Booming in Asia, shoppable streaming video faces a bumpy road in the US

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As the intersection between streaming entertainment and ecommerce continues to blur in China, shoppable streaming video is now starting in North America.

By Avery Booker

As the intersection between streaming entertainment and ecommerce continues to blur in markets such as China where companies such as Tencent actively cultivate talent, create strongly branded programming, and promote both via an expansive range of owned social platforms shoppable streaming video is only now taking its awkward early steps in North America.

The recent debut of "Get Organized with the Home Edit" on Netflix is one example of a program that aims to integrate its primary sponsor, The Container Store, yet struggles to close the commerce loop.

Modern Retail noted the show’s placement of products from The Container Store and its not-so-subtle branding: "stars Clea Shearer and Joanna Teplin, who own an organizing business in Nashville [] find ways to box up messes. Almost all of the organizing products they selected came from The Container Store."

After the show’s debut, The Container Store reported a nearly 17 percent increase in sales, which the company attributed to a "relative halo effect" from "Get Organized," though that remains unprovable due to the lack of a clear path to purchase via Netflix.

However, the creation of avenues to in-browser purchasing may be coming relatively soon, and most likely via Amazon, which is perhaps the closest thing the United States has to a media/tech/ecommerce powerhouse on the level of Tencent owner of "super-app" WeChat, streamer Tencent Video, Tencent Music Entertainment, Tencent Games, studio Tencent Pictures, and a major investor in other content and commerce platforms such as Kuaishou, Bilibili, and JD.com.

Earlier this year, Amazon tested the waters of shoppable video with its fashion reality show "Making The Cut," starring Tim Gunn and Heidi Klum.

Designed as a promotional vehicle for its fledgling luxury fashion ecommerce business, the show inserted an ecommerce angle by allowing viewers to purchase the winning outfits from each episode via an embedded Amazon link.

While the market of shoppable video technology is growing and the likes of Netflix and Amazon Prime Video are experimenting more with content-commerce, it is clear that the U.S. market lags far behind China in both the means to integrate this type of content-commerce and consumer adoption of in-video shopping, along with livestreaming ecommerce.

There are a couple of key reasons for this.

First, with the obvious exception of Amazon, there are few Western counterparts to the Chinese tech giants that actively create, distribute and promote all types of entertainment content.
In China, companies such as Alibaba, Tencent and Bytedance are already able to crunch vast amounts of user data to formulate programs that can then attract specific sponsors aimed at specific demographics, then produce that programming and include the paths to purchase that keep the consumer within their particular network of platforms, often within the same mobile app.

This kind of expansive reach and influence is currently unthinkable elsewhere, although Amazon, Google, Facebook and Apple are all currently capable of integrating ecommerce into one or more of their owned platforms in one way or another.

Second, it will take time for American consumers to accept the integration of ecommerce in streaming video as trustworthy and, in the case of livestreaming ecommerce, shake off associations with television home shopping networks of the 1980s and 1990s.

In China, which largely leapfrogged this type of sales-focused television programming and went straight to mobile entertainment, there were no such obstacles, and consumers have been captivated by the novelty of hours-long livestreamed sessions in which influencers hawk everything from kitchen supplies to luxury handbags.

It will take time both for technology in and consumers in the United States to catch up.

However, facing a protracted COVID-19 struggle, it might be the right time for the likes of Amazon to push more aggressively towards keeping homebound viewers glued to their devices and integrating more shoppability into their content sooner rather than later.

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