



After e-commerce and m-commerce, here comes v-commerce

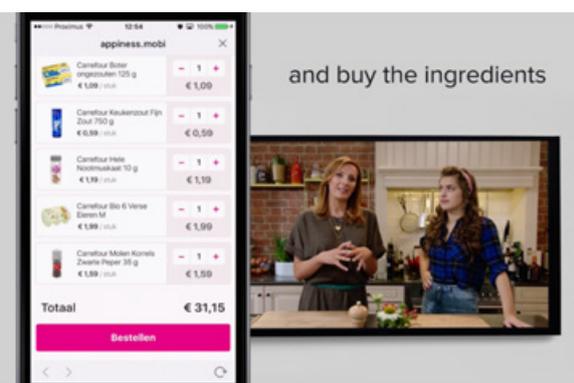
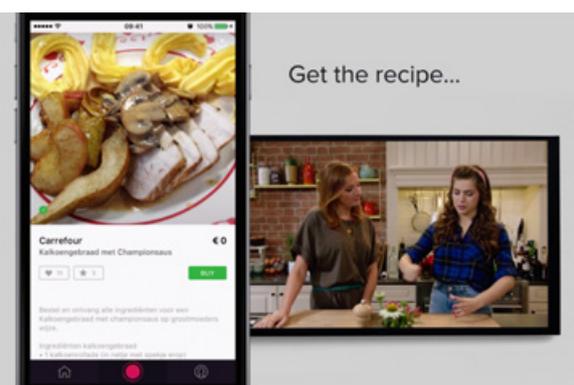
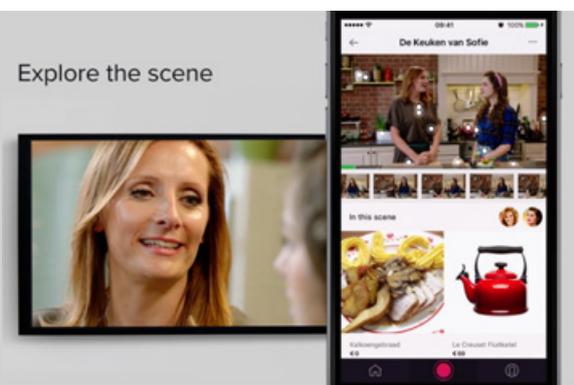
Background

Practically everyone in Flanders has a TV, and yet remarkably, despite the possibilities of digital TV, 60% still watch linear television. Television has in fact a penetration level of almost 94% in Belgium, (source: Digimeter 2015). What is not in doubt is that TV is an impactful medium, and one that can build brands and grow sales.

More than three out of four Flemish consumers have three or more screens in their home, and six out of ten have more than four (source: Digimeter 2015). Overall, 44% of Belgians have a smartphone and more than 30% have a tablet. These are clearly numbers that can't be ignored. So we can see that media use is split across various screens and different media. This leads us to our first conclusion: consumers are dividing their precious time between TV, tablets and smartphones.

How should advertisers deal with this evolution? What is the most efficient channel to choose, and how to deal with the dispersion of the consumer's attention? Where should brands focus on to maximize their ROMI (return on marketing investment)? This paper deals with the opportunities that this evolution might bring, by using metadata to enrich TV content.

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Consumers First

The more society is changing, the more consumers are looking for consistency and certainty. Content (TV and online) has a huge role to play in society, as content gives a platform to actors and actresses to become role models. Content also allows to build a common ground between the characters and the audience. Another way of saying the same is that consumers are identifying themselves with these actresses/actors, and turn them into role models. As they are role models, they have a role to inspire the audience. This brings us to the relevance of making the content interactive, and providing consumers with inspiration linked to their favorite content. A proofpoint are the numerous blogs where consumers can share what they have seen, and where these items can be bought. For that reasons, there is a confirmed interest (Living Labs Research, Dec 2015) for consumers to interact with their favourite content. Very much like a Pinterest, but then linked to their favourite content.

Adding the link to an e-commerce environment is relevant, as it takes away the search costs in case the consumer would want to buy what she/he sees on the screen. Living Labs Research (Dec 2015) has shown that 9 out of 10 would recommend the technology to their friends. This demonstrates that both the inspiration, as the ability to buy, are relevant for consumers.

What is v-commerce?

In a traditional sales cycle there are several steps between TV ads and a possible purchase. V-commerce, (v as in video) now eliminates this last obstacle by supplying metadata to the content and thus allowing the consumer to move straight to purchase.

By enriching content with metadata, Appiness via AppTVate combines the reach of TV with the 'targeting power' of digital media and the 'revenue-generating power' of e-commerce.

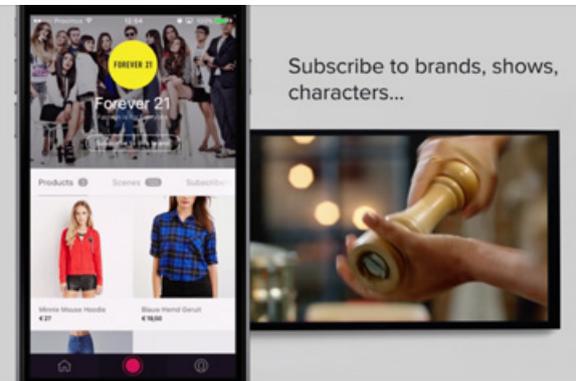
By integrating AppTVate technology in existing applications any broadcaster or content producer can build a platform to allow consumers to interact with their content. As the technology works through sound recognition, it is easy to synchronize with the items in the scene you are watching at that very moment. During the test in Q4 2015, different categories have been included, ranging from clothing, accessories, kitchen wear to whole recipes (ingredients could be bought via retailer e-commerce). Also after the program, the consumer can interact with the content, by browsing through his homefeed. In other words, an AppTVate enabled applications allows users to interact with content and advertisements before, during, and after the TV experience.

Metadata in daily life

AppTVate brings this metadata to the viewer in different ways. It could be through a second screen application, or it could be integrated in a first screen or third screen viewing experience.

According to a study made by Living Labs, 89% of people indicated that this metadata enhanced their viewing experience. For women, this was because they received continuous inspiration around their favourite programs. This went from merely knowing the clothes of their preferred actresses, to knowing more about the lamp that had been in the background of a show for years. Men tended to have a more functional approach, they just wanted to get more information if

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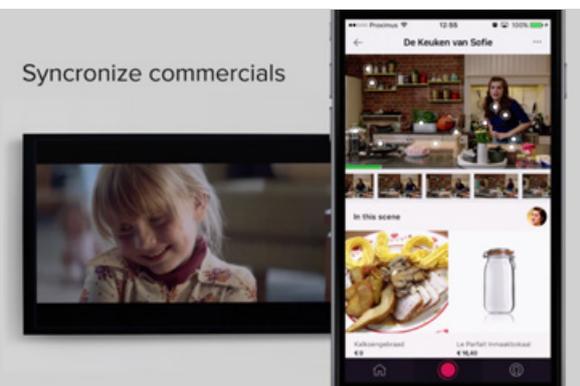
they were really interested in buying.

89% of viewers - both women and men - indicated that this metadata was a good way to interact with the content, and 96% found it useful. 95% said they would buy an item, and 12% said they'd do so several times a month. This indicates that this approach to v-commerce is relevant in the viewer's daily life. In short, v-commerce turns a TV screen into a live shop window - a window on a busy shopping street called TV.

From old style Push Marketing to Pull Marketing

"Pull marketing" lets consumers opt to interact with your brand so you can start a conversation with your customers - if they show an interest - and build a brand relationship. Digital channels allow us to reach consumers in a much more focused way, often starting from a specific need of the customer. So now you're wondering is TV dead?

Putting all your money into pull marketing and digital channels is also not a good idea. People should still be tempted. Even Amazon, the digital powerhouse, invests massively in video productions to reach customers, for example, by giving Jeremy Clarkson carte blanche to make entertainment focused content. So what should brands do? How about the best of both worlds: on the one hand there's huge potential to create content interactively by giving brands a role in that content; on the other, there's an opportunity to activate 'classical' advertising by offering clear added value for the consumer. More on this later.



Democratization of ads

V-Commerce lets you make all content items interactive. In practice this means that not only are brands and products visible, but they can also be purchased. Since the product placement price is a lot lower than for ads, smaller brands can also take advantage of the power of TV. In this way there is a real democratization of the advertising landscape. Living Labs' research also confirmed the relevance of v-commerce for smaller brands. By combining the content with the metadata, these brands could now have a platform where they can interact with thousands of potential customers. And all for a limited investment. The results were demonstrated in the test phase as a small jewellery store in Antwerp sold dozens of items, just by creating interactive content... in relation to a cooking show! Clear, quantifiable and transparent.

Advertisers can immediately see the results of their efforts. V-commerce goes far beyond digital reach and likes: it closes the deal. So no matter whether it's a pair of socks, a test drive request or a shopping trolley full of ingredients, the technology of AppTVate lets customers consume seamlessly. It means that brands can market their products more easily than ever to the consumer. In short, the technology of AppTVate perfectly fills the gap between push and pull marketing. Offers can appear while consumers are being entertained without having to disturb them, by providing a very direct and easy link to the products.

While this is of clear benefit to advertisers, let's not ignore the opportunities for the broadcaster or content producer either, to share their programmes and create interactive content. They can generate new revenue or even sell directly. V-commerce creates an opportunity to make our advertising and communications market much less dependent on the Googles and Facebooks of this world, and so keep the ad money in the country of origin.



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Cases by BBDO

Appiness, Medialaan and BBDO decided to set up a consortium to test the potential of AppTVate technology and to examine whether related second screen applications for advertisers could be an effective way to reach potential customers at an early stage of the customer journey and thereby convert them quicker. Of course, for some categories, this means that you may have to go through several intermediate steps. After all, you don't buy a new car in one click just because you've seen a commercial ...

A number of different product placement deals were examined and several TV commercials were made interactive.

1. In product placement, several Carrefour products were integrated into a Medialaan cooking programme. This meant that the viewer could see how the recipe was prepared on TV, and could also buy all the ingredients at Carrefour. The only thing the consumer needed to do was indicate how many persons he / she wanted to prepare the recipe for. The purchase intent of these ingredients, linked to the recipe in the cooking programme, was higher than expected; indeed as many as 8% of the test users said they'd buy all the ingredients of a recipe at least once a month.
2. For five BBDO clients, their already produced TV commercials were made interactive and a landing page was integrated into the AppTVate application to facilitate interaction with consumers and draw them in in the standard way.

Douwe Egberts digitised its annual "Coffee For Everyone" campaign. For each 'like' they received, they promised to give out a free cup of coffee. Thanks to AppTVate, people who saw the "Coffee for Everyone" TV ad could donate immediately.

Imagine how good would it be if you could immediately book a test drive upon seeing a Mercedes-Benz ad?

Or why not apply right away for a comparative quote for Ethias residential insurance, if you happen to see on the commercial that Gunther Lamoot is also a customer. Or receive a Samsung Galaxy for 40 when you take a Proximus TV subscription?

This is exactly what happened. In each of these cases, the average interaction was 30%. In fact the consumers who interacted gave a significantly better score to the TV ads than the control group. This shows that the ability to interact means there is an added value, both for the consumers and for the brand. It was easy and straightforward: users only had to synchronize once with TV content. As content changed, so did the interactivity on the application. When a commercial was aired, a small pop-up appeared on the app inviting to interact. No need to rush for your mobile phone and hope you will still have the time to sync. The technology follows the users and follows the content.

Of course in every instance we need to look at the relevance for the consumer. But to guarantee this relevance, we just know that the results of the campaign will be stronger with interactivity than if we merely ran the same campaign without any interaction opportunity.

With this campaign BBDO has shown that it has its finger on the pulse of new technology, and that this kind of innovation can be at the forefront of our plans for our customers.

Any questions?

Don't hesitate to get in touch with any of the following people:

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