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An Empirical Study on Viewer Perception Towards Non-Skippable Advertisement on Streaming Applications

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ABSTRACT

The research aims to understand the level of tolerance of Non-Skippable Advertisements on viewers and analyze the impact of the same on customer perception across the different streaming applications. The convenience sampling method is adopted to arrive at the sample size of 200 respondents residing in urban Bangalore through the primary source. Gender, age, occupation, qualification, and the income were the variables used to analyze the demographic profile. The independent variable was the non-skippable format of advertisements and the independent variables included tolerance level, viewer behavior and viewer perception. The hypotheses were tested applying One-way Analysis of Variance (ANOVA) and Multiple Linear Regression Analysis statistical tools with the help of Statistical Package for Social Science (SPSS). Advertisements are an integral part of any business. The advertisers began airing advertisements that could not be missed or skipped, forcing viewers to watch these commercials. There has been a spike in such non-skippable advertisements on platforms like YouTube and Spotify, particularly during the pandemic.

Introduction

Marketing is often confused with terms like promotion or advertisement. Marketing is broader notion and goes beyond these two terms. Marketing is a concept encapsulating selling, promotion, market research and advertisement. There are multiple tools used by a marketer to promote and showcase the product or service. One such tool is an advertisement.

Advertisements are an integral part of any business. The main motive of an advertisement is for the advertiser to reach out to the target market with the information that they want to disseminate to the customers. Technological advancements are an inescapable transformation in the business world. Today,

technology has become an inseparable component of the selling process. Digitalization has not only made the selling process easier; it also has made the production process easier. This can help reduce manual labor and improve other areas of the business.

There are two schools of thoughts in this matter – there are people who stand their ground that shopping from a physical store has advantages like easy returns and physical touch of products and; then the rest of them are more inclined towards the digital shops.

Social media has become extremely popular, especially after the internet and the smartphones have become affordable. The whole world is connected on one single platform (that is, the internet). When such convenience in communicating is accessible, businesses did not take a lot of time to use this platform to advertise their products or services.

Due to the addictive nature of social media outlets and the large number of people who use them, many companies have created their own accounts on these sites to conduct business online and engage with potential customers.

These websites and their advertising strategies are definitely flawed. These sites track the online activities of customers in order to serve them with relevant advertising based on their browsing history, which ensures that there is no privacy for any user. It's as if everyone is being watched.

Advertisers saw an increase in web engagement and used it to market their product or service by taking advantage of the fact that potential buyers were online. Advertisers shifted their focus to social media, which has become an integral part of everyone's daily routine. They started showing advertising that could not be skipped or missed, compelling people to watch them.

REVIEW OF LITERATURE

Cher, E, Arumugam, V (2019) The research is based in Malaysia and focuses on the consumers perception to advertisements on YouTube. Non-probability technique was used to collect data from 280 people. The various tests used by the authors were – normality test, bivariate Pearson correlation analysis, R square test, and ANOVA test. The results state that the engagement of consumers on YouTube with advertisements has a major role in the effectiveness of such advertisements.

Sabuncuoğlu-İnanç, A, Gökaliler, E, Gülay, G (2020) This research focuses on the population of Turkey who are the most online video watching internet users. The paper goes on to prove that a high entertainment factor has a positive response from the customers, similarly the informativeness also has a positive reaction. The irritation level or frequency of exposure have negative responses. The results indicated that if these bumper advertisements had high entertainment factor, it induced a positive reaction, same goes with informativeness.

Garret, C, Goldfarb, E, Scarff, A (2020) This study emphasised on perceived advertisement intrusiveness and perceived advertisement effectiveness when the advertisements are choice based or non-choice based. One group had a skippable version and the other group had a non-skippable version of the same advertisement. The results showed that adding a skip option did not increase effectiveness. The results also indicate that there is a negative relation between intrusiveness and effectiveness.

Tresa Sebastian et al. (2021) In recent times, India, as a populous market, has seen a dramatic growth in online customers. A semi-structured interview was used to gather data from fifty participants, who reported watching YouTube for at least thirty minutes per day. Although YouTube advertisements have a modern way to advertise, there are a number of pitfalls to avoid. Individuals are more likely to pay attention to personalized advertisements that are important to them. Viewers enjoy advertisements that do not disturb their listening experience and pay heed to brief, distinct advertisements.

Eid et al. (2020) The aim of this study is to look at the effect of social media advertising qualities such as informativeness, confidence, and frustration. An online questionnaire survey of two hundred and fifty-six participants were used to gather the required data. According to the findings of the study, businesses should draw on the amusement value of commercials on social media platforms, as well as making them more engaging and appealing. If the business market and consumer base continue to expand and evolve, there is a need to adapt promotional models successfully over time.

Varghese & Chitra (2020) The granularity in which marketers can reach prospective consumers is one of the more visors in paying gregarious advertisements, and this concept underpins many convivial advertisement channels and items. The primary goal of this research is to determine the effectiveness of online advertising. The study concluded that the consumer attitudes are largely influenced by online advertisements.

Sudha & Sathya (2020) The aim of this analysis is to examine the effect of social media on consumer purchasing behaviour. Firms now put a high emphasis on the way social media can be used to affect customers' purchase decisions. The results showed that customers enjoy buying via social media because of the choice and ease, but they are concerned about payment theft. They are still unaware of websites due to a lack of advertising. An e-commerce site that improves on these constraints will generate a lot of money.

Tjahjadi & Hendijani (2020) Many companies today use social media as a forum for marketing their good or services. When it comes to video watching, YouTube is a well-known and widely used website. The aim of this paper is to fill a knowledge gap by determining the effect of customers' perceptions of the mandatory-view advertisements on their buying behaviour. The results showed that even though the advertisement was important to them, if they do not get positive knowledge and do not enjoy the mandatory-view advertising, it would have little effect on their buying behaviour. As a result, it would not proceed to a purchase decision.

RESEARCH METHEDOLOGY

Statement of Problem

Advertisements are an essential aspect of every company's publicity policy. Marketers are experimenting with different approaches in order to attract a large audience. Non-skippable advertisements on websites of high regular use are the newest tactic used by advertisers. Since placing these advertisements on social media platforms has been a major game changer to reach a mass audience, this trend will not change for as long as internet exists. The non-skippable format forces the viewers to watch the advertisement before they stream the content or in between

streaming their content. This trend has left viewers with mixed feelings. Some viewers are fine with such interruptions, whereas some viewers aren't.

This study focuses on these advertisements that cannot be skipped and what are the perceptions of viewers on such advertisements.

Objectives

The study consists of three main objectives that revolve around the topic -

1. To assess the behavior of YouTube and Spotify users when they come across non-skippable advertisements on the respective platforms.

2. To analyze impact of advertisements on viewer perception on YouTube.

Hypotheses

 H_0^{1} – There is no significant difference in behavior between YouTube and Spotify users regarding non-skippable advertisements.

 $H_1^{\ 1}$ – There is a significant difference in behavior between YouTube and Spotify users regarding non-skippable advertisements.

 H_0^2 - There is no significant impact on non-skippable advertisements on viewer perception on YouTube.

 H_1^2 – There is a significant impact on non-skippable advertisements on viewer perception on YouTube.

Type of research

This research is a combination of the descriptive, analytical and empirical researches as it tries to analyze what is the impact of non-skippable advertisement on viewers using empirical data collected from the sample.

Type and source of data

This research makes use of primary data. The primary data was collected using a structured questionnaire which was rolled out to the respondents via Google forms. The responses were collected and recorded.

Sampling design

The sample for this particular study was chosen from the city limits of Bangalore. The sample consisted a mixture of students and working class from the age group of eighteen with no set upper limit. The sample consisted respondents of all genders. This research studies the data collected from two hundred respondents living in the city of Bangalore. The sample of two hundred respondents were selected on the basis of convenience and also that met a certain criterion of using both the applications concerned to the study, which are YouTube and Spotify.

Tools and Tests Used

Statistical Package for Social Science (SPSS) was the statistical tool used to find out the results. The Simple Percentage Analysis, One-Way Analysis of Variance and the Multiple Linear Regression tests were used to test the hypotheses.

Scope and Limitations

This study tries to find out if there is a variation in behavior between users on these two platforms when they come across non-skippable advertisements. This study also tries to find out the impact such non-skippable advertisements have on viewer perception.

This study was conducted in Bangalore and has a sample chosen only from the city limits of Bangalore. The population chosen are also inclining more towards the youth and considers any respondent who are above eighteen years of age. Below eighteen years were not considered. The population saw many respondents towards the age bracket of eighteen to thirty and very less under the age bracket of forty-five and above.

DATA ANALYSIS

Null Hypothesis: There is no significant difference in behavior between YouTube and Spotify users regarding non-skippable advertisements.

Alternate Hypothesis: There is a significant difference in behavior between YouTube and Spotify users regarding non-skippable advertisements.

Table 1: Behavior of YouTube and Spotify users when they come across non-skippable advertisements.

Platforms	Preferences	Sum of	Mean	F- Value	Sig.		
		Squares	Square				
YouTube	Between Groups	12.485	12.485	1.059	0.221		
	Within Groups	1637.710	8.271				
	Total	1650.195					
Spotify	Between Groups	7.585	7.585	0.610	0.436		
	Within Groups	2461.810	12.433				
	Total	2469.395					
Source: Computation from primary data							

Table 1 depicts the results of the Analysis of Variance test conducted on the responses of two hundred respondents. The F- value of YouTube is 1.059 and the F-value of Spotify is 0.610. The significance level of YouTube is 0.22 and the significance level of Spotify is 0.436.

As per the contents of the table above, it can be concluded that there is no significance between the behavior of YouTube users and Spotify users when they come across non-skippable advertisement on their respective platforms. This entails the fact that the preference of not having a non-skippable advertisement is common on both the platforms.

Thus, the null hypothesis, in this case is clearly accepted based on the evidence interpreted above and the alternative hypothesis is rejected, which means that there is no significant difference in behavior between YouTube and Spotify users regarding non-skippable advertisements.

Null Hypothesis: There is no significant impact on non-skippable advertisements on viewer perception on YouTube.

Alternate Hypothesis: There is a significant impact on non-skippable advertisements on viewer perception on YouTube.

Tuble 2: Ellieur Regression Woder Summary						
R	R Square	F-Value	Sig.			
0.325	0.106	11.628	(0.000) **			
** Significant at 0.001 percent level. Source: Computation from primary source.						

Table 2: Linear Regression Model Summary

Table 2 shows R-value to be 0.325, R Square to be 0.106 with F-Value of 11.628 significant at 0.001 percent level. This entails the fact that there is a significant impact of non-skippable advertisement on viewer perception on YouTube.

Model	Unstandardized	Standardized	F-Value	Sig.			
	Co-efficient	co-efficient					
(Constant)	2.071		36.935	(0.000) ***			
Visit Advertisers	-0.058	-0.146	-1.492	0.137			
site	-0.038						
Purchase from the	-0.086	-0.204	-2.088	(0.038) ***			
site	-0.000						
*** Significant at 0.001 percent level. Source: Computation from primary source.							

 Table 3: Multiple Linear Regression Analysis to analyze the impact of non-skippable advertisement on viewer perception on YouTube

The equation derived from the regression model is as below –

Y = 2.071 + (-0.058) X1 + (-0.086) X2

Table 3 shows that the unstandardized co-efficient of constant is 2.071. The unstandardized co-efficient of visiting advertisers' site is (-0.058) and purchasing from the site is (-0.086). The standardized co-efficient of visiting the advertisers' site is (-0.146) and for purchasing from the site is (-0.204). The F-value for the constant is 36.935, for visiting the advertisers' site is (-1.492) and for purchasing from the site is (-2.088). The constant and purchasing from the site were significant at 0.001 percent level. The dependent variable here is the preference to non-skippable advertisement on YouTube.

The estimated level of impact is equal to 2.071 + (-0.058) (Visit the advertisers' site) + (-0.086) (Purchasing from the site). The level of impact increases by every unit whenever there is an increase in the number of times the respondents visit the advertisers' site with (-0.058) units and number of times there is a purchase made on the site with (-0.086) units.

When there is a significance level shown in variables, the null hypothesis is rejected. So, in this case, the null hypothesis is rejected and the alternative hypothesis is accepted which means that there is a significant impact of non-skippable advertisements on viewer perception.

FINDINGS

Objective - To assess the behavior of YouTube and Spotify users when they come across non-skippable advertisements.

✤ It was duly noted that there was no significance at 0.001 percent level in case of both the platforms considered for the study, namely YouTube and Spotify.

 \bullet The behavior remains the same across both these platforms when the users come across a non-skippable advertisement.

 \clubsuit Both the applications have a large number of non-skippable advertisement in the free version available.

✤ YouTube or Spotify, when a user comes across an advertisement that cannot be skipped, as per the results, their behavior towards it remains the same. Most of them prefer to skip these advertisements, even though there is huge level of tolerance.

 \clubsuit The preference of not having these non-skippable advertisements on both these platforms are common.

Objective - To analyze the impact of non-skippable advertisements on viewer perception on YouTube.

 \bullet The constant and the purchasing from the site variables were significant at the 0.001 percent level, keeping the preference to see such non-skippable advertisements on these platforms as the dependent variable.

 \diamond These variables being significant means, they are showing that they have a significant impact on the viewer perception when the viewers come across non-skippable advertisements on YouTube.

• Purchasing from the site has a significance value which means that a lot of people do visit the advertisers' site and also make a purchase from it.

• Even though there is no preference of such advertisements, the results show that the viewers are impacted in some way by these non-skippable advertisements.

SUGGESTIONS

★ The number of consecutive non-skippable advertisements can be reduced. Seeing one non-skippable advertisement causes irritation, having to see multiple advertisements back-to-back which cannot be skipped will only cause more distress.

 \diamond Addition of the skip option to every advertisement will help the viewer to have a better experience when using the applications. This will give the viewer more power to choose whether to watch the advertisement or not.

The applications should stick to 'Bumper-ads', advertisements which present a skip button after five seconds.

 \diamond Advertise in a way that the attention of the viewer is caught in the first five seconds of the advertisement so they won't skip it.

 \bullet The applications may restrict these non-skippable advertisements when a user wants to view or move to a new video or listen to a new song from the one which is already being played.

SCOPE FOR FURTHER RESEARCH

This research was done only in the city of Bangalore. This study can be conducted in a larger area with multiple cities or even consider whole of India. The fact that even children below eighteen years use Spotify and YouTube can be considered for further studies. There are other applications which have non-skippable advertisements other than YouTube and Spotify which could be considered for further studies. The number of consecutive non-skippable advertisements which can be tolerated can also be considered for the research.

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