

Q3 2015: PRODUCT VIDEO BENCHMARKS & HOLIDAY OUTLOOK





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SUMMARY & KEY FINDINGS

2015 IS *THE* YEAR OF VIDEO

So far, 2015 has been a monumental year for video and its relevance to e-commerce. For Q1-Q3, year-over-year video views in 2015 were 44% higher than last year, and the average number of videos per e-commerce site increased by a whopping 39%. As a result, brands and retailers are no longer asking *if* video drives e-commerce sales, but *how* they should utilize video to scale their programs and sell more online.

Q3 2015: Product Video Benchmarks Report and Holiday Outlook covers important insights on video performance, including stats on overall growth, view rate, video influence, engagement, ratings, and social sharing. This report is based on aggregate

data and information from a cohort of Invodo clients with complete, accurate and unbiased data consistent with our overall client base.

“Brands and retailers are no longer asking if video drives e-commerce sales, but how they can utilize video to scale their programs and sell more online.”

KEY FINDINGS

Video for e-commerce continues to expand rapidly. Year-over-year video views for our client cohort increased by 44% for Q1-Q3.

Viewers are more likely to purchase *and* spend more than non-viewers. In Q3, video viewers were 1.7x more likely to purchase than non-viewers. On average, viewers spent over 2.5x the amount of non-viewers.

Mobile growth is HUGE. So far, the ratio of mobile to overall video views is more than 2.3x higher than last year. Based on

past years, we expect mobile activity to peak during Q4.

Viewers like what they see. More than three quarters of viewers (77%) rated videos at least 4 out of 5 stars.

Facebook was the most popular platform for social sharing. Based on last year’s trends, we expect social sharing to peak in Q4.

2015 IS THE BIGGEST YEAR YET

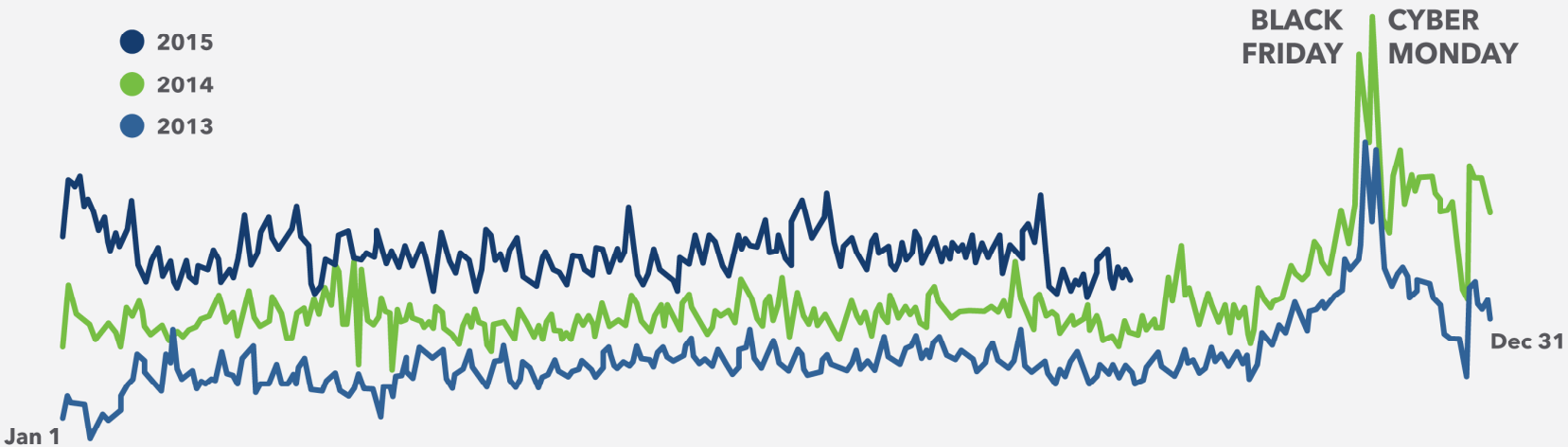


So far this year, **client video views are 44% higher than in 2014** – an increase driven largely by clients adding more video to their sites. On average, **active videos per site increased by 39% this year.**

HOLIDAY OUTLOOK: HIGH EXPECTATIONS FOR BLACK FRIDAY AND CYBER MONDAY

Almost every spike in Q1-Q3 this year is consistent with 2014, with holidays driving the biggest traffic – particularly New Years Day, Labor Day and Memorial Day. Historically,

Black Friday & Cyber Monday video views SURGE above the annual baseline, so our expectations for 2015 are at an all-time high. Online video is just as important for Black Friday as it is for Cyber Monday, so video views should be nearly equal on each day.



HOLIDAY 2014 RESULTS

Video views on Black Friday & Cyber Monday were **500% higher** than the Q3 baseline.²

Last year, **E-commerce sales** during Omnichannel Weekend (the 5-day period between Thanksgiving & Cyber Monday) totaled

**\$6.56
BILLION**

A **24% increase** from 2013.³

**OUR EXPECTATIONS FOR
2015 ARE EVEN HIGHER!**

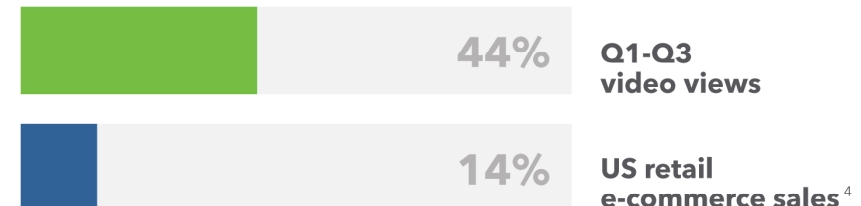
500%

VIDEO VIEWS ON E-COMMERCE SITES ARE GROWING FASTER THAN E-COMMERCE SALES

There is no doubt that e-commerce is growing quickly, but video for commerce is growing even *faster*. As a result, more and more customers expect video and other types of visual

content to define their online shopping experience. And for retailers, video is no longer a 'nice-to-have' but a *must-have* for e-commerce sites.

2014-2015 YEAR-OVER-YEAR GROWTH

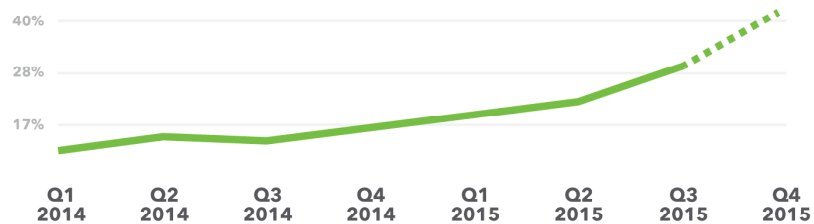


2015: THE MOBILE EXPLOSION 2

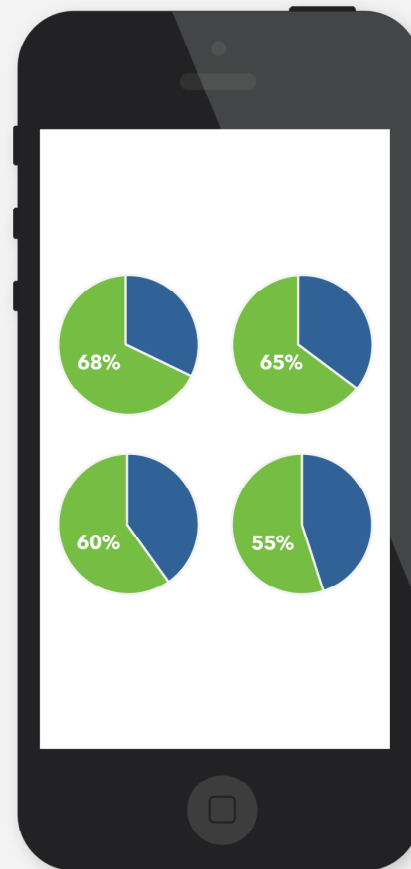
So far this year, **mobile accounts for 24% of total video views** (in comparison to desktop and tablet). Mobile increased considerably in Q3 this year, jumping from 22% in Q2 to 30% in Q3. In

general, this trend has increased steadily over the past few years, which offers a lot of untapped potential for Q4. The bar is set high!

MOBILE PERCENTAGE OF TOTAL VIEWS



WHY MOBILE IS MORE IMPORTANT THAN EVER



68%

of shoppers expect a consistent set of visual content from their desktop to mobile experience.⁵

65%

of shoppers say visual content makes their mobile shopping experience more efficient.⁵

60%

of shoppers expect an experience "uniquely rendered" for their mobile device.⁵

55%

of shoppers often research on mobile devices, so visual content helps inform their product selection.⁵

INCREASE YOUR VIEW RATE TO INCREASE SALES **3**

View rate is the percentage of page visitors who watch a video. In Q3, the **average view rate per Invodo client was 12.68%**.

To increase your view rate, make sure customers can easily find your videos. Your view rate is doomed if customers don't know your video exists!

TIPS FOR REACHING VIEWERS:

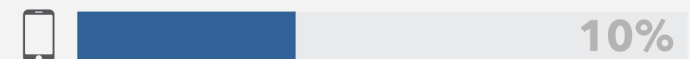
- Place video calls-to-action (CTAs) in highly visible page locations.
- Use bright colors, large buttons, and actionable text (i.e. "watch video") to capture visitors' attention.
- Make sure your videos and CTAs are compatible with mobile and other devices. Responsive design is key!

VIEW RATE TRENDS

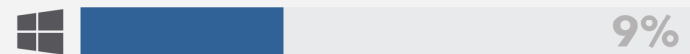
Weekends have the highest view rates. View rates are **14% higher on weekends** than on weekdays, so make sure new video is in place by the end of the week!



Tablet and mobile users are **20%** and **10%** more likely to view than computer users, respectively.



View rates are higher for Mac users.



Video viewers are 1.7x more likely to buy than non-viewers



The Average Order Value (AOV) for viewers was \$382 vs. \$141 for that of non-viewers



VIDEO VIEWERS ARE MORE LIKELY TO PURCHASE

Video influence measures the impact a video has on a shopper's decision to purchase. In Q3, **video viewers were 1.7x more likely to buy than non-viewers** – so if you can convince a shopper to watch your video, he or she is 70% more likely to buy.

Video viewers are also more valuable customers. **The Average Order Value (AOV) for viewers was \$382**, in comparison to \$141 for non-viewers. **That's over 2.5x more!**

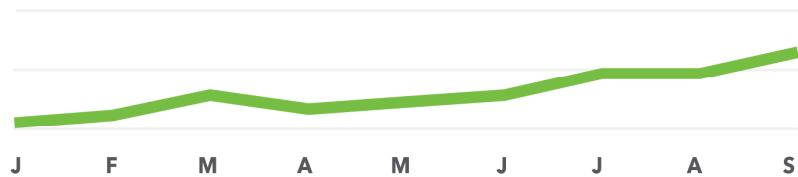
VIDEO VIEWERS LIKE WHAT THEY SEE **4**

More than three quarters (77%) of viewers rated videos at least 4 out of 5 stars, which means that most videos helped answer shoppers' questions.

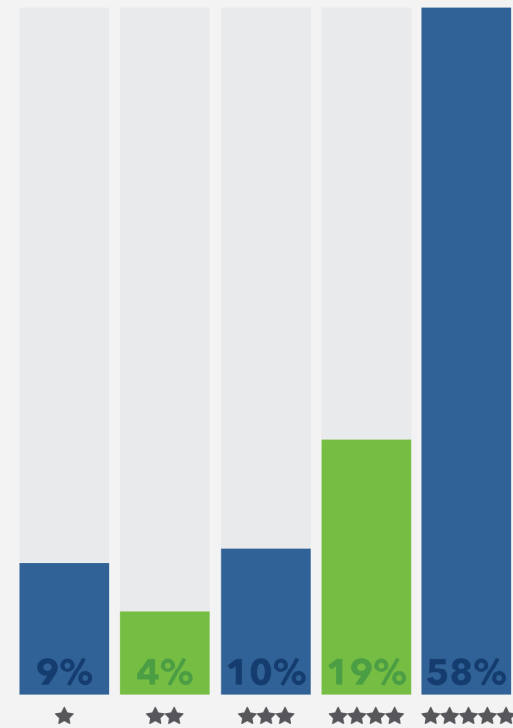
On average, video ratings increased on a month-to-month

basis – peaking at 4.2 stars in September. This trend suggests that retailers and brands are becoming more responsive to their customers, and are continually improving the quality of their videos.

AVERAGE VIDEO RATING BY MONTH (2015)

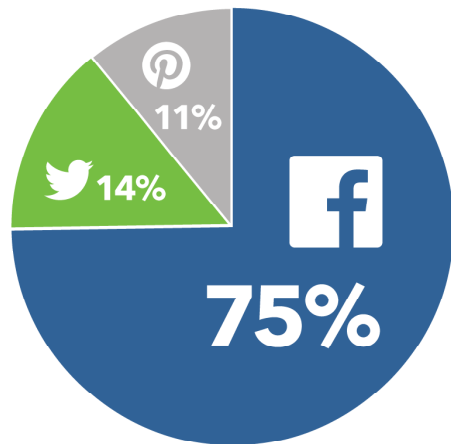


Ratings Breakdown (2015)



VIDEO VIEWERS ARE SHARING WITH OTHERS

5



Facebook was the most popular social outlet with **75% of total shares**, followed by Twitter (14%) and Pinterest (11%).

SOCIAL SHARING BY QUARTER 2014 TO 2015



Based on 2014 trends, we expect the most social sharing to occur in Q4 this year. The first three quarters for 2015 are very similar 2014 – and **social sharing in Q4 was over 1.5x greater than Q3 last year.**

Facebook is the most popular (and influential) social media outlet.

Posts with video are shared over **4x** more often than posts with links, and almost **2x** more often than posts with photos.¹⁰



SOCIAL STATS

FACEBOOK

323 days of video are viewed every minute on Facebook alone.⁶

PINTEREST

25% of users reported buying a product or service after discovering it on Pinterest.⁷

TWITTER

Posts with video are shared over **4x** as often as posts with links.⁸

INSTAGRAM

Ad recall for sponsored posts on Instagram is **2.8x higher** than normal online ads.⁹

CONCLUSION

So far, 2015 is the best year for video – and Q4 looks especially promising. We’re expecting video views to reach an all-time high on Black Friday and Cyber Monday, and other broken

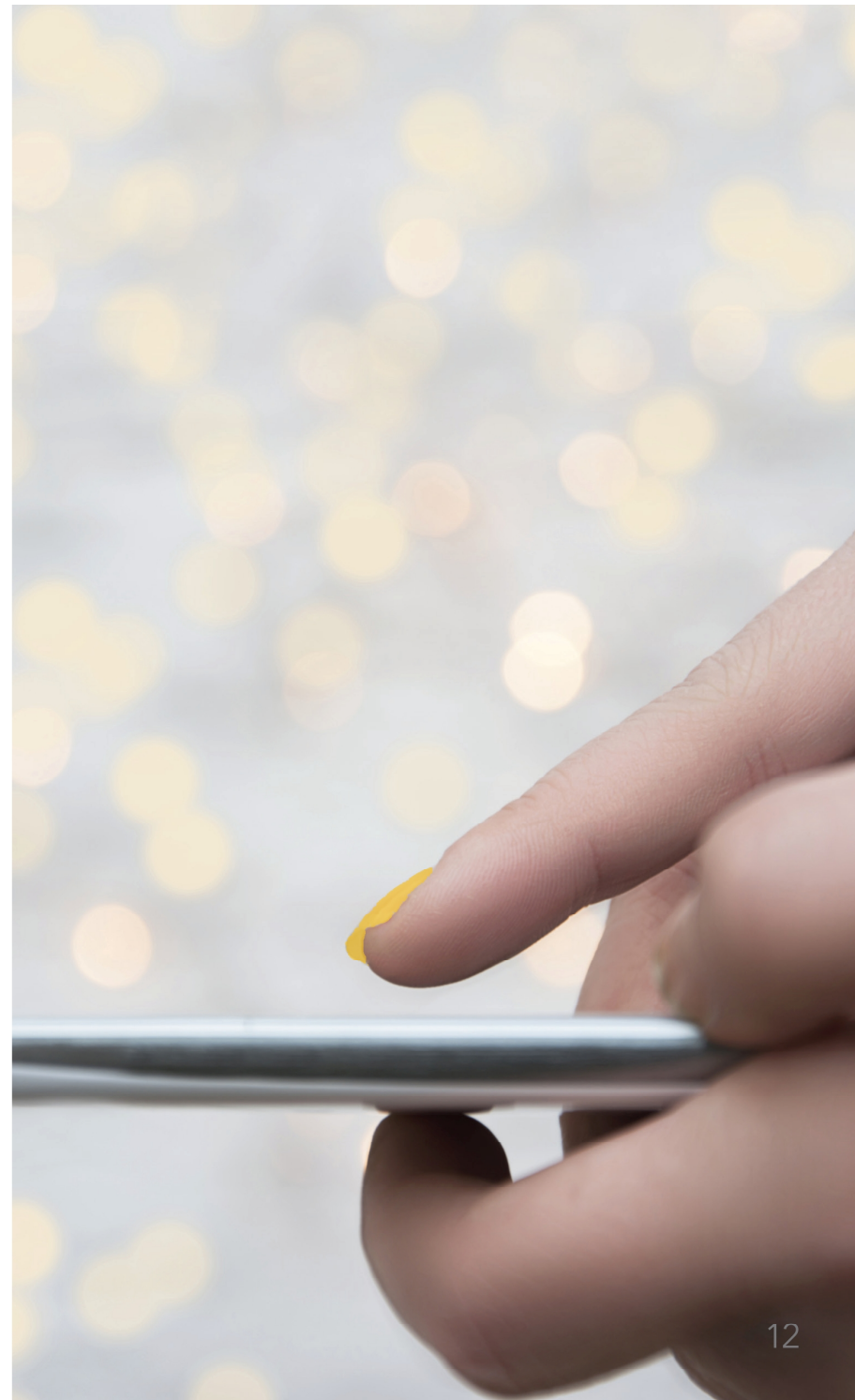
records related to mobile video views, social sharing, video influence and view rate.

DON'T MISS OUT! HERE'S WHAT YOU CAN DO:

Mobile matters: 2015 shows the most mobile activity to date, so make sure videos load quickly and function seamlessly across each device.

Viewers buy more, so make sure shoppers can find each video and CTA.

Get social! Encourage shoppers to share your videos, which should be compatible with Facebook, Twitter, and other social outlets. Tailor SEO keywords for each outlet to ensure even higher visibility.



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- 1. Invodo Analytics:** www.invodo.com.
 - All statistics listed under “Key Findings.”
 - **Graph:** Year-over-year growth: Q1-Q3 video views
 - So far this year, mobile accounts for 24% of total video views (in comparison to desktop and tablet). Mobile increased considerably in Q3 this year, jumping from 22% in Q2 to 30% in Q3.
 - View rate is the percentage of page visitors who watch a video. In Q3, the average view rate for our clients was 12.68%.
 - In Q3, video viewers were 1.7x more likely to buy than non-viewers.
 - Over half (58%) of the video ratings were 5-stars.
 - On average, video ratings increased month to month, peaking at 4.2 stars in September.
 - Facebook was the most popular social outlet with 75% of total shares, followed by Twitter (14%) and Pinterest (11%).
 - Q1-Q3 for this year are very similar to last – and social sharing in Q4 was over 1.5x greater than in Q3 last year.
- 2. Invodo:** “4 Ecommerce Video Data Lessons for the Holiday Season,” www.invodo.com.
 - Video views on Black Friday & Cyber Monday were 500% higher than the Q3 baseline.
 - Video views were 55% higher for Black Friday & 45% higher for Cyber Monday than in 2013.
- 3. eMarketer:** “Holiday Ecommerce Sales Topped \$100 Billion,” <http://www.emarketer.com/Article/Holiday-Ecommerce-Sales-Topped-100-Billion/1011872>.
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 - 60% of shoppers expect an experience “uniquely rendered” for their mobile device.
 - 55% of shoppers often research on mobile devices, so visual content helps inform their product selection.
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 - 323 days of video are viewed every minute on Facebook alone.
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 - 25% of users reported buying a product or service after discovering it on Pinterest.
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 - On average, videos get a 28% boost in retweets.
- 9. Instagram:** “The Next Steps for Ads on Instagram: New Formats, Increased Relevance, Broader Availability,” <http://blog.business.instagram.com/post/120537653811/the-next-steps-for-ads-on-instagram-new-formats>.
 - Ad recall for sponsored posts on Instagram is 2.8x higher than normal online ads.
- 10. The Whip:** “Three Things to Know About Engagement on Native Facebook Video,” <http://blog.newswhip.com/index.php/2015/05/three-things-to-know-about-engagement-on-native-facebook-video#J8V4t-P58LfeUmHB5.97>.
 - **Graph:** Posts with video are shared over 4x more often than posts links, and almost 2x more often than posts with photos.

