

TVPage White Paper

Why Retailers Should Start Thinking Like Netflix

A Business Overview

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Retailers share a common conundrum. On average, 1% of consumers who visit an online retail website actually purchase a product. This means that 99% of potential shoppers get lost in the Internet ether. ¹

Turning the situation around is easier than you might think. About 45% of Internet users watch at least one video per month² indicating that many retailers have a video-centric audience they didn't even know existed.

Consider this:

- 90% of shoppers say product videos help in the buying process.³
- Shoppers are 144% more likely to purchase a product after watching a video.⁴
- 54% of women watch lifestyle videos to learn more about products and brands.⁵
- 50% of women who stream 240+ minutes of lifestyle content a month have visited a site or physical store to purchase a product advertised in a lifestyle video.^(ibid)

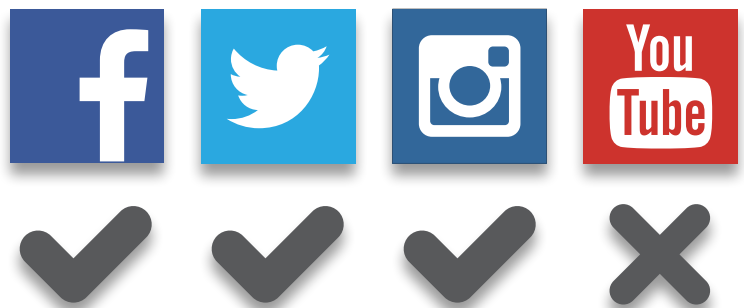
Interesting stats, yes? If $A = B$ and $B = C$, then we know that video leads to product inquiries and product inquiries lead to sales.

We're going to help you leverage video to increase sales by changing the way you view your business.

Why send your customers to YouTube?

We'll take a Socratic approach and answer that question with another: Why spend a fortune on your online store and send people away?

It's all a Greek tragedy to us. Once people are on YouTube, getting them back to your site relies on the fate of the winds.



Sure, YouTube helps with brand awareness and piques people's interest at the beginning of the purchase funnel. But putting video content on YouTube is like putting your products on the sidewalk in the middle of Times Square. Both the items and your brand equity are likely

to be ignored amongst the hustle and bustle.

It's much more brand-safe and profitable to keep customers engaged on your own web property.

Okay, so let's say you take the power back. You've decided to make your site chock full of the coolest, trendiest videos that make people feel something and bring your products to life. What is your next step?

Like Netflix, where people happily get lost and explore new content, your destination will create an engaging experience for your customers and, by applying the following 3 steps, lead to increased sales.

1. Build a video destination that gives people what they want.
2. Build your video audience.
3. Get them to shop while they watch.

Build a video destination that gives people what they want

We all know a good story draws us in; it touches us emotionally, it entertains, strikes a chord, makes us think. We also like stories that are relevant to us.

That's why it is so important for retailers to deliver relevant video content to their customers.

You might be asking, "How do I know what they want?"

If you're tracking YouTube views or video ad performance, then you have a pretty good idea of the type of content your customers like. Also, when you're analyzing which website pages get the most views, and for how long, you use that as an indicator as well. Likewise, Netflix and other video destinations are constantly measuring which content is being viewed and by whom, and which cultural trend is resonating with the most people or with a loyal niche audience.

Using video to achieve stellar results requires ramping up many of the things you likely do already. It's about content and merchandising - good old-fashioned retailing. Create good stories with a beginning, middle and an end. It just needs to be a good story, and needless to say, one that features your products in the context of your customers' lifestyles and aspirations. You should also pull content in from your vendors and brand ambassadors.

Then, monitor and measure which videos are yielding the most product clicks, and identify your top sellers.

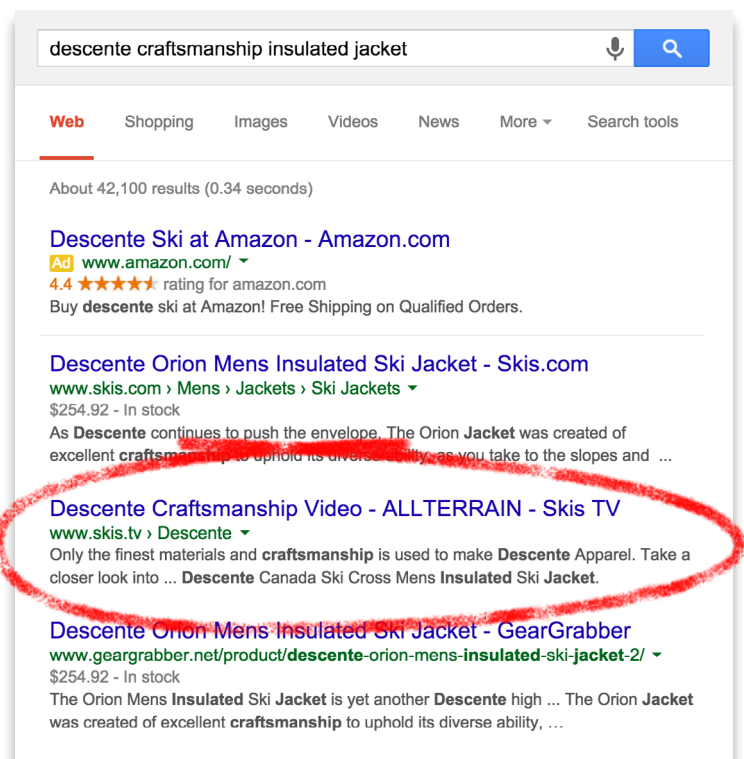
Likewise, give your customers the opportunity to share their own lifestyle videos on your site. This is an ideal way to know what your customers care about. There is nothing like a customer to sell your product for you. The more people create and share, the closer you all become.

Build your video audience

The adage “build it and they will come” applies perfectly to our discussion about video and consumer behavior.

The widespread availability of high-speed Internet access, smart devices and adaptive streaming technologies have made it possible for video to become our primary form of content, and the content most likely to be shared. It is estimated that about 90% of web content will be video in 2018.⁶

Search engine optimization (SEO) is at the forefront of an online retailer’s marketing and acquisition strategy. It is therefore important to deploy a powerful video SEO strategy to ensure that each video is optimized to come up high on the search engines. Consumers are 41% more likely to click on a video search result as opposed to a plain text result.⁷

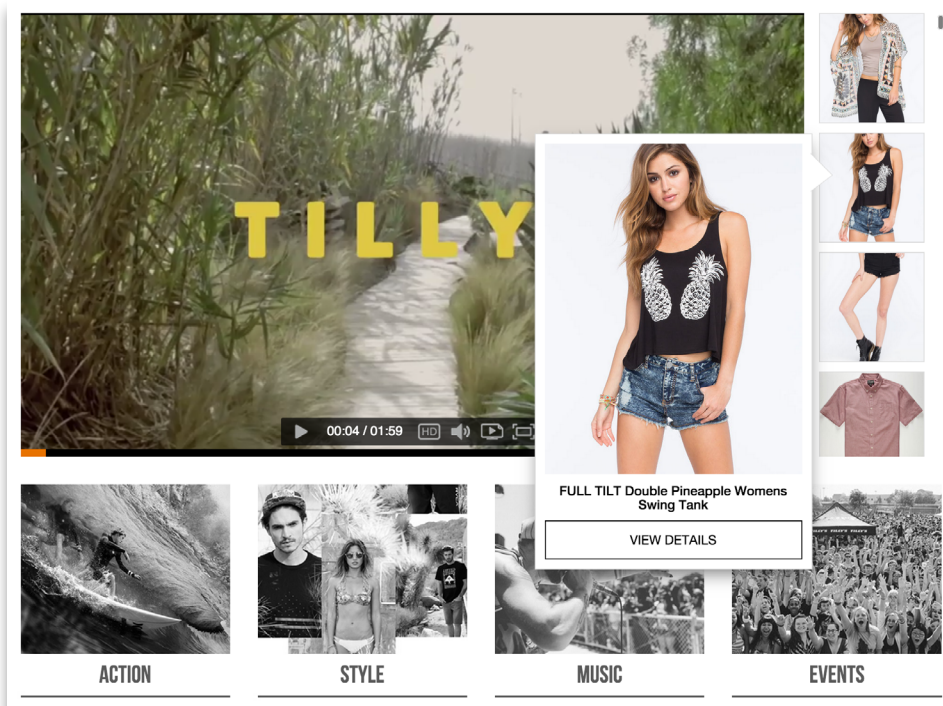


Research has shown that optimizing high-quality video content is a fundamental way to boost the visibility and performance of an online store. Video-loving audiences have always been there. Build it and they will come.

Get them to shop while they watch.

Tilly's (a leading apparel retailer) and Skis.com (a leading ski equipment retailer) are great examples of retailers that have captivated their audiences by creating video-centric lifestyle shopping destinations.

Tilly's created www.tillys.tv and Skis.com created www.skis.tv, using the .TV domain to differentiate their video commerce destinations from their core e-commerce site. The video-centric or "Netflix-like" experience demanded a different layout, look and feel. The strategy has been a resounding success for both companies.



Tillys.TV offers 130 channels featuring lifestyle and product content from brands such as Converse, Hurley and Nike. Like Netflix, where people browse for content, Tillys.TV has become a fun place to hang out and browse. People are engaged without feeling busy or burdened, and are able to simply "hang out and watch", resulting in new traffic that stays longer and buys more.

In fact, the vast majority of all traffic coming to Tilly's.TV and Skis.TV is organic, meaning either direct or from SEO.

Most importantly, both video commerce sites display the products that are related to or found within each video so that consumers can buy directly from each video.

Another interesting fact is that consumers typically spend 20% more when shopping on Skis.TV when compared to Skis.com. Lastly, conversion rate is higher on these .TV domains when compared to their .COM counterparts. These stats help reinforce the fact that your video

audience is right under your noses, with high-valued video shoppers eager to engage and buy.

It seems like these savvy online retailers may have just found the way to tap into the pockets of the 98% of online retail visitors who presently do not wind up purchasing on traditional ecommerce sites.

We're Here to Help.

We at TVPage want you to be as successful as Tilly's and Summit Sports. We have built the world's first platform for building, serving and optimizing video commerce sites that increase sales. Our proprietary technologies are changing how retailers market and sell their products, combining the power of brand marketing, audiovisual engagement, and enthusiastic purchase intent.

¹ Mark Hurd, Chief Executive Officer, Oracle; Joanne Olsen, Senior Vice President, North America Applications and Consulting, Global Cloud Services, Oracle; and Daniel Pink, Bestselling author, host, and co-executive producer of "Crowd Control" on the National Geographic Channel; "Customer Experience Keynote Session" at Modern Commerce Experience presented by Oracle, March 31, 2015

² "18 Big Video Marketing Statistics and What They Mean for Your Business," [Video Brewery](#) citing Comscore

³ Allison Enright, "Product Videos Raise Purchase Likelihood for Stacks and Stacks," [Internet Retailer](#), March 7, 2011

⁴ "Lifestyle Video & Brand Partnerships Effective In Building Meaningful Connections With Women Consumers," uLive and POPSUGAR, [PRNewswire](#), April 24, 2014

⁵ Ibid.

⁶ "18 Big Video Marketing Statistics and What They Mean for Your Business," [Video Brewery](#) citing Comscore

⁷ Jeremy Scott, "How to Get Your Videos Ranking In Universal Search Results: A Video SEO Study," [REELSEO](#), March 24, 2011



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