



E-M-T-V-Commerce – what the ... ?

Television has never seen such a moving landscape. As the industry moves forward with broadband vs. cable, interactive vs. broadcast, connected and smart TVs, and now the integration of second screens, this opens up new opportunities for the advertiser in reaching the consumer:

Electronic Commerce

Nothing new, appeared on the scene when the Internet became big and the confidence in personal security in online transactions took hold. Around the same time, PayPal and similar services were born.

PayPal

PayPal is an online service offering a secured environment to hold credit card

by Laurie Kennedy

information and, as well, payment authentication, making online transactions easy and secured. PayPal is part of the eBay family.

Mark Wenger, director of connected devices and interactive television at PayPal, believes 2013 will be the turning point year of testing and learning. In the future there will be a broader omni channel of commerce which integrates online and offline retailing. There are already companies in it, including Home Depot.

Priorities on their 2013 agenda are:

Donations—a consumer can trigger a donation payment with a phone number and PIN using a PayPal account on his mobile device (M-Commerce).

Coupons—consumers can gather coupons online and store in their PayPal wallet. A coupon is applied when products or services are paid online or by using PayPal within a physical retail store.

Television Commerce/Video Commerce

So what does T-Commerce and V-Commerce offer? At this point the jury is out on the difference, what I do know is that the term V-Commerce is used in the UK and T-Commerce is used in the U.S.

There was a panel discussion at the recent TVOT Conference in New York City that included some who are already developing video-commerce applications. Panelists were:

- ❖ Chris Gorell-Barnes, CEO, Adjust Your Set
- ❖ Steve Callanan, CEO, wireWAX
- ❖ Tom Engdahl, CEO, Magic Ruby
- ❖ Pat Ivers, EVP, Delivery Agent/The Band
- ❖ and moderator Mark Wenger of PayPal.

Video-Commerce is enabled via “clickable video”. This is still evolving and there are different use cases, some with the primary screen experience only and others while watching the primary screen and triggering a separate second screen experience.

The panel discussed product placement/online purchase opportunities as well as providing additional content/info depending on where/when the hotspot appeared.

In a product placement example, we saw a viewer click on the actor’s clothing (hotspot), allowing click-through to make a purchase of the clothing item. In the second demonstration, we saw a viewer clicking on a hotspot offering additional information via a video overlay and further click-through options. These types of apps can be developed within a show or commercial. The video hotspots are tagged during the post-production process and linked with supporting background systems.

wireWAX (UK headquarters, www.wirewax.com) offers a “taggable video tool”. Clients and case studies include Nike, Oki-Ni, Tommy Hilfiger, ITV/The Only Way is Essex, and more.

Adjust Your Set (www.adjustyourset.tv) is a new type of agency in the UK. Their focus is to help navigate the complexities of this new landscape. They don’t create campaigns, they create conversations. Chris Gorell-Barnes, the CEO, said they pioneered V-Commerce with clients such as Marks & Spencer.

M & S has been successful in engaging up to 80% of their viewers who are able to purchase merchandise directly from the video content.

Gorell-Barnes mentioned that the company is seeing a shift with UK retailers who are now moving towards intelligent video strategies and experimenting using different content formats.

Delivery Agent (U.S.-based, www.deliveryagent.com) is the largest provider of T-Commerce with 230 clients, including entertainment (Fox, FX), sports (Sport Knicks, Boston Celtics with partner Engage TV), brands (Jeep, Chevrolet, Visa) and platform partners (Verizon, AT&T). Delivery Agent EVP Pat Ivers believes that to date, Verizon has the most experience with T-Commerce.

Magic Ruby (U.S.-based, www.magicruby.com) provides the infrastructure behind second screen apps. It is partners with Delivery Agent. The content technologies enable two-way synchronization with the primary video screen, whether for broadcast or cable TV, VOD, Blu-ray media or other primary content sources. CEO Tom Engdahl says what is important is not to interrupt the primary TV (video) experience. You don't want viewers to shift their attention from the show and commercial breaks. He believes a second screen app is important for overall success.

Engdahl cited the show Sons of Anarchy as a good example and there are others with FOX and FX. He also mentioned AT&T, which takes the viewer engagement and extends it to the second screen during and beyond a one-hour show.

Key to Success

There was a consensus among panel members about what needs to happen...

- **Organizational Shift**—need multi-channel leaders and support at the senior level
- **New Marketing Approaches**—traditional marketers are not adopting well; not as much about campaigns, but a more frequent content flow
- **Consumer Awareness**—Hotspots and second screen **MUST** be promoted within the primary screen and beyond, otherwise the viewer will not know to go there
- **Consumer Experience**—don't interrupt the main TV experience; augment only with second screen; sell only what people want
- **Integrated Production**—an integrated team to co-develop the T-commerce and second screen app with the TV show and any other platform you want to extend to, and
- **Backend Consistency**—consistent integration to ensure all the various merchant backend “commerce channels” work well together.

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