

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



Bachelor Thesis

**Effective Video Marketing using YouTube Video
Hosting**

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

BACHELOR THESIS ASSIGNMENT

Elizaveta Zakharova

Economics Policy and Administration
Business Administration

Thesis title

Effective Video Marketing using YouTube Video Hosting

Objectives of thesis

The objectives of the thesis is to determine the effectiveness of advertising on YouTube and the general interest of potential customers of firms.

Methodology

There are two main parts in this thesis – the Theoretical part and the Practical part.

The theoretical part consists of a review of current literature and information obtained from the research and comparison of the related materials covering the theory of video marketing behavior on YouTube video hosting, the dynamics of advertising, ways to promote a brand, formats, as well as performance evaluation.

The second part will be focused on an analysis of data obtained from questionnaires, and the calculation of the effectiveness of paid advertising on YouTube video hosting using Google Analytics data in the selected company that uses video advertising.

Finally, appropriate conclusions will be made, based on the research data received and analyzed.

The proposed extent of the thesis

Approx 40 – 50 pages

Keywords

Video Marketing, YouTube, Video Hosting, Online Advertising

Recommended information sources

- Kotler P., Kartajaya H., Setiawan I., 2017. Marketing 4.0: Moving from Traditional to Digital, Hoboken NJ, USA: John Wiley & Sons, 208pp., ISBN-13: 978-1119341208
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-

Expected date of thesis defence

2019/20 SS – FEM

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Declaration

I declare that I have worked on my bachelor thesis titled "Effective Video Marketing using YouTube Video Hosting" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 23. 3. 2020

Acknowledgement

I would like to thank Richard Selby, Ph.D. for his advice and support during my work on this thesis.

Effective Video Marketing using YouTube Video Hosting

Abstract

The main objective of this work is to determine the effectiveness of video advertising on YouTube, to understand the formats of video advertising and its methods of placement, as well as to look at the interest of potential customers in the services of companies that have watched video advertising on video hosting. The thesis consists of two parts. The first theoretical part provides an overview of the main history of YouTube video hosting and the appearance of video marketing on it, the main video advertising formats, reasons for effectiveness. The second part is a case study that uses the analysis and calculation of the effectiveness of paid advertising on YouTube video hosting using Google Analytics data in a selected company that uses video advertising as well as analysis of a small questionnaire conducted in the same company among students of different ages. This study may help you better understand the effectiveness of paid video advertising on YouTube video hosting.

Keywords: Video Marketing, YouTube, Video Hosting, Online Advertising

Efektivní video marketing pomocí YouTube Video Hosting

Abstrakt

Hlavním cílem této práce je zjistit efektivitu videoreklamy na YouTube, porozumět formátům videoreklamy a způsobům jejího umístění a také zmapovat zájem potenciálních zákazníků o služby společností, které sledovaly videoreklamu na video hostingu. Práce se skládá ze dvou částí. První, teoretická část poskytuje přehled o základní historii hostování videa na YouTube a výskytu video marketingu na něm, hlavních formátech videoreklamy a důvodech její účinnosti. Druhou částí je případová studie, která využívá analýzu a výpočet efektivnosti placené reklamy na video hostingu YouTube pomocí dat Google Analytics ve vybrané společnosti, která využívá videoreklamy. Analyzován bude také malý dotazník zadaný ve stejné společnosti mezi studenty různého věku. Tato studie může lépe porozumět účinnosti placené videoreklamy při hostování videa na YouTube.

Klíčová slova: Video Marketing, YouTube, Video Hosting, Online Reklama

Table of content

1. Introduction	10
2. Objectives and Methodology	12
2.1 Objectives	12
2.2 Methodology	12
3. Literature Review	13
3.1 The phenomenon of the video industry or a brief history of YouTube	13
3.1.1 YouTube now	13
3.1.2 Who watches YouTube.....	14
3.2 Video Marketing history on YouTube	14
3.2.1 YouTube formation and Video Marketing birth.....	15
3.2.2 Multi-channel Networks	16
3.2.3 Dynamics	16
3.3 Reasons for Video Marketing Effectiveness.....	17
3.4 Ways to promote a brand using YouTube video hosting.....	18
3.5 Major video advertising formats	20
3.5.1 Additional video advertising formats	26
3.6 Placement technology	27
3.7 Conversion video advertising and general interest of potential customers.....	28
3.8 Evaluation of the effectiveness of ad views.....	31
4. Practical Part	33
4.1 Introduction	33
4.1.1 Operation with data.....	34
4.1.2 Conclusion for the operating with data.....	42
4.2 Questionnaires Data	43
4.2.1 Conclusion from the results of questionnaires	46
5. Conclusion	47
6. References	49

List of figures

Figure 1: The age distribution of YouTube’s viewers base.....	14
Figure 2: Brands using video in their marketing strategy.....	17
Figure 3: In-stream video ad on YouTube.....	21
Figure 4: Out-stream video ad on YouTube	22

Figure 5: Branded content video advertising format on YouTube	24
Figure 6: Screenshot from the firm’s Google Advertising account.....	34
Figure 7: Screenshot from the firm’s Google Analytics account	34
Figure 8: Possibilities places for the 2020/2021 academic year.....	35
Figure 9: Possibilities and prices of the annual study program	37
Figure 10: Semester study program possibility	38
Figure 11: Results of the questionnaire No. 1	43
Figure 12: Results of the questionnaire No. 2	44
Figure 13: Results of the questionnaire No. 3	45

List of tables

Table 1: Applications for participation in courses through three months of YouTube advertising.....	36
Table 2: Approved applications after consultations with the support department.....	36
Table 3: Overview of deposits by programs chosen by clients	37
Table 4: Translation of Figure 9	38
Table 5: Period annual study program opportunities.....	38
Table 6: Translation of Figure 10	39
Table 7: Types of selected study courses and the amount of clients	39
Table 8: Total amount of deposits	40
Table 9: Estimated the total amount of programs, €.....	40
Table 10: Supposed profit company Recalculate amount with 30% deposit from Summer camp, the company's profit is	41
Table 11: Calculate approximate net profit	41

1. Introduction

Internet marketing in our time is a vast area of activity, which includes a number of business processes aimed at promoting goods and services on the market in the Network with subsequent benefits for the organization. The size of the online advertising market continues to grow. Advertisers who invest in online advertising evaluate the main trends in user behavior, their preferences in choosing resources for the time spent. Placing interactive advertising on such sites makes it possible to interact with users, maintain statistics and reporting, and come up with more creative solutions. And for viewers who decide what they will watch, the time spent on the Internet or on a video hosting service is usually not limited to a few minutes, such as when searching the network: they watch video content, which lasts an average of 9- 10 minutes. Today, video marketing is one of the most successful ways of advertising on the Internet. More and more advertisers are using video as a tool to work with their target audience. According to recent statistics:

- 1) The website has more than 1.9bn of monthly users logging in.¹
- 2) YouTube is the second-largest search engine in the world, and the second most frequently visited platform after Google.²
- 3) Six out of ten people prefer live TV to online video platforms.
- 4) Half viewers under 32 will not belong to a pay-tv service by 2025.
- 5) Viewers viewing TrueView advertisements but not watching until the end are still 10 times more likely to do one of those acts.³

The high consumption of Internet video advertising by users of the Internet is associated with the growth of technology, the spread of mobile and computer devices with support for 4G and 5G. It can also be noted that the main reason for the spread of video advertising format is associated with greater involvement of the audience in advertising than in banners. It's simpler and easier for users to perceive the video because consuming the video negates any mental stress. At the moment, the development of social media is

¹ *YouTube website. YouTube about* [online]. Available at: <https://www.youtube.com/intl/en-GB/about/press/>

² KEMP SIMON. Digital 2019 Q4 Global Digital Statshot [online]. 23 October 2019. Available at: <https://datareportal.com/reports/digital-2019-q4-global-digital-statshot?rq=Global%20Digital%20Statshot%20>

³ BLUMENSTEIN HOWARD, O'NEIL-HART CELIE. *How YouTube Extends the Reach and Engagement of Your Video Advertising* [online]. December 2015. Available at: <https://www.thinkwithgoogle.com/articles/how-youtube-extends-reach-engagement-of-video-advertising.html>

proceeding at a very fast pace, their audience is constantly expanding, the average time for their use is increasing, and part of the audience is almost completely abandoning other types of media that act as marketing communication channels because the capabilities of social media make it possible to replace them. One of the most popular types of social media is YouTube video hosting, with an audience of one and a half billion viewers worldwide. Viewers on YouTube are attracted by the presence of a large number of diverse video content, which is represented, first of all, by copyrighted video blogs specially created for this resource. The high popularity and variety of types of video content on YouTube attracts business attention, as video blogs become convenient and effective channels of promotion and communication with the target audience, which allows us to talk about the formation of video marketing as an effective direction in modern Internet marketing.

2. Objectives and Methodology

2.1 Objectives

The objectives of the thesis are to determine the effectiveness of advertising on YouTube and the general interest of potential customers of firms.

2.2 Methodology

There are two main parts in this thesis - the Theoretical part and the Practical part.

The theoretical part consists of a review of current literature and information obtained from the research and comparison of the related materials covering the theory of video marketing behaviour on YouTube video hosting, the dynamics of advertising, ways to promote a brand, formats, as well as performance evaluation.

The second part will be focused on an analysis of data obtained from questionnaires, and the calculation of the effectiveness of paid advertising on YouTube video hosting using Google Analytics data in the selected company that uses video advertising.

Finally, appropriate conclusions will be made, based on the research data received and analysed.

3. Literature Review

3.1 The phenomenon of the video industry or a brief history of YouTube

YouTube is the brainchild of three former PayPal employees: Chad Harley, Stephen Chen and Javed Karim. They left PayPal and were looking for new business opportunities. After exploring a few ideas, they eventually found a need for a service that made it easier to download, view, and distribute videos. And YouTube appeared. They registered the YouTube.com domain name on February 15, 2005 and began to develop a technology for the functioning of the site in Harley's garage. Chen, a programmer, using the Adobe Flash language, organized the display of video clips in a browser. Harley, an expert on user interfaces, has developed a tag system that allows users to identify and share clips that they like. Together, they created a way to display videos on the pages of user sites, which allowed YouTube to significantly expand the audience.

YouTube has gained great popularity almost from the first days of work. In the first month, it was visited by three million users - an excellent result for a startup. The number of visitors tripled in the third month of operation (in February 2006), tripled again in June (up to 30 million) and reached 38 million by the end of the first year of operation of the site. This put YouTube among the top ten most visited Internet sites and made it one of the fastest growing sites in history. Such progress could not go unnoticed, in features by competing sites. The largest of them, Google, made an offer to buy YouTube - and acquired it in October 2006, paying \$ 1.65 billion: an incredible amount for such a young company, which at the time of purchase had not yet begun to bring significant revenue.

Thus, YouTube was in the very center of the powerful fleet of Google. At the same time, YouTube continues to work regardless of the flagship - it looks and acts almost the same as before the purchase of its Google. Only the scale of activity has changed.⁴

3.1.1 YouTube now

The number of videos and site visitors continues to grow, and this may mean that YouTube may be popular. According to Mansoor Iqbal's marketing research, YouTube is the world's second-largest search engine and second most visited site after Google with

⁴ SAHU AKHILENDRA. *The YouTube: A Full History*. 2019, p. 42-56.

190 million monthly users. These users watch a huge number of videos - more than two billion a day.⁵

3.1.2 Who watches YouTube

Not surprisingly, for many users, YouTube is replacing watching traditional television. According to Google, the average YouTube viewer spends 164 minutes a day on the web. A traditional television viewer watches it for an average of 130 minutes. Six out of 10 people prefer online video platforms to live TV. People watch over 1 billion hours of YouTube videos a day, more than Netflix and Facebook video combined. Similarly, it's preferable to place the video on YouTube video hosting.

YouTube viewers fill in all age and demographic groups. In fig. 1 shows the distribution of YouTube users by age. The most attractive segment, 18–44 years old, is 56% of YouTube viewers. From the point of view of gender distribution, there are no distortions: 55% of men and 45% of women.⁶

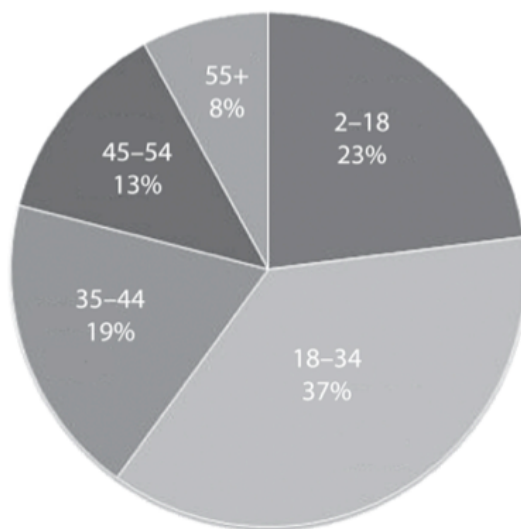


Figure 1: The age distribution of YouTube's viewers base

Source: Michael Miller, *YouTube for Business: Online Video Marketing for Any Business*, 2011, p. 22

3.2 Video Marketing history on YouTube

Video Advertising, whether we are makers, advertisers or customers, is part of our everyday life. But the industry's origins stretch back, further back than many can imagine, with the

⁵ IQBAL MANSOOR. *YouTube Revenue and Usage Statistics* [online]. August 8, 2019. Available at: <https://www.businessofapps.com/data/youtube-statistics/>

⁶ MILLER MICHAEL. *YouTube for Business: Online Video Marketing for Any Business*. 2011, p. 23.

many advances and inventions in the field that characterize the discipline that we now recognize.

Since it first appeared online, video marketing has gone through really the transformation. It has gone from personal marketing to viral video marketing over the past 20 years and has advanced to what is now the age of social video marketing.⁷

3.2.1 YouTube formation and Video Marketing birth

YouTube's formation was the most crucial part of video marketing. The age of viral videos began in 2005. This is going to be the first crucial step for video marketing, and a boom in online video will begin. In fact, the earliest forms of video marketing were the overlay and display advertising placed alongside popular YouTube videos generated primarily by originators accepted into the YouTube Partner Program. These sources of the revenue made it possible for creators who previously made content free to make a profit from their work. Few businesses used YouTube in a significant way at this time, but one outstanding was certainly Tom Dickson, Blendtec's creator, who started making funny videos every week for a show called "Will it blend?". These episodes became a staple of early YouTube and brought a lot of exposure to the Blendtec blender.

Later on, further companies like Ford had invested in full-blown campaigns such as their Fiesta Movement. This marketing campaign was first launched in 2009 when Ford gave a group of YouTubers the opportunity of using a Ford Fiesta in their YouTube clips in return for video coverage of that use. This performed well enough for Ford to run the campaign again for their 2014 models. While the competition for views kept rising on YouTube, makers who were willing to collaborate for continued success with marketers like Ford were able to rise to the top of the rankings. Such collaborative efforts have proven to be key for both makers and marketers to continue online success. Old Spice's campaign "The Man Your Man Could Smell Like" may have been the turning point of video advertising. It demonstrated the value created by an interested audience interacting with your online content. This spawned a multitude of other internet-based videos that parodied or duplicated their original video, free of charge spreading their message across the internet.⁸

⁷ BORTONE LOU. *Video Marketing Rules: How to Win in a World Gone Video*. 2017, p. 34-42.

⁸ *Simple Show website. The History of Video Marketing* [online]. 5 July 2017. Available at: <https://www.mysimpleshow.com/history-video-marketing/>

3.2.2 Multi-channel Networks

The rise of multi-channel networks on YouTube was a significant part of this transition from the creator side. The idea of using their videos as advertising tools was viewed by many creators in the YouTube community as "selling out" and creators who were using their content for marketing frequently kept it a secret from their audience for fear of negative reaction.

Maker Studios was created in 2009 by a group of YouTubers\creators, which would become the first major multi-channel network on YouTube. Such networks will help secure a number of different types of advertising deals for their partners. As other MCNs joined the scene and invited creators to join their ranks, collaborative advertisements were launched into a new era. Networks like Fullscreen would pay their partners a premium to target their viewers disguised as a video. This type of video marketing would be the most critical audience for what was to come.

What started in online video as a taboo word has now become the accepted standard for creators and viewers as a way to sustain their work.⁹

3.2.3 Dynamics

Over the past few years, marketing content has changed from viral marketing, like "The Epic Split" for Volvo Trucks (Jean-Claude Van Damme carry out his famous split between two reversing trucks. Never done before, JCVD says it's the most epic of splits.

This live test was set up to demonstrate the precision and directional stability of Volvo Dynamic Steering - a world-first technology that makes the Volvo FM easier to drive.¹⁰) to more focused social video marketing campaigns such as those produced by GoPro. While these videos will often gain fewer attention and views compared to their counterparts in viral marketing, they concentrate more explicitly on their brands ' core audience and create a more meaningful social debate that has proven to be a better indicator of increased video advertising sales.

Social marketing is growing; online video is becoming popular. A goal is like this. What used to be an advanced field, few have become so popular that the way the world communicates with the network has changed. Companies that have never thought about

⁹ SMITH ANDY. *A Brief History of Video Marketing on YouTube* [online]. 17 November 2014. Available at: <https://tubularinsights.com/history-video-marketing-youtube/>

¹⁰ *Volvo Trucks YouTube channel. The Epic Split* [online]. 14 November 2013. Available at: <https://www.youtube.com/watch?v=M7FIvfx5J10>

using social marketing and video now realize that this is the perfect way to connect with their customers, create their own brands, educate and inform stakeholders both inside and outside their organizations.¹¹

3.3 Reasons for Video Marketing Effectiveness

Video marketing was seen for many years as something of a fad. Lots of businesses felt the technology was being used for the sake of technology. However, video marketing did have a strong impact the last few years. Many businesses, both small and big, now understand the value of video in marketing.

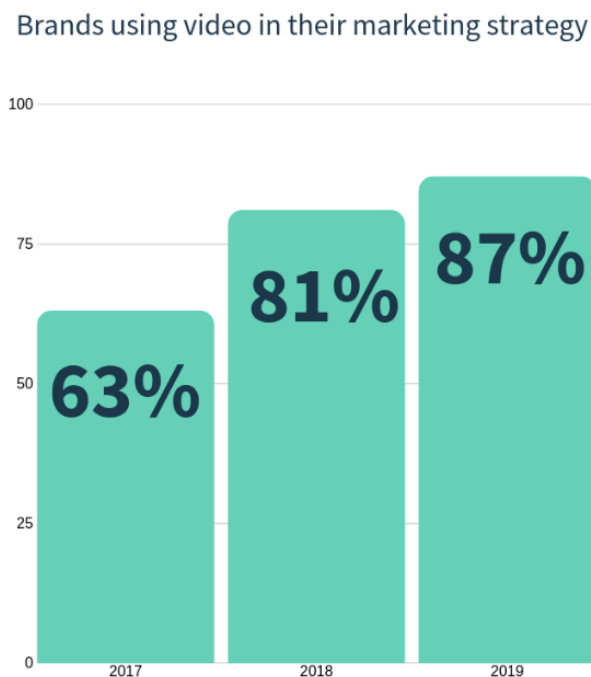


Figure 2: Brands using video in their marketing strategy

Source: <https://medium.com/@ViralStat/video-marketing-statistics-2019-45310dcde55b>

On Figure 2, we can see that it is estimated that 87% of businesses are already using video in their campaigns. It is an improvement from 63% of companies doing so in 2017.

The main reasons are:

1. “Immortality” of content

Social networks are places where the target audience is most active. Therefore, the creation of high-quality content opens up wide open spaces for the search and involvement of potential customers in the sales funnel. But ordinary posts on the wall have an “expiration

¹¹ KOTLER PHILIP, LEE NANCY R. *Social Marketing: Behavior Change for Social Good*. 2019, p. 14-15.

date,” because in one or two days, no one will see them in their tape. On YouTube, the popularity of high-quality video is not lost much longer, because users search for it by keywords. So, video marketing allows you to create content that will always be relevant, attracting the attention of thousands of potential customers daily.

2. The indicator of business reliability

User trust needs to be won. Before buying, many people study several pages with reviews, accumulating information about both the product and the company. It is important to prove to them their serious attitude both to the production process and to the opinion of potential and existing customers.

Text review is faked in a few minutes. And it is unlikely that you will gain the trust of users if you place it on the selling pages.

Another thing is a detailed commentary in video format. Interviews are great, but you can experiment and mix genres.¹²

3. New technologies

Video allows you to create interactive content that engages the user. The popularity of VR, AR and 360 technologies has been growing for several years.

The company sells apartments. You want to evaluate the apartment in order to understand whether you need to go there. What do you choose: text, photos, or video in 360 formats? Everyone would definitely choose a video.

4. Rules dictated by search engines

Video pages are indexed better than similar pages but without media content.

When promoting SEO, you need to use all possible methods to increase the chance of a page getting into the top search results.¹³

3.4 Ways to promote a brand using YouTube video hosting

There are several ways to promote a brand on YouTube. Firstly, the creation of their own channel, which is a kind of media platform where the correct work with content and its promotion will ensure the involvement of the audience and customers. Secondly, it is an advertisement for popular video bloggers who give recommendations on the use of a particular product or service in their videos and place them on their channels.

¹² WALTER EKATERINA. *The Power of Visual Storytelling: How to Use Visuals, Videos, and Social Media to Market Your Brand*. 2015, p. 112.

¹³ BORTONE LOU. *Video Marketing Rules: How to Win in a World Gone Video*. 2017, p. 93.

It should be noted that creating your own brand channel on YouTube video hosting is a free way of promotion, where the optimization and content of the channel play a decisive role. Since YouTube is a search engine, user requests affect the delivery of videos to the top search and, accordingly, the transition to the channel. The design of the channel implies the creation of an attractive cover, avatar, the development of its description using keywords that affect search results and reflect the positioning of the company. This means that users when searching for the video they need, for example, a recipe for a Japanese dish, will be met in the search for videos from a channel, for example, a sushi bar.

Switching to a company's YouTube channel as a result of uploading videos to the top search is not yet a success in attracting and retaining a potential customer. The main goal of creating a branded platform on video hosting is to attract the attention of the target audience and redirect leads to the main selling official website of the company. In the case of regular customers, this is a way to retain them and increase loyalty, increase the average customer check, i.e., prompting him to shop more and more often. To maintain constant contact with your audience through the YouTube channel, you need to develop a content strategy.

The content strategy should reflect the concept and positioning of the brand and answer the question, "Why should the user subscribe and stay on the channel?" You should also consider the features of the YouTube site. This is, first of all, an entertaining and informative platform where people spend their time at leisure, share useful and interesting information with their followers. Therefore, the content strategy should not have an exclusively commercial focus, i.e., direct advertising.

There are several recommendations when developing a content plan:

1. Stick to one niche.

Some brands release a lot of entertaining and versatile videos to reach a large audience. The founder of the marketing company 602 Communications, Graham Newel, believes that you need to follow one area, adhere to one niche in which the company will look like a real professional. This makes it clear that by touching on common topics and trends that are not related to the brand's sphere of activity, the channel can increase its reach, but it is useless to achieve the ultimate business goal.

2. Socialize content.

YouTube, in contrast to the company's official website, is a more socialized platform where users can leave feedback, chat with other subscribers in the comments, etc. Receiving

feedback from potential customers, the company receives valuable information that it can use in its development, as well as in the formation of brand fans. Involving content just stimulates user communication. Users can leave feedback on YouTube in the form of “Like/dislike” marks, channel subscriptions and comments to the video. The more such feedback, involvement in the video, the higher its coverage, which ultimately affects the output to the top video search.

3. Call for action.

Since the brand’s YouTube channel is not an entertainment platform but aims to increase customers, it is necessary to develop a call-to-action in the video message in order to achieve this goal. You can select the most popular ones, such as a call to subscribe to a channel or go to a website, as well as use a promotional code from a video to make a purchase.

4. Use humor.

As noted earlier in the article, users spend time on YouTube with an entertaining and educational purpose. A feature of this site is also “sharing” (from English to share - to share) content. Therefore, the creation of entertaining, humorous content with a simultaneous demonstration of brand values is an opportunity to achieve virality and receive free coverage due to the fact that users themselves will share interesting exciting brand content.¹⁴

About 50% of YouTube videos have less than a thousand views since video hosting contains a large amount of content. To reach a large audience and attract its attention, companies use paid methods to promote their channels or videos on YouTube, namely advertising. It has several types and formats.

Since YouTube video hosting is owned by Google, the promotion of the video is based on this site. The GoogleAdwords service sets up an advertising campaign. The capabilities of this service allow you to target advertisements to the right audience according to specific parameters: gender, age, geography, as well as key requests and interests.¹⁵

3.5 Major video advertising formats

1. In-stream

It belongs to aggressive formats, which provides displays of advertising content in front of the main video that the user included. Thanks to flexible targeting capabilities, this format is

¹⁴ OVCHINNIKOVA E.S. *Especially the use of YouTube for brand promotion* [online]. 2017, Vol. 5, No. 4. ISSN 2307-9525. Available at: <http://esj.pnzgu.ru>

¹⁵ *Google Advertising website. Overview* [online]. 2000. Available at: <https://ads.google.com/intl/en/home/>

effective for displaying direct video advertising but less effective in promoting the channel's content itself.

The advantages of this format include, firstly, the fact that the displays of the advertising video are broadcast to clearly limited segments of the audience. The interests and needs of the user can be determined by his key requests, thus knowing what he is looking for, you can show him the current advertising message.

Secondly, payment with this format of advertising occurs for watching videos. This means that the advertising budget is not deducted from the number of impressions of the advertised video, but for the video watched. According to the settings of the advertisement, on YouTube after 30 seconds of displaying the advertisement in front of the main video, the user can turn it off and go to the main video, but if he watched the advertisement to the end, then it interested him, attracted attention, and only in this case YouTube “ will deduct "a certain amount from the advertiser for watching the video.

The next advantage is fast coverage at a competitive bid per view. On YouTube, just like on social networks, the auction system works, i.e., which of the advertisers will place a large bid for advertising and will target the same audience, such advertising and the user will see more often.

Despite the advantages of this format, its minuses can also be distinguished. For example, such aggressive advertising can, in some cases, cause negative feedback from users. Also, a disadvantage is that quantitative indicators, i.e. Impressions and conversions are strictly limited by budget.¹⁶

Using this format, you can promote videos by the type of TV clips, they, of course, cause annoyance for users, but effectively convey an advertising message to the target audience.

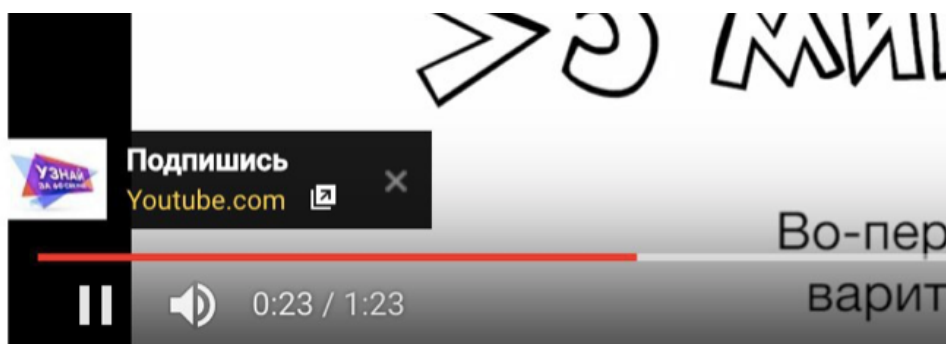


Figure 3: In-stream video ad on YouTube

Source: youtube.com

¹⁶ SCOTT GINI GRAHAM. *Make More Money with Your Book: From Getting Started to Creating Additional Materials, Online Campaigns, Podcasts, Blogs, Videos, Advertising, PR, and the Social Media*. 2018, p. 243.

In addition to the popular TrueView in-stream, YouTube also offers other advertising features:

- TrueView Video Discovery advertising (video advertising in YouTube search results, in the list of similar YouTube videos, on the main page of YouTube's mobile version);
- Bumper Advertising or 6 second splash advertising

2. Out-Stream (alternative names in-Read, in-Page, in-Feed)

Video advertising that appears in the content of a website or social network (i.e., outside the video stream). Advertising begins to play automatically when it enters the user's visibility area (according to IAB standards, viewing counts for viewability more than 50% and lasts more than three seconds). If the player disappears from the user's visibility range, the video stops. The video player is statically placed inside editorial content. The Out-Stream format is available on the Google Display Network.

As for the trends in Out-Stream, there is also a noticeable trend towards customization and personalization. Page contextual targeting technologies are being developed. The possibilities of point targeting are expanding, and this is unlimited scope for the growth of the format and nativeness of the display.¹⁷



15 Tips To Manage Your Time Better

Figure 4: Out-stream video ad on YouTube

Source: youtube.com

¹⁷ Support Google website. About video ad formats [online]. Updated 2020. Available at: <https://support.google.com/google-ads/answer/2375464?hl=en-GB>

3. Viral culture

The format for natively posting video content in social media feeds and websites. Using special servers, you can place a video on different sites outside of YouTube video hosting. While watching a series or program, the user can also see inStream TrueView pre-roll advertising in front of the main video.

The advantages of this format are as follows:

- native layout format;
- audience coverage of all social networks;
- additional functions for customizing a standard YouTube player for additional conversion achievements (site transitions, groups on social networks, subscriptions to the YouTube channel);
- the ability to produce hundreds of publications as soon as possible, bypassing the individual approval of the advertising post with each individual resource owner;
- viral distribution of video and output to the TOP YouTube.

For this format, it is better to use entertainment videos with viral potential, with the exception of TV commercials and videos that are too short (less than 30 seconds). However, seeding is most effective when promoting a viral video, in this case, the cost of the promotion will be minimal since seeding can give 500% virality, which means that the budget covers only the initial coverage and does not limit the distribution of the video.¹⁸

4. InDisplay

This is a native format for promoting videos through Google AdWords. Its essence lies in the fact that the video will be published in the first two places in the YouTube search results and the block with the "recommended" videos. Payment will also occur for watching videos. The main advantage of this promotion format is that it is native in nature, and the audience watches such videos consciously, without experiencing any negative. This results in a drawback of this format, namely lower coverage compared to inStream TrueView.¹⁹

5. Branded content

Branded content can be any social video format sponsored by an advertiser or brand: YouTube series or shows (for example, BadTrip from BadComedian blogger sponsored by

¹⁸ TORBERT ADAM. *Vlogging, Viral Marketing and Laptop Lifestyle*. 2019, p. 57-63.

¹⁹ *Support Google website. About video ad formats* [online]. Updated 2020. Available at: <https://support.google.com/google-ads/answer/2375464?hl=en-GB>

Meller), Instagram demo product video, or integration/product placement into blogging content.

This video format is often used by advertisers to integrate their products and demo use cases. In the case of a properly selected blogger and native feed, the format can bring an excellent conversion to targeted actions and significantly increase loyalty to a product or brand.²⁰



Figure 5: Branded content video advertising format on YouTube

Source: youtube.com

6. Video SEO.

This is an absolutely native promotion format inside video hosting, and it's free. It consists in the fact that with the help of SEO-optimized descriptions for videos, etc. for key queries, it is displayed in the top views. This is a free analog of the inDisplay format, and it has the same advantages. The disadvantages include obtaining a very low and slow, in comparison with other formats, audience coverage, difficult to predict the result.²¹

The considered methods of direct advertising of goods and services through YouTube video hosting have a wide range of costs: from free SEO and ending with the tools Google AdWords, which have an auction bid. In this regard, the seeding will always be the most stable and predictable, if you use specialized platforms, since they provide guaranteed cost and number of views, allow you to automate the placement on many resources, and reduce the final cost of the contact due to the "viral" distribution of content.

²⁰ FULGONI GIAN, LIPSMAN ANDREW, PETTIT RAYMOND. *Measuring the Effectiveness of Branded Content across Television and Digital Platforms*. In *Electronic Journal of Advertising* [online]. December 2017. DOI: 10.2501/JAR-2017-046. Available at: <https://www.researchgate.net/publication/321636733>

²¹ SOLODOV ALEXEY. *Opportunities for promoting video on YouTube*. *Internet publication on marketing and communications in the digital environment «Cossa»* [online]. 10 June 2016. Available at: <https://www.cossa.ru/trends/132315/>

7. Video blogging

The next format for paid brand promotion on YouTube is video blogging advertising. Bloggers can be attributed to opinion leaders who have a large audience of interested people who are ready to imitate their idols, listen to them, and copy behavior. According to a joint study by MediaScope and PRT Edelman Affiliate on the integration of brands into blogging content, which was conducted in September 2017, such advertising is perceived by the audience more positively than in the media and in 23% of cases leads to a search for a product in a store or to a decision to buy it by the results of watching "branded" videos on YouTube. According to the results of the study, it was also found that almost a quarter of respondents purchased the product, almost a third of the respondents looked for information about it or told friends, 24% shared content on their social sites or clicked on the link indicated in the post. For comparison, the average international conversion rate for purchase is 16.64% for native and 7.72% for banner advertising in the media. Thus, advertising with bloggers should be more effective on average than in electronic media.

This is due to the fact that the product's mention in the video blogger's plot is of a commercial nature, and it's advisory, because 48% of respondents are sure that bloggers recommend only those products and services that they like, while the majority of respondents understand that this is a mention paid by advertisers.

Graham Newel, the founder of 602 Communications marketing service, is also convinced that in order to promote a brand, it is necessary to use people outside your business in advertising who will interact with subscribers: "This must be a person who is passionate about your field, a passionate fan of your products. He must be able to tell a love story to what really matters to him."²² Since the blog format is now very popular and reach, brand cooperation with bloggers can effectively affect the promotion of the company.

When choosing blogger sites, several of the following quantitative and qualitative indicators should be taken into account. Quantitative include:

1. The audience and engagement of the blogger channel. The number of subscribers, video views, activity (comments, "I like / I don't like" marks). Based on such indicators, one can judge whether the blogger's channel is interesting to the audience, its reach and

²² TOLMACHEVA ALINA. *Promotion of the brand's channel on YouTube: recommendations and mistakes. Internet project for entrepreneurs «Vs.ru»* [online]. 9 September 2015. Available at: <https://vc.ru/marketing/10439-brands-youtube>

involvement, as well as the correspondence of the blogger's audience to the brand's target audience.

2. The quality of the content. Choosing a site for advertising, you need to familiarize yourself with the nature of the blogger's publications: format, presentation of material. For this it is necessary to conduct a content analysis. This will ultimately affect the reputation of the product, because the blogger will be the bearer of brand values.²³

3.5.1 Additional video advertising formats

1) Social video

Social video is any video whose main purpose is to engage users. Whether it's a blogging video, a UGC video with cats or a story from a grocery store, the purpose of this content is not commercial but entertaining. In the case of blogging, monetization can be an additional task.²⁴

2) Live video (broadcasts, streams)

Live video may be social content, but the specifics of its creation allows you to place it in a separate video posting format. Broadcasts and streams ensure the engagement of the audience through the effect of presence. Examples: artist backstage, game stream, live shooting of the event.

The most frequent advertisers in this format are game publishers and developers, manufacturers of products for gamers. As in Branded Content, the native environment and product demo from opinion leaders are drivers of increasing audience recognition and loyalty.²⁵

3) "New video"

Relatively new hype video formats 360, virtual and augmented reality have not yet managed to prove their performance-effectiveness but provide the maximum depth of user experience. VR and 360 videos perfectly convey the atmosphere of the video; the user can feel like a hero of an advertising video, get into new places using the advertiser's brand.

²³ TORBERT ADAM. *Vlogging, Viral Marketing and Laptop Lifestyle*. 2019, p. 110.

²⁴ KOTLER PHILIP. *Marketing 4.0: Moving from Traditional to Digital*. 2016, p. 123.

²⁵ UZIALKO ADAM C. *How to Market Your Business with Video Livestreaming* [online]. 8 July 2019. Available at: <https://www.businessnewsdaily.com/9442-how-to-livestream-advertise-for-business.html>

Nevertheless, promotional videos in this format are not so common, and those that we see are more like a special project. In fact, the formats of the “new” video are still ahead, and now they are expensive “toys”.²⁶

3.6 Placement technology

1) Personalized and custom video

Now we often see video players with personalized transition buttons and social network icons. Such customization promotes increased conversions from video and gives users a clear call-to-action. Increasingly, the displays of an advertising player begin to meet in the context of the article in which the player is located. This format is native, and the viewer is more interested in offering and moving to the landing page.

2) Mobile video

The existence of all the formats described above is possible both on the desktop and on the mobile. But there are several that have become widespread precisely thanks to smartphones:

- Fullscreen - the video opens in full screen in the banner when the page loads. Fullscreen refers to the video when the auto-play video with the timer starts;
- Rewarded video - the main purpose of viewing such videos is to obtain the internal currency of applications (mainly gaming);
- Interstitial - a commercial that is played before downloading the content of a mobile application or when changing content in an open mobile application

The number of mobile audiences is growing in proportion to the growth of video; these two environments are constantly in the digital locomotive. And when they collaborate, they create the most top-end custom products.²⁷

6) Cross-platform video and convergence of TV and digital

Online advertising on video hosting is synchronized with the watched TV content.

Someone offers to tune for the well-known timing of advertising slots; someone takes out additional actions online (voting, backstages), someone uses the ability of smartphones to “listen” to surrounding noises and sounds and synchronize advertising messages. However,

²⁶ HABIG JIM. *Is 360 video worth it?* [online]. July 2016. Available at: <https://www.thinkwithgoogle.com/advertising-channels/video/360-video-advertising/>

²⁷ SCOTT GINI GRAHAM. *Make More Money with Your Book: From Getting Started to Creating Additional Materials, Online Campaigns, Podcasts, Blogs, Videos, Advertising, PR, and the Social Media*. 2018, p. 292.

technology has not yet become widespread: firstly, it is very expensive, and secondly, there are too many inaccuracies and difficulties in the work. But the potential is huge.

Today, there are more and more opportunities to work with traffic, and the advertiser's struggle for the viewer's attention goes to a new level. It is worth remembering that a certain distribution format is suitable for each type of content. If you decide to place a standard TV-spot in a viral culture - this will be a failure. You will get coverage, but the effectiveness of the campaign will be zero since there is no question of a viral effect. It is always worth paying special attention to the creative, adaptation to the format is 80% success, and technology will be able to deliver your advertising message to the exact address.²⁸

3.7 Conversion video advertising and general interest of potential customers

We're used to the fact that search contextual advertising is better for identifying a "warm" audience and getting conversions. Indeed, when a person enters in the search "buy a screwdriver", obviously he wants to buy a screwdriver. This is the best moment to show him advertising.

However, modern technology allows you to identify users with the intention to buy a particular product and catch up with them at other sites, including while watching videos of bloggers or favorite TV shows on YouTube. When a person visited several online stores with screwdrivers, read reviews, looked at reviews, the likelihood that he would be interested in a profitable offer while watching a video about repairs in a children's room was quite high. The only question is how to identify such interested users and bring them to the site.

A couple of years ago, the phrase "conversion video advertising" raised many questions. The video was used mainly in the upper stages of the sales funnel to solve various marketing and business tasks:

- generate demand
- arouse interest,
- to draw attention,
- increase brand and / or product brand awareness,
- affect the perception and reputation of the company, etc.

²⁸ RICH JASON R. *Ultimate Guide to YouTube for Business*. 2013, p. 187.

Previously, the use of video advertising was limited to this. When a potential client had already chosen a product or a specific company, other formats and tools seemed to be more logical, which help to find clearly interested people and convert interest into a purchase - search contextual advertising, SEO for commercial requests, email newsletters, retargeting, marketplaces. It seemed that to solve the main tasks of this stage - to identify, engage, convert and scale the result - video advertising is not good. Now, this is not entirely true. Search advertising is still an effective source of “warm” traffic. However, not all users who searched for a product in a search are converted immediately. There are several scenarios:

- some go from advertising to the site and buy;
- others open several sites — yours and competitors — to compare products;
- still, others don’t even come to your site.

At the same time, according to Google, more than 50% of people who searched for products and services in the search, turn to online video to get more information. This is the right moment to influence the decision to purchase and to influence the choice of the buyer in your favor.

Indeed, often we have little text on the seller’s website, a few reviews and photos. Especially if the product is expensive and complex. On the Internet, you can’t touch and test the product, but you can see how it works. And we are going to watch video reviews of sellers and video reviews of buyers - on equipment, toys, travel, clothes.

Thus, not everyone will go from advertising to the site, but most of them will come to YouTube. So, on a popular video hosting you can find customers at the stages of comparing solutions, choosing a product and a seller. The small business is to single out customers with the highest level of interest, attract their attention, bring them to the site and convert them into buyers. And now, YouTube has the tools to solve these problems.

First of all, you need to find the “hot” leads - users with the most expressed intentions, interest them and convert them into a purchase, and then evaluate the effectiveness.²⁹

3.7.1 Search for leads on YouTube

YouTube is visited daily by millions of users. Among them, there are those who plan to buy a new car in the coming month, are looking for a birthday present for a child, choose cloud-based bookkeeping, and are seriously considering going to a psychologist. By showing

²⁹ KOCHKINA OLGA. *Searching for YouTube audiences: how intent targeting works* [online]. 23 January 2020. Available at: <https://texterra.ru/blog/videoreklama-dlya-rosta-prodazh-kak-ispolzovat-youtube-dlya-polucheniya-konversiy.html>

advertising to such people, profile companies can very well count on conversion. But you need to separate them from those who watch test drives, service reviews, videos about children and psychology just out of interest and do not plan to buy anything.

Google receives anonymous signals of user intent from search, Gmail, Chrome, Google Maps, Google Play. With the help of machine learning, these signals are processed and formed the audience of people who are interested in certain topics, goods or services. Suppose a week ago a person watched a test drive of a new Mercedes on YouTube, yesterday he searched for reviews in the search, and today - the dealer address on the map. Google understands that the user obviously plans to buy a car, which means that car advertising will be relevant to him now.

Advertisers can find the right audience and target their campaigns using audience targeting, which is divided into three categories.

1) Demographic targeting. They allow finding wide audiences, taking into account not only age and gender but also other socio-demographic characteristics, for example marital status, education and age of children. So, if we advertise classes for preparing for school, we can cut off those whose children have it sooner or later to get ready for the first grade.

2) Targeting by interests and habits. Allow you to find and reach a wide audience of potentially interested users. Using signals from their sites, Google forms the audience of travelers, motorists, gourmets, fashionistas - more than 100 categories in all. It is advisable to use these targeting in the upper stages of the funnel to attract attention and engage a wide audience.

3) Targeting by intent and action. They allow you to find people who are now interested in buying a particular product - they entered relevant queries into the search bar, visited competitors' websites, looked at YouTube product reviews and videos from the "how to choose ..." series, searched for company addresses on the map.

Targeting based on intentions and interests is best suited for conversions. When setting up a campaign on YouTube, you can choose from dozens of ready-made audiences - users who bought or planned to buy theater tickets, cosmetics, cruises. You can also create your own "Custom Intent Audience" - Custom Intent. In the latter case, you need to carefully select the most relevant key searches, page addresses, mobile apps and videos on YouTube for the people most relevant to people who are close to buying - only about 15 elements, so that machine learning has more data. The system will analyze the behavior of those who visited

these pages, entered requests and downloaded applications, and will collect an audience of similar users.

The most effective signal for determining the user's intent is his requests - people turn to search when they are looking for shopping ideas or specific products. With Custom Intent targeting, we can catch up with this audience on YouTube and influence them with video advertising.

A search intent signal is one of many signals available on YouTube. You can also use many other signals to search for potential buyers. For example, we can find those who live an important event that affects consumer preferences. Those who are going to get married will be interested in the proposals of wedding salons, hosts, artists, restaurants. Also available are categories of people who plan to move, enter a new job, or a pet institution.³⁰

3.8 Evaluation of the effectiveness of ad views

In search contextual advertising, the ideal scenario is when a user clicks on an ad, gets to the site and is converted. But this does not always happen. There are many different options for video advertising on YouTube. The user can watch the video, immediately click on the button to go to the site and buy. Or he can watch videos dozens of times from different devices and only then make a purchase. In addition, unlike search advertising, here conversions occur not only after clicks, but also after impressions and video views. Therefore, when evaluating the effectiveness of video advertising, it is important to evaluate all types of conversions:

- 1) cross-device conversions occurring between different devices of the same user;
- 2) conversions after impressions (when the user saw the beginning of the video and missed it, and after that made the target action);
- 3) after the views (when the user converted, watching more than 10 seconds of the advertising video);
- 4) after the clicks (when the user clicked on the video to the site).

Another feature of video advertising is the delayed effect. The user can watch the video today and make a purchase in a week or even several months. This is especially felt when the product is expensive, with a long decision. Therefore, it's important to consider postponed conversions to measure your YouTube advertising performance. In order not to

³⁰ MILLER MICHAEL. *YouTube for Business: Online Video Marketing for Any Business*. 2011, p. 105-107.

lose sight of users who are interested in the product, but have postponed the purchase, you can track micro-conversions - the actions that a person takes on the path to purchase: filling out forms, subscribing to promotions and mailings, viewing information about payment and delivery terms.

It is also worth remembering that in statistical reports the last channel from which the user came right before the purchase is indicated as the conversion source. A person could watch dozens of commercials, then hammer in the name of the company in the search, come to the site from the advertising results and buy. The source of the conversion will be search advertising, but in this scenario it's obvious that the video played the main role in attracting the buyer. To track such conversions, Google recommends that you search and video campaigns across different accounts.³¹

³¹ KRISHNAN S. SHUNMUGA, SITARAMAN RAMESH K. *Understanding the Effectiveness of Video Ads: A Measurement Study* [online]. October 2013. Available at: <https://www.akamai.com/us/en/multimedia/documents/technical-publication/understanding-the-effectiveness-of-video-ads-a-measurement-study-technical-publication.pdf>

4. Practical Part

The thesis will present the practical part of the work in this chapter. The purpose of this part is to calculate the effectiveness of paid advertising on YouTube video hosting. Student-CZ data collected using Google Analytics will be taken as the analyzed object. Also, in this part will be presented the analysis and evaluation of the results of the questionnaire on this topic. The conclusion for the practical part and the evaluation of the effectiveness of paid advertising on video hosting will be presented at the end of this chapter.

4.1 Introduction

In this section of the practical part of the dissertation, a description of the company that the author uses as the subject under consideration with the data on the basis of which the analysis is performed will be provided.

STUDENT-CZ has established itself as a reliable training center for the preparation of applicants to Czech universities and the organizer of language courses in the Czech Republic.

The story began in 1997. Then the company released the first stream of students. At that time, preparation for admission was not conducted in all specialties, but already in 2003, the program was expanded and was suitable for all the Czech universities in all the offered specialties.

The center carries out:

- intensive Czech language courses;
- vacation programs for schoolchildren;
- comprehensive training programs in Czech universities.

Training at the center is carried out by highly qualified teachers who are able to interest and present material in an accessible and understandable form. Studying takes place on the basis of methods developed in the center and teaching aids.

The company has a limited number of places for different programs and a certain amount for students from partner firms.

The author of this work worked in the company as a customer service manager, optimized the work of social networks for 4 months from the beginning of August 2019 to December 2019.

4.1.1 Operation with data

The task is as follows to calculate the real effect of paid advertising on YouTube, find common interest from potential customers, the profitability and effectiveness of video advertising. For this, there is Student-Cz which provided the data. After a test two-week period, a TrueView in-stream YouTube campaign was conducted for three months. The daily budget was 10 €. A total of 919.5 € was invested in an advertising campaign over a period of three months. For this money, YouTube showed paid advertising 113,294 times. In 22,987 cases, users reacted to advertising, i.e. accidentally or purposefully switched to the site of the educational center.

Campaign	Budget	Status	Campaign Type	Bid strategy	Impr.	Interactions	Interaction rate	Avg. cost	Cost
Video-ad	€10	Eligible	Video	-	113,294	22,987	20.29%	€0.04	€919.5
Total: Campaigns					113,294	22,987	20.29%	€0.04	€919.5
Total: Account									

Figure 6: Screenshot from the firm's Google Advertising account

- Step 1

To get started, let's look at Google Analytics data for these three months on the YouTube channel:

Source	Acquisition			Behavior			Conversions		
	Sessions	% New Sessions	New Users	Bounce Rate	Pages / Session	Avg. Session Duration	Goal Conversion Rate	Goal Completions	Goal Value
	25,079	22.22%	19,341	39.56%	4.65	00:07:38	1.2%	140	€0.00
1. youtube.com	25,079	22.22%	19,341	39.56%	4.65	00:07:38	1.2%	140	€0.00 (0.00%)

Figure 7: Screenshot from the firm's Google Analytics account

The screenshot shows that in fact, for the specified period of time, 19,341 new users went to the site. If we divide the advertising budget by the number of visitors, we get the cost of attracting a new visitor to the site equal to 0.04 €. In terms of bounce rate, we see that a third of visitors, or rather 39.56%, left the site immediately. On average, the content of the site meets the interests of visitors.

- Step 2

Next, we need to decide on the basis of orders.

Under the concept of placing an order, we understand the following situations:

- Go to the application confirmation page, provided that the new visitor came from YouTube from September 1 to December 1.
 - Go to the application confirmation page, provided that the visitor has previously visited the site, but the order was confirmed after the transition from YouTube.
 - A visitor wrote a message in live-chat, an email, or called a call center.
- Step 3

First of all, we will evaluate those who confirmed orders by going from YouTube from September 1 to December 1. According to Google Analytics, one hundred forty out of 19,341 visitors eventually went to the application confirmation page.

In practice, not all visitors leave a request, but only study information, compare prices, and begin to become interested in moving abroad and think about where to get money for it.

But in our case, for a period of three months, all one hundred forty people left an application for participation in courses on various programs after consulting in the support department.

- The study center has a limited number of places for training throughout the year. At least 65 places are allocated for students from company partners from different countries: Russia, Kazakhstan, Ukraine, Uzbekistan, etc.
- A total of 107 seats allocated for the 2020/2021 study year.

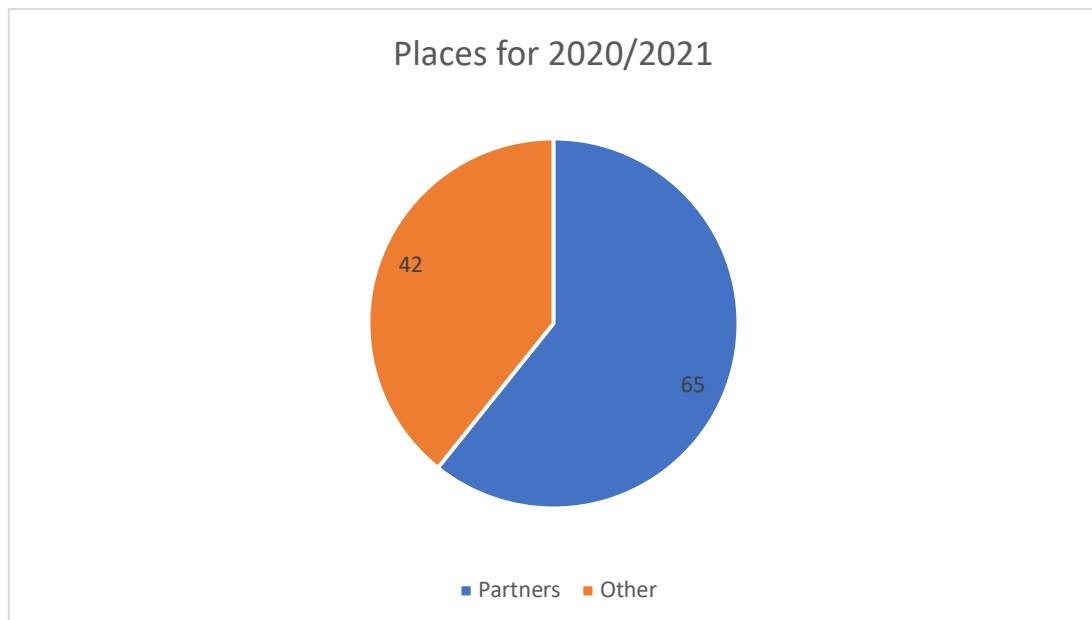


Figure 8: Possibilities places for the 2020/2021 academic year

Figure 8 shows that for partner companies sixty-five places were allocated, which is 61% of the total number of possible places for 2020/2021, the remaining 39% of the places will be

filled as applications from third-party resources arrive, through recommendations, advertising.

- As of 2020/2021 study year, sixty-five students from partners companies have already registered for the academic year course lasting September - June.

We will consider only customers who came thanks to paid advertising and calculate the effectiveness of paid advertising through customers who paid a non-refundable deposit of selected study programs.

One hundred forty people who came through advertising and connected with the support of the Student-CZ study center filled out applications for various programs and areas:

140 applications					
Academic year course		Semester	Summer camp	2021\2022	Consultation
Sept.-June	Nov.-June	Feb.-June	June	Sept.-June	Just consult.
36	6	26	7	23	42

Table 1: Applications for participation in courses through three months of YouTube advertising

During the three months when the TrueView in-stream YouTube campaign was conducted, thirty-six people submitted applications for the annual program from September to June, six people submitted applications for participation in the annual program, but only from November to June. Student-Cz also has shortcut semester courses; twenty-six people left applications for them; seven people left applications for participating in the summer holidays in Prague with learning the Czech language with the entertainment program. Twenty-three applications were received for participation in annual courses from September to June 2021/2022. And forty-two applications were received for counseling regarding the available programs, prices, accommodation issues, etc.

After this period and after all consultations with clients, the situation has changed a bit:

140 applications					
Academic year course		Semester	Summer camp	2021\2022 with 10% discount	Renouncement
Sept.-June	Nov.-June	Feb.-June	June	Sept.-June	
36	6	26	12	38	12

Table 2: Approved applications after consultations with the support department

Since 42 people (36 people September-June, six people November-June) have confirmed their participation in the annual courses 2020/2021 and have made a deposit - 30% of the

total cost of the program, possible places for the annual course are closed. Of the forty-two people who applied for courses and consulted about study programs and questions, six immediately registered for the 2021/2022 annual study program with a 10% discount, nine wanted to take part in the 2020/2021 annual courses, but since there were no seats, then the company's employees suggested they register for annual courses from September to June 2021/2022 with a 10% discount. five people registered for participation in the summer program in June and made a deposit of 50% of the total amount of the program through two weeks. After consultations, twelve people canceled their application for participation in Student-Cz programs.

Clients who have made a non-refundable deposit within two weeks after confirming the application for participation are required to pay the remaining amount of the program within three days after arrival in the Czech Republic.

Consider the deposits for those programs that customers have chosen who came thanks to video advertising on YouTube:

Annual study program		Semester study program	Summer camp	2021\2022 with 10% discount
Sept.-June	Nov.-June	Feb.-June	June	Sept.-June
30% of the total price	30% of the total price	30% of the total price	50% of the total price	30% of the total price

Table 3: Overview of deposits by programs chosen by clients

The annual study program has several study options:

ROCKY	SMART	VIP
<ul style="list-style-type: none"> ✓ Чешский язык, 640/740 часов, до уровня B1+/B2 ✓ Пакет сопроводительных услуг ✓ Подготовка к экзаменам ✓ Работа с вузами ✓ Визовая поддержка ✓ Программа адаптации ✗ Нострификация ✗ Гарантия возврата денег 	<ul style="list-style-type: none"> ✓ Чешский язык, 770/850 часов, до уровня B2 ✓ Пакет сопроводительных услуг ✓ Подготовка к экзаменам ✓ Работа с вузами ✓ Визовая поддержка ✓ Программа адаптации ✓ Нострификация ✓ Гарантия возврата денег 	<ul style="list-style-type: none"> ✓ Чешский язык, 1035 часов, до уровня C1 ✓ Пакет сопроводительных услуг ✓ Подготовка к экзаменам ✓ Работа с вузами ✓ Визовая поддержка ✓ Программа адаптации ✓ Нострификация ✓ Гарантия возврата денег
от € 3600	от € 4400	от € 5400

Figure 9: Possibilities and prices of the annual study program

Source: Company's website

Rocky	Smart	Vip
<ul style="list-style-type: none"> • Czech language, 640\740 hours to level B1+/B2 • Accompanying services • Exam preparation • Work with universities • Visa support • Adaptation program ○ Nostrification ○ Money-back guarantee 	<ul style="list-style-type: none"> • Czech language, 770\850 hours to level B2 • Accompanying services • Exam preparation • Work with universities • Visa support • Adaptation program • Nostrification • Money-back guarantee 	<ul style="list-style-type: none"> • Czech language, 1035 hours to level C1 • Accompanying services • Exam preparation • Work with universities • Visa support • Adaptation program • Nostrification • Money-back guarantee
From 3,600 €	From 4,400 €	From 5,400 €

Table 4: Translation of Figure 9

September - June	November - June
Rocky (740 hours)	Rocky (640 hours)
Smart (850 hours)	Smart (770 hours)
Vip (1035 hours)	-

Table 5: Period annual study program opportunities

Source: <https://student-cz.ru/godovoj-kurs/>

Another study program that some customers have chosen is a semester study course and just one timing/period possibility.

ROCKY

- ✔ Чешский язык, (450 часов)
- ✔ Профильные предметы (75 часов/каждый предмет)
- ✔ Пакет сопроводительных услуг
- ✔ Работа с вузами
- ✔ Программа адаптации в Чехии

от € 2600

Figure 10: Semester study program possibility

Source: Company's website

Rocky
<ul style="list-style-type: none"> • Czech language (450 hours) • Profile subjects (75 hours/each subject) <ul style="list-style-type: none"> • Accompanying services • Work with universities • Adaptation program
From 2,600 €

Table 6: Translation of Figure 10

Summer camp is another opportunity to get acquainted with the Czech language, Prague, culture, also have fun and understand whether the Czech Republic is suitable for a particular client.

The price for each customer is different depending on the services and accommodation that the client chooses.

All twelve people who applied for participation in the summer camp chose one standard package with the same price including: an entertainment program, accommodation at the Duo Hotel in Prague, two meals a day, Czech language 40 hours, as well as insurance and support. This program is a two-week which will be held in June 2020. The price of such a program is 1,000 euros.

For the 2021/2022 academic year, thirty-eight people registered for one possible and open program at the moment: annual study courses from September to June.

Distribution of clients in connection with the program that they have chosen:

Type of program	The number of customers who made a deposit
Smart (20/21, Sept.-June)	29
VIP (20/21, Sept.-June)	7
Smart (20/21, Nov.-June)	6
Rocky (Semester, Feb.-June)	26
Summer camp (2 weeks, June 2020)	12
Smart (21/22, Sept.-June) with 10% discount	38

Table 7: Types of selected study courses and the amount of clients

On Table 7 we can see that the twenty-nine customers chose the Smart course in the next academic year and made a deposit. Seven clients chose the most expensive VIP program and also made a deposit of 30% of the total amount. Six customers chose the slightly

reduced Smart program, twenty-six people chose the semester program, twelve customers chose the summer camp, and Smart with a 10% discount in 2021/2022 - thirty-eight, so everyone made a deposit.

- Step 4

We should calculate the total amount of deposits for the selected program, which has already been received from customers and assume the approximate the total amount after full payment.

Type of program	Total amount of deposits, €
Smart (20/21, Sept.-June)	42,630 €
VIP (20/21, Sept.-June)	11,340 €
Smart (20/21, Nov.-June)	7,920 €
Rocky (Semester 202, Feb.-June)	20,280 €
Summer camp (2 weeks, June 2020)	6,000 €
Smart (21/22, Sept.-June) with 10% discount	50,160 €
Sum	138,330 €

Table 8: Total amount of deposits

Table 8 shows that the total amount of deposits is 138,330 €.

Type of program	Estimated the total price of programs, €
Smart (20/21, Sept.-June)	142,100 €
VIP (20/21, Sept.-June)	37,800 €
Smart (20/21, Nov.-June)	26,400 €
Rocky (Semester 202, Feb.-June)	67,600 €
Summer camp (2 weeks, June 2020)	12,000 €
Smart (21/22, Sept.-June) with 10% discount	167,200 €
Sum	453,100 €

Table 9: Estimated the total amount of programs, €

Assume that table 9 shows the approximate amount after students make full payment of the courses.

Let's say that the company's profit is 30% deposit, the summer camp is also 30%. The remaining money paid by students goes to the costs associated with the provision of all services for which they paid.

Calculate the profit of the company:

Type of program	Profit, €
Smart (20/21, Sept.-June)	42,630 €
VIP (20/21, Sept.-June)	11,340 €
Smart (20/21, Nov.-June)	7,920 €
Rocky (Semester 202, Feb.-June)	20,280 €
Summer camp (2 weeks, June 2020)	3,600 €
Smart (21/22, Sept.-June) with 10% discount	50,160 €
Sum	135,930 €

Table 10: Supposed profit company

Recalculate amount with 30% deposit from Summer camp, the company's profit is 135,930 €.

- Step 5

We calculate the approximate profit from paid advertising on YouTube.

We took only those people who filled out applications and paid a deposit thanks to video advertising.

From the total profit from orders we should deduct the expenses which can be direct and indirect.³² In our case, we will deduct direct approximate expenses for the rental of premises, heating, electricity, water, workers' wages and other expenses.

<i>Advertising campaign</i>	<i>YouTube</i>
Invested in video advertising, €	919.5 €
Number of paid applications	118
Total profit from applications, €	135,930 €
Total approximate expenses, €	40,800 €
Profit after deducting direct expenses, €	95,130 €
Total profit after income tax, €	77,055.3 €
Net profit without advertising, €	76,135.8 €

Table 11: Calculate approximate net profit

As we can see from Table 11 approximately net profit is 76,135.8 €. Firstly, we

³² THOMASON CYNDI. *Profit First for Ecommerce Sellers: Transform Your Ecommerce Business from a Cash-Eating Monster to a Money-Making Machine*. 2019, p. 53.

took the total income from paid applications - 135,930 € and this is exactly the same non-returnable deposit made by customers. Then we subtracted direct approximate costs from this total amount - 40,800 €, which in turn is approximately 30%. They include communal expenses, a rental price of a premise, expenses for the purchase of materials for the office and for study, employee salaries, services such as cleaning company, water, coffee, tea, and toiletries. We got the amount - 95,130 € after deducting direct expenses. The next step is to deduct income tax for companies, it is 19% in the Czech Republic.³³ So, after deducting income tax, we got a profit of 77,055.3 €. But this still includes the cost of advertising in which we invested 919.5 €. Subtract the cost of the three-month campaign and we get a net profit – 76,135.8 €. This net profit can be considered annual, with the exception of profit from applications received for 21/22 study year. But we assume that applications received for 21/22 are included in the annual profit of the company. Now we can calculate Return on Investment (ROI) - coefficient showing the profitability or loss-making of a particular investment. We should take our revenue and expenses with advertising cost.³⁴ $ROI = (135,930 \text{ €} - (40,800 \text{ €} + 919.5)) / (40,800 \text{ €} + 919.5) * 100\% = 225.8\%$. Return on Investment > 100% - this indicates is that the investment paid off and, in our case, paid advertising on YouTube was very effective.

4.1.2 Conclusion for the operating with data

As we can see from the calculations, the profit from video advertising is very high and the payback is high. At the same time, thanks to video advertising, there were many applications for participation in the company's programs, thanks to advertising, the company selected the right number of students to completely fill the places for courses 2020/2021 and get some clients for 21/22 study year. With the help of the video campaign, the company received additional income.

The advertising campaign was conducted for three months and was very useful in attracting new customers, plus many new people learned about the opportunity to study in the Czech Republic and in this company.

³³ *Wikipedie website. Daň z příjmů právnických osob* [online]. 2 January 2019. Available at: https://cs.wikipedia.org/wiki/Daň_z_př%C3%ADjmů_právnických_osob

³⁴ *Google Advertising website. Return on Investment (ROI)* [online]. Updated 2020. Available at: <https://support.google.com/google-ads/answer/14090?hl=en>

4.2 Questionnaires Data

In this section of the practical part of the dissertation, the results of questionnaires conducted among students of study programs in 2019/2020 at Student-Cz company will be presented.

In total, ninety-eight students from different study programs and ages were interviewed during the week. Forty-one people took part in the age group 16-18 years old, forty-six students aged 19-21, five people 22-26 years old, six people aged 26-31 years. The questionnaire was printed in paper form and contains three main questions regarding video ads on YouTube. Respondents should write only their age and answer the questions. Answers to the questions were collected, analyzed by the author of this work during the week, then three charts were drawn up for the visibility of the results of the questionnaires.

1. How often do you go to the advertiser's website from YouTube?

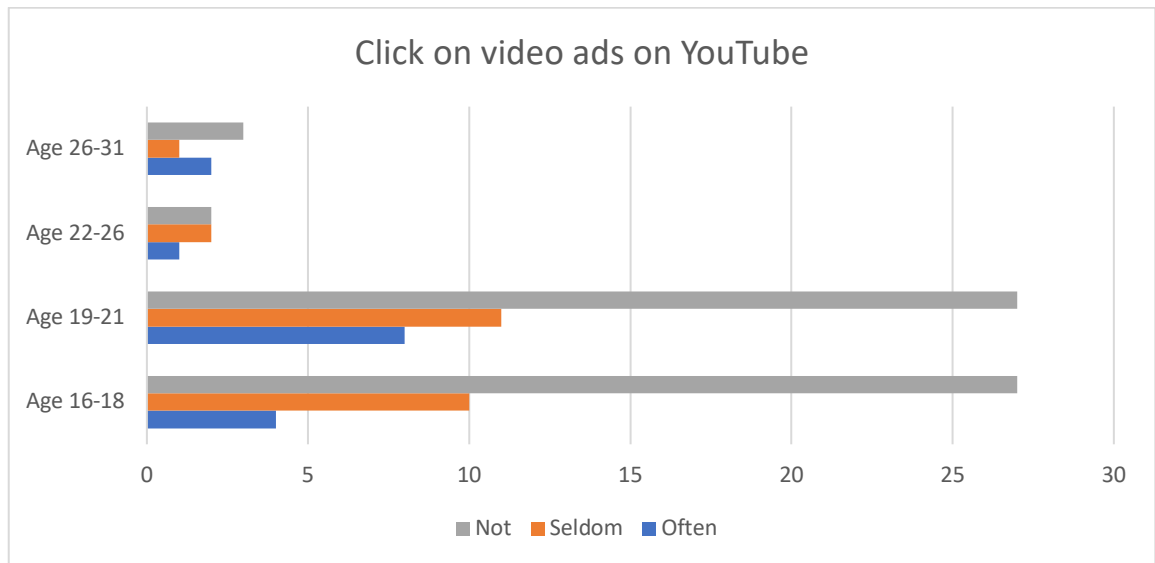


Figure 11: Results of the questionnaire No. 1

Figure 11 shows that most students aged 16-21 do not go to the advertiser's website through video advertising which amounted to 60% of the total number of students responding to the questionnaire. 25% of respondents replied that they seldom go to the advertiser's site through advertising of 10 and 11 people in the age categories 16-18 and 19-21. And the answer is "often" indicated only 15% of respondents.

Drawing a conclusion from these answers, we can say that most students prefer not to go to the advertiser's site through a video on YouTube. Most likely this is due to interest in the advertising video and in the video itself, which may or may not be of interest.

2. Is YouTube Advertising Helpful?

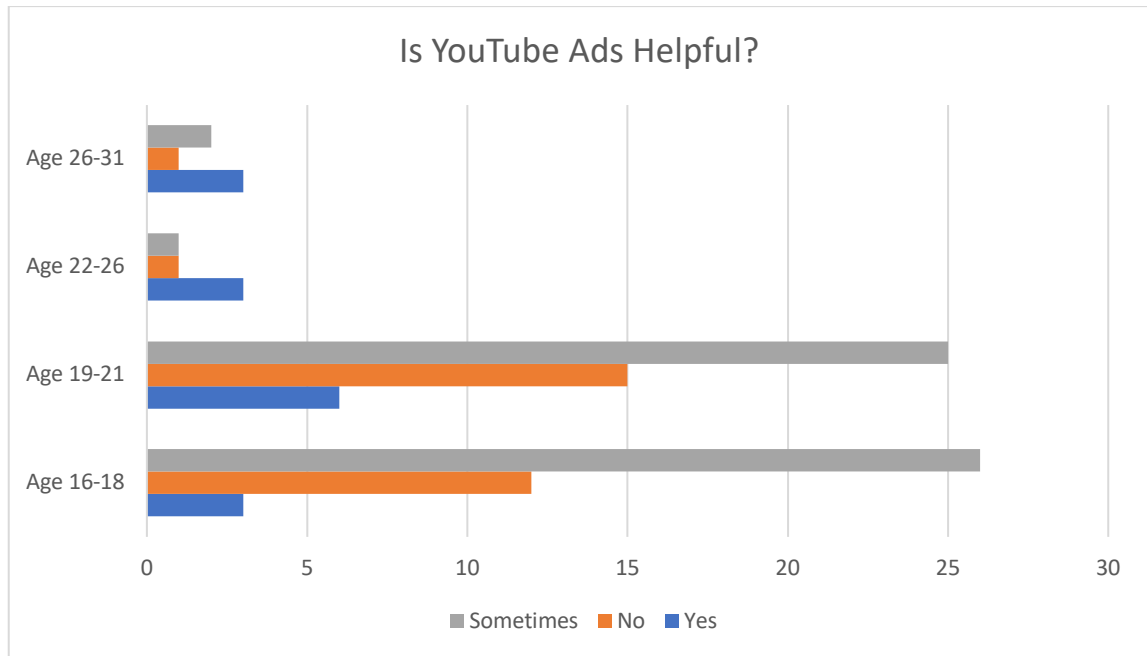


Figure 12: Results of the questionnaire No. 2

In figure 12, we can see that a little more than half of the responding students answered the question of whether advertising on YouTube is useful - "sometimes." This amounted to 55%. Twenty-nine people answered "no" to the question, which amounted to 30% of all respondents. 15% answered positively to the question about the helpful of video advertising. In the age group of 16-21, most students answered "sometimes" which means that YouTube video advertising is useful only when it meets the user's needs, which shows conversion advertising. In the age group 22-31, there are more "yes" answers to the question about the helpful of video advertising.

From this figure and this question, we can conclude that the usefulness of advertising depends on the user's requests, if someone wants to buy something, is looking for a product, watching video reviews, then most likely the video advertising on YouTube will offer some options for exactly what someone was looking for, thanks conversions. And if the user just wants to watch video clips without interest in anything, then most likely someone will click on the "skip" on the advertisement that appears.

3. Do you trust YouTube advertising?

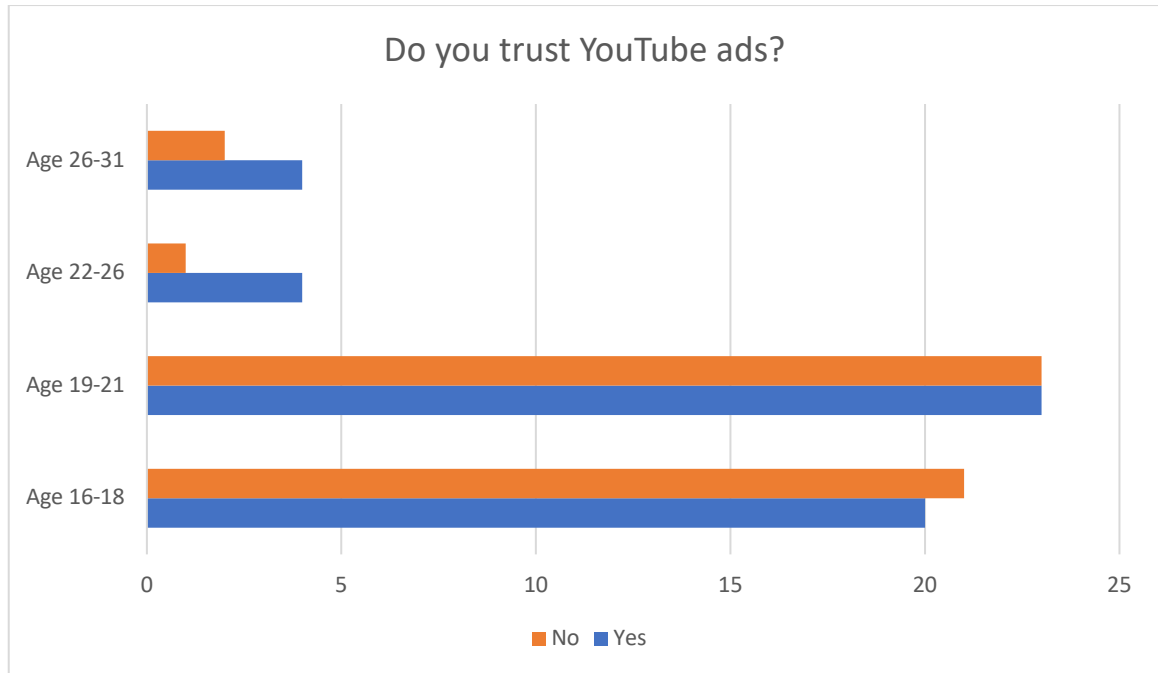


Figure 13: Results of the questionnaire No. 3

Figure 13 shows that opinions are divided. 52% of the respondents answered “yes” to the question of whether they trust YouTube video advertising. 48% of respondents answered “no”. Of the respondents, the majority of those who answered “no” are in the age group of 16-21 years old, on the contrary, in the age group of 22-31 years old they answered “yes, trust”.

Drawing a conclusion from the answers to this question, we can say that there may be “no” answers associated with a general decrease in trust in social networks and advertising for example, now many video bloggers advertise a product not because it is really good, but because advertising they will get a good feedback. In addition, there is no filter on YouTube and the chance to see bad advertising on the right product increases significantly. To use video advertising on YouTube to the maximum advantage for the user, user needs to view and select through a large number of video clips of interest to the user. The answers “yes” may be related to the general trust in YouTube video hosting, which has extensive experience in the Internet, the legal aspects of advertising, and not every advertiser will pay for their advertising and place it in the form of video on YouTube only one who is sure of the correctness of their content.

4.2.1 Conclusion from the results of questionnaires

From the conducted questionnaire among students aged 16-31 years, we can conclude that a little more than half of the people don't go to the advertiser's website through the video on YouTube and 25% of respondents go rarely if they are interested in the video advertising. And only 15% of respondents often go to the advertiser's website, we can assume that they are interested in a particular product and they go to the websites of advertisers in search of the right product that meets their needs. Also, the majority of respondents answered the second question that advertising on YouTube is "sometimes" useful, it can be assumed that "sometimes" is that time when a person is looking for the product which he needs and the advertisement adapts to the user's requests showing the advertisement necessary for him responding to his requests. In response to the last question, opinions were divided almost in half, slightly more than half - 52% said they trusted YouTube video ads, the rest of the students said they did not. Why is that? Some people trust the YouTube video hosting thereby giving credibility to the paid advertising that is shown in the video clips, and also trust for example video bloggers who advertise different products, because they have been "following" him or her for a long time or is just popular and has many subscribers. At the same time, there are people who do not trust video ads. It is possible that now have become a lot of unscrupulous manufacturers, a lot of unattractive advertising. Subscribers to video bloggers who advertise anything can be easily bought. In this situation, just need to clearly understand what the user wants and carefully evaluate and analyze the products advertised in advertising.

5. Conclusion

From the literature review, we can say that present marketing is developing very much, video marketing is developing even more, advertising on YouTube is developing, many things are switching to "digital" mode. The advertising possibilities of video resources are much wider than sites without options for working with video: hosting companies like YouTube offer display ads on the main and other pages, on the side when searching, on video overlays, in the Flash player before, during, after viewing the channel content. In addition, interaction with video producers allows for creative product placement, and the creation of a brand channel, moreover, broadcasts, promotions, draws, etc.

Unlike television, the placement of video ads on popular hosting services, and first of all - on the most visited of them, YouTube - can contribute to the targeted impact on the target audience. Video hosting targeting can compete even with the most narrowly targeted mass media - magazines, as the former provides the opportunity to customize the user stream based on context, geography, language, age and other grounds. User data entered by them independently, cookies, IP-addresses allow you to display a wide audience analysis in reports (such as in YouTube Analytics), and research of these data contribute to the further development of the industry. The advantages of advertising on YouTube also include the availability of all promotion tools for small and medium businesses, as compared to the price lists of newspapers, magazines, radio and television, the cost of advertising on video hosting sites is much more affordable.

Appeared different formats of video ads, different prices, different audience coverage, you just have to choose, and potential clients are yours.

The practical part also shows the positive perception of video advertising among viewers of YouTube video hosting and its effectiveness. Paid video advertising gives a large number of customers and views of the company that runs the campaign on YouTube. If a person has an interest, video advertising answers his request, then the advertiser's website gives confidence in their products / services, then the client will still make a purchase or deal a little earlier or a little later. In addition, video advertising offers a ready-made version of what a person would spend some time on. In the company selected for analyzing the effectiveness of video advertising, the return on investment in advertising was 225.8%, which indicates a rather high efficiency of paid advertising on video hosting. People become interested in studying abroad, look at options, look for beautiful cities, stop in Prague and now, an optimized

advertisement for the company appears that provides the opportunity to study abroad. Did the advertising arouse interest among potential clients? Sure, yes.

There is an interested client for each video advertisement, therefore it can be concluded that this type of marketing not only benefits the client and the advertiser but is also a very effective tool.

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