

## THE ROLE OF YOUTUBE COMMERCIALS IN ECONOMIC GROWTH OF PAKISTAN

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### ABSTRACT

*The purpose of the present research is to examine the effect of “You-tube” commercials on the economic growth of Pakistani Economy by applying the postulates of cultivation theory. Further, the study identifies the impact of the “YouTube” digital advertising on the purchasing power of consumer behavior, brand loyalty, and several economic dimensions in Pakistan. To achieve the objectives, a cross-sectional survey research was conducted, the data from the Pakistani consumers of various groups, who were actively using “YouTube” for advertising were collected. According to the study, the observation shows that the “YouTube” commercials significantly improve the brand recognition and the consumers’ attention, which in turn results in better sales and revenue for the small and medium enterprises (SMEs). The study also discussed the changing parameters from traditional media to digital media. Therefore, the study also reveals the increasing economic development opportunities for new jobs and attracting foreign investments through as well. The findings of this study support the businesses activity and help the policy makers, how can use the digital media to promote the business activity. The implications of the findings indicate the support of “You Tube” towards the economic growth. Also, this study will help in filling the gap of identifying how consumers engage with “YouTube” commercials and the importance of such patterns for Pakistan’s growth by highlighting few factors in order to enhance marketing strategies and the economy.*

**Keywords:** “YouTube” Commercials, testimonial ads, Economic growth, Cultivation theory.

### Introduction

“YOUTUBE” is the second most popular website in the world after “GOOGLE”, over two billion visitors monthly, and 92% of them are monthly active users. It is also useful for influencers, educators, entertainers, and businesspeople. “YouTube” impacts the social, cultural and economic domains of the human’s life and it becomes a medium for marketing and advertising. With “YouTube” commercials it is possible to achieve wide and selective viewership; also, business firms contribute to the formation of a part of national income and output (Khan, 2017).

#### **YouTube as a Marketing Platform**

“YouTube” has made its place as one of the most prominent platforms of digital marketing which has changed the dynamics of consumer marketing. The website was launched in 2005 and by the end of 2007 it had risen to the second most visited website in the world in terms of logged-in members with over 2 billion in 2023. It is therefore a very useful tool for any business that intends to cover very many clients and provide very many of them with a wide range of content to select from. Therefore, getting combined with Google Ads, “YouTube” has advanced functions to market to interest and behaviors. It also makes it easier for businesses to market their products by targeting the intended clients to create a competitive edge over other conventional advertising tools (Smith, P. R., & Zook, Z. 2024). A powerful promotional advantage is certainly one of the key factors that make use of “YouTube” as a marketing tool extremely appealing; captivating and effective. That is why the use of video is several times

more efficient than the use of text and even static images because the video can explain important concepts, appeal to emotions, and make an impressive impact (Meyerson, 2020).

### **YouTube Commercials**

“YouTube” has increased in popularity among professional video bloggers and “YouTube” users in recent years. “YouTube” is a video platform that is growing, according to marketers. There are a variety of strategies to market and advertise on “YouTube”. As part of their full-time job, many YouTubers try to edit and post videos on their channels (Viertola, Wilma, 2018). The most common ad forms are bumper ads, actual visual discovery ads, and real-view stream ads. When looking for videos using the search bar, real views discovery ads dominate in the search results and in streaming actual scene stream advertisements. Bumper advertising is at the beginning of the clip and lasts only a few seconds; however, while looking for videos using the search box, actual view-finding ads generally appear in the search results. In the real-scene stream, adverts are now playing. These new commercials will appear at the start of the video and will continue longer than bumper commercials. The user can avoid the in-stream advertising if they want to view the video. Companies use “YouTube” to sell their brands and products in addition to the typical advertising types connected with “YouTube” videos. (Wilma Viertola, 2018) Many YouTubers work with sponsors on commercial projects by featuring their items in their videos. In this case, firms used Influencer Advertising to build these in their social media strategy; they use People on “YouTube” as brand ambassadors

### **Economic Impact of YouTube Commercials**

“YouTube” advertising plays an important role with reference to the generic consumer beliefs about the product, their attitude towards it and their decision to purchase it. On that platform, the dynamic video content enhances the recall/visual identity of the brands; therefore, they become more willing and eager to try out the advertised products. Video ads which can be targeted to an individual or specific group in the behalf of their activities on the company’s site are ten times as effective than the traditional blanket approach to marketing. Through targeting an audience, it means that ads that users see are more likely to be relevant to them hence more performing. Research work shows that embedded single commercial TV ads results to greater level of attention and recall, as per clients’ perception that they identify with something that has a similar orientation as they have (Teixeira, Wedel & Pieters 2012). “YouTube” advertising is one of the revenue streams that help businesses reach a wider and diversified markets. With its global capabilities, organizations can sell their goods and services to a worldwide audience which results in expanded revenue. “YouTube” is also cost-effective to initiate advertising, in particular the pay per view (PPV) model that guarantees businesses only pay out when a viewer has seen their ad (Pashkevich et al. 2012).

“YouTube” commercials are a game-changer for small and medium enterprises (SMEs) as they provide an economic value and large-scale platform to compete with big firms. Traditional advertising channels are usually expensive so many SMEs with small marketing budgets like this must find other ways to create an online presence. (Taiminen & Karjaluo 2015). Most companies use the “YouTube” platform for advertising and its impact on GDP is great because it helps form business revenues and increase the scale of economic activity. When organizations, including the SMEs, increase their performances and sales through the “YouTube” advertisement strategies, their overall output and productivity contributes positively to the economy. The fact that “YouTube” is one of the largest companies in the digital advertising industry proves that the Internet advertising market occupies a significant and continuously increasing position in the

global economy; therefore, increases the percentage of GDP, which is allocated for online advertising (Tolson, 2014).

The main purpose behind this study is to address the influence of “YouTube” advertisements for development in Pakistan economy. With the evolution and expansion of digital media, it becomes all the more important to appreciate what kind impact online advertising platforms such as “YouTube” can have on businesses, marketers and policy makers. The purpose of this study is to investigate how testimonial Ads in “YouTube” commercials are affecting customers buying behavior and most importantly they have been created so that they can enhance business visibility within Pakistan, assuming it will create positive impact towards economic background or not. This current study aims to contribute for a better understanding of the economic return aspects in digital advertising by evaluating how well matches “YouTube” adds with sales, brand awareness and consumer engagement effectiveness.

The fast-growing of “YouTube” as a marketing tool in Pakistan also brings in its effectiveness in enhancing the country’s economy, specifically in helping the local sellers and entrepreneurs, establishing consumer reliability, and making the locals familiar with the Pakistani products. Therefore, it can be concluded that the presence of “YouTube” commercials remains unclear: whether these commercials greatly affect entrepreneurial outcomes, whether viewers trust testimonial commercials or whether consumers are aware of locally produced goods. The current research will aim at assessing perceived impact of “You Tube” commercials in the context of Pakistan by looking at their link with aspects like entrepreneurship, trustworthiness, brand recognition and economic contribution.

The above study investigated what crucial role “YouTube” commercials effect on economic growth and why policymakers, marketers and businesses seekers should take advantage of these digital advertising channels. This study will offer implications for advertising strategies to seek how consumer engagement with “YouTube” commercials is affected by the major drivers and what they suggest in relation to economic development of Pakistan.

## Literature Review

The review of the literature is helpful for the understanding of the directions of research, the current study is conducting to investigate the relations between “YouTube” users and the commercials they watch on “YouTube”. Traditionally if we observe the media in past there were an abundance of studies on advertising and marketing on a great ascendancy, different academic fields of study like *Journalism, psychology, anthropology, and women studies* offered the theories and analysis for understanding the relations advertising and gender (testimonials) (Shields, 1994).

## The Rise of YouTube as an Advertising Platform

Despite the abundance of new media channels, the focus of this study was on creating content specifically for “YouTube” and exploring other online media tools for content promotion on the “YouTube” channel. Video sharing is the easiest and fastest way to build a social media portfolio, according to Safko & Brake (Safko & Brake, 2009, p. 251). A growing global trend is the use of video in innovative business models and new multi-networks. Over time, the advances in social media defined new terms necessary to describe and explain it.

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### **Content Creators**

Viertola (2018) find out that Professional video bloggers and “YouTube” viewers have become more and more familiar with the platform in recent years. Marketers claim that “YouTube” is a booming video platform. On “YouTube”, there are numerous ways to market and advertise. Many YouTubers attempt to edit and upload videos to their channels as part of their full-time jobs. Real-view stream commercials, true visual discovery ads, and bumper ads are the most popular kind of advertisements. Real views discovery advertising predominates in search results and in streaming actual scene stream commercials when users use the search box to hunt for videos. While true view-finding ads typically display in the search box when users look for videos, bumper advertising occurs at the beginning of the film and lasts only a few seconds. Now there are advertisements playing in the real-scene stream. The video will open with these new adverts, which will run longer than the bumper commercials. If the user would rather watch the video without the in-stream advertising, they can. Businesses use “YouTube” to market their products and businesses in addition to the standard forms of advertising associated with “YouTube” videos. A lot of YouTubers collaborate with sponsors on paid initiatives by including their products in their videos. In this instance, businesses employed Influencer Advertising as a component of their social media strategy, using “YouTube” users as brand ambassadors and therefore influence economic growth.

### **Economic Growth of YouTube**

According to Pugalendhi, social media such as “YouTube” established in 2005 is playing an influence on people. Because it gives YouTubers the highest amount of online revenue, “YouTube” has a huge impact on people all over the world today. Since 2007, “YouTube” has been using Google to amplify its growth. Users that post videos on their channel can reach millions of viewers, and many of these viewers are ready to keep watching because they enjoy the “YouTube” channel. They turn viewers and subscribers into paying clients in this way. By clicking on the advertisement link and making an online purchase, viewers can see the advertisements for the stores that they feature on their “YouTube” channel as well as the products that they promote. E-commerce is growing these days because online communities and purported e-commerce platforms. Customers can place online orders for their products thanks to this data outcome. This study looks at how “YouTube” consumption affects attitudes towards marketing communications and brand predictions. It also investigates how usage and demographic characteristics affect approach affiliation. Questionnaire survey, and structural equation models were used to look at the assumed relationships. The study's findings show that brand choices and usage characteristics have a good correlation when it comes to “YouTube” business and communication usage. This information adds to the limited “YouTube” evaluation of the hypothesis of small-country attitudes towards advertising. Research helps close the theoretical-professional coaching gap by identifying online application components and their impact on brand decisions. It is feasible to conduct research in a healthy manner to assist

businesses in educating youth on how to design the most appealing video-sharing websites and effective marketing communication campaigns.

### Theoretical Framework

Cultivation theory was developed by George Gerber and his team with an aim of explaining how television impacted the views. Some of them argued that television is the culturally appropriate method of building meaningful reality which in turn creates audiences' shared reservoir of beliefs and culture. The theory was established on the premise that reality as portrayed on consistent viewership of TV programs affects the perception of reality of a given viewer and aligns it to that portrayed on TV (Gerbner et al., 2002).

Another theory in cultivation theory concerns a mean world syndrome suggesting the aspect that, the more hours one is used to watching television, the more the view of the world is seen to be hostile and full of crimes than it is. This perception is because of viewing violent messages from television since this is a habit (Gerbner & Gross, 1976). While Gerbner has begun his research with television, the pattern of media consumption has shifted the cultivation theory over to the newer medium such as "You Tube". In as much as "YouTube" has a recommending wizard, the application feeds off the audience with similar types of videos thus altering the mode of operation of the user. Such exposures are likely to cultivate specific attitudes and behaviors hence the principles of cultivation theory used in explaining how advertisement affects the economic growth on the platform.

This paper has identified that the "YouTube" commercials contribute to the betterment of economic growth largely by influencing the behavior of consumers. Therefore, following the categories of the advertised targets, "YouTube" can continuously convey to the audience some messages with regards to definite products and services with an unclear aim of modifying their decisions of the purchase. This is so in terms of cultivation theory with assumption that anytime audience spends hours watching media, he or she begins to have different realities and behaviors.

According to cultivation theory, previous research shows that media influence economical perceptions; this transcends. From this perspective we have another theory that postulates that if the viewer is frequently exposed to the media products, then the reality of the viewer, the beliefs and the behaviors concerning the media are changed or updated. The present study of research questions in this study, in the context of the theoretical findings summarized above are explicated as follows: How do "YouTube" ads use testimonials to influence the promotion for business? Is "YouTube" Advertising influencing the consumers' behavior as marketing tool and making them brand conscious? Is YouTube commercials' content worked for consumers' decision making to purchase the products?

#### **HYPOTHESES:**

**H1:** Consumers' behavior and brand consciousness are influenced by "YouTube" advertising that makes the consumer more aware of a selective brand

**H0:** Consumers' behavior and brand consciousness are not influenced by "YouTube" advertising that makes the consumer more aware of a selective brand.

**H2:** "YouTube" ads impact positively on purchasing conduct of consumer

**H0:** “YouTube” ads does not impact positively on purchasing conduct of consumer

**H3:** “YouTube” ads are influencing the business promotion significantly by getting the consumer’s attention towards brand loyalty

**H0:** “YouTube” ads are not influencing the business promotion by getting the consumer’s attention towards brand loyalty

## METHODOLOGY

Since, the purpose of this study is to explore the relationship between “YouTube” commercials and the economic growth of Pakistan. The data was gathered from “YouTube” Users i.e. online consumers & university students of Lahore, to whom most of their time spend on “YouTube” for fun or information gathering regarding the commercials trigger changes in their consumption and purchasing behavior. By employing the quantitative survey, a sample of 200 male and female participants was taken for the descriptive analysis.

### 4.1 Sampling Technique

The study in hand adopted the approach of non-probability sampling technique because of the diverse universe of the study. The target population consist of the following groups: Frequent “YouTube” users, online consumers and students of Superior University Lahore, who spend most of their time for browsing “YouTube” for entertainment or any information that may concerns the impacts that those commercials have on their buying behavior. This approach means that the researcher is able to locate the participants easily therefore there is no need to go through long processes of getting participants hence making the method suitable for this study.

### 4.2 Data Collection

The data was collected through a structured questionnaire from the selected population. The survey questionnaire consisted of three items of questionnaires by which the results were compiled. The survey data was quantified under the derived categories from the literature for the results.

## Findings and Analysis

The study was aimed at investigating the Role of “YouTube” Commercial’s in Economic Growth of Pakistan. Therefore, the purpose of this chapter is to identify the effects of “YouTube” commercials on several aspects of the respondents in Lahore with special reference to their demographic profile. The study gathered information from both male and female participants of different ages; they freely filled their questionnaires.

**Table 1: I frequently see advertisements on YouTube**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than 2 mint	96	48.0	48.0	48.0

More than 2 hours	2	1.0	1.0	49.0
More than 30 mint	8	4.0	4.0	53.0
More than 5 mint	94	47.0	47.0	100.0
Total	200	100.0	100.0	

The frequency distribution table shows that 48% of respondents frequently see advertisements on YouTube for less than 2 minutes, while 47% see ads for more than 5 minutes. A very small portion, 1%, watches ads for more than 2 hours, and 4% for more than 30 minutes.

**Table 2: Do you think YouTube is a good platform for Pakistani entrepreneur**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	50	25.0	25.0	25.0
	Yes	150	75.0	75.0	100.0
	Total	200	100.0	100.0	

The frequency distribution table indicates that 75% of respondents believe YouTube is a good platform for Pakistani entrepreneurs, while 25% do not. This suggests a strong majority support for YouTube as a beneficial platform for entrepreneurship in Pakistan.

**Table 3: YouTube testimonial ads influence my perception of a company's credibility and trustworthiness**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely Trustworthy	20	10.0	10.0	10.0
	Moderately Trustworthy	10	5.0	5.0	15.0
	Not Trustworthy at all	82	41.0	41.0	56.0
	Slightly Trustworthy	88	44.0	44.0	100.0
	Total	200	100.0	100.0	

The frequency distribution table reveals that the majority of respondents (85%) view YouTube testimonial ads as either "Not Trustworthy at all" (41%) or only "Slightly Trustworthy" (44%) in influencing their perception of a company's credibility and trustworthiness. Only 15% consider these ads to be "Moderately Trustworthy" (5%) or "Completely Trustworthy" (10%).

This suggests that most people are skeptical about the credibility conveyed through YouTube testimonial ads.

**Table 4: YouTube commercials have increased my awareness of local Pakistani product or brand**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	18	9.0	9.0	9.0
	Yes	182	91.0	91.0	100.0
	Total	200	100.0	100.0	

The frequency distribution table indicates that an overwhelming majority of respondents (91%) feel that YouTube commercials have increased their awareness of local Pakistani products or brands. Only a small minority (9%) believe that these commercials have not had this effect. This suggests that YouTube commercials are highly effective in raising awareness of local brands in Pakistan.

**Table 5: Do you think YouTube ads have a big impact on Pakistan’s economic**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	40	20.0	20.0	20.0
	Yes	160	80.0	80.0	100.0
	Total	200	100.0	100.0	

The frequency distribution table shows that a significant majority of respondents (80%) believe that YouTube ads have a big impact on Pakistan's economy, while 20% do not share this view. This indicates a strong perception among most respondents that YouTube advertising plays an important role in influencing the country's economic landscape.

**Discussions:**

The results discussed in the present study shed light on important aspects regarding the effects of “YouTube” commercials on consumers and on experimental endeavors in Pakistan. According to this study, a bulk of the respondents are often targeted with “YouTube” ads with most of them using the ads for a short period. Indeed, according to the collected data, a significant portion of consumers expects that “YouTube” can become a suitable channel for presenting businesses, in particular, for the Pakistan ones. Nevertheless, there is significant disbelief about the believability of testimonial ads that are featured on “YouTube”, because the larger proportion of the respondents does not consider them credible for recommending the reliability of a company. Still, there may be some doubt about all of this, however, using



“YouTube” commercials for local Pakistani companies is really helpful in increasing the awareness level for the brands thus showing the impact of “YouTube” on the people and the brands. Moreover, the current research also collects data on consumers’ perceptions of how “YouTube” helps Pakistan’s economy as 34.5% of the respondents agreed that “YouTube” ads helped in boosting the economy. It is considered not only as an advertising tool for the promotion of services but also as a tool for promoting economic activity through the provision of consumer access to local products. The credibility problem with testimonial ads tested on “YouTube” reflects a domain where advertisers can further improve their communication tactics in order to strengthen actual dependence. In general, the study clarifies the position of “YouTube” as a marketing platform in Pakistan, while at the same time indicating the potential for focusing on the advertising content from a different standpoint.

### Conclusion

The data shows that nearly half of the respondents watch “YouTube” advertisements for less than two minutes, while a comparable number watch them for more than five minutes. This depicts the fact that there are various consumer engagement levels and it shows the fact that even though you tube ad can grab attention for some short period of times there are consumers who are willing to spend more time in ads. The capability of getting short and long attention span of consumers implies that “YouTube” provides convenience for advertisers, enabling them to target different viewers with short and long videos. Close to four out of five respondents appreciate that “YouTube” can indeed be of much importance to Pakistani entrepreneurs. This means that “YouTube” is not just for large retail companies doing a significant volume of turnover, but is also useful for use by SMEs and startup companies. To the entrepreneurs using “YouTube” is cheap and easy as compared to other traditional methods of marketing to the potential customers. This is especially important for the economic development of new forms of businesses because it can help them raise awareness and reach the large amounts of potential clients at a rather low expense. The respondents are more or less aware of “YouTube” as a useful tool for interaction for Pakistani entrepreneurs. This means that “YouTube” is not just for large retail companies doing a significant volume of turnover, but is also useful for use by SMEs and start up companies. To the entrepreneurs using “YouTube” is cheap and easy as compared to other traditional methods of marketing to the potential customers. This is especially important for the economic development of new forms of businesses because it can help them raise awareness and reach the large amounts of potential clients at a rather low expense. The result which shows that out of the five options most of the respondents regarded the “YouTube” testimonial ads as either ‘Not Trustworthy’ or ‘Slightly Trustworthy’ bear testimony to this. The findings suggest that there is little evidence that what appear to be testimonial advertisements, of which endorsements and reviews are common instances, are engaging Pakistani audiences in the process of trust building as effectively as previous research would indicate. Such skepticism may arise due to the belief that these ads are not so natural or that those being endorsed have paid to be so. This fact becomes significant to advertisement leaders used in different forms of testimonial content since there is a deep deficit of trust from consumers when they are presented with such forms of advertisements. The majority of the time, the public feels that “YouTube” commercials make them aware of the local Pakistani product or brand. This is a very important discovery, proving that “YouTube” ads can be valuable for helping local businesses develop their brand. The fact

that local players are now able to use “YouTube” ads to get the attention of the market is something that is important towards its viability. This is in line with the general objectives of the study, which seeks to establish the use of the “YouTube” as a marketing tool by regional and international companies. The fact that 83% of the respondents think positively about the impact made by “You Tube” adds on the economy of Pakistan tends to underscore the realization of the range, depth and implications of digital advertising. In so doing, “YouTube” commercials increase awareness, interest, and sales of both local and global brands, which is a critical component of the economy because it boosts sales for these commercial brands. This has an implication that “YouTube” advertising not only serves the normal function of marketing service but also adds to the economic activity of the country by helping companies increase their business and consumers access their products.

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