



THE E-TAILING GROUP



SELLING MORE WITH VIDEO  
FIRST-HAND LESSONS FROM RETAILERS

May 29, 2013

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  - Toll: 1-866-740-1260
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  - Audio PIN: Shown after joining the meeting
- Questions will be answered in a brief Q&A session following the presentation.
- A link to the recorded webinar will be sent to you following today’s presentation.

## Today's Presenters



- Lauren Freedman  
President, the e-tailing group



- Russ Somers  
Vice President Marketing, Invodo

## About Invodo

- Creating & delivering the world's most powerful content
  - **Strategy** to begin with best practices
  - **Content** to cover the catalog
  - **Platform** to deliver and measure ROI



# About Invodo

## Delivering profitable video programs for major brands

**CRUTCHFIELD**

 **AutoZone**

*Clarks*

 **Academy**  
SPORTS+OUTDOORS

**DELL**

**Toys R Us**

L'OCCITANE

 **U.S. Cellular**

 **Dickies**

**BRAHMIN**

**Office  
DEPOT**

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*lenovo*

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L'ORÉAL®

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FOR THE ONES WHO GET IT DONE

CASUAL | MALE

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BEAUTY SUPPLY

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**1-800-PetMeds**

 **STEP  
2**

 **FootSmart**

# The Merchant Speaks

## METHODOLOGY

- Discussions with 20 executives from a cross-section of categories and business models ranging from brands to multi-channel retailers.
- Explored evolving video strategies and the range of retail scenarios from testing to optimization.
- Highlights from our recently conducted research with Invodo of 1000+ consumers as well as recognized industry research to best illustrate each section.

## BUDGETS AND MODELS

- Budgets for video were forthcoming as 1 of every 2 of the companies was spending over \$100K annually on video with 2 under \$50K and the remainder \$50-100K.
- From a production standpoint, merchants desiring control or extremely invested in video utilize an internal team or build a studio in-house.
- Outsourcing ranges from companies like Invodo to high-end agencies while several employed a mix of the two models.



# LESSONS LEARNED

# #1. LISTEN TO THE CUSTOMER



**Align content with consumer needs factoring in customer feedback**



## Consumers Drive Video Growth

THE FACTS: “85% of the 100 merchants we shopped in our 4Q12 mystery shopping employ video to engage consumers.

“it’s absolutely necessary as while it may be new today it will be essential to have video for kids so being in the game now is advised.”

–*Mass Merchant*

“If you can say it, why not say it in video.” –*Mass Merchant*

Without the benefit of the tactile in-store experience video has proven to be the perfect means to educate, inspire and convert shoppers.

Retailers believe that video growth is based on its “unique ability to emulate a great sales associate who’s linked to the site” –*Footwear Brand*

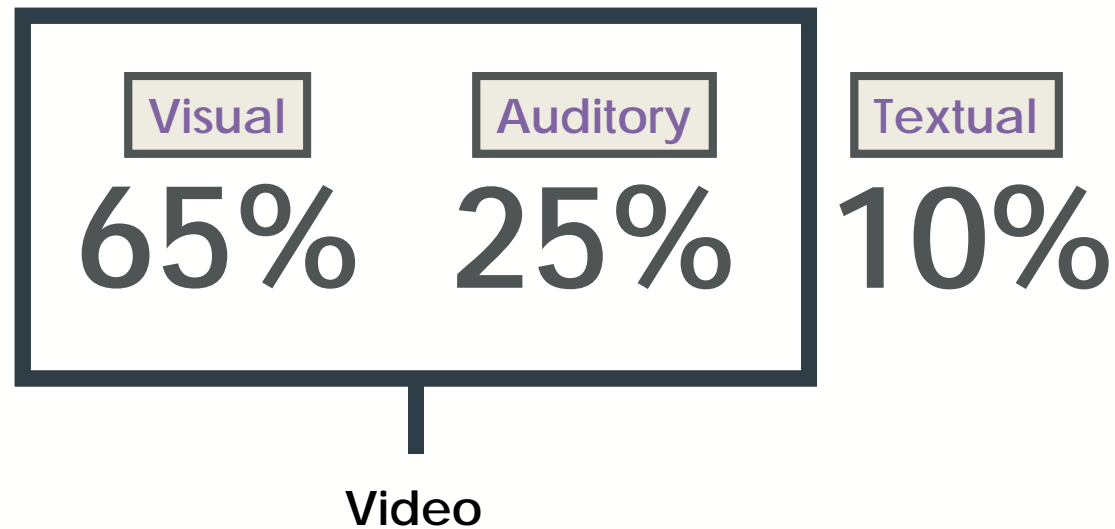
## #2. NO ONE READS



**“People are visual and prefer video versus reading 30 bullet points where feature benefits can be better presented via such means.” –Accessories’ Retailer**

# Why Video Works

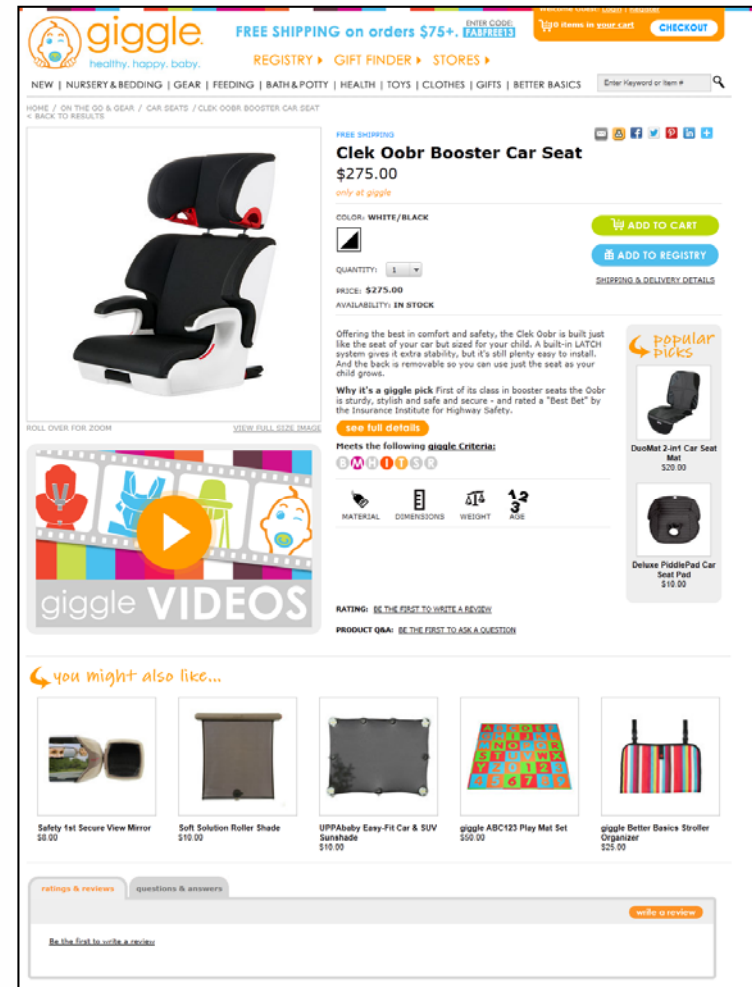
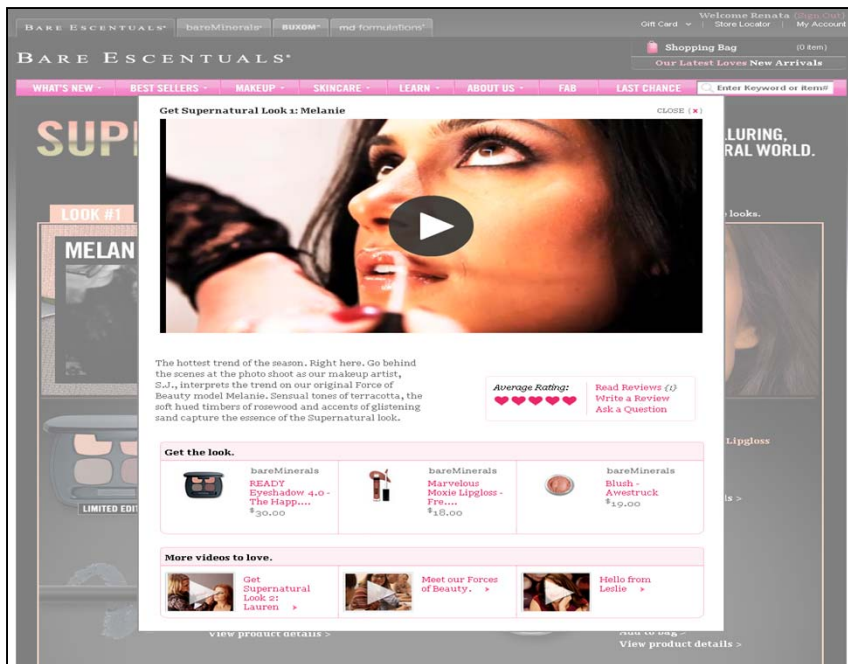
## Dominant Learning Styles



## #3. EMBRACE VIDEO TECHNOLOGY AND LEARN

**“It’s a perfect storm as consumers are watching as part of their shopping journey where she starts online but ends up at retail.”      --*Children’s Brand***

# Brands Bolster Direct-To-Consumer and Channel Partnerships Via Video

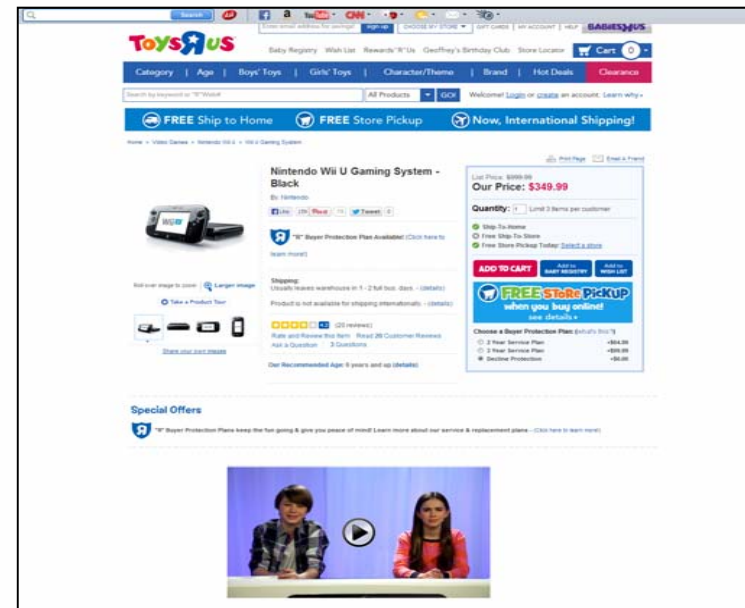


# Retailers Test and Optimize: Video Supports Unique Brand, Category and Channel Needs

“We have seen 40% comp increases with video demonstrating a strong success story. That includes good engagement, increased interactivity and ultimately conversion. For us, video will continue to play a role in ecommerce based on the user’s journeys and we will work to find a way to bring them up in the funnel, testing and measuring all along the way.” –Footwear Brand

## THE FACTS

Video was cited by 51.9% of marketers for having among the best ROI (eMarketer)



# Video is Integrated Across A Myriad Of Locations

The screenshot shows the Home Depot website interface. At the top, there's a banner for 'FREE SHIP TO STORE OR HOME'. Below that, navigation links include 'Tool & Truck Rental', 'Get It Installed', 'For the Pros', 'Gift Cards', 'Help', and 'Cart'. The user's location is set to 'Your Store: North Avenue #1912'. A search bar is present with the text 'What can we help you find?'. Below the search bar, there are links for 'Project: How-To', 'Sign In or Register Your Account', and 'Savings Center'. The main content area features a video player for 'How to Install a New Construction Window in Frame Construction - The Home Depot' with a length of 2:42. To the right of the video player is a 'RELATED VIDEOS' section with four video thumbnails and their titles: 'How to Properly Measure for...', 'How to Replace your Shower and...', 'How to Install/Replace a Toilet...', and 'How To Install a Slab Door...'. Each video thumbnail includes a play button and a small description.

## THE FACTS: RETAILERS

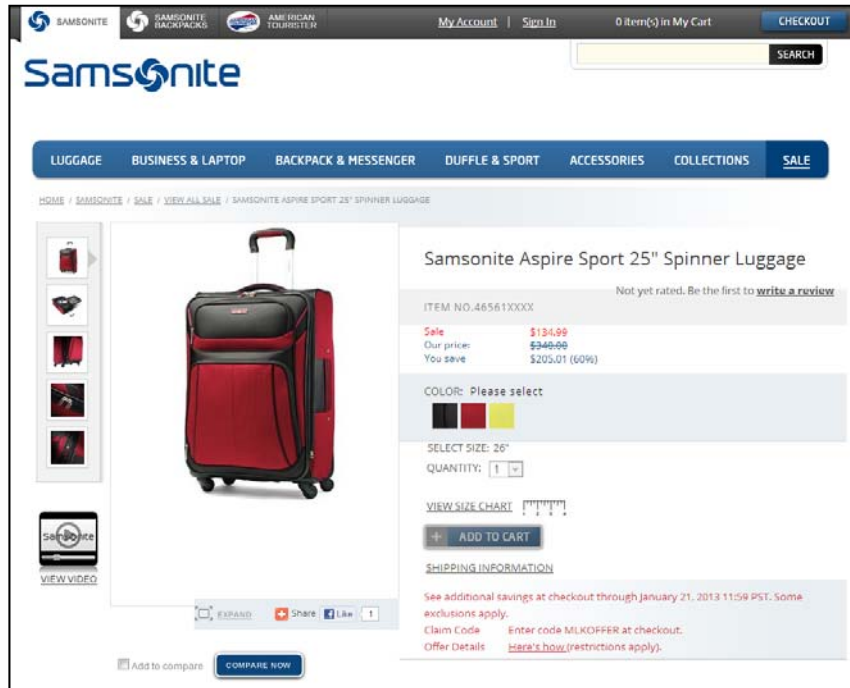
	2012	2011
<b>Videos/Audio</b>	<b>85%</b>	<b>83%</b>
<b>Product Page</b>	<b>79%*</b>	<b>69%*</b>
<b>Brand Boutique</b>	<b>49%*</b>	<b>47%*</b>
<b>Video Gallery</b>	<b>41%*</b>	<b>43%*</b>
<b>Category Page</b>	<b>40%*</b>	<b>36%*</b>
<b>Home Page</b>	<b>18%*</b>	<b>19%*</b>
<i>2012 e-tailing group Mystery Shopping Survey</i>		
<i>*subset of 100 merchants</i>		

## #4. BUT OPTIMIZATION STARTS WITH THE PRODUCT PAGE

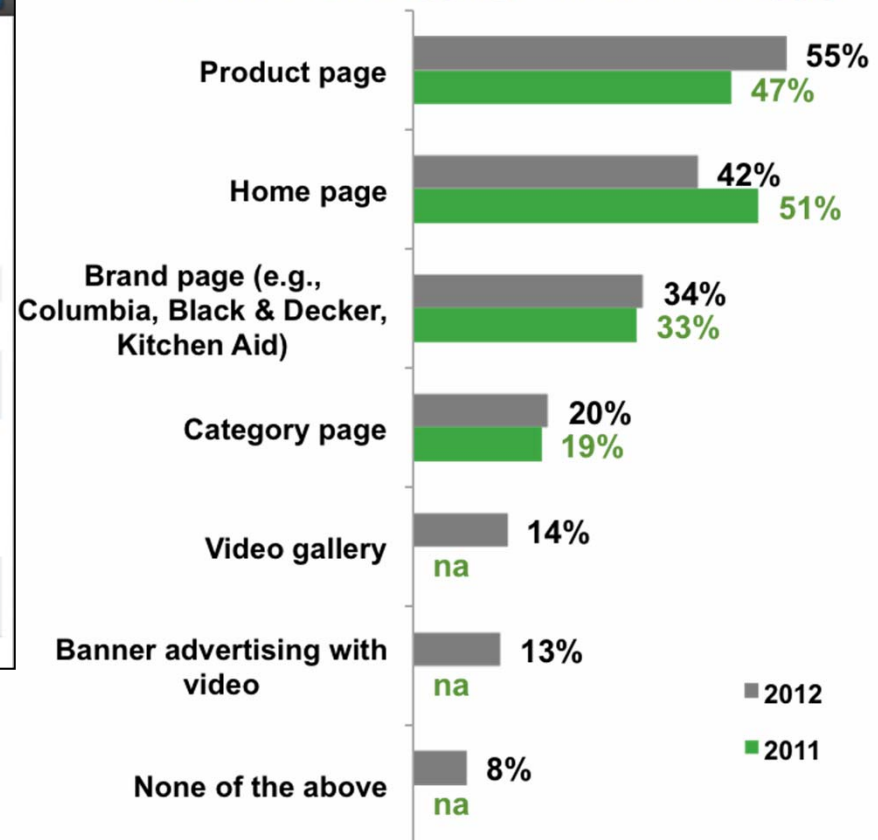
**“Usability at product page level is an 8 out of 10 as video ranks 4th on our list of product page elements behind product information, brand and photos.”**  
***--Multi-channel Sporting Goods Retailer***



# Product Page Consumption Escalates, Overtaking All Other Locations For Viewership



From which of the following onsite web pages have you watched a product video in the past 3 months when shopping? Check all that apply.



Invodo/e-tailing group 2013 Consumer Video Survey

# Videos Are An Education Efficiency Model

“It’s simply hard to convey the product through large copy blocks or alternative views which often includes how product is best used. Conversely in 1 minute we can tell the product story, sharing its selling features (often in 30 seconds).

*-Apparel/Sporting Goods  
Multi-channel Retailer*

The screenshot shows the Orvis website interface. At the top, there's a green header with the Orvis logo, navigation links (Customer Service, Stores, Catalog Quick Order), a search bar, and a sign-in prompt. Below the header is a navigation menu with categories like SHOP OUR ENTIRE LINE, SPORTING ADVENTURES, and PROTECTING NATURE. The main content area features a product page for 'Silver Sonic Convertible-Top Waders'. The product title is prominently displayed, followed by a description: 'These convertible welded waders offer ultimate convenience and bomb-proof welded seams.' A large image shows a person wearing the waders in a natural setting. To the left of the main image are several smaller thumbnail images, one of which is labeled 'VIDEO'. Below the main image, there are options to 'Select an Item' with radio buttons for different sizes: Regular (\$259.00), Short (\$259.00), Long (\$259.00), and Extra Long (\$259.00). There is also a 'Specify Quantity' field set to 1 and an 'Add to basket' button. At the bottom right, there's a 'Live Chat' widget and a promotional banner for Orvis Rewards Visa.

# Video Enhances Product Attributes And Elevates The Propensity To Buy

It's often about FAB (features, advantages and benefits) where 1-1.5 minutes is enough time for the consumer to digest where conversion then results.  
*-Footwear Brand*

CLARKS BOSTONIAN FREE Shipping + FREE Returns My Shopping Bag 0

Clarks up to 20% OFF select women's shoes NOW THROUGH MAY 12 (Price as marked) SHOP WOMENS SALE

WOMENS MENS ACCESSORIES ORIGINALS SALE KIDS

Womens > New Arrivals > Casual

Un.Shade Blue Leather | 63933 4.6 / 5

Beautifully detailed with leather tabs and meticulous stitching, this women's sandal is incredibly comfortable, thanks to the Unstructured® Air Circulation System, a unique climate control technology that keeps feet feeling fresh and comfortable all day. An adjustable strap offers a personal fit. Choose this sandal in blue leather to add a fresh finish to all your summer basics.

Colors | Blue Leather \$109.99

Select size, then width and click Add To Shopping Bag

Size: 5.0 5.5 6.0 6.5 7.0 7.5 8.0 8.5 9.0 9.5 10.0 11.0 12.0

Width: Medium

ADD TO SHOPPING BAG

Product Details Size Chart Technology

- Hook-and-loop closures provide an adjustable fit
- Suede linings buffer the foot and enhance comfort
- Rubber outsole provides traction and durability
- EVA footbed
- 1 3/4" Heel

Recently Viewed

- Un.Hatch | Unstructured Black Leather \$109.99
- Mendon | Bostonian Black Leather \$89.99
- Lexi Laurel | Clarks White Leather \$84.99

# Video Positions Savvy Retailers As Subject Matter Experts

“We are providing helpful content in a way that works for shoppers taking advantage of our associates who are subject matter experts. Our ability to succinctly explain product technology/benefits allows shoppers to better determine what's right for them.”

--Sporting goods Retailer

Welcome to REI! | [Log In](#) or [Register](#)  
**FREE SHIPPING** With \$50 minimum purchase.

SEARCH

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Camping & Hiking > Tents > Family & Car Camping Tents

ONLY AT REI

**REI Base Camp 4 Tent**

\$369.00  
★★★★★  
Item # 777753

REI Members get back an estimated **\$36.90** on this item as part of their annual member refund.

Sage/Platinum 4 Person \$369.00

1 Quantity

add to cart | find in store | add to wish list

▶ This item is not eligible for a gift box.

THE REI DIFFERENCE | 100% SATISFACTION GUARANTEED | GEAR & ADVICE YOU CAN TRUST

This item ships for free! [Learn more](#)

SAGE/PLATINUM

REI Base Camp 4 Tent Video

More videos

## #5. VIDEO WILL SPUR PURCHASING

**“Video absolutely spurs purchasing particularly as we sell complicated things so shoppers need help; At the end of the day it’s like an infomercial without baggage where we see 40% increases in purchasing.”**

***-Mass Merchant***

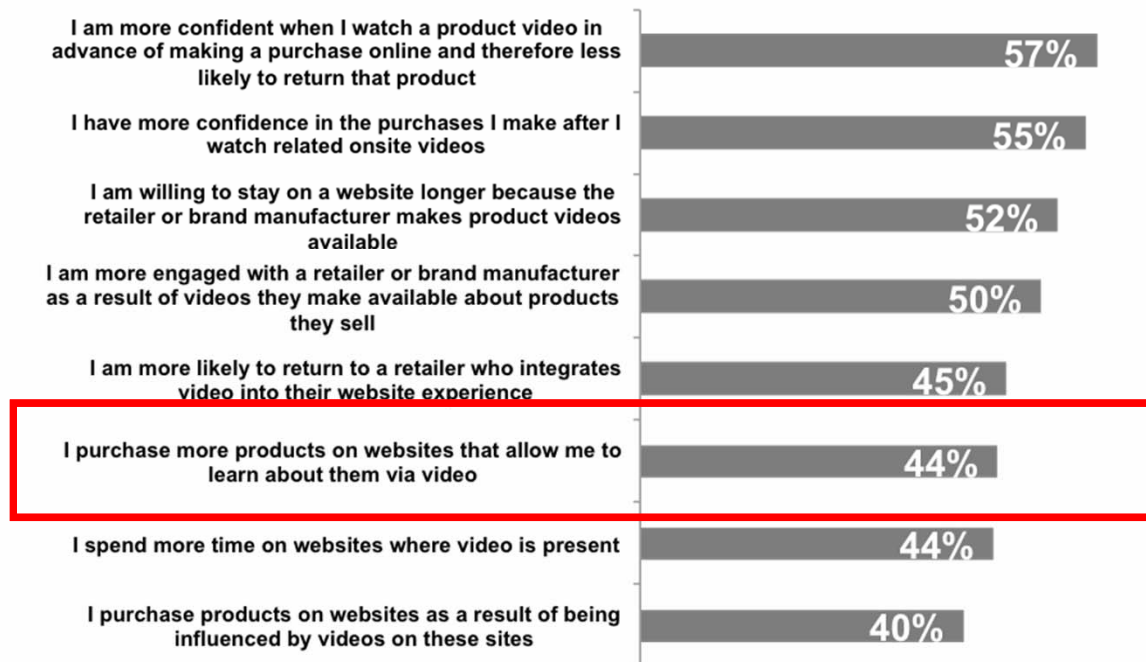
# Purchasing Power Derived from Video Viewership

## THE FACTS

Profit-minded retailers should take note that 44% strongly/somewhat agree that they purchase more product after viewing a related video

Please note your level of agreement or disagreement with the following statements relative to videos being shown on retailer or brand manufacturer websites.

Top-2: Strongly/Somewhat Agree



Invodo/e-tailing group 2013 Consumer Video Survey



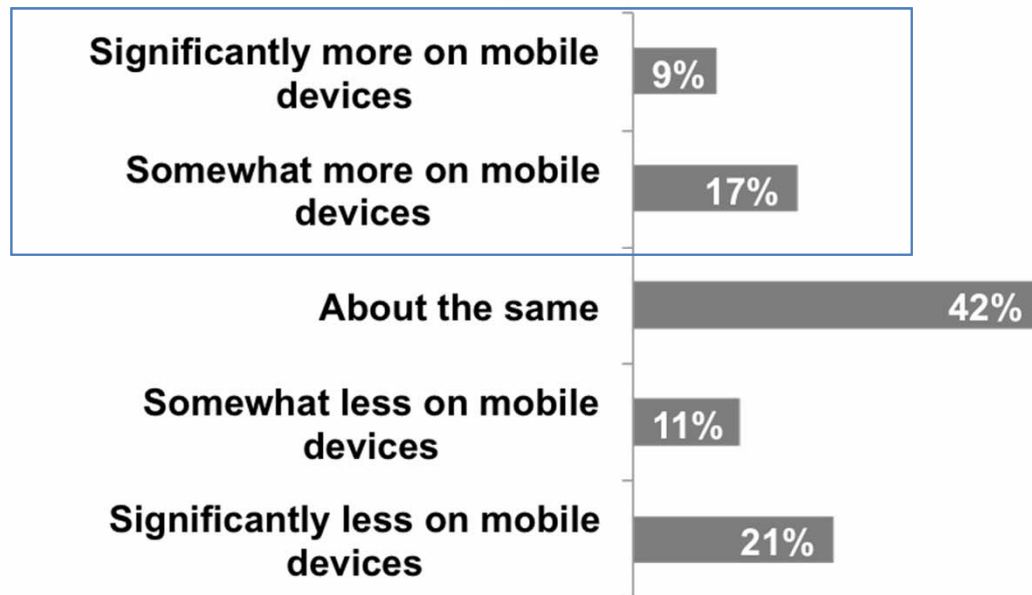
## #6. VIDEO HAS LEGS VIA MOBILE AND SOCIAL CHANNELS

**“When consumers have a moment they are  
‘snacking’ on video via their phones to get a quick  
fix.”** *-Mass Merchant*



# 1 In 4 Shoppers Are Consuming More Video Via Mobile Devices

Which of the following best describes your consumption of videos via mobile devices versus desktops or laptops over the past 3 months?



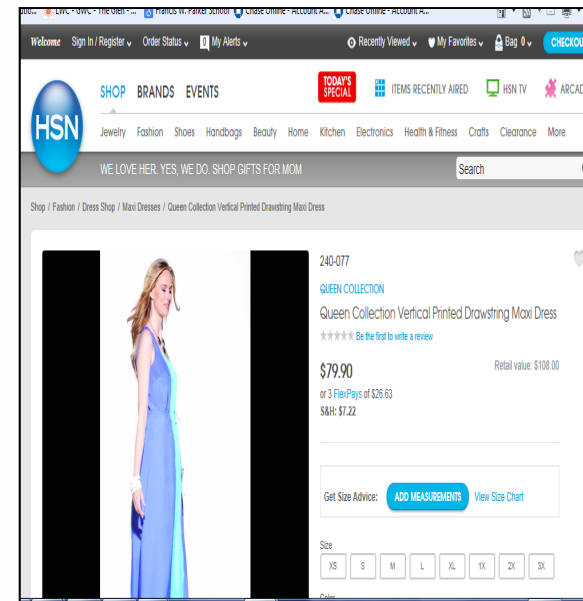
Q24

Invodo/e-tailing group 2013 Consumer Video Survey



# Categories Dictate Mobile Strategies

“Our customers are ‘always on’ from a phone perspective but don’t tend to use tablets for outside car repair jobs so this knowledge has been invaluable in constructing their mobile strategy.” -Automotive Retailer



# Snacking Is Sweet Across Many Categories

## The Facts

Mobile video viewers are 3x more likely to purchase than non-viewers (Media Post)

The screenshot shows the Golfsmith website with a prominent banner for "SWING SMARTER WITH YOUR MOBILE DEVICE". Below the banner, there's a section titled "Analyze Your Golf Swing in Real-Time" with a sub-header "Get real-time swing data on your mobile device with our Golf Swing Analyzers. These amazing devices connect to your mobile device via Bluetooth and provide valuable information, such as your club head speed, path, plane and face angle at impact. Once the information is on your mobile device, you can review, record and adjust your swings to really gain consistency in your golf swing."

Three products are featured:

- 3Bays QSA Pro Golf Swing Analyzer:** "Get an accurate swing analysis and feedback on 10 key swing parameters, complete from up to 10,000 data points, all in a sleek design that attaches to your club and won't affect your swing or club's weight distribution. Use with the free QSA Pro app, downloadable from the App Store."
- Swingbyte Golf Swing Analyzer:** "Empower your game with real-time swing data. Powered by Golf Digest as one of the '12 Coolest Items at the 2012 PGA Show,' Swingbyte weighs less than an ounce and attaches easily to any club in your bag. Swingbyte captures your club head speed and acceleration at all points throughout the swing, from address to impact. Swingbyte provides real-time feedback on your swing and helps you improve your swing and your score. Use with the free Swingbyte app, downloadable from the App Store or Google Play."
- GolfSense 3D Golf Swing Analyzer:** "Ultra lightweight, 3D swing analysis. The GolfSense 3D Swing Analyzer is ultra-lightweight and attaches to your glove strap, so you don't have to affix anything to your club. Using revolutionary 3D motion capture, it allows you to analyze every segment of your swing from any angle. Put your iPhone or iPad to work to view, record and compare with other members your top motion and rate of rotation during your swing. Use with the free GolfSense app, downloadable from the App Store."

At the bottom of the page, there are sections for "Golfsmith E-mails", "Golfsmith Catalogs", and "Golfsmith Stores".

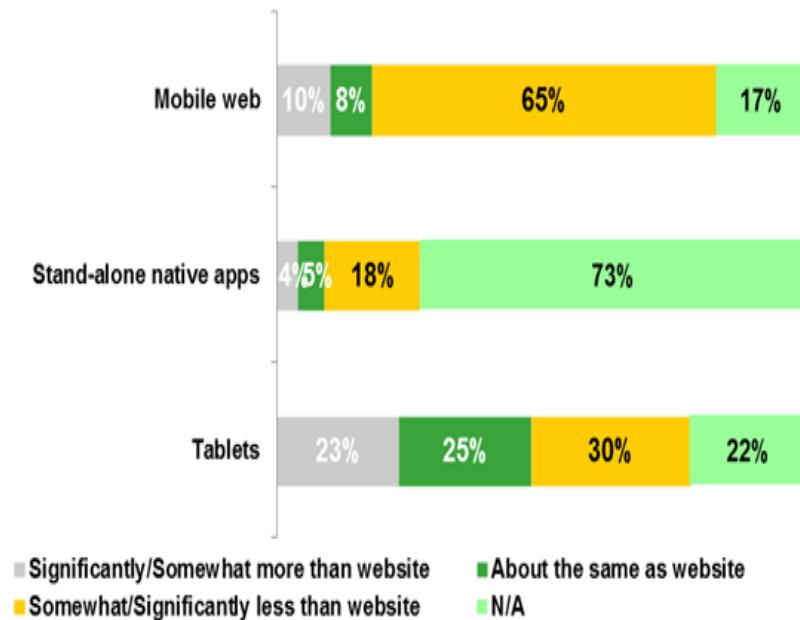
## The Tablet's Heightened Conversion Dynamic is Clear

"The iPad has changed things where entertainment is essential and more pressure on quality is present." -Accessories' Brand

"The tablet is converting at desktop levels while phone is behind so conversion rates in the 1% range were suggested by one retailer as compared to their 3.7% on the site."

-Sporting Goods Brand

What conversion rates are you seeing from mobile?



Invodo/e-tailing group 2013 Consumer Video Survey



## #7. UPFRONT PLANNING MUST BE MANDATORY

**“Video is relatively expensive to produce so ROI is paramount.” -Automotive Retailer**

# Identify As Part Of That Plan The Types Of Videos That You Believe Will Be Effective And Test Hypothesis

**MEN'S COLDFEAR® EVO LONG-SLEEVE COMPRESSION MOCK**  
\$49.99

**HOW DOES IT FIT? VIDEO**  
COMPRESSION: The ultralight, second-skin fit delivers a custom feel that keeps your muscles warm & your recovery time low.

**CUSTOMERS ALSO BOUGHT:**

- Men's ColdGear® Fitted Long-sleeve Mock - \$49.99
- Men's HeatGear® Compression Long-sleeve T-Shirt - \$34.99
- Men's UA Eco ColdGear® Compression Long-sleeve T-Shirt - \$49.99
- Men's ColdGear® Fitted Long-sleeve Compression - \$49.99
- Men's ColdGear® Fitted Long-sleeve Crew - \$49.99
- Men's ColdGear® Long-sleeve Compression - \$49.99

**Shop and Compare**

- Processor**
  - Intel Pentium Dual Core
  - 2nd Gen Intel Core i3
  - 3rd Gen Intel Core i5
  - 3rd Gen Intel Core i7
- Operating System**
  - Windows 7
  - Windows 8
- Memory**
  - up to 4GB
  - 6 GB
  - 8 GB
  - 12 GB
  - 16 GB & up
- Price**
  - Under \$400
  - \$400 - \$600
  - \$600 - \$800
  - Over \$800
- Monitor Bundles**
  - No Monitor
  - 19" - 22"
  - Over 22"
- Tower Size**
  - All-in-one
  - Standard (4.4")

**All-in-One Desktops**

- Inspiron One 20**  
Simplify tasks with this compact 20" HD all-in-one available with up to 2nd Gen Intel® Core™ processors.  
Dell Price \$449<sup>99</sup>  
as low as \$20 / mo\* | Apply  
Estimated Ship Date: 27 Mar 2013  
[View Details >](#)
- Inspiron One 23**  
Interact hands-on with optional touch screen on the 23" all-in-one with Full HD, Windows 8 and powerful 3rd Gen Intel® Core™ processors.  
Dell Price \$649<sup>99</sup>  
as low as \$20 / mo\* | Apply  
Estimated Ship Date: 27 Mar 2013  
[View Details >](#)
- XPS One 27**  
The world's most vivid and vibrant all-in-one with stunning 27" wide quad HD display, Windows 8, and optional touch screen and articulating stand.  
Dell Price \$1399<sup>99</sup>  
as low as \$43 / mo\* | Apply  
Estimated Ship Date: 27 Mar 2013  
[View Details >](#)

## #8. CREATIVE SAVVY COUNTS

**“When coming up with long laundry list of all the things you want, it's more than you need to show.”**

***–Apparel/Sporting goods’ Multi-channel Retailer***

## Leave No Creative Stone Unturned

- Keep it simple.
- Keep 'em short (< 3 minutes).
- Consistently deploy branding.
- Attention to detail is essential from scripts to talent selection and no stone should be left unturned.
- Zero in on product/feature being discussed (i.e. interior organization feature); use of close-ups of features ideal.
- Show movement (look, fit, feel) spinning it and showing it from every angle.
- Look at drop-off rates so you can help determine the right video length for your brand.
- Don't regurgitate existing content just saying what's already on the site as consumer value will be limited.
- Try a lot of video types and get feedback from customers along the way.

## #9. DON'T PUT IN VIDEO GHETTO

**Content must be embedded throughout the shopping experience/path so avoiding a siloed scenario is highly recommended as content where no one goes is problematic**     *-Mass Merchant*



# From Product Page to Home Page Inspiration Optimal

Fast, easy, FREE SHIPPING & RETURNS.

Sign In | Your Account | Recommendations | Stores & Events | Wish List | Shopping Bag (0) | Checkout

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WOMEN MEN JUNIORS KIDS BRANDS SALE SPECIALTY SHOPS

Home / Specialty Shops / The Prom Shop

**The Prom Shop**  
BP, Blog: Prom Section  
Weekly Online Exclusives  
Pre-Order

Prom Dresses  
Prom Shoes  
Prom Accessories  
Prom Makeup & Beauty  
Prom Undergarments  
For Guys

**Special Sizes**  
Juniors' Plus

**Tips & Tools**  
True Fit  
Beauty Stylist  
Personal Stylist  
Prom In Store Events

**NEUTRAL TERRITORY**  
SHOP: [PROM DRESSES](#)

**BEST PROM EVER**  
Find everything you need for head-to-toe prom perfection, from the dress of your dreams to showstopping accessories.

**HIGH & MIGHTY**  
SHOP: [PROM SHOES](#)

**WILD FLOWERS**  
SHOP: [PROM CLUTCHES](#)

**NORDSTROM BEAUTY HOW-TO**  
**FALSE LASHES**

Best Buy Search by Keyword, SKU # or Item #

Español | My Account | Order Status | Customer Service  
Store Locator | Weekly Deals | Credit Cards | Reward Zone

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Huge March savings in every department. Plus free shipping.

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Save up to \$100 on the Samsung Galaxy S III with 2-year agreement. Shop now.

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**LOW PRICE GUARANTEE**  
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on everything at BestBuy.com. See details | Exclusions apply.

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A Great Deal, Every Day  
Don't miss out on this deal — one day only. Buy now; quantities are limited.  
See the Deal

**13.3" MacBook Pro®**  
Save \$125. \$1,199.99 before savings. Plus free shipping.

**iPad mini**  
The whole package. In a smaller package. Plus free shipping.

**Up to 25% Off Select HDTVs**  
Plus free shipping.

**LifeProof Cases for iPhone® 5**  
in exclusive colors only at Best Buy. Plus free shipping.

**\$299.99 Xbox 360 250GB Bundle**  
Includes console, Batman Arkham City and Darkiders II games, controller, and headset. Plus free shipping.

**Select Cameras, Camcorders and Accessories on Sale**  
Plus free shipping.

**Do March Right with LG**  
LEARN MORE

**LG is an official partner of the NCAA**

**BEST BUY VIDEO**

**HP m6 with Voice Recognition**  
Here's HP's new laptop, designed to let you browse, type, post with your voice.

**DEALS of the Week**  
Here's a quick look at some of the week's best deals.

**8 Cool Things about Windows 8**  
Meet the new Windows. Here's a quick, video rundown of some of its best features.

**Learn About Geek Squad Tech Support**  
24/7 Support for PCs, Macs and tablets with plans starting at \$9.99/month.

## #10. MEASURE FOR ROI

**“Set up analytics in advance and be clear on KPIs so you understand how to gauge success as you can't improve if you don't have a baseline.”**

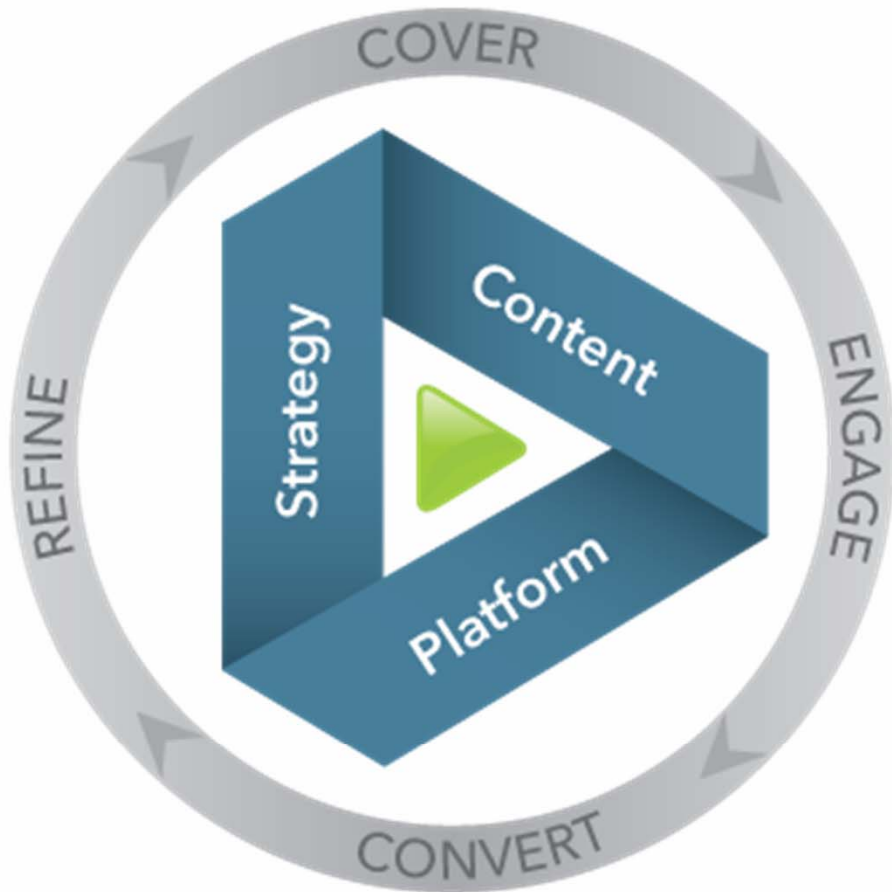
***–Footwear Brand***

## Metrics Are Not A 1 Size Fits All Model

- Everything you want to measure needs to be properly tagged.
- KPIs and goals for video performance should be determined in advance of the production not as an afterthought
- Early learning is optimal and can be benchmarked against expectations
- The end goal is production of the right video where “we need effective video” versus just producing any video understanding that if selected with results in mind both engagement and conversion can be forthcoming.

FOCUS	METRICS
VIEWING/ENGAGEMENT	-# views, # started, # completed -Length of engagement (50%, 70%)-standard video watch thresholds and # visitors that reached threshold -# times watched -email clickthroughs to video
COMMENTARY	-Feedback/comments
\$/CENTS	-Product conversion, conversion per play -Revenue per view per page, revenue per page -Incremental value of video based on purchase rate increase/lift
TYPES	-360-degree spin vs. talent talking -Product versus support driven -New product or new category
LOCATION	-Tradeoff in sales from adding video to the boxtop
BEFORE AND AFTER	-What peaked their interest in a video including marketing of video (If they spin or thumbnail of video and/or related messaging) -Where they enter (pages) -Where they exit; # who leave and go to a retailer's pages -How they interacted with specific page and then path to purchase-where else did they go? -Means from which they enter (mobile, tablets)
COMPARISON	-Watcher vs. non-watcher behavior against above metrics (conversion, sell-through, add on sales, basket size, etc.) -Standard video watch thresholds and # visitors that reached threshold


# The Invodo Methodology





## Video Value Cycle

- Supports Program Growth
- Drives Continual Improvement
- Delivers & Measures Incremental Revenue



# Q&A



# THANK YOU

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