CORPORATE YOUTUBE PRACTICES OF EUROZONE COMPANIES

Enrique Bonsón
Universidad de Huelva
Facultad de Ciencias Empresariales,

Michaela Bednárová
Facultad de Ciencias Empresariales

Área Temática: G) Nuevas Tecnologías y Contabilidad

Palabras clave: Youtube, Social Media Platform, Eurozone companies, Visibility
CORPORATE YOUTUBE PRACTICES OF EUROZONE COMPANIES

Resumen

El objetivo de este trabajo es analizar el uso de Youtube por parte de las principales empresas de la Eurozona, el nivel de uso, las prácticas, así como los factores que pueden influir tanto en la actividad de los canales como en la visibilidad de los videos.

El estudio muestra que el 44% de las empresas analizadas tienen un canal oficial en Youtube, utilizado principalmente con fines de marketing y promoción de la(s) marca(s), con un promedio de 1,632 suscriptores, 95 videos publicados y más de 2,190,000 visualizaciones. La evidencia obtenida señala que el tamaño de la compañía y su país de origen determinan su actividad en Youtube, mientras que el número de suscriptores, la actividad y el tamaño de la empresa son los principales factores que determinan la visibilidad del canal.

Abstract

The aim of this paper is to analyse whether the Eurozone companies use Youtube, the main purposes of its usage, their activity and online practices, as well as the factors influencing both channel’s activity and visibility of the uploaded videos.

Our study shows that 44% of the explored companies have an official Youtube channel, mostly used for promotional and marketing purposes, with an average of 1,632 subscribers, 95 uploaded videos, and over 2,190,000 video views. It was found that the size of the company and its country of origin determine the activity of Youtube channels, while the number of subscribers to the channel, its activity and the size of the company are the factors influencing visibility.

Key words - Youtube, Social media platform, Eurozone companies, Visibility.

Paper type - Research paper
Introduction

The evolution of the Web has led companies to consider other strategies of communication which represent much more flexibility than traditional media do and also enable to reach wider audiences and different groups of stakeholders (Cormier, 2009). The Web 2.0 currently plays a significant role in stakeholder engagement as it offers a set of dynamic tools allowing open dialogue, participation, co-creation, crowdsourcing, etc. Some companies took advantage of this and have already encouraged their customers, suppliers and other interested parties to comment, suggest or provide critiques through different social networks.

From all that tools, our attention is turned to Youtube because of two reasons: first, it seems to be an interesting platform for corporate communication as it deals with social video and, second, it is the world’s largest video sharing platform. From the psychological point of view the video is a very powerful media because of its combination of sight, sound, motion, and emotion reaching our senses and our psyche. For that reason the video can be more engaging than other media types and that is why its use for business communication brings an interesting field for research.

Despite several studies have focused on different aspects of Youtube like user generated content in online videos (Liu-Thompkins and Rogerson, 2012, Smith, Fischer, Yongjian, 2012) or content analysis (Towner and Dulio, 2012; Youssouf and Rahim, 2011; Brown, 2011), no study was found exploring or providing an overview of corporate practices on Youtube.

Consequently, and trying to fill that gap, the aim of this paper is to analyse whether companies (in the Eurozone) use Youtube, the main purposes of its usage, their activity and online practices, as well as the factors influencing both channel’s activity and visibility of the uploaded videos.
Theoretical background

As Youtube is a powerful platform enabling to create a dialogue between the company and its stakeholders, companies can benefit of its features and using an appropriate communication strategy be able to create and maintain their stakeholders loyalty. In this point there is a conjunction between the stakeholder and dialogic (symmetrical communication) theories that have been chosen as the theoretical framework for our research.

Stakeholder theory has been applied in previous studies about stakeholder engagement and corporate transparency (Michelon and Parbonetti, 2010; An, Davey, Eggleton, 2011). According to this theory, developed by Freeman (1984), companies try to achieve a higher transparency in order to gain approval of particular stakeholders. According to Foster and Jonker (2005) or Phillips (2003) the integration of the interests of all stakeholders of the company, not only shareholders, is for the company crucial and may significantly improves its profits as well. Considering this approach we try to find out how transparent the companies are, how they communicate with their stakeholders through this platform and to which group of stakeholders the shared content is mostly addressed.

According to Dialogic theory, the attention is turned to the process of communication rather than to the particular outcome of it (Health et al, 2006; Pettigrew and Reber, 2010). For that reason a video sharing platform can be an useful tool to engage stakeholders of the company to the process of open communication and this way help to create and maintain the relationships with them. Various authors (Pearson, 1989; Habermas, 1990; Roper, 2005) argue that the communication should be dialogical and symmetrical instead of monologue communication which is asymmetrical and that a cooperative open dialogue can be a powerful tool for the company. Additionally, Pearson (1989) also highlighted an arising ethical aspect of dialogical communication. In terms of this theory Youtube platform enables
companies to enhance the level of communication and lead an open dialogue by providing the Like/Unlike button, and the possibility to post some comments about the shared videos.

**Objectives**

The aim of this study is to examine to what extent major companies in the Eurozone (European Union countries using the euro as national currency) use Youtube, to determine the purposes of its usage and identify some factors that may influence the activity and the level of visibility on this platform. Both, academics and professionals can benefit from the results of this study. The contribution to the academic field lies in providing a general overview of current trends of Eurozone companies using this network and professionals may find useful our statistical analysis of the factors that have an impact on the visibility of the shared content.

**Methodology and hypotheses**

The analyzed sample included all (306) Eurozone companies listed in the STOXX Europe 600 index. A company was counted as having a Youtube channel only if it had a company`s profile on Youtube. The activity level of the channel was measured by the number of uploaded videos and video content was classified according to the following categories: promotional/marketing, environmental, social, financial and others. To assess channel`s popularity, the number of subscribers and video views were collected. All empirical work was done in October 2012.

To identify the factors influencing Youtube activity and the visibility of shared videos two groups of hypotheses were tested.

The first group, regarding corporate Youtube activity, is based on the stakeholder theory assumption that the company tries to achieve a higher transparency to gain an external approval from its stakeholders (Freeman, 1984). In our case a higher activity on Youtube can be seen as a proxy for transparency.
This group considers as independent variables a set of variables that were adopted in a number of previous studies explaining Web disclosure practices of companies as well as the extent of social networks usage. These are: company size, country, and industry where the company operates.

According to previous empirical studies such as Garcia and Rodriguez (2009), Larran and Giner (2002), Mallin and Ow-Yong (2012), Utama (2012), the size of the company is considered to be one of the most frequently used variables to explain the level of information disclosure. Stating also that if a company reaches a certain size, it tends to formulate a web development strategy, which currently also includes a social network strategy (Bonson, Escobar, & Flores, 2008, Rodríguez et. al, 2012). Hence, it can be stated that large companies disclose more information on the Internet than small ones. In compliance with that, our first hypothesis was:

\[ H_{11}: \text{Corporate activity on Youtube channels is positively associated with company size.} \]

The region where the company operates was used as an explanatory variable in many previous studies regarding Internet disclosure practices, due to historical, cultural, social and economic factors which differ from country to country (Fifka, 2012). Economic differences are currently even much more deepened due to the crisis, when the differences between the companies of the euro-zone countries became larger. Therefore for the purposes of this study we distinguish two groups of countries based on the differences in GDP per capita compared to the European average. The countries with the GDP above the European average were: Austria, Belgium, Germany, Luxemburg, Netherlands, Ireland, Finland, and France. The countries below the European GDP average were: Portugal, Italy, Greece, and Spain. Based on that, we assume that companies headquartered in the countries with the higher GDP are more likely to incorporate technologies such as Youtube into their communication strategies. Therefore we took into account the possible influence of those
differences on the disclosure practices on social networks. Accordingly, our second hypothesis was:

\[ H_{12} \quad \text{Corporate activity on Youtube channels depends on the region where the company is headquartered.} \]

Accordingly, companies belonging to the same industry might show some similarities regarding the information disclosure practices and considering the evolution of Web 2.0 also social network practices (Bazley et al., 1985; Wagenhofer, 1990). Hence, based upon the nature of their activities, the Youtube practices of the companies operating in different industries may also differ.

In our study a classification based upon the Global Industry Classification Standards distinguishing 10 categories was applied (Global Industry Classification Standard). This leads us to our third hypothesis:

\[ H_{13} \quad \text{Corporate activity on Youtube channels depends on the sector where the company operates in.} \]

With the second group of hypotheses we tried to examine the factors influencing the visibility of the videos shared on Youtube where the visibility was represented by the number of total video views per channel.

According to Deegan and Samkin (2009) the loyalty of stakeholders based on good relationships (reflecting good stakeholder engagement) can have an important impact on the company’s performance and therefore can be beneficial for it. First step in stakeholder engagement is to make the company visible, but it is not enough. Only a successfully integrated Youtube strategy leads to a higher stakeholder’s engagement (in our study we used the number of subscribers as a proxy for stakeholder engagement). This strategy will lead users to subscribe to the channel and increase its visibility. Thus, we measured the correlation between the number of subscribers (what partially reflects the level of stakeholder engagement...
engagement on this platform) and the visibility of the channel. Based on that, our first hypothesis was:

\( H_{21} \) The visibility of the company’s Youtube channel is positively associated with its number of subscribers.

It can be assumed that the higher activity of the company on the Youtube channel can lead to a higher brand’s visibility. However, quantity (number of uploaded videos) does not necessarily mean stakeholder’s appreciation. That’s why we decided to test the following hypothesis:

\( H_{22} \) The visibility of the company’s Youtube channel is positively associated with its level of activity on that channel.

In our last hypothesis we went back to the first group of hypotheses and tried to apply the size of the company as an explanatory variable for the visibility of the channel. We tried to explore if there is a correlation between the size of the company and the level of visibility. One of the more likely explanation for the fact that bigger companies may have a higher level of visibility could be that those companies have a higher number of employees who could be subscribers of the company’s channel or they can simply share the video content. This leads us to our sixth hypothesis:

\( H_{23} \) The visibility of the company’s Youtube channel is positively associated with the size of the company.

**Results**

Among the Eurozone companies, almost 44% of them (134 companies) have an official Youtube channel. In spite of the popularity of Youtube, being the world’s largest video sharing platform, and considering its engaging power, its active usage by companies is still lower in comparison to other social networks such as FB, Twitter, or LinkedIn. (Bonsón and Ratkai, 2013; Jarrahi and Sawyer, 2012; Bonsón and Bednarova, 2012). The results
Regarding activity and popularity of the channels are shown in table 1. They include an average of 95 uploaded videos, 1,632 subscribers, and over 2,190,000 video views. However, big differences exist between the channels, for example the number of uploaded videos varies from 2 to 1,927, the number of subscribers from 1 to 48,885, and the number of video views from 182 to 75,080,168. Therefore it is quite difficult to obtain a clear picture of attributes of an average corporate youtube channel.

Table 1 Activity and Popularity of the channels

<table>
<thead>
<tr>
<th></th>
<th>Activity</th>
<th>Popularity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Uploaded videos</td>
<td>Subscribers</td>
</tr>
<tr>
<td>Average</td>
<td>94.98</td>
<td>1632.12</td>
</tr>
<tr>
<td>Median</td>
<td>37.50</td>
<td>65.50</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>202.34</td>
<td>7109.96</td>
</tr>
<tr>
<td>Minimum</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Maximum</td>
<td>1927</td>
<td>48885</td>
</tr>
</tbody>
</table>

Regarding video content, it was found that it is mainly promotional (60%) as shown in table 2. Further, some companies (7%) provided videos with environmental content, normally showing good practices and environmentally friendly behavior. Social content was detected in 12% of the videos and financial content appeared in 5% of them. Previous studies on content analysis of other social media platforms also showed this trend although they are multistakeholder in nature.

Table 2 Video content

<table>
<thead>
<tr>
<th>Video content</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotional, marketing</td>
<td>60 %</td>
</tr>
<tr>
<td>Environmental</td>
<td>7 %</td>
</tr>
<tr>
<td>Financial</td>
<td>5 %</td>
</tr>
<tr>
<td>Social</td>
<td>12 %</td>
</tr>
<tr>
<td>Others</td>
<td>16 %</td>
</tr>
</tbody>
</table>

Statistical analysis and hypotheses testing
To apply an appropriate statistical method for analyzing the potential correlations we first checked the distribution of the dependent variables in both groups of hypotheses. As the distribution appeared to be not normal in both cases, the non-parametrical alternatives of statistical testing were applied.

Our first group of hypotheses relates to the activity on Youtube channels (measured by the number of total uploaded videos) trying to examine whether it depends on the size of the company (H₁₁), the region (H₁₂) or the sector (H₁₃). The results are shown in table 3.

Table 3 Factors influencing corporate activity on Youtube channels

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Independent variable</th>
<th>Method and value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity</td>
<td>Size</td>
<td>Spearman`s correlation coefficient = 0.281**</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sig. 0.000</td>
</tr>
<tr>
<td></td>
<td>Region</td>
<td>Mann-Whitney</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sig. 0.026*</td>
</tr>
<tr>
<td></td>
<td>Sector</td>
<td>Kruskal-Wallis</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sig. 0.060</td>
</tr>
</tbody>
</table>

**p<0.001

H₁₁: Corporate activity on Youtube channels is positively associated with company size.

The result of the Spearman`s correlation coefficient was 0.281, which refers to a low-medium correlation, and statistically significant at 0.01 level (sig. 0.000).

H₁₂ Corporate activity on Youtube channels depends on the region where the company is headquartered.

Based on the significance level of the Mann-Whitney test (0.026), the null hypothesis may be rejected and therefore we assume that there is a relationship between the Youtube activity and the region where the company is headquartered.

H₁₃ Corporate activity on Youtube channels depends on the sector where the company operates in.
According to the significance level of the Kruskal-Wallis test which was 0.060 we have to conclude that the Youtube activity is not influenced by the sector in which the company operates, either.

Defining the second group of hypotheses we tried to explore the factors which could have an impact on the visibility of shared videos. Table 4 shows the statistics results.

Table 4 Factors influencing Youtube channel visibility

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Independent variable</th>
<th>Spearman`s correlation coefficient</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visibility (no. of total uploaded video views)</td>
<td>No. of subscribers</td>
<td>0.848**</td>
<td>Sig. 0.000</td>
</tr>
<tr>
<td></td>
<td>Activity</td>
<td>0.736**</td>
<td>Sig. 0.000</td>
</tr>
<tr>
<td></td>
<td>Size</td>
<td>0.339**</td>
<td>Sig. 0.000</td>
</tr>
</tbody>
</table>

\( H_{21} \) The visibility of the company`s Youtube channel is positively associated with its number of subscribers.

According to the Spearman`s correlation coefficient, there is quite high positive correlation between the number of total video views and the number of subscribers of the channel. At the significance level 0.000 the value of Spearman`s correlation coefficient was 0.848 which refers to a strong relationship. Based upon this result it can be concluded that the higher the number of subscribers the channel has, the higher is a level of the visibility of the shared content.

\( H_{22} \) The visibility of the company`s Youtube channel is positively associated with its level of activity on that channel.

Measuring the relationship between the visibility and the activity, the result showed quite high correlation as the value of Spearman`s correlation coefficient was 0.736 at the significance
level 0.000. According to this result it may be stated that the companies with the higher activity on Youtube achieve a higher level of visibility of their videos.

$H_{23}$ The visibility of the company’s Youtube channel is positively associated with the size of the company.

The result of this relationship was statistically significant (sig. 0.000) and the value of Spearman’s correlation coefficient showed a positive correlation between these two variables, but the strength of this correlation was the lowest within this group of hypotheses (0.339). However, based upon this result we may conclude that the bigger companies tend to have a higher level of visibility on this platform.

**Discussion and conclusion**

Nowadays we are witnessing the rapid growth of Web 2.0 and social media technology which brings a significant change to the business model. This shift led to fundamental changes in business communication as well. In addition to the other facilitations of Web 2.0, the evolution of it includes a massive spread of social networks what introduces a new way of relationships building for companies with their “always online” users.

Current statistics show that YouTube attracts one billion unique visitors and over six billion views per month. Therefore brands can leverage this important platform. If the company doesn’t include the channel in its communication strategy, it’s definitely missing a cost effective opportunity to engage with its fans and consumers (Socialbakers, 2013).

In this paper we aimed to analyse whether the Eurozone companies use Youtube, the main purposes of its usage, their activity and online practices, as well as the factors influencing both channel’s activity and visibility of the uploaded videos.

**Implications of the study**

As there is no previous in-depth study exploring the extent of Youtube usage in Eurozone, our study provides a new contribution to the debate about the current corporate Youtube
practices of the companies. The main contribution of this paper is to provide such evidence and additionally, our study brings some practical implications for the professionals using a Youtube channel in order to increase the company’s awareness and build a stakeholder engagement.

According to the results emerged from this study, almost 44% of the explored companies have an official Youtube channel. Examining the content of the videos we figured out that it is mostly used for promotional and marketing purposes. Even though the videos with social, environmental and financial content appeared as well.

Additionally, analyzing the factors influencing the activity on Youtube channel, we found out that from the influencing factors such as size, sector, and region only the size of the company and the region were positively correlated with the activity, while the results regarding the sector were not statistically significant.

The study also revealed that the factors such as the number of channel subscribers, the activity, and the size of the company have a positive influence on the visibility represented by the number of total video views. All of these factors were statistically significant and showed a positive correlation with the virality. However, the number of channel subscribers and the activity showed a strong correlation while the result measuring the influence of the size of the company on the visibility showed only a low-medium correlation.

As Youtube is the world’s most popular online video community, we assume that it can be used as a highly effective business tool increasing the popularity of the company and simply makes a company more visible. Using this social platform as a communicating tool can also significantly improve stakeholder engagement of the company by offering open dialogue between the company and its stakeholders. Using this channel, the company is able to show off its expertise, share knowledge and basically, as it was found in our study, to promote the products and connect with its customers.

Future research
Before closing, a number of future research suggestions should be acknowledged. Firstly, an interesting line of research could be to map the evolution of the activity on Youtube channel in Euro zone. Secondly, to examine the Youtube practices of the companies, a set of advanced metrics could be used and future studies are encouraged to look deeper into the different variables that may be involved in order to identify factors influencing the virality of the shared content. Furthermore, an interesting approach of the future research could be to examine in depth the impact of Youtube channel on particular groups of company`s stakeholders.
References


