

A Reflection of Mid-roll YouTube Advertising Effectiveness (MYAe): A Case Study in Thailand

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Abstract

The article summarizes Mid-roll YouTube Advertising effectiveness theories. The objective of this research is to form an understanding regarding the factors that affect Mid-roll YouTube Advertising effectiveness. This study focuses on Audience's Attention, Audiences' attitudes towards Mid-roll YouTube advertising which includes, credibility, entertainment and the quality of information, and Perceived Intrusiveness. Moreover, SAS Enterprise is used to analyze the data. The research methodology copes with Pearson Product-Moment Correlation to analyze the data and test all three hypotheses. The result exposed the positive effects of overall Audience's Attention and Perceived intrusiveness on MYAe. However, Audiences' attitudes towards Mid-roll YouTube advertising has negative effects on MYAe.

Key word: Quality of information, Credibility, Entertainment

Introduction

Advertising and effectiveness

The effectiveness of advertising and evaluation of the performance concerning corporate advertising provide insight in consumer' necessities and perceptions. The evidence from advertising website' effectiveness in previous research proves that a majority of effectiveness models were based on isolation and analysis of variables strictly related to the advertising objective, such as the quality of the content and the message (Patsioura *et al.*, 2009). There are two objectives for advertising; first, the important objective of advertising is to increase sales and profits. The effective way to create sales and profits is to reach the right target audience. The owners of businesses must be sure that their advertising reaches the people who are interested in purchasing their products or reaching their target audiences. The second objective is brand awareness, determined as the metric of advertising effectiveness. Brand awareness is the percentage of people who recognize a company's brand of products. Firms create their brand awareness on the Internet by advertising in online platforms such as YouTube, Facebook (Suttle, 2018).

The greatest challenges of advertisers and agencies are to measure the effectiveness of their advertising. Since advertising is costly, but very serious attempts are made to judge how far it is effective, how many benefit and the costs of advertisement yield, how is the benefit. Thus, the advertiser will attempt to measure whether or not it meets communication objective. Nowadays, the effectiveness of advertisement has been measured by sales volume. This is call quantitative way of measurement. This measurement emphasizes whether an advertisement was acceptable to consumers and whether they remembered it. This is known as stimulus response function. There is no dispute that the most effective way of measuring an advertisement effectiveness is through sales (Suttle, 2018).

Research Problem

The rate of internet users has been increasing non-stop over the last decade. Such a rate might affect the rapid growth of YouTube Mid-roll advertising, while slowing the rate of the other traditional media, especially printed ads. The rate of mid-roll advertising is increasing and Pre-roll videos have been on the decline. Mid-roll is more likely to be watched by viewers. Mid-roll has been watched by 90%, whereas Pre-roll gained only 78% completion rate. Advertising at the end or Post- roll has a lower rate of watching, with a 65% completion rate. YouTube is one of the world's popular social video advertising platforms, which has large audiences up for grabs. Thus, advertisers are spending funds on this platform. However, Business Insider Intelligence in 2017 claimed that YouTube serves up the most annoying ads among Millennials (Elder, 2017) and a new study by Launch Leap found that 59% of millennials opt for skipping, the advertisers might not be sure how effective of these advertising, thus, it is important to explore the efficiency of YouTube Mid-roll advertising to draw audience attention.

Research objectives

The objective of this research is to form an understanding regarding the factors that affect Mid-roll YouTube Advertising effectiveness. This study concerns the following factors of MYAe: - Audience's Attention, Audiences 'attitudes towards advertising which includes, credibility, entertainment and the quality of information and Perceived Intrusiveness.

Relevant literature and hypotheses

Mid-roll YouTube Advertising effectiveness

The measurements of advertising effectiveness and evaluation criteria that are used to measure effectiveness are advertising content, the organization of the content and message strategies like entertainment and irritation were applied to measures of web site advertising effectiveness (Patsioura *et al.*, 2009). Moreover, attitudes toward the site as an indicator of web site advertising effectiveness which studied three factors which include informativeness, entertainment and organization. Other previous studies proposed that time and activity spent on

advertising web sites are important indicators of advertising effectiveness based on their positive correlation to brand attitude. The attention was determined as an important structural factor of advertising which affects the exposure of the audience to the advertising content and attitudes toward the site and the brand.

Perceived Intrusiveness

Intrusiveness is the most important dimension of the advertising effectiveness and audience's perception towards advertising, this can explain the audience's behavior response that tended to avoid advertising. Thus, intrusiveness is defined as the degree to which advertising in a media interrupts the flow of contents. For example, when the audience visiting a specific website and is cut off by an advertising message (Martínez-López, 2014). The audience's perception of intrusiveness can be increased when audience has limited time on a specific website. Thus, audiences will avoid and ignore advertising when they are perceived as intrusive. Interference with privacy of the advertising defined as the degree to which the non-desired advertising interferes with audience's cognitive and the degree of interference with the content of the media. The audience will not consider advertising as intrusive when the advertisers inform the audiences before advertising will display. However, advertising that appears without the audience's permission, is considered as an intrusion on the audience's privacy. In conclusion, the audience will consider the advertising intrusive when they are not familiar with the advertisers or they are not expecting to view the advertising. The audience's perception of interruption towards advertising depends on the characteristics of the advertising format, the moment of interruption, the factor that causes the interruption, and the content. Previous research tried to identify the factors that determine the viewers' response when they are interrupted by advertising. This study shows that the interruption of online advertising has even more intrusive than conventional media (Martínez-López, 2014). The study of advertising intrusiveness on several ad formats such as pop-ups, interstitials and spam found that different advertising formats have different levels of perceived intrusion. Advertising location and frequency also affect the perception of intrusion. Thus, when the audiences feel that they receive too many advertisements, they will consider advertising as an intrusion. Moreover, if the specific website has too many advertisements in a limited or small space, this can lead to feelings of irritation (Martínez-López, 2014). Advertising messages or content have an influence on the effectiveness of advertising and the audience's response. This characteristic has an important value for audiences. Thus, informational value meets the audience's cognitive process, while entertaining information covers the emotional value of the message. Information or entertaining advertising are perceived as less intrusive because informational characteristic have a significant effect on the audience's intrusion. This could explain why audiences look for advertising to be informative and determined that advertising content not related to information sought by the audience is perceived as more intrusive (Martínez-López, 2014).

H_{1a}: Perceived intrusiveness has effect on mid-roll YouTube advertising effectiveness.

Audience's attitudes towards Mid-roll YouTube advertising

The influence of attitudes toward advertising in general on advertising effectiveness is an important area of study because the results have implications for the industry. Previous studies discussed at length how consumers' overall perceptions of advertising impact the effectiveness of advertising and the role of advertisers. Moreover, the study of attitudes to advertising may be especially significant because it influences attitudes towards advertising, an important antecedent of brand attitudes (Mehta, 2000). Attitudes towards social media advertising is defined as consumers' favorable or unfavorable responses to a particular advertisement (Lee *et al.*, 2016). Other studies also found that when social media advertising is related to the contents and viewers, he or she will have a positive attitude towards advertising and their response are favorable (Zeng *et al.*, 2009). Previous studies have mentioned that consumers' attitudes will affect behavior, action and decision making, which means that when he or she has a positive or negative attitude towards advertising, it can determine the efficiency of advertising and purchase intention (Chang *et al.*, 2013).

H_{2a}: Audiences' attitude towards MYA has effect on mid-roll YouTube advertising effectiveness.

This variable has three sub-variables comprising the quality of information, credibility and entertainment shown as follows: -

- *Quality of information*

An effective advertising program provides consumers with the necessary facts to assist in their decision making (Ying, 2010). Logan *et al.* (2012) also identified that information of the product benefits the audiences. The Audience pays more attention to information within the advertisements when they are not suspicious of the purpose of the advertiser (Ying, 2010). Informativeness as the ability to transmit information about the product and service to the people (Murillo 2017). Thus, quality of information's whether consumers accept the advertisement or not, depending on the quality of information (Chang *et al.*, 2013). The definition of Informativeness or quality of information refers to the extent to which the advertising message includes informational content (Gvili *et al.*, 2016). Moreover, Digital message informativeness has positive relations to perceived advertising value and attitudes toward the advertising (Gvili *et al.*, 2016).

- *Credibility*

Information in the advertisements can influence how consumers receive this information and how their attitude is about the products or brands shown in the advertisements. The cues in the advertisements are determining the quality of the advertising message, which affects brand attitudes. One factor in determining consumers' attitudes towards the ad or brand that will influence information processing is advertising credibility. Credibility is responses of consumers after seeing and processing the advertising message, which influences ad attitudes. Previous studies, which assessed the advertiser's reputation and the extremity of advertising claims, found that the advertiser with a more positive reputation would be in a better position to have their advertising accepted. Thus,

advertisers should enhance their credibility since high credibility has a greater effect on consumer attitudes towards advertising (Idris *et al.*, 2014). Credibility is defined as the trust of people when they look at or watch the advertisement (Yang *et al.*, 2017). Moreover, it refers to the ability of the advertisers to offer credibility and trustworthiness to the receivers or audiences (Mukherjee *et al.*, 2017). Lastly, Logan *et al.* (2012) mentioned that credibility came from fairness and the correctness of advertising in the customer's perception.

- *Entertainment*

Entertainment Advertising has been identified as an emotional appeal contributing to the formation of consumers' attitudes towards advertising. Pleasurable contexts like entertainment and mood states delivered by these contexts have a positive influence on attitudes towards advertising and also have been identified as consumers' feelings of enjoyment associated with advertisements play a vital role in accounting for their overall attitudes towards the ads (Parreño *et al.*, 2013). Previous research reveals that many people use the internet to seek enjoyment, relaxation and entertainment and they look forward to get high entertainment values in online advertising as well. Entertainment involves the appreciation and taste of all the nuances of an experience or the appreciation of the retail scene. When processing a highly entertaining narrative online advertisement, consumers can be easily transported by attention getting, emotionally interesting and imagery provoking entertainment (Logan *et al.*, 2012).

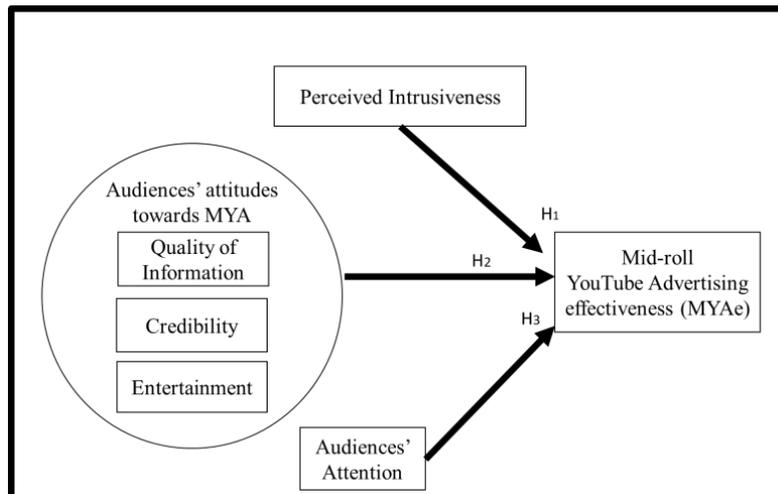
Due to hundreds of messages that consumers are exposed to each day, it is not easy to attract their attention. For an advertisement's message to instantaneously grab consumers' attention, it is essential for it to be concise and funny as consumers like and prefer to use advertisements that have more entertainment and pleasure elements. The entertainment value of advertising includes the hedonic pleasure consumers experience when exposed to an advertisement, and is a major portion in emotionally involving consumers with marketing messages, thereby influencing the effectiveness of the advertisement.

Audience's Attention

The more the audience is interested in an advertisement, the more the audiences' attention to the advertisement that advertisers receives from the viewers. This attention is demonstrated by an increased amount of infatuation (Barreto, 2013). Teixeira (2014) also found that attention is required for the advertisements; greater attention generally leads to a greater impact of successful advertising needed to focus on the inverse attention. When a customer is distracted, the level of effort required to gain their attention is enormous. The understanding of attaching audience needs to be focus in order to guarantee that we are reaching the right audiences at the right time for the best impact (Neto 2014).

H_{3a}: Audience's attention has effect on mid-roll YouTube advertising effectiveness.

Research Framework and Hypotheses testing results



Research Methodology

This study used the total two mixed method design by Creswell (2011). These methods comprise step-by-step from exploratory and explanatory until transformative mixed methods research design. *Exploratory sequential design* was selected in order to broadly explore and understand data management practices, behaviors, and preferences of MYAe. Qualitative data is first collected and analyzed, and themes are used to drive the development of a quantitative instrument to further explore the stronger research problem. This method multiplies details of operational components of each selected variable by randomly selected interviewees. As for pilot study, there are three rounds of interview. In each round, the interviewees were selected by homogenous type under the purposive sampling technique. The sample is the person, who watched MYA through game or series at least once in each week. Also, age is around 18-25 years old. The first round with four interviewees comprising MBA students and another two businessmen. The result from the first round shows that the group of users who watched Mid-roll advertising did not want to watch MYA because viewers determined it as interference or intrusiveness and unlikely to pay an attention to the advertising. Thus, MYA is ineffective. The result from the second round pilot study shows that the group of users who watched MYA thinking it as interfering, disturbing, and intrusive. The result from third round pilot study shows that most Facebook users are not exposed to mid roll advertising so often, thus Facebook Mid roll advertising has a low reach and frequency; the researcher studies only YouTube in this study. *Explanatory sequential design* presents quantitative and followed by qualitative. In this design, a researcher first collects and analyzes the quantitative (numeric) data. The qualitative (text) data are collected and analyzed second in the sequence and help explain, or elaborate on, the quantitative

results obtained in the first phase. The second, qualitative, this phase builds on the first, quantitative phase, and the two phases which are connected in the intermediate stage in the study. The rationale for this approach is that the quantitative data and their subsequent analysis provide a general understanding of the research problem. The qualitative data and their analyses is refining and explain those statistical results by exploring participants' views in more depth (Ivankova, 2006). As for quantitative, this research identifies the potential predictive power of selected variables on 30 respondents who have ever visited YouTube or Facebook since January 2018. Data analysis of 30 pre-testing of questionnaire via Google Form (online survey) shows reliability through Cronbach's alpha result. At this stage, data are analyzed and interpreted by SAS enterprise license number 12400609. The result of reliability test of each variable ranges from 0.60 to 0.95, therefore questions of each variable are acceptable for use in the study (Tavakol, 2011). In the sampling procedure, the researcher develops screening question to filter the prospective respondents to examine. Therefore, the researcher applied $p=60\%$ ($p=0.60$) and $\alpha = 0.05$ and $e = 5$ percent ($e = 0.05$) into the *n4Studies* calculation. The result showed the sample size of 369 ($n = 369$). However, the researcher continuously collected till the sample size is 422 respondents ($n = 422$) via Google Forms as an instrument in order to collect the data from target respondents. The purpose of the questionnaire is to gather raw data for analyzing the relationships among independent, intervening, and dependent variables. This research has also applied the four points Likert-scale to acquire an intrinsic answer from respondents. Finally, this questionnaire composes of three main parts, which are a screening question, demographic factors, and variables. Reliability and validity of the survey scale items were established based on both pilot (see *Exploratory sequential design*) and principle survey administration, using frequency distributions, internal consistency reliability indexes, inter item correlations. This research used a panel of all YouTube visitors through snowball sampling method to secure the content validity of the survey items. As a consequence, this research applied Pearson Product-Moment Correlation to analyze the survey data. Moreover, Cross-tabulation and frequency counts helped analyze the survey demographic information and the participants' answers to separate items on each of the four survey scales. As for qualitative stage, this research has created semi-structural interviewing questions based on the lowest mean of each independent variable. This research used expert sample under the purposive sampling technique. There are eight experts, who had frequently faced mid-roll advertising at least three times per five times of YouTube access a week. This research has used phone conversation and line application to follow-up results between author and all interviewees. This research has purposefully selected a foreign businessman. This follow-up interview results are used to improve effectiveness of advertising through YouTube and Facebook which are shown in recommendation section.

Research results

This research presents results of three independent variables. First, the result showed the significant value between perceived intrusiveness and mid-roll YouTube advertising effectiveness was <0.0001 which is less than 0.01 ($0.0001 < 0.01$); thus, null hypothesis was rejected. The correlation coefficient (r) is equal 0.79505 which means there is a moderately positive relationship and the strength of association (R^2) is (0.6321). Second, the

result showed the significant value between audience's attitude toward MYA and mid-roll YouTube advertising effectiveness was 0.0007 which is less than 0.01 ($0.0007 < 0.01$); thus, null hypothesis was rejected. The correlation coefficient (r) is equal - 0.23879 which means there is a weak negative relationship and the strength of association (R^2) is (0.0570). Third, the result showed the significant value between audience's attention and mid-roll YouTube advertising effectiveness was <0.0001 which is less than 0.01 ($0.0001 < 0.01$); thus, null hypothesis was rejected. The correlation coefficient (r) is equal 0.69819 which means there is a moderate positive relationship and the strength of association (R^2) is (0.4875). As for the Implications, Viewers are unlikely to be interested to watch at Mid-roll advertising because viewers determined MYA as waste their time or their enjoyable time and they are unlikely to stay watching until the end. Moreover, the story line and content of MYA is not interesting. However, MYA is an easily accessible source to get information.

Conclusions and Recommendations

The group of users who watch Mid-roll YouTube advertising do not want to watch MYA. Viewers determined MYA as interference and disturbing their enjoyment on specific programs. Moreover, they are unlikely to pay an attention on content or message and opt for skipping. Viewers will watch Mid-roll YouTube advertising when the content begin with short story with emotion appeals, funny story and so on. on the other hand, viewers will opt for skipping when the content begin is with products and services information. Thus, MYA is ineffectiveness. The results of this study implied that ads positioning, content and story line are the key success of advertising. The researcher suggest that Mid-roll YouTube advertising should improve in several aspects. First, YouTube should add skip bottom in every advertisement in order to protect the privacy of the viewers. Secondly, YouTube should display the advertising at an appropriate time (Put ads in the right place and at the right time). For example, advertising should be displayed when the first part of the specific program ends. Thirdly, YouTube should allocate and manage the advertising contents which match with the original video contents. Fourthly, the message of advertising should be short and easy to remember. Moreover, advertisers should produce advertising contents that contain a funny story, a dramatic story and other emotional appeals.

Future Study

Regarding the limitations of this study, the researcher suggests that there are many factors (variables) that might affect or have a significant relationship with Mid-roll YouTube advertising's effectiveness, such as customer engagement, brand engagement and other emotional appeal. Moreover, due to the limitations of time, this study focuses only on Thailand; thus, the researcher suggests that future research should focus more on other nations. There are many social video advertising platform; thus the researcher suggests that future study should focus in other platforms, such as Facebook, Netflix. Furthermore, this study focuses only one age group; thus, future research should focus in other age groups.

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