

Social Commerce

The Impact of YouTube
on Purchase Habits



gen.video

INTRODUCTION

There is no doubt – influencer marketing is helping brands generate awareness, build equity and inspire shopping decisions.

Google reports more than half of people use video for purchase decisions and influencers are trusted more than any other source in terms of product recommendations. As a result, YouTube continues to dominate the social sphere as the platform primed to help brands drive commerce.

2020 will forever be remembered as the year of the COVID-19 pandemic. It is also the moment in time consumers were forced to adopt ecommerce and learn how to shop online.

In this study, we take a deep dive into the impact of influencer sponsored content on YouTube for brand marketers in the Consumables category - things you'd typically buy at a grocery store or big box retailers.



STUDY OVERVIEW

There are many channels focused on providing entertainment content garnering millions of views on every video. There are also thousands of other channels that are more personal, informational and created to help people learn and do research. These channels are promoting products and collaborating with brands. They are also looking at ways to monetize their content and are doing so by promoting discount codes from brands, retailers and participating in affiliate programs.

The Approach

For our study we looked at **YouTube data** for sponsored campaigns that ran on the gen.video social commerce platform for all of 2019 and through August 2020. We then layered **purchase data directly** correlated to the sponsored YouTube videos to understand shopper activity, purchase intent, sales and basket size coming from this content.

By The Numbers

250

Brand Deals

33.97M

YouTube Plays

1.4M

Retail Sessions

FRAMEWORK FOR ANALYSIS

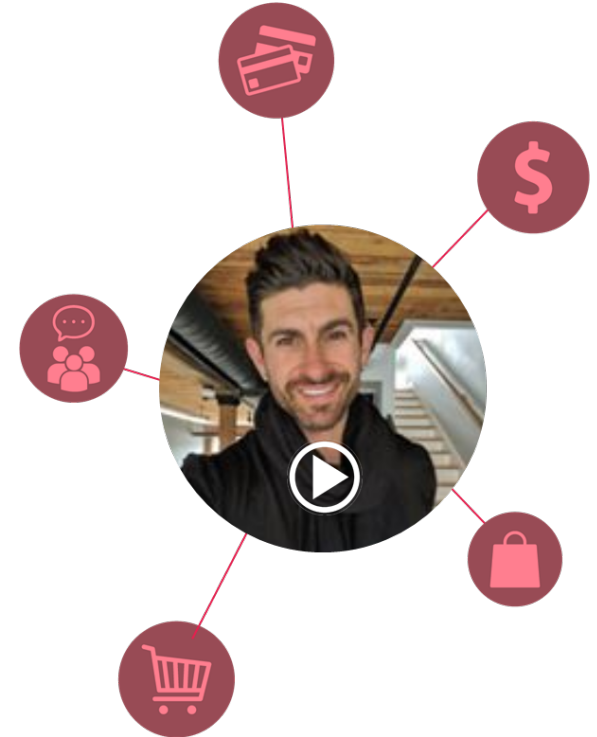
To understand the data best and how it relates to various industries within the Consumables category, we have segmented it by influencers' vertical area of expertise and channel size.

By creating basic groupings we uncover key learnings and insights when looking at robust data sets coming out of tracking and monitoring the millions of video views and the resulting engagement. Specifically, this enables us to gain an understanding of the shopping activity occurring after a consumer watches a video on YouTube.

Influencer Tiers

Allows us to understand how the size and cost impact performance.

Influencer Tier Breakdown	
<i>Tier</i>	Subscriber Range
Micro	5,000 – 100,000
Mid	100,000 - 750,000
Macro	750,000+



THE RESULTS

With so many options when selecting influencers, it's important for brands to consider a mix of upper funnel and lower funnel metrics when evaluating who is best to work with based on campaign objectives.

For this study we pay particular attention to purchase behaviors occurring in the initial session at a retailer after someone watches a YouTube video and then clicks on a link within the description box. There are three key metrics that we will focus our insights and learnings on:

CTR: the average ratio of people that click on a link after watching a video (the traffic sent to a retailer)

Conversion Rate: average percent of people that buy after landing on a retailer page from a YouTube video

Cart Size: average dollar value of products purchased within in that session at the retailer

A LOOK AT THE IMPACT YOUTUBE INFLUENCERS HAVE ON PURCHASE BEHAVIORS

	<i>CTR</i>	<i>Conv. Rate</i>	<i>Cart Size</i>
Micro	1.76%	3.39%	\$8.67
Mid	2.55%	1.96%	\$10.70
Macro	1.76%	3.18%	\$ 7.62

VERTICAL NUANCES IN CONSUMABLES

There are many different types of content creators and channel visions. For influencer marketing, it is best to **look at them as industry categories of expertise**. We grouped dozens of industry specialties into three macro categories within the Consumables space that we believe have significant nuances. As you can see there are differences in various key performance metrics between them. We will take a closer look at each in the following sections of this study.

Beauty & Personal Care



Grocery/CPG



Home/DIY



	Beauty/ Personal Care	Home/DIY	Grocery/CPG
CTR	3.14%	2.95%	1.83%
Conversion Rate	1.75%	2.62%	2.50%
Cart Size	\$5.37	\$10.27	\$10.21



KEY LEARNINGS
Beauty & Personal
Care

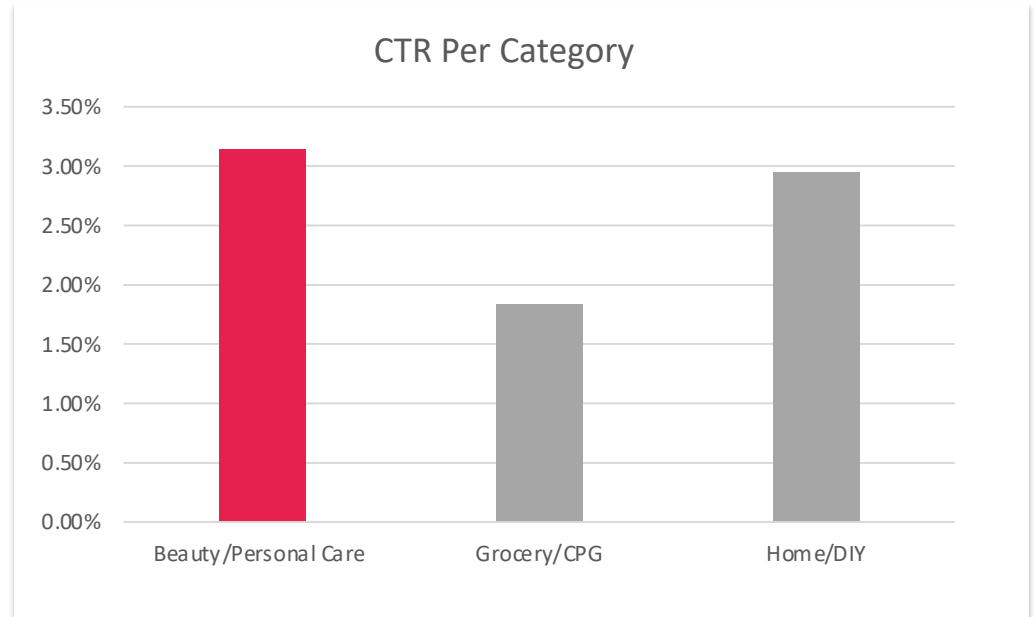
BEAUTY & PERSONAL CARE

Beauty and Personal Care is a leader in CTRs as most beauty vloggers have a loyal following that are doing product research. In spite of that, **these shoppers are less likely to purchase** the product immediately in that initial session or online (pre-COVID) resulting in lower conversion rates.



Higher CTR within the Beauty & Personal Care space vs. all other Consumables

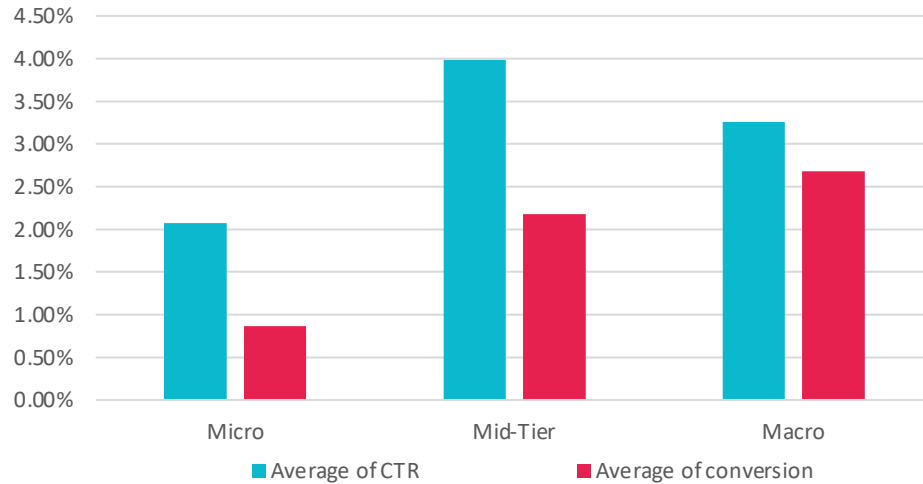
KEY METRICS	
Average of CTR	3.14%
Average of conversion	1.75%
Average of Cart Size	\$ 5.37



BEAUTY & PERSONAL CARE – INFLUENCER IMPACT

In this category, **cart size for Micro influencers is more than double** that of Mid or Macro tiers. However, the lower CTR and conversion rates make them a **less cost-effective solution** for driving sales in this category.

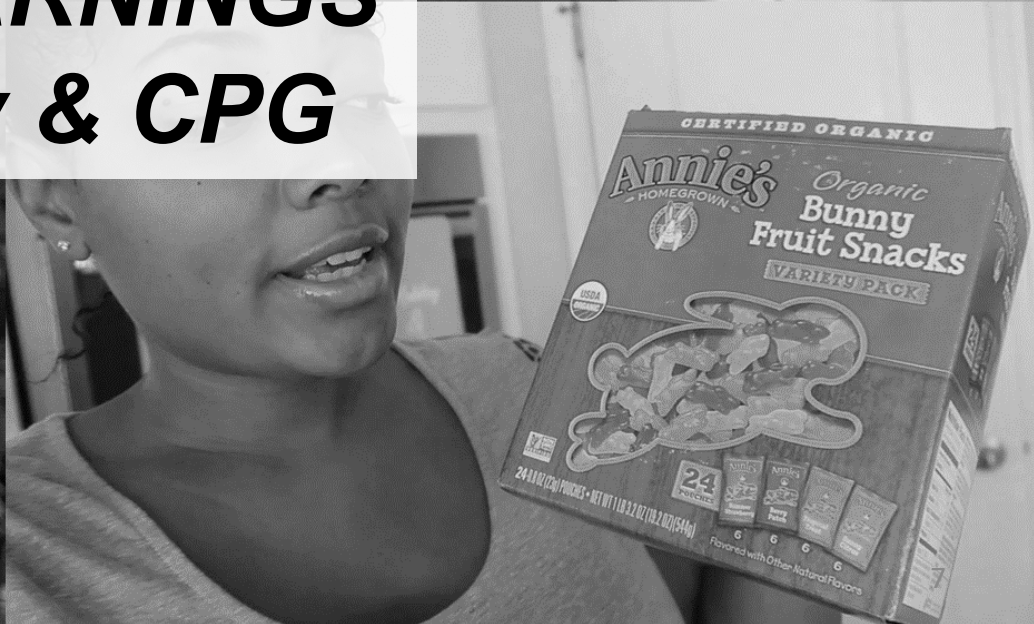
Beauty & Personal Care Trends Per Tier



	CTR	Conversion Rate	Cart Size
Micro	2.07%	0.86%	\$ 9.06
Mid	3.99%	2.18%	\$ 4.96
Macro	3.26%	2.68%	\$ 3.25



 **KEY LEARNINGS**
Grocery & CPG



GROCERY & CPG

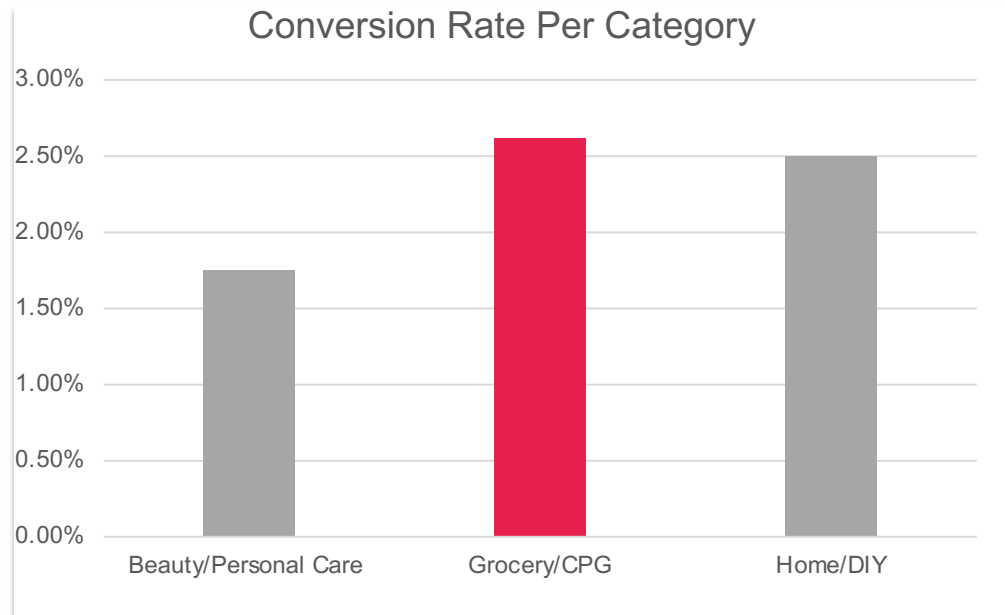
Grocery and CPG videos have a high conversion rate making each click extremely valuable to brands.

These shoppers are not only **more likely to purchase after watching a YouTube video, but they also have higher cart sizes** when compared to Beauty and Personal Care.



Higher Conversion when compared to Beauty & Personal Care

KEY METRICS	
Average of CTR	1.83%
Average of Conversion	2.62%
Average of Cart Size	\$ 10.21

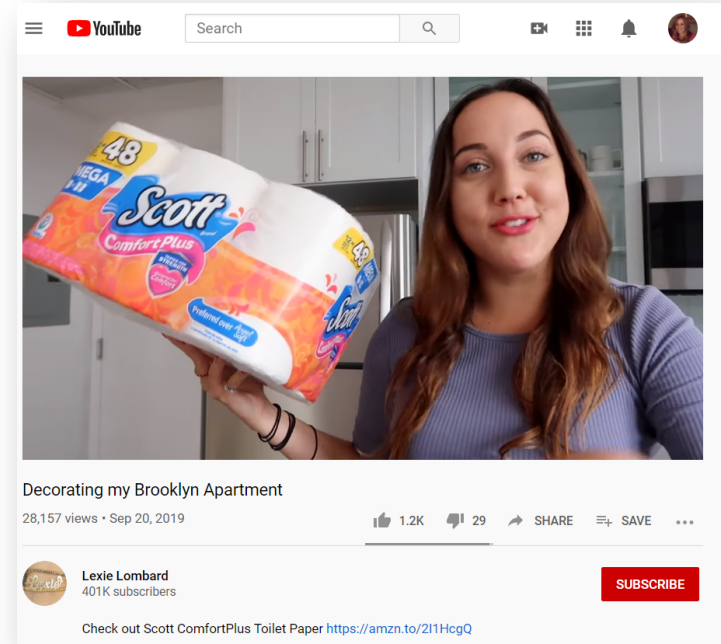
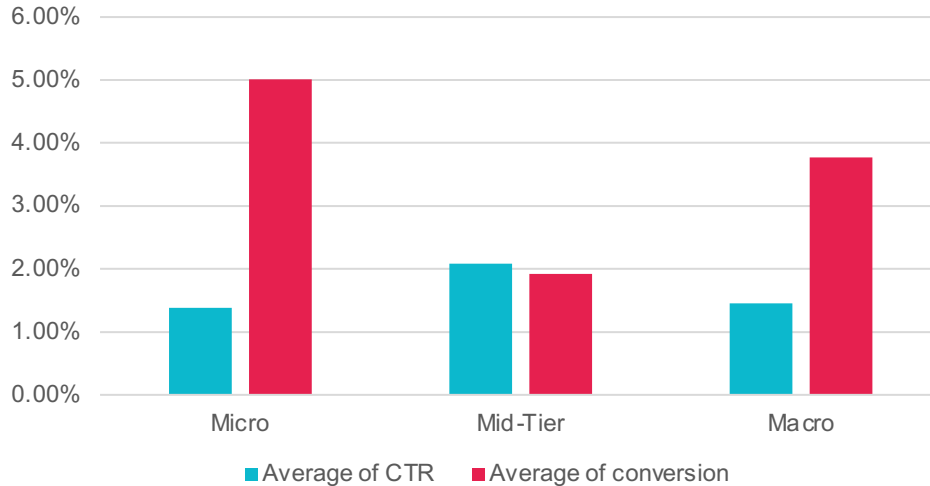


GROCERY & CPG – INFLUENCER IMPACT

With a five percent conversion rate, Micro influencer audiences are prime to purchase. That said, the small channel size and CTR makes this influencer tier much less efficient than Mid or Macro tier influencers within this category.

To maximize marketing budgets, a **combination of larger channel sizes will drive the highest CTR, Conversion and Cart Size.**

Grocery & CPG Trends Per Tier



	CTR	Conversion Rate	Cart Size
Micro	1.38%	5.01%	\$ 9.31
Mid	2.08%	1.93%	\$12.06
Macro	1.46%	3.77%	\$ 9.40



KEY LEARNINGS

Home & DIY



HOME & DIY

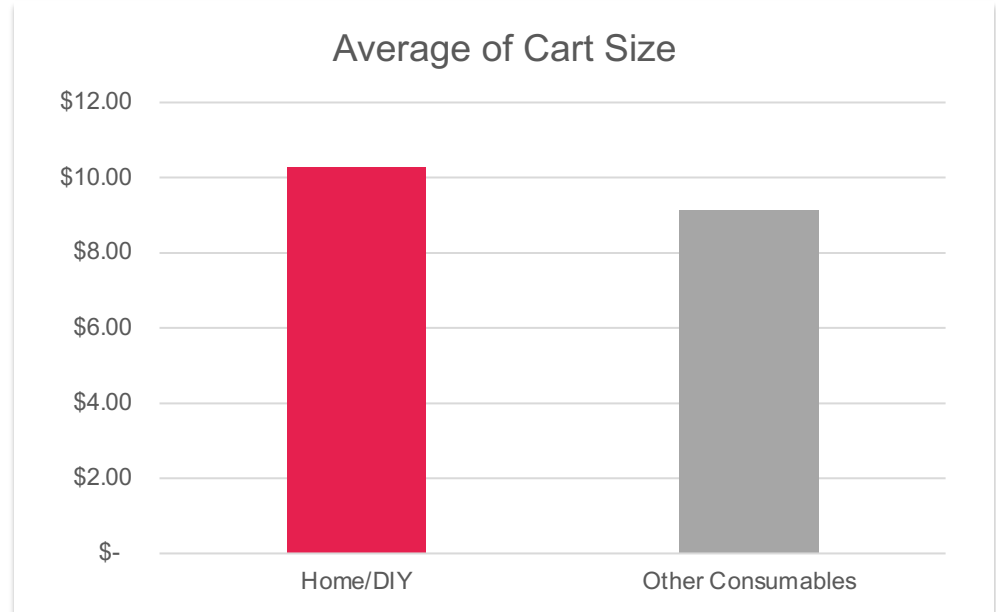
Home and DIY channels are **consistently driving strong traffic and conversion rates** with one of the highest cart sizes in the consumables category.

Shoppers look to these channels for detailed tutorials and are willing to spend more when hitting a product page.

KEY METRICS	
Average of CTR	2.95%
Average of Conversion	2.50%
Average of Cart Size	\$ 10.27



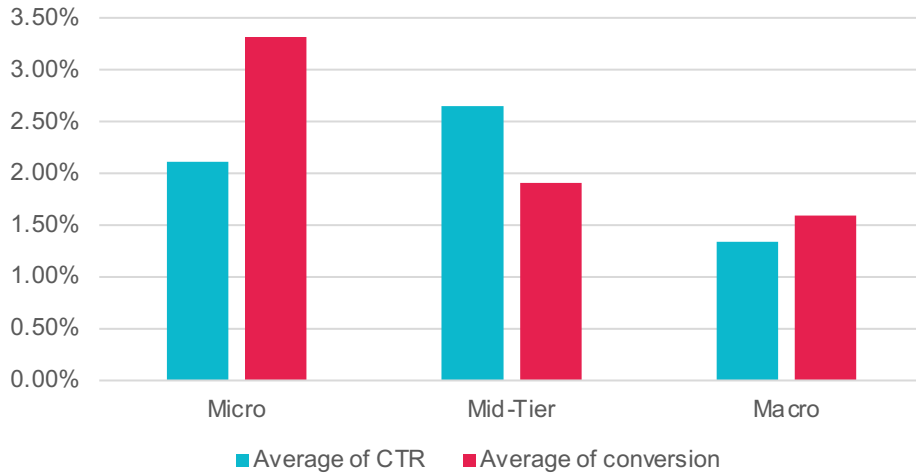
Higher Cart Size within the Home & DIY space vs. the average of all other Consumables



HOME & DIY – INFLUENCER IMPACT

Category leading conversion rates make Micro influencers an impactful tier in the Home & DIY category. Their **small but loyal following** conducts product research and are more apt to make a purchase. Also, Mid-tier influencers are a more efficient choice, spending more and having a larger channel sizes.

Home & DIY Trends Per Tier



	CTR	Conversion Rate	Cart Size
Micro	2.11%	3.31%	\$ 6.89
Mid	2.65%	1.90%	\$11.99
Macro	1.34%	1.59%	\$ 5.72

SUMMARY

YouTube influencers clearly drive both traffic and sales for brands. When choosing your influencers, you must look at both traffic and conversion. Additionally, you must consider the sheer size of the mid-tier and macro channels to understand campaign success.

Having the ability to layer actual sales performance on top of social activations on YouTube allows brands to unlock the true power of influencer marketing. This enables brands to make strategy and investment decisions based on upper and lower funnel metrics.

The key thing to remember – not all influencers are created equal. When you look at the data, you should always build a campaign tailored to meet your campaign objectives.

