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To what extent does YouTube marketing influence the consumer behaviour of a young target group?

Helsinki Metropolia University of Applied Sciences
Bachelor of Business Administration
European Management
Thesis
27.4.2018
The topic of this thesis is the influence of YouTube marketing on a young target group which belong to the consumer segment of Generation Z. YouTube as a social marketing channel will be examined, as well as the various different ways of doing marketing and advertising on the platform. Influencer marketing, which means that brands use for example Youtubers as their brand advocates, is also one of the main topics of the thesis and one of the ways of doing marketing on YouTube. The Generation Z as a consumer group will also be discussed. The ways the young consumers use social media and how they make decisions as consumers are important information for this research. The influencer marketing will also be presented focusing on YouTubers as social media influencers.

The research questions of how much the young audience is being influenced by the YouTube marketing regarding their buying decisions and how brands can use the results of this thesis are being examined and answered by conducting primary and secondary research. The primary research was conducted in the form of group interview for the young consumers of Generation Z and the secondary one by reading and analysing the previous studies and existing literature. The results tell that YouTube marketing influences the young target audience’s buying decisions to some extent, but actually has more impact on the general opinions and attitudes of the youth. The lack of trust towards the authenticity and honesty of the commercial cooperations between YouTubers and brands is one of the reasons why the influence on consumer behaviour of this target group is not direct.

| Keywords | social media marketing, YouTube, influencer marketing, Generation Z, consumer behaviour |
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1 Introduction

Consumers are being influenced by a number of things today in the world of social media marketing. The role of influencers, such as YouTube’s video bloggers, YouTubers, has increased constantly and in this thesis, this influence on young target audience will be researched. The interesting world of YouTube as a marketing channel and Generation Z as a consumer group will also be discussed. Young consumers are an interesting consumer group as they are the future employees and the impact of marketing to the decisions they make as consumers is something that can be useful for companies who are having challenges reaching this target group.

There are two research questions in this thesis. The primary research question intends to answer the question of the extent of the influence that YouTube marketing has on a young target audience. It will be answered and discussed based on the relevant literature about the topic, the secondary research done using the existing studies on the topic and the primary research done in the form of a group interview. The secondary research question is relating the topic to the brands and intending to give concrete advice on how the brands could reach the young target audience who belong to the Generation Z. The results and the conclusions of this thesis will intend to give an insight of the channels and the ways of communicating with the youth, focusing on YouTube and influencer marketing. This thesis is also discussing the reasons behind the success of YouTube among the young social media users as a social media channel and as an online video sharing platform. There will also be a discussion about the role and the popularity of YouTubers today and the influence of them on the defined young viewers.

The topic of the thesis is relevant and worth researching since the Generation Z has been stated as the next big consumer group and it would be essential for the companies to know how to exactly reach this target group. YouTube as a marketing channel and especially as an influencer marketing channel has gained popularity and is a topic of conversation today in the world of social media. There are some previous researches about the topic worldwide, as well as from the point of view of the YouTubers in Finland, hence this thesis will gather data from the young consumers’ point of view since it has not been studied as much yet.
This paper continues with the literature review of the relevant theories and information about different fields of marketing, starting from the traditional marketing and its basic components and moving on to digital marketing and its different forms and channels. After the literature review has given a general understanding of the background of the topic for the reader, it will be followed by the research methodology of this thesis. The chosen research methods will be presented and the planning and the implementation of the different researches will be explained. The following section will cover the main results of the primary and secondary research followed by the discussion and the analysis of these beforementioned results. The conclusions of the work as a whole will be drawn at the end of the thesis and some discussion of the possible future research will be presented. In the conclusion, the thesis process and the limitations will also be discussed.

2 Literature Review

In this literature review, the basic theories of marketing are presented and explained for the better understanding of the topic and its background for the reader. The flow of the literature review begins from the definition of marketing and the explanation of what it is and how companies are trying to reach possible customers with the help of marketing. Through marketing psychology and branding, the review gets to digital marketing and furthermore social media marketing. For the topic of YouTube marketing, it is important to understand these fields of marketing which it belongs to. Via YouTubers and marketing on YouTube, we get into the field of influencer marketing, which is also an important field in understanding the thesis topic.

2.1 Marketing

To fully understand the topic of this thesis and to be able to research the fields of YouTube marketing, influencer marketing and consumer behaviour, we first need to define what is marketing and all the relevant fields of it.

“Marketing is engaging customers and managing profitable customer relationships. (Kotler, et al., 2017, p. 4)” According to this simplified definition by Kotler et al. marketing is all about meeting customers’ needs and wants and making sure that these valuable relationships remain good also in the future and are developed if needed. From the point of view of marketers, it is important to understand the differences between customers’ needs, wants and demands to be able to provide a solution for each one of
them. Needs are the only ones of these which are not created by marketers. They are natural necessities such as food and water. Wants are different from needs because they are not necessities, they are formed and shaped by the surrounding culture and individual preferences. They are something a consumer desires and they might have been influenced by the environment. When adding buying power to the wants, demands are created. With the help of marketing, companies try to answer to these demands. By researching young consumers’ attitudes and opinions about marketing on YouTube, we are hopefully able to bring valuable information for brands to improve their strategies to better engage young audiences. (Kotler, et al., 2017, p. 6)

As seen in Figure 1 above, also the marketing process starts with customers’ needs and wants, in addition to understanding and analysing the market as a whole. The process continues with a few steps including the creation of a well-functioning and customised marketing strategy based on the first step’s results. The end result of this marketing strategy is to create value for both the customers and the company, which was also previously stated as the main point of marketing.

2.1.1 Marketing mix and promotion mix

As previously discussed, marketing is a process with which companies intend to meet customers’ needs, wants and demands. There a lot of different components and moving parts when trying to create something valuable for the customer. Marketing mix is a framework created by E. Jerome McCarthy to help in this decision-making process of a company. The marketing mix is formed by four Ps which are product, price, place and promotion. (Needham, 1999) The main actions of marketing can be found in the promotion P, in the promotion mix. The elements in the promotion P are the communicative ones sending the message about the product to the consumers, while the product focuses on the details of the actual product, the price includes the strategy related to how much the product will cost to the consumer and the place includes all information
related to where and through which channels to sell the product to the consumers. (Kotler, et al., 2017, pp. 49-50)

Figure 2. Marketing mix. (Kotler, et al., 2017, p. 50)

In Figure 2 above the marketing mix can be seen in one picture. Marketing is included in the promotion part which includes also advertising, personal selling, sales promotion and public relations. All these different elements help the companies to design a valuable product for the customer. The promotion part is vital because without it there is a product, but the consumers don't know about it. The customer is the centre of attention in all marketing actions which leads us to a discussion of marketing psychology and consumer behaviour in the next section. Consumer behaviour is one of the main topics of this thesis since we intend to find out how YouTube marketing is influencing the buying decisions and the video viewers' behaviour as consumers. (Kotler, et al., 2017, pp. 49-50)

2.1.2 Marketing psychology

Marketing psychology is an essential part of marketing and marketing research. As stated previously, the essence of marketing is to understand the customer and to engage them with a brand by effective advertising and marketing communication. In order
to do this, the companies need to focus on their target customers’ consumer behaviour as well as on how they make decisions when buying products or services.

One way of understanding the customers’ behaviour is using the Five Stage Model of the consumer decision-making process, first introduced by Cox et al. in 1983, as a framework for a study. This model introduces the five basic stages in a situation where a consumer is making a buying decision. The different stages can be seen in Figure 3 below. (Dudovskiy, 2013)

![Five Stage Model](image)

**Figure 3.** Five Stage Model by Cox et al. 1983. Own illustration.

This model can also be connected to the topic of influencer marketing (see 2.3) and how YouTube marketing influences the consumer behaviour of the young audiences. In the case of YouTube, the consumers use YouTube and the videos in the “Information Search” stage to find out more information and specifications on the products they have recognised a need for in stage one. At the same time on YouTube, they can see the alternatives, since for example in many product review videos, the YouTubers (see 4.1.3) test and review a number of products from different brands. If the viewer after this wants to make a purchase, they can also use YouTube as a channel for the post-purchase evaluation.

2.1.3 Market segmentation and target marketing

One important part of marketing is market segmentation and target marketing. This enables the company to divide its market into different segments, groups, by few different methods and afterwards to properly target these segments in a way which is most effective to reach the specific target group. As stated before, this is one of the first steps of the marketing process (see Figure 1), when defining the market and the people you want to sell your products or services to. (Kotler, et al., 2017, pp. 48-49) Using YouTube as a social media marketing channel and using influencers in a company’s
marketing strategy are decisions done with the help of effective market segmentation and target marketing.

There are different types of segmentation. According to Needham these are geographic, demographic, psychographic and benefit segmentation. Demographic segmentation is the most used one and it includes dividing the customers for example according to their age, sex, occupation or income. (Needham, 1999) This depends on the product or the service of the company. Target marketing is related to how to reach this specific target group and what kind of marketing to implement. (Kotler, et al., 2017, pp. 48-49)

There are different channels which a company can use when reaching its possible customers. The roles of the more traditional ones such as television, radio and print media are changing and have changed already when technological development has come along. The Internet has brought endless new options for companies to choose from when deciding where to communicate with the customers and where to advertise their products or services. There are blogs, company websites, different social media channels and forums where to advertise and bring out the company's message and mission to the consumers. (Chaffey & Ellis-Chadwick, 2012)

### 2.1.4 Branding

Branding is also an essential part of the success of a company. A brand is something that the consumers remember the company and its products by. If a company’s aim is to create value for their customers and to make the relationship between the company and the customers long-lasting, brand plays a big role in it. According to Kotler et al. (2013:245), a brand itself is able to add value to the company’s product or service. “A brand is a name, term, sign, symbol or design, or a combination of these, that identifies the maker or the seller of a product or a service.” Consumers often might think that only the logo of a company is the brand, but for example, YouTube's logo with red, black and white is just a part of their brand, nevertheless the most recognisable one. (Kotler, et al., 2013, p. 245)

One efficient way of branding is using brand advocates, such as YouTubers or bloggers in a company’s branding strategy and marketing campaigns. This is strongly related to influencer marketing, which is further discussed in section 2.3 and 4.1.3.
2.2 Digital marketing

The field of digital marketing was touched a little bit in the previous chapter but we still need to define it to be able to then focus more on the social media marketing which YouTube marketing is also a part of.

“`The application of the Internet and related digital technologies in conjunction with traditional communications to achieve marketing objectives. (Chaffey & Ellis-Chadwick, 2012)`” This is how digital marketing is defined by Chaffey and Ellis-Chadwick. When a company is doing digital marketing, it is choosing to use digital channels in addition to the previously mentioned traditional media channels to market its products or services.

Video-marketing platforms are introduced by Chaffey and Ellis-Chadwick as one important channel for digital marketing for companies. YouTube is one example of these. When the internet was not interactive and it was mainly used to find information, it was referred to as Web 1.0. Now with the addition of the social factor and interaction occurring in the social networks online, it has been stated as the era of Web 2.0. The social aspect of digital marketing is the one which leads us into one of the most important fields of digital marketing, social media marketing. (Chaffey & Ellis-Chadwick, 2012)

2.2.1 Social media marketing

Social media marketing is one of the categories of the broader digital marketing. The main goal of social media marketing is to build the online presence of a company on different social media channels and also get the customers to communicate in these channels. (Chaffey & Ellis-Chadwick, 2012) Word-of-mouth, WOM, which in this case is happening in a digital form, is still one of the most important ways to reach more customers. WOM, in short, is used when talking about information for example about a company or a product which spreads from person to person verbally. (Kotler, et al., 2013, p. 428)
In the Figure 4 above can be seen the whole social media marketing radar with all different channels and ways of doing marketing with the help of social networks and using them as communication channels. This image shows that there are many options to choose from and that even though generally thought, using the basic social networks is not the only effective option. We can see here YouTube included in the ‘Social streaming’ group and it has been placed closest to the centre which indicates that YouTube as a social media marketing and as a social streaming channel is very important for companies. Here it has been compared with three other social streaming services; Vimeo, Flickr and iTunes. However, according to this figure the content syndication, being the act of getting one’s content published in third-party websites, is not the strongest via YouTube (Search Engine Watch, 2016).
As stated earlier, the word social is the keyword in social media marketing. The interaction between the consumers and between consumers and companies is what makes it different from basic digital marketing. The interaction between the company and the consumer, B2C, can also happen with a middleman in between bringing the message. Especially in social media channels today, the rise of influencers and brand advocates is increasing. The role of these influencers is more visible now than before. This will, later on, lead us into the field of influencer marketing, which is one of the main topics of this thesis.

2.2.2 YouTube and YouTube marketing

As YouTube is the channel researched in the thesis, it would be good to present the channel and the different forms of marketing and advertising companies can do using the channel.

YouTube is an online video platform which was founded in 2005. At the moment it is owned by Google, which acquired YouTube in 2006 when YouTube had only been running for one and a half years. On YouTube people from all around the world, who have access to the Internet are able to upload, watch, comment and share video content free of cost. The fact that the channel is free is one aspect that separates YouTube from other online video platforms. This will be discussed further in section 4.1. (Christensson, 2009)

In recent years YouTube has gained a lot of popularity with the rise of professional video bloggers, YouTubers. An increasing amount of YouTubers film, produce and publish videos to their YouTube channels as their full-time employment. There are YouTubers who have millions of subscribers and viewers worldwide. The individual Finnish YouTuber, Eric Savolainen, who makes videos based in Finland and in the Finnish language goes by the name Lakko, and has almost 480 000 subscribers at the moment, which is a massive number of subscribers in relation to the population of Finland (YouTube, 2018).

Marketers have also noticed the increasing popularity of YouTube as a video platform and YouTubers among the users. There are numerous different ways to do marketing and advertising on YouTube. The main forms of advertisement are bumper advertisements, TrueView discovery advertisements and TrueView in-stream advertisements.
The bumper adverts are shown at the beginning of the actual video and only last for a few seconds, the TrueView discovery adverts show mainly in the search results when the user is searching for videos from the search bar and the TrueView in-stream adverts are advertisement videos which also show at the beginning of the video, but last longer than the bumper adverts. The in-stream adverts can be skipped by the user if wanted. In addition to these basic forms of adverts in connection with the YouTube videos, an increasing amount of companies market their brands and products in cooperation with the YouTubers. This will be discussed further in the following section of influencer marketing. (YouTube, 2018)

2.3 Influencer marketing

According to Chaffey and Ellis-Chadwick one form of WOM, which was presented in the earlier chapter, is influencer marketing. Influencer marketing can be defined as followed “identifying key communities and opinion leaders who are likely to talk about products and have the ability to influence the opinions of others.” (Chaffey & Ellis-Chadwick, 2012)

A relevant example of influencer marketing is YouTube with its video bloggers or YouTubers as they are often called, who act as influencers and role models for their viewers. A recent study done by A-lehdet and Aikakausmedia related to the role and responsibility of YouTubers stated that 75 percent of the YouTubers interviewed for the study felt that they are role models for their viewers. According to the study, the YouTubers are also more than role models as they can also influence the consumption and buying decisions of their followers. Many YouTubers are doing commercial cooperation with brands for example by showing their products in their videos. In this situation, the companies have chosen to do influencer marketing and use these YouTubers as their brand advocates in their social media marketing strategy. (Honka, 2018) As stated in section 2.1.2, this is how YouTube and influencers are part of the decision-making process of the consumers.

In addition to the branding (see 2.1.4) done by the YouTubers for the companies, another type of branding is also the personal branding that the YouTubers are doing for themselves. Many YouTubers have a strong personal brand, something that distinguishes them from the other video makers. (Kauppalehti, 2016)
3 Research methodology

3.1 What is research?

“Business research can be defined as a systematic and objective process of gathering, recording and analysing data that provide information to guide business decisions. (Sreejesh, et al., 2014)” While business research as a term, such as the one defined by Sreejesh et al. is broader and can be implemented in any field of business, the primary research done for this thesis falls into the title of marketing research. Marketing research aims to explain and study a certain problem or area of business which can be helpful for the marketing purposes of a company. Marketing research includes planning, designing, collecting, analysing and reporting relevant data for the purposes of a company. (Kotler, et al., 2013, p. 114)

3.2 Research methods

There are different research methods inside marketing research. The research method depends on the objective of the research. The primary research in this thesis is descriptive research since the objective is to gain knowledge and understanding about the consumer behaviour of the focus group and to examine the feelings, attitudes and opinions of the interviewees about YouTube marketing according to their experience. As stated by Kotler et al. the main objective of descriptive research, as its name also tells, is to describe things. The objective of the primary research for this thesis is to provide relevant information for companies and brands to help make decisions related to their social media marketing strategies and whether to use YouTube as a marketing channel or not and if yes, how. The other research methods in addition to the descriptive one are explorative research and causal research. The explorative research aims to collect information in a phase where the problem is not yet defined. The causal research aims to explain the relationship between cause and effect. The primary research in this thesis can also be defined as a qualitative research, rather than a quantitative one since the information gathered aims to understand the behaviour of the consumers, not gaining numerical or measurable data such as can be gathered by quantitative research. (Kotler, et al., 2013, pp. 114-121)
Gathering qualitative data for a descriptive research is often done by focus group interviews, which is also used in this research. In a personal face-to-face interview situation, in a small group of people, the interviewees are able to express their feelings and opinions better than in a survey where generally the answers are answered with "yes" or "no" type of answers or on a scale from one to five. This doesn't serve the purpose of this research objective. Focus group interview is more of a discussion about a topic, guided by the interviewer. There were also specific questions planned for the interview, in order to gain as much relevant data as possible and in case the guided discussion would not cover some of the themes relevant to this research. Even though focus group interviewing is a great way for marketers to gain relevant insights into the consumers’ attitudes, opinions and behaviour, there is a risk that the small sample group is not representative enough related to the whole target group, which in this case is all the young consumers in Finland, who belong to the Generation Z. A focus group interview gives a good first insight about a target group, but the results could be more reliable with a larger sample group or different research method. This, of course, requires more extensive resources. (Kotler, et al., 2013, p. 121)

3.3 Research design

As stated earlier, the data for this interview is gathered by doing interviews, furthermore a focus group interview for a group of young interviewees, who belong to the Generation Z consumer group. The aim was to do a theme interview, where there would only be certain themes and the interviewees would discuss the subject, but this turned out not to be the best way to get answers from the young group of interviewees, as they were not feeling natural to keep up the discussion themselves. With the help of the specific questions which were also planned beforehand, the interview was successful and all the necessary information was gathered. The interview questions were designed in relation to some of the theories in the literature review, as well as the data already gained from the secondary research. There were quite many questions in the plan, but some of them were a part of the interview solely to gain data about the interviewees' demographics and their use of YouTube. After them, the actual questions related to their consumer behaviour, buying decisions and their perceptions of YouTube marketing and its influence on them were asked.
3.4 Research Sample

The sample for the group interview has been chosen using non-probability sampling and within that, judgment sampling. The sampling procedure was non-probability one since not all of the population had the same chance to be chosen to the sample for the interview. Firstly, the interviewees were chosen because they belong to the Generation Z by their age. The Generation Z’s age range is very wide and it had to be narrowed for this research. The age of the seven interviewees varies between 15 and 17. They all go to the same school and they are females. When choosing the interviewees, it was important that in addition to belonging to a certain generation, they watch YouTube videos regularly and are able to discuss the topics of YouTube marketing, influencer marketing, and video bloggers. (Kotler, et al., 2013, pp. 124-125)

<table>
<thead>
<tr>
<th>Types of samples</th>
<th>Probability sample</th>
<th>Non-probability sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simple random sample</td>
<td>Every member of the population has a known and equal chance of selection.</td>
<td>Convenience sample</td>
</tr>
<tr>
<td>Stratified random sample</td>
<td>The population is divided into mutually exclusive groups (such as age groups) and random samples are drawn from each group.</td>
<td>Judgment sample</td>
</tr>
<tr>
<td>Cluster (area) sample</td>
<td>The population is divided into mutually exclusive groups (such as blocks) and the researcher draws a sample of the groups to interview.</td>
<td>Quota sample categories</td>
</tr>
</tbody>
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Figure 5. Types of samples. (Kotler, et al., 2013, p. 125)

In Figure 5 above can be seen the definitions of the different samples divided to probability and non-probability samples. As stated previously, the sample of this thesis has been chosen by the non-probability and furthermore judgment sample procedure.
4 Results

In the first part of this thesis, the literature review, the basic theories and models of marketing and all of the relevant fields of it were explained. In this part, the findings of the research using both secondary and primary data are explained. The findings of the secondary research have been divided into three parts; YouTube as a marketing channel, Generation Z as a target group and influencer marketing by YouTubers. In the first part, there is basic information about YouTube and the types of marketing which can be seen on the platform. The second part focuses on Generation Z, which also the interviewees are a part of. Their consumer behaviour and their use of different social media channels are discussed, focusing on YouTube. In the third part, the role and profession of YouTubers are discussed, focusing on the point of view of influencer marketing. The secondary data includes blog texts, online articles, books and YouTube website (https://www.youtube.com). After presenting the results of the secondary research, the main results of the primary research, the focus group interview, will be presented.

4.1 YouTube as a marketing channel

YouTube has gained popularity during recent years as a digital marketing and furthermore a social media marketing channel and it keeps growing. According to Statista, in 2017 YouTube had 1.47 billion users worldwide and this number is expected to grow to 1.86 billion until 2021 (Statista, 2018). The only social media which has more users than YouTube is Facebook with 2.2 billion monthly active users (Statista, 2018). Facebook and YouTube are very different by their main characteristics, so the comparison of these two is not as relevant, even though also Facebook has increased advertisements in video form. Following different YouTube channels has been increasing in Finland, according to a report funded by the Media Industry Research Foundation of Finland (Kormilainen & Ampuja, 2016).

One of the key competencies of YouTube is that all of its content is in easily watchable video form compared to a lot of other social media such as Instagram, Facebook and the more traditional channels of marketing such as printed media, radio and television. However, there are also other online video platforms such as Vimeo and Dailymotion and other social media channels which have video content on their websites. The
number of users of YouTube is remarkably bigger than for example one of Vimeo’s or Dailymotion’s. To compare, according to Statista Vimeo had 828 million users in 2017 (Statista, 2018). YouTube’s popularity can be also sensed from statements which refer to YouTube as the new combination of television and radio (Van Den Bergh & Behrer, 2016). If there are companies that are not yet using YouTube in their social media marketing, it is now time to do that. As Mohite states in her article in LinkedIn “…video content is definitely going to be on top of the mind of every marketer in 2018. (Mohite, 2018)"

YouTube is a creative platform to do marketing, but as 100 hours of videos are uploaded every minute around the world, companies need to create a solid video marketing strategy to beat their competitors (Van Den Bergh & Behrer, 2016). According to Forbes, the two most important things to consider when creating content to YouTube as a company are quality and regularity. To stand out from the crowd a company must create high-quality videos on a regular basis. The more videos, the better. (Forbes, 2017)

YouTube marketing takes a lot of work and planning but it can be very effective. Companies are able to target their different adverts on YouTube according to location, target group and people’s interests. This way companies are able to reach the audience most relevant to them. According to the statistics gathered by YouTube, small and medium-sized companies have discovered YouTube in the last years, since the amount of marketing done by these companies has doubled in just the last two years. (YouTube, 2018)

4.2 Generation Z as a consumer group

Generation Z or Gen Zers, as they are most of the times referred to in different sources, are the consumers who interest companies and marketers the most at the moment. This is no wonder since according to Marketing Land’s article, Generation Z is the single largest audience segment with 26% of all demographics (Sterling, 2017). The definition of Generation Z according to the Oxford Dictionaries is the following “The generation reaching adulthood in the second decade of the 21st century, perceived as being familiar with the Internet from a very young age (Oxford Living Dictionaries, 2018).” The age range is vast and it varies from source to source, most of them stating that Gen Zers are generally born between 1996 and 2010. According to the previously
mentioned article on Marketing Land, the youngest persons who still could be called Gen Zers would be born in 2015 (Sterling, 2017).

There are many reasons why companies are interested in this generation. They are digital natives, which means that they have lived their whole lives using the internet and they have grown up with different social media. Therefore, the group can be most effectively reached by companies through different social media channels rather than traditional media. As already stated before it has been estimated that the Gen Zers will form 40% of all consumers by 2020. They are also the next generation to enter the workforce. (The Drum, 2017)

The relationship Generation Z has with social media is different than one of the millennials and they value different things. For Gen Zers visuals and storytelling are important when it comes to the content in different social media (Kleinschmit, 2015). They also want to be able to relate to the content they see. Therefore, the importance of peer influencers, such as YouTubers or bloggers has gained a great success among the group. Watching YouTube videos is easy, convenient and you can do it from your own smartphone wherever you are. (Van Den Bergh & Behrer, 2016)

In addition to visuals and content with no text, Gen Zers value transparency and authenticity. They want honest and relatable content, something that is real and closer to their lives than for example celebrities such as singers or actors, who were the influencers before normal non-celebrities such as YouTubers came into the picture. Gen Zers also tend to trust individuals more than institutions which might create challenges for companies trying to target this group with their advertisements. This is also one reason why YouTube and video bloggers are an important part of this equation. (FastCompany, 2016) Looking at the infographics produced by Upfront Analytics the popularity of YouTube among Gen Z is obvious. Gen Z watches two times as many videos on their mobile devices compared to any other generation and in addition, 70 percent of the Generation Z watches two hours of YouTube daily (Upfront Analytics, 2015).

4.3 Influencer marketing by YouTubers

Even though companies can create their own accounts and channels on YouTube and create marketing content on their own, one of the most popular and effective ways of doing marketing on YouTube is influencer marketing with the professional video blog-
gers, YouTubers. Making videos to YouTube is a profession for an increasing part of YouTubers, also in Finland. They create and upload videos about a chosen topic. The genre can be for example music, gaming, lifestyle, fashion or sports. These YouTubers are sharing their personal lives with their audiences, to the extent they choose to. Making YouTube videos is a way of communicating and interacting with people and many YouTubers tell that a certain kind of community has been created between them and their viewers. (Kauppalehti, 2016) Exactly the loyal and committed audiences of these influencers is what intrigues the companies about commercial cooperation with YouTubers (Kukkonen, 2018).

In addition to making regular videos to their YouTube channels, many YouTubers are doing commercial cooperation with companies. This means that they, for example, receive products from a company and test them on video. This type of marketing is called influencer marketing, which was already presented earlier in section 2.3. The companies wish to gain brand awareness for their company and to attract new customers with the help of these influencers. What is different from using for example celebrities in a company’s advert, is that with YouTubers the brand needs to give up some control and trust that the brand will be portrayed in a positive light (Booth & Matic, 2011). Finding a common voice and trusting the YouTuber as their brand advocate was also one important aspect of commercial cooperation between the YouTuber and a brand for the Finnish brands according to the study by A-lehdet and Aikakausmedia (Honka, 2018). Using influencer marketing on YouTube can be very effective for companies since for example in Finland more young people named YouTubers as their idols than more common celebrities like singers or actors (Yle, 2017). It can be said that consumers listen to other normal consumers more likely than celebrities with whom they don’t feel any connection. (Booth & Matic, 2011)

As Mohite stated in her LinkedIn blog post, influencers are a big factor when it comes to the consumption of Generation Z (Mohite, 2018). There are some discussions about the motive of these commercial collaborations between companies and YouTubers since the video bloggers receive either monetary or another type of reward for these collaborations. There are companies who might offer a collaboration to get visibility offering only a small reward for the work and on the other hand YouTubers could do these collaborations just to receive free products. Sometimes the unclear contracts of the industry also cause difficulties for the YouTubers to create professional content (Kormilainen & Ampuja, 2016). Luckily also in Finland, there are networks for whom
some of the biggest YouTubers work for, who handle their business propositions and offer all kind of help and consultancy related to making videos. (Kauppalehti, 2016)

There have been a few changes on the monetization of the YouTube videos and furthermore the YouTuber profession in recent years. First, in April 2017, YouTube decided to require 10,000 lifetime views in the YouTube channels for the content creators to be able to start earning money through the advertisement on the videos. However, the bigger change happened in January 2018, when the limit for monetization was modified to be connected to the number of subscribers in the channel and views during the last 12 months. The limit for subscribers was limited to 1000 and the hours of views to 4000. (Kain, 2018)

4.4 Results of the group interview

When choosing the interviewees for this group interview, one requirement was that they watch YouTube videos, so they would be able to discuss and analyse the marketing and advertising seen in connection with the YouTube videos. The interview with the focus group was more of a discussion about their use of YouTube, what kind of content they watch there and how often, how do they feel about marketing and advertising on the platform as well as hearing their observations, opinions and attitudes towards YouTube marketing. The main topic of the thesis, the influence of the YouTube marketing on this focus group was discussed in addition to the role and responsibility of the YouTubers from the point of view of the viewers, the focus group. The interview gave good and interesting results and data in order to analyse the topic and the research questions in addition to using the secondary research data from the previous studies and literature about the topic. The answers from the group interview also gave relevant and usable data to discuss and give answers to the secondary research question related to the question of what the brands could do to better reach this young target group using YouTube as a marketing channel.

All members of the focus group watch YouTube videos almost daily. This supports the fact that YouTube is very popular among this generation. A study by A-lehdet and Aikakausmedia which was mentioned earlier in the literature review of this thesis, where they interviewed 14 Finnish YouTubers, might have given the image that Finnish young audience follows and watches a lot of Finnish YouTubers. The results of this focus group interview showed that most of the youth interviewed follow and watch more for-
eign YouTubers than Finnish ones. However, this does not seem to have an influence on how they have perceived marketing on the YouTube channels. According to the interview, these young people watch in addition to lifestyle video blogs videos related to their hobbies and also some educational videos and videos about important, more serious topics such as TEDx speeches.

When starting the conversation about marketing and advertising seen on YouTube, everyone in the interview acknowledged that they have been exposed to marketing by many brands and companies while watching videos on YouTube. These young YouTube users were able to name various different types of adverts and ways of doing marketing on YouTube. They mentioned, for example, the advertisements seen at the beginning of the video and in the middle of the video. They mentioned the surveys appearing before the video starts and also the sponsorships between a YouTube channel and a brand. When asked about commercial cooperations, none of the interviewees was unfamiliar with the term, rather they knew what was meant with it and were able to tell that they have all seen YouTubers’ videos done in commercial cooperation with a brand. During the discussion about the different forms of marketing and advertisement on YouTube, the young interviewees also mentioned the fact that the advertisements before the actual video can be related to anything, not related to any interests or relevant brands for the viewer. It can be stated that the target marketing of these pre-video advertisements is not very accurate or effective in that case. The commercial cooperation videos have become more and more popular and this can be seen from the fact that even though these interviewees watch a lot of different type of YouTube videos from different countries, all of them had still seen various videos done in cooperation with a brand.

Another finding related to the study by A-lehdet and Aikakausmedia is that as stated in the study how it is important that the companies don’t tell the YouTubers what to say as the YouTubers are the creators of the content and that the brands should let the YouTubers do the commercial cooperation videos with their own style, this is also important for the viewers. (Honka, 2018) As it was found out from the interview, that the focus group sometimes doubted whether they can trust the YouTuber’s opinion about a product or a service to be authentic and honest. They also stated that commercial cooperation videos are nice to watch when the brand’s values fit the YouTuber’s personality and style and the advertising part has been merged into the rest of the video content because in that case, it is more reliable. Advertising in the form of commercial
cooperation doesn’t bother them, when it is not clear selling and promoting of the product, rather than just, for example, making a cooking video and using a brand’s products in the process. Commercial cooperations had also awakened some scepticism, even though generally the young interviewees had more positive thoughts about this type of marketing than the advertisements before and middle of the video. Some of the interviewees felt it hard to believe the opinions of the YouTuber because they always only praise the products. The advertisements before the video and in the middle of long ones were perceived as irritating and interrupting unless they were related to something they are interested in.

When exchanging views of the differences between videos without any brands behind them and the ones which have been made in commercial cooperation, some of the interviewed youth said that they wouldn’t see a difference if the commercial aspect of the video wasn’t stated clearly in the beginning. Others told that the fact that it is a commercial video affects their viewing experience since they focus too much on the products that are being advertised.

The next theme of the interview was the influence of the earlier discussed YouTube marketing and advertising on the focus group’s consumer behavior, buying decisions and general opinions. They were first asked what or who influences their buying decisions. The young interviewees told that they are mostly influenced by their friends, some trendy influencers such as YouTubers and by their own personal interests. They look for information about a product or a service they are interested in from the internet, YouTubers, and friends. Generally, from someone who has experience of the product. According to this focus group, YouTubers have not had an actual influence directly on their buying decisions, as in that they would have gone and bought a product solely based on a YouTube video. The interviewees told that from YouTube videos they get more inspiration, tips and get to know new brands and products. The only positive aspect of the advertisement videos in the beginning or in the middle of the video was the fact that through them they get to know new products or brands. In other words, they like advertising when it is related to something they are interested in. They told that YouTube has changed their image of a brand, sometimes improving the image in their head, other times giving a more negative image of a company. A positive image of a brand or a company has been accomplished when the advertisement or the video done in commercial cooperation with the brand has been of good content and quality, perceived as good and successful marketing. The more negative image has been per-
ceived by the audience due to a badly executed marketing campaign or even a single video. “The truth about…” videos on YouTube, which according to their name tell the real story of for example different brands, products or services have affected the opinion of the focus group (YouTube, 2018). According to the interview, YouTube videos and YouTubers had had a bigger influence on opinions and attitudes of the young focus group about important societal matters such as equality and feminism.

Related to the role of the YouTuber and their responsibility, the focus group sees that YouTubers have a chance to have an impact on important topics and on people and they should use their power wisely. The members of the focus group felt that it is important as a viewer and as a follower of these YouTubers that they get the feeling that the YouTubers make videos because they are passionate and interested in making videos, not just for money. The focus group thinks that YouTubers are somewhat responsible for content on their channels, but not 100% because they are not making the decision of who watches their videos. This is strongly related to the study by A-lehdet and Aikakausmedia, which discussed the YouTubers’ chance to restrict who is able to see their videos. In the study, the YouTubers stated that one reason why they would not restrict their videos from people under a certain age is that it would affect their advertising income.

5 Discussion

5.1 General discussion

The discussion related to the young target audience and how they perceive and are influenced by marketing is relevant and interesting. Many companies intend to find the most effective ways and channels to reach young customers. The need for ways to communicate especially with Generation Z can be seen for example in research projects such as “Tekstaridraama” by A-lehdet, which is funded by the Media Industry Research Foundation of Finland. It aims to find new ways to reach especially the girls who belong to Generation Z. It is stated in the brief description of the project that there is a clear disconnection between the Finnish media and Generation Z and that the relationship is not as a strong as with other audience groups. (Viestintääalan tutkimussäätiö, 2017)
As stated earlier, according to Forbes the two most important things to consider as a company in their YouTube marketing strategy are quality and regularity of the videos. This was also supported by the results of the primary research. The young interviewees were more content with the marketing by companies and YouTubers who had produced and published good quality videos and well-thought advertising. It can also be said that it is important to publish new content regularly so that there would be new content to watch even though one would watch YouTube videos daily, such as the interviewees.

Related to the Five Stage Model of the decision-making process presented in section 2.1.2. of the literature review, there can be seen some similarities with the process according to the primary and secondary research results, even though the model itself was first presented already in the 1980s (Dudovskiy, 2013). One step of the process which is still very important to many members of the focus group and also mentioned earlier in the literature review when discussing different ways to reach customers is the step where consumers search for information before buying a product. One important way of searching and receiving information is still word-of-mouth, WOM. It seems that friends and family are one important source of information and opinions for the focus group, but also influencers, such as YouTubers can be passing on a message on their videos about their experiences of different brands and products.

According to the results of the group interview, it can be assumed that one reason for the YouTubers not having a full and direct influence on the consumers’ buying decisions is the lack of trust for the reliability of the opinion of the YouTuber. It seems that the members of the focus group were somewhat sceptical, whether the positive reviews of the products are at times only a result of the commercial cooperation with a brand. As already stated in the results of the secondary research, the young consumers in the Generation Z seemed to appreciate values such as honesty, authenticity and transparency. Especially, if one has watched a lot of YouTube videos, possibly for a longer period of time from the same YouTubers, they can already tell when the YouTuber is expressing their real opinions. This statement is also supported by Inna-Pirjetta Lahti, the founder of PING Helsinki, a consultancy company of influencer marketing in Finland. According to her, it is essential to also provide constructive feedback on the products in the commercial cooperation videos, so that trust between the viewers and the YouTubers can be formed. (Kukkonen, 2018) Instead of direct impact on the buying decisions of the focus group, the YouTubers had been a source of inspiration, motiva-
tion and education. The fact that the young interviewees also used YouTube as a source of information, by for example watching tutorial videos and speeches such as Ted Talks shows that YouTube videos could also be used for educational purposes. This has already been noticed in the research project ‘YouTubers Power and Responsibility’ (Tubettajan valta ja vastuu) done by A-lehdet and Aikakausmedia, funded by the Media Industry Research Foundation of Finland. The data of this research project is going to be used for educational material in schools in media education teaching media skills for students. (Aikakausmedia, 2018)

Instead of being the primary influence of the focus group's buying decisions, the interview results showed that YouTubers had had a greater impact on these young viewers in relation to societal topics such as equality and feminism. Even though these results are not directly related to the topic of this thesis, it is still important observation to acknowledge. This information could also be useful for companies or associations with a mission of reaching young people to inform them about important issues occurring in the society. YouTube could be used as a channel to shatter people’s prejudices regarding different important topics. Influencer marketing by YouTubers could also be good for ethical and green companies since young consumers are very conscious and aware of the societal and environmental problems and topics of today. These results awaken a discussion whether the non-ethical companies and brands will be able to make commercial cooperation deals with the YouTubers since the viewers are looking for brands with a good reputation and image.

5.2 Answers to the research questions

As an answer to the research question of this thesis, according to the results of the group interview, as well as the research based on the previous studies and literature related to the topic, it can be stated that YouTube marketing has an influence on the young target audience to some extent. YouTube is not the only source of influence and it seems that the impact of YouTube marketing and YouTubers focuses more on general opinions and attitudes of the young consumers, rather than directly on buying decisions. The young consumers have received information about new products, services and brands from YouTube videos they have watched as well as inspiration and advice. This information gained through YouTube is partly a source for the choices the young people make as consumers. The influence received via YouTube has been both negative and positive, depending on the brand that has been advertised. It can be stated
based on the interview and the secondary research that the young consumers recognise the risks and the issue of trust when receiving information from a YouTube video done in cooperation with a brand. This lack of trust decreases the influence of YouTube marketing on their buying decisions. As already discussed earlier, there are clearly certain qualities and characters that create trust in the young audience towards brands and marketing done in cooperation with a YouTuber. The research results show that in order to reach a young audience on YouTube, the quality of the content should be high and the better the brand and the YouTuber have found a common way of communicating the brand’s message, the better. The way of marketing should be as natural as possible, not selling the products to the viewers. These pieces of advice answer to the secondary research question of how brands could benefit from the results of the research done for this thesis.

6 Conclusion

In order to draw conclusions of the whole thesis work, it is important, to begin with the choice of the topic, as it was the first step of the process. The fields of YouTube marketing and influencer marketing for a young target audience were interesting and there were enough literature and previous studies made on the topic. The aim of the thesis was to gain an understanding of the consumer behaviour of the young consumers of Generation Z and to research whether it is being influenced by the influencers of the social media, such as YouTubers.

It was relevant to begin the thesis from the very basics of marketing moving on to the digital world of social media marketing and furthermore to influencer marketing especially on YouTube, for the reader to gain a better understanding of the topic and to be able to understand and relate to the rest of the work. The research methods chosen to this thesis were to find information from secondary sources about YouTube as a marketing channel, Generation Z as a target group and influencer marketing done by YouTubers as well as plan and implement a group interview for a focus group of people who belong to the Generation Z. In the beginning, it was also as a plan to do an interview with a YouTuber, to gain more relevant information about influencer and YouTube marketing from the point of view of a person who works on the other side of the screen. This was unfortunately not done since none of the YouTubers contacted answered within the timeframe. Instead of using the YouTuber interview, there were a few very recent studies done about the topic where they had interviewed Finnish YouTubers.
about their role as an influencer and about their responsibility, which could be used in the thesis.

The primary and the secondary research gave interesting and relevant insights into the relationship between brands and their marketers and the young audience, YouTube acting as a channel in between the two. The interview results supported most of the results of the secondary research and could also be reflected back to the literature review. As a result of all the data gathered and the results analysed, it can be stated that YouTubers do have an influence on the consumer behaviour of the young target audience to some extent. The results can also be related to brands to give advice and recommendations to companies on how to reach a young audience via YouTube and influencer marketing. According to the research results, the young consumers appreciate quality, authenticity and transparency in the influencer marketing by YouTubers. These are the qualities which they look forward seeing when they watch videos from YouTubers and it does not change when it comes to the sponsored videos. It can be stated that YouTube is a good and effective channel to reach young target audiences since the channel is very popular among the youth.

There were also some limitations regarding this thesis. One of the limitations was the small sample in the primary research, which is not representing the whole Generation Z in Finland. The schedule and time reserved for the interviews could have also been more effectively planned. One limitation was also the fact that an interview was supposed to be done also with a Finnish, well-known YouTuber, but unfortunately, this did not go as planned. There were several emails sent to various YouTubers and also the interview questions were already designed and made. This would have been a good addition and brought a new perspective to the research in addition to the viewpoint of the young consumer group who were interviewed as a group.

There are a few topics which would be interesting and relevant to discuss relating to the future of YouTube as a social media and video marketing channel. There has been a discussion that YouTube would at some point begin to charge a payment from its users for uploading a video to the platform. This would remove the competitive advantage of being free for its users compared to other similar online video platforms. At the moment anyone who has an Internet access is able to create their own channel and start uploading videos for the other user to see. The change would also most probably change the content and the age range of YouTubers to some extent. This
would be an interesting topic to do research on. Another good research related to the topic of YouTube marketing and how companies are able to reach new customers through YouTube advertising would be the research of the future of AdBlock. In brief, it is a tool which prevents one’s internet browser from showing any advertisements. The users of AdBlock can choose where and when they want to see an advertisement when browsing through different websites. Advertisements are everywhere on the internet today and one cannot browse many sites without seeing some type of marketing or advertising. It would be relevant and interesting to research whether consumers are interested in using tools such as AdBlock to block advertising and how would this influence the companies and for example YouTube and YouTubers, who receive income by advertising and marketing.
References


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Group interview questions

Haastattelija / Interviewer: Wilma Viertola
Aihe: Miten YouTube markkinointi vaikuttaa nuoren kohderyhmän kulutuskäyttäytymiseen?
Topic: To what extent does YouTube marketing influence the consumer behaviour of a young target group?

PERUSKYSYMYKSET – BASIC QUESTIONS
1. Ikä ja sukupuoli? / Age and sex?
2. Katsotko YouTube-videota? / Do you watch YouTube videos?

YOUTUBEN KÄYTTÖ – USE OF YOUTUBE
4. Miltä laitteelta katsot YouTube-videota? / Which device do you use to watch YouTube videos?
5. Ketkä ovat lempitubettajiasi ja miksi juuri he? / Who are your favourite YouTubers and why?
7. Minkälaisista aiheista tykkääät katsoa YouTube-videota? / What kind of topics do you like to watch YouTube videos of?

MARKKINOINTI JA MAINONTA YOUTUBE-VIDEOILLA – MARKETING AND ADVERTISING ON YOUTUBE VIDEOS
8. Oletko huomannut mainontaa/markkinointia katsomillasi YouTube-kanavilla? / Have you noticed marketing on YouTube videos you have watched?
9. Minkälaista mainontaa/markkinointia olet huomannut YouTubessa? / What kind of marketing have you noticed on YouTube?
10. Onko katsomillasi kanavilla ollut kaupallista yhteistyötä yrityksen ja tubettajan välillä? / Has there been commercial cooperation between the YouTuber and a company on the channels you have watched?
11. Millä tavalla tuotteita tai palveluja on mainostettu yhteistyövideoilla? / How have the services or products been advertised on the commercial cooperation videos?

SUHTAUTUMINEN YOUTUBESSA MAINOSTAMISEEN – ATTITUDE TOWARDS YOUTUBE MARKETING
12. Miten suhtaudut mainontaan (mainosvideot ennen itse videota tai kesken videota) YouTubessa? / How do you feel about marketing (adverts before the video or mid-video) on YouTube?
13. Miten suhtaudut kaupallisiiin yhteistyövideoihin? / How do you feel about commercial cooperation videos?
14. Onko videoilla mielestäsi eroa riippuen siitä, onko video tehty kaupallisessa yhteistyössä yrityksen kanssa vai onko se ns. normaalivideo ilman yritysyhteistyötä? Jos kyllä, miten ne eroavat? / Do you see a difference between commercial cooperation videos and normal videos? If yes, what kind of difference?

15. Onko käytössäsi mainosten esto tietokoneellasi? Jos kyllä, miksi? Jos ei, aiotko jossak hankkia sellaisen? / Do you have ad block on your computer? If yes, why? If no, are you going to get it in the future?

YOUTUBEN VAikutus ostopäätöksiin ja kulutuskäytätymiseen – The Influence of YouTube to Buying Decisions and Consumer Behaviour

16. Mitkä asiat tai ketkä vaikuttavat ostopäätöksiisi? / What or who affects your buying decisions?

17. Mistä etsit tietoa tehdessäsi ostopäätöstä? / Where do you look for information when you are making a buying decision?

18. Onko katsomasi YouTube-video joskus vaikuttanut ostopäätöksesi? Jos kyllä, miten? / Has a YouTube video you have watched had an influence on your buying decision? If yes, what kind of influence?

19. Oletko tutustunut uusiin tuotteisiin tai yrityksiin YouTuben kautta? / Have you learned about new products or companies through YouTube?

20. Onko YouTube muuttanut suhtautumisesi joitain yrityksiä/brändejä kohtaan? Jos kyllä, miten? / Has YouTube changed your opinion/attitude towards companies/brands? If yes, how?

TUBETTAJAN ROOLI – The Role of Youtuber

21. Millainen vaikutus tubettajalla on sinuun? – What kind of influence a YouTuber has on you?

22. Koeko, että tubettaja on vaikuttanut mielipiteisiisi tai suhtautumiseesi johonkin asiaan? Jos kyllä, millä tavalla ja mihin asioihin? / Do you feel that a YouTuber has influenced your opinions or attitudes towards something? If yes, how and on what things?

23. Millainen vastuu tubettajalla on mielestäsi? / What kind of responsibility does a YouTuber have?