

Video Statistics:

The Marketer's Summary


invodo



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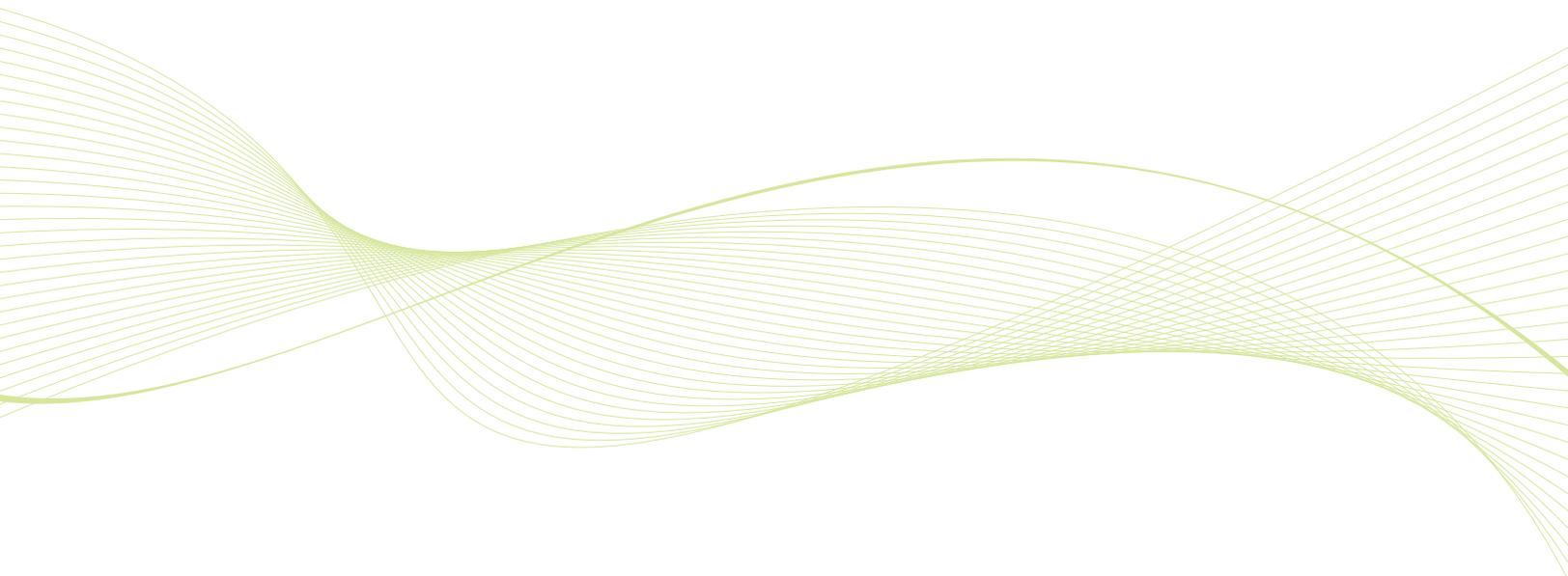
Why We Track Video Statistics – And Why It Matters

In 2009, the Invodo Marketing team started collecting third-party statistics related to video's growing business impact. Every morning, we scan our inboxes and RSS feeds to uncover and deliver compelling new stats to our website's Video Statistics page.

For prospects and clients, this page provides proof points to support the business case for a video program. The Video Statistics page is among the top traffic-generating pages on our site, and one of the only places on the web where product video information is consolidated.

As more and more retailers use video and new data is collected, our Video Statistics page has started to burst at its seams. In order to organize and make sense of the data, we present this report.

Below, we summarize the most important video statistics from the past year from sources including Forbes, MediaPost, Internet Retailer, research from our own client base, and more. Also, we'll give you a preview into what's coming, including 2013's earliest insights combined with predictions on what to expect in the year ahead. We hope that these statistics will help you build your own business case for a video program.



Video Drives Sales

Video generates purchases by bringing shoppers closer to the product. It provides a rich sensory experience (color, motion and sound) along with relevant context (scale and demonstration). This can bring a shopper as close to the product as possible without actually having it in-hand.

Because of this, customers are more confident to purchase. Retailers know that closing a sale is based on helping the shopper avoid buyer's remorse.

- ▶ **52%** of consumers say that watching product videos makes them more confident in online purchase decisions.¹
- ▶ Video is a driver of consumer confidence. Consumers are willing to watch videos **60%** of the time they are found, and **52%** of consumers report that they are less likely to return a product after viewing a video.²
- ▶ More than **three out of five** consumers will spend at least two minutes watching a video that educates them about a product they plan to purchase, and **37%** will watch for more than three minutes.³
- ▶ The Step2 Company found that shoppers who view video are **174%** more likely to purchase than viewers who did not.⁴
- ▶ Online retailer Bizchair.com found that **33%** of online sales came from the 13% of site visitors who viewed video.⁵
- ▶ **34%** of apparel shoppers are more likely to purchase after viewing an online video ad, versus 16% after watching an ad on TV.⁶

1 in 2
ARE LESS LIKELY TO
RETURN A PRODUCT
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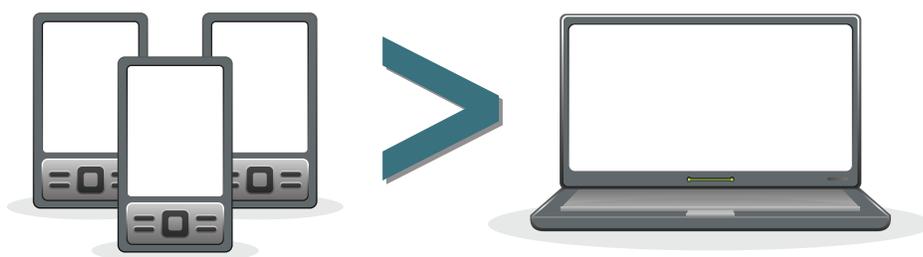
1 Internet Retailer. *Online Videos Help Build Confidence in Purchases.*
 2 Website Magazine. *Gain Consumer Confidence with Product Videos.*
 3 Marketing Charts. *Product Videos Found Boosting Purchase Confidence Among Viewers.*
 4 Retail TouchPoints. *Retail TouchPoints Channel Innovation Awards 2012.*
 5 NRF Stores. *Set a Spell: BizChair.com Gives Customers a Closer Look.*
 6 ReelSEO. *Back-to-School Shopping Trends: Video is Key to Retail Clothing Sales for 2012 [Study].*

Video Influences Omnichannel

2013 is all about omnichannel. Shoppers research products exhaustively, with more information available through more channels at faster rates than ever before. The consumer is definitely in control.

The in-store shopper has researched dozens of sites and is armed with more product information than the store employee. The online shopper expects the ability to buy online and pick up in-store, and the in-store shopper wants same-day availability and delivery. The couch consumer looks up the product on a tablet and finds that ratings and reviews don't back up the marketing copy. Retailers must respond by making rich, useful and compelling information readily available wherever the shopper looks.

- ▶ Mobile and tablet shoppers are **3x** times as likely to view a video as laptop or desktop users.⁷
- ▶ **28%** of smartphone owners will watch videos on their phones in an average month.⁸
- ▶ Nearly **40%** of consumers report that videos increase their likelihood of making a purchase on a mobile device.⁹
- ▶ During a three-month period, **49%** of smartphone owners watched at least one product video.⁹
- ▶ The most popular use for mobile action codes, such as QR and bar codes, is linking to mobile video: **40%** of codes link to video content, including product demos.¹⁰



Mobile shoppers are **3x** as likely to view a video as desktop or laptop users

⁷ Forbes. *Video+Tablets: The Mobile Catalyst for E-Commerce (Watch out Amazon!)*.

⁸ Experian. *The 2012 Digital Marketer: Benchmark and Trend Report*.

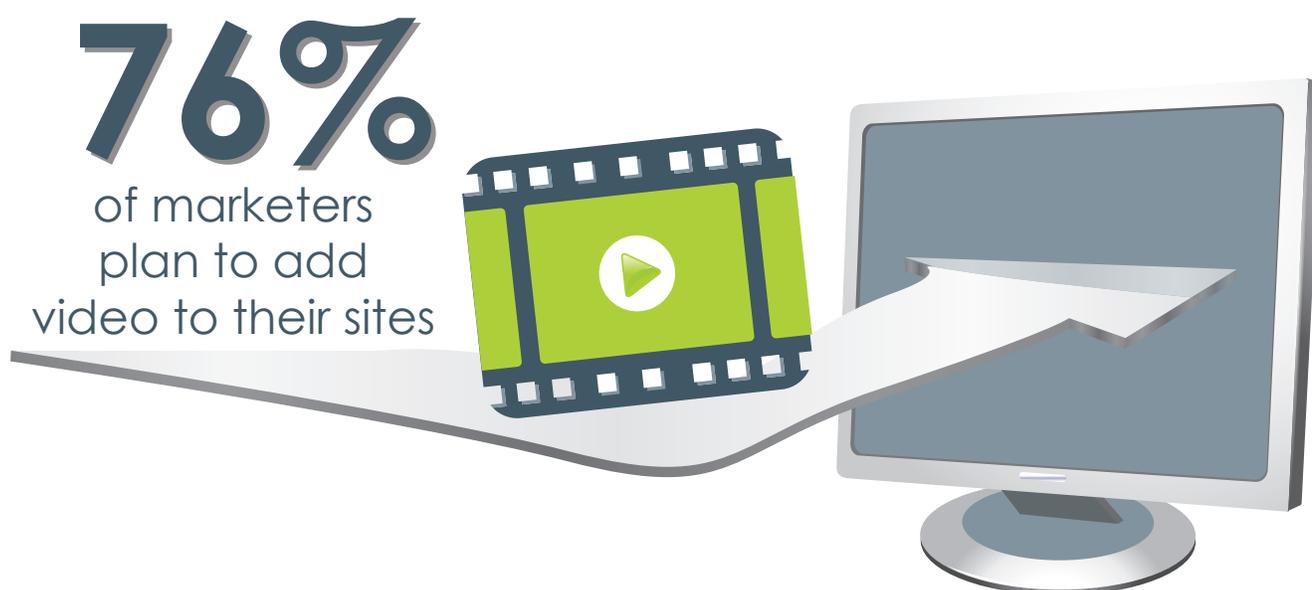
⁹ Ecommerce Times. *Small Screen Gets a Lot of Video Action*.

¹⁰ MediaPost. *Magazines Adopt QR Codes, Digital Watermarks*.

Product Video Adoption & Use

We are reaching an inflection point in terms of business use of video. To this day, however, there exists little consistency in how content is created, merchandised, measured, and optimized. Use these statistics to inform your business case and guide your efforts, making sure to test and measure at every step:

- ▶ Online video production will account for more than **one-third** of all online advertising spending within the next five years.¹¹
- ▶ **76%** of marketers plan to add video to their sites, making it a higher priority than Facebook, Twitter, and blog integration.¹²
- ▶ **70%** of B2B marketers are using video content, up from **52%** in 2011.¹³
- ▶ Professionally produced video optimized for eCommerce outperforms user-generated video (UGC video) by **30%**, delivering a **24.7%** lift as compared with an 18.7% lift for the UGC video.¹⁴
- ▶ Increasing the size of video calls to action **doubles** the impact of eCommerce video.¹⁵
- ▶ When marketers used the word “video” in an email subject line, open rates rose from **7%** to **13%**.¹⁶



11 Borrell Associates. *Benchmarking Local Online Media: 2011 Revenue Survey*.

12 Social Media Examiner. *2012 Social Media Marketing Industry Report*.

13 MarketingProfs. *2013 B2B Content Marketing Benchmarks, Budgets, and Trends*.

14 comScore. *comScore Study Finds Professionally-Produced Video Content and User-Generated Product Videos Exhibit Strong Synergy in Driving Sales Effectiveness*.

15 Marketing Charts. *Clear Calls to Action Boost Video View Rates for Online Retailers*.

16 GigaOM. *How Smartphones and Tablets are Fueling Commerce*.

Looking Ahead in 2013

Online video has hit the mainstream and consumers expect to see video everywhere. Additionally, mobile devices continue to rise in importance. Looking at video statistics from the start of 2013, it's clear that the landscape is rapidly evolving.

We expect to see three key changes over the course of the year:

- 1) **Driven by mobile and omnichannel, video as a shopping tool across channels and devices will become the norm.** As the HTML5 vs. Flash debate of a couple years ago demonstrated, users aren't concerned with form factors, devices or operating systems. They simply want product video available on-demand on computers, tablets, smartphones and internet-connected televisions. As new platforms and tools emerge, retailers must make content available across channels in order to maintain needed consistency for the omnichannel consumer.
 - ▶ Tablet users shop more and more often than smartphone users on their devices, & **49%** of tablet users want interactive content while shopping.¹⁷
 - ▶ M-commerce made up **3%** of all e-commerce sales in 2012; **25%** of mobile internet users made purchases on their phones.¹⁸
 - ▶ Tablet and smartphone users browse products most frequently than other shopping activities, including comparing prices or searching for deals.¹⁹
 - ▶ Mobile traffic doubled between Q3 2011 and Q3 2012.²⁰

- 2) **B2B will be big.** There's value in video to manufacturers because B2B buyers are people too, and expect the same personalized information that B2C consumers receive. Expect to see greater interest and investment in video for products geared toward business shoppers, and therefore greater returns.
 - ▶ **95%** of B2B tech buyers watch online video, and **82%** post, forward, and share content.²¹

¹⁷ MediaPost. *Study: Tablet Users Like To Shop, Buy.*

¹⁸ Internet Retailer. *M-commerce Sales Via Smartphones Hit \$8 Billion in 2012.*

¹⁹ Econsultancy. *Smartphone Owners More Likely to Read Emails Than Make Calls: Stats.*

²⁰ MediaPost. *Web Speeds Faster, Mobile Traffic Doubles in 2012.*

²¹ MarketingProfs. *Social Media and Video Influence IT Purchasing Decisions.*

- ▶ Nearly 1 in 2 B2B tech buyers purchased a product as a result of watching a video.²²
 - ▶ Manufacturing marketers cite video as their top content marketing tactic, topping e-newsletters, events, social media, and all other content initiatives.²³
- 3) Segmented research will generate better targeted content.** As product video becomes more widespread, we see more demographic and psychographic data around how consumers interact with video. Understanding how shoppers incorporate video into their lives can improve your video strategy. Personalized content brings more satisfied shoppers and generates more sales.
- ▶ **87%** of women watch video online, and most commonly use desktop computers to do so.²⁴
 - ▶ **41%** of 18- to 34-year-olds will use laptops and desktops as a primary source of information in 2013, while only **30%** will use TVs.²⁵
 - ▶ **92%** of mobile video viewers share videos with others.²⁶

By the end of 2013, there will be significantly more discussion not just around the benefits of deploying video, but around the opportunity cost of not doing so. Right now, we see that video increases engagement and time on page, increases conversion, and moves other metrics in a positive direction. Already, over **83%** of major retailers have significant video coverage.²⁶ As more retailers cover even more of their catalogs, video becomes an expectation for consumers. This is the year that the conversation changes from “what do we gain by using video on a few product pages” to “what do we lose by not having video on more product pages.”

It's an exciting and rapidly changing market, and ultimately the only sure thing is this: when we revisit this information at the start of 2014, we'll all be amazed at the progress over the course of one short year.

22 Content Marketing Institute. *How Manufacturers are Managing Content Marketing: 7 B2B Insights*.

23 MediaPost. *Survey of Women's Online Viewing Habits Shows a Streak of Practicality*.

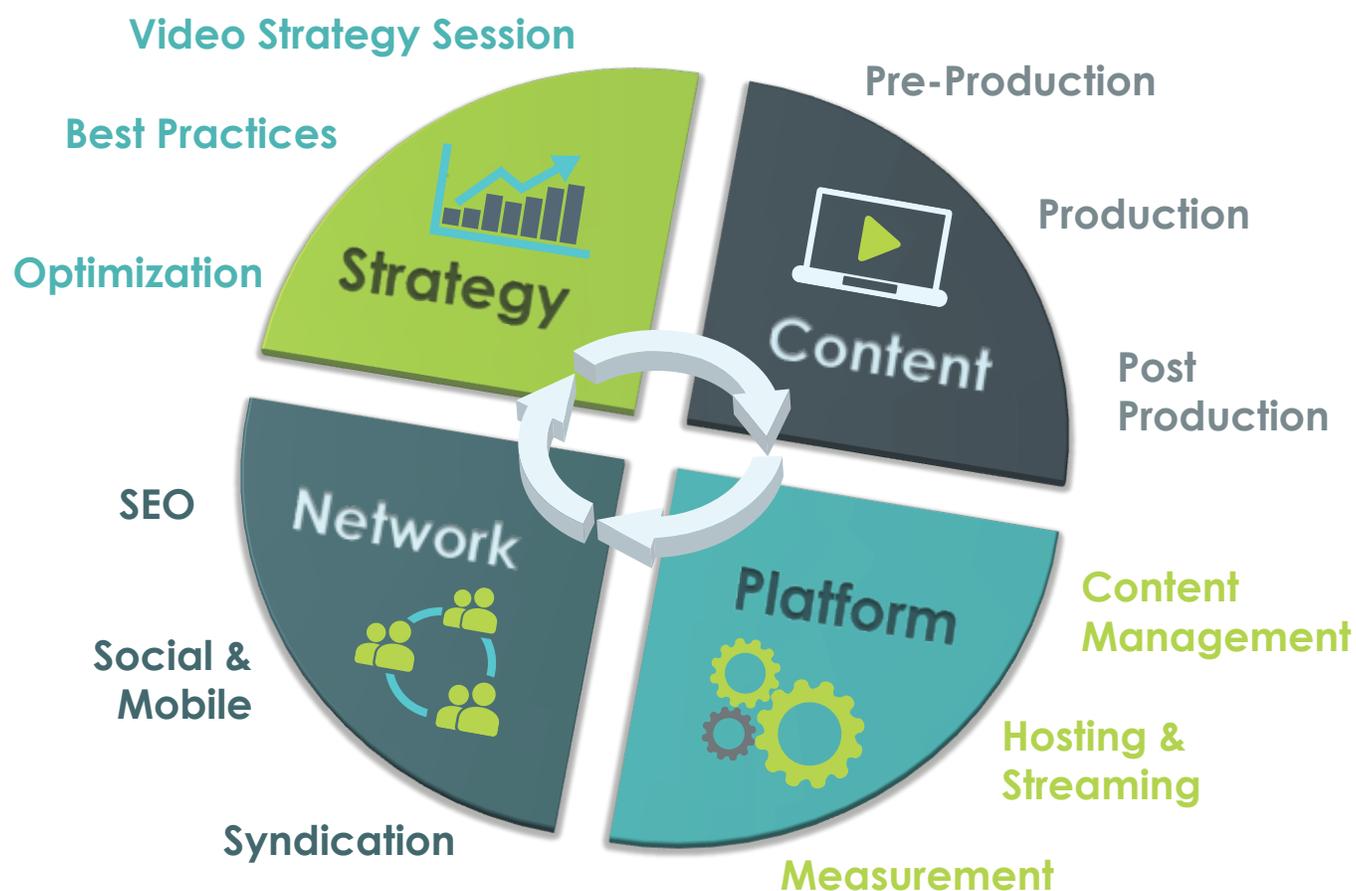
24 eMarketer. *Age, Gender Determine 'Go-To' Devices*.

25 eMarketer. *Nearly All Mobile Video Viewers Are Mobile Video Sharers*.

26 the etailing group. *Delivering Superior Shopping Experiences Via Video*.

Beyond Video Statistics: Solving the Online Retail Video Problem

By this point, you're likely to agree that video significantly drives revenue and results for retailers, manufacturers, and brands. But where do you start? Planning and implementing video specifically tailored to your business and your consumer requires four distinct competencies: **Strategy**, **Content**, **Platform**, and **Network**.





Strategy - Begin by defining your business objectives. Is this a pilot project to test impact, or a broad rollout? How will you decide on the products to be included? What will you measure? How will you tweak and optimize video results on an ongoing basis? Even if you believe these elements are well defined, identify stakeholders across the organization and engage them in discussion. Video can be a “lightning rod” that attracts attention across a company, and the best way to manage that is to have well-defined goals and informed stakeholders. At Invodo, we’ve created a proprietary framework to ensure that video strategy is successfully defined from the outset.



Content – As with any content marketing initiative, first consider the audience, message, and desired viewer response. That will help to create the roadmap for the type of content you need. In order to fulfill your vision, where will you acquire the video content? If you do it yourself, do you have the necessary skills, experience, and equipment to create content that consumers respond to? If you acquire it from third-party sources, how will you ensure a consistent site experience that drives sales? In either case, how much time are you prepared to devote to content management tasks such as file uploads, transcoding, and reviewing to ensure that the video content meets brand standards? Providing answers to these questions is at the core of our business, and we have the experience and expertise to deliver.



Platform – How will you host and stream video content across your site? Even if their customer experience and branding values are acceptable, do-it-yourself options like YouTube and Vimeo come with a hidden cost: traffic diverted away from the retail site that cannot be recovered. For that reason, most retailers prefer a professional video platform. Something to consider when selecting a video platform is that most are designed for media outlets rather than for retailers or major brands, so choose carefully. Site experience, implementation flexibility, and SEO should all be taken into consideration when choosing a platform, but perhaps the most important thing to evaluate is measurement capability. If driving increased sales is your primary goal, you’ll want a video platform capable of measuring sales and conversion impact as well as customer engagement. Unlike many video platforms, the Invodo platform is designed specifically to meet these needs.



Network – Now that you have your videos, how do you implement them in a way that strengthens your whole business? The more points of distribution, the greater the benefit. Videos don’t have to be limited to the website’s product page - they can be implemented into e-mail campaigns, on social media, and on mobile devices. These all add incremental video views, marketing reach, and sales impact. Video can also be used in-store on monitors and kiosks, as a consumer engagement piece with QR codes and near-field technologies, or even on a store associate’s handheld device. For retailers concerned with combating “showrooming,” this rich content provides one more opportunity to close the sale in-store, as opposed to on another retailer’s website. In short, video offers a powerful tool to reach consumers at every touchpoint – and at Invodo, we’re skilled in helping major retailers and brands do just that.

All four elements are needed for a successful eCommerce video program. Successful implementations, from the earliest stages of planning through continuous observation of each video’s success, can lead to higher video view rates and, therefore, increased conversions and sales.

Want More Research?

Visit <http://bit.ly/video-research> for the latest research from Invodo.



Talk to Us

We hope that you find this information useful, and we'd certainly enjoy your comments and feedback. Share your thoughts by e-mailing us at marketing@invodo.com, calling us at 1-800-280-4122, or commenting on the Invodo blog at www.invodo.com/blog.



About Invodo

Invodo offers the expertise and tools businesses need to develop and implement a scalable, high-impact video strategy. Invodo's closed-loop video platform is proven to enlighten customers and influence behavior, leading to higher sales conversion rates, reduced returns and increased site traffic. The Invodo platform improves production workflow, enhances SEO and collects integrated analytics to optimize ongoing video strategy. For more information, please visit www.invodo.com.

References & Acknowledgements

Our obsession with video statistics began with devotedly following a wide range of third-party sources. We're indebted to these and other publications for continuing to contribute to the industry's knowledge of video for business.

