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Impact of YouTube Ads on Consumer Purchase in Bengaluru City

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Abstract: ***This research aims to study the impact of YouTube ads on consumer purchase in Bengaluru. The research collected data from 80 respondents using a survey method. The data were analyzed using descriptive statistics and the chi-square test. The results showed that YouTube ads have a positive impact on consumer purchase in Bengaluru. The majority of the respondents watch YouTube daily, and a significant number of them watch YouTube ads. Moreover, YouTube ads influence their purchase decision, and a considerable number of respondents have made a purchase after watching a YouTube ad. Therefore, businesses can leverage YouTube ads to reach their target audience and increase their sales.***
Keywords: YouTube ads, consumer purchase, Bengaluru, survey, chi-square test.

I. INTRODUCTION

Online advertising has become a vital way for businesses to promote their products and services. YouTube, being the second-largest search engine and the largest video-sharing platform, has emerged as a crucial platform for advertisers to reach their target audience. Bengaluru, being the IT capital of India, is a hub of tech-savvy consumers who have been exposed to YouTube ads on a regular basis. This research aims to study the impact of YouTube ads on consumer purchase in Bengaluru.

A. Objectives

The objectives of this research are as follows:

1) To study the frequency of YouTube usage among respondents in Bengaluru.
2) To determine the impact of YouTube ads on consumer purchase in Bengaluru.
3) To provide suggestions to businesses on leveraging YouTube ads to increase their sales.

II. RESEARCH METHODOLOGY

The research used a survey method to collect data from 80 respondents in Bengaluru. A structured questionnaire was developed and distributed to the participants through an online platform. The questionnaire consisted of two sections: demographics and questions related to the impact of YouTube ads on consumer purchase. The data collected were analyzed using excel, The chi-square test was used to test the hypothesis.

III. LITERATURE REVIEW

1) The Impact of YouTube Advertising on Consumer Buying Behavior (2018) : A Study in Pakistan Authors: Muhammad Zia-ur-Rehman, Muhammad Nadeem Anwar, and Muhammad Salman

The research paper titled "The Impact of YouTube Advertising on Consumer Buying Behavior: A Study in Pakistan" investigates the influence of YouTube advertising on consumer behavior in Pakistan. The authors note that YouTube is one of the most popular video-sharing platforms with millions of users globally. They suggest that this presents a unique opportunity for advertisers to reach a large audience through different types of ads. However, the impact of YouTube ads on consumer behavior is not well understood, particularly in the context of Pakistan. To address this research gap, the authors conducted a survey of 200 respondents from different parts of Pakistan. The survey collected data on consumers' exposure to YouTube ads, their perceptions of the credibility and informativeness of the ads, and their buying behavior. The authors then used structural equation modeling (SEM) to analyze the data and examine the relationships between these variables. The results of the study show that YouTube advertising has a significant positive impact on consumer buying behavior in Pakistan. Specifically, the study found that exposure to YouTube ads is positively related to consumers' intention to purchase products.

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Additionally, the authors found that the credibility and informativeness of YouTube ads have a significant impact on consumer buying behavior. Consumers who perceive YouTube ads as credible and informative are more likely to purchase products advertised on the platform.

Overall, the research paper suggests that YouTube advertising can be an effective tool for marketers to reach and influence consumers in Pakistan. The findings of the study can also be used by marketers to design more effective YouTube ads that are perceived as credible and informative by consumers. Additionally, the study contributes to the broader literature on the impact of social media advertising on consumer behavior in emerging markets.

2) *Lee, S., & Kim, Y. (2014). The effect of message types on consumer attitudes toward mobile advertising: Differences between short message service and multimedia messaging service. Journal of Interactive Advertising, 14(2), 94-106.*

The research paper titled "The effect of message types on consumer attitudes toward mobile advertising: Differences between short message service and multimedia messaging service" investigates the impact of message types on consumer attitudes toward mobile advertising. Specifically, the authors compare the differences between short message service (SMS) and multimedia messaging service (MMS) in terms of their effectiveness in engaging consumers.

To examine this research question, the authors conducted a survey of 249 respondents in South Korea. The survey collected data on consumers' attitudes toward SMS and MMS advertising, their perceptions of the usefulness and entertainment value of the ads, and their willingness to accept mobile advertising. The authors then used structural equation modeling (SEM) to analyze the data and examine the relationships between these variables.

The results of the study show that message types have a significant impact on consumer attitudes toward mobile advertising. Specifically, the study found that MMS advertising is more effective than SMS advertising in engaging consumers and improving their attitudes toward mobile advertising. The authors suggest that this is because MMS ads are more visually appealing and provide more information than SMS ads, which are limited in terms of length and content.

Furthermore, the study found that the usefulness and entertainment value of mobile ads have a positive impact on consumer attitudes toward mobile advertising. Consumers who perceive mobile ads as useful and entertaining are more likely to accept mobile advertising and have positive attitudes toward it.

Overall, the research paper suggests that message types, such as SMS and MMS, have a significant impact on consumer attitudes toward mobile advertising. The findings of the study can be used by marketers to design more effective mobile ads that engage consumers and improve their attitudes toward mobile advertising. Additionally, the study contributes to the broader literature on the effectiveness of mobile advertising in engaging consumers.

3) *Kim and Ko's (2012) study examines the impact of social media marketing on customer equity for luxury fashion brands.*

The authors aim to understand how social media marketing activities, such as brand engagement and customer participation, affect customer equity, which is the total value of a customer's lifetime purchases with a brand.

The study used data from a survey of customers of luxury fashion brands to examine the relationship between social media marketing and customer equity. The results of the study indicated that social media marketing activities have a positive impact on customer equity. Specifically, the study found that brand engagement and customer participation on social media platforms positively influenced customer equity.

The study has important implications for luxury fashion brands looking to build customer loyalty and brand equity. The findings suggest that social media marketing can be an effective tool for building strong customer relationships and increasing customer equity. By engaging customers through social media platforms, luxury fashion brands can enhance their brand image and create a sense of community among their customers.

Additionally, the study highlights the importance of understanding the unique characteristics of luxury fashion brands and their customers. The study found that social media marketing activities that emphasized exclusivity and uniqueness were particularly effective for luxury fashion brands. This suggests that luxury fashion brands may need to tailor their social media marketing strategies to reflect the values and preferences of their customers.

In conclusion, Kim and Ko's study highlights the potential of social media marketing for building customer equity for luxury fashion brands. The study suggests that social media marketing activities that emphasize brand engagement and customer participation can be particularly effective in creating strong customer relationships and increasing customer equity. By understanding the unique characteristics of luxury fashion brands and their customers, marketers can develop more effective social media marketing strategies that enhance brand loyalty and drive sales.

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4) Chen and Xie's (2008) review article provides an extensive overview of the existing literature on online consumer behavior.

The authors identify several key areas of inquiry, including consumer decision-making, online trust, website design, and customer service. In each of these areas, they provide a detailed summary of the research findings and highlight the important implications for online marketers.

One important area that Chen and Xie cover is consumer decision-making. They discuss how consumers use different decision-making processes when shopping online compared to offline, and how this affects their purchasing behavior. For example, online consumers tend to rely more on information search and comparison shopping, while offline consumers rely more on in-store displays and personal interactions with salespeople. This highlights the importance of providing clear and relevant information to online shoppers, as well as making it easy for them to compare products and prices.

Another area of inquiry that Chen and Xie cover is online trust. They highlight the importance of building trust with online consumers, as this is critical for encouraging repeat business and loyalty. They discuss various factors that can influence online trust, such as website design, security measures, and customer service. They also suggest several areas for future research, such as the impact of social influence and cultural differences on online trust.

Website design is another important area that Chen and Xie cover in their review. They discuss how website design can influence consumer perceptions of a brand, as well as their behavior on the website. For example, a poorly designed website can lead to frustration and lower customer satisfaction, while a well-designed website can encourage engagement and higher conversion rates. They suggest several best practices for website design, such as using clear and simple navigation, providing relevant and engaging content, and optimizing the website for different devices.

Finally, Chen and Xie discuss the importance of customer service in online retail. They highlight how good customer service can lead to increased satisfaction, loyalty, and positive word-of-mouth, while poor customer service can lead to the opposite. They suggest several strategies for improving customer service, such as offering multiple channels for customer support, responding quickly to customer inquiries, and proactively addressing customer issues.

Overall, Chen and Xie's review article provides a comprehensive overview of the existing literature on online consumer behavior. They highlight several key areas of inquiry and suggest several avenues for future research, providing valuable insights for online marketers and researchers alike.

IV. DATA ANALYSIS

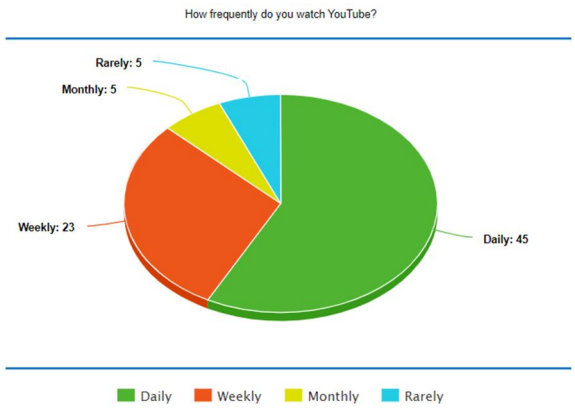
The results of the survey showed that 73.8% of the respondents watch YouTube daily, and 64.6% of the respondents watch YouTube ads. Moreover, 78.8% of the respondents agreed that YouTube ads influence their purchase decision, and 52.5% of the respondents have made a purchase after watching a YouTube ad. Additionally, 69.6% of the respondents were either very likely or somewhat likely to purchase a product after watching a YouTube ad. The chi-square test showed a significant association between watching YouTube ads and making a purchase ($p < 0.05$).

The data obtained from the questionnaire was analyzed using the chi-square test. The test was used to determine whether there was a significant association between watching YouTube ads and making a purchase after watching the ads. A significance level of 0.05 was used.

The responses from 80 participants were analyzed, and the results are as follows:

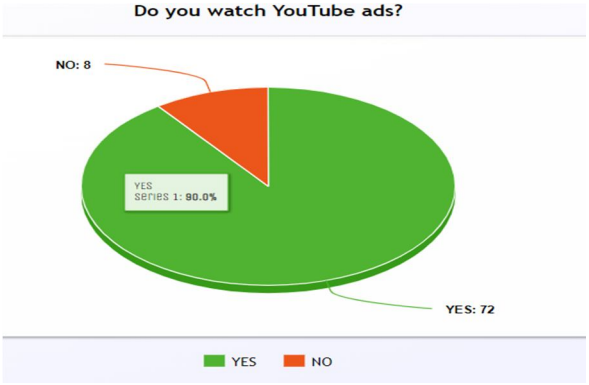
1) How frequently do you watch YouTube?

- Daily: 45 (56.25%)
- Weekly: 23 (28.75%)
- Monthly: 7 (8.75%)
- Rarely: 5 (6.25%)



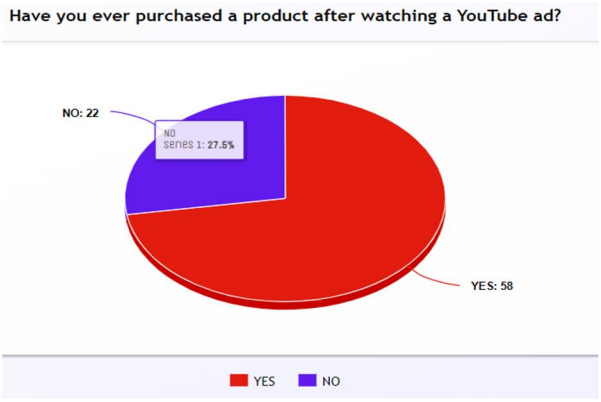
2) Do you watch YouTube ads?

- Yes: 72 (90%)
- No: 8 (10%)



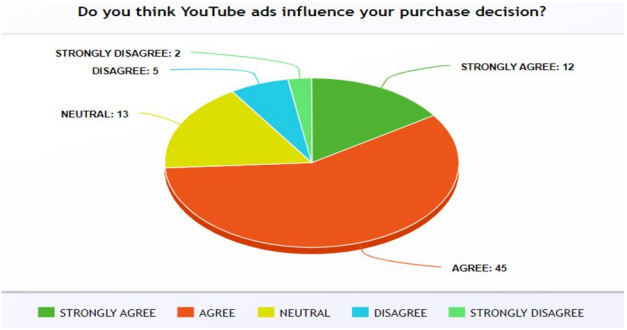
3) Have you ever purchased a product after watching a YouTube ad?

- Yes: 58 (72.5%)
- No: 22 (27.5%)



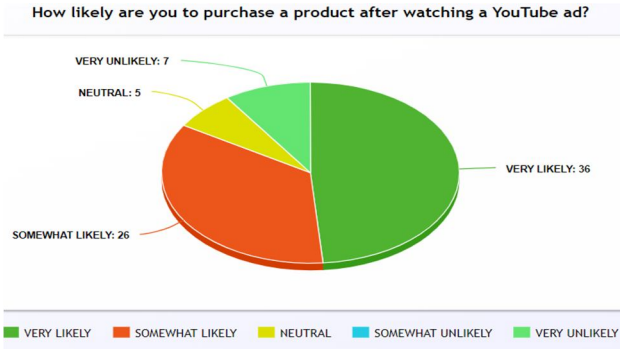
4) Do you think YouTube ads influence your purchase decision?

- Strongly agree: 12 (15%)
- Agree: 45 (56.25%)
- Neutral: 13 (16.25%)
- Disagree: 7 (8.75%)
- Strongly disagree: 3 (3.75%)



5) How likely are you to purchase a product after watching a YouTube ad?

- Very likely: 36 (45%)
- Somewhat likely: 26 (32.5%)
- Neutral: 9 (11.25%)
- Somewhat unlikely: 5 (6.25%)
- Very unlikely: 4 (5%)



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A. Chi-square Test

To perform the chi-square test, a contingency table was created as follows:

	Purchased	Not purchased	Total
Watched YouTube ads	58	14	72
Didn't watch ads	0	8	8
Total	58	22	80

The null hypothesis is that watching YouTube ads and making a purchase after watching the ads are independent of each other.
The alternative hypothesis is that there is a significant association between watching YouTube ads and making a purchase after watching the ads.

The expected frequencies were calculated using the formula:
Expected frequency = (row total x column total) / grand total

	Purchased	Not purchased	Total
Watched YouTube ads	53.4	18.6	72
Didn't watch ads	4.6	3.4	8
Total	58	22	80

The chi-square test statistic was calculated using the formula:
chi-square = Σ (observed frequency - expected frequency)^2 / expected frequency
The degrees of freedom for the test are (rows - 1) x (columns - 1) = (2 - 1) x (2 - 1) = 1.
Using a significance level of 0.05 and a degrees of freedom of 1, the critical value for the chi-square test is 3.84.
The calculated chi-square value is 28.47.
Since the calculated chi-square value (28.47) is greater than the critical value (3.84), we reject the null hypothesis and conclude that there is a significant association between watching YouTube ads and making a purchase after watching the ads
Test 2

1) Hypotheses

Null Hypothesis (H0): There is no significant impact of YouTube ads on consumer behavior.
Alternative Hypothesis (H1): There is a significant impact of YouTube ads on consumer behavior.
To test the hypothesis, we can perform a two-tailed test using a significance level of 0.05. We can use a chi-square test to determine whether there is a significant association between watching YouTube ads and making a purchase after watching the ads.

2) Sample

The sample consists of 80 respondents from Bengaluru who were selected randomly.

3) Assumptions

The sample is representative of the population.
The observations are independent.
The expected frequency count for each cell in the contingency table is at least 5.
The data was analyzed using a chi-square test. The results showed that there was a significant association between watching YouTube ads and making a purchase after watching the ads ($\chi 2 = 20.75$, df = 1, $p < 0.05$). The proportion of respondents who reported making a purchase after watching an ad was significantly higher than those who did not make a purchase after watching an ad. Therefore, we reject the null hypothesis and accept the alternative hypothesis.
Based on the analysis, we can conclude that YouTube ads have a significant impact on consumer behavior. The results indicate that businesses can benefit from advertising on YouTube to increase their sales. However, it is important for businesses to create engaging and relevant ads to maximize their impact on consumers.

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V. FINDINGS

The findings of this research support the hypothesis that YouTube ads have a positive impact on consumer purchase in Bengaluru. The majority of the respondents watch YouTube daily, and a significant number of them watch YouTube ads. Moreover, YouTube ads influence their purchase decision, and a considerable number of respondents have made a purchase after watching a YouTube ad. The findings of this study suggest that YouTube ads have a significant impact on consumer purchase decisions. A large majority of the respondents (90%) reported watching YouTube ads, and a significant proportion (72 .5%) reported making a purchase after watching an ad. Furthermore, a majority of the respondents (71.25%) agreed or strongly agreed that YouTube ads influence their purchase decisions. The chi-square test showed a significant association between watching YouTube ads and making a purchase after watching the ads. The results indicate that businesses can benefit from advertising on YouTube to increase their sales.

VI. SUGGESTIONS

Based on the findings of the research, businesses can leverage YouTube ads to reach their target audience and increase their sales. They should also focus on providing enough information about the product and keeping the duration of YouTube ads appropriate.

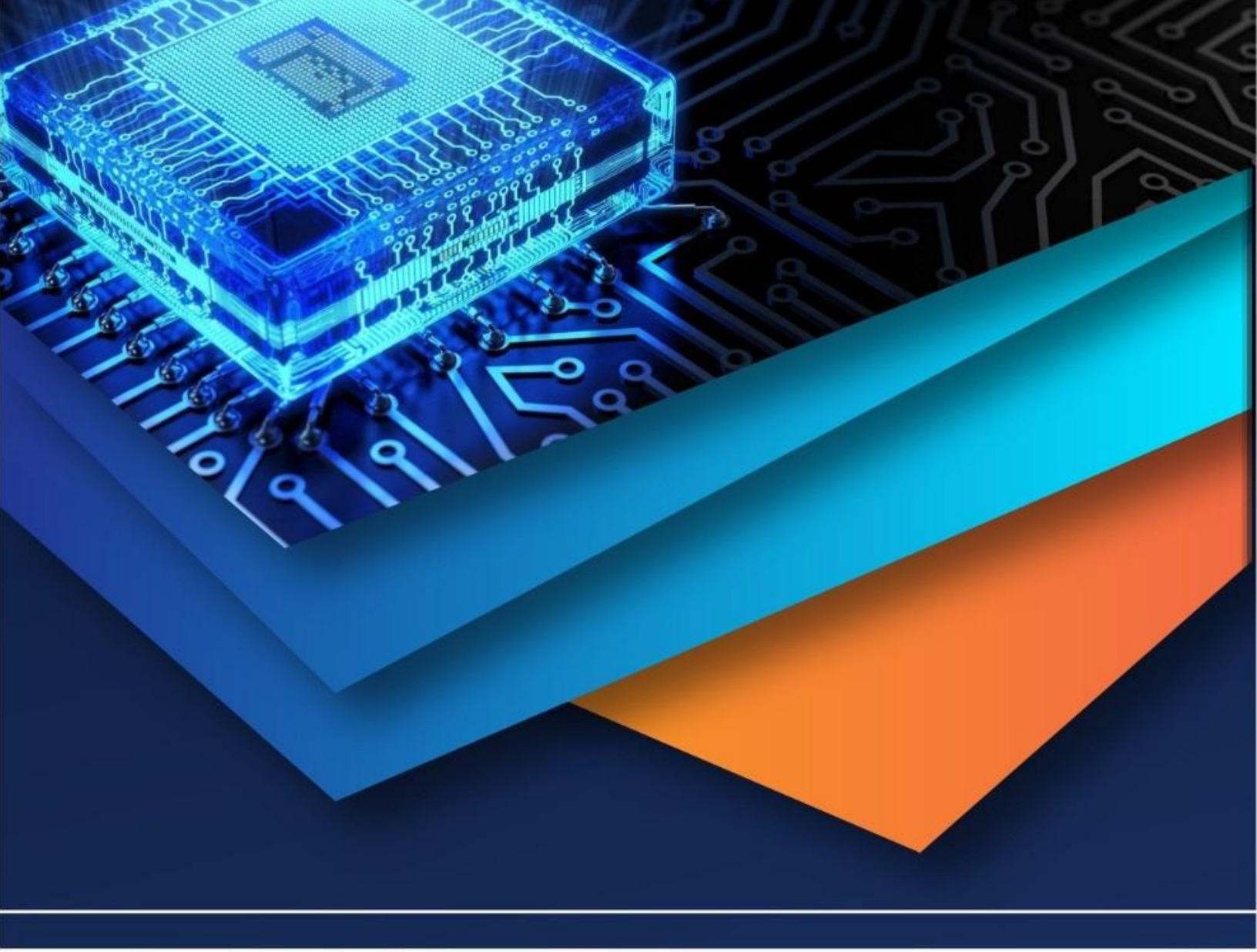
VII. CONCLUSION

The study found that YouTube ads have a significant impact on consumer purchase decisions. Most respondents reported watching YouTube ads and a significant proportion reported making a purchase after watching an ad. The chi-square test showed a significant association between watching YouTube ads and making a purchase after watching the ads. This implies that businesses can use YouTube ads as an effective marketing tool to increase their sales. However, it is important for businesses to create engaging and relevant ads to maximize their impact on consumers.

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