Discovery Phase

Research Summary

BLITZ

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VIZIO Business Objectives:

Experience: Complete the customer experience digitally, by providing the ultimate destination for consumers to learn about VIZIO products.
Education: Create a site that continues the brand promise by providing relevant content that educates consumers on why VIZIO is the right choice for their home entertainment needs and which VIZIO product is right for them
Enable: Redesign site to be more consumer friendly with easy navigation, a clean and inviting look, yet evokes the feeling of being a leader, who is modern and forward thinking
Ecommerce: Complete/continue the experience when people shop offline by providing a way for shoppers to research via mobile or online and making the experience seamless

Brand: VIZIO.com Communication

Mission:

Accurately reflect brand positioning and values across all media.

Stakeholder Objectives:

- Change perception of VIZIO – from the Costco/Walmart “cheap TV, to the best value in Consumer Electronics.
- Establish VIZIO as a CE brand with a focus on entertainment, and the connected “ecosystem” of products to prove that promise.
- Create a more consistent and management message at retail.
- Develop VIZIO.com as a central location for branded content, communication and education in order to give content longer life and create a reason for the VIZIO community to return to VIZIO.com.

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VIZIO Stakeholder Findings:

Role:	
William Wang, CEO	Sees success as how many people LIKE VIZIO, awareness as indicated by number of searches. Only have 40% awareness in the US, need more awareness to keep in the race with the older brands and generate the TRUST in the brand to make people want the VIZIO ecosystem.
	Mission of VIZIO was to bring what was seen as “elite” flat screen TV to affordability, to prove that it could be done. New tagline “People said it couldn’t be done.” Want to develop technologies to make people’s lives easier, to make tech affordable through innovation. The American dream.
	VIZIO is not cheap, everyone else is too expensive. They make the effort to be ahead of the curve, faster to market.
	Entertainment should be everywhere, content you want to watch should be available to you on all your devices, that is why VIZIO wants to keep expanding the ecosystem. Give people freedom because technology gets more powerful. As other devices cut into TV time, VIZIO needs to get to those other screens.
	VIZIO doesn’t grow the grapes, they are the wine maker, are able to cherrypick the BEST technologies, don’t have to limit themselves to one technology, but also don’t have the benefit of growing the grapes.
	VIZIO’s “legacy” is the deep connection to the retailers, this has influenced the product development, but also tethers them to retailer requirements. Future will need to figure out how to pull away from the retailer requirements, like Apple, be able to dictate TO THEM.
	VIZIO technology goal is to keep up with/ ahead of the way

	people communicate, so that distance is not a boundary, show people that VIZIO is providing a MUST HAVE benefit in the technologies, that it is the right thing to do/have to improve their lives. Make people feel good about adopting a technology = cult of technology, common cause.
Ben Wong, President	VIZIO is a humble business, treats manufacturers like partners and will reduce their own margins to make sure partners are making higher margin = manufacturers want to work with VIZIO. Everyone is buying the same parts (panels etc) VIZIO just brings it to people for less because they reduce margin and get it out faster.
	Entertainment is the key marketing platform behind product expansion, everything can be messaged back to entertainment.
	VIZIO offers the best value at the most affordable price they possibly can, not a CHEAP brand.
	Want to be creative, different from others, disruptive.
Lainey Newsome, Founder, Sales	VIZIO has been about having the right product and the right time, right place and right price. Wanted to take the pretense/elitism out of the flat panel TV
	Wants the VIZIO brand to be seen as a trusted ally in building a CE solution for the customer.
	Wants a website to create envy, brand loyalty – create the feeling that "wow, that brand is amazing and the technology is great." Easy, approachable, engaging and welcoming – your technology ally and resource. Enabling technologies at a pricepoint that no one else is – wants the VALUE to give a WOW feeling.
	Need to get credit for all the thought and design that went into making products to make the consumer's life easy, want people to know that VIZIO did this FOR YOU! Get credit towards building trust.
	Wants to convey that VIZIO is a company of people in Irvine CA, people that spend their time thinking about how to make great products for people at prices they can afford. Has a face, heart, passion. Curators of technology that you need and will want.
John Schindler, VP Product	VIZIO's goal is to compete and win in the high-end market, be able to offer the low-end product as entry level put not have the viability of the high-end product compromised by a sentiment that VIZIO is the "cheap brand." Sony and Samsung are achieving this. Suggests better communication of features, technologies, design and quality care, plus

	building reputation and good reviews.
	Consistency in how retail partners present VIZIO products is a challenge – need to provide them with tools to present them as a high-end/ high-tech brand, that offers best value while never compromising quality.

Matt, CTO	Press/News and awards page is also a priority to fix. Get awards for specific products to appear on product pages. In press should have interviews from CES. Use Google currents to aggregate VIZIO news to post good ones on the site. Link with images to all good press – top nav item for VIZIO buzz. Should not be buried on little tiny link. Like a blog but more visual.
	Ecosystem stuff would be cool to have rich experience – recommended configurations for sports/movie watching. Configure your own. Render a living room.
Lily, VP, Marketing	No other big product category changes this year except the lightbulb. Cell phones probably coming back into discussion next year.
	VIZIO would like to be seen as a broader CE versus a TV + other products. Though for this year, products surround the TV/ entertainment experience.
Jason Maciel, Director, Marketing	Usually marketing is product specific, take the premiere product. Haven't really done a "brand campaign" - even EEFA and Beyonce was specifically about the product, not VIZIO as a CE brand.
	Trying to change perception about VIZIO get away from "budget," trying to emphasize most advanced technology and build campaign about that – like connected TV etc.
	VIZIO Marketing Challenge Awareness, people not knowing who we are Emotional connection to the brand – people just think of VIZIO as inexpensive TV, want to change to innovative CE co that just so happens to be affordable Awareness, change perception and that we have a breadth of products. Best campaigns – Connected TV campaign. First out there explaining to consumers in EASY TERMS, BENEFITS. SVT series campaign promoting picture quality benefits and

	that they are an American brand. Got a lot of positive reaction and interest in the brand.
	Communication to customers about how prices stay low – efficient, not bloated like competitors, quick to market because of relationship with suppliers (but don't want to talk about suppliers). Great relationships at retail – keeps inventory low, get products out quickly. Things that we do that are different that allow for lower price points. See interview with Matt – efficient supply chain. If there could be a "Why VIZIO" – don't want to name suppliers, but how VIZIO works. It is a unique business model. Not married to specific technology, can make quick changes to always be best in class. Unlike Samsung that invests heavily in developing the tech themselves, so they are married to what they develop (see 3D active technology v. passive).

	Have 20+ celeb endorsements, would be great to have a destination to be able to execute some stuff in there contract. All these celebs are part of the VIZIO family and able to generate content – talked about getting stuff on Facebook, but would be great to get spot on the site too. Celebs have all been chosen because they are up and comers and have a story that relates to the category they are endorsing – Ashley motocross rider, interesting because she uses the tablet to communicate with her family because she is deaf. Blake is high performance – try to make sure the celebrities make sense.
	Integration with social – need to define path of communication for supporting social initiatives from social on the website. Q1 – TVP winner announced, Beachbowl Have so much cool content – Coachella, Comicon – have the content on social, but nowhere for it to live on. Rely on other people to share it, but if we had on our own site that would be really cool. (also cool to have on a VIZIO app on the TV)
	Seasonal and event based campaigns get decided by sales group in Q1, decided with retailers. Marketing team gets visibility when they get formal commitments. Haven't been

	able to integrate with online in the past though because of the last of flexibility on the website.
Amy Chase, Social Media	Would be nice to pull in tweets and FB post into the website, maybe on product pages. Integrated to feel like you are part of the conversation on the .com and could continue by clicking over to twitter or facebook.
	VIZIO community is great – diehard techy fans. Typical comicon, E3 attendee, know a ton about tech, would like to take TVs apart, see all the parts and then BLOG about it. Challenge is how to bridge the gap between techy fanbase, to general consumer mass market that they are trying to get to make their life easier with technology. Most successful posts are product focused, insights – shooting product in the showroom, interviews with Matt – even more successful that event footage (coachella etc), because the core fans are just more interested in the product parts/technology.
	Definitely an opportunity to mobilize community – Dennis acts like tech support. Become the next freedom fighter – get them product early, get reviews for them early. Could be good to utilize fans to build up review base, but haven't had the bandwidth to do it yet or keep it up. Internal hesitancy to get products out early, even to biggest fans. Not huge confidence before, but they are getting there, and doing celebrity seeding. Timing and quickness to shelf prevents a huge amount of time between product being done and being able to get the product out as samples.
	VIZIO consumer demo – sweetspot is male 35-40 in the past, but the opportunity is everyone beyond adult sports fan that they have been talking to for 5 years. Would like to expand to females as they make a lot of the purchase decision.
	A media newsroom/ press kit area where people could come to get photos/ press releases etc.

	Careers section – advise on usability and how to make it easier to find and send to people – it is ugly. Can't do much for the layout, but Acquire is the 3rd party site – not a high priority, but would be nice to fix.

Robynn Lee, Sr. Product Marketing, Computing	Being exposed to all the planning, design and engineering that goes on behind the scenes at VIZIO has changed her (pre-employment) perception of VIZIO as a budget brand. Sees her biggest challenge in new entry into the PC market to overcome the “cheap brand” and be new with no reputation, credibility or awareness to build on. Jason’s team and web are her biggest lever to get message out – wants to be EVERYWHERE, wants to brand visible at every touchpoint a consumer could stumble upon
	Product evangelism: Would like to create a video for finding people who use windows-based computers in their trade, find a freedom finder for windows
Ryan Henry, eCommerce	VIZIO wants to break out of being “cheap TV at Costco.” VIZIO.com will need to sell premier/ current product line-up. For brand, to elevate where William wants to go with Apple and Sony, VIZIO will never get there focusing on outlet. Reinforcing cheap TV.

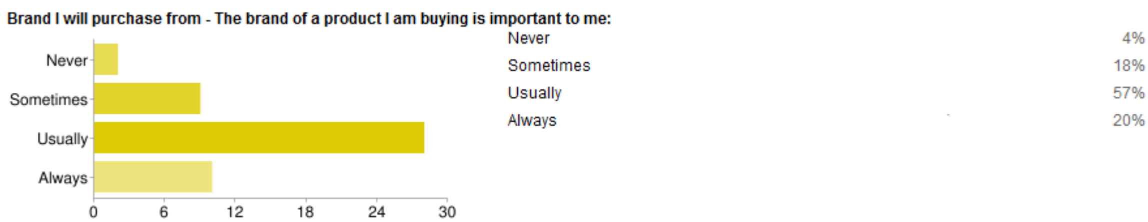
<u>3rd Party & Consumer Research Findings:</u>

- Big ticket television purchases are frequently Christmas gifts that cover everyone in the household – Mintel encourages adding in or emphasizing extra family incentives like children’s games or children’s content. 1
- Only department stores and discount stores saw significant affects of price competitiveness when shopping for consumer electronics – study concluded that consumer electronic retailers therefore should not rely on competitiveness of price and instead need to strive to become recognized by consumers for delivering above and beyond other formats in terms of non-price methods. 5
- Non-monetary promotions have more favorable effects on brand attitude than monetary promotions in the long run. Repeated monetary promotions lower the consumers’ internal reference price. 7
- Less deal-prone consumers show more significant differences in brand attitude between monetary and non-monetary promotions than strongly deal-prone consumers do. Repeated monetary promotions might induce unexpected side effects to less deal-prone consumers. However, both monetary and non-monetary deals are effective for strongly deal-prone consumers. 7
- In its ideal state, multi-channel retailing allows retailers to obtain a single view of customers across multiple channels, allowing them to track customer behavior and gain a better understanding of customers’ decision making processes in a bid to improve retention and better cater to individual segments. 12

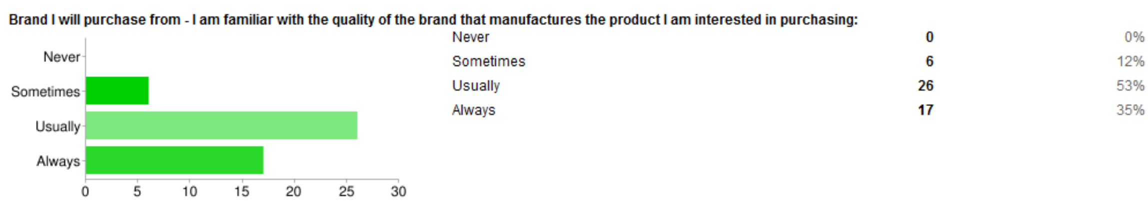
- Higher product quality information is positively related to trust and trust in turn is positively related to purchase intentions. Product quality may be indicated on websites by a known brand name, customer reviews, and percentage satisfaction figures. 12

CE Shopping Survey

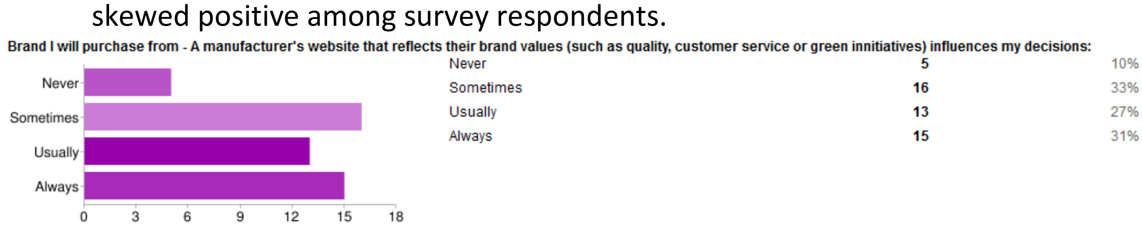
- The majority of responders to BLITZ's Consumer Electronics survey indicated that the brand of product that they are buying is "Usually" important to them, however only 20% indicated that it was "Always" important. This seems to indicate that while brand IS important when making a CE purchase, other factors may cause brand to be a secondary consideration.



- The majority of responders also indicated that they are "Usually" familiar with the quality of the brand they are interested in purchasing, with a high percentage also indicating that they are "always" familiar. This percentage, as compared with the previous question seems to indicate that while a consumer may not necessarily purchase entirely based on brand, they do want to have a baseline understanding of the reputation of quality of the brand before considering it for purchase.



- While not generating a clear winner, the importance of the products' website skewed positive among survey respondents.



Recommended Brand Features:

As VIZIO continues to expand into products beyond TVs, and retailers outside of Walmart and club stores, awareness of VIZIO as a CE brand will become increasingly important, and the ability to differentiate on benefits other than price will become critical especially in the PC market.

We believe that this can be greatly aided through digital, especially as VIZIO has a great story to tell. BLITZ recommends the following digital features to address brand communication:

- Implementation of a “Why VIZIO” page to tell the VIZIO story, belief structure of the care they put into developing products and bringing them to market at prices everyone can afford. This section can also feature industry buzz, reviews, interviews and marketing/PR initiatives.
- Addition of great industry product reviews and articles to a prominent location of the product description pages.
- Creation of a VIZIO ecosystem configurator page to communicate VIZIO as a connected CE brand, rather than just a focus on TVs.
- Integration of Twitter and Facebook feeds on the site, in order to make the site feel like an extension of the community and an active conversation with a thriving, active and socially aware company.
- Emphasize features and technologies of products, then explain why the price is lower than the similar quality OEMs (Sony, Samsung etc) in order to differentiate VIZIO first on quality/technology, then value.
- Creation of retailer “packages” with product photography and copy tailored to the retailer’s needs, this will help maintain consistency of message, product description and control of what is getting out to the consumer.
- Target holiday promotions of high-end televisions to fathers, emphasize features that will benefit children and families such as the VIA connected TVs for accessing streamed kids content and games.
- Avoid monetary discounting on products at retailers, instead encourage non-monetary incentives like a free gift with purchase so consumers don’t get accustomed to “cheap” pricing for VIZIO products.
- Maintain multi-channel retailing in order to maintain brand awareness in as many channels as possible.

Product Research: Learn, Understand and Compare

Mission:

Help consumers learn about, understand and compare products.

Stakeholder Objectives:

- Get credit from consumers for the thoughtful engineering that goes into all VIZIO products, help people understand how new features and relevant to them.
- Simplify communication of product offerings so that customers know exactly what they are looking for, what they will get and what else they might need to complete the experience.
- Clearly articulate how VIZIO products are superior to competitors, regardless of price.

VIZIO Stakeholder Findings:

Role:	
William Wang, CEO	Current offering of TVs is too confusing, and large number of products is a result of retailers wanting unique SKUs for their stores. Would like to simplify and get to the point where there are less choices that are tailored to the customer needs. People feel more trust when they have to make less choices, feel like the brand has made it easy for them.
	Demonstrate WHY VIZIO is so good compared to others.
	Show customers what else they will need to complete their entertainment experience.
	Show people that the technologies are a MUST HAVE benefit to improve their lives, preach the message of the technologies.
Ben Wong, President	Site needs to be educational, informative and facilitate sales to ALL channels.
	Would like to see more creative ways to educate on products (360 views) people need to be able to visualize and know what they are going to look for at retail after researching on the site.
	Would like to see a better visual explanation of why the M Series is different from E and XVT.
	Likes interactive demos for key features – creative, unique, stuff that other people aren't doing.
Lainey Newsome, CoFounder, Sales	Website should be the ideal store experience, fun and easy to shop for technology – easy, approachable, engaging and welcoming.
	Customer needs to know what goes with each product and why, see VIZIO.com as an education resource, where VIZIO is the ally at getting the customer to the best product for them.
	VIZIO.com needs to be the example for retailers so they know

	how to communicate the best selling message for the VIZIO products they carry. Be the outlet for research.
	Focus on the details that customers NEED at point of purchase, don't confuse with getting in the weeds of the technologies.
	Show what the product looks like in space, show them it is a solid product with high design, great quality and usability, and a great VALUE (not cheap).
	Let customers see the great customer service support as part of research, don't hide it.
	Show testimonials, add credibility. Believes that reviews should be honest and transparent to build trust, not just showing the good ones when there are bad ones out there. Bad products don't deserve to be part of the offering, VIZIO needs to hold themselves accountable if they make something bad.
	Part of research should be examples (videos) of the easy ways to use all the features of the technologies – for example, what can I do with WiFi on my TV or bluetooth? Give more reasons for people to come back to the site and learn.
	Convey that there is a REASON for everything they do, every detail decision.
	Doesn't believe that navigating to TVs by series is not an effective message to the consumer. If the series names were more illustrative of features/benefits then that would make more sense, but not as currently defined by XVT, M and E.
	Need to SEE the TV in the best light, understand what is in the box via digital – show that VIZIO is not a cheap factory pumping out thoughtless products – could show through video. For example, they purposefully made all 3Ds connected because they knew that people would be able to stream 3D content.
Matt, CTO	For the TVs – need to have better product finder to help person find a TV for them, not clicking on to take them to a search results page.
	Discovery vs. Product – shouldn't be 2 sections. Discover to Matt might go away/get integrated with product. Always learn what the product IS first, then display what products are available with that feature by series, size, etc, if there is a click to buy, then show options and pricing) For example, 3D – should have shot of 3D TV, shot of glasses, why our 3D is better, what can I use it for, works with Xbox and playstations, show where you can get content/ usage models Then these TVs have 3D: **size**, types

	On list of importance, having a product finder that doesn't first take you to a search page of random items is critical.
	Loves idea of interactive/rich media – would like to see on VIA plus, tablet, maybe not computing in first go, but in windows 8 will have app in metro UI that lets you control your TV and content. Ecosystem stuff would be cool to have rich experience – recommended configurations for sports/movie watching. Configure your own. Render a living room.
Alan, Sales	Guys shop by TV size, need to give multiple avenues to get to the right product – technologies, etc. Doesn't think that shopping by series is meaningful or understandable yet.
	Retailers aren't experts in explaining why to buy certain products, they need to be able to depend on VIZIO to explain and sell in the high technologies. Typical VIZIO customer is approaching from the cost/value side, not looking to understand the values of the higher tech they are being given access to. Need to explain to THEM the benefits of the technologies.
Scott Patten, Customer Support Lead	Believes research/selling point is VIZIO's great, US based customer service and 1st call resolution. Replacement/repair services could be better communicated to the customer during research/shopping process to establish trust and sense of ease (in home repair etc).
	Many calls come in from people sitting at home in front of PC that don't fully understand the technologies and features.
	Has received negative feedback about the reliability of VIZIO online reviews from calls, customers' express suspicion at moderated reviews, especially when they find less positive reviews on 3rd party sites.
	From Gateway experience, sees research need for PCs MUCH more need/used based in purchase consideration. Recommends setting up PC shopping experience to closely model a sales agent experience.
Ryan, eCommerce	Connect TV is #1 – selling point for VIA is that there is 70% connection rate for VIZIO smart TVs versus 50% average for others. Online demos or video could help make connected TV features a bigger draw for new VIZIO customers.
	Information first – how do we sell at Walmart/Bestbuy/Costco etc FIRST, education first. Then how do we sell on VIZIO.com, hates to say that since they are responsible for eCom, but that

	is where 98% of revenue comes from.
	Info for Customer at Point of Sale: In-store – features that are different from Samsung/Sony All – SUPPORT, technologies/ features
Mia	Feels like some features/technologies are hard to find on the site. A lot of care and research is put into development of the features but feels they are "best kept secrets."
	Can put store finders and listing of retailers that carry product if NO FAVORITISM is being shown, must show all retailers if any. Customer comes first, so best experience for them in finding product can be the site policy as long as there is no bias toward any retailer.
John Shindler, VP Products	Need to find a way to consistently demonstrate to consumers that at $2k the VIZIO product IS superior to Sony/Samsung at $3k in the high-end market. Online experience needs to LOOK like a $3k product.
	Need to focus on generating good product reviews.
	Big VIZIO challenge is how retail channels present products in store and online. Need a consistent way to communicate "Here is the new and exciting product, it stands out because of x,y,z, and here is how/where you can buy it."
	VIZIO approach to design – allows distributers to design their best products for VIZIO, which leads to several versions of TVs with the same specs but different product models. This is a challenge for shoppers to understand VIZIO product offering, but generates the best products.
	Feels like product development team could do a better job of communicating the great features to the marketing teams to make sure the message is reaching consumers.
	Pricing communication is probably not clear to consumer – customer is probably not aware of how VIZIO can maintain such low pricing – assume bargain or cheap brand.
	Most TVs are truly a superior product (with maybe the exception of Samsung in a few places) – panel, audio and connectivity superior, and they work HARD to stay ahead of the curve through 36 month tech product cycles.
	Trying to fix distribution channels, but struggling with how retailer are presenting them in store and online. As we get in to bringing new technologies out, need consistence presence for where people go to looks for and evaluate products or else we are at a major disadvantage. Product on the wall goes not indicate that that is a special kind of TV, difference from the other 3 VIZIO TVs.

Lily – VP, Marketing	For user experience - allow users multiple ways to browse to get to TVs – search by series, do a better job of articulating series By value prop – want people to say " I just want the basics so I'm an e series, or I like high design value so I'm an m – I want best I can get = XVT. -> slight challenge here is "carryover SKU" good SKUs might waterfall to a different series as new products come out. Then by specific usage – watch 3D, sports fan, movies. Then shop by size – best screen I can get at 55 inches * Pricing – looks to data for optimal consumer experience, but want them to shop by usage/series etc – then filter by price.
	VIZIO.com will only have current products, in retail – all others should be shifted to outlet/support.
	Sales also uses assets. Today have asset library, direct retailers to asset library to pull down images on .com side – messaging, assets, etc. problem is that retailer does not proof or check before going live. Know all the assets that each retailer needs (unfortunately all different), but do know so that we can put together packages for each retailer of what they need to keep consistency.
	Similar products = smart recommendation engine, very easy way to put together a shopping list so that you can "watch 3D" – product should never be sold in isolation.
	Needs to be a way for customers to discover technologies, enable a deeper interaction with the technology.
	TV criteria – people are always leading with size, have an idea of what room they are putting it in. then price. Then cross reference review sites – consumer reports, amazon, cnet
	Risk for consumer is not getting the most bang for buck – surfacing to consumer what MORE they could get for money is difficult. Need a way to see a step-up. Create step-up module so people can see that for a little more money they can get a bunch more features. People are more likely to sacrifice feature for size – we need to show value to people of the features, that it is worth paying more for the features at the same size.
	Lots of questions around 3D, smart TV, LCD, then soundbars – people don't understand what surround sound is, and sound specs.

	Lily would like a lot more video on the site, set up, unboxing, etc.
	3 Key selling points for Buddy Box – launch demo, app centric navigation. Being able to search, and multi-tasking. Could be a voiceover that explains how to get to apps, change apps without changing input.
Carlos, Sr. Product Manager, Beyond TV	Messaging needs to be defined by the target audience, put the message into layman's terms, benefits driven, compare to like-products. Check for common key callouts of competitor products so consumers will know how to compare apples to apples.
	For Buddy Box – while apps are important, everyone has apps, selling points should focus on the experience design, engineering of the product, attention to detail in creating the best experience – no input switching, touchpad remote, etc.
	Current VIZIO perception is value driven – need to take more credit for design and technologies and communicating where they offer benefits that others DO NOT at retail (QR code app)
	Main motivation for Buddy Box is a Halo effect, create excitement for what is coming on the summer TVs with VIA +, hoping the $100 Buddy Box experience will be great enough to create demand for the $1k TV.
	For audio products, have not done a sufficient job of educating the consumer so that when they buy it, it meets expectations – need to hear the product, know the differences between soundbar and home theatre, what are the different configurations.
	For TV – need to get price conscious consumers to take a risk and think about investing in a VIA or 3D TV. VIZIO offers so much more for the price than anyone else like WiFi, award winning app platform, qwerty remote, that most other brands only offer on highest end models.

Stephanie Lambrakis, PR	Linking of 3rd party reviews and articles is all manual, need a more automated processes to add these to both news pages and product pages.
Jason Maciel	Marketing focus this year is on ecosystem and computing.
	Need to change perception that VIZIO is a TV only company, that we carry a breadth of products.
	Communication to customers about how prices stay low – efficient, not bloated like competitors, quick to market because of relationship with suppliers (but don't want to talk about suppliers). Great relationships at retail – keeps inventory low, get products out quickly. Things that we do that are different that

	allow for lower price points. See interview with Matt – efficient supply chain. If there could be a "Why VIZIO" – don't want to name suppliers, but how VIZIO works. It is a unique business model. Not married to specific technology, can make quick changes to always be best in class. Unlike Samsung that invests heavily in developing the tech themselves, so they are married to what they develop (see 3D active technology v. passive).
	Connected TV campaign. First out there explaining to consumers in EASY TERMS, BENEFITS. SVT series campaign promoting picture quality benefits and that they are an American brand. Got a lot of positive reaction and interest in the brand
	Communication path between product dev team to marketing to communicate features: Hasn't been great in the past, all that work and information IS starting to get published in a place they can get access to, but hadn't been before.
	Reviews happening more on Amazon and Walmart because they do not publish negative reviews. Stephanie used to manage review approval, and they are VERY strict about publishing only positive reviews. All they can do is take the conversation off and address outside of the public view. Jason/Steph/Amy agree that this is not the policy they would like to see, but is a company mandate.
	When new apps or product updates come out they send alerts through social – for example when hulu came to via, post got picked up by gizmodo and got a ton of attention.
Shane, NPI Manager	Would like to see "Coming Soon" pages for new products with "Notify Me" button. It would be great if the notify button would put email addresses into categorized lists so email contacts could be more targeted.

<u>3rd Party & Consumer Research Findings:</u>

- If users have a more pleasurable, playful or entertaining experience with technology products during the online shopping experience, through use of a product virtualization technology (PVT) they will be more willing to use the technologies, see the product as useful to them and increase purchase intent. [8]
- Interactive technology demonstrations online result in stronger purchase intentions than passive product presentations by allowing consumers to simulate the functionality and appearance of a product, creating a compelling online

virtual experience. PVT allows online sellers to provide more effective product information – reducing perceived risk, and engaging consumers in a fun shopping experience – enhancing shopping enjoyment. PVT has the potential to increase the number of unique and repeat traffic visitors to the site, increase online sales and establish an online competitive advantage. 9

- If online shoppers find the digital product images to be effective in reducing product risk and/or increasing shopping enjoyment they will be more likely to adopt the innovation. 9
- Insufficient information on a products' attributes and a shoppers' inability to evaluate the quality of the product online results in perceived increased product risk. Risk can be reduced by either decreasing the probability of failure and/or decreasing the severity of the loss. The use of dynamic product imagery as a proxy for physical examination may play a major role in reaching a product purchase decision, especially for individuals with a higher need for sensory input. 12
- After visiting a website with interactive virtual product presentation, both browsers and searchers reported more positive attitudes and purchase intentions. Hedonic content (e.g., interactive images) of the innovative imagery is important in enhancing online shopping. 12
- Once DPI performs as expected, providing advantages by helping consumers to evaluate a product more adequately as well as providing fun shopping experiences, consumers are likely to evaluate the innovative imagery favorably and, as a result, be satisfied by using it, spread positive word-of-mouth and that would make a true adoption of it. 12
- The success of online product retailing will depend in part on the successful use of innovative product imagery to reduce perceived product risk and/or to provide a more entertaining shopping experience. Our findings confirm the need for online retailers to place greater emphasis on employing product virtualization technologies to fulfill consumer needs for sensory information as a means of reducing product risk and enhancing shopping enjoyment. 12
- Childers et al. (2001) suggest that for products with salient haptic attributes, that is, texture, hardness, temperature and weight, the need to personally examine them through touch is particularly critical. More specifically, they found that, shoppers became frustrated, and less confident in their product attitudes, if they were unable to handle such products, prior to making a purchase. High levels of trust in a specific retailer were found to compensate for any perceived lack of substitutability. 12
- When starting the shopping process respondents started online either at a retailer site, by searching or going directly to the manufacturer's site.

19% of consumer electronics and computer shoppers start their shopping process at a retail web site

Visited retail web site	19%
Searched using a search engine	18%
Visited manufacturer web sites	13%
Visited physical retail stores	10%
Read magazines/newspapers in print articles	10%

Where consumers begin their shopping process

The web accounts for three of the top five most common places where consumer electronics and computer shoppers begin their shopping?

Source: Study by comScore Inc.
Sponsored by iProspect, Searchandise Commerce.

- Best Buy, Walmart and Circuit City are top search results for electronics purchases.

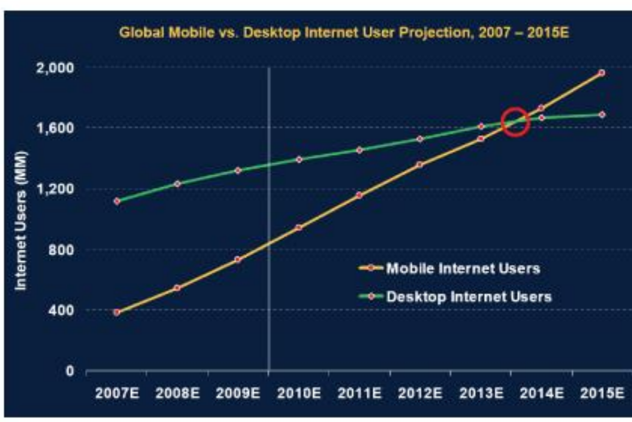
Retailer	Total Points 2010	Total Points 2009	Growth
Best Buy Co.	208	164	26.83%
Wal-Mart Stores Inc.	147	152	-3.29%
CircuitCity.com	85	169	-49.70%
Crutchfield Corp.	42	38	10.53%
Sony Electronics Inc.	41	57	-28.07%

Best Buy dominates electronics paid search

In Internet Retailer's latest keyword analysis merchants were assigned points every time they appeared in the first five paid results within their core merchandising segments over a nine-week period and the points were added up to achieve a final score.

Source: Internet Retailer 2011 Search Marketing Guide

- Mobile web access will overtake desktop/laptop access by 2014. Adoption of mobile apps is growing very quickly, however mobile sites are still more widely in use by almost double.



Mobile overtaking the web

More consumers will access the Internet by mobile devices than by desktop or laptop computers by 2013, projects analyst Mary Meeker of investment bank Morgan Stanley. She also projects that mobile commerce will account for nearly 2% of U.S. retail sales by late 2012, while web retail will account for 5-6%. Meeker says mobile commerce in the U.S. will follow the path blazed by Japan, where the leading online retail site, Rakuten, already was booking 19% of its sales from mobile devices in late 2009.

Source: Morgan Stanley Research

How smartphone owners access mobile retail

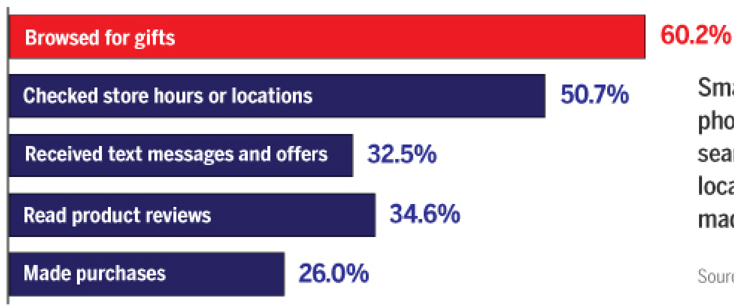
Consumers access retailers in the mobile realm via the web, apps and texts. Access through sites and apps is growing quickly while texting is growing slowly, comScore finds.

Source: comScore

	Q3 2010	Q3 2011	Growth
Via sites	8.7	14.1	62%
Via apps	3.6	7.6	111%
Via texts	3.4	4.1	20%

- Browsing products and checking for store information were the most popular mobile shopping activities.

How consumers use smartphones to shop



Smartphone owners who used their phones while holiday shopping mainly searched for gifts or checked store locations and hours. But 26% of them made purchases with their phones.

Source: BIGresearch for National Retail Federation; December 2010 data

- Most common online retail activities were a tie between reading ratings and reviews and looking for product discounts. Among parents the online shopping activities skewed higher towards couponing and discounts, but product research and discounts were still the two leaders in online shopping activities.

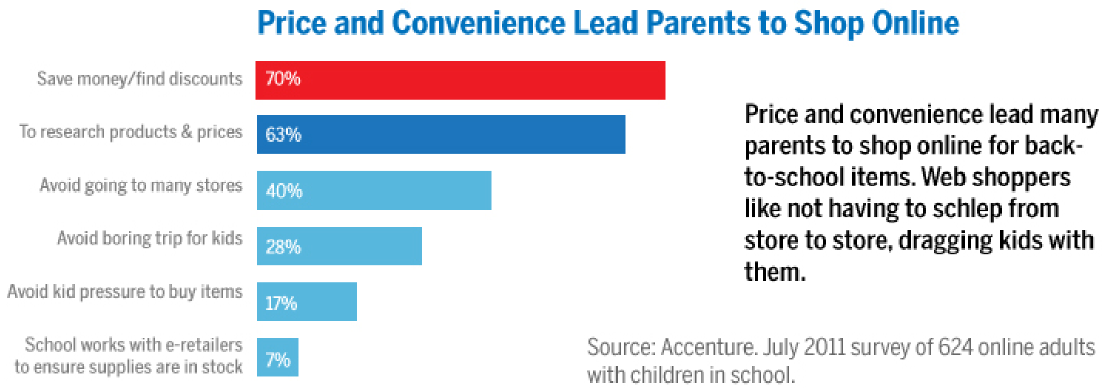
Percentage of U.S. online adults who participate in these activities

Read customer ratings and reviews	25%
Sign up for free products or coupons	25%
Buy things in online auctions	18%
Sell things in online auctions	7%
Use comparison shopping sites	11%
Post ratings and reviews	6%

Retail-Related Online Activities

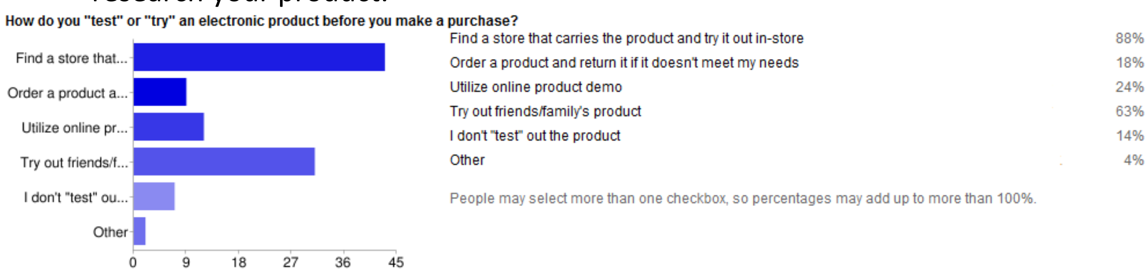
Consumers ages 31-44 are most likely to read online ratings and reviews at 31% and to sign up for samples or coupons, 28%. They are also most likely to buy at online auctions (23%) and sell through web auctions (10%).

Source: Forrester Research Inc., 2010 data



CE Survey

- While 18% of survey respondents indicated that they utilized online product demos to test or try out products, 88% would still choose to physically try the product out in store. So while online demos do aid in eCommerce decisions, having a product locator feature is also very important in helping consumers research your product.



- Product reviews were extremely important in the consumer research phase with 65% of respondents indicating online reviews as “Very Important” in the evaluation of a consumer electronic product, with 0% selecting not important. Reviews from family and friends were the next highest rated review source at 43% of respondents indicating them as “Very Important,” with Consumer Reports and Blogs predominantly being chosen as “Important” versus “Very Important” (38% and 35% respectively).
- Product Advertising and Lifestyle Magazine reviews had much lower ranking of importance. 47% of respondents ranking Advertising as “not important,” with 60% of respondents indicating that Magazines were “Not Important,” 0% ranking as “Very Important.”
- While not selected as “Very Important,” the highest number of respondents ranked a product’s website as “Important” to their evaluation of a CE product, at 47%.

Recommended Research Features:

While great for creating the best products, a byproduct of VIZIO's unique relationships with retailers and manufacturers is that the selection of different products can be very difficult to wrangle into an easy research experience. Not surprisingly, our research found that most people began their shopping process online by visiting retailer sites, searching and going to the manufacturer's website. This stresses the importance of making sure that not only the VIZIO site is presenting products in the most desirable light, but that VIZIO controls the message going out to retailer sites as well.

As part of the research process, VIZIO.com needs to first eliminate risk and establish trust in the VIZIO product, second, allow consumers to quickly and meaningfully understand the key differences between the product offerings, third, allow users to easily and enjoyably navigate down into the product that is right for them through whatever is the most meaningful path for their need, fourth, present the key benefits of each product online in a fun and enjoyable way in order to create a true sense of need, value and increase purchase consideration and ultimately provide the consumer with the most information possible for where they can buy the product. To achieve this we recommend the following:

- Eliminating risk and promoting perceived usefulness of a consumer electronics product are the two main drivers to increasing purchase intention for your product – we need to create a fun, smart product finder experience to solve issue of confusion around the VIZIO product lines, help consumers know exactly what they want at retail and increase direct/eCommerce sales.
- Consolidate Discovery/Technology into product selection – let customers do first search by potentially the product type (TV/ Home Theatre/ Computers/ etc, then by technology or size, and/or model type – XVT, M and E, then have compare feature – possibly select items to compare models against each other or filters by price (if we can get accurate pricing range), other features the product supports or others.
- Product reviews are key to influencing purchase consideration – it is recommended by most stakeholders and research that the site include the full breadth of reviews – good and bad. Any bad reviews can be publically addressed by VIZIO on the site to gain even more trust at the transparency and helpfulness of corporate customer service.
- Family and friend recommendations are also powerful review sources – send to a friend and social share features on products could aid word of mouth referrals between friends and family.
- Description of product technologies and specs should lead with tangible benefits, however due to VIZIO's tech savvy fanbase, also provide spec information for them to dive into.
- Images displayed online of the product should be as accurate as possible to reduce risk, where possible use real, high resolution photography, with zoom in details of cable connections, controls and design details.

- For items that customers would normally seen to see, hear or touch during a shopping experience, creating a FUN interactive experience can eliminate some risk and increase perception of need for the product. Recommend interactive media for new interfaces such as VIA+, tablets, and the touch remote. Need to concept on possible interactive experiences for soundbars to communicate features.
- Store finder feature can help the research process for the large number of consumers who still prefer to physically interact with a CE product before purchase.
- Create digital asset packages for online retailers such as Amazon, Walmart, Costco, etc. in order to better control the consistency of message and accuracy of information getting out to consumers at each retail channel.
- Buddy Box – create interactive marquee to show touch remote and connected interface – easy switch between gaming, live TV, streaming media etc. Sufficient, fun information will be critical to drive pre-sale orders.
- For search, target retailer key words such as Best Buy, Walmart and Circuit City.
- Sharepoint integration (replacing Cookbooks) should help bridge communication gap between marketing and product development, but need to make sure that all the awesome features and design elements that have gone into each VIZIO product is getting communication in the marketing copy. Research into these careful product feature advances and choices will be critical in the effort to shift perception of VIZIO as a budget brand to a technology and consumer driven brand.
- Need feature for "saving" a product for later or notifications if researcher is not ready to buy right away – easy way to keep VIZIO on his radar.
- Great potential in reaching mom and family demo for TV purchase, keep her in mind when developing lifestyle-based product research.

Product Selection: Lead User to the Right Product

Mission:
Help consumers find the mix of products for their unique needs.

Stakeholder Objectives:

- Create a fun easy way for customers to find the right products for their unique needs.
- Communicate that VIZIO is a lifestyle technology curator that offers a compelling array of products for a connected entertainment ecosystem.
- Develop a smarter way to make relevant product recommendations.
- Create a mobile experience to close the sale for VIZIO at point of purchase by facilitating customer service calls.

VIZIO Stakeholder Findings:

Role:	
William Wang, CEO	Current offering of TVs is too confusing, came out of retailers asking for special SKUs for them to carry VIZIO. William would ideally like to see smaller set of choices to establish trust that VIZIO is giving them products specially created for customer needs (other TVs can be "the walmart version"). Believes that as they get bigger they will be able to have more control over these retailer requests in order to simplify their line.
	PCs- planning to have few configuration options, not custom ordering.
	Site should convey why VIZIO is so good compared to others and what other products you will need to complete an experience.
Ben Wong, President	Web should help people be able to visualize what they are going to get at the store, know how to identify the product they want.
Lainey Newsome, Founder, Sales	Website should be the ideal shopping experience, fun, easy place to shop for technology. Surface information that customer really needs at point of purchase for deciding to buy a VIZIO product.
	Product selection should feel like VIZIO knew what you needed and became a partner and ally in getting you to that product.
	Need to understand what is in the box via digital.
	Likes Amazon product selection experience of "related products" meaningful recommendations and reviews.
Matt McCrae, CTO	Lots of people come just trying to find a 55 inch TV, maybe also a Smart TV, should be able to see the choices for 55 inch, tell

	the differences relatively quickly. Then educate by benefits like higher refresh rate is better for sports.
	Via and Via+ will be two versions of smart TV – 2 flavors but have massive feature differences – need to figure out how we present that when Via + arrives. Will we put VIA and VIA+ as side by side comparison? App #, touch remote etc. Need to figure out best way to handle that – work with Lily to define.
	Doesn't think that people shop by price, also problematic because pricing in channel varies greatly, trying to list out a price is dangerous. Let people find the TV that they want, then if it doesn't fit in the budget they can adjust. Pricing on website will never reflect product in real world, always MSRP
	Mobile product support: List of apps, explain product in greater depth, more photos to flip through, let them compare between VIZIO products. Only interaction for him would be chat/live tech support.
Lily Knowles	For user experience - allow users multiple ways to browse to get to TVs – search by series, do a better job of articulating series By value prop – want people to say " I just want the basics so I'm an e series, or I like high design value so I'm an m – I want best I can get = XVT. -> slight challenge here is "carryover SKU" good SKUs might waterfall to a different series as new products come out. Then by specific usage – watch 3D, sports fan, movies. Then shop by size – best screen I can get at 55 inches Shop by series, size, usages – LED, 3D etc become a filter. Filter by price point, size, LED backlighting etc.
	VIZIO.com will only have current products, in retail – all others should be shifted to outlet/support.
	Similar products = smart recommendation engine, very easy way to put together a shopping list so that you can "watch 3D" – product should never be sold in isolation. - Goal for the future would be to also have smart shopping for products all at the same place, but for now, just focus on products that go together.
	Thumbnails of TVs all look the same when side by side – how can we visually represent difference on pages where TVs are side by side to indicate difference? Search results page etc. Review possible solutions with John Schindler.

	TV criteria – people are always leading with size, have an idea of what room they are putting it in. then price. Then cross reference review sites – consumer reports, amazon, cnet
	Risk for consumer is not getting the most bang for buck – surfacing to consumer what MORE they could get for money is difficult. Need a way to see a step-up. Create step-up module so people can see that for a little more money they can get a bunch more features. People are more likely to sacrifice feature for size – we need to show value to people of the features, that it is worth paying more for the features at the same size.
John Schindler, VP Products	In-store, product displays do not do justice to the technologies/features and capabilities – among a wall of TVs (including other VIZIOs) it is hard for consumers to tell any difference between models.
	When shopping, customers find it very difficult to make the connection between the models and features they can see on VIZIO.com and what is available in the store – products may not be there, or organized in the right category.
	Qualities that make VIZIO the choice at POS – customer is getting more for their money; outstanding reputation in customer service; VIZIO is taking care of you.
	VIZIO works VERY hard to offer a superior product/ best technology they can buy, for features that consumers really want, for the best price they can- not the cheapest price out there and will never be, just the best price for the best feature set.
Alan Powell, Sales	VIZIO pushes retailers to take on the higher tech products, so they need to really help explain to the customer the benefits so they know what to buy when they enter the store.
	Higher priced items are selling better online, perhaps because of the ease of shipping to your house, or the access to the benefits as opposed to wall of screens in store. Need to utilize this behavior to sell higher end products via digital.
Scott Patten, Customer Support	Many calls come in to customer service asking to explain product features (for example, will a 3D TV also play 2D? or will TV be compatible with other products they already own). Online product pages could greatly help reduce these calls by listing easy to understand answers to common questions (Scott to send).
	Thinks it could be very valuable to develop product selector tool by “behavior” – if you watch a lot of sports these products are

	best, movies, etc.
	Site needs an easier way to distinguish differences between different models (refresh rates, contrast ratio etc) and show what kind of cable connection they need.
	His experience from Gateway makes him think that the ability for customization and configuration will be MUCH more important on computers than TVs.
	Scott believes that budget is the best starting point for a TV purchaser, then room/desired TV size. Finds that customers are most satisfied when they get the biggest TV their budget and room can support.
	Shoppers at a higher budget are better for offering extra products such as warranties, where VIZIO makes greatest margin.
	Scott would like to explore the implementation of "active chat" when people stop interacting for a certain amount of time.
	Thinks there could be more "fun" ways of demonstrating VIZIO technologies.
Colin, Ryan Henry, eCommerce	VIZIO 2012- retail strategy is now to carry 2 separate sets of products – high-end, which will be carried at Best Buy, Amazon, Costco and VIZIO.com and entry level for Walmarts, Sams Club.
	At POS in-store customers need information for how the VIZIO product is different and better than Samsung/Sony. At retail VIZIO TVs look great, but we need to "back it up" for the buyer?
	At all POS (on and offline) customers need information about VIZIO's post purchase support, explanations of technologies and features including connections and ports.
Carlos, Product Manager, Beyond TV	POS for Connected TVs/Buddy Box – although apps are important, everyone has apps. Would like to emphasize the great experience design of the product and engineering, special differences (Carlos to send spec sheet), focus on attention to detail in creating best integrated experience, for example being able to switch to live TV without changing input.
	Buddy Box is primarily for creating a halo effect for technology coming in the summer on new TVs. Wants to sell people in the experience to encourage purchase of high-end VIZIO TVs.
	Because of the perception of VIZIO as value focused, they don't get the credit they deserve for design and technology innovation. Maybe they do a poor job of communicating features or design elements, so they need to find a way to take credit at retail for the experiences VIZIO offers that others are not through in store displays and QR experiences.
	At POS for TV, would like site education component help

	<u>customers make the leap into investing in a VIA or 3D TV</u> – spend a little bit more, but get great features at the price point from VIZIO that they couldn't get from others such as WiFi, award winning app platform, keyboard/touch remote.
Robynne Lee, Sr. Product Manager, Computing	Design is the most premium. 1 Design, 2 entertainment to the consumer. Designed for consumers, productivity is NOT main messaging, more of a cost of entry – it isn't a pinto engine in a Mercedes body, performance is a given, what we give on top is the design and the entertainment experience. Reason to believe – screen resolution, audio experience. Going with 14 and 15.6 inch screen for entertainment. 2.1 audio system with subwoofer. You get bass and midtones.
	Plans for comparisons – Would love to do direct comparison to other manufacturers – would like to utilize web to give them the reason WHY VIZIO. "This is what you get with VIZIO, this is what you get with the other guys." Robyn to send over list of compare/contrast.
	Definitely wants to have a product finder for computing, but doesn't know what the criteria will be – qualifying customer – business or personal, for family, for stationary or travel. Will send us the training materials for the sales people instore to keep consistent message.
	* Wants a compare feature for the 3 PC types (side by side/laptop/thin and light). * Plan on separate pages for the 3 types of product.
Jason Maciel, Marketing	There is a challenge for people to pick products because of VIZIO product naming, relate what they are looking for to the way the site is set up (M-Series, E-Series etc). very confusing, need to make it simpler. Were told that they wanted not to have comparisons by execs before, but now we need to make it simpler.
	Best campaigns – Connected TV campaign. First out there explaining to consumers in EASY TERMS, BENEFITS. SVT series campaign promoting picture quality benefits and that they are an American brand. Got a lot of positive reaction and interest in the brand
Amy Chase, Social Media	Most successful posts are product focused, insights – shooting product in the showroom, interviews with Matt – even more successful that event footage (coachella etc), because the core fans are just more interested in the product parts/technology.
	Reviews happening more on Amazon and Walmart because

	they do not publish negative reviews. Stephanie used to manage review approval, and they are VERY strict about publishing only positive reviews. All they can do is take the conversation off and address outside of the public view. Jason/Steph/Amy agree that this is not the policy they would like to see, but is a company mandate.
Shane, NPI Manager	Why a customer would buy each product is formulated upfront during the concept phase, look at the market of different buyers, use cases then product team develops key selling points and features.

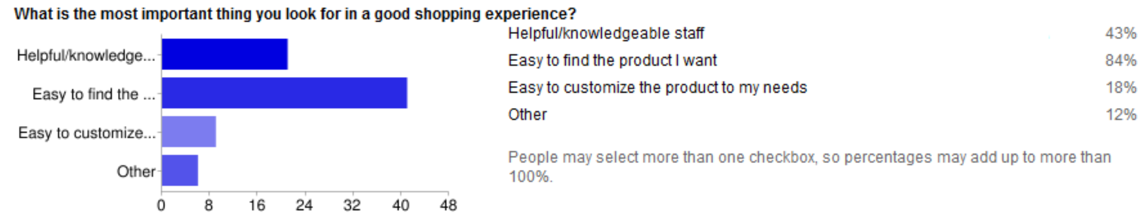
3rd Party & Consumer Research Findings:

- For larger screen sizes, emphasizing family beneficial features would be particularly relevant. Households with children are much more likely to own a TV over 50 inches (27% v. 18% without children). Households with children were slightly more likely to have spent more than $1,000 on a new TV set (40% v 34%). [3]
- Demonstrating how the product will benefit children/teens such as showing the TV playing a popular video game may give extra push to dads to purchase. [4]
- 34% of Mintel respondents said they were interested in upgrading at least one TV in the house, however not the primary. 49% have a TV in the bedroom, 18% in the kitchen. May be more interested in product marketing for advanced features such as 3D, or internet connection/apps, DVR for smaller screens. [3]
- April/May 2011 survey results show that 66% of Twitter users have been influenced to purchase by Twitter feeds of certain retailers. [3]
- Marketers may wish to package a couple Blu-ray movies with a TV purchase or with blu-ray combo to encourage purchase. [4]
- High opportunity in college age for affordable TV/Blu-ray combo sets for parent to purchase for dorm rooms. [3]
- ¼ of survey sample between age 18-24 indicated they planned to purchase a new computer in the next 18 months. [4]
- Utilizing product virtualization techniques online to allow shoppers to "try" basic functions of the products as if it were right in front of them delivers more accurate product information, enhances shopping enjoyment and thereby reduces product risk when selecting the product. Interestingly, perceived entertainment had a stronger positive relationship than the perceived usefulness with attitudes toward using a product virtualization technique, where perceived usefulness positively correlated to increased purchase intent. [8]
- The two major roles of dynamic product images - DPI (functional and hedonic) are identified in the model. First, DPI has a functional value (perceived usefulness) because it reduces perceived product risks by providing proxy sensory experiences to improve product evaluations online. Second, DPI has hedonic value (perceived entertainment value) as it provides entertainment to shoppers using multimedia DPI to enhance their enjoyment of the shopping

process. Both functions will, in turn, impact the attitude, use and subsequent post-use evaluation of DPI. 9

CE Shopping Survey

- 84% of respondents chose “easy to find the product I want” as the most important thing they looked for in a shopping experience in either on or offline shopping.



- When choosing between products within the same brand, 86% decided based on technical specifications and features, 73% based on ratings and reviews, with only 51% choosing based on price (users could choose more than one option).

PC

- When choosing a new PC product, 78% of responders cited technical specs as “very important” in their purchase decision – specs importance included:
  #1 – memory, #2 – display size, #3 – Operating System, #4 – Processor Speed.
- When choosing a new PC product, 59% of responders cited design as very important.
- When choosing a new PC product, 12% of responders indicated that the brand was “not important,” however there was an even split at 43% each of responders that cited brand as either “somewhat” or “very” important, this seems to indicate that brand skews very high in importance when considering a new PC.
- When choosing a new PC product only 35% of responders cited price as very important (with 53% selecting “somewhat important”).

Television

- When choosing a TV, 57% of responders indicated that price was very important in their choice of purchase, with 39% choosing “somewhat important.”

- 63% of respondents indicated that the technical specs of the television were very important – spec importance included:

  #1 – screen size, #2 – system inputs and outputs, #3 – video technology, #4 – refresh rate.
- When choosing a television, the brand and design of the product ranked as "somewhat important" with 33% or responders indicating brand as "not important," 45% as "somewhat important," and 20% as "very important." Design however skewed towards more importance with only 6% of responders indicating that design was "not important," and 53% "somewhat important," and 39% as "very important."

<u>Recommended Product Selection Features:</u>

When navigating a selection of products, customers need to feel like it is easy to find the right product for them. In the ideal situation, the customer trusts your brand to design a product with all the features they want, this allows a brand to present a very limited number of products and exert control over retailers in what they should carry of their product line.

This isn't the case for most manufacturers however, so until they can grow their brand trust, they must emulate as closely as possible the feeling of ease for the consumer, not overwhelming them with too many choices, making them feel like features were chosen FOR them. Unlike in other CE product lines the TV market, it would seem that the mass of consumers have been slower to adopt new technologies as most are satisfied with turning the TV on = shows and movies come on the screen. Digital needs to do a much better job at showing the utility and thereby creating demand for these technologies in order to lead the consumer to choose these higher tech products and be happy with his or her purchase.

According to our survey and interview with the VIZIO product manager, brand and design were much higher consideration points in the PC space, as opposed to price and specs in the TV space. This should be accounted for as we design the product experience for PC.

To create this easy, personal and benefits driven product selection process, we recommend the following features:

- Fun and easy to use product selector tool, which utilizes side-by-side comparisons of key features, lifestyle-based benefits (such as good for sports/movies/games etc), price range and "where to buy" for each product, which will enable those customers who need to see and touch a product before buying the ability to easily find a store and know EXACTLY which product to look for. Ensuring that the customer knows exactly what product to ask for at retail is critical to the success of our product section tool online.
- Where possible, comparison features should also call out features and qualities of the product in relation (where a better value) to top competitors.

- A high priority of product selection is to eliminate perceived "risk" for the buyer. Stakeholders agree that emphasizing VIZIO's great customer service, returns and in home repair during the product selection process (both online and via mobile support in store) will give customers extra security. Findings have also indicated that consumers feel less risk if they believe that many other people have made the same product choice, so a measure of the product's popularity is also advisable.
- As with the research process where reviews are critical in a consumer's decision between manufacturers, trustworthy reviews are also very important when making a decision between products within a brand.
- Also like the initial product research stage, rich interactive product virtualization such as a demo or video will help sell in the higher tech products by creating an enjoyable experience which the user will translate to an increased perception of usefulness of the feature.

Purchase & Shop: Guide User to Purchase

Mission:
Provide the right mix of tools to facilitate transactions (direct and retail).

Stakeholder Objectives:

- Utilize site to drive sales in all channels, while still maintaining retailer agnostic appearance.
- Direct sales through VIZIO.com may be in the future, but current direct eCommerce focus is for pre-order items that do not have wide retail adoption yet (PC, Cinema Wide) and B-Stock product without cannibalizing from potential A-Stock buyers.
- Create a more secure and easy online shopping experience for VIZIO.com direct eCommerce.

VIZIO Stakeholder Findings:

William Wang, CEO	Sees future not needing inventory for anything, everything can be pre-order.
	Far from leaning towards more e-commerce right now, has a super high interest in it and would love to grow into it, but in the future.
Ben Wong, President	Future is buying on the web but there is channel conflict, need to balance how we do business on the VIZIO site without upsetting channel.
	PC might have some difficulties getting to wide range of channels, in this case eCommerce will be important for PC.
	eCommerce is on a pilot run, space to prove to channel that there is a market for new, risky products like Cinema Wide.
	The site should also facilitate sales at channel.
	TV is high volume, low margin, hard business.
	#2 goal for the site is education and facilitating sales to all channels, #3 is direct sales.
Lainey Newsome, Founder, Sales	Responsible for growing e-commerce
	Website should be ideal store experience, fun, easy place to shop for technology.
	PC is a unique opportunity to sell more online, test consumer with limited SKUs in brick and mortar – also need to sell more accessories, also need to enable more opportunities to share the product awareness.
	Would rather have promo codes via email, than reduce price listing online, doesn't want to rock the boat with pricing on the

	site. Maybe create bundle pricing or app add ons.
	Older SKUs should be sold on the VIZIO store, SKUs where retail is not ordering but VIZIO still wants to produce, and pre-order products. Otherwise no plan to replace retail through e-commerce.
	Have to be retail agnostic.
	Likes the Amazon shopping experience, easy, dynamic meaningful recommendations.
Alan Powell, VP, Sales	VIZIO needs to be responsible for teaching consumers and guiding them to buy higher tech products.
	Retailers allow VIZIO to send sales support into the store.
	Higher priced items sell better online, easier to push high end products through e-commerce.
Matt McCrae, CTO	Hoping to close the gap of products always being more expensive on VIZIO.com but for now that is the way it is.
	Would like to show where to buy on the product pages, like to trigger sales. If we could drive people to retailers that would be great. Don't shove it in their face, but if they can click on something to learn where to buy that would be good.
	eCom priority would be Buddy Box, short URL, product landing page, BUY NOW Cinema wide pre-order next. Rest of eCommerce when we get to it. Could need to support computing in June – but not concerned with selling 1m TVs online yet. Probably later, don't worry about whole VIZIO store, but make those VIZIO exclusive buys easy. Also try to sell more accessories, remotes, glasses.
	Mobile product support: 26 products as of now that need to be supported by mobile. VERY important. Matt def wants live chat/support. Should be beautiful app feeling HTML 5, look really good on android and iOS - read all the stuff but has more questions List of apps, explain product in greater depth, more photos to flip through, let them compare between VIZIO products. Only interaction for him would be chat/live tech support. Should have geolocation, knows which SKU asks directly about product.
John Shindler, VP Products	VIZIO is very prescriptive to retailers as trusted partners about which VIZIO products they should carry. Retailers reciprocate by

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	sharing customer feedback and data for VIZIO to utilize for future product development, however, <u>John sees a risk that as they spread to more channels, retailers will not be so forthcoming with customer data.</u>
	Challenge: As we get to upper range of product, sell through not as strong because maybe pricing is too aggressive, so profitability isn't really there either.
	VIZIO wants for their 55" TV at $2k price point will outsell 55" at $1k price point because people are willing to invest in the better technologies through VIZIO.
Scott Patten, Customer Support	Customers often call support at POS just to get reassurance when making a big purchase – <u>want to feel that they didn't get "stuck" with the wrong product.</u>
	Inability for VIZIO site to ship to a different address than billing is a big hurdle for eCommerce, drives sales to Amazon/Target online<u>. Need to find a solution for improving fraud protection to either not require this</u>, or to communicate reason for incomplete transaction to the purchaser better.
	Would be interested in a <u>faster check-out solution</u> to encourage more ecommerce such as paypay fast pay.
	VIZIO should assess viability of a system like Gateway implemented for <u>follow-up on abandoned carts – collecting email addresses</u> early in the process to follow up with personalized contact to find out why purchase was not completed.
	Lainy discussing implementing more direct sales including competitive pricing to retailers.
	Synch with Scott on QR code implementation for quick chat – scott will need to adjust staffing. Would be good to test out implementing click to call feature to test volume. Want to make sure that that customer doesn't have to go through questions – call should bypass dial directory and pass in info for what product and where. Also need to understand what the time requirement is, see return on investment – compare cost of calls to increase in sales/less returns.
Colin and Ryan, eCommerce	98% of VIZIO revenue is from brick & mortar, while eCommerce is a big company initiative <u>need to be very careful to not jeopardize retail relationships. Cannot undercut pricing or show any preference.</u>
	Need to utilize web to sell B-Stock product, but <u>never offer B-stock in place of selling A stock product</u>. Balance need to get rid of the product with higher margin and brand value of A stock.
	<u>Website priority should be information and education first</u> – how

	do we sell at Walmart/Best Buy/ Costco first, THEN how do we sell on VIZIO.com. Hates to say this because of their responsibility for increasing eCommerce, but retail is 98% of business so it needs best support first.
	Ryan has been surprised to find out that <u>online sales were NOT as price-based as instore</u>. Sold more high-end, connect, large screen LED on Amazon than any brick & mortar.
	For VIZIO.com, the <u>customer experience should always come first in finding a product</u>, but must not convey any bias for any retailer.
	Rebecca/Sales inputs in the inventory in Sioux City, get weekly allocations, all manual integration right now – want to change!
	After 30 days with the card, need to alert the user or we can't keep the CC number (Mia to ask Scott about protocol here). Can't do paypal because they charge 3%. Shipping cost is a flat rate, $110 flat, or free shipping. Can't pick any other shipping option besides ground. Can't choose option to group the shipment.
	Emails say "log in to your VIZIO account" but there is no My Account on VIZIO.com, just have log in. Need to fix!!
	Pre-order – Cinema wide will be a good tester for pre-order because volume is expected to be low.
Colin and Ryan, eCommerce	Buddy Box is a tester for VIZIO to try to learn about how direct sales could perform and work.
	VIZIO works with retail partners on <u>a WEEKLY basis to manage their stock, VIZIO.com is currently the lowest priority</u> for receiving stock which is why <u>product availability is constantly changing</u>. This is a priority to change this year.
	How the website works, making sure pricing is accurate, changing price. Inventory – one week they might have product, the next not. They are CONSTANTLY changing products on the site, product availability, and what retailers carry which products.
	98% of revenue comes from brick and mortar. Need to charge more for their product to cover costs. Online can't undercut pricing. Amazon is a great partner, but Walmart and BestBuy will get upset if Amazon gets preference, carries all SKUs. Can't be real aggressive with Amazon/ eCommerce because it will upset where 98% of sales come from, but sales team is becoming more of a company initiative. Website is currently an information portal, but management sees the importance of growth of eCommerce. But need to protect walmarts/costcos etc because is where most of the business comes from.

	VIZIO.com cannot undercut any pricing on eCommerce of any of the retail partners.
	Board members are asking for more direct sales, Buddy box is a tester for how it could work.
	Strategy change this year, refresh products in April. 2 classes of products – wholesale and retail products, higher end customer set. Trying to separate product line. Amazon would target high-end, VIZIO would have all. Walmarts would have lower-end versions. Would attempt to separate until they got into excess inventory situation, then they would just move the product as quickly as possible.
	People go to VIZIO.com directly for bstock product, but need to be careful not to prevent sales of a stock, which makes more profit or undercut retailers. Want to separate refurb from A good. Do not substitute B good for unavailable A good. Give them another A good to buy. People looking for B good will find it wherever it is. VIZIO profits are made on A goods selling in high volume. Outside of that model VIZIO makes reduced profits.
	Price isn't as important online – sell more connected TVs, large screens, LED on Amazon than any brick and mortar
	Info for Customer at Point of Sale: In-store – features that are different from Samsung/Sony All – SUPPORT, technologies/ features
Mia Costa, Digital	Mobile product experience CANNOT let users purchase online.
	Bargain shoppers will find outlet products wherever they are, but we do need to make them available. Never want to jeopardize new customers' relationship with VIZIO by directing them to a refurbished product that might give a bad experience.
	Can put store finders and listing of retailers that carry product if NO FAVORITISM is being shown, must show all retailers if any. Customer comes first, so best experience for them in finding product can be the site policy as long as there is no bias toward any retailer.
	Can't tell users when items will be "back in stock".
Carlos, Product Manager, Beyond TV	Goal for pre-order and Buddy Box online exclusive is the gage interest, volume of what might sell and create "massive awareness."
	VIZIO sees eCommerce as a very profitable channel and allows them to directly test the market on new tech and strategic

	launches where they are unsure about the target audience. Allows direct to consumer channel, limits risk, tests pricing. Carlos believes that they will be utilizing pre-order and online exclusive more in the future.
Ryan Henry, eCommerce	Would like to continually have one promotion running on the homepage, which generates additional sales, moves excess inventory and gives consumers another reason to come to the VIZIO site.
	Outlet sales direct through VIZIO.com is an opportunity to move recertified products at a higher profit margin – believes that the outlet should be run all year long and have a place in the site footer.
	Would like to set up a test scenario to evaluate the importance of free shipping, as research has shown that free shipping is very important in ecommerce, but need to evaluate the cost v. benefit.
	VIZIO is currently the #2 share of Amazon's HDTV sales, foresee a move to #1 within the next 2 years.

Lily, VP	Currently infrastructure is not set up to track which retailers carry which products. This needs to be done manually.
	Today, eCommerce is still a test, not a big corporate initiative to increase.
	Similar products = smart recommendation engine, very easy way to put together a shopping list so that you can "watch 3D" – product should never be sold in isolation. - Goal for the future would be to also have smart shopping for products all at the same place, but for now, just focus on products that go together.
	QR codes should be used to connect to customer service/ pre-sales – not to keep calls away from call center. Should track it as a sales center, track P&L. Drive add-on sales.
Robynne Lee, Sr. Product Manager, Computing	Distribution channel is a bit of a challenge – Best Buy in April, would love to have PCs in there too, but deal isn't set yet. Not sure if eCommerce will be important to strategy, needs to talk to Mia. Robynne wants to sell direct, haven't thought about pre-order yet. Def wants pre-order as an option.
	Cases and accessories – add to checkout, extended service warranty.
Shane, NPI Manager	Products usually have retail strategy and channel partner buy-in before the product gets produced.
	Need to get "related products" information into the cookbook so

	we can know what to connect in the shopping configuration.

3rd Party & Consumer Research Findings:

Shopping:

- If users have a more pleasurable, playful or entertaining experience with technology products during the online shopping experience, through use of a PVT they will be more willing to use the technologies, see the product as useful to them and increase purchase intent. 8
- Interactive technology demonstrations online result in stronger purchase intentions than passive product presentations by allowing consumers to simulate the functionality and appearance of a product, creating a compelling online virtual experience. PVT allows online sellers to provide more effective product information – reducing perceived risk, and engaging consumers in a fun shopping experience – enhancing shopping enjoyment. PVT has the potential to increase the number of unique and repeat traffic visitors to the site, increase online sales and establish an online competitive advantage. 8
- Many online shoppers use the internet to search for product information but do not actually purchase online because of uncertainty regarding the product shown online. Other shoppers are not motivated to purchase online because they find the online shopping process to lack emotional appeal and entertainment value. Therefore, the success of online a product retailing will depend in part on the successful use of PVT to reduce perceived product risk and/or to provide a more entertaining shopping experience. 10
- Baby Boomer generation prefers to shop at department stores, while Gen X and younger prefer “category killers” like Best Buy. Discount store shoppers (Walmart) are generally young and have low levels of education. 10
- Interpersonal service quality directly affects patronage intention, which could be very applicable in the consumer electronics market where products are often technically complex. 11
- Internet-only consumer electronics retailers should continue to focus products that appeal to the young, highly educated segment of shopper, who are more comfortable shopping online. 11
- In all categories, except for Clothing and Footwear, consumers who used the Internet to search for product information prior to making a physical store purchase, spent more money when purchasing. The fact that consumers seem to spend more in-store after conducting an online search (compared to those that search offline) is somewhat counter-intuitive to traditional consumer behavior theory, in that as part of the consumer's search motivation, it is traditionally assumed that there is a desire to obtain the best price (i.e. spend less). This finding therefore challenges traditional perspectives of value-seeking behavior and suggests that the Internet is a critical channel for retailer engagement, given it can potentially engage consumers in such a way that leads to increased in-store spend. These results are somewhat counter-intuitive and question the

traditional assumptions of consumer behavior in that consumers conduct search to seek out lower prices (Schmidt and Spreng 1996). Our findings could be explained by the Internet's ability to provide consumers with a greater search depth (at a relatively lower cost/investment). This supports past research that has found that customers who use multiple channels are more profitable than their single-channel counterparts. 10

- In the process of maximizing value, it is suggested that consumers typically go through a series of stages before making a purchase; problem recognition, information search, evaluation of alternatives, purchase decision, and finally post-purchase evaluation. For consumers, value maximization occurs primarily during the information search and alternative evaluation stages, through researching the product and potential substitutes in an attempt to find the best deal, and usually the lowest price. 12
- Research has shown that consumers prefer to shop at a branded or reputable store (Biswas and Biswas 2004). The brand of the store acts as a cue to the consumer that effectively reduces the uncertainty and risk of purchasing a product online. The consumer uses the brand of the online store as a risk reliever when shopping online (Biswas and Biswas 2004).Incomplete information about some stores, especially those new stores that have yet to build a reputation, may limit the choice of online offers that consumers consider. If this is the case, an important implication for competition online is that some stores, whose offers are not considered because of incomplete information, may not be able to compete against those branded stores which are known to the consumer. The consumer has relatively more information on known than on unknown online stores. Importantly, we show that it is the type of information that is missing that affects the choice of online offers. More specifically, it is the information that relates to the store rather than information that relates to the product or the price that may influence consumers' preferences for online offers. 12
- The tangible component of any offer refers to aspects of the offer which are visible and comparable across both known and unknown stores (i.e., the deal). The price of the product and the delivery time are two examples of the tangible aspects of an offer. The intangible component of the offer refers to the store specific characteristics which cannot easily be compared across stores. These include whether it is safe to share personal information with the retailer or how the retailer will deal with product returns. 12
- If we consider a high-risk item such as a laptop, some consumers may be most concerned about how a store will deal with a situation in which the product fails and has to be returned for repairs. If these consumers are unable to infer the credibility of a store offering an attractive deal with respect to this aspect of an offer then they may restrict their consideration to stores that are known to them. 12
- While adopting e-marketing as a strategy is almost inevitable and unavoidable for many retailers if they want to compete, the extent to which different types of online retailers will compete in a particular market will depend on the consumer

preference for the type of online store. The consumer's decision as to whether to include unknown online stores in their consideration set of offers ultimately dictates whether there is a level playing field in the online market place. [12]

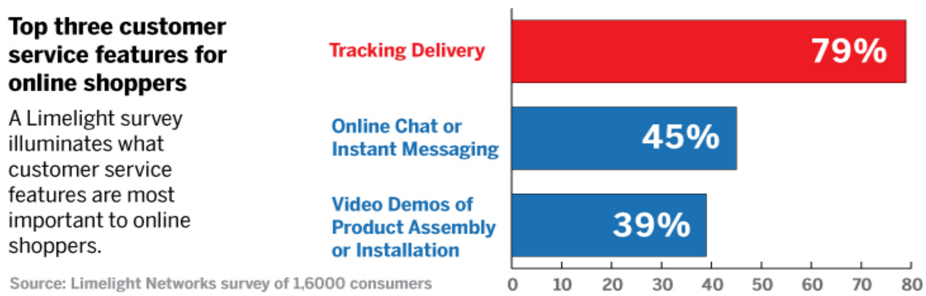
- Price mattered most, with 67% of respondents saying they would buy from an unknown e-retailer if it offered a better value than better-known merchants. After price, free shipping and trusted seller status had the greatest influence. CONTRADICTION [12]
- Consumers said they measured their trust in a site by site security, including security certifications from firms such as McAfee or Verisign. Consumers also took into account overall site appearance. [12]

Purchasing

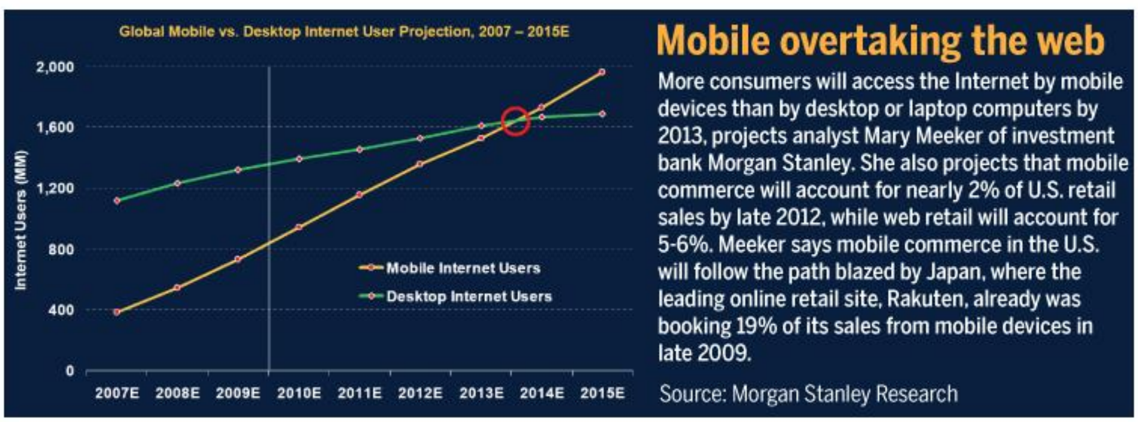
- Consumers are growing increasingly comfortable making online purchases. This trend has played a key role in driving online sales and is among the primary reasons that, as described in the Market Size and Forecast section, e-commerce sales in the U.S are growing significantly faster than offline sales. [11]
- Consumer electronics is experiencing a relatively slower growth in eCommerce growth (7% vs 17% growth for apparel for 2008), this is attributed to high cost, risk and the desire of the consumer to physically examine the item and functions. Online retailers can mitigate this risk and need to physically examine at retail through the use of "Product Virtualization Techniques," or PTV. [8]
- Consumers prefer price reductions to free gifts when the level of reduction is high, but prefer free gifts when the benefit level is low.[7]
- Consumer information search can be explained by consumer behavior theory, which suggests that consumers attempt to maximize the value they receive from any given purchase. Value in this regard is a subjective quality, which is impacted by the perceived benefits of the product or purchase, and the costs (both financial and nonfinancial) associated with making the purchase. [5]
- While the overall price of the deal is a primary attractor we see that, especially in Table 4 for the laptop offers, participants are willing to pay more for or are attracted to other aspects of the deal be it extended warranties or faster delivery. [5]
- Our research can help retailers who may be thinking of abandoning their bricks operations in favor of pure e-retailing. Our findings suggest that it would be unwise to do so, as they handicap themselves by forgoing the opportunity of permitting customers who value substitutability in making Internet purchases. Even if shoppers have a positive attitude towards e-shopping, they will prefer bricks shopping if they do not believe that e-shopping will be able to adequately replicate the experiences of traditional shopping. [5]
- In the comScore analysis conducted from Dec. 2010 through Feb. 2011, customers choosing PayPal Express Checkout completed 59.1% of their purchases compared with 27.5% for those customers choosing non-PayPal

methods "Checkout abandonment can occur for many reasons. Shoppers don't want to create a new account for every web site. They may not trust the security of the site. There are too many steps in the checkout process," says a PayPal spokesman. 14

- Forrester estimates that the click-to-call and click-to-chat features boosted the composite company's average order values by about 23%, from $115 to $141, due primarily to the call center agents' abilities to upsell and cross-sell merchandise to customers who use click to call before checking out. 16
- A January 2011 survey found that the ability to track a delivery was overwhelmingly the top customer service feature for online shoppers.



- Mobile Commerce will account for 2% of US retail by 2012



- The second most popular shopping activity for mobile users is locating a nearby store.

Mobile Shopping Activities of Smartphone Owners

46% of smartphone owners have conducted some type of mobile shopping activity, comScore says. The most popular are taking product pictures, locating nearby stores and searching for coupons.

Source: comScore

- While shoppers are getting more comfortable buying online, according to a Sept 2011 survey by NPD, in the consumer electronics industry shoppers are still utilizing online significantly more for research, while making actual purchases offline.

Shoppers' views on buying consumer electronics online

Product	Research	Buy
Computer	66%	34%
Digital camera	57%	30%
Television	56%	19%
Tablet	56%	29%
Mobile phone	52%	23%
Software	51%	34%
Printer	50%	24%
Home audio	48%	20%

66% of consumers say they would research online before buying a computer, and 34% are very likely buy a computer online. The consumer electronics product shoppers are least likely to buy online? A television.

Source: The NPD Group

Mobile commerce: The reasons consumers buy

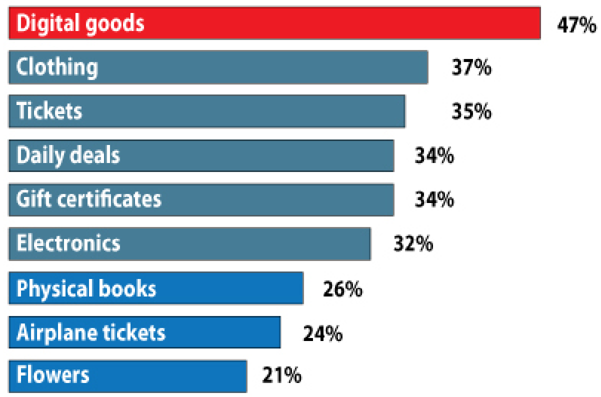
ComScore finds 63% of smartphone owners buy via m-commerce for the on-the-go convenience. 41% buy because they are in a store and the store is out of stock.

Source: comScore

September 2011 Mobile Commerce Purchases

Two-thirds of smartphone owners conducted mobile shopping activities in September 2011. Movies, e-books and clothing were popular purchases.

Source: comScore

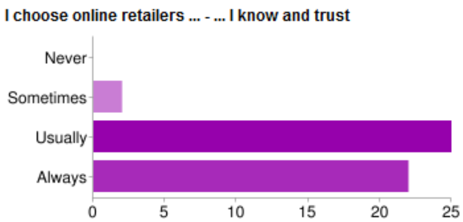


CE Survey

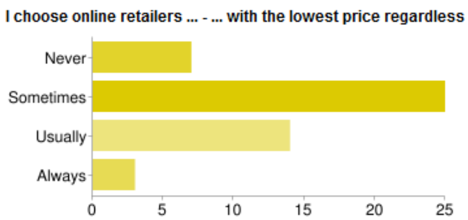
- Price comparison shopping and the ability to get the exact product a person wants (as opposed to having to choose from what is in stock at the retailer) were the top motivators for the survey responders for purchasing CE products online. Additional incentives were also a top choice among responders.

- Of potential additional incentives offered, free shipping was the top choice of survey responders, with 86% indicating that it has helped drive an online purchase decision. Coupons/ coupon codes were a far second at 61% of responders indicating that this had influenced an online purchase.

- When choosing an online retailer, nearly every respondent indicated that they usually or always chose an online retailer that they knew and trusted. With the majority of respondents also choosing that they only “sometimes” chose a retailer with the lowest price, even if they had not purchased from them before, this finding appears consistent with the research above noting that online shoppers were often willing to pay slightly more in price to a trusted, secure retailer.

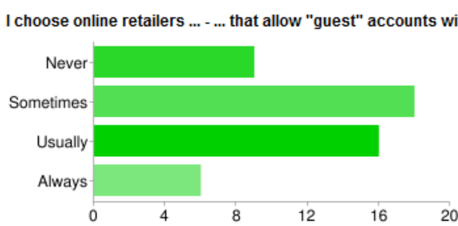


Never	0%
Sometimes	4%
Usually	51%
Always	45%



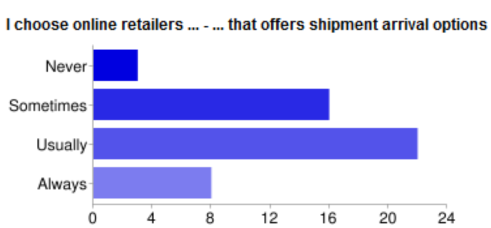
Never	14%
Sometimes	51%
Usually	29%
Always	6%

- The ability to complete a purchase without registering an account was not a significant motivator for our survey respondents in choosing an online retailer.



Never	18%
Sometimes	37%
Usually	33%
Always	12%

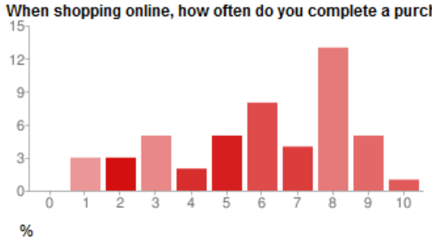
- Additional shipping options (such as expedited shipping) seemed to positively affect our survey responders’ choice of retailer, but was not a top choice motivator.



Never	6%
Sometimes	33%
Usually	45%
Always	16%

- Survey results were in line with research findings that online shoppers often utilize shopping tools but do not complete the transaction. Respondents cited shipping being too expensive (59%), wanting to look for a better price (59%) and changing his/her mind about the purchase (57%) as reasons they have not completed a transaction online. Length of the check-out process and site security were surprisingly not as significant of factors.

When shopping online, how often do you complete a purchase transaction?



0 - %	0%
1	6%
2	6%
3	10%
4	4%
5	10%
6	16%
7	8%
8	27%
9	10%
10 - %	2%

What are the reasons that you have quit a transaction?

Check-out process was too lengthy	39%
Shipping was too expensive	59%
Shipping time to delivery was too long	51%
Wanted to look for a better price	59%
I didn't trust that the site was secure	22%
I changed my mind about my purchase	57%
Other	12%

People may select more than one checkbox, so percentages may add up to more than 100%.

<u>Recommended Shopping and Purchase Features:</u>

Currently, direct eCommerce is not as high a priority for VIZIO management as 98% of business is derived from brick and mortar retail, however with pre-order and online exclusive initiatives such a Buddy Box, Cinemawide and potentially computers in the spring, it is advisable that the shopping experience for VIZIO.com be updated to elegantly support pre-order and offer a more secure and updated shopping experience with features including:

– Creation of a separate Shop VIZIO page to separate product research and education from online shopping. Of course when products are available to purchase directly from VIZIO.com, VIZIO will be listed along with the other retailers on the product pages, however customers will be able to bypass many clicks if they know they just need/want to order a cable, remote or TV that is in stock. Only new, current VIZIO merchandise that is in stock, or accepting orders should be displayed in the shop.
– Back-end platform will need to be updated to at least Magento 1.6 and it is recommended to update to the most current 1.11. This update is required in order to implement a secure pre-order plug-in.

- Pre-order system will need to support ordering of multiple items, both those currently available and available at a future date in order to keep a single transaction for customers ordering multiple items and maintain the brand story of the connected ecosystem. Ideally the system should offer the option to ship all items together, or as they become available.
- Pre-order process will need to clearly communicate when charges will be made to the customers' credit cards. If longer than a 30 day delay is expected, need to assess additional communication and/or the ability to store credit card information for that duration. Charge should only be made upon product shipment.
- For items available for pre-order, we should also implement a "Notify" button in order to maintain contact with customers who are interested in the product, but not ready to commit to a pre-order.
- For the ideal shopping experience, consider implementation of Paypal quick check out, Buy It Now 3rd party financing and a security endorsement such as Verisign.
- The ability to ship to a different address than that billing address will be imperative for increasing direct eCommerce through VIZIO.com as many people will order as gifts, or require the shipment be sent to their work place to prevent theft if left at their home.
- Notification of when a purchased item can be expected to arrive would also be recommended earlier in the check-out process and after purchase, along with a few speed of shipping options, as many customers will likely choose to shop from Amazon or somewhere that offers quicker shipping with tracking.

With 98% of sales taking place at retail and many shoppers still preferring brick and mortar for large CE purchases, VIZIO digital needs to do more to support sale in store. VIZIO has started this process with the implementation of QR codes on package, however since we cannot guarantee that the consumer will see the QR code on the box during the shopping process, it is advisable that a short url, barcode scanner or other points of entry be enabled to access sales materials at retail. Mobile support should include:

- Top distinguishers from other manufacturers – what MORE you are getting for your money by buying VIZIO.
- Benefits-lead descriptions of the non-visible technologies such as VIA, explanation of how the 3D works (and that it also works for 2D) etc.
- Chat or click to call for additional support, however it is recommended that this feature be tested out on a select number of products in order to gage increase in call center volume, measure ROI on increased sales/reduced returns. It is also important that this feature be properly configured to bypass any call center selection options and get direct to a person to avoid creating any frustration at retail.

- We also recommend a quick explanation of the VIZIO customer service benefits, return policy and in-home return in order to have one more safety for consumers at point of sale for selecting a VIZIO product over a brand they may be more familiar with like Samsung or Sony.

Due to the higher margins achieved on direct sales, the performance of the pre-order and online exclusives will be closely monitored this year in order to access the viability of an increase push for direct eCommerce. If eCommerce becomes a priority, the following features and improvements are recommended:

- VIZIO Shop should be configured to promote the ecosystem, when in stock, always try to sell the TVs with the best features and always attempt to upsell to a higher tech product when budget allows.
- Orders from the VIZIO shop need to create a pre-registration for the customer, even if they opt out of contact, in order to remind them when product is coming out of warranty to sell an extension.

Ownership: Post Purchase Relationship

Mission:
Elevate post-purchase experience (shipping, warranty, accessories, service, etc).

Stakeholder Objectives:

- VIZIO spends a lot of money to acquire new customers. We need to be able to utilize digital better to keep them in the VIZIO brand.
- Utilize wed to reduce call center volume for easy product fixes.
- Create ownership community and contacts to establish more meaningful leads for selling additional product.

Main Stakeholder Findings:

Role:	
William Wang, CEO	People call you (at customer service) because they want to talk, they want you to give them resolution – need to find a way to also use digital to have that conversation to cool them down and solve their problems, graphically or with videos. It is the people that don't call/reach out that you have to worry about losing contact with. Can't think of any other company who is doing a great job of customer service on the web right now.
	VIZIO spends a ton of money in acquiring a new customer, need a better way of retaining those customers after acquisition, not to lose them. A foundation of customers will build the pyramid, they will tell others.
	Would be open to a more robust VIZIO ownership experience, community, perks.
Matt McCrae, CTO	Customer support revamp is a lower priority – but thinks it is a good idea to do more with registered users.
Scott, Customer Support	Would like to see website better utilized to deflect call center volume.
	Would like to see tracking of consumer purchases through product registration or online purchase in order to email and upsell extended service plans when nearing 12 months service limit.
	Video or graphical answer capabilities in the FAQ section would be very helpful for most common issues to reduce call center volume.
	VIZIO Support "1st Call Resolution" goal – should be promoted to customers.
	18% of VIZIO customers have ever called the call center, of those 75% reply that they left "very happy/satisfied" – of those not satisfied, 90% wanted an out of warranty product replaced. 82% have never had to contact support.
	2009 Blind bar study ranked VIZIO top of most classes (Scott needs

	to send). Study has not been updated since 2009.
	Storage of customer history/service and product ownership record could be very useful in improving ownership experience like proactive emails with updates, issues etc.
	"Beyond Economical Repair" categorization has been a perception issue for VIZIO – need to convey what this means better so customers don't confuse that it is because VIZIO is a "cheap" or throw-away product.
	Primary source of email addresses is registration of products. BLITZ needs to help implement Squaretrade transition for design, help how it looks and what the process will be.
	Right now registration is all or nothing, Scott would like to set it up to where if all they want to give is email that is ok. Customers are not patient enough to sit through full registration. Scott would like to implement QR code registration. Goal is to make it as fast and easy as possible. Determine what people choose when they are registering – what info they are interested in, opt in to email, what do they own? Most likely person to buy another product is an existing customer = put them into "hot lead" bucket for outreach. Post purchase QR needs to be secondary… trying to find an easier way to get customer access to product serial number.
	Need to marry registrants who do it online or through connected TV that haven't called into call center and people who haven't registered online but have called.
	Need more instruction videos – well produced. Entertaining videos – need a ton of it as fast as we can get it. Freedom fighters, how to hook up a sound bar
	No place on the web for people to go – would like to see the "my VIZIO" Currently have email alerts set up, but no way to check any status of service, owned items without first having email access because of no login profile. (likes My Verizon)
Carlos, Beyond TV	VIZIO blu-ray players had some past performance issues that need to be overcome, created trust issues.
	Customer feedback indicates that there is still a desire for more compelling visual designs for products.
	Motivation is to create Halo effect for what is coming in the summer, sell people on the experience so people will want to get the $1k TV with the buddy box technology.
Amy Chase, Social Media	Facebook is 50/50 split of comments and support questions – they get answered directly on FB.

	About 10 support inquiries per day.
	Have so much cool content – Coachella, Comicon – have the content on social, but nowhere for it to live on. Rely on other people to share it, but if we had on our own site that would be really cool. (also cool to have on a VIZIO app on the TV)
	Would be nice to pull in tweets and FB post into the website, maybe on product pages. Integrated to feel like you are part of the conversation on the .com and could continue by clicking over to twitter or facebook.
	VIZIO community is great – diehard techy fans. Typical comicon, E3 attendee, know a ton about tech, would like to take TVs apart, see all the parts and then BLOG about it. Challenge is how to bridge the gap between techy fanbase, to general consumer mass market that they are trying to get to make their life easier with technology.
	Definitely an opportunity to mobilize community – Dennis acts like tech support. Become the next freedom fighter – get them product early, get reviews for them early. Could be good to utilize fans to build up review base, but haven't had the bandwidth to do it yet or keep it up.
	When new apps or product updates come out they send alerts through social – for example when hulu came to via, post got picked up by gizmodo and got a ton of attention.
	People join VIZIO social after they have already purchased the products, also when they have done sweepstakes and gained 8k fans, with very little drop-off.

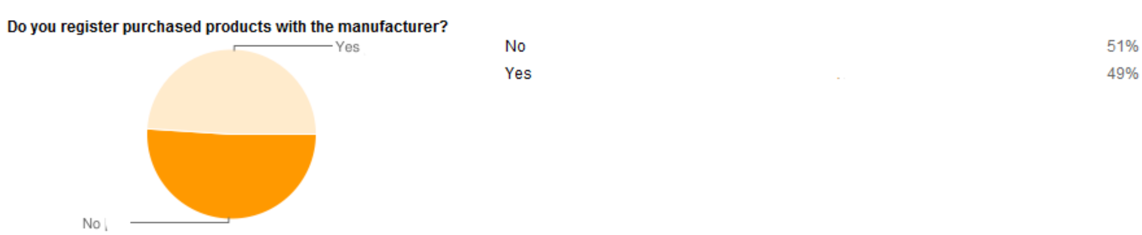
<u>3rd Party & Consumer Research Findings:</u>

- Many consumer electronics brands have been successful in building product advocates and reducing load on paid customer service by creating online communities, forums and empowering certain users to create content such as product reviews. Selecting outgoing members of the brands' social network and encouraging them to join website community and actively contribute, rewarding them with extra benefits for participating can make them active and powerful brand advocates. [6]
- Much of the value in brand social networks is customer to customer interactions and processed. Companies like HP and Texas Instrument have greatly increased post purchase satisfaction by building a community were owners can share tips, tricks, support help or programming/code such as apps. [6]
- Managers can encourage active contribution and content creation by identifying the most innovative members of the social network citizenry by offering new information, opportunities for them to contribute and rewards for contributing. [6]

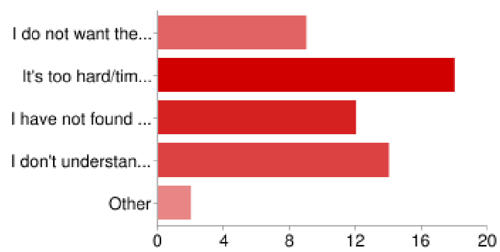
- 2009 to 2010 saw an 18% drop in the number of survey responders who chose a new product vendor based on price – with 54% of those 2010 responders noting that they were unwilling to compromise level of customer service, product options or quality in exchange for lower price. 66% said online customer support tools such as live chat and self-service options like FAQ improved the level of customer service. 15
- The Features that Drive Consumers to Use Online Self-Help (Limelight Networks, 2011): Surveyed consumers ranked the website features that would make them most likely to use online self-help rather than call customer service:
  - Live 24x7 chat with a product expert or customer support representative (52%)
  - Personalized, secure login that remembers my preferences and product model numbers (43%)
  - Searchable database with summaries of videos, online manuals, etc. (35%)
  - Instructional step-by-step video demonstrating how a product is used, assembled or installed (31%)
  - Forum to chat/IM/discuss topics live with other users (13%)
  - Mobile support information so I can get support while I am away from my desktop computer (11%) 20

CE Survey & VIZIO Customer Support Insights

- Of survey respondents, the number of people who registered their products with the manufacturer was a pretty even 50/50 split – of those who did NOT register their products 78% indicated that it was either too hard or time consuming to do so, 61% noting that they did not understand the benefit of doing so. Of those who DID choose to register their products 93% selected that they did so in order to utilize a product warranty, with 63% responding that they registered in order to receive software/product updates or notices.



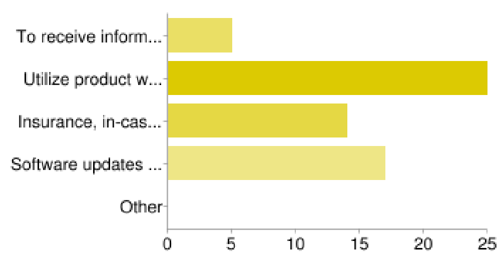
If no:



I do not want the manufacturer to have my contact information	39%
It's too hard/time consuming to register	78%
I have not found the need to utilize the warranty	52%
I don't understand the benefits	61%
Other	9%

People may select more than one checkbox, so percentages may add up to more than 100%.

If yes:

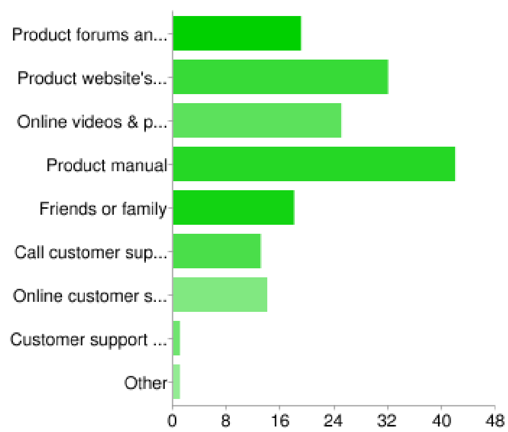


To receive information on new features, services, or updates	19%
Utilize product warranty	93%
Insurance, in-case of product theft	52%
Software updates or recall notices	63%
Other	0%

People may select more than one checkbox, so percentages may add up to more than 100%.

- While most respondents indicated that they utilize the product manual to set up a new CE product after purchase, 65% also indicated that they use the product's website Customer Support and FAQ, 51% also indicating that they utilize online videos and product demos to set up their new products.

What resources do you utilize when setting up a new product?

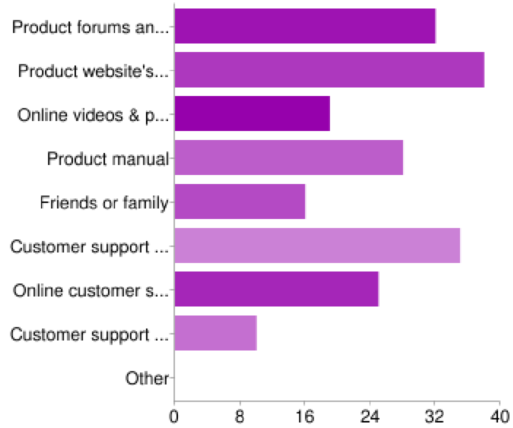


Product forums and message boards	39%
Product website's customer support/FAQs	65%
Online videos & product demos	51%
Product manual	86%
Friends or family	37%
Call customer support call center	27%
Online customer support chat	29%
Customer support email alias	2%
Other	2%

People may select more than one checkbox, so percentages may add up to more than 100%.

- If they experienced a problem post-set up however, the product's website was the most frequent choice for survey responders at 78% of those surveyed selecting this option, followed closely by calling customer support center at 71%. Since survey responders were allowed to select all that applied to them, the other choice garnering a high number of respondents was the use of product forums and message boards.

What resources do you utilize if you experience a significant problem with your consumer electronics product?

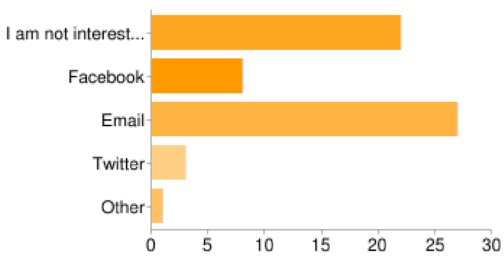


Product forums and message boards	65%
Product website's customer support/FAQs	78%
Online videos & product demos	39%
Product manual	57%
Friends or family	33%
Customer support call center	71%
Online customer support chat	51%
Customer support email alias	20%
Other	0%

People may select more than one checkbox, so percentages may add up to more than 100%.

- Surprisingly, a slim majority of survey responders did NOT indicate that they weren't interested in receiving news and updates from a consumer electronics brand from which they purchased a product, and the overwhelming choice of how respondents preferred to be contacted was via email. When asked what information they would be most interested in receiving 61% chose coupons, discounts or special offers, 41% choosing information and tips about the products they already owned. Only 27%, however indicated that they would be interested in new products or services and 8% were interested in corporate initiatives.

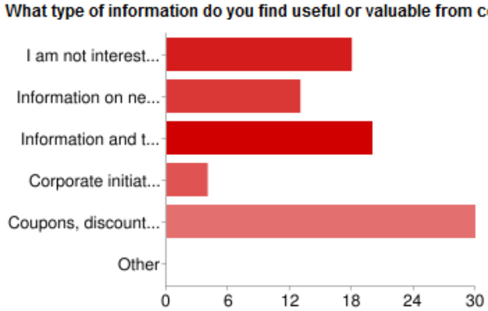
How do you prefer to receive news and updates the company you've purchased a product from?



I am not interested in news or updates from the companies.	45%
Facebook	16%
Email	55%
Twitter	6%
Other	2%

People may select more than one checkbox, so percentages may add up to more than 100%.

What type of information do you find useful or valuable from companies from which you have purchased products?



I am not interested in any information from companies.	37%
Information on new products or services.	27%
Information and tips about the product that I own.	41%
Corporate initiatives such as green policies, recycling programs, etc.	8%
Coupons, discounts, or special offers.	61%
Other	0%

People may select more than one checkbox, so percentages may add up to more than 100%.

- Common support issues: TV menus and the difference in onscreen displays; how and when to perform a channel scan; basic troubleshooting; black bars; picture in picture; initial set-up; connecting VIA to home network; remote trouble shooting; maximizing audio and video experience; how accessories work together.

Recommended Ownership Features:

VIZIO has clearly put a lot of thought and financial support into creating a great post-purchase experience for customers and building a community via social networks. "Everyone is in the customer service business" is becoming a more widely accepted idiom, and especially applicable to VIZIO as the competition among CE brands gets closer in pricing, technologies and design. Attracting and retaining customers, especially happy customers who will make referrals to friends and family is a powerful reason to continue to expand the reach of VIZIO's Customer Service and post purchase experience. Our research found, not surprisingly, that customer support increasingly beating out lower pricing as the reason customers returned to a vendor, including self-help options such as online FAQs and tools. Fortunately a great VIZIO customer support infrastructure is already in place, but can be further emphasized and organized on the web through the following features:

- Development of the "My VIZIO" section of the site. Revamp product registration to be more community-like, offer and explain benefits to encourage registration, foster a more active ownership base and foster brand advocacy. Have customized support and updates based on the products that the user has indicated that they own.
- Establish more meaningful organization of VIZIO email contacts so outreach can be more targeted to generate additional sales.
- Utilize social networks or online community to achieve company goals by offering simple and inexpensive perks or recognition, for example asking enthusiastic Facebook-fans to submit reviews on the site in exchange for a featured quote on the site, or offer pre-release product to best fans to submit reviews before the product ships so positive reviews will exist for the new product at launch.
- Increase the ability of online FAQs to help people and reduce call center volume for simple recurring issues by producing videos for common set-up or performance issues, and what to have ready before you call the call center including an easy way to get the product's serial number.
- Integrate Twitter and Facebook support onto the site and open up support to the community through a forum.

Appendix:

Stakeholders Interviewed:

Allen Powell, VP Sales
Amy Chase, Social Media Coordinator
Ben Wong, President & COO
Carlos Angulo, Product Marketing Manager
Colin Gregor, Sales Manager/ eCommerce
Jason Maciel, Director of Marketing and Advertising
John Schindler, VP, Product Development
Laynie Newsome, Co-Founder, VP, Sales
Lily Knowles, VP, Product Marketing
Matt McRae, CTO
Mia Costa, Director, Digital Marketing
Robynne Lee, Product Marketing Manager
Ryan Henry, Sales Manager/ eCommerce
Scott Patten, Director, Customer Service
Shane Hanlon, NPI Manager
Stephanie Lambrakis, PR
William Wang, CEO

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11. Chris Kirkbridge and Didier Soopramanien. "Competition online and the preference ordering of offers." The International Review of Retail, Distribution and Consumer Research Volume 20, Issue 4, 2010 Special Issue: Evaluating the Role of Electronic Commerce in Transforming the Retail Sector, pp 379-395
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16. Click-to-call and click-to-chat can drive sales and recover lost revenue http://www.internetretailer.com/2010/09/23/click-call-and-click-chat-can-drive-sales
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