



# STATE OF VIDEO IN E-COMMERCE



Quarterly Research Report – Q4 2010



Video Made Simple.

## GOALS AND METHODOLOGY

- ▶ The goals of the research are to show:
  - The number of videos on each website
  - Which types of video content are being used by online retailers
  - How videos are integrated into retailers' websites
  - How search engines index those videos
  - What strategies e-retailers employ regarding YouTube syndication
  - How effective those strategies are in terms of user traction
- ▶ Focus:
  - Top 50 online retailers as published by [Internet Retailer's 2010 guide](#)
  - Syndication: we've focused on YouTube, the largest video network
- ▶ Methodology:
  - A mix of manual and automatic methods to formulate the underlying data

## KEY FINDINGS

- ▶ 40% of the top retailer sites still have no significant video presence [[slide 5](#)].
- ▶ Retailers not reaping video SEO potential:
  - Most retailers have no or few videos indexed [[slide 8](#)].
  - Majority of retailers embed videos in a way that is not SEO friendly [[slide 7](#)].
- ▶ Consumers embrace e-commerce videos: YouTube total views for top 50 retailers' channels doubled in the last six months [[slide 9](#)].
- ▶ Three quarters of online retailers invest in product-specific videos, demonstrating user demand for these kind of videos [[slide 6](#)].
- ▶ Video makes the long tail thicker, driving new traffic to a wide range of products [[slide 11](#)].

## BACKGROUND

- ▶ The importance of mass-enabling commerce websites with product videos:
  - Leverages the benefits of online video to a greater range of products
    - Increase conversion rates to product sale
    - Increase stickiness
    - Reduce return rates
  - The SEO advantage: The more indexed product videos on the website, the more targeted traffic to the site:
    - Video results rank higher.
    - Video results drive more traffic due to the attractiveness of the thumbnail in the video result.
- ▶ The benefits of video syndication:
  - YouTube has been the number two search engine since 2008 and is the fourth overall Web property.
  - Therefore, uploading videos to YouTube enables online retailers to promote their brand, as well as to increase traffic and sales.

# NUMBER OF VIDEOS ON E-COMMERCE SITES

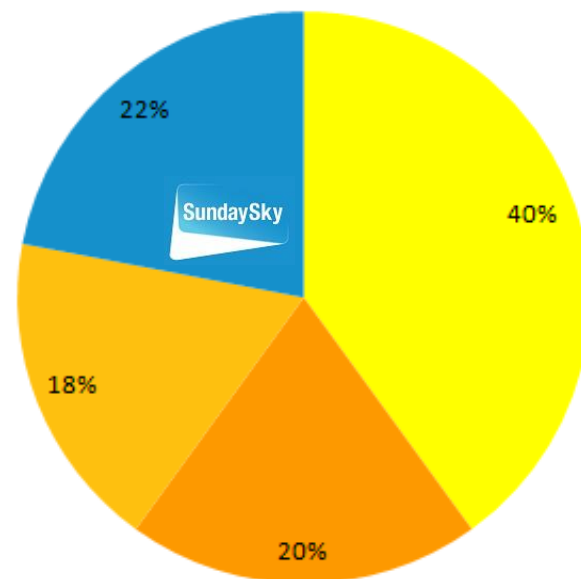
## TOP 10 ONLINE RETAILERS

By number of videos (Comparing to last quarter)

Video Rank	Retailer	Est. # of Videos	IR 2010 Rank
1	— Amazon	185,339	1
2	— Overstock	46,198	28
3	— HSN	29,620	25
4	— QVC	17,822	11
5	↑ Buy.com	9,304	32
6	↓ Target	8,657	21
7	↑ Walmart	4,178	6
8	<b>NEW</b> Nike	3,700	48
9	↑ Systemax	3,397	22
10	<b>NEW</b> Cabela's	2,529	35

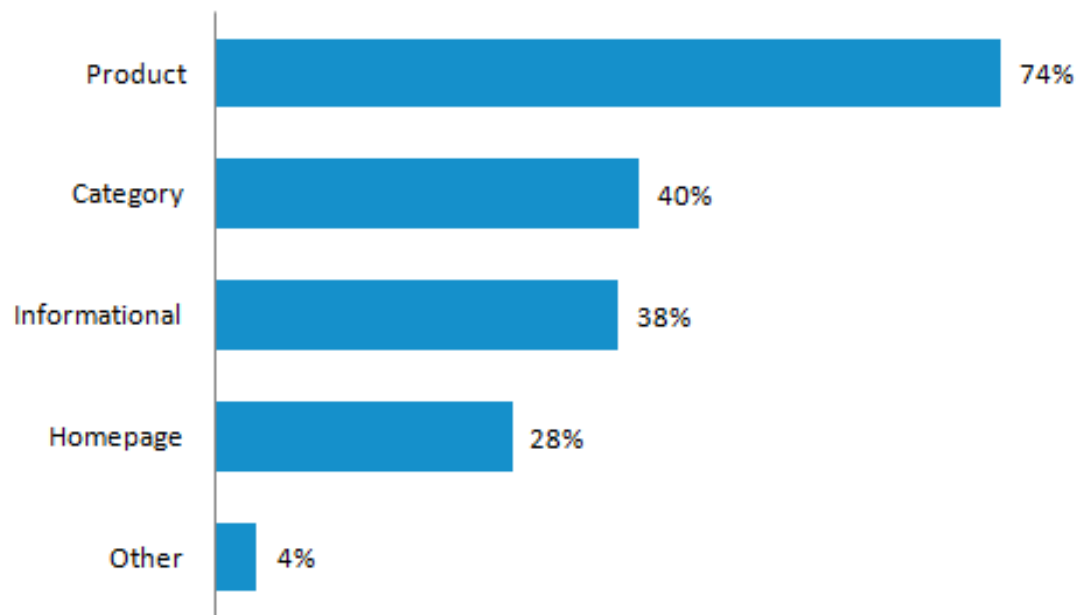
## NUMBER OF VIDEOS PER SITE

■ Fewer than 10      ■ Between 11 and 100  
■ Between 101 and 1000      ■ More than 1000



- ▶ Amazon and Overstock continue to stay ahead of the pack, with QVC and HSN leveraging their TV production to enhance their online presence.
- ▶ Nike is the winner this quarter, managing to get into the top 10 list, while HP falls out of the list.

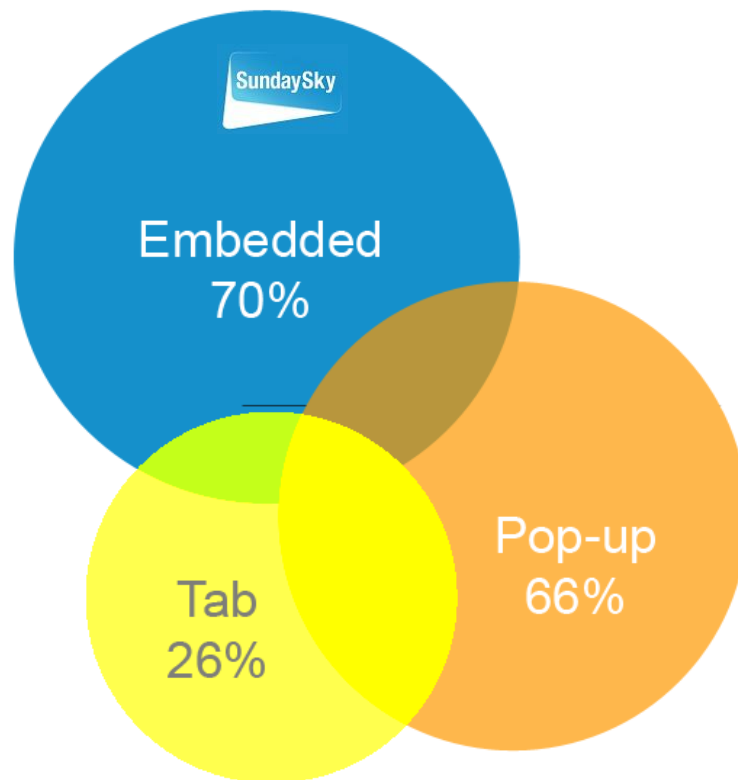
## TYPES OF VIDEOS IN USE



- ▶ We found product-specific videos in 74% of retailers' websites.
- ▶ 28% have videos on their homepage (or other single centric page on the site).
- ▶ 40% have videos for one or more product categories.
- ▶ 38% use informational videos: tutorials, videos educating about a feature or technology etc.

## HOW RETAILERS EMBED VIDEOS

- ▶ The more common embedding method for video (70% of retailers) is simply embedded as an object in the Web page.
- ▶ A close runner-up (66% of retailers) is embedding as a popup window – which is generally bad SEO practice (not surprising, though as video indexing statistics for e-commerce websites are often very low).
- ▶ 26% chose to implement videos in a separate tab.



# SEO EFFECT

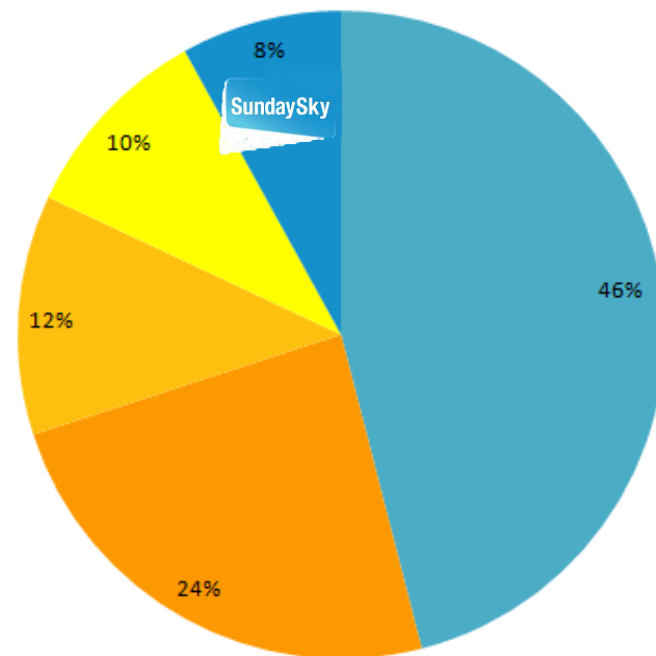
## TOP 10 ONLINE RETAILERS

by number of indexed videos (comparing to last quarter)

Video SEO Rank	Retailer	Indexed Videos	IR 2010 Rank
1	Amazon	185,339	1
2	↑ HSN	29,620	25
3	↓ Overstock	6,310	28
4	Nike	3,700	48
5	↑ Systemax	678	22
6	↑ Symantec	562	33
7	↓ Apple	558	4
8	<b>NEW</b> Redcats USA	516	31
9	HP	109	17
10	<b>NEW</b> Victoria's Secret	51	18

## VIDEOS INDEXED BY GOOGLE

- None
- Between 1 and 10
- Between 11 and 100
- More than 1000



- ▶ Almost half of the top Internet retailers are still indexing zero videos on Google. Only 30% have more than 10 videos indexed.
- ▶ Biggest loser is QVC with only five videos indexed by Google. Buy.com is still struggling as well, with only 28 videos indexed out of their estimated 9,000 videos on site.

# YOUTUBE PRESENCE LEADERBOARD

TOP 10 ONLINE RETAILERS BY NUMBER OF VIDEOS UPLOADED TO THEIR YOUTUBE CHANNELS

Video Rank	Retailer	Number of Videos	IR 2010 Rank
1	— HSN	72,556	25
2	— Systemax	3,537	22
3	— Buy.com	2,731	32
4	— QVC	1,038	11
5	↑ Dell	977	3
6	↑ ToysRUS	968	37
7	↓ Nike	940	48
8	— Redcats USA	662	31
9	— BestBuy	592	10
10	— Musician's Friend	430	38

TOP 10 ONLINE RETAILERS BY NUMBER OF VIEWS ON THEIR YOUTUBE CHANNEL

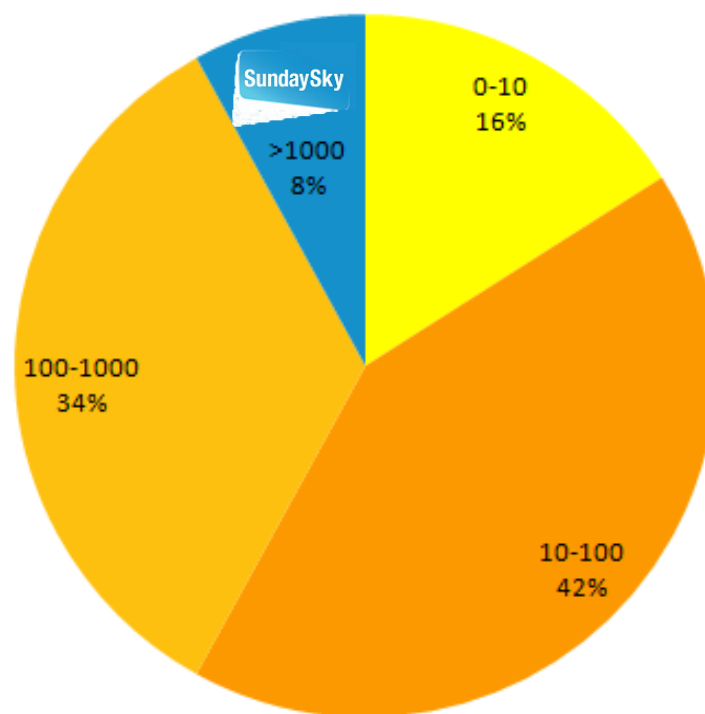
Video Rank	Retailer	Number of Views	IR 2010 Rank
1	— Nike	More than 130M	48
2	— Systemax	76,906,543	22
3	— HSN	37,965,257	25
4	— Victoria's Secret	20,068,372	18
5	— Apple	18,174,879	4
6	— Musician's Friend	12,480,996	38
7	— ToysRUS	12,217,259	37
8	— Redcats USA	7,743,804	31
9	— Dell	7,233,046	3
10	— HomeDepot	5,980,885	39

- ▶ Total number of views up 20% during Q4.
- ▶ Significant boost for Target (+409% in Q4), Newegg (+133%)
- ▶ HSN maintains huge lead position in number of videos, each with a link back to the corresponding product page
- ▶ No change on the leaderboard since previous quarter

## YOUTUBE PRESENCE

- ▶ In the second half of 2010, the total number of views for the top 50 online retailers more than doubled, from 168M to 369M total views.
- ▶ Forty-five out of the 50 top brands have their own YouTube channels.
- ▶ Nevertheless, the majority of the brands have a relatively small number of videos deployed on these channels:
  - Only 8% have more than 1,000 videos.
  - More than half have no significant YouTube presence, with fewer than 100 videos.

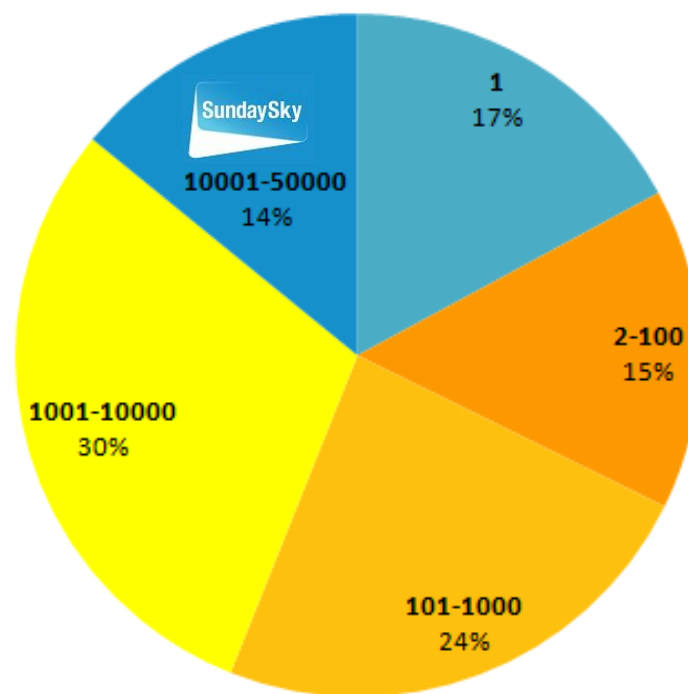
## NUMBER OF VIDEOS ON YOUTUBE



# HSN CASE STUDY: THE NEED TO SCALE

- ▶ We looked at HSN (#25 in IR500)
- ▶ HSN chose YouTube syndication as a primary strategy with more than 70,000 videos on the YouTube HSN Channel.
- ▶ We took a closer look at the latest 50,000 videos uploaded by HSN to YouTube.
- ▶ While their most viewed video drove 17% of their views, the next 1,000 videos drove 39% of the traffic and the rest account for 44% of the views.
- ▶ This reiterates the need to cover the entire catalog to cater to audience demand.

HSN VIDEO VIEWS ON YOUTUBE



## CONCLUSIONS AND 2011 FORECASTS

- ▶ If 2010 was about video experimentation, consumer embracing of e-commerce videos makes us believe that in 2011, retailers will start scaling their video programs and leverage their potential. We've seen a tremendous increase in product videos already, with several pioneers launching video portals side by side with their main websites ([Buy.com](#), [Newegg](#), [Overstock](#)).
- ▶ The HSN case study demonstrates the impact of scalable video. Video-enablement of all available products drives shoppers. Considering our findings that 58% of the brands have fewer than 100 videos on YouTube, it seems that most brands are not yet capitalizing on the benefits of video and leave a lot of money on the table.
- ▶ In order to maximize video potential on the Web, brands should:
  - Scale product video to their entire catalog
  - Apply (even simple) video SEO methodologies, like proper embedding, video sitemap
  - Syndicate videos to video channels like YouTube, Facebook fan pages, etc.

# ABOUT SUNDAYSKY

SundaySky delivers automated product video production at mass scale and studio quality to increase online sales and drive website traffic. Leading online retailers such as [Overstock.com](https://www.overstock.com), [Discovery Store](https://www.discovery.com) and [Adorama](https://www.adorama.com) use the SundaySky video solution to cover their entire catalogs with product videos, resulting in dramatically increased conversion rates, order size and search-engine ranking. Hundreds of thousands of videos are generated daily by SundaySky's SaaS-based Automated Video Platform. Videos are generated from existing website content, updated and personalized automatically, engaging millions of viewers and calling them to action.

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