marketing influence the consumer behavior of a young target group?” found that YouTube marketing influenced the purchasing decisions of young target audiences to some extent, but it had a larger impact on the general attitudes and attitudes of young people. One of the reasons for this target group's lack of direct

impact on consumer behaviour is a lack of confidence in the credibility and integrity of commercial collaborations between YouTubers and brands.

Factors	Classification	No. of Respondents (N=100)
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## VII RESEARCH METHODOLOGY

The research is descriptive in nature and the primary data was collected from different age groups in Chennai City. There were a total of

100 respondents for the questionnaire which was circulated through online mode via E-mail and WhatsApp. The questionnaire was structured to analyze the perception of YouTube ads among customers and also to find out its impact on their buying behavior. As it was conducted only in Chennai city it limits the scope inside the city itself. The secondary data was collected from books, research articles and websites for the purpose of this study.

## VIII. ANALYSIS AND INTERPRETATION

The analysis of the data is done with the help of SPSS (Statistical Package for Social Sciences) 26th version and also SPSS AMOS 24. Statistical techniques are used in order to achieve the objectives of the study and the results are presented below. The statistical tools used for the analysis of data are Descriptive Statistics and Structural Equation Modelling (SEM).

## HYPOTHESIS

1. Entertainment has an impact on Brand recognition
2. Detailed Information has an influence on Brand Recognition
3. Unskippability of Ads has an influence on Brand Recognition
4. Attractiveness has an impact on motivation
5. Motivation has an impact on Buying behavior of consumers

<b>Age</b>	Below 18	25
	18-25	57
	25-40	13
	40 and above	5
<b>Gender</b>	Male	49
	Female	51
<b>Income</b>	Below 10,000	28
	10,000 – 30,000	27
	30,000 - 50,000	34
	Above 50,000	11
<b>Time Spent</b>	Less than an Hour	20
	1-2 Hours	46
	More than two hours	34
<b>Do you pay Attention?</b>	Yes	36
	No	29
	Maybe	35

TABLE 1 SOCIO-DEMOGRAPHIC FACTORS AND HABITUAL FACTORS

Source: Primary Data

It is inferred from the above table that majority of the respondents (57%) belong to the age group of 18-25. 51 of the respondents are female whereas 49 were male. Majority of the respondents have an income ranging from 10,000 – 50,000. It can be seen that most of the respondents use spend 1-2 hours in YouTube. While 36% pay attention, 35% almost equal to those who pay attention have responded they may pay attention.

The Kaiser-Meyer-Olkin (KMO) and Bartlett's test signifies that there is a relationship between the variables. It measures the strength of the relationship which helps in assessing sampling adequacy and evaluated the correlations and partial correlations of the factors. The KMO sampling adequacy should be greater than 0.5 for a satisfactory factor analysis to proceed. The Bartlett's test of sphericity evaluates whether or not the correlation matrix is and identity matrix or not.

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.826
Bartlett's Test of Sphericity	Approx. Chi-Square	876.436
	df	190
	Sig.	.000

TABLE – 2 KMO ANDBARLETT’S TEST AND TOTAL VARIANCE FOR YOUTUBE AD’S AND BUYING BEHAVIOUR

Source: Computed data

From the above table it is inferred that the KMO sampling adequacy is 0.826 and Bartlett’s test of sphericity approximate Chi-square value is 876.436 which are statistically significant at 5% level. Therefore, it can be concluded that the sample size is adequate to derive the factors that influence YouTube ad value and impact buying behavior of respondents.

**STRUCTURAL EQUATION MODELLING**

Structural Equation Model (SEM) is used to test the measurement and the structural regression of model. After running SEMs and revising the model, the overall model fit index is CMIN/DF = .828 GFI = 0.978, AGFI = 0.928, NFI = 0.966, CFI = 1.000, TLI = 1.020, RMSEA = 0.049 the measureable criteria are on Table 3

TABLE – 3 RESULTS OF THIS STUDY

Index	Criteria	Result of this study
CMIN/DF	< 3.00	.828
GFI	> 0.90	.978
AGFI	> 0.90	.928
NFI	> 0.90	.966
CFI	> 0.90	1.000
TLI	> 0.90	1.020
RMSEA	< 0.08	.049
RMR	< 0.05	.049

Remark: CMIN/DF = the ratio of the chi-square value to degree of freedom, GFI = goodness-of-fit index, AGFI = adjusted goodness-of-fit index, NFI = normalized fit index, TLI = Tucker-Lewis index,

CFI = comparative fit index, RMSEA = root mean square error of approximation, and RMR = rootmean square residual

## HYPOTHESIS TESTING

TABLE – 4 HYPOTHESIS TESTING

Hypothesis	Standardized path coefficients ( $\beta$ )	T-value	P Value	Test result
H1: Entertainment => Brand Recognition	0.365	4.044	***	Supported
H2: Detailed Information => Brand Recognition	0.342	4.068	***	Supported
H3: Unskippability => Brand Recognition	-0.196	-2.789	***	Supported
H4: Attractiveness => Motivation	0.319	3.888	***	Supported
H5: Motivation => Buying Behavior	0.700	9.805	***	Supported

Remark: p value = \*\*\* <0.05

Results from Table – 4 can be summarized that:

H1: The hypothesis stating that Entertainment has an influence on Brand recognition is accepted as the Standardized path coefficient was 0.365 (t value = 4.044 > 1.96). Therefore entertainment has a positive influence on Brand recognition. H1 is accepted.

H2: The hypothesis stating that Detailed Information has an influence on Brand Recognition is supported as the Standardized path coefficient was 0.342 (t value = 4.068 > 1.96). Therefore detailed information has a positive influence on Brand recognition. H2 is accepted.

H3: The hypothesis stating that Unskippability of Ads has an influence on Brand Recognition is supported as the Standardized path coefficient was -0.196 (t value = -2.789). Therefore Unskippability of Ads has a negative influence on Brand recognition. H3 is accepted.

H4: The hypothesis stating that Attractiveness has an impact on motivation is supported as the Standardized path coefficient was 0.319 (t value = 3.888 > 1.96). Therefore attractiveness has a positive influence on Motivation. H4 is accepted.

H5: The hypothesis stating that Motivation has an impact on buying behavior of consumers is supported as the Standardized path coefficient was 0.700 (t value = 9.805 > 1.96). Therefore Motivation has a considerably high positive influence on buying behaviour. H5 is accepted.

Measuring the direct, Indirect and Total Effects of Relation between factors

The relationships between each variable are determined by the conclusion of direct and indirect effects. Direct effects indicate that an independent variable directly affects a dependent variable without intermediate variables. In contrast, indirect effects indicate that an independent variable affects a dependent variable indirectly through intermediate variables and that the total effect is the sum of the direct and indirect effects. (Asher, 1983)

TABLE – 5 DIRECT, INDIRECT AND TOTAL EFFECTS OF RELATIONSHIP BETWEEN VARAIABLES

Dependent Variables	Independent Variables						
	Unskippability	Attractiveness	Product Introduction	Detailed Information	Entertainment	Brand Recognition	Motivation
Brand Recognition	DE -.196** *	-	-	.342** *	.365** *	-	-
	IE	-	-	-	-	-	-



	TE	-.196**	-	-	.342**	.365**	-	-
	R <sup>2</sup>	.459						
Motivation	DE	-	.319**	.259**	-	-	.431**	-
	IE	-.084**	-	-	.147**	.157**	-	-
	TE	-.084**	.319**	.259**	.147**	.157**	.431**	-
	R <sup>2</sup>	.432						
Buying behavior	DE	-	-	-	-	-	-	.700**
	IE	-.059**	.223**	.181**	.103**	.110**	.301**	-
	TE	-.059**	.223**	.181**	.103**	.110**	.301**	.700**

		5	*	*	*	**	**	**
		9				*	*	
		*						
		*						
		*						
	R <sup>2</sup>	.455						

Remark: DE = Direct Effect, IE = Indirect Effect, TE = Total Effect (DE+IE), \*\*\*=p <0.05

The Table – 5 was obtained through SPSS AMOS to find out the relationship between the variables and also a Model was constructed to check the influence on each variables on the other.

From Table – 5 it can be inferred that:

**Brand Recognition:** The significant direct influence of Unskippability on the brand recognition as the value as per the table is -0.196 and also direct influences of detailed information and entertainment on brand recognition is also evident as the values are 0.342 and 0.365 respectively. As seen in the table there is no indirect effect on Brand recognition therefore the total effect is also same with the direct effects.

**Motivation:** The significant direct influence of attractiveness and product introduction on Motivation is evident as the values are 0.319 and 0.259 respectively. Brand recognition also has a significant direct influence on Motivation as the value is 0.431. There is also Indirect influences of Detailed Information and entertainment on motivation as the values stand at 0.147 and 0.157 respectively.

**Buying behavior:** The only significant direct influence on buying behavior is through Motivation whose value is 0.700 which suggests that buying behavior is highly influenced by motivation. However, Unskippability, Attractiveness, Product Introduction, Detailed Information, Entertainment and Brand Recognition has an indirect influence on buying behavior as the values are -0.059, 0.223, 0.181, 0.103, 0.110 and .301 respectively. Unlike the other variables

unskippability has a negative indirect effect on buying behavior.

In summary, while brand recognition has direct effects from unskippability, detailed information and entertainment it had a significant direct effect on motivation (0.431). Motivation has direct effects from attractiveness, product introduction and brand recognition it had a significant effect on buying behavior (0.700). Buying behavior had a direct significant effect from motivation which was influenced from the other factors directly or through way of brand recognition.

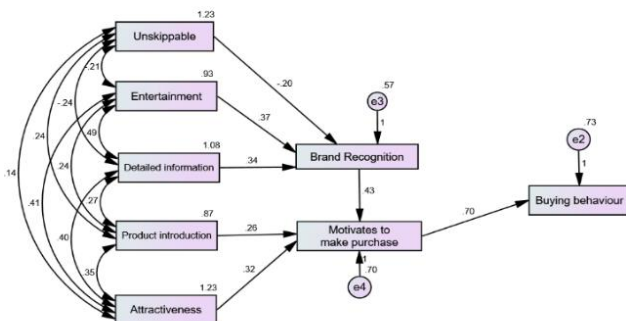


Fig 1 - Results of Structural Model

From the Figure-1 it can be said that entertainment and detailed information of YouTube ads has a direct positive effect on Brand recognition and indirect influence on motivation. Whereas unskippability has a negative impact on brand recognition and also indirect influence on motivation and buying behaviour through brand recognition. Variables like product introduction and attractiveness of YouTube ads has a direct positive influence on motivation. Finally motivation as seen in the figure has a high influence on buying behaviour with the value of 0.700 which can be interpreted that for every change of 1 in motivation positively impacts buying behaviour by 0.700.

## IX. CONCLUDING OBSERVATIONS

YouTube has become a most prominent medium in social media. It has become a place where people have started to spend more and more time due to various reasons one among them is the pandemic. It also has become a place where advertisers have started to target particularly as it has a bigger and a broad audience base.

The study has answered the three major objectives for which it was done,

Do people really give attention to the Ads shown in YouTube? While more than 30% of the people have said yes, it is evident that the rest of them are either not sure or they don't give attention to the advertisements and skip these advertisements.

The relationship between brand recognition and purchase motivation has been established as seen in Fig-1 the relationship was significant with the value of 0.400 which was positively influencing motivation which in turn had a great impact on buying behaviour.

With these all said, the main focus of this study was to find whether YouTube ads influence the buying behavior of the people and from this study it was found that YouTube ad though not directly influencing the behaviour but has a positive impact through brand recognition and motivation. From fig-1 we can see that unskippability has a negative impact directly on brand recognition and indirectly on motivation and behaviour. Whereas all the other factors had a positive impact on buying behaviour through Brand recognition and motivation.

It can be concluded that though factors like product introduction, attractiveness, entertainment and detailed information has a positive influence on motivation which leads to buying behaviour unskippability is a negative influencer. YouTube advertisers should try to avoid from casting unskippable Ads in their videos in order to give the viewers a positive influence on their products.

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Dr. N. Zeenath Zarina began her teaching career in the year 2005 in J.B.A.S College for Women, Chennai and she moved to Tagore College of arts and Science College in the next year. After two years break she joined the Madras Christian College in 2008. She has been teaching Accounting, Business Law, Service marketing, MS-Office, Business Economics and OR I & II, Business mathematics and statistics I & II and Human Resource Development at the undergraduate and MIS, ERP, Insurance and SAPM in postgraduate level. She has guided both UG and PG students for their projects. Dr. N. Zeenath Zarina is a trained facilitator in Human Resource Development teaches a course on Personality Development and Soft Skills. She has organized various conferences and participated in various conferences and workshops and also has presented papers.



Mr. Joshua W works as an Assistant Professor in the Department of Commerce (SFS) in Madras Christian College, his main areas of teaching are Business Mathematics and Statistics, Corporate Accounting, Business Law, Financial Accounting, Financial Accountancy, Corporate accountancy, Business ethics and corporate responsibility, Personality Development.



Mr. R Raghu Raman's works as an Assistant Professor in the Department of Commerce (SFS) in Madras Christian College, his main areas of teaching are Business Mathematics and Statistics, Marketing Principles, Business Law, Banking; Financial services, Financial Accountancy, Corporate accountancy, Business ethics and corporateresponsibility, Personality Development.



Dr. K. Hannah Catherine, M.Com., M. Phil., PGDCA, NET, SET, Ph.D began her teaching career in the year 2016 in Madras Christian College, Tambaram, Chennai. She started working in B.S. Abdur Rahman Crescent Institute of Science and Technology College from the year 2021. She has been teaching Accountancy, Economics, Financial Management, Financial Derivatives, Income Tax Law and Practices, Marketing, SPSS and so on. She has also guided UG students for their projects and internship. She has presented her paper and participated in various national and international conferences. She has been a resource person to St. Joseph's College Arts and Science for a workshop on "SPSS and its techniques".