



Market Insight Report Reprint

Bazaarvoice brings user-generated content to the forefront of product marketing

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Incorporating user-generated content into content marketing strategies can be a valuable tactic, as consumers often seek out content from their peers when making purchasing decisions. Shoppers want first-hand insight into what they plan to spend their money on, and Bazaarvoice is out to help businesses access and display that content to help clients sell.

451 Research

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Introduction

Word of mouth could be considered the oldest form of marketing — there are few methods as timeless and as successful. A byproduct of natural communication, word of mouth has evolved with digital technology to become one of the most authentic and sought-after ways for consumers to get information about what they're looking to spend their money on. While product reviews began making their first appearances online in the early 1990s, the launch of social media and the potential reach it would (and still does) possess effectively changed the landscape of consumption. According to a 451 Research's Voice of the Connected User Landscape survey, nearly one-third of consumers rated user-generated content (UGC) and reviews as highly important to helping them make purchasing decisions. SaaS company Bazaarvoice offers platform tools that help businesses gather and authenticate consumer ratings, reviews, social media posts and more into a central hub for display across channels, so shoppers can easily access content for the products and services they are considering buying.

THE TAKE

The power a single review has to sway a purchasing decision is massive. As a rule of thumb, negative reviews speak at higher volume than positive ones, which is why it is critical for businesses to properly display product feedback. Making it easy for customers to access large volumes of content from their peers, both negative and positive, not only keeps them informed about the goods, services and brands they seek out, but also helps build trust through transparency by demonstrating that there is available supplemental information to be learned from other shoppers. Bazaarvoice aims to make it easier for businesses to gather UGC about their products for potential shoppers. It can be challenging and expensive for businesses to build an ecosystem of product content on their own. While some brands might at first be hesitant to have such easily accessible public opinions available within a few clicks, Bazaarvoice's ability to authenticate and source its content goes a long way toward helping businesses foster more transparent relationships with customers, who, as it turns out, have quite the intuition when it comes to sniffing out the authenticity of brands and largely use peer content to make their purchasing decisions.

Context

Founded in 2005 by Brett Hurt and Brant Barton, Bazaarvoice is an Austin, Texas-based SaaS company with global reach. Its goal is to provide brands and retailers with a streamlined platform database of existing, organic and sampled user-generated content. The scope of UGC covers product reviews and ratings for display on various channels, including in-app and on the web, serving verticals from consumer packaged goods to retail clothing and beyond. Familiar companies that work with Bazaarvoice include big-box retailers such as Walmart Inc. and Target Corp., CPG manufacturers such as 3M Co. and The Kraft Heinz Co., and direct-to-consumer retailers such as Under Armour Inc. and Kendra Scott. It is expanding its capabilities in sourcing visual-based social content like images and video, as well as product sampling. The company has over 1,600 employees, with two offices in the United States, multiple throughout Europe, one in India and one in Australia. Bazaarvoice has gone through multiple phases of growth over the course of its operations. In 2012, after seven years in business, the company went public. After six years on the New York Stock Exchange, Marlin Equity Partners took the company private again in 2018, purchasing a majority stake for \$521 million at a price of \$5.50 per share. In 2021, Thomas H. Lee Partners claimed the majority stake after Bazaarvoice made a series of strategic acquisitions, including those of review-based social platform Influenster and social commerce platform Curalate.

Product

Bazaarvoice cites human-to-human conversation as the main inspiration behind its business, referencing the iconic bazaar marketplaces of old where commerce is simple and word of mouth is everything. In the digital world, this comes together in the form of peer-to-peer user-generated content. Bazaarvoice's platform provides the collection, curation, distribution and analysis, allowing its clients to collect UGC from across the internet to be used as supplemental material for their product marketing initiatives. The company states that it has over 500 million native reviews, a number that, when syndicated, increases to over three billion once delivered to additional channels. When factoring in additional content such as images or videos, that number becomes much higher.

The key value proposition behind Bazaarvoice's platform is its ability to easily collect content created by consumers and optimize it for a variety of mediums, including display on websites and content for social media, saving both the business and workforce behind the campaign a considerable amount of time and money while setting conversion up for a potential boost. Assuming there is reasonable coverage of a particular product, instead of paying for major campaigns, a brand could theoretically source UGC from across the web and rehost it on its preferred channels. Because of its syndication system, Bazaarvoice has the capabilities to take the content and send it out to search engines, social media platforms, brand sites and retail channel partners, as well as email and other consumer CRM channels, so a brand could display it on both its native site and a larger partner's site.

Although recent concerns regarding the authenticity of reviews have triggered FTC crackdowns, especially with larger providers where authentication becomes harder, Bazaarvoice does its due diligence to maintain the integrity of the content that enters its ecosystem. It uses both artificial intelligence and dedicated staff to vet the materials. Another area of concern when it comes to review sites is whether or not the reviews have been "cleaned" or falsely propped up in order to influence a decision. While companies cannot skew reviews any sort of way through Bazaarvoice (which is a major positive when it comes to authenticity), businesses can screen potentially problematic content, such as uses of profanity, inappropriate emojis or false claims about a product. Bazaarvoice itself states that consumers tend to be quite savvy when it comes to sniffing out disingenuous content, but going the extra mile for the sake of building trust never hurts. Consumer preferences show that a mix of both positive and negative reviews goes farther than those that are heavily skewed in a particular direction.

Strategic acquisitions

Acquisitions have been important in advancing Bazaarvoice's offerings over the years. Its 2019 purchase of Influenster, a product discovery and review platform for social media users, has given the company and its clients a direct source for activating user-generated content. As a social media platform, Influenster primarily functions as a place for consumers to find and share information about whichever products they desire. At a deeper level, its discovery component is able to recommend products to users via an algorithm, in addition to allowing businesses to offer products up in exchange for an unbiased but disclaimed review. With Bazaarvoice's sourcing capabilities, the acquisition of Influenster is important. It offers clients a primary source of content, plus the ability to gather more for further exposure through product sampling should it be desired.

The second key acquisition Bazaarvoice has made over the past few years is Curalate, a digital commerce engine that gathers, optimizes and syndicates visual media for use in both brands' own product display pages, as well as partner PDPs. Displaying user-generated social content, specifically pictures and videos, puts more of a human story behind e-commerce products, which often sit lifeless on a webpage. As a bonus, the content sourced through Curalate can be used cross-channel for social media, as well. While rarely an issue with in-person shopping, there can be actualization barriers for consumers when it comes to products on a virtual storefront. By incorporating real-world content, consumers can see the items that they want from the perspective of their peers, which helps them better identify if it is or is not something they actually want to buy.

The two come together in sensible harmony. According to 451 Research's Voice of the Connected User Landscape: Connected Customer, Disruptive Technologies 2022 survey, nearly 19% of consumers had used social media in the past 90 days to scope out customer feedback or reviews on a brand or product to help them decide on a purchase. By launching a social commerce platform, Bazaarvoice has created a self-operated basin of peer-to-peer product content that adds an estimated 1 million reviews a month. Incorporating Curalate into the fold means leveraging already available social content (which is primarily visual) across the web that consumers have created voluntarily. Together, they can work to bring more authenticity and inspiration to brand pages — UGC has the power to be the final piece of influence a shopper needs to make a purchasing decision.

Competition

User-generated content is both popular and readily available. Above all else, the insight it provides comes from authenticity, which is what consumers typically value most. In addition to Bazaarvoice, there are multiple platforms serving as intermediaries between companies and shoppers. Some, such as Trustpilot and Consumer Reports, offer central review hubs where individuals and entities can contribute to and gather information about goods and services. While these platforms do offer the ability to syndicate content, it is not the primary focus — rather, it is the customer feedback that takes the spotlight. A business might alternatively seek out services like those of PowerReviews (a former Bazaarvoice acquisition), Dash Hudson or Yotpo, which do not offer review platforms but do specialize in sourcing and displaying product and service-focused user-generated content from around the web.

SWOT Analysis

<p>STRENGTHS</p> <p>Bazaarvoice is one of the only platforms currently providing companies with a holistic, optimized source of user-generated content for display on both client channels and partner marketplace channels.</p>	<p>WEAKNESSES</p> <p>Although Bazaarvoice gains creator permissions to repurpose content and attributes it appropriately, content sources and creator attribution can be removed by partners depending on how they choose to display the visual asset.</p>
<p>OPPORTUNITIES</p> <p>Leveraging high-growth social platforms such as TikTok will be instrumental in boosting Bazaarvoice's value proposition — that particular sector of social media is red hot with both sponsored and authentic product content.</p>	<p>THREATS</p> <p>FTC crackdowns are complicating the landscape of user-generated product content. Fake reviews have risen in prominence in recent years, increasing distrust of the information consumers are finding online. Bazaarvoice authenticates what it sources, but there is elevated risk in the current market.</p>

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