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The ongoing economic crisis has certainly had an impact on the online retail sector, and for good reason. The general publicâ€™s purchasing power has been squeezed by governmental austerity measures and, as a result, shoppers are turning to the Internet to hunt for bargains that will trim their household budgets. This has meant that online retailing has become more competitive than ever before as vendors slash the price of products in order to entice customers to buy their goods.

However, as all retailers know, there is a limit to how far price cutting can go before margins turn from black to red. Given this state of affairs, online retailers are resorting to more innovative marketing strategies to encourage buyers to purchase their goods. One such strategy that seems to be working well is the use of product videos.

More and more online retailers are now creating and uploading product videos to their website product pages. The net result of this strategy has been a staggering increase in online sales for online retailers. Here are some of the statistics that prove product videos are fast becoming an integral part of the online retailerâ€™s marketing mix.

Online retailer Living Direct found that videos boosted conversion as well as increasing time on site by 9%. (Internet Retailer, October 2010).

Internet Retailer reports that visitors who view product videos are 85% more likely to buy than visitors who do not. (Internet Retailer, April 2010)

Retail site visitors who view video stay two minutes longer on average and are 64% more likely to purchase than other site visitors. (Comscore, August 2010)

According to Internet Retailer, Shoeline.com saw a 44% increase in online sales conversions by using videos to showcase their products. â€œWith such positive results on our existing videos, the goal right now is to add video to as many of our products as possible,â€• says Frank Malsbenden, VP and GM of Vision Retailing Inc., the parent company of Shoeline.com. (Internet Retailer, January 2009)

Data courtesy of: www.invodo.com/html

Clearly, those online retailers who have yet to employ product videos as part of their marketing metrics are going to have an uphill struggle to maintain steady sales growth.

The challenge facing these online retailers is one of â€˜catch upâ€™ as the window of opportunity to employ product videos is set to close in the coming months. Put simply, an online retailer employing product videos to attract customers has stolen a march over competitors relying on static product information. It is therefore only a matter of time before consolidation in the use of product videos becomes reality, effectively making it difficult for an online retailer not currently employing product videos to become part of this latest retail marketing phenomenon.

If your business is not using product videos to demonstrate the unique qualities of your products or services, then perhaps you should think about consulting a video production company to see how they can help.

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