



# Media and Entertainment DTC Playbook

How Ecommerce Is Revolutionizing the Media and Entertainment Industry

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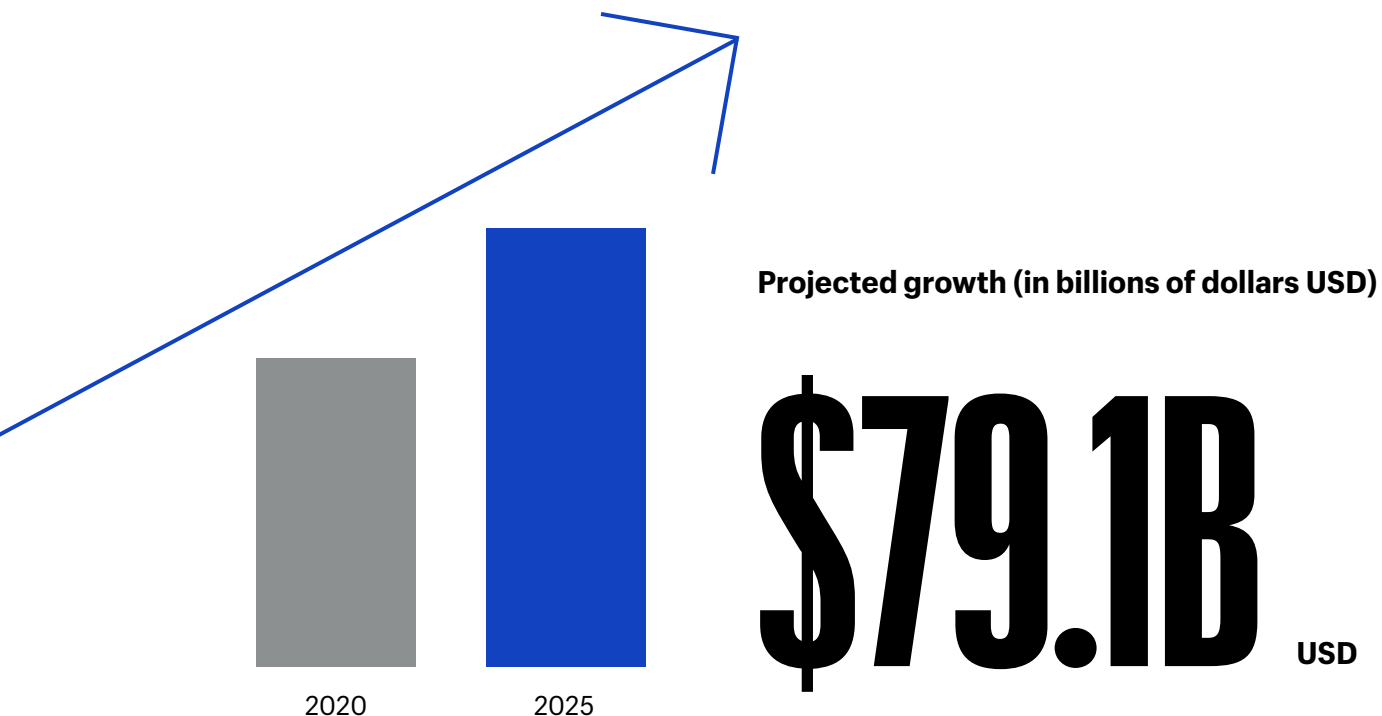
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# Welcome to the new era of merchandising

Ecommerce is rapidly transforming how popular culture and media brands are part of buyers' lives. Multiple streaming services, or cable packages of their favorite channels, don't fully capture the integrated relationship buyers have with a media brand. Think of Hollywood films: Movie studios create ecosystems of content and products related to any film's intellectual property (IP). Buyers are left with not just the viewership of the film, but with collectibles, or, at the very least, significant tangible pieces. In this way, products help showcase a buyer's personality. Across hundreds of thousands of entertainment products, that's a lot of personalization.

The merchandising market for television (TV) and film is expected to grow by nearly \$80 billion between 2020 to 2025, according to a Technavio report. The report highlights pandemic acceleration of ecommerce as a key growth driver. But continued entertainment and streaming demand plus additional retail partners and more adoption of ecommerce strategies overall are propelling this industry forward.

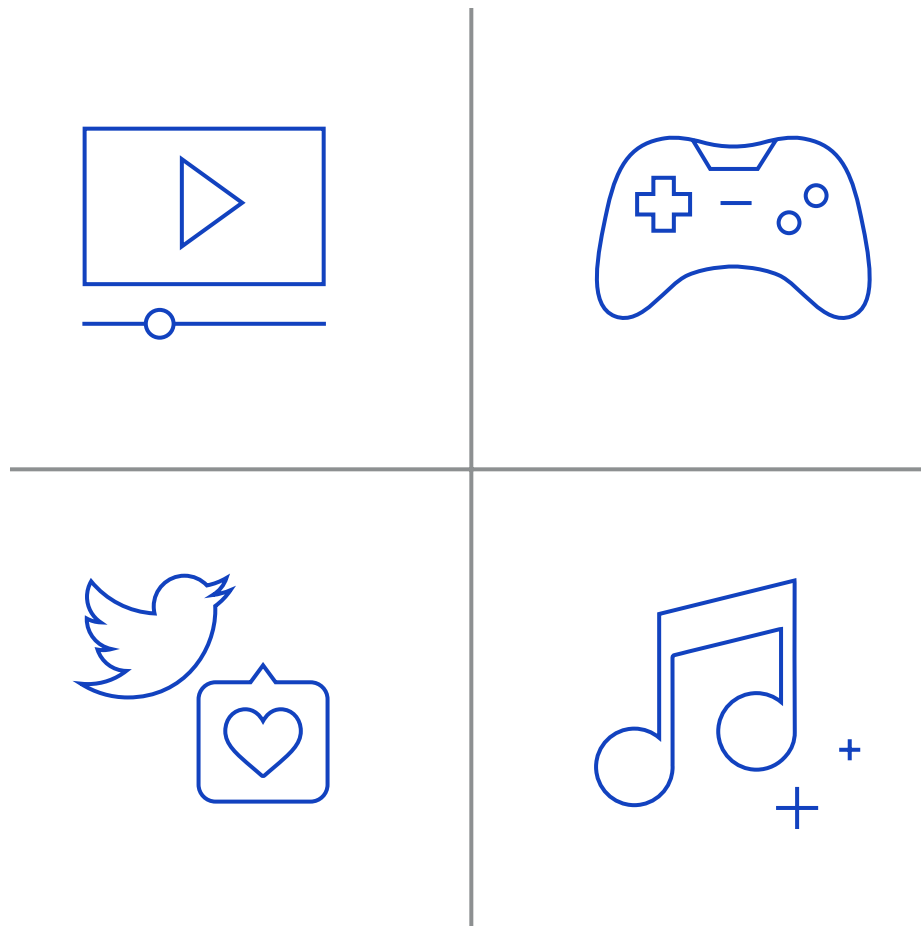


Source: [PR Newswire](#), 2021

Today, digital and legacy media and entertainment brands need to adopt this method of marketing to stand out in a crowded entertainment space—not just against direct competitors but across TV, gaming, music, social media, virtual reality, and more. Selling merchandise online is the must-have growth strategy for this sector.

During a recent Shopify Plus event, The Media Industry's New Era of Merchandising, industry experts from both Shopify Plus and media brands discussed how ecommerce is revolutionizing the entertainment industry, and how brands can participate in this new way of marketing to stand out.

With insights from industry leaders at this event, this playbook examines and explains why it's time for media and entertainment brands to embrace direct-to-consumer (DTC) ecommerce in their merchandising strategies.



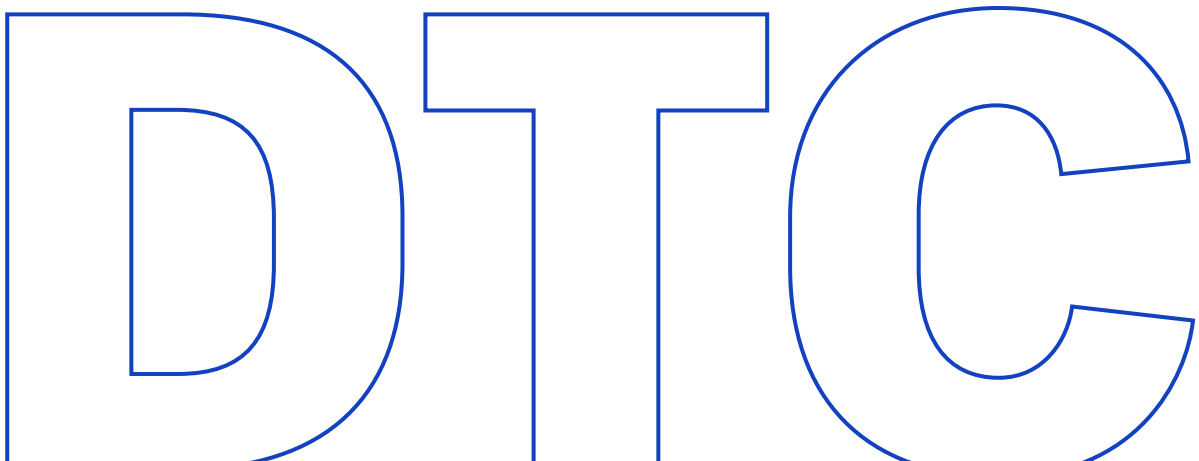
# Growing original content through DTC ecommerce

Selling products online is an effective marketing tool for media brands, new and old. This tactic may be more intuitive to digitally-native media brands, like Netflix for example. They have an easier hold on cultural conversation, participating in the online spaces where new viewers are, meaning product dissemination is fruitful. Yet, the more established entertainment giants are building their digital empires around flagship series through direct-to-consumer merchandising. These brands see an opportunity to turn diehard fans of their content into walking promotional billboards.

For Jamie Levy, head of merchant engagement at Shopify Plus, this current boom of DTC ecommerce is similar to the merchandising boom of the late 1970s and early 1980s, when Star Wars was released in 1977. With two subsequent sequels, the franchise capitalized on the movie's popularity with multiple product lines. This was a foundational move that we can clearly see a direct line to with the franchise's revitalization in the 2000s, and especially the recent spin-off shows on Disney+.

"Essentially, what digital media brands are now realizing is that, by creating digital commerce experiences with merchandise from their original content, they can drive results and revenue without heavy lifting," Levy says.

Levy highlights that this is not just particular to entertainment entities but media brands like BuzzFeed and the New York Times are key examples of how merchandise is a marketing opportunity for their original content.





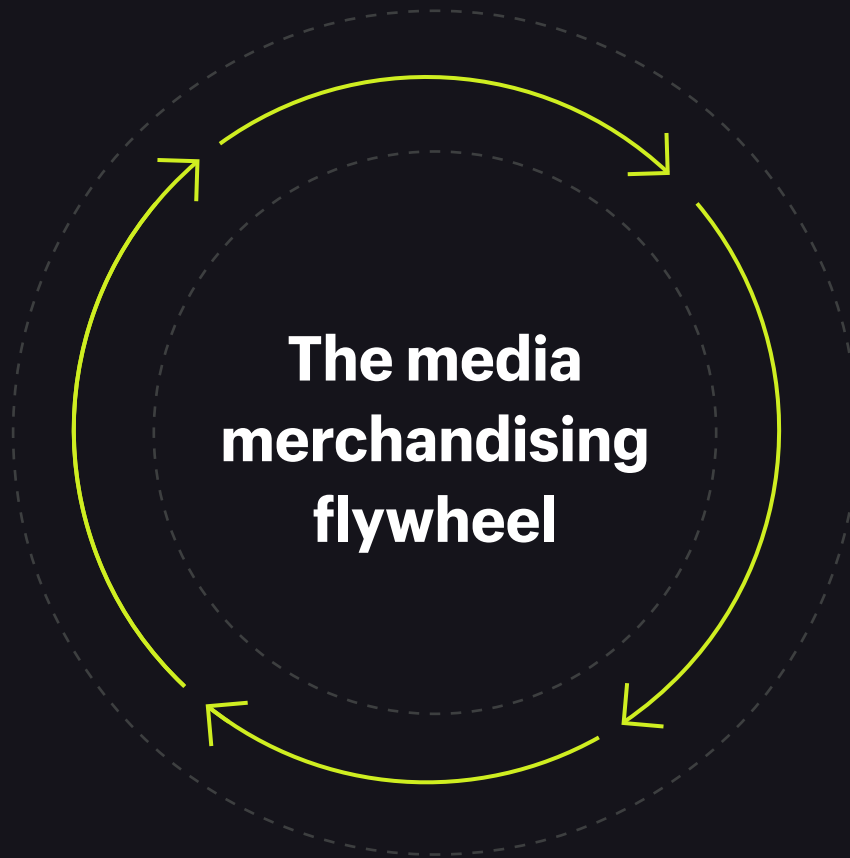
**Media brands are beginning to use ecommerce DTC product plans as a channel to drive their core business model. Even though we're in an increasingly competitive media landscape, consumer appetite for merchandise based on original content is at an all-time high.**

**Jamie Levy**

Head of Merchant Engagement, Shopify Plus

Netflix launched its online store on Shopify to sell products including apparel, caps, and necklaces inspired by popular original shows like Lupin and The Witcher. Netflix's Shopify store made headlines in the New York Times. It was a thrilling promotion for the entertainment brand and a powerful example of how DTC ecommerce and merchandise are very compatible, proving how lucrative this opportunity is.

"Consumers are looking for merchandise that shows off their interest in movies and television, not just the big screens. These are incredibly niche fan bases. I think of it as a flywheel to see how brands use merchandise to drive these results," she adds. "The audience become subscribers and watch content, or become new targets for advertisers, or purchase new products that generate new revenue for the brand through content sales. And the cycle goes on and on."



Release new content



Launch a product collection online featuring the content



Loyal fans and press start talking about the collection, driving conversion for the collection and increasing viewership for the content



New viewers discover and watch the hyped content and wait to see what the media brand releases next

# Brand spotlight: ViacomCBS

ViacomCBS, a more traditional media outlet with both cable and streaming options for viewers, is a key example of a legacy entertainment brand embracing the DTC commerce space.

Jose Castro, senior vice president of Soft Lines, Global Fashion Collaborations and specialty retail at ViacomCBS Consumer Products, has been keeping a close eye on DTC ecommerce. Castro believes it can increase the company's notoriety and growth. His portfolio after Viacom and CBS' merger in 2019 includes well-known brands Nickelodeon, MTV, VH1, Comedy Central, Paramount Pictures, and CBS, all with key programs and characters that could be turned into products for physical sale, retaining and bringing on viewers. Exploring these retail and online shopping opportunities is, for Castro at least, crucial. "We have an ever-growing list of IP that's either being introduced or celebrating anniversaries that we want to bring back to the market."

And while this robust collection of programs is good for both buyers and ViacomCBS, there isn't infinite shelf availability for products, something Castro seriously considers. Merchandise without a merchandising and retail plan is chaotic. With every debut of a new show or film, Castro explains, the company can work directly with retail partners to get real-time data of what works or not, and what customers are gravitating toward or not. "We can tell them where we've mitigated risks and what tests we have conducted," he says, adding, "We can show them the data and advise our partners where they can lean in and where they can probably pull back," he explains.

By enabling brands with this rapid distribution pace with selling DTC, existing retail strategies can complement instead of becoming a barrier to getting product into stores.

## Diverse product offerings

Without an aligned entertainment and ecommerce vision, the whole endeavor is at risk of falling apart. Rick Simpson, CEO and founder of Snow Commerce, works with ViacomCBS, holding strategic workshops focused on properties that would work best for DTC.

A key example from Simpson is the SpongeBob Squarepants show. "It has lots of secondary characters that are under-served in the merchandise space. It was really fun to do things with Krusty Krab. It happened to be one of our best selling products and collections because you can't get it anywhere else," he says.



By having such wide-ranging, robust conversations on programs and products, Simpson says then companies can move that into revenue models, seeing what market opportunities arise and conversion rates. Profit potential of the brand is taken into assessment, and significant profit potential, not just revenue potential, helps with the overall strategy. This approach positions such channels as sustainable over time.

DTC ecommerce allows organizations to take risks and dive deeper into the world of IPs they own. They can increase the flexibility of products they sell, how much they sell, and where. And because they're selling DTC, they're not limited by retail space.

Castro uses the example of South Park: For more than two decades, the adult-focused animated series has woven its way through some of the most important cultural and political conversations. Now, with its website through ViacomCBS, the IP has sustained longevity.

Fans are able to purchase merchandise they feel is authentic to both the show and their own personalities. Cheeky but effective for South Park, Castro says the company built a Not Safe for Work area within the website to feature provocative products. Those are, according to Castro, some of the website's bestsellers. That risk was rewarding.

Brand spotlight: ViacomCBS



Image from [South Park Shop](#)

## Speed to market

Even with a stable direction for products, DTC has room for last-minute drops. This enabled ViacomCBS to quickly launch merchandise for South Park's special pandemic episode. But it wasn't without some tricky navigation: Simpson and his team helped with the launch but weren't given finalized graphics because creative work for the show was still in development. Still, Simpson planned for the merchandise to launch the night before the episode to ensure maximum relevance and timeliness of not just the episode, but of the real-time moment we were living. The product launched within a ten hour period and, thrillingly, it worked out well for the brand.

With the right marketing, content, and merchandise alignment, product becomes more than marketing—it drives profit towards the entire program. Simpson notes that the pandemic special South Park merchandise spiked sales and continues to have a long-tail impact as organic search listings now get redirected to the homepage.

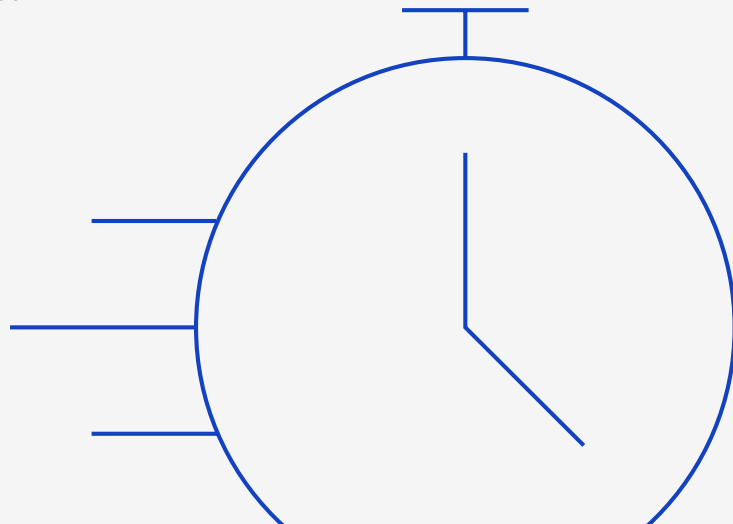


**After this success, we now question how we could repeat that. We wanted to take advantage of these mobile marketing opportunities for all brands.**

**Rick Simpson**

CEO and Founder, Snow Commerce

Brand spotlight: ViacomCBS



## Global ecommerce

Speed to market is often thought of narrowly as product lifecycle development. Yet, a crucial component is now engagement on a global scale. How quickly can that be achieved with ecommerce?

Bringing back the South Park example, ViacomCBS wanted to use as much as possible from their special episode about the pandemic. That means including social media as a key distribution channel before the episode aired. But ViacomCBS only had distribution rights in the U.S. market. They tapped Snow Commerce to reach a buying and viewing audience of 80%, which included Canada, the United Kingdom, and continental Europe.



**Print-on-demand has been a tremendous success in being able to reach the global audience with a much quicker time to market.**

**Rick Simpson**

CEO and Founder, Snow Commerce

Purchases were efficiently processed from consumers in their local currencies, and supported by localized supply chains to get products out. Snow Commerce and ViacomCBS were able to take merchandise designs and map them to various print-on-demand vendors who could ship locally in each region.

"It is complicated enough to do marketing in the US with maybe two potential vendors, imagine trying to do it in four different regions. You have to think about both logistics, product pricing, and payments with that," Simpson says.

## Moment marketing

Streaming platforms have a global fan base, so speed to market is key—especially for highly-anticipated shows or movies. Getting merchandise out to fans quickly with limited barriers no matter their location builds engagement.

Simpson and Castro have called this moment marketing. Trending content is tricky, but ViacomCBS and Snow Commerce are sure the infrastructure they've set up with DTC ecommerce as an integral tool in product strategy will allow products to arrive quickly without risking irrelevance. That way, merchandise will be part of the conversation in real-time.



**Products that performed well are those that we got to market quickly. The fans want something that was mentioned on the show, they want something that's trending, and they want it quickly. Fans are getting accustomed to product timelines being shrunk.**

**Jose Castro**

Senior Vice President, Soft Lines, Global Fashion Collaborations and Specialty Retail,  
ViacomCBS Consumer Products

"If we rely solely on the older timelines, we never could get ahead of it. Since we have a process and avenues in place to get merchandise to fans quickly, we're getting people accustomed to shopping on our websites for the latest and greatest authentic merchandise. It's a game-changer."

The company is also adding in social elements. This allows ViacomCBS to promote items when the brand is mentioned on-air, which drives people to buy them and helps with conversion.

"The merchandise that is based on trending content is our top performer. The biggest surprise to me is how quickly we're able to put something to market and how fast the fans will search for it," Castro adds.

## Start selling DTC

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