



## Case Study

# Evaluating the success as a video marketing platform: A case study of YouTube

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## Abstract

*Marketing has evolved significantly during the past few years. Companies are looking for new and more engaging ways of communicating with the customers. They consider video as a vital component of their overall marketing strategy as consumers are watching more and more videos in this digital age. Advertising through video is a great way of marketing. Video marketing helps the businesses to increase users' understanding of their product or service. YouTube is the most prevalent video platform today and is a powerful marketing tool. It is the world's largest online video source, with about 2.5 billion users worldwide. YouTube can be considered as the undisputed leader in online video. It enables the video marketers to share their video content with a large audience. The present study examines the internal as well as the external factors that influence the success of YouTube as a video marketing tool. The study aims to identify the internal strengths and weaknesses, and external available opportunities and threats. To analyze YouTube's success as a powerful platform in video marketing, the method used is SWOT analysis. The data has been collected from varied sources like published papers, books, websites, blogs and articles. The findings of the study reveals that simplicity of YouTube is one of the most important reasons for its success as a video marketing tool. YouTube is a promising video marketing platform for brands in this current situation of market fluctuations.*

**Keywords:** YouTube, video marketing, marketing strategy, video advertisements, promotion strategy.

## Introduction

Today, videos are important to consumers more than ever before. Consumers across the world are increasingly depending on different forms of video contents during every stage of their buying journey. Videos let customers know how a product or service works, find any defects before buying it, learn about benefits they would not hear about in a text-based description, and assess the quality of the product after making the purchase. This has caused an increase in online video consumption globally. Marketers are also leveraging the power of video due to the increasing preference of video contents among the consumers. So video is a powerful marketing tool and is more and more relevant for businesses today. This makes the marketers to increase their spending on video marketing<sup>1</sup>.

Many businesses have started using YouTube as a way to connect with their existing customers and introduce themselves to potential customers. Businesses can benefit from YouTube in many ways such as such as creating a community and engaging with their audience, displaying their products, or advertising on the platform. Sharing has been made very easy with the use of YouTube. Not only businesses can easily share their news with their audience, but also they can utilize YouTube to communicate with their target audience and gain feedback from them in the form of comments and likes<sup>2</sup>.

Launched in 2005, YouTube has currently about 2.7 billion users worldwide and has over 122 million daily active users. This means that over 122 million people visit YouTube every day to watch videos, upload videos, or create content<sup>3</sup>. This figure demonstrates the ubiquity of the platform and its status as an integral part of the online lives of billions. When it comes to marketing, it is a great platform for any business looking to market with video content. The present study helps to understand the factors that led to the success of YouTube as a video marketing platform. The study also sheds light on internal strengths and weaknesses, and external available opportunities and threats in front of YouTube.

## YouTube- A Brief Overview

Here are some of the basic information about YouTube. YouTube is an American video sharing company founded in 2005 by Steve Chen, Chad Hurley and Jawed Karim. The company is headquartered in San Bruno, California. In 2006, YouTube was purchased by Google for \$1.65 billion. The first video on the platform was "Me at the zoo", featuring Karim in 2005. YouTube launched In Video ads in 2007. For the first time in 2010, YouTube made it possible to upload 4K videos on its platform. In 2011, YouTube Live is launched. This function enables the content creators and corporate or public organizations to stream live content.

After the acquisition of Next New Networks, YouTube launches its first original channels in the same year. YouTube merges with Google Video in the year 2012. YouTube Red was launched in 2015. Now called YouTube Premium, it is a subscription service offered by YouTube to provide advertisement free access to its content. In 2016 YouTube launches its general subscription service. This replaces YouTube Red. YouTube launches its "Two Ads" feature for the first time in 2019 which shows two ads at once by adding two ads together<sup>5,6</sup>.

**Table-1:** YouTube Overview<sup>4</sup>.

Launched	2005
HQ	San Bruno, California, United States
Founders	Steve Chen, Chad Hurley, Jawed Karim
CEO	Neal Mohan
Business type	Subsidiary

**Table-2:** Key YouTube Statistics<sup>8-10</sup>.

YouTube has 2.7 billion users worldwide as of 2023
YouTube is currently the second most widely used social media platform after Facebook
YouTube is also the second-most popular search engine right after Google.
India has the most number of YouTube users, with around 467 million users active on every hour. The United States follows, with 246 million users
Every day, people watch over a billion hours of videos on YouTube
As of 2022, 500 hours of content are being uploaded every minute
More than 70% of YouTube watch time comes from mobile devices
YouTube is also the second most popular online video content platform used by millennials to watch after Netflix
YouTube is the most used platform for video marketing and is used by 55% of marketers.
62 percent of businesses today use YouTube to post their video content
The majority of B2B marketers (71%) are using video as part of their marketing mix and 53% considers YouTube as their preferred platform
About 50% of marketers invested in making online video content for YouTube
About 90% of the consumers around the world said that they find new brands and products on YouTube
In 2022, YouTube's global advertising revenues amounted to almost 29.24 billion U.S. dollars
YouTube makes up 6% of Google's ad revenues

Today, YouTube is the number one video-sharing platform in the world with more than 95% of the internet population using it. India has the most YouTube users, estimated at 225 million<sup>7</sup>. Here are some YouTube statistics that every video marketer should know to stay ahead of the competition.

**Table-3:** YouTube Users by Year<sup>11</sup>.

2017	1.6 billion
2018	1.8 billion
2019	2 billion
2020	2.3 billion
2021	2.5 billion
2022	2.6 billion
2023	2.70 billion

**Table-4:** YouTube Revenue by Year<sup>11</sup>.

2017	\$8.1 billion
2018	\$11.1 billion
2019	\$15.1 billion
2020	\$19.7 billion
2021	\$28.8 billion
2022	\$29.2 billion

## Statement of Problem

More and more businesses are turning to video marketing nowadays due to the increasing importance of video contents among the consumers. A brand can find an audience for their videos through the right video content strategy. There exists no other platform as better as YouTube for video advertising. Establishing or maintaining a presence on YouTube helps the brands to remain competitive with the other brands. At the same time, enables to popularize the product or service. There are limitless ways for creating video content on YouTube. But the problem is that even though video marketing is a major area of focus in this digital age and for a business, the potential to reach consumers via YouTube is high, some marketers are still not aware of the huge opportunities they will get by incorporating YouTube as a video marketing tool in their marketing strategy.

**Objectives:** To identify the internal as well as the external factors that influence the performance of YouTube as a video marketing tool. To review YouTube's performance as a powerful video marketing platform using SWOT analysis. To identify the opportunities businesses get by incorporating YouTube into their marketing strategy.

## Rationale of the Study

YouTube is the currently the most popular video platform. Building a YouTube presence is very much necessary for the brands for boosting their videos and increases their visibility.

This amazing platform helps to grow the business in an unimaginable way<sup>12</sup>. The small businesses should tap the untapped vast market using YouTube for their video marketing strategy to gain an edge over competition. So it is the need of the hour to identify the success factors of YouTube as a video marketing platform. The study also helps the companies to understand the incredible opportunities by investing in YouTube videos.

## Methodology

To examine the important aspects for this study, data has been collected from varied sources like published papers, books, websites, blogs and articles.

## Analysis and Results

**Marketing mix Strategy of YouTube:** There are a variety of platforms and channels devoted to video marketing. One of the most successful platforms that provide this facility is YouTube. YouTube's marketing strategy plays a major role in its overall success. Marketing is a key component of any business, as it involves promoting and marketing products or services through market research, advertising, and other methods. This is especially relevant in the current climate, where marketing innovation is rapidly advancing, and adopting these strategies can be a decisive factor in the success of a business. Let's explore the Marketing Mix that forms the basis of YouTube's Marketing Strategy<sup>13</sup>.

**Product Strategy:** YouTube offers highly differentiated products for its wide customer base. For eg: YouTube Kids for kids to have fun in a safer environment. YouTube Music to listen to the latest hits and to stay connected to artists and discover new music, YouTube Originals provides access to exclusive films and series created in partnership with professional studios and YouTube personalities. YouTube Premium allows users to access a vast library of videos without the interruption of advertisements, both before and during the video, as well as video overlay ads. YouTube Studio makes it easy YouTube content creators to manage their accounts and videos from an Android phone. YouTube's who use YouTube Studio can manage their presence, grow their channel, engage with their audience, and earn money all under one roof.

YouTube TV allows users to watch live television from major broadcast networks and cable channels in both English and Spanish, as well as local and nationwide live sports, news, and popular shows at the time they air. This demonstrates how differentiated YouTube's products are. As a video-marketing platform, YouTube allows marketers to upload and share their videos through all these product categories. These marketing videos can be viewed by anyone on the platform; however, only registered users are able allowed to upload videos.

The advertisement videos are often appeared before and in between the main video contents. There is a range of real-time metrics that helps to track for the insights a business needs. It helps them to know how many people are viewing ad, how engaged they are, what actions they're taking and more. YouTube has a Partner Program which provides video creators with the opportunity to claim a portion of the revenue earned by the platform. Since the video creators produce videos that make ads on YouTube more visible, so they get paid 55% of what YouTube earns from the ads they run<sup>14</sup>.

**Place Strategy:** YouTube is accessible on all smart phones and web browsers, like IE, Chrome and Safari. But mobile devices account for the majority of watch time. In the past, users had to install Adobe Flash Player plug-in to view YouTube videos, however, since 2010, anyone can view the videos due to the use of HTML5 standard embedded multimedia capabilities that web browsers support. Additionally, YouTube has been localized in more than 100 countries and viewers can access its content in over 80 languages<sup>15</sup>.

**Price strategy:** YouTube's pricing strategy is very effective, combining both free and paid services. YouTube uses the progressive pricing strategy on adverts, where an advertiser is charged based on the number of views. That is YouTube only charges advertisers when people view their ads or interact with them in some way (e.g., click on a call-to-action overlay). The average cost of advertisement is about \$7.60 per 100 views<sup>16</sup>.

**Promotion Strategy:** YouTube utilizes a variety of sales promotion tactics. For instance, to attract advertisers to use YouTube for digital marketing, the platform often offers \$100 in complimentary credit for every dollar spent on video advertisements. Additionally, YouTube has conducted numerous marketing promotions in collaboration with a variety of other companies to increase its visibility. One example is when YouTube partnered with NBC in 2006. The following year, YouTube teamed up with BBC, and then with CBS, MGM, and Lions Gate Entertainment. These companies could post TV shows and movies on YouTube, with ads in the US viewer section. Plus, YouTube has partnered with video creators, with attractive deals that let them share in the money YouTube makes from their products<sup>16</sup>.

**SWOT Analysis –YouTube:** SWOT analysis is one of the most widely used and fundamental analytical tools for analyzing an organization's strengths and weaknesses, as well as external opportunities and threats. It's a great way for managers to get a good overview of the environment and organize things more effectively. SWOT stands for Strengths, Weaknesses, Threats and Opportunities. This type of analysis is mainly conducted to improve an organization's strength, making sure its weaknesses have to be eliminated, grab the opportunities and foresee the threats<sup>17</sup>.

**Table-5:** SWOT Analysis.

Strengths	Weaknesses
Reach a wide variety of demographics	Sometimes it is difficult to create relevant or quality video content
Reach a wide variety of demographics	Subscriptions not very effective
Effective ad formats	Lack of transparency as the company has not offered comprehensive disclosures outlining the key factors its recommendation system considers.
Simplicity and accessibility that attracts millions of content creators around the world.	YouTube provides only a limited set of controls over how this system shapes their platform experience. Thus YouTube limits the users have over their own experiences.
The mobile-friendliness of the YouTube is one of the factors that marketers wants to take advantage while advertising on YouTube.	
YouTube is not only available globally but also localized in over 100 countries.	
Videos often appear in Google search results	
Lots of video contents in all areas	
YouTube's personalized recommendation system	
YouTube descriptions	
YouTube hashtags	
YouTube content feels like real life	
One of the largest video repositories on the internet	
Ability to turn off the AutoPlay feature	
Advantage of being part of Google.	
YouTube Video editing	
Viewer created contents	
Effectiveness of advertising spend on video	

Opportunities	Threats
Most visited site in the world	Video content is becoming increasingly competitive. There is a stiff competition from other online video sites.
Around 2 billion monthly active users	Producing videos may seem tedious and expensive for small businesses so only a small percent of all small businesses are using YouTube.
World's leader video sharing platform	Ad blocking technology
More marketers using video as part of their marketing mix.	
Increasing investment among marketers in creating online video content for YouTube.	
Increasing consumption of online video content among people.	
Rising demand for video contents.	
More business partners.	
Increase share of corporate video market	
Share in the paid subscription market	
Credibility of YouTube video as an authentic content source among people.	
Growing dependency on video content while users searching for ways to learn something.	
Businesses increasing the usage of YouTube as a channel to post their video advertisements.	
More businesses turning to YouTube to expand their marketing efforts.	

YouTube channels growing exponentially.	
Viewers less likely to skip ads as compared to television and other mediums.	

**Competitor analysis:** Competitors analysis is a strategic framework used in marketing and strategic management to evaluate current and potential competitors' strengths and weaknesses. It can be used to identify opportunities and threats from an offensive and defensive perspective. In the case of video marketing, YouTube's main competitor is Vimeo, an online video sharing platform that has over 60 million video creators and 175 million members worldwide. YouTube is the leading online video platform, with over 2 billion monthly active users, generating around \$29 billion annual advertising revenue. The other competitors of YouTube are Twitch, Metacafe, Amazon Video Shorts, Daily Motion, Hulu, VeVo, Veoh, Netflix, Inc, Flickr, Facebook<sup>18,19</sup>.

## Results and Discussion

The business environment is continuously evolving and video marketing has gaining prominence in marketing communication strategies because it can provoke emotions on consumers and appeal to their needs<sup>20</sup>. YouTube is the world's number one platform for video content today. It is no longer regarded as just an entertainment site, but has grown into an invaluable business resource. A strong YouTube presence is essential if a company wants its videos to gain traction online and drive additional sales<sup>21</sup>. So a larger number of marketers are considering YouTube as the most powerful platform for video marketing nowadays. A number of factors contributed for its success as the most popular marketing tool. Online video consumption is growing exponentially. So a company using YouTube for their marketing can easily reach a wider audience.

Advertising through YouTube is one of the best ways to make a product or service more visible on the website. The simplicity of YouTube is one of the factors that have contributed to attracting content creators across the world. Utilizing YouTube as a part of marketing strategy help the businesses to increase the authority of their websites. Video marketing through YouTube can boost search engine optimization efforts and perform well on Google search engine results pages. In case of YouTube, a huge budget is not needed. Marketers can create effective videos of lectures, demonstrations, more quickly and easily with minimal video equipments. YouTube can be leveraged in such a way that a small start can turn to a recognized brand, and that can happen very fastly with videos with no real cost.

It is a powerful medium to showcase the products and gain valuable leads that are already in the target audience. It provides the users with relevant videos on the most common problems and questions they have about a product or system. These are a great way to bridge the gap between a business and their customers. YouTube also provides the option to let viewers watch, comment, and share on each video. This gives even a

small business an opportunity to correspond with potential customers directly on their channel. YouTube insights provides the business with useful information about if a business' video marketing campaigns are performing well and in what areas they should invest more heavily.

## Conclusion

Today YouTube has gained a lot of popularity as a valuable tool for business. Marketing through YouTube is a more effective advertising method because people are more likely to pay attention to an advertisement on YouTube than any other media. More and more businesses now have started to use YouTube as a channel to communicate with their customers. After conducting a detailed assessment of all factors in SWOT analysis in this YouTube case study, the conclusion drawn is YouTube has an edge over its opportunities and strengths than threats and weaknesses. Considering the position of the leader in the industry, YouTube is and will continue its success in the future by exploiting these large numbers of available opportunities ahead. Studies shows that nearly eighty seven percent of marketers across the world today use video as a marketing tool and more than ninety five percent of internet population using YouTube regularly. So if any business is not including video marketing through YouTube in their marketing strategy, they are missing out so many incredible opportunities.

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