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3 TACTICS TO OPTIMIZE THE BENEFITS OF VISUAL COMMERCE

"Vision trumps all other senses," said Dr. John Medina in Rule No. 10 of Brain Rules. If a person hears a piece of information, three days later he will remember 10% of it. Add a picture and the figure leaps up to 65%, in part because the brain sees words as lots of little pictures.

Retailers have known about the value of visual data since the day a department store unveiled the first store window display. Today, photos, videos and other visual assets have become deeply integrated into all aspects of commerce — particularly online and mobile:

87% of brands deploy video on at least one web site page¹;

Before purchasing, **24%** of smartphone users looked at images or photos digitally²; and

By 2020, **55%** of U.S. adult Internet users will want to virtually view how furnishings and décor fit in a home prior to purchase³.

"By 2020, 55% of U.S. Internet users will want to virtually view how furnishings fit in a home prior to purchase."

-INTERNATIONAL COUNCIL OF SHOPPING CENTERS



¹ Video: On-Site Video Deployment, L2, July 2017

² <u>Google/Purchased Digital Diary</u>, Sept. 2016

³ <u>International Council of Shopping Centers</u>, Feb. 2017



Yet visual content and commerce adoption has a long way to go before it reaches saturation in the retail industry. Clearly, retailers recognize the value of rich visual content: **79%** of online merchants consider content production a top or high priority, according to a June 2017 survey of retailers conducted by Creator™ and NAPCO Research. But **70%** of surveyed retailers produce only **one to two pieces** of rich content (such as lookbooks, buying guides, carousels, user-generated content and videos) **per month.**

Visual commerce — the connection of visual assets with browsing and purchase processes — is even less well developed. For example, only **8%** of brands in the L2 Digital IQ Index: Specialty Retail US have integrated a photo search tool into their apps, even though Google Images, **Amazon** and Pinterest have used such visual search tools within their search bars for years.

In part because visuals have become so ubiquitous, however, it's harder than ever for retailers to stand out from the crowd. But a number of innovative retailers are maximizing the value of their visual investments:

VIDEO CONTENT INFLUENCES INFLUENCERS:

Mattress retailer **Purple** uses video for its entertainment and storytelling capabilities, to explain in humorous ways the technical benefits of its products. The retailer also targets influencers who are likely to share the videos, even if they are not within Purple's target demographic or have shown intent to buy a mattress;

USER-GENERATED CONTENT CONNECTS WITH CUSTOMERS:

By streamlining the ability to accept video reviews from its customers, bicycle retailer **Jenson USA** is leveraging the user-generated content to increase coverage of its varied product catalog; connect directly with its customers; and even pinpoint potential problem areas with its products; and

LIVE VIDEO EVENTS CREATE SHOPPABLE OPPORTUNITIES:

Zulily is using Facebook Live to create a shoppable video event that showcases its commitment to affordable plus-size apparel while increasing real-time interactions with its customers.

"Only 8% of brands have integrated a photo search tool into their apps."

-L2





MATTRESS RETAILER TARGETS INFLUENCERS WITH VIDEO

Online mattress retailer Purple has considered itself a "video-first marketing company" since its launch in January 2016: "Each of our major products has been launched with a unique character or story," said Alex McArthur, CMO of Purple in an interview with *Retail TouchPoints*. "We value video for combining that level of entertainment with explaining and educating people about our products."

Some of Purple's most popular videos feature fabled mattress tester Goldilocks to demonstrate the proprietary features of its technology. Goldilocks conducts a raw egg test — four eggs attached to a 300-pound sheet of glass that is dropped onto a Purple mattress — with no damage to the eggs.

The videos show a simple concept but they involve a lot of complicated thought, according to McArthur. The retailer tests numerous intros and outros in an attempt to match video content with audience demographics. "We film a lot of different beginnings and ends, and we even try to think of the middle [of the videos] in a modular way," he noted. "We could make dozens of different versions to target different demographics.

"We'll test conversions, shares and engagement, and if we see a good

indicator that a certain version has good metrics, we'll ramp that version up," McArthur added.

Purple's liberal use of video gives it tools to reach influencers. The retailer targets Facebook users who are likely to share videos, even if they don't fit Purple's customer demographic or show buying intent for mattresses. "The data we get from Facebook shows us generating more revenue from audiences that aren't in our specific demographic if we target them with advertising," said McArthur. "If these people can get someone to watch the video, they remember our brand, our personality and our products."

The retailer, which makes its own videos in-house rather than using an agency, has not put all its eggs in one basket. "The Goldilocks videos resonated with some demographics better than others, so we didn't want to build our brand just with this," said McArthur. "Pretty soon we had developed content around Bigfoot to promote our mattress protector product." The video features a Bigfoot family, with the mother Bigfoot as a sweet-voiced traditional housewife extolling the virtues of Purple products to protect mattresses from the mischief and night terrors of Bigfoot Junior.

"Traditional brand experts would say this is a disaster, but we feel people are more impatient than ever," said McArthur. "If you put the same ad out all the time, click-through rates and attention will drop." "Purple tests different intros and outros for its videos to match content with audience demographics."





MODERN MARKETING REQUIRES A HOLISTIC VISUAL CONTENT APPROACH



Bill Connolly Director of Content Olapic

While technology has disrupted our day-to-day lives in an immeasurable capacity, perhaps no activity has been more greatly upended than the way we shop. Specifically, as mobile devices have become ubiquitous, consumers are using them to engage with brands to research new products at all phases of the buying cycle.

At the same time, social channels such as Instagram, Facebook and Snapchat have allowed consumers to create and share high-quality visual content on their own, and to discover products within the content being shared by their peers.

Brands can no longer rely on a linear customer journey, and instead must address their audiences at all times, and across a growing set of potential visual touch points.

For marketers, in particular, success in this ecosystem requires a modern approach. To stand out from increasing competition, and the looming threat of Amazon, marketers need to adopt a more holistic visual content strategy. Today, the relationship between brands and their consumers is being redefined,

and smart marketers are changing their content mix accordingly.

Since our inception, Olapic has focused on helping brands deliver authenticity and content personalization at scale. Through working with hundreds of the world's leading brands we have identified three pillars of a holistic visual content strategy brands will need to execute in order to succeed in today's marketplace:

Earned Content: User-generated, or "earned," content, once a "niceto-have" consideration for brands, is now table stakes for modern brands hoping to co-create experiences and build trust with their audiences. Today, consumers are turning to each other for product inspiration at all moments throughout the buying journey, and by curating and activating earned content, brands have an opportunity to scale content creation and personalization.

According to Olapic's Consumer Trust Survey, respondents trust images of other consumers on social media 7x more than traditional advertising.¹

Paid Content: In recent years, social influencers have become an important component to brands' visual content strategy, as consumers seek inspiration and product validation from likeminded tastemakers on social networks. Influencers give brands an opportunity not just to scale content

creation, but to take advantage of a highly-cultivated audience that is well-aligned with the brand's ethos.

According to research conducted by eMarketer, 48% of polled marketers planned on increasing budget allocations to influencer marketing this year.²

Owned Content: Brands have utilized creative agencies and inhouse teams to produce owned content since the inception of marketing. While long-form, brand-owned assets are still valid for use in advertising at the top of the funnel, marketers must address new content formats to reach younger audiences, including short-form, mobile-first video.

According to Cisco's VNI Forecast, video consumption will exceed 80% of total internet traffic by 2019.³

With fears over ad-blocking technology, Amazon and the erosion of brand affinity, it's clear that as marketers, we have reached a critical inflection point. Brands that will succeed now and into the future will be the ones that scale their visual content creation, personalize messaging across the entire customer journey, and build stronger, more compelling experiences for their audiences.

^{1 &}quot;Consumer Trust: Usage & Attitudes Towards User-Generated Visual Content." Olapic. 2016. This research was commissioned across 6 markets in the U.S. and Europe and was carried out by market research specialist Censuswide.

^{2 &}quot;Marketers to Boost Influencer Budgets in 2017." eMarketer. 12/13/16.

^{3 &}quot;Cisco Visual Networking Index: Forecast and Methodology, 2016–2021." Cisco. June 7, 2017.



EASY-ACCESS UGC STRENGTHENS BRANDS' VIDEO STRATEGIES

Many types of retailers are taking advantage of user-generated content (UGC), both to supplement their own video production and reinforce the authenticity that today's consumers crave from brands.

"By mining UGC, brands can circumvent the challenge of producing an enormous volume of high-quality content," said Bill Connolly, Director of Content Marketing for Olapic. "At the same time, they can become better equipped to personalize that content. For example, a beauty brand needs imagery with every combination of body type, skin color, eye color and hair color that someone buying a lipstick would want to see. UGC allows such brands to scale that up."

Scaling up is a challenge, particularly given the multiplication of screen sizes and content formats. "Brands never thought they would need to create ephemeral content for Instagram Stories or Snapchat, or other types of short-form video or vertical videos for mobile devices," said Connolly, adding that for these visual assets to be effective, "they all need to connect with one another."

Lowe's recently launched an Instagram Stories campaign that took advantage of the vertical shape of the mobile screen. Aimed at Do-It-Yourselfers, the first "story," unveiled on September 7, showed how to redecorate small, vertical spaces using 64 microvideos that total a combined 35 seconds. The short videos consist of multiple still frames that create a flip book effect of the room being transformed, because many Instagram users are prone to skip through stories.

UGC can even be extended into the physical store. At the NYX Cosmetics flagship store in Manhattan, video screens allow customers to "pull up content that matches their look," said Connolly. "Customers can look, see and feel the products, test them out and try them on. It's merging what makes both the online and in-store experiences great."

Brands can mine
UGC to meet
the challenge
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USER-GENERATED VISUALS REINFORCE BIKE RETAILER'S BRAND MESSAGE

Jenson USA, a bike retailer that operates primarily online, wanted to make it easier for its customers to include photos and videos in their product reviews. The brand got that result — and a lot of other benefits that it wasn't quite expecting. Now Jenson is actively seeking out visual content from consumers as a way to get greater coverage of its varied product catalog; increase its stock of "installation" videos; and perhaps most importantly, create more meaningful connections with its customers.

Jenson had used an e-Commerce platform that could handle textbased reviews, but early in 2017 the retailer began using a solution from TurnTo that made it simpler for customers to submit photo and video reviews. While Jenson is still collecting only a relatively small number of visual reviews, "one quarter of our customers are interacting specifically with the reviews," said Seth Kendall, Customer Content Manager, Jenson USA in an interview with Retail TouchPoints. "That speaks to what customers want, that they are looking for more, such as angles we may not shoot the products at, close-ups of the intricacies of our gear, and the products being used in real life."

The visual nature of the reviews has opened up new opportunities for one-to-one communication.

The TurnTo solution offers a backend approval process for visual assets that helps Kendall identify questionable elements before the images get posted. One frequent issue is customers showing their bikes on their car's bike rack, with the vehicle's license plate in the frame.

"We will reach out to these customers and let them know that it's not good privacy policy for us to publish their license plate number," said Kendall. "This not only keeps their privacy safe, it also engages us with the customer. We can converse back and forth with them within the TurnTo solution without having to go to email."

CUSTOMERS CREATE THE MOST INSPIRATIONAL BRAND COMMUNICATIONS

Tapping its customers' desire to share images and videos has helped Jenson expand coverage of its product catalog. "One of the things that's really challenging in the bike space is the breadth of products we sell — everything from a \$2 cap to a \$10,000 mountain bike," said Kendall. "To try to shoot inspiring images of all those things is a massive undertaking. By giving customers the ability to share, they're doing some of the work of

inspiring for us. We have customer galleries on our product pages; we might have our stock video shots but then the customer will have this image of taking their cool new mountain bike out into the wild."

The images also are helping Jenson pinpoint potential issues with its products. "When products don't work as advertised and we get a video about it, that helps us address not only the problem with that customer — it also helps our buying team to look at those things," reported Kendall. "We tag those reviews for a purchasing review: Do we need to make an adjustment? Change the description of it? All of this helps us sell things to our customer with confidence, and make sure we're being accurate, honest and open."



WHICH VISUAL COMMERCE FORMAT IS RIGHT FOR YOU?



Lindsay Moore VP Strategy Creator by Zmags

Shoppers expect their buying experience to be interactive, fun and effortless. With the right resources and tools, retail marketers have more options and flexibility than ever to produce visual commerce content. But when the sky's the limit, how do you determine the *right* visual content for your next marketing campaign? Start by evaluating your campaign goals.

FOUR APPROACHES TO VISUAL COMMERCE CAMPAIGNS

- 1. Storytelling. If your primary campaign goal is to engage your audience, storytelling through branded content will establish and strengthen your customer relationship. From blog posts to video, storytelling content engages shoppers as they learn about what makes your brand unique. Include interactive media elements like gifs and animations to make your storytelling content memorable.
- **2. Tutorial Content.** Try tutorial or educational "how to" content when you're targeting new customers, especially if you'll be promoting the

campaign through social media or advertising channels. Tutorial content can come in many forms, such as quizzes, videos, user generated content or step-by-step guides. A tutorial experience provides real value to customers. The primary purpose should always be education, not the "sell" — but if the consumer is compelled to buy, make sure that you've considered that pathto-purchase and made it as easy as possible to do so. Memorable educational experiences make your brand a trusted source of information for consumers.

- **3. Lookbooks.** If you're presenting a general set of products your latest collection, for example consider a shoppable lookbook. While slightly more traditional, lookbooks provide a visually appealing alternative to the standard product grid and encourage engagement with minimal distractions. With clear calls-to-action, lookbooks are a tried-and-true way to convert shoppers.
- 4. Buying Guides. Looking to upsell or curate products around a theme? Try a buying guide. Whether it's a holiday, a new trend or a pop culture moment, a buying guide provides context for your shoppers while bringing products to life. Most importantly, a well-designed buying guide makes shoppers' lives easier—and that's the first step to cultivating long-term brand loyalty.

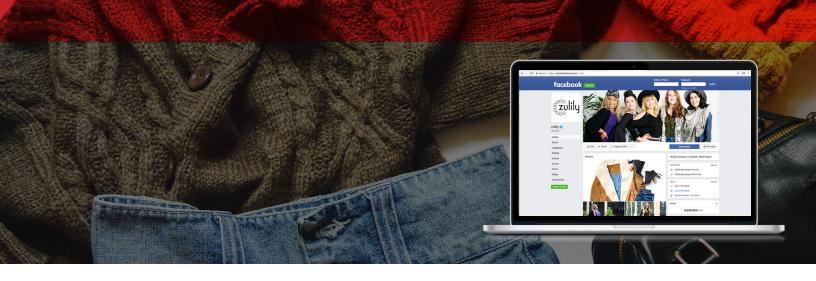
THE KEY: MAKE IT EASY TO BUY

All of these approaches to visual commerce deliver rich, engaging brand experiences that keep customers coming back. Each is most effective when it's easily shoppable: the minute the casual browser decides they want to buy, it has to be easy to do so. It doesn't matter how beautiful and inspirational your content is if it's a commerce "dead end."

The solution lies in quickviews; the ability to add-to-cart directly from a piece of content. If you send that customer to a product detail page, or worse, a category page, you risk frustration and ultimately abandonment. With quickviews, customers spend less time navigating your site and more time shopping.

Rich visual commerce content in any format will delight, engage and ultimately convert customers. Because in today's crowded market, online shoppers expect the latest and greatest digital brand experience. It is up to retailers to deliver on that expectation.





SHOPPABLE IMAGES, LIVE EVENTS CREATE BRAND EXCITEMENT

Looking for a tangible ROI from visual commerce, retailers and solution providers are experimenting with different ways to make images "shoppable." Consumers can click on the handbag or shoes they see in an image or video and be linked to a site that allows them to discover more about the product and complete the purchase. Tools such as **Pinterest Shop the Look, Amazon Spark** and the **Facebook Shoppable Feed** are providing avenues for retailers to remove friction between viewing images and making purchases.

Amazon recently announced that it was hiring employees for Amazon Live, an internal start-up that "leverages interactive streaming video to create new shopping experiences for customers," according to CNBC. A handful of products, primarily in the beauty category, are currently listed as Amazon Live products and are accompanied by videos, similar to product demonstrations that commonly appear on Facebook, YouTube and Instagram.

The online retailer **zulily**, already known for its commitment to strong, well-curated **still images**, recently used Facebook Live to create shoppable styling sessions as part of its "Fall for You" series, held September 18-22. The series showcased fall trends with apparel that is "inclusive of all body types and budgets," including plus sizes, according to a press release. Shoppers got styling commentary from experts, including zulily buyers and stylists and Seattle-based fashion bloggers, and were encouraged to participate in an interactive Q&A via a virtual roundtable.

Visual commerce remains a challenge for retailers. The sheer volume of images and videos required for the expanding array of touch points, screen sizes and formats is an enormous issue even for the best-equipped brands. Making these visuals relevant to the brand's message, and even adding shoppable elements, are other hurdles. But despite these issues, retailers will undoubtedly continue to invest in rich visual assets going forward. The eyes have it.

Tools from
Pinterest, Amazon
and Facebook
provide ways
for retailers to
remove the friction
between viewing
images and
making purchases.



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1.888.603.3626 info@retailtouchpoints.com



ADAM BLAIR

Executive Editor

Avid cinephile, intrepid journalist, and grammar nag. There's always something new to learn about retail technology.

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