

Welcome to the Shop.org

Online Merchandising Workshop



MERCHANDISING NEW MEDIA

How to use Video & Games to Increase Conversion

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OVERVIEW



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- HSN
- Our DNA
- Merchandising New Media

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- Why Video & How
- Why Games & How
- What You Can Do

HSN

HSN.COM

- 350K unique users each da
- Nearly 5MM page views dail
- 2.7MM marketing emails per day
- Most video-pervasive retail website
- 65K unique product

HSN MOBILE

- Fastest growing sales channe
- Seamless integration of video and commercial
- iPad app with up to 15 customizable VOD channels

HSN ARCADE

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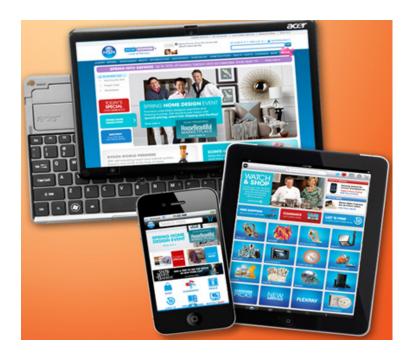
- First retailer to combine casual gaming with
- 25 popular games
- 40 million game plays within 6 months
- Share with friends via Facebook Connect





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OUR DNA



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Content, Commerce & Community

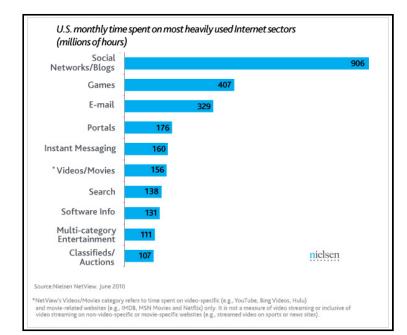
• Entertainment: we're part of a network—it's got to be fun, educate, add value in some tangible way.

- Personality: each item sold by an authority, someone with credibility.
- Storytelling: why this item, the backstory that differentiates.
- Connection: talking to her needs, she's part of a larger group who she can share with.



WHAT SHE'S DOING ONLINE

40% of U.S. online time is spent on just three activities – social networking, playing games and emailing.



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187 million people watched online video in April 2011, with 21. 4 hours being spent per unique customer.

RANK	Category	Share of Time June 2010	Share of Time June 2009	% Change in Share of Time
	Social Networks	22.7%	15.8%	43%
!	Online Games	10.2%	9.3%	10%
}	E-mail	8.3%	11.5%	-28%
Ļ	Portals	4.4%	5.5%	-19%
i	Instant Messaging	4.0%	4.7%	-15%
;	Videos/Movies**	3.9%	3.5%	12%
,	Search	3.5%	3.4%	1%
;	Software Manufacturers	3.3%	3.3%	0%
)	Multi-category Entertainment	2.8%	3.0%	-7%
10	Classifieds/Auctions	2.7%	2.7%	-2%
	Other*	34.3%	37.3%	-8%
Other refers *NetView's elated webs	en NetView – June 2009-June 2010 to 74 remaining online categories vi Videos/Movies category refers to time iites (e.g., IMDB, MSN Movies and Ne non-video-specific or movie-specific	e spent on video-specific (e etflix) only. It is not a meas	sure of video streaming	or inclusive of video

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BEWARE SOS





BEWARE SOS

Merchandise

- Who?
- What?
- Where?



BEWARE SOS

Merchandise

Measure

- Who?
- What?
- Where?



PROMOTIONAL VIDEO



Drives revenue, external traffic conversion

- Strong selling with product features and call to action.
- Used for ads, considered purchases on product page, conversion driver for external search landing pages.



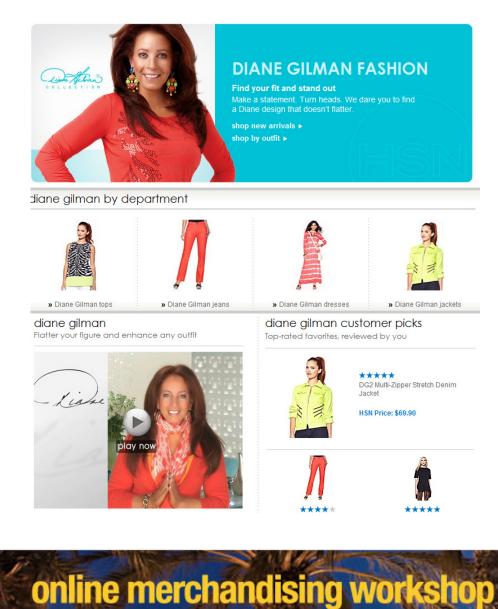
PROMOTIONAL VIDEO



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EDITORIAL VIDEO



Drives conversion, revenue, engagement, & brand awareness.

• Softer selling, building confidence in her purchase, fit tips, how-to's, story telling, introducing a personality or brand.



EDITORIAL VIDEO







SERVICE VIDEO



Drives conversion, returns reduction.

• Great opportunity on a tight budget. Utilize still photography and local models by focusing on the product.

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SERVICE VIDEO





GAMES

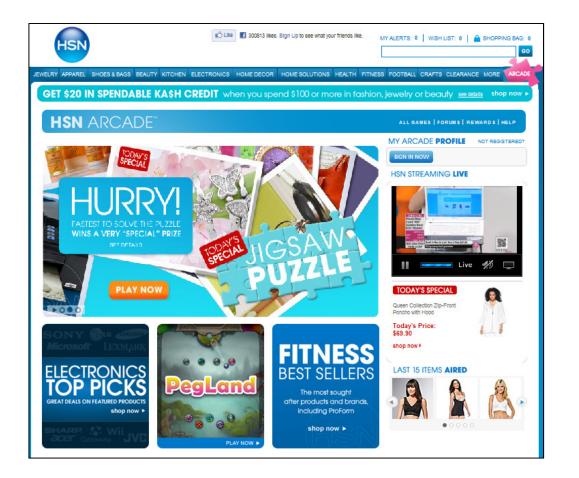
Provide a break within shopping or beyond shopping that encourages her to spend time, deepens engagement, and gives her elements to share through social media.

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Games on HSN

- Acquire
- Retain
- Engage

ARCADE: WATCH, SHOP & PLAY



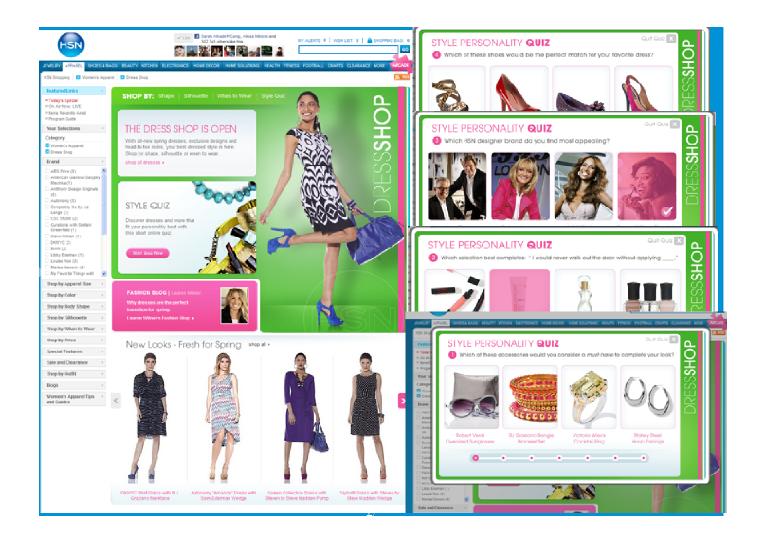
Over 141M people play casual games

...that's 66% of the US online population.

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GAMES IN SHOPPING



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WHAT YOU CAN DO

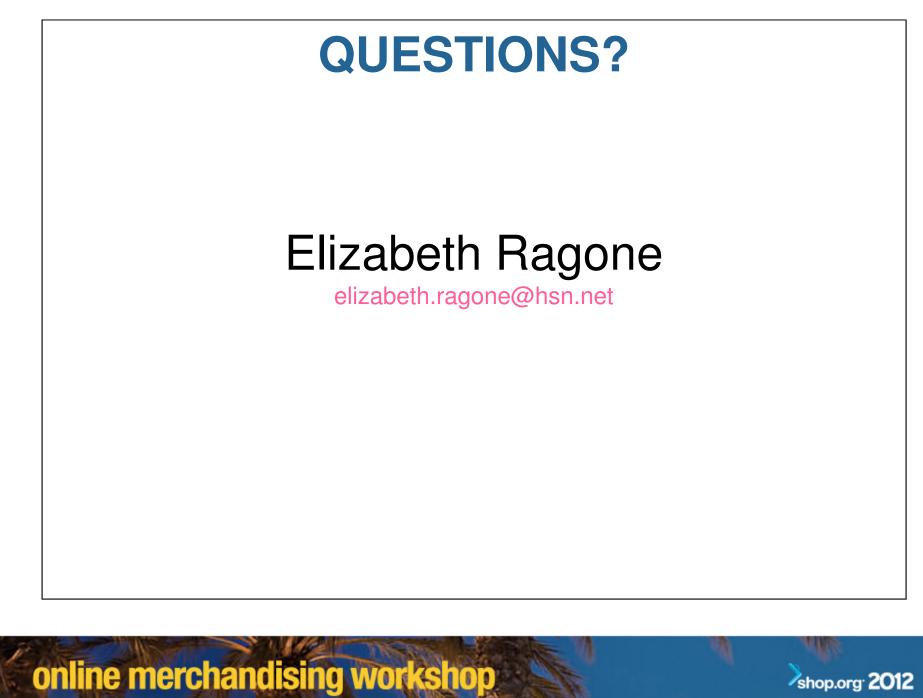


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• Try

- Be authentic
- Offer *value* to her
- Be bold...in baby steps
- Enable sharing
- Test, rinse, repeat





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