

Investigating the Effectiveness of Advertising Targeting on the Youtube Platform

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Abstract:

Among the platforms based on a content business model, YouTube is among the most popular for individuals and organizations. The revenue stream of YouTube is mainly provided by advertising fees, supplemented by commissions paid by users to access YouTube Premium. YouTube is using six types of ads: skippable in-stream ads, non-skippable in-stream ads, in-feed video ads, bumper ads, masthead and YouTube Shorts ads. The content of the displayed ads is automatically chosen based on context like video metadata and whether the content is advertiser-friendly. To investigate the targeting effectiveness of these ads, we collected primary data from 187 frequent users of YouTube – people using YouTube to watch content at least 2 hours every day. The interviews were realized online, through Zoom, during November and December 2024, lasting between 10 and 15 minutes. The results indicate a weak to medium effectiveness of advertising targeting, as less than 10% of our respondents indicated that they search for additional information about the advertised products and services, and less than 3% have actually purchased a product or service based on the interest created by an ad they saw on YouTube.