



2022 Shoppable Insights Report

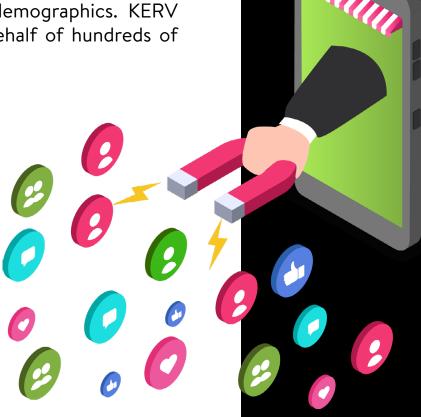
Interactive Video Ads & Commerce

The Rise of Shoppable & Interactive Video

While shoppable video is an emerging technology, it is one that is quickly appealing to all consumers. This makes sense, given the rapid adoption of video as a form of entertainment for consumers around the world. In fact, digital video viewership will reach 3.38 billion people globally in 2022.

Brands and agencies are quickly realizing they have a massive opportunity to engage more people than ever before through immersive video experiences that connect **content with commerce**. Interactive and shoppable video are shifting from a small portion of an agency's media buy to being a key focus.

In this report, KERV analyzes consumer engagement with video ads served through our interactive video platform over the last six months. These video ad campaigns were served across the country and appealed broadly to all demographics. KERV delivered the campaigns on behalf of hundreds of agencies and brand clients.



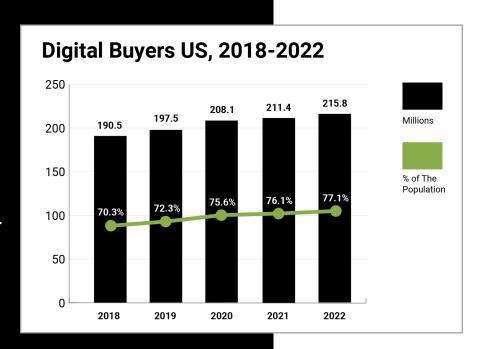


Consumer Demographics & Interaction Trends

Over 90 million unique users (about 30% of the U.S. population) have been exposed to video ads with commerce or interactive/dimensional capabilities.

This is over 40% of total US Digital Buyers ² and the comp% is growing quarter over quarter.

45 million unique users engaged with a shoppable video ad unit in the last 6 months.





Who Engages with Video Ads?

Most interactors are **between the ages of 25-54** (the average engagement is over 5% as stated above, and ranges up to as much as 50%)

People over the age of 50 had the highest interaction rates with an average of over 30%+

They're Repeat Shoppers

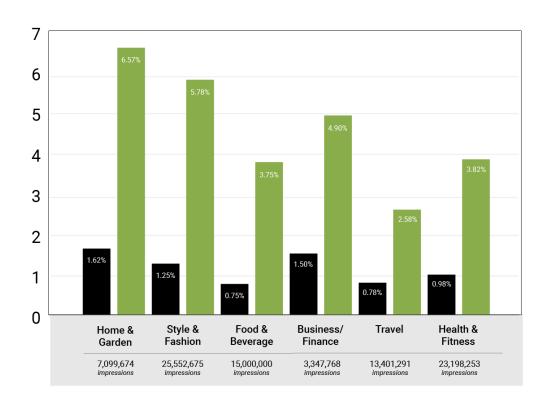
Once consumers engage with a shoppable video they are more likely to try it again and drill deeper into the experience.

In the Style & Fashion category, KERV saw repeat business and **repeat interaction by nearly 100%**. Consumers that interacted with an ad in Q4 21, interacted with an ad in Q1 22.



Interaction by Vertical

While Home & Garden, Style & Fashion and Food & Beverage are leading in interaction rates, several other verticals are gaining traction. Top amongst those include Travel, Sports, and Health & Fitness.







"Moving the needle on consumer sentiment and behaviors becomes easier when you can tap into known high performing ad placements. Our partnership with KERV Interactive made it possible for us to accurately measure and benchmark how their technology-first approach produces emotional and behavioral responses from consumers time and time again. Across partnered studies, Lucid observed that KERV's interactive media delivered as high as 17x lift over our benchmark."





Top Performing Verticals

Home & Garden

Avg. Interaction Rate: 6%+ | Avg. CTR: 1.6%+

This category has higher-priced items, making the need to digitally interact and differentiate a key driver to brand consideration. Partnering with brand study companies such as Lucid, a Cint Group Company, has proven that interactive video strategies drive measurable increases to brand awareness, brand favorability, message association, and more. By adding an interactive layer to their videos, brands in this vertical are significantly amplifying their video performance.

Style & Fashion

Avg. Interaction Rate: 5%+ | Avg. CTR: 1%+

Style & Fashion have seen the most user interactions by far. Over a six-month period, KERV's data shows over 50 million interactions in this vertical. Among the possible interactive video strategies, dynamically featuring products and direct links to those products featured in the video considerably shortens path to purchase. At the same time, linking interactive video technology with product feeds is allowing brands in this vertical to stay ahead of supply chain issues and product availability, letting them link out to similar products and minimize disruptions to the consumer journey.

Food & Beverage

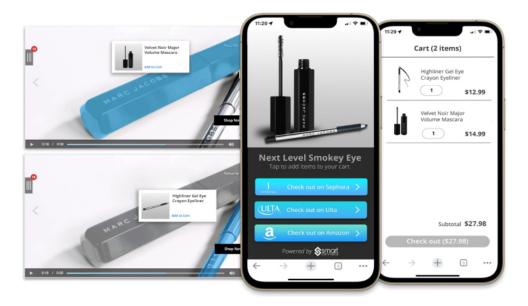
Avg. Interaction Rate: 3%+ | Avg. CTR: .75%+

Food & Beverage is a rapidly growing vertical and we expect to see it reach a top spot by the end of the year. In this vertical, we're seeing interactive technology is being used to tout recipes, dynamically adjust by product availability and retailer locations, along with product attributes and flavors. Additionally, Add to Cart technologies are beginning to take center stage and driving significant growth for video performance in CPG & Food Beverage.



Add-to-Cart Functionality

Looking at CPG, Grocery, and Food & Beverage related campaigns with data from SmartCommerce (the leader in direct-to-cart technology for CPG brands) suggests that over 10% of off-site cart transfers convert to actual purchases, so the clicks from Interactive and Shoppable video are not only significantly higher than standard ads, those clicks and engagements are getting more products into carts and driving more purchases.



Say consumers saw a video ad for a beauty product like mascara. Most campaigns can't only track if a consumer clicked on the product, but with KERV and SmartCommerce working together, they can tell who added the product to a shopping cart and purchased it.



"Since we measure all the way to the cart (not just at the click), we can see when agencies are driving strong, intentional consumer clicks - and we can also measure the opposite, when consumer backout rates are high. Networkwide, the benchmark for clicks-to-populated carts is 90%, but with KERV's Interactive and Shoppable video, we consistently see completes between 96-99%, meaning that their engagement-based, in-video clicks are driving highly-qualified and motivated shoppers."



Jennifer Silverberg, CEO of SmartCommerce

Additional Info & Methodology

The report findings are based on data gathered from 10/1/2021 to 3/31/2022 from the KERV platform and represents data collected across over 500 video ad campaigns for 100+ brands and agencies that ran on the KERV platform to understand consumer interest in shoppable video.

To learn more about the KERV report, please visit KERVit.com.

Sources:

- 1. eMarketer
- 2. <u>Insider Intelligence</u>

