Report on

Impacts on Consumer Behavior through Online Video Advertisement

By

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fulfillment of the requirements for the degree of

Bachelor of Business Administration

Brac University Business School

Brac University

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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.

2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.

3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.

4. I/We have acknowledged all the main sources of help.

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Letter of Transmittal

29th September 2020

Raisa Tasneem Zaman

Lecturer, BBS

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Subject: Letter of Transmittal

With great pleasure, I am submitting my Internship report as the requirement of the BBA program. The topic of my internship report is "Impacts on Consumer Behavior through Online Video Advertisement." The working report is on Magnito Digital Limited's business profile & internship responsibility and area of work. I would like to express my gratitude for your constant support and guidance during my internship period.

The report is about the process of overcoming some of the problems and challenges in their ongoing projects and how to overcome them. Magnito is currently focusing on making a better brand image and serving their clients more effectively. I have learned how they structure their work process and how real work life and other factors influence the company.

Yours' sincerely,

Anisul Islam Bhuiyan

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Brac Business School

Acknowledgment

This internship report is a result of many people's guidance. First of all, I would like to thank almighty Allah for giving me such an opportunity to work as an intern in such a reputed organization Magnito Digital which helped me understand the digital marketing environment of Bangladesh. Secondly, I would like to thank my academic supervisor, Mrs. Raisa Tasneem Zaman, to provide me valuable suggestions and give me guidelines to prepare my internship report. Her valuable suggestions & guideline helped me a lot to prepare the report in a well-organized manner. Thirdly, I am grateful to my supervisor at Magnito Digital Limited, Ms. Syeda Nafisa Noor, for her valuable guidance and trust that made me confident to work on their level. I would also like to thank each member of Magnito Digital for being patient and also for supporting me throughout the process.

I am also grateful to other officials and friends while preparing the study by giving me suggestions, assistance, and supply of information which were valuable to me. All their support helped me to complete my report successfully.

Executive Summary

The growth of the internet in Bangladesh has been on the rise ever since 3G internet was introduced. With the high speed internet, businesses now can reach millions of consumers online. In order to create impact on consumer behavior and reach business goals, businesses have taken different content or advertisement strategies. One of the core content strategies is digital video advertisement. We have seen an increase in the number of digital video advertisements. In this report, it tries to elaborate how digital video advertising is impacting towards consumers. Consumer behavior impact factors were discussed in the first phase where it has shown that how Functional, Hedonic and Authenticity factor impacts the overall consumer. Based on this, the report tested these hypotheses towards a small sample group and later on this report we can see that digital video advertising creates a positive impact towards consumers. The report also suggested how businesses should use video advertisement in order to promote new products to the market where businesses can use video advertisement in order to provide more information, increase engagement and build trustworthiness.

Keywords: Digital Marketing, Consumer Behavior, Digital Content Marketing, Advertisement

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Chapter 1: Introduction of The Report

1.1 Introduction:

Digital Marketing has been a driving force for many businesses from small to large companies. In order to reach their marketing objectives, companies use different digital advertisement strategies. One of the core strategies is to run video advertisements through social media. According to Zenith's Online Video Forecasts (2019) report, the average internet audience will consume 100 minutes per day watching digital video in 2021 which is 16% more than in 2019. (Zenith Media, 2019). This indicates that people are likely to watch more videos than images or static content. In this report, we will be discussing impacts on consumer behavior through online video advertisements.

1.2 Problem Statement:

This report focuses on the problem of which type of advertisement can create impact towards consumer behavior.

1.3 Purpose of The Study

The purpose of this study is to show how digital video advertisements can affect consumer behavior on a scale of functional, hedonic and authenticity motives.

1.4 Objectives

Broad Objective: How digital video advertising impacts consumer behavior.
Specific Objectives:
- Information can be delivered properly through digital video ads
- Consumer engaged more through digital video ads
- Consumer trusts the product and service more through video ads

Chapter 2: Organizational Overview

1.1 Company profile

Magnito Digital Limited is a digital marketing agency, providing 360 marketing solutions in the digital arena. They assist their clients beyond the digital arena, including social, display advertisement, search and mobile marketing. Being the leading digital marketing agencies, Magnito Digital holds the digital marketing accounts of Hatil, Puma, GrameenPhone, Hero Bangladesh and many more. Magnito Digital team holds around 65 young and energetic people. It is also the largest digital marketing agency in Bangladesh. It is renowned for its unique company culture. Their expertise and large setup allow them to perform services at an exceptional scale. Magnito Digital also won both international and national awards for its service provided.

1.1.1 Mission, Vision, Objective

Mission:

Magnito strives to satisfy their valued customers; they try to fulfil their expectations by presenting quality services and proposing them the most excellent value in terms of quality, output, environment and other upright practices.

Vision:

Magnito serves their clients across the digital universe with the help of search, social, display and mobile marketing. Being a full-service digital marketing agency, Magnito Digital aims to solve its customer's problems by providing creative solutions.

1.1.2 Corporate Divisions / Departments

Magnito Digital Limited is a digital marketing agency, providing 360 marketing solutions in the digital arena. The company covers different departments to assure sound and stable performances of the business. The directors of the company monitor all these units. To manage this organisation efficiently, Magnito Digital has the below departments:
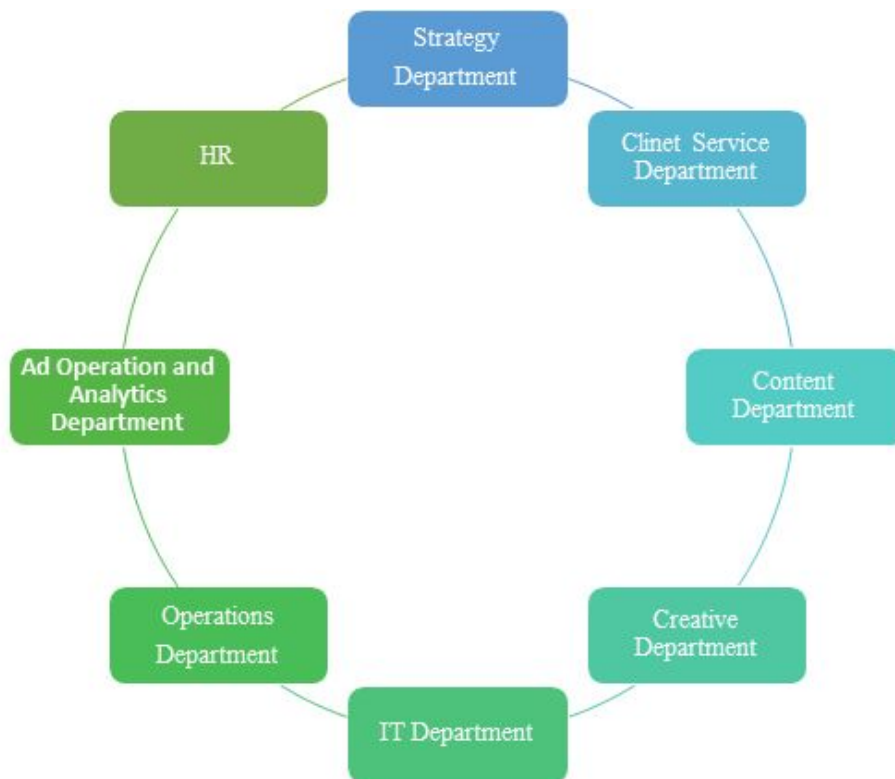

Figure 1 : Departments of Magnito

Client Service Department: The Client Service department is a bridge of communication between the client and the company. They instruct the other teams on what stance to take.

Strategy Department: Magnito's Strategy department is responsible for designing campaign ideas for their clients. They conjure up strategies that help the campaigns to reach the goal set by the client.

Content Department: The Content department generates ideas for the posts that are used in campaigns. They write copies, captions for posts and write scripts for different OVC, etc.

Creative Department: The Creative team is responsible for bringing these ideas into life. They generate illustrations and videos for the campaigns.

Ad Operation and Analytics Department: The Ad Operation and Analytics Department deals with online data, they collect user-generated data from online platforms like Facebook and Instagram and create a competitor database. They use these data to analyze campaign feasibility.

IT Department: The IT department of the company ensures that the technology used to support the work process and the campaign is in check.

Operations Department: The Operation department is responsible for the internal activity of the company they ensure that the day to day operational function of the company is managed properly.

Human Resource Department: Human Resource responsibilities of Magnito's HR include payroll, hiring, firing, and keeping everything up to date, they also ensure the well-being of the business.

1.1.4 Operation Details

Inside Magnito Digital, the organization is governed by Vicky Khawar Ahmed, who is the Chief Executive Officer.
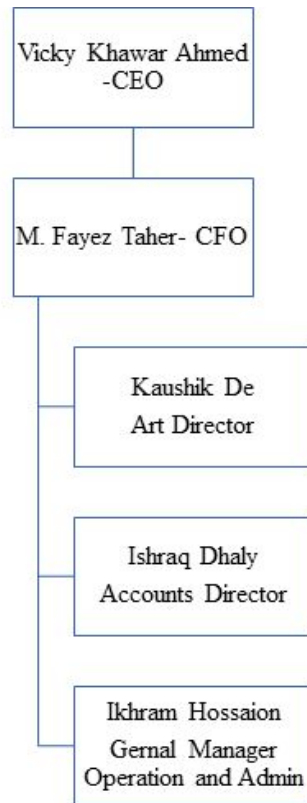

Figure 2: Organogram of Magnito Digital

The following departments of how Magnito Digital functions are as follows:

Strategy and Planning Department

Strategy and Planning team is the brain of Magnito Digital. This team is responsible for planning campaign ideas, preparing year long marketing plans and also preparing pitch decks for new clients.

Content Department

Content team consists of two separate teams - one is the creative team and other is the content team. This team executes the contents for the client. Here the creative team works for the visual part of the content and the content team works for the ideation part of the content.

Client Service Department

Client servicing handles the external communication with clients. They take the brief from the client and debrief it to the other team members. This department also ensures that the client requirements are being met timely.

1.1.5 Philanthropic activities / CSR

As a digital marketing agency Magnito Digital, does not indulge in Corporate Social Responsibility. But in the past, it has activated different CSR programs for their clients. E.g. Magnito Digital's activation team created a campaign for Grameenphone at Potnitola, Naogaon where they had donated relief to the flood affected citizens as part of Grameenphone Wow Box's CSR Campaign of 2017.

Chapter 3: Literature Review

After the widespread availability of internet connections, businesses have shifted to digital advertisement. Even during the covid19 pandemic period, it is expected that Digital ad spend for 2020 might end with a 6% increase versus 2019 (Interactive Advertising Bureau, 2020). Businesses use different types of content while advertising in digital. Online Video advertising is one of the core aspects of digital marketing. In current years we have observed the speedy and systematically raising quality of digital advertising amongst advertisers and publishers, corresponding with the appearance of social media. The immense potential possibilities existing within the digital advertising market have brought a growing interest in analysis into developing new advertising standards for platforms like Google Ads, YouTube Instream video ads, and Yahoo! Video. With the progress of technology, digital video advertising has become one in every of the foremost ordinarily used communication media for brands. Video Advertisement increases the engagement of the audience and as a result online purchase activities increase. According to Hootsuite Report, the average engagement rate for Facebook video posts is almost double than static images. This shows that video advertising performs better than static images. Businesses focus on creating an impact on consumer behavior so that they can reach business goals and create customer retention. Consumer behavior can be influenced by digital content marketing(DCM). According to Linda & Keith(2019), digital content marketing represents a vital and rapid increasing media for fostering mass consumer awareness, engagement, conversion and trust. Another definition of DCM can be creating, distributing, and sharing relevant, compelling, and appropriate content to retain customers at the relevant point in their purchasing consideration processes,

such that it assists them to convert to a business-driven result. (Wang, Malthouse, Calder and Uzunoglu, 2019). According to Linda & Keith(2019), DCM can be divided into three motives: Authenticity Motive, Hedonic Motive and Functional Motive. In short, digital video advertising can be represented as digital content marketing and it can influence the authenticity of the brand, emotional engagement and logical engagement of customers.
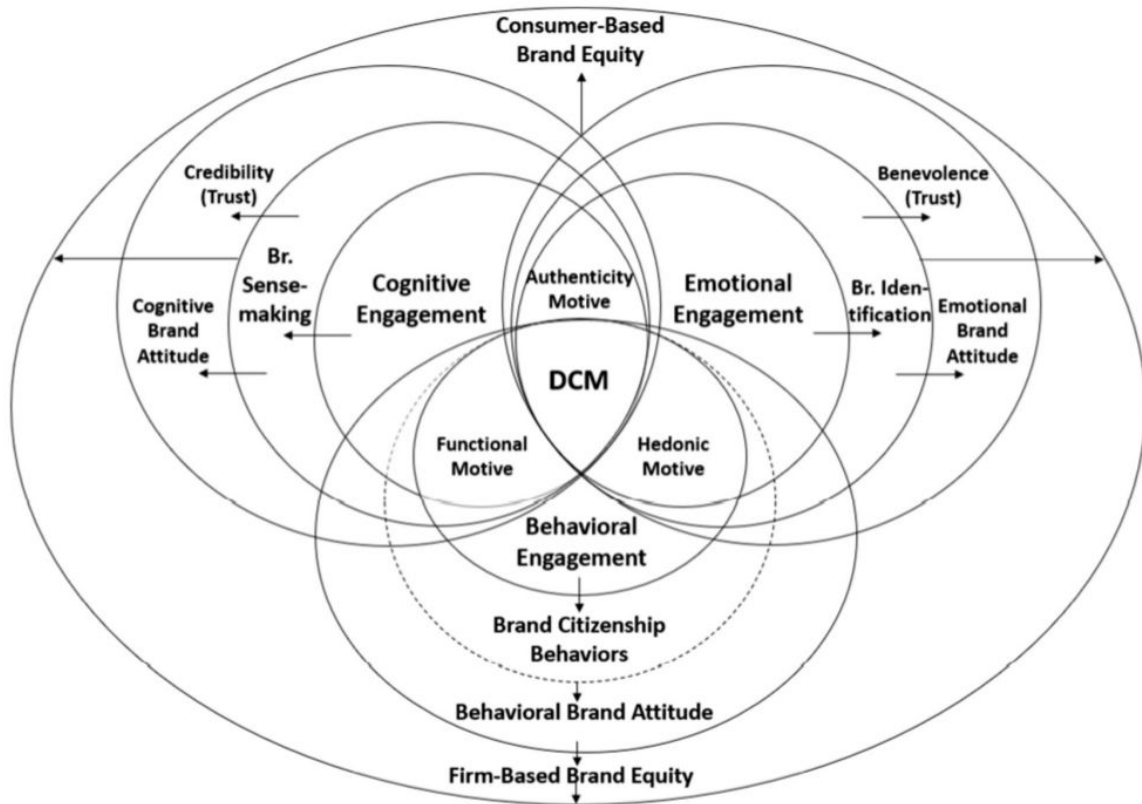
Figure 3 : Digital Content Marketing (Linda & Keith, 2019)

Conceptual Framework

Conceptual framework is a process which assists in understanding the present market and also it provides a broader scenario to understand the research goals. In order to address my research topic, I have chosen three main factors which impact the overall consumer behavior. The factors are : Authenticity Motive, Hedonic Motive and Functional Motive. Functional

Motive is the customer's utilitarian desire for the brand or advertisement. Here functional motive for advertisement can be the amount of product related information the advertisement carries. Hedonic Motive is the customer's emotional engagement towards the advertisement. Lastly, Authenticity Motive is the customer trust or credibility towards the advertisement. With these three motives, I have structured the Conceptual Framework in the following graph.
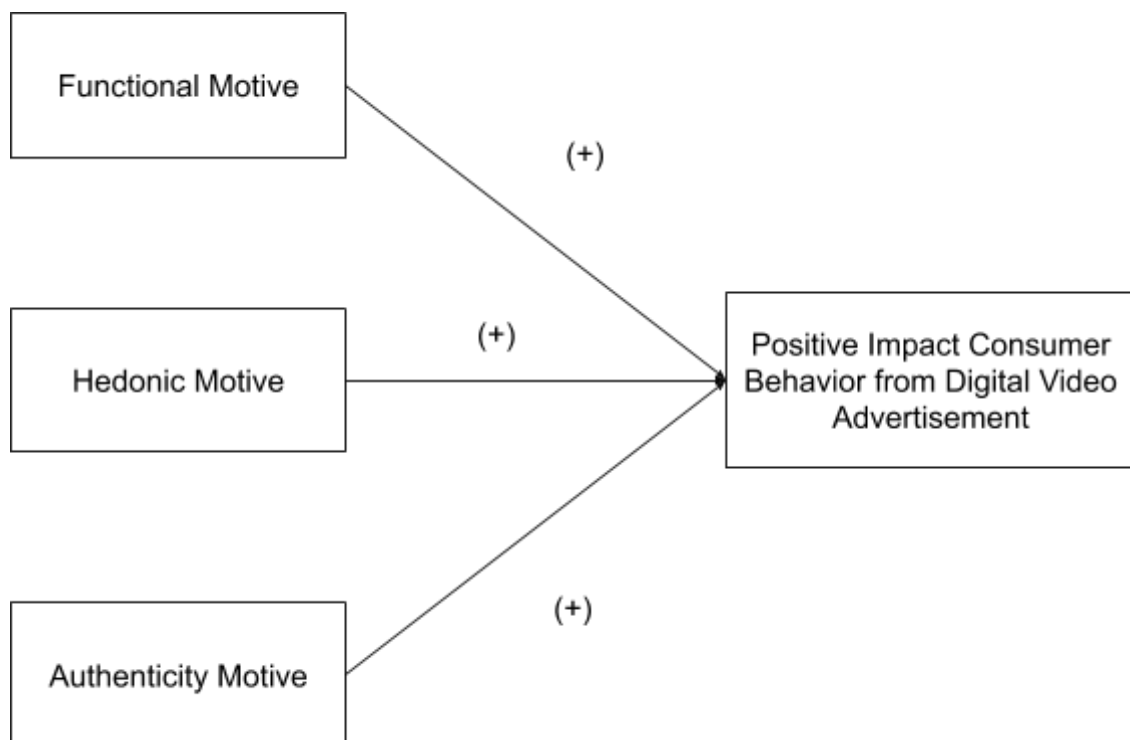

Figure 4 : Conceptual Framework

Hypothesis

According to Literature review, it can be concluded that consumer behavior can be impacted by three core factors - Authenticity Motive, Hedonic Motive and Functional Motive. Functional Motive. These factors are independent variables and Based on this information I have written down the hypothesis of this research.

H1 : Functional Motive has a positive impact on consumer behavior through digital video advertisement than static advertisement which means video advertisement provides more information than static.

Users learn about the product or services or brand more through digital video advertising rather than static advertisement. This means more information can be provided towards the audience through video advertisement.

H2 : Hedonic Motive has a positive impact on consumer behavior through digital video advertisement than static advertisement - for example, users engage more on digital video advertisement than static.

Users engage with the advertisement more with video advertisement than static advertisement. Here engagement will create brand recall to the audience. Hedonic Motive can be measured by interest and engagement towards the advertisement.

H3 : Authenticity Motive has a positive impact on consumer behavior through digital video advertisement than static advertisement - for example, users trust on the advertisement more on video advertisement than static.

Authenticity Motive is an important factor of consumer behavior. It helps consumers to trust a brand's communication and the brand itself. Here we will are assuming that Authenticity

Motive has a positive impact on consumer behavior through digital video advertisement than static advertisement.

Chapter 4: Research Method

4.1 Research Methodology

The research methodology is one of the essential aspects of any research. Research methodology outlines different steps, and the researcher has to distinguish the most suitable step to examine the concept for the research. Research methodology helps to get the right aspect from different viewpoints. It helps to understand the problem and helps to find the absolute solution. The research methodology starts with choosing a specific method determining whether the quantitative or qualitative research is suitable to conduct the result. It helps to understand the distinction between the descriptive or explanatory methods for the research. For my method, I will first conduct the google survey, assess my result, and interpret the data through SPSS analysis.

4.2 Research Design

Exploratory Research: This research design is conducted when a problem already exists but a proper solution has not been found to solve it.

Descriptive Research: Descriptive research already has a solution, but the researcher can develop a different solution. It gives a unique insight into the problem and helps to understand profoundly, and provide an elaborative explanation.

Causal Research: Causal research is the understanding of cause and effect. To understand the causal research, the researcher has to observe the existing variables and the research subject's alternative outcome.

For my research, I am following the descriptive research method because there is already an existing study, and I will try to get the Bangladeshi consumer perspective regarding the matter.

4.3 Sampling

For my research the main target group was young adults to young job holders as they are the majority of internet users. Here I have collected around 92 survey respondents for my research. The samples were preferred as a convenient sampling method for collecting the data from chosen respondents.

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 18	28	30.4	30.4	30.4
	18 - 25	42	45.7	45.7	76.1
	25 - 30	18	19.6	19.6	95.7
	30 - 35	3	3.3	3.3	98.9
	Above 35	1	1.1	1.1	100.0
	Total	92	100.0	100.0	

Figure 5 : Survey Sample Data - Age

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	65	70.7	70.7	70.7
	Female	27	29.3	29.3	100.0
	Total	92	100.0	100.0	

Figure 6 : Survey Sample Data - Gender

Income Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Do not earn	53	57.6	57.6	57.6
	Less 10,000	11	12.0	12.0	69.6
	10,000 - 20,000	11	12.0	12.0	81.5
	20,000 - 30,000	8	8.7	8.7	90.2
	30,000 - 40,000	8	8.7	8.7	98.9
	40,000 - 50,000	1	1.1	1.1	100.0
	Total	92	100.0	100.0	

What do you do?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	62	67.4	67.4	67.4
	Job Holder	27	29.3	29.3	96.7
	Unemployed	3	3.3	3.3	100.0
	Total	92	100.0	100.0	

Figure 7 : Survey Sample Data - Income Level and Profession

Chapter 5: Data Analysis

Basic question analysis:

From my basic survey question findings, I have found that 71% of the respondents were the male and 29% were female. On another hand, 76% of the respondents' age is on average below 25, 23% of the respondents' age is 26-35 and the rest is above 35.

		Online Active Status			
		I do not use internet	Usually Inactive	Occasionally Active	Very much Active
		Table Total N %	Table Total N %	Table Total N %	Table Total N %
Gender	Male			2.2%	68.5%
	Female		1.1%	5.4%	22.8%
Age	Below 18				30.4%
	18 - 25			3.3%	42.4%
	25 - 30		1.1%	4.3%	14.1%
	30 - 35				3.3%
	Above 35				1.1%
Income Level	Do not earn			2.2%	55.4%
	Less 10,000		1.1%		10.9%
	10,000 - 20,000			1.1%	10.9%
	20,000 - 30,000			2.2%	6.5%
	30,000 - 40,000			2.2%	6.5%
	40,000 - 50,000				1.1%
	Above 50,000				

Figure 8 : Survey Sample Data - Age, Income Level and Profession by Online Active Status

According to Figure 8, we can see that Male respondents are more active on the internet than female respondents. Within 18-30 age we can see a higher number of internet users than other groups. As most of the respondents were students, therefore, the less than 10,000 income level were the majority were very much active on the internet respondents.

Advertisement Content Preference

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Static/Image Ads	13	14.1	14.1	14.1
	Video Ads	79	85.9	85.9	100.0
	Total	92	100.0	100.0	

Figure 9 : Preferred Content for advertisement

According to research, we can see that most of the respondents preferred video ads over static/image ads.

Functional Motive:

Hedonic Motive is the customer's emotional engagement towards the advertisement. According to the survey we can say that there is a positive moderate relationship between functional motivation and customer behaviour as the $r = 0.267$ and $p=0.01$. This also shows that the analysis is statistically significant. Therefore, customer behavior impacts positively towards functional motive if the advertisement is promoted as a digital video advertisement.

Correlations		I believe video advertisement provides more information about products or advertised business than static/image advertisement	I believe as an audience I get more information about the advertised products or business, engaged more with the advertisement, and trust more the advertised products or business if it is given as a video content rather than static/image content
I believe video advertisement provides more information about products or advertised business than static/image advertisement	Pearson Correlation	1	.267*
	Sig. (2-tailed)		.010
	N	92	92
I believe as an audience I get more information about the advertised products or business, engaged more with the advertisement, and trust more the advertised products or business if it is given as a video content rather than static/image content	Pearson Correlation	.267*	1
	Sig. (2-tailed)	.010	
	N	92	92
*. Correlation is significant at the 0.05 level (2-tailed).			

Figure 10 : Functional Motive

Hedonic Motive:

Hedonic Motive is the customer's utilitarian desire for the brand or advertisement. According to the survey we can say that there is a positive moderate relationship between hedonic motivation and customer behaviour as the r = 0.360 and p=0.01. This also shows that the analysis is statistically significant. Therefore, customer behavior impacts positively towards hedonic motive if the advertisement is promoted as digital video advertisement.

Correlations

		I believe as an audience I engaged with the advertisement more if the content is video rather than static/image	I believe as an audience I get more information about the advertised products or business, engaged more with the advertisement, and trust more the advertised products or business if it is given as a video content rather than static/image content
I believe as an audience I engaged with the advertisement more if the content is video rather than static/image	Pearson Correlation	1	.360**
	Sig. (2-tailed)		.000
	N	92	92
I believe as an audience I get more information about the advertised products or business, engaged more with the advertisement, and trust more the advertised products or business if it is given as a video content rather than static/image content	Pearson Correlation	.360**	1
	Sig. (2-tailed)	.000	
	N	92	92

**. Correlation is significant at the 0.01 level (2-tailed).

Figure 10 : Hedonic Motive

Authenticity Motive:

Authenticity Motive is the customer trust or credibility towards the advertisement. According to the survey we can say that there is a positive moderate relationship between Authenticity motivation and customer behaviour as the r = 0.393 and p=0.01. This also shows that the analysis is statistically significant. Therefore, customer behavior impacts positively towards the Authenticity motive if the advertisement is promoted as digital video advertisement.

Correlations

		I believe as an audience I trust the advertised products or business more if it is given as a video content rather than static/image content	I believe as an audience I get more information about the advertised products or business, engaged more with the advertisement, and trust more the advertised products or business if it is given as a video content rather than static/image content
I believe as an audience I trust the advertised products or business more if it is given as a video content rather than static/image content	Pearson Correlation	1	.393**
	Sig. (2-tailed)		.000
	N	92	92
I believe as an audience I get more information about the advertised products or business, engaged more with the advertisement, and trust more the advertised products or business if it is given as a video content rather than static/image content	Pearson Correlation	.393**	1
	Sig. (2-tailed)	.000	
	N	92	92

**. Correlation is significant at the 0.01 level (2-tailed).

Figure 11 : Authenticity Motive

Chapter 6: Discussion

The analysis was based on primary data which I have collected from 92 respondents and here I have used the Digital Content Marketing(DCM) model to understand consumer behavior. I have used Functional, Hedonic and Authenticity Motive as a core factor which drives consumer behavior in digital marketing. With this in mind, the survey was conducted with three questions which was based on the given hypothesis and one question which was based on three motives combined. The research shows that audiences with younger age are more likely to watch digital video advertisement and this audience are more likely to be impacted through video advertisement. This research also focuses on the consumer cognitive part where we have looked into the functional motive of the consumer and we have found that the audience are more likely to remember the brand or product if the advertisement is promoted as video content. This gives business a clear understanding that for awareness of product or brand promotion they can use video advertisement as a medium of promotion. On another note, we looked into the consumer engagement part where we looked into Hedonic Motive and we have found that the audience is more likely to engage with an advertisement if it is promoted through video advertisement. Lastly, we look into the trustworthiness of the advertisement where we have found that the audience believes or trusts the advertisement if it is promoted as a video advertisement. This insight can be reflected in our day to day life as we can see that the more information you give to the audience the more likely the audience will trust the brand or product. In short, we have understood that businesses can use a healthy mixture of static and video advertisement for their promotional activities. Businesses who

promote new products to the market can use video advertisement in order to provide more information, increase engagement and build trustworthiness.

Chapter 7: Limitations

- The research sample audience size and audience characteristics which have done for the research is very small in number
- Most of the research sample audience for the primary research are inside Dhaka city. With larger geographies size, the research could have given better insights
- Consumer behavior analysis requires a lot of time to study. The study requires more data and analysis, which requires more time .

Chapter 8: Conclusion

Consumer is the core driving force of any business. Therefore, understanding the consumer behavior is very much necessary for any business. Understanding consumer behavior will help businesses to create impact on this behavior. In the current world, digital marketing is a core factor business to look into in order to create impact on consumer behavior. Digital marketing provides a different arena of contents type and digital video advertisement is one of them. Digital video advertisement has been here for a short time but its impact towards consumer behavior is significant. In this research, I have focused on the digital content marketing factors in order to show how digital video advertising impacts the consumer. From our analysis, we have understood that digital video advertising helps businesses create strong product awareness, build engagement among consumers and develop customer trust towards the promoted product or brand. We have also found out that Male and people below 35 years of age are more likely to use the internet than other target groups. We have also seen that the audience preferred video advertisement than static or image advertisement. In short, digital video advertising impacts the consumer behavior. I would like to suggest business to create a healthy mixture of static and video advertisement for digital marketing.

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    21/

Appendix A.

Survey Questionnaire

Please select your age
        Below 18
        18 - 25
        25 - 30
        30 - 35
        Above 35

Please select your gender
        Male
        Female

What do you do?
        Student
        Job Holder
        Unemployed

Please mention your income level
        Do not earn
        Less 10,000
        10,000 - 20,000
        20,000 - 30,000
        30,000 - 40,000
        40,000 - 50,000
        Above 50,000

How active you are in online
        I do not use internet
        Usually Inactive
        Occasionally Active
        Very much Active

In terms of Advertisement contents, what kind of Ads do you prefer?
        Static/Image Ads
        Video Ads

I believe video advertisement provides more information about products or advertised business than static/image advertisement

  Strongly Disagree

  Disagree somewhat

  Neither Agree nor Disagree

  Agree Somewhat

  Strongly Agree

I believe as an audience I engaged with the advertisement more if the content is video rather than static/image

  Strongly Disagree

  Disagree somewhat

  Neither Agree nor Disagree

  Agree Somewhat

  Strongly Agree

I believe as an audience I trust the advertised products or business more if it is given as a video content rather than static/image content

  Strongly Disagree

  Disagree somewhat

  Neither Agree nor Disagree

  Agree Somewhat

  Strongly Agree

I believe as an audience I get more information about the advertised products or business, engaged more with the advertisement, and trust more the advertised products or business if it is given as a video content rather than static/image content

  Strongly Disagree

  Disagree somewhat

  Neither Agree nor Disagree

  Agree Somewhat

  Strongly Agree