

Costco Significantly Enhances Video Program in U.S. and Canada with Liveclicker VideoCommerce Platform

Goals:

- Cost-effectively increase the size of the existing product video library
- Boost conversion rate on site
- Implement a scalable model for growing video program
- Support both U.S. and Canadian video content needs

Challenges:

- Limited budget designated for video
- No one “owned” video, but several stakeholders existed
- Managing enterprise video commerce in a large organization was complex and fraught with challenges
- Create videos in multiple languages for bilingual consumers

“Liveclicker helped us increase the size of our video library by 23X in less than a year. We are seeing higher average order values for shoppers that watch video and as a result have built out a new in-house video program.”



About Costco

Costco.com (IR Rank #14) is the online arm of **Costco Wholesale's** sprawling retail empire that covers more than 550 warehouses across North America, Europe, Asia, and Australia. **Costco** averages over 33,000 monthly online visitors. **Costco** reported e-commerce sales grew year-over-year about 10.5% with no signs of stopping this steady growth rate in the future.

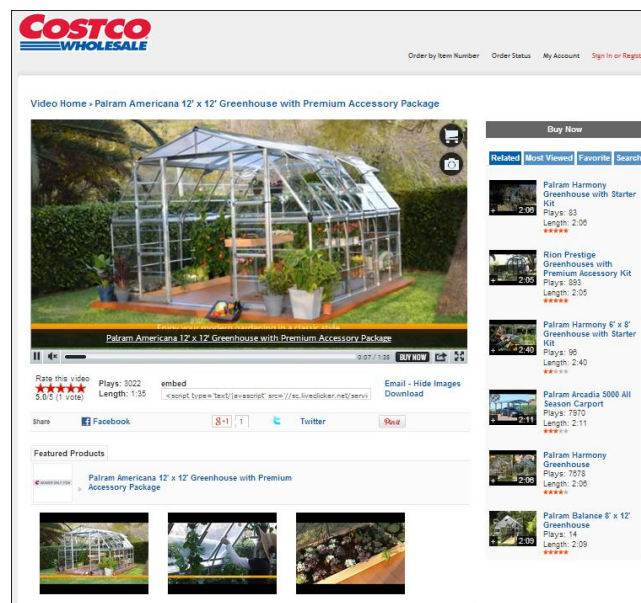
Like other large retail enterprises, **Costco** understood video was fundamentally changing consumer behavior. Still, the retail opportunity was not entirely clear. “We knew from our own data that video could improve site conversion, but scaling the program from the outset was a central challenge,” said Robb Walters, director of e-commerce usability for **Costco**. In addition, organizational factors made scaling difficult. “No one owned video internally. We recognized opportunities with online marketing and site merchandising, but video’s cross-channel nature meant several stakeholders needed to be on board to drive the best results,” he said.

In mid-2009, **Costco** conducted an assessment of the video commerce market and decided to partner with Liveclicker. “Liveclicker was already integrated with several of our vendors, demonstrated an ability to grow our video library, and went the extra mile to ensure video would function seamlessly on **Costco.com**,” said Mr. Walters. “What really made the difference for us, however, was thought leadership. We wanted to align ourselves with the market leader.”



Prior to Liveclicker, **Costco** relied on a hodgepodge of manufacturer content syndication services to acquire video, but by going direct to manufacturers through the Liveclicker platform the company was able to immediately acquire hundreds of new product videos while avoiding process inefficiencies. While this enabled Costco to easily and efficiently acquire the video content the company needed, staff soon realized that it also resulted in little consistency across the site with videos being set up incorrectly since anyone with a company login could manage their own content. In addition, the company needed a solution for creating videos that could work not only with its U.S. division, but also for its Canadian website.

Costco implemented Liveclicker's Video SEO service and began optimizing video deployments on product pages quickly and easily. Using Liveclicker's built in automated video optimization program, management became seamless. "The experts at Liveclicker ensure that our videos are set up properly versus relying on our merchandising team who are not versed in the technical details. As a result we have cut our video management time from XX hours a week to 1-2, a significant cost savings for the company," said Vinny Spencer, e-commerce optimization supervisor at Costco.



"Creating a separate account for our Canadian marketing and merchandising teams has been invaluable so that they didn't have to sift through the U.S. site to obtain video content," added Spencer. "As the manager of both the U.S. and Canadian video programs, I'm not sure how I would manage the process without Liveclicker."

Using Liveclicker, **Costco** increased play rates on videos without conducting a site redesign. By optimizing video content, Costco has been able to increase video uploads in the U.S. by 165% and in Canada by 384% since 2011. Comparing 2011 to 2013, Costco was able to increase its plays by 240% in the U.S. and 497% in Canada.

Today, **Costco** continues to grow its video program. The company is bringing more of its suppliers into the Liveclicker Video Exchange, creating efficiencies, vendor marketing opportunities, and ensuring continued scalability of video through third-party and self-produced content. Automated video optimization through Liveclicker is a major focus, and the company expects to see conversion rates increase further with this technology.

Results:

- Increased video uploads in the U.S. and Canada by 165% and 384% respectively from 2011-2013
- Reduced video management time from several hours per week to 1-2
- Observed a 10.5% increase in site conversion rates year-over-year for e-commerce products