

Driving Sales for Retailers With YouTube's TrueView for Shopping

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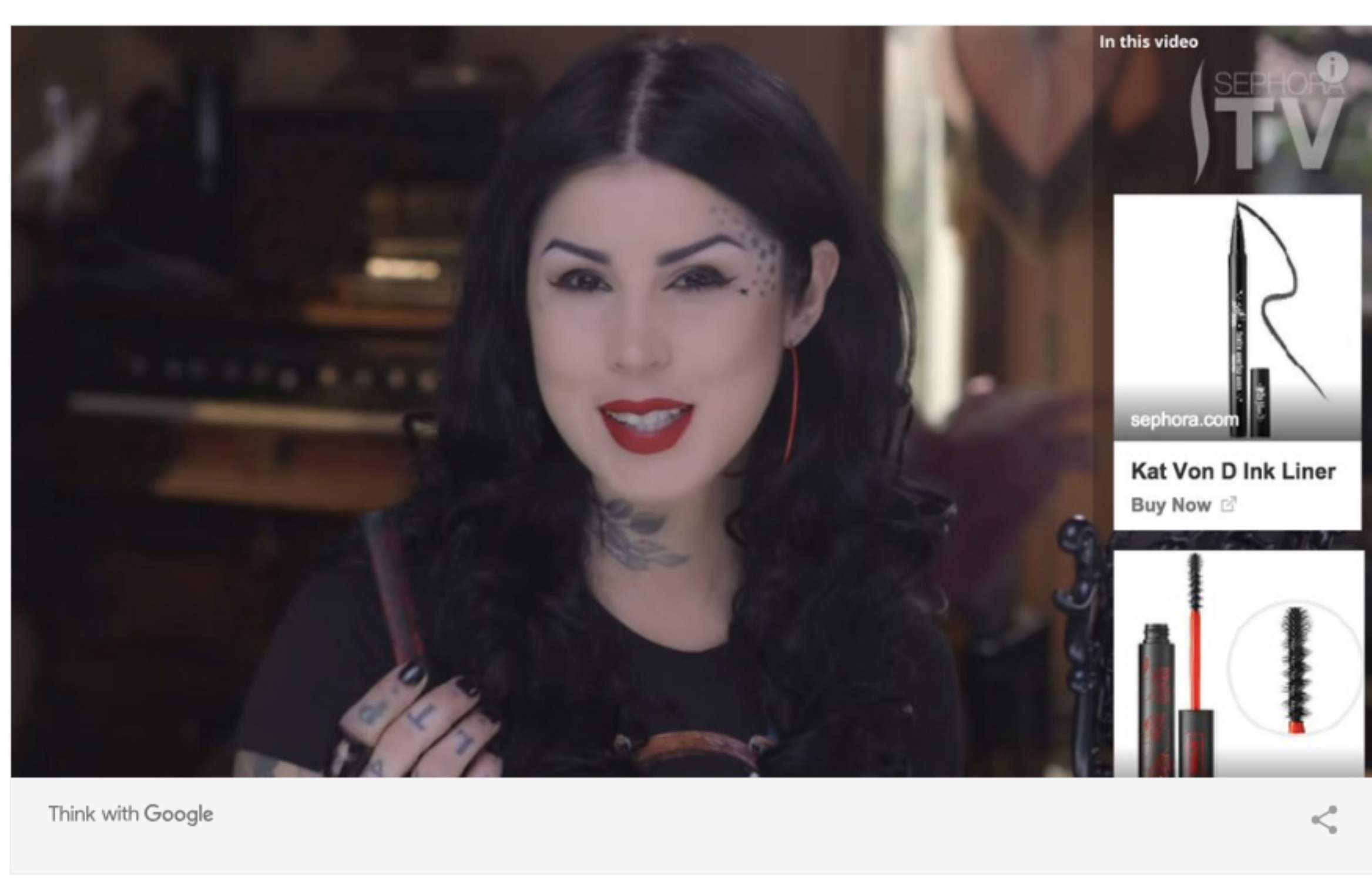
Wayfair and Sephora wanted their YouTube content to drive sales, so they used TrueView for shopping to engage new customers. This approach provided an essential e-commerce layer, delivering a 3X increase in revenue performance for Wayfair and an 80% lift in brand consideration for Sephora.

- Goals**
 - Increase audience engagement around branded video content
 - Drive revenue, conversions, and sales
- Approach**
 - Used how-to content to engage viewers on YouTube
 - Incorporated e-commerce experience into video content by using TrueView for shopping
- Results**
 - Wayfair: 3X revenue performance vs. similar campaigns
 - Wayfair: 74% of viewers watched at least half of the ad they were served
 - Sephora: 80% lift in consideration and 54% lift in ad recall
 - Sephora: Average view time of nearly two minutes

Shoppers can be so particular. In today's digital world, online shoppers want to be catered to with helpful content such as tips, how-to guides, and entertaining stories, while "buy now" buttons stay out of the way. They want to be heard and feel valued by brands, and they're savvy enough to recognize thinly veiled sales pitches. By focusing on consumers' passions and interests, brands can hold their attention and connect with them in an authentic way. This also lets them take advantage of everyday [micro-moments](#), such as when consumers turn to YouTube for product tips and recommendations.

And when the purchase moment arrives, brands need to be able to quickly shift from fostering customer connections to enabling smooth conversions. But how do they do it? That's the puzzle that faced Wayfair and Sephora, two companies that dominate the home goods and beauty spaces, respectively. Creating a seamless, user-focused online shopping experience just wasn't enough, especially during the holiday season. They wanted to connect with consumers in a more intimate way to create brand lift and loyalty, while still driving conversions and sales. These are very different objectives (connecting versus selling), and YouTube's latest product, TrueView for shopping, helped the retailers get there by offering a true direct-response layer for their YouTube campaigns.

With the introduction of TrueView for shopping, YouTube viewers can now click through to a brand's products, which lets consumers easily purchase items that are right in front of them on-screen. The cards can use the same technology as dynamic remarketing, or advertisers can set filters to pull relevant products from their Merchant Feed. This means product cards are dynamically generated for that video ad's particular impression, and work seamlessly to incorporate an e-commerce element for consumers. Working across mobile, tablet, and desktop, the cards can help increase viewer engagement while helping brands reach potential customers, even in unexpected demographics.



There are a few specific steps that advertisers can take to make the most of YouTube as an engagement platform and to make the most of TrueView for shopping as a conversion tool.

Start with consumer interests

Within the beauty industry and, more specifically, the sphere of "prestige cosmetics," Sephora's e-commerce presence is unmatched. Its robust website offers customers every beauty product imaginable. However, because of the breadth of new products and application techniques, consumers can feel daunted by all the possibilities that are out there. That's why YouTube is such a popular destination for beauty and cosmetic tips and how-tos, with [66% of beauty consumers agreeing](#) that "YouTube is one of the best sites to help me visualize how different products fit into my lifestyle."

Sephora did just that with a series of how-to videos and tutorials that demonstrated the best applications of Sephora's cosmetics. Having addressed a real audience interest, the how-tos performed remarkably well as TrueView pre-rolls. While viewers could have skipped after five seconds, they chose to watch the how-tos for an average of nearly two minutes. Since its launch, Sephora's YouTube channel has grown to more than 300K subscribers and has more than 37M views. Additionally, YouTube Analytics has given the brand a deep understanding of what content resonates with its audience.

Wayfair's products also lend themselves to how-to content. As a one-stop destination for more than 7 million products from more than 7,000 suppliers, the company's marketing is direct-response focused. Wayfair saw YouTube as an opportunity to reach potential customers on a platform where they were likely to be.

"YouTube's consumption of videos continues to climb across every demographic, and we know our customers are there all the time," said Benjamin Young, media manager for Wayfair TV and online video. "YouTube is a treasure trove of useful information and how-tos for the home, so it became the next logical channel for us to start exploring."

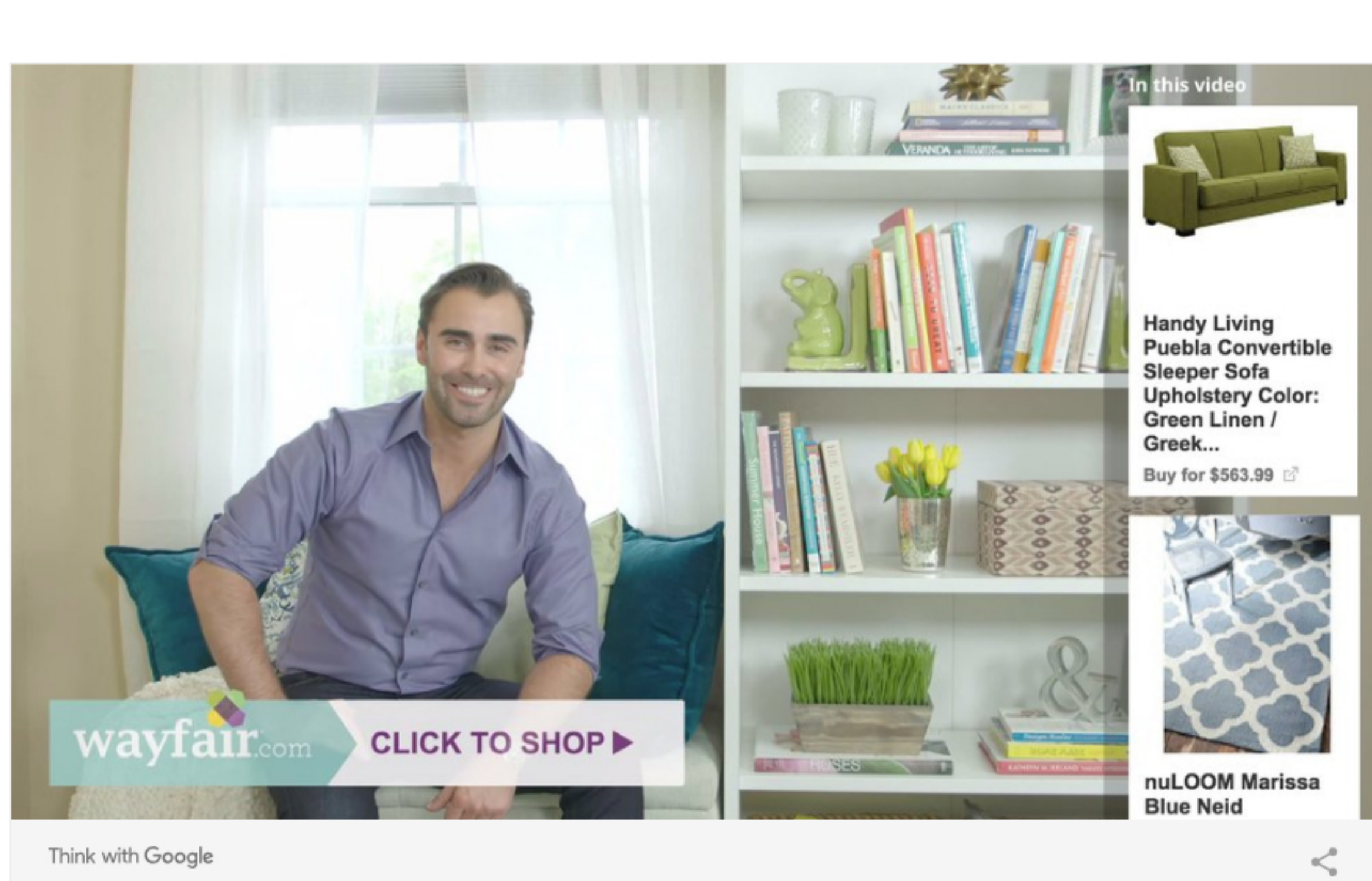
Traditional broadcast campaigns performed well for Wayfair in the past, so in 2013, the company decided to import successful ads to YouTube, while also creating custom content with tips for decorating and outfitting a home. The audience responded favorably, with 74% of viewers watching at least half of the ad they were served.

By creating helpful, product-specific videos that speak to the audience's interests, Sephora and Wayfair provided YouTube viewers with the exact content that was most likely to build a relationship.

Turn consumer interests into sales and conversions

While Wayfair was creating engaging YouTube content, TrueView for shopping let the company retain its focus on direct response ROI. Focused testing around user behavior ensured the company's efforts on YouTube could be optimized, tracked, and scaled.

"Once we were able to see what user behavior looked like, we were able to drive a real impact on customers and their buying cycles for our business," said Young. "We developed an attribution system to directly tie revenue back to specific customers who were exposed to our YouTube experiences. This direct connection allowed us to evaluate the ROI in real time and adjust our campaign strategy to focus on the top performing targeting and inventory. Having the real-time ROI feedback loop has allowed us to significantly expand the scale of our efforts."



Young said Wayfair's campaign outperformed expectations, seeing "more than 3X stronger revenue performance for every impression being served" versus traditional, similarly targeted campaigns. TrueView for shopping improved user engagement and positively affected user behavior.

Meanwhile, Sephora's strategy to build a relationship with potential customers through how-to videos paid off; the brand saw a 54% lift in ad recall and an 80% lift in intent to shop at Sephora.

"One of our team's goals is for our client's experience—on any of our channels—to feel intuitive and streamlined. So we created videos that featured tutorial content and curated product recommendations that inspire our viewers' personal beauty journeys," said Bindu Shah, vice president of digital marketing at Sephora. "When she wishes to find out more about the products in our videos, we want to provide her with easy access to information without interrupting her experience. The option to click directly to our website to learn more about the products used to create a given look complements the content that she just enjoyed and, most importantly, empowers her with the tools needed to create it herself. TrueView for shopping made this possible."

During its 2014 holiday campaign, YouTube was the only paid media outlet Sephora worked with to drive video views and conversion, and the brand enhanced its popular "haul videos" by layering them with TrueView for shopping. This generated high engagement and conversion rates.

Using YouTube to connect and convert

While Wayfair's objectives focused on attributing an increase in revenue directly to the campaign, Sephora hoped to track conversion, website traffic, and sales.

Both brands used a similar method to address their varying objectives. The two companies strove to figure out what the audience cares about and where it gathers, to create targeted content for that platform and to add a sales layer on top of that content to drive conversions. These companies wanted to connect with the audience with smart, useful content, and use content consumption as the moment to "close the deal."

It's a familiar pattern for marketers, but what made it especially effective for Wayfair and Sephora is YouTube's pull as a leading content destination and TrueView for shopping's ability to add an e-commerce layer to that content. It's a winning combination.