THE CONVERGING WORLDS OF CONTENT + COMMERCE

Why connecting content and commerce is critical for brands
The worlds of brand-funded content and commerce continue to evolve
Audiences are paying attention to the next generation of brand-funded entertainment
However, the content to commerce experience has remained stagnant over time.
Research Questions

Q1 How do audiences feel about brand-funded entertainment?

Q2 How effective is brand-funded entertainment compared to traditional TV ads?

Q3 What is the existing path to purchase for products in TV shows?
Two-pronged methodology

VIEWER PERSPECTIVE

Online Interviews

- Nationally representative panel sample
- n=1,024

Areas of focus

Consumption of brand-funded TV shows

Existing path to purchase

AD EFFECTIVENESS

Opt-in Lab Testing

Measured effectiveness of brand-funded TV shows vs traditional TV ads

Online Lab n=451

In-Lab n=90

Areas of focus

Conscious response to branding

Unconscious response to branding
CONTENT REIGNS SUPREME
To find out how people feel about brand-funded TV shows, we asked people who watch them...
Brand-funded or not, it’s about the content

People watch existing brand-funded TV shows for good content, with very few deterred by brand-related components.

What Drives Viewership?

Top 3 Reasons For Watching Brand-Funded Entertainment

1. Fun to watch, 59%
2. Enjoyed content, 45%
3. Learned something new, 34%

Reasons For Not

1. Focused too much on the brand, 15%
2. Felt like a long commercial, 12%

Viewer POV: Those who watched more than one episode N=254
Q: What are some reasons why you continued watching the show? Select all that apply.

Viewer POV: Those who did not watch more than one episode N=76
Q: What are some reasons why you did not continue watching the show? Select all that apply.
Viewers see brand involvement as a positive

The majority feel more positive about the brand and TV show once aware of brand involvement.

Viewer understanding of brand involvement

- Created it, 27%
- Never thought about it/Don’t know, 56%
- Signed off on it, 17%

How knowledge of brand involvement impacts perception of...

- The Brand
  - Better, 66%
  - No Impact, 31%

- The TV Show
  - Better, 67%
  - No Impact, 30%
More viewers are accepting of brand-funded entertainment than traditional commercials

Streaming viewers over indexed on the same sentiment vs. linear viewers

“Would Rather Watch A TV Show Featuring A Brand Than Watch A Commercial”

- 53% Agree
- 30% Neither Agree or Disagree
- 17% Disagree

By Preferred Viewing Service for TV Shows

- Indexed to Avg. (100)
  - Streaming Video Services: 110
  - Cable & Satellite: 90

Viewer POV: Total N=1,012  Gen Z adults=96  Millennials= 485  Gen X= 409
Q: How much do you agree or disagree with the following statements about TV shows and brands?

Would Rather Watch A TV Show Featuring A Brand Than Watch A Commercial
BRAND-FUNDED ENTERTAINMENT

CREATES POSITIVE MOTIVATION
Brand-funded entertainment increases the length of product exposure

Naturally, the product is front and center in brand-funded entertainment

Attention to Product in Show/Ad

- Video Ads
- Brand-Funded Entertainment

In-Lab: N=90
Derived from eye-tracking glasses
*significant difference between video ads and brand-funded tv shows at ≥95% confidence

Testing was conducted using EEG and eye-tracking to understand unconscious response to branding. Participants (N=90) were recruited to opt in an in-lab media experience, where they were set up with neurometric equipment to measure eye movement, motivation, visual attention, and cognitive load. Following the media experience, participants opted in to complete a survey to assess conscious response to branding.
Brand-funded entertainment delivers stronger positive emotional intensity than video ads

Motivation is a critical metric, as it is predictive of choice.

Motivation When Looking at Product | EEG Normative Score

- **Brand-funded Entertainment**: 51.1
- **Video Ads**: 47.0

In-Lab: N=90
Derived from EEG
Significance p <0.05

▲ = significant difference between video ads and brand-funded tv shows at >=95% confidence.

Testing was conducted using EEG and eye-tracking to understand unconscious response to branding.
Participants (N=90) were recruited to opt in an in-lab media experience, where they were set up with neurometric equipment to measure eye movement, motivation, visual attention, and cognitive load.
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Brand-funded entertainment excels at creating authenticity & driving purchase intent

Impact on Brand Metrics
Delta (Exposed – Control)

- Brand-Funded Entertainment

Brand is “Authentic”

Impact on Brand Metrics
Delta (Exposed – Control)

- +5%

Purchase Intent

Impact on Brand Metrics
Delta (Exposed – Control)

- +7%
Brand funded entertainment directly creates transactional momentum with new customers

Potential New Customers
Delta (Exposed – Control)
- Brand-Funded Entertainment

Search Intent

Purchase Intent

Online lab n=415
Significance p <0.05
* = significant difference between exposed and control groups at >95% confidence
BRAND-FUNDED ENTERTAINMENT INSPIRES COMMERCE MOMENTS
Viewing content triggers purchase intent, and is most felt by younger audiences

Given the increase in desire as audiences get younger, it’s likely this trend will only continue in the future.

<table>
<thead>
<tr>
<th>Urge to Buy Products Seen in TV Shows</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never, 7%</td>
</tr>
<tr>
<td>Rarely, 30%</td>
</tr>
<tr>
<td>Sometimes, 48%</td>
</tr>
<tr>
<td>Every single time I see a product I like, 15%</td>
</tr>
</tbody>
</table>

**Urge to Buy “Every Single Time” by Generation**

- Gen Z Adults: 120
- Millennials: 108
- Gen X: 72

Indexed to Avg. (100)

Viewer POV: Total N=1,012; Gen Z adults n=96; Millennials n=485; Gen X n=409

Q: How often do you feel the urge to buy a product you see featured in a TV show?
Seeing a product woven into content creates commerce momentum

Millennials are most likely to have purchased products seen in TV shows

People who have purchased a product from a TV show
% Agree

54%*
Have Purchased Products From TV Shows

 Millennials over-indexed by (+9%)

*Have purchased products seen in TV shows either “every single time” or “sometimes”
Viewer PDV: N=1,012
Q: How often do you actually purchase a product after seeing it on a TV show?
Image source: LucyParis - Christina Pleated Dress
All categories can benefit when it comes to inspiring commerce intention from brand-funded entertainment.

Products Purchased After Seeing in TV Show (Self-reported)

% Agree

- Food: 42%
- Clothes/Accessories: 44%
- Tech: 34%
- HH Cleaning: 28%
- Health: 26%
- Make-up: 25%
- Play: 24%
- Pet: 26%
- Cookware: 24%
- Home Supplies: 23%
REIMAGINING CONTENT TO COMMERCE
Many viewers desire to purchase or research immediately

Desire To Immediately Purchase/Research During Or After TV Show

% Agree

- Purchase Low-cost Products: 34%
- Purchase Mid-cost Products: 29%
- Research High-cost Products: 33%

Viewer POV: N=1,012

Q: Imagine you saw a low-cost product (e.g., food, household supply, personal care item) in a TV show that you really wanted. Ideally, when would you buy it?

Q: Imagine you saw a mid-cost product (e.g., clothing, headphones, toy, or game) in a TV show that you really wanted. Ideally, when would you buy it?

Q: Imagine you saw a high-cost product (e.g., home insurance, furniture, travel) in a TV show that you really wanted. Ideally, when would you start searching for information about the product or service?
Some viewers will go to great lengths to purchase…

Viewer’s Buying Adventures

“My husband wanted a flat barbeque…it took me about a day”

“Did a reverse image search & then asked people on reddit what their experience is with said product”

“Drove to another state where it was the only place available”

“Go to the store immediately after seeing it on screen and buy it before the shows over”

“I’d have to say searching for two hours without so much as the brand that makes it”

“Emailed the celebrity directly asking for where they got it”
Today, travelling from content to commerce is not as frictionless as viewers would like.

**Frustration in Finding Products Seen on TV Shows**

<table>
<thead>
<tr>
<th>% Agree</th>
<th>Never, 18%</th>
<th>Rarely, 32%</th>
<th>All the time, 19%</th>
<th>Some of the time, 33%</th>
</tr>
</thead>
</table>

**Viewer POV: N=962**

Q: How often have you felt frustrated with trying to find products that you see on TV shows?

**Frustration in Finding Products in TV Shows By Generation**

<table>
<thead>
<tr>
<th>Generation</th>
<th>Indexed to Avg. (100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gen Z Adults</td>
<td>113</td>
</tr>
<tr>
<td>Millennials</td>
<td>107</td>
</tr>
<tr>
<td>Gen X</td>
<td>80</td>
</tr>
</tbody>
</table>
Frustrations stem from difficulty simply finding the product

What Viewers Said About Their Frustrations

“It’s frustrating trying to pin down specifics without knowing enough to provide information for a detailed search”

“Because there will be several different kinds similar, but you can’t find the specific model”

“Sometimes the items are just impossible to find”

“Just finding the right product itself... when you initiate a search a bunch of options come up and just sorting through making sure it’s the exact one you’ve seen can be difficult sometimes”

“I get annoyed when I see something on TV that catches my eye and there is no website/phone #/link mentioned to direct me to find it easily”

Viewer POV N=1,012
Q: You said that you have felt frustrated with trying to find products that you see on TV shows. What specifically has been frustrating for you? There are no right or wrong answers, we just want to hear about your experience.
Q: How much time do you typically spend researching a product after seeing it on a TV show?

More than half spend longer than 30 minutes simply researching the product

Typical Time Spent Researching Products Seen on TV Shows
% Agree

55% More than 30 Minutes
Viewers lean in on existing shopping options, but there is room for innovation

**Preferred Method of Purchase % Agree**

<table>
<thead>
<tr>
<th>Method</th>
<th>Gen Z Adults</th>
<th>Millennials</th>
<th>Gen X</th>
</tr>
</thead>
<tbody>
<tr>
<td>QR Codes</td>
<td>53%</td>
<td>46%</td>
<td>35%</td>
</tr>
<tr>
<td>Unique code that links to product’s website, scanned by cell phone</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Link</td>
<td>35%</td>
<td>45%</td>
<td>32%</td>
</tr>
<tr>
<td>Email or text containing a direct link sent to your email or cell phone</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Embedded Links</td>
<td>38%</td>
<td>44%</td>
<td>34%</td>
</tr>
<tr>
<td>Links that appear on screen while watching a TV show</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voice Activated Devices</td>
<td>31%</td>
<td>34%</td>
<td>31%</td>
</tr>
<tr>
<td>Finds and purchases products you're looking for</td>
<td></td>
<td></td>
<td></td>
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<table>
<thead>
<tr>
<th>Platform</th>
<th>Streaming Viewers</th>
<th>Cable/Satellite Viewers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Streaming Viewers</td>
<td>41%</td>
<td>44%</td>
</tr>
<tr>
<td>Cable/Satellite Viewers</td>
<td>39%</td>
<td>35%</td>
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**Preference Scores: 10-Point Scale (Top 3 Box)**
Meet Maya!

Maya is a fashion enthusiast. She often looks for inspiration for new outfits on her favorite TV shows.

Maya is currently watching her favorite show, Euphoria.

Quickly, Maya falls in love with a dress worn by one of the characters.

Maya must have the dress!

She picks up her phone and starts searching for it online.

The episode has ended, and Maya is still searching for the dress. Sadly, no luck!

Maya gets tired of looking for it. She is disappointed and decides to give up.
Meet Maya!

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Maya is currently watching her favorite show, *Euphoria*.

Quickly, Maya falls in love with a dress worn by one of the characters.

She notices an overlay appear on the screen with a link to purchase the dress.

Thrilled, she clicks on the link using her Smart TV remote and goes to the Amazon product detail page where she can buy it.

Boom! Maya buys the dress, and she's already wearing it two days later.
Takeaways

Content Reigns Supreme

Viewers do not differentiate if the show is created by a brand – what keeps them watching is the content itself. Brand involvement in content creation can positively impact perception of both the brand and show.

Brand-funded Entertainment Inspires Commerce Moments

Audiences are naturally primed to purchase products they see on TV shows. Watching TV shows initiates the desire to purchase, often leading to actual purchases.

Reimagining Content to Commerce Experiences

The current path to purchase products seen in TV shows is not as frictionless as it should be. The ideal path to purchase would bridge content and commerce in a seamless way.
Implications

Content comes before commerce in name and practice

Engaging and inspiring people through brand-funded entertainment starts with content. Brands should consider creative brand-funded content concepts that are entertaining for viewers, while also ensuring the brand is authentically integrated.

Opportunities exist for brands to innovate and solve real friction for viewers

Our research shows the current shopping process for viewers of brand-funded entertainment is not as seamless as they would like. Brands looking to solve for this in creative and inventive ways will stand out for customers and create material tailwinds for both their brand and bottom line.

Look to strategic partners who offer content to commerce capabilities under one roof

Brands and their agencies should look to partners like Amazon Ads who offer holistic capabilities spanning content to commerce. Working with a single partner creates both efficiencies in workflow as well as synthesizes measurement frameworks across content and commerce touchpoints.
THANK YOU