

How Netflix, Roku, and NBCUniversal are getting into commerce

Article

NBCUniversal and Roku experiment with shoppable ads to reach viewers in their homes, while Netflix courts customers in the real world. Here's how each company is leaning into commerce to diversify revenue streams.

One-stop shopping: Roku has launched **Action Ads** to move viewers down the funnel by sending them a text, asking them to scan a QR code, or prompting them to make a purchase.

- Walmart, DoorDash, and, most recently, Shopify all use Action Ads.
- With the Shopify partnership, Roku enables viewers to purchase products directly through its ads. Payment and shipping details are pre-populated using a viewer's Roku Pay information, making checkout a seamless experience.

Nearly half (48%) of Roku viewers have paused an ad to shop a product online, per Roku. That would be 69.7 million US consumers, according to our forecast. If Roku could drive even half of those users to make a purchase, it would have a multimillion dollar business.

As seen on TV: NBCU is experimenting with a **shoppable ad format** called Must Shop TV, enabling viewers to shop items featured on Peacock TV shows.

- The program was rolled out with the reality series “Love Island USA,” with products like cosmetics, skincare items, or beach accessories placed within the show. Viewers were directed to a website where they could shop at the end of each episode.
- Brands that participated saw a four times increase in brand awareness, and anywhere from 40% to 70% of viewers indicated they were likely to buy items featured on the show, according to NBCUs cited by Retail TouchPoints.

Now is the time to capitalize on shoppable TV, said Evan Moore, senior vice president of commerce partnerships at NBCU, during this year's Retail Innovation Conference and Expo.

“My prediction is that within three to five years, shopping from television will be a ubiquitous experience,” he said. “Our industry will optimize the purchase experience and make it as easy to buy on your television screen as it is today to purchase on your computer or your mobile device.”

From the screen to the store: Netflix has taken a different approach to retail. Instead of making purchases through its platform, the streamer is putting its products in front of people where they shop.

- The Netflix Hub, which began in 2021 as a **digital storefront on Walmart's website**, has evolved to become a **physical presence at over 2,400 Walmart stores** across the US.
- **Netflix has also partnered with Athletic Brewing Company** to create a line of nonalcoholic beers, the first of which was inspired by Netflix's “The Witcher.”

- Last year, Netflix hosted a **pop-up store at The Grove** shopping center in Los Angeles, featuring limited-edition merchandise and a life-size replica of Vecna, the villain from “Stranger Things” season four.
- Though not traditional retail, the streaming service also opened its **first ever pop-up restaurant**—Netflix Bites—in June, spotlighting acclaimed chefs from popular Netflix series.

Now that Netflix has introduced an ad-supported tier, we wouldn't be surprised if the company dipped its toes into shoppable media, especially as the platform gains more viewers and advertisers. This year, Netflix's ad revenues will total \$770 million, which will rise to \$1.28 billion by 2025, per our forecast.

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