

Econsultancy

THE FUTURE OF USER- GENERATED CONTENT

DRIVING RECOVERY
AND GROWTH
THROUGH THE
POWER OF UGC

IN PARTNERSHIP WITH



bazaarvoice™

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INTRODUCTION

What do you believe piques your customer's interest most effectively? Could it be a slick ad, or is it a tightly optimized website or app? There's no doubt that both of these still definitely have their place in Marketing's best practice pantheon.



**USER-GENERATED
CONTENT IS
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However, user-generated content, or UGC, is arguably one of the most important tools for businesses to emerge in the last decade. While UGC's use has been gathering pace over the last 10 years as a way to unlock product innovation, reveal customer sentiment, and drive marketing strategy, the pandemic has seen it suddenly catapulted into the limelight. Now, it is rapidly becoming the go-to communications strategy across all media and platforms for forward-thinking brands looking to navigate a post-pandemic world.

In this report, we explore why UGC has become such an important tool in the marketer's arsenal. Through a series of in-depth interviews with senior marketers across major global brands, including L'Oréal, Facebook, and Samsung Electronics, we explore how it adds value, delivers new insights, and creates avenues of communication with customers. The research also looks at how we can expect UGC to evolve in the future and offers seven key takeaways for marketers to implement today.

ABOUT BAZAARVOICE

Thousands of the world's leading brands and retailers trust Bazaarvoice technology, services, and expertise to drive revenue, extend reach, gain actionable insights, and create loyal advocates. Bazaarvoice's extensive global retail, social, and search

syndication network, product-passionate community, and enterprise-level technology provide the tools brands and retailers need to create smarter shopper experiences across the entire customer journey.

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Econsultancy's mission is to help its customers achieve excellence in digital business, marketing and ecommerce through research, training and events.

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METHODOLOGY

The report was compiled in two phases. The first, involved several months of desk research to establish the scope of the report, identify marketers' major concerns, challenges and opportunities, as well as establish a 'state of the art' for UGC as it stands today.

The second phase, consisted of an extensive set of one-on-one interviews with leading senior marketers and industry consultants to understand how they have applied UGC and what they consider to be the best practices. They shared their learnings and understanding of the potential of this powerful resource. As a result, we would like to thank the following executives for their kind contributions of time and insight:

ACKNOWLEDGEMENTS

Loran Gutt	Vice President of Corporate Development	Bazaarvoice
Lucas Tieleman	Executive Vice President of Product	Bazaarvoice
Scott Birse	Integrated Media Leader	IKEA
Cheryl Calverley	CEO	Eve Sleep
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Ian Edwards	Planning Director	Facebook
Sharon Hegarty	Marketing Director	Samsung Electronics
Jo Jackson	Chief Creative Officer	MADE.com
Simon Breckon	Brand Director	Ellesse
Evan Horowitz	CEO	Movers+Shakers
Andrew Nguyen	Product Leader & Coach, Mobile, UGC, Onboarding, & Advertising	Zappos

CHAPTER 1: THE EVOLUTION OF USER-GENERATED CONTENT TODAY

While the coronavirus pandemic accelerated much digital adoption and innovation, the rise of UGC was already well underway. A landscape made up of ever-growing numbers of social platforms, effective digital media management, and a focus on the voice of the customer is creating ideal conditions for UGC to flourish even more in the future.

“Advertising is dead,” says Evan Horowitz, CEO of Movers+Shakers, a creative UGC agency. “It’s our ethos to think about how we engage with content that isn’t just advertising but, instead, is entertaining and participatory.”

This is the whole principle behind social platforms and UGC and why there is a seemingly never-ending stream of new platform launches. On top of what we might now consider social’s grandes dames – Facebook, Twitter, Instagram, and Pinterest – there are platforms based on messaging (WeChat), stories and Augmented Reality (Snapchat), video (TikTok, Reels, or Cheddar). Some have since disappeared without trace (Friendster) while others have morphed or merged (Musical.ly to TikTok).

The exponential growth in social media platforms combined with a dramatic flight to e-commerce during the COVID-19 pandemic have created an ideal landscape for UGC. With daily online sales running 66% higher than normal at the peak of the pandemic, UGC became a vital trust barometer for many consumers, where not even most, but all

brand interaction has become remote.¹

The turn to online is expected to continue post-pandemic with 56% of consumers saying they are planning to shop online more than before. E-commerce will remain a critical channel in the ‘new normal’ and social media is going to prove an essential foundation.¹

Most shoppers (87%) say they rely on social media for help in making online buying decisions, with positive reviews shown to justify prices that are nearly 10% higher than the norm.²



SOCIAL MEDIA PLAYS A CENTRAL ROLE IN TERMS OF LIFESTYLE INFLUENCE AND SHOPPING HABITS:

- In the U.S. alone, the social media market was reportedly worth \$52.7bn in 2020.³ Globally, with 3.2bn active users, analysts estimate daily use is more than two and a half hours across the top six networks alone.⁴
 - While it is a much newer platform, research also suggests TikTok users globally are spending an average of 44 minutes a day on the app.⁵
 - Social is an important tool for nearly half of under 45s and a third of over 45’s – belying the presumption that social media is only for the young.⁶
-

It's not surprising that brands and platforms are working hard to understand how they can harness the power of UGC and social proof.

"On a macro level, we've seen this mass digital education of consumers who were forced into it through necessity. It doesn't matter how digitally sophisticated you were before, you learned new skills. And people who were locked out of digital businesses have been brought in. There have been some really big shifts in behavior," says Ian Edwards, Planning Director at Facebook.

Pinterest's Head of Growth and Shopping Product, Dan Lurie adds, "The importance of a strong brand digital experience is not a new concept. Before the pandemic, the overall UK online spend was expected to increase by 29.6% between 2019 and 2024. However, the current crisis has further emphasized how critical a robust and authentic online offering for retailers is, in addition to in-store offerings."⁷

While e-commerce has been growing substantially over the last decade or more, it is optimized for buying, rather than for shopping. The distinction is subtle, but important. Buying is convenient while shopping is fun and experiential, a chance to discover and to be surprised by new things.

"Glossier said that Amazon solved buying online and killed shopping in the process. If you know you want a Sony camera, they make that easy but the process of being inspired or illuminated is really difficult," explains Loran Gutt, Vice President of Corporate Development for Bazaarvoice.

And it's not just Amazon that has historically struggled with promoting online

shopping instead of just buying. "For too long, online 'shopping' has felt more like online 'buying.' We believe that shopping is about more than searching for a singular product — It's about inspiring new ideas," Lurie explains.

Shopping is not only an enjoyable experience, it's vital for the retailer. It's what fills up carts and drives your average customer value up. So, introducing shopper experience online is of critical importance these days. But this doesn't mean that the buying experience is over. Andrew Nguyen, Product Leader & Coach, Mobile, UGC, Onboarding & Advertising at Zappos explains, "There will continue to be customers who know exactly what they want, and catering to that experience may make sense. However, helping customers explore and discover is important and part of how we look at UGC, a point of inspiration to help others explore and shop. Companies need to figure out how to balance the two scenarios."

Conditions are now ripe for companies to have a place in their customers online and social media lives, whether or not they're actively engaging. Tackling the twin challenges of delivering both a shopping and a buying experience, marketers will need to understand what inspires customers, how to develop active brand participation to further grow UGC-based resources, and create a virtuous cycle of customer insight, inspiration, and co-creation.

In the next chapter, we will explore what striking the balance between shopping and buying means, and why companies need to lead with discovery-first design. ■



THE IMPORTANCE OF A STRONG BRAND DIGITAL EXPERIENCE IS NOT A NEW CONCEPT. BEFORE THE PANDEMIC, THE OVERALL UK ONLINE SPEND WAS EXPECTED TO INCREASE BY 29.6%."

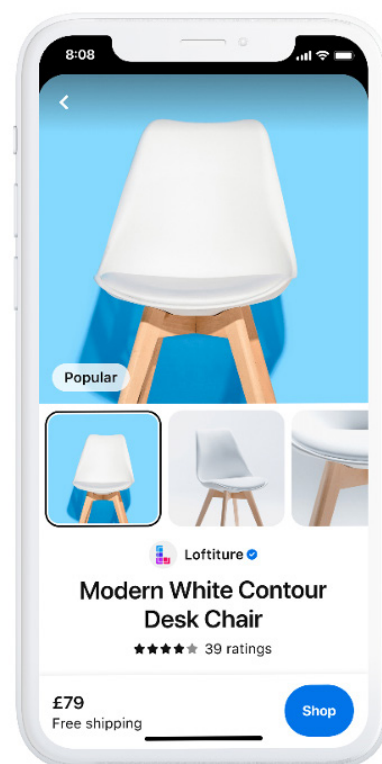
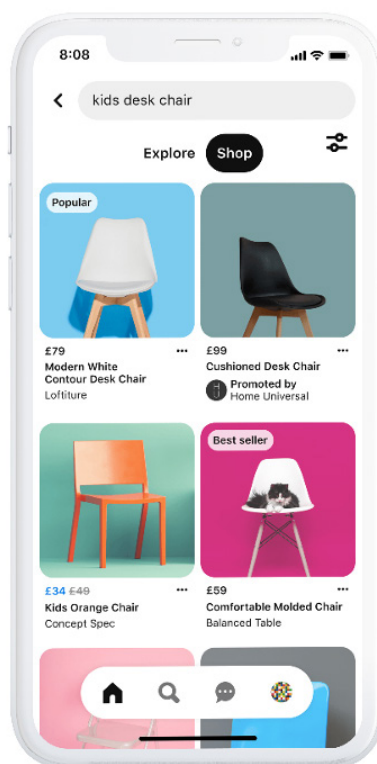
Dan Lurie

Pinterest's Head of Growth and Shopping Product

CHAPTER 2: EMBRACE DISCOVERY- FIRST DESIGN

A survey released by Google and Ipsos found that 76% of consumers enjoy making unexpected discoveries.⁸ Social sites, such as Pinterest, have long been discovery platforms. It's where you go not only to discover products, but also to discover ideas. But, increasingly, these platforms allow customers to go all the way from inspiration through to transaction.

Pinterest's Lurie explains, "For Pinterest, being a visual discovery engine has allowed shoppers to browse and discover products online in a way that matches shopping offline. For example, brands can curate collections on Pinterest and shoppers can discover new styles even when they don't know exactly what it is they're looking for — just as if they're browsing virtual aisles. For many people, Pinterest serves as a wishlist where they save ideas they love to boards and then go back to buy them as they develop looks for themselves and their homes."



It's not just that customers are reacting to image-led, discovery-first design across the purchase funnel. The subtle differences in how that imagery is presented has a different effect on the consumer depending on where they are in their purchase journey.

"Social and UGC have roles to play at every level of the funnel," insists Lex Bradshaw-Zanger, CMO UK & Ireland for L'Oréal. "It's about

understanding how each of these works in relation to the objective we are trying to achieve. At the very top, where reach and brand awareness are key, large scale influence has a role to play, alongside traditional brand advertising."

"In the middle and lower funnel is where the voice of the professional and the consumer have great impact. The middle of the funnel, in terms of consideration, is

driven by people you respect, be they peers or influencers. Then, at the bottom of the funnel in terms of conversions, (it's) where we're starting to look at a series of other models such as affiliates and social commerce."

UGC-INSPIRED E-COMMERCE OR SOCIAL COMMERCE?

Bradshaw-Zanger has picked up on a key point – the importance of social commerce.

While often thought of as buying on social media, social commerce is more than that.

Making a purchase directly on social channels typically accounts for only a tiny percentage – maybe 5% or even less – of a company's total e-commerce revenue.⁹ Social commerce isn't just about shopping on social – it's about harvesting all of that content that exists on social and making use of it in different areas of the business, like website display, direct communications such as email, and above the line advertising. This is how we begin to introduce some of those 'real world' experiences that are often missing online, building an integrated experience for your customers that connects inspiration, social, and conversion.

WHAT DOES THIS LOOK LIKE IN REALITY?

"We use UGC across the funnel, and we've built on it across the years, from the home page, to gallery pages, and product pages. On the home page, it's very beautiful pictures of living rooms and then (it is) more specific on the product pages. It supports how customers want to find what they're looking for as inspiration," explains IKEA's Integrated Media Leader Scott Birse.

Birse also notes that part of the authenticity and success of UGC on IKEA's site has been that IKEA products are viewed in context – and, therefore, with products from other brands also on show. This allows customers to see how a product could actually look in their homes alongside other pieces in their living rooms or bedrooms.

AS Watson's Chief Digital Officer, Europe Dan Jarvis explains, "It's about providing sources of inspiration for customers and not being afraid to link out to other industries, whether its fashion or travel. It's thinking about these moments in customers' lives and how we interact. We don't have to say 'buy this now' on every post, it's about what's right for the customer. We are talking a lot about storytelling."

CASE STUDY RIVER ISLAND

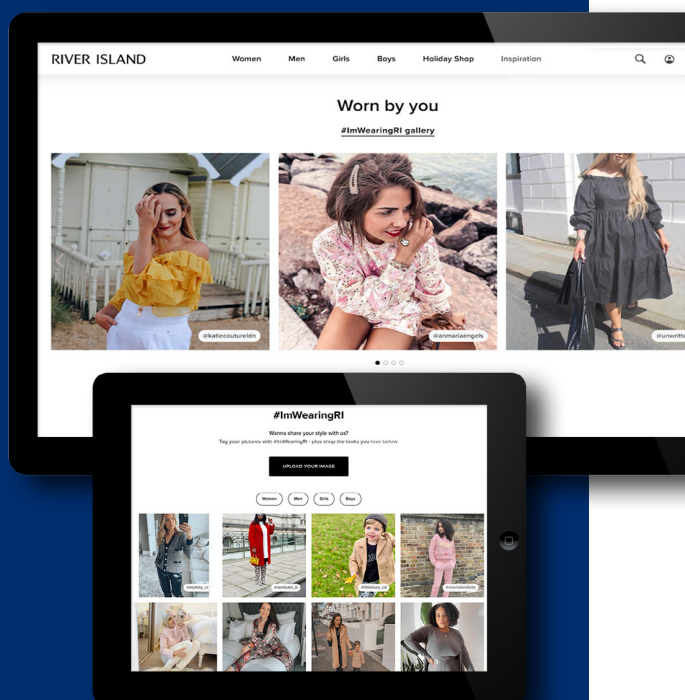
UK fashion retailer River Island has put UGC front and center on its website. The company has said that when a consumer arrives on its site, it wants to inspire them and introduce them to items they may not have known existed. There is a full-page gallery of lifestyle-based content, as well as carousels on product pages to inspire visitors with authentic, shoppable images.

Using Galleries, the brand integrated a feature that

allows consumers to add items showcased in UGC to their wish list. They save products that inspire them while not interrupting their browsing – or buying – experience.

Site visitors who were attracted by UGC typically doubled their dwell time on the site while those who went on to buy increased by 184% and spent, on average, 45% more.

Source: Bazaarvoice¹⁰



Clearly, fashion and home furnishings are a natural fit with inspirational social content, but the fact is that no brand or sector is excluded from social commerce in one form or other. The social lens doesn't just showcase your products, but how people's lives are enhanced by it. If your consumers create content around your brand, you have a social commerce strategy available to you.

Jo Jackson, Chief Creative Officer for MADE.com, agrees that there is no particular 'pigeonhole' definition for UGC.

"We value UGC right across our customer journey, from inspiration on our social accounts through to our Ideas Hub, and also product pages on the MADE site. We know our customers relate more to this kind of content and ultimately it helps in their decision making," she says.

Brands also need to work to make sure that all partners engage with their discovery-first design. While retailers in control of their own online distribution have the power to integrate UGC across their estate, brands reliant on their indirect resellers also need to promote the power of UGC.

Bradshaw-Zanger suggests that UGC has a role both on L'Oréal's own properties and on those of its partners.

"We're constantly looking to improve the experience on our own brand sites and, via our indirect business, through partnerships with customers such as Amazon and ASOS, to make sure that their product page experience is optimized. This often involves putting UGC more at the forefront."

"Depending on the site," he says, "this often involves ratings and reviews and "can include customer visuals."



ACTION POINTS

- Discovery-first design should incorporate inspirational content across the funnel.
 - Social commerce means harnessing elements from social and incorporating them in owned media.
 - Help customers by creating a journey from inspiration to transaction within a single platform.
 - Present product in the context of consumers' lives, not isolated on a virtual shelf.
 - Don't be afraid of letting in other brands and products which add color, vibrancy and relevance.
 - Bring media and channel partners along on the UGC journey.
-

Having concluded that UGC has a role to play across the whole of the funnel, it's important to acknowledge the nuance of each type of content. The definition of UGC encompasses a wide range of content, from simple comments, ratings, and reviews, to rich media, curated imagery, micro-influencer viewpoints, and self-created stories. In the next chapter we will explore how UGC as social influence impacts brand equity and brand consideration. ■

CHAPTER 3: THE POWER OF SOCIAL INFLUENCE

People buy from people. From reviews and rich social content, to mainstream influencer programs and more, consumers take their purchasing cues from a huge variety of socially-driven sources. When brands harness those sources, the uptick in consumer trust and, ultimately, conversion is significant.

This has certainly been the experience of L'Oréal's Bradshaw-Zanger.

"UGC created by both consumers and professionals is critical in our strategy. The health and beauty sector is massively driven by consumer opinions and professional advocacy and it's one of the highest categories in terms of owned and earned, second only to travel," says Bradshaw-Zanger.

"From reviews, to content produced for our own marketing and social channels, to partner channels, to macro and micro influencers, consumers, prosumers, make-up artists, stylists and dermatologists, it's key for us to strike a balance between the expert voice and a peer voice. What's right for me, what's right for my skin, what's right for the way I want to look, is different for everybody and our consumers want to hear more than just the brand talking," he insists.

THE POWER OF RATINGS AND REVIEWS AS SOCIAL PROOF

"Ratings and reviews were a revelation 15 years ago. You could give your customers a voice. As the internet has evolved, the

tools have evolved and now you can take beautiful pictures on your phone. These tools allow us to share in new and different ways to help convince other people to buy," says Lucas Tieleman, Executive Vice President of Product at Bazaarvoice.

In fact, ratings and reviews are one of the first things consumers look at when they're considering a purchase. Research has found that the richer the review in terms of information and visual content, the more effective it is, with 73% of consumers in one study stating that written reviews make more of an impression than just a star or number rating.¹¹

Given how much of an impact ratings and reviews can have, it is surprising to discover that there are still brands that are behind the curve.

"Very advanced brands are all the way there, encouraging customers to help them facilitate other customer journeys. Some brands, however, are still stuck in the 'Hey, we'll let them write some reviews and that'll be okay' phase," Tieleman warns.

Reviews are like gold dust for emerging and challenger brands.

Eve Sleep's CEO Cheryl Calverley explains, "For a young brand, people haven't got a history to rely on. There's no brand equity, such as the AAA (Automobile Association of America) where grandpa being a member beats the review site. For an e-commerce brand, that's doubly important because people can't touch the product."

“If you don’t build an engagement program around user-generated content, people will not take the time to write reviews. If you just install a ratings function and do not deploy best practices to encourage content submission, people will have much better things to do,” Bazaarvoice’s Gutt adds.

“We work with clients on how they think about packaging or store receipts or touchpoints where consumers are reminded of the value of creating this content for others to ‘pay it forward.’ The vast majority of content has a pro-social bent, helping other people have a great experience and using their hard-earned money the right way.”

IKEA’s Birse acknowledges that encouraging

engagement it will receive. It is also a guard against fraud, as consumers become ever more aware of review ‘farms’ and now view copious detailed but eerily similar and gushingly positive reviews with suspicion. Richer doesn’t mean longer and more detailed – richer means better.

Clearly, there is an imperative to engage with the most active and engaged content creators. This is why so many companies engage in sampling campaigns with some of their most active users. The brand’s reward is long, detailed reviews with rich media such as photos and videos.

The concept of the ‘expert’ reviewer blurs the boundaries between the engaged consumer and the paid influencer.

“We could be looking at people who build up a micro-expertise in something, reflecting the specialty retail trope. What if a product review could be a certification?” Gutt reflects.

He notes that a reward-in-kind may prove the only incentive needed for the average ‘consumer on the street’ to delve into detailed review activity, although he is keen to emphasize that financial remuneration is not an avenue many should pursue.

AS Watson’s Jarvis understands that a high level of detail from trusted consumer sources is a critical part of building trust for retailers. “Customers are craving unbiased and honest opinions. This is where social and UGC play a big role for us and we’re looking at how we can integrate that into our sites to make sure customers can get confirmation that yes, this is a good product. I definitely think we’re just scratching the surface.”

The reality is that, while UGC content from peers is critical to the purchase process, some brands still fear the perceived lack of control that comes from handing over the reins to consumers. Tieleman suggests the control is there, you just need to understand the angle it’s coming from: “If brands embrace consumers as part of their narrative and help the consumer tell that narrative, that’s the part you control. With Nike, for example, everyone is an athlete. There are a lot of people who



CUSTOMER REVIEWS AND UGC TOGETHER WORKS A LOT MORE STRONGLY. WE’LL BE WORKING ON RICH REVIEWS OVER THE NEXT YEAR OR SO.”

Scott Birse
Integrated Media Leader at IKEA

customers to engage more proactively in the reviews process will be an important part of the retailer’s strategy in the future, “Customer reviews and UGC together works a lot more strongly. We’ll be working on rich reviews over the next year or so but, at the moment, it’s more about following up, asking for reviews, and making sure customers get the access they need to provide those quality reviews.”

AIM FOR A RICHER REVIEWS EXPERIENCE BY TAPPING INTO YOUR BRAND’S ADVOCATES

Customers value a detailed review over a simple numerical or star value. So, it follows that the ‘richer’ the review, the more

want to see themselves on Nike so the company makes it part of the narrative.”

Of course, one way of gaining more control over the narrative while also setting ‘brand safe’ parameters is to engage with influencers. This approach would still fall under the UGC banner, but with a more formalized relationship.

The term ‘influencer’ has multiple definitions. The cohort ranges from the nano- or micro-influencer, who is an active social user with a small number of followers and someone the consumer might consider their peer, to mega influencers, who are, effectively, celebrities.

Econsultancy’s Social Media Trends Report 2020 highlighted the growing distrust that consumers feel towards celebrities and influencers and the content that they post in social media:

- More than a quarter (28%) of people surveyed noticed influencer/celebrity marketing in the previous month, 49% of whom felt that the posts did not represent the person making the endorsement.
- About half (48%) of those surveyed believe that celebrities present either a ‘not at all honest portrayal’ or a ‘somewhat dishonest portrayal’ of their lives on social media.¹²

Simon Breckon, Brand Director, Ellesse, reveals, “We drive a lot of growth in our community through actively targeting the 9%, the emerging influencers and creators. Both from an influencer marketing, targeting, and publishing framework, it’s a mix of what the brand stands for and how we can seed it in the right way.”

Brands really need to drill down into what value influencers deliver for their investment. Occasionally, those strategies need a rethink.

“We are right at the beginning of this journey,” admits Calverley. “There was a lot of time and effort and money being spent extensively across social content. My team tried to get under the hood of what was driving marketing as they couldn’t see the

benefit. So, we pulled back massively on classic product and influencer-led social.”

Part of the problem around influencers hasn’t just been finding a clear path to demonstrating ROI, but also making sure that brands can thread the fine line between a commercial relationship and a truly authentic opinion of the product that the customer can trust.

“First and foremost, authenticity is key,” insists Sharon Hegarty, Marketing Director at Samsung Electronics UK. “Of course, it’s important to look at the metrics around an influencer’s social presence, however we want everyone that we partner with to talk to their audience in a way that is genuine and honest. That being said, while



WE DRIVE A LOT OF GROWTH IN OUR COMMUNITY THROUGH ACTIVELY TARGETING THE 9%, THE EMERGING INFLUENCERS AND CREATORS.”

Simon Breckon
Brand Director at Ellesse

I admire and enjoy the influencer work that we do at Samsung, I think we also need to remember that our customers are the key drivers of advocacy. We have an incredibly loyal customer base that enjoys sharing its experiences of using our products. The power of that is unrivalled.”

Facebook’s Edwards cites the example of KFC which, during the pandemic, switched its ads to portray influencers doing chicken cooking challenges and used interactive formats to create intrigue. It was a playful tone of voice and was done brilliantly. Hegarty agrees, noting that “fashion and food sectors are very strong when it comes to consumer engagement on social.”

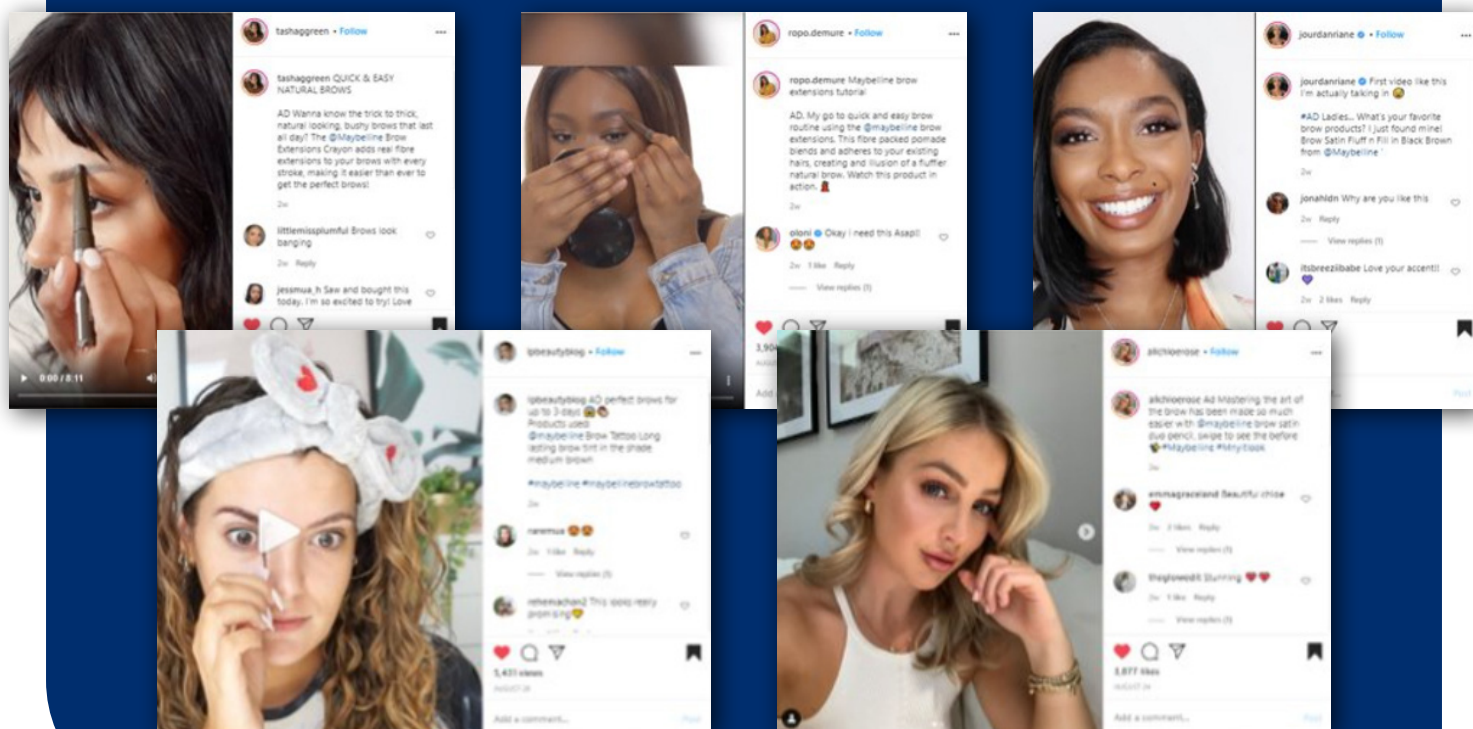
CASE STUDY L'ORÉAL

The authenticity that comes from niche creators with small audiences is why micro-influencers aren't just the preserve of smaller brands for whom the often lower (or non-existent) price tag is attractive.

L'Oréal has an active micro-influencer program on top of its higher profile influencers and streamers. One recent campaign saw its Maybelline New York brand work with 13 micro-influencers across three different brow product

categories. In conjunction with paid media spend, the campaign delivered a 227% e-commerce uplift on Amazon, a 223% uplift on Superdrug, a 225% uplift on Boots, and a 136% uplift on Look Fantastic.

Source: Bazaarvoice¹³



ORCHESTRATE AND MEASURE UGC'S IMPACT – BEYOND THE FEEL-GOOD FACTOR

"A stat that I find mind-blowing is that in 2019, [soccer star Cristiano] Ronaldo earned more money from Instagram than he did playing football. However, while advertisers are paying creators to make these posts, they don't know how it's paying back. The challenge is measurement. We know they're having a dramatic impact on people's businesses but we need to do the measurement to bring that degree of rigor," Edwards admits. "How do we unpack what good looks like?"

The ability to measure is particularly important as the number of platforms grows. You'd be forgiven for thinking that TikTok is about to usurp every established platform, but the truth is that it is still at the beginning of its business partnership journey.

Movers+Shakers' Horowitz insists that TikTok can certainly drive a sales bump, but he also highlights that platforms have specific roles to play. For a startup, "spending any money on upper funnel is not a great idea," but for brands with some level of awareness that are looking for a boost, or that have awareness but not enough equity, it is ideal.

Zappos' Nguyen insists, "We know how often a piece of UGC is viewed and engaged with to better understand how best to amplify it. What one customer enjoys may resonate with a larger group with similar preferences. It helps us craft our content better and more genuinely."

Ellesse's Breckon points out that formalizing the UGC process – but not being too controlling – is key to making sure it delivers against strategy. She says, "It's about authentic partnerships. Our content is much more human and relatable and we don't try to control it. But we have a framework. So, with Fashion Week we have some content around Paris and Shanghai and then we work out what the trend is and our point of view. Then we work with people and what they're passionate about. We don't have a fixed agenda."

Facebook's Edwards does reveal that they are working on refining the measurement process, particularly around creating control groups with organic content and the impact it has on brand preference or brand equity. He cites the experience of McDonald's in Amsterdam where it was possible to determine that the campaign was driving a 3.2% incremental increase in sales, adding that testing can come down to something as simple as "turn it on, and turn it off."

Pinterest's Lurie agrees that marketers need to be conscious of the value of data and how it can inform their UGC strategies. He says, "The value of paid and organic conversion insights can't be overestimated, in helping brands see the total impact of different types of content on their site visits and checkouts."



ACTION POINTS

- Ratings and reviews continue to heavily influence consumer purchases, but rich content further enhances their effectiveness.
 - Brands should consider building review-gathering mechanics into their customer communications strategy.
 - Cultivating power reviewers generates a new community that straddles both brand advocacy and consumer champions.
 - The power of the celebrity influencer is on the wane in some areas; consumers place more trust in experts, peers, or micro-influencers who are seen as more authentic.
 - Brand influencers, advocates, or allies can be used across more than product reviews; they can provide creative fuel for communications such as advertising.
 - Set investment benchmarks for UGC as you would for any other implementation and assess the validity of each platform against brand aims.
-

Implementing UGC as part of your e-commerce strategy is important; building metrics around it is even more crucial. The next chapter explores how brands can integrate UGC effectively across their channel marketing and, critically, how to encourage consumers to become creators to build that content pipeline. ■

CHAPTER 4: BRING THE CONSUMER ON BOARD

It is a common misconception held by marketers that consumers feel brand interactions are somehow intrusive and that their presence, either through advertising or branded content, is an unwelcome intrusion into a brand-free social existence. Instagram's Ray points out that this simply isn't true.

"Of an Instagram community of a billion monthly active users, 90% follow a business. They are welcome in that community and it's not an interruptive experience. We don't often equate business as part of that community but what is great is (that) it's happened organically," he said.

This should give brands the confidence to engage with consumers on social. Customers want to interact with the brands they love. They want to talk to them, share their opinions with them, show off what they've bought from them, and even make videos for them.

Horowitz explains, "Every day we're seeing this happen. People are creating videos to support a brand campaign. We launched Amazon's TikTok challenge which got up to 5 billion views. It's about connecting the challenge to culture, finding a relevant insight that the brand can participate in." He refers to the Amazon Prime Student challenge which invited students to share college hacks and experiences to make life better, ace exams and more!

But one area where brands must be wary is deciding which segment of content-generating customers they choose to engage with. Those most keen to provide content are not necessarily representative of the brand's typical

– and most numerous – customer base.

"People posting about brands are either deeply passionate and don't represent your broad customer base, or they're really pissed off and ranting. You have to be quite careful about what you take out of it," Edwards warns.

TAP INTO FAN PASSION

That said, fan passion can be an excellent catalyst for new creative approaches. Samsung Electronics' Hegarty explains how the company marries consumer hobbies with product goals.

"Our #WithGalaxy audience is huge, and we've seen a genuine sense of pride when people take photos with their Samsung device. We know our fanbase is loyal and proud to use our devices. We've seen this come to life by encouraging them to use the hashtag."

The company's subsequent 'Inspired by a True Photo' campaign is just one example of UGC becoming part of a brand's more 'professional' creative resources.

"We have been working with UGC for a number of years and it sits quite comfortably with our own media. A mix of both, in fact, is really engaging," IKEA's Birse reveals. "Some global images look great but people want to know how this would look in their house. It is a big part in campaigns that we do and strengthens our range content. Engagement metrics on UGC outperform our own by 140%. People are seeing UGC and interacting with it and going onto the site to look a bit further so it's a great conversion driver." Zappos' Nguyen agrees.

CASE STUDY SAMSUNG

In a bid to show its customers that the company was working with them during the pandemic, Hegarty's team created the #FromMyWindow and subsequently, as lockdown eased, #FromMyWander, hashtags to turn isolation into a creative opportunity.

"By promoting artistic sharing at a time when many felt suppressed, we generated positive engagement," Hegarty insists.

The campaign itself then evolved into a new campaign 'Inspired by a True Photo.' The 'Inspired by a True Photo' platform is based on a simple concept; taking a single user-generated image, and making it the focus and inspiration of the creative journey. Samsung is encouraging its customers to upload their real-life photos by using #withGalaxy, for the chance to have their image chosen, and the subject of their photograph influencing unusual creations in arts and culture.



The first of those creations was a 90-second cinematic ad called 'Onions', based on a single photo of a bag of onions. It was shown on UK national television network, Channel 4, in October 2020 and across multiple channels over a series of months.¹⁴

"It's often more powerful to encourage advocacy among fans rather than the content always coming directly from the brand," Hegarty adds.

Source: Bazaarvoice ¹⁴

"We find a lot of value on our product detail pages. Customers are typically emotionally drawn to the visual aesthetics of a product and we want to sustain that connection with social proof. By having a 'don't just take our word for it' approach, customers can get help from other customers, ultimately feeling more confident about their purchase," he says.

For a fashion brand that is very conscious of presentation, Ellesse's Breckon is still aware that consumer perceptions can be more powerful than carefully presented 'looks.'

"Content creators style the product much better than we would. From featuring their home workouts and lockdown hobbies, to introducing circularity and repurposing garments, there are lots of different elements

of that content that have been identified by our community," Breckon explains.

Customers are well-attuned to the difference between a corporate shot and one that might have come from 'real life'. This is one of the reasons companies are increasingly keen to bring UGC into their mainstream communications.

"UGC is so much more engaging for customers than anything else," Birse insists, adding that the company is always looking for new ways to engage with it. Most recently that has involved bringing UGC in-store at its Croydon branch, displaying customer content on a huge screen.

The more you value your customers, the more value you'll get from them.



One of the big questions is how you embed content sharing in your consumers' shopping journeys. Obvious answers are on the website and in mobile apps. But it should also be in your communications programs, on social media feeds, and in-store.

"Embracing new platforms and new technology and channels, getting involved early on, and keeping flexible is important," suggests Jarvis, noting that he wants to see more offline-online interaction to increase engagement. "Where can I see point of sale that's socially-driven and gets customers more involved with the mobile app? That's an area where no one has blown me away with yet," he admits.

Creating engaging content that customers then want to interact with more creates the virtuous cycle that eludes many brands when they seek ways to develop a content-sharing relationship with customers.

Calverley said, "We dipped a toe in the water with all sorts of content to help people sleep better, but we had a dream quiz helping you analyze your dreams and it just went like stink. There is a massive hunger from people to help them understand their sleep."

The challenge of obtaining UGC and to then

use it in communications, link to or interact with can be a little bit like the chicken and the egg question. In order to generate a desire to share content, the brand first needs to demonstrate that it will use what it is sent. Basically, the consumer doesn't want to do all this work for naught.

Businesses have been known to ask their customers for a lot of content only to then bury it. Those that do this rarely see good long-term results from their social commerce campaigns. However, those that really make an effort to include UGC and promote it across several channels find many more customers who are willing to contribute.

Furniture brand MADE.com has a long history of incentivizing customers to send in pictures of how they style its products. In addition, it makes a point of featuring its products in those same real-world settings on its website. And, more recently, it has moved into deploying UGC as media content.

"Last year we moved away from shooting models in studios sitting on sofas and started to celebrate our real MADE fans in our advertising campaigns. This campaign, 'Design Your Happy Place,' runs across

everything from out-of-home advertising, to our Ideas Hub platform, social media channels, and showrooms across Europe,” reveals MADE.com’s Jackson.

BUILD A CLEAR CONTENT USE CASE FOR BUSINESS BUY-IN

Allocating resources to sourcing unstructured and non-professional UGC can be a difficult ask internally so it’s important to point out what might be the ‘traditional’ business wins. The pandemic has been a useful ‘proof of concept’ for some.

“What we’ve seen through COVID is that it’s much more difficult to get studio pictures done so we’ve seen a number of innovative clients push us to get more pictures from customers. It’s much cheaper and easier to get a great picture from a customer, versus a staged environment,” Tieleman points out.

Business proof is critical to the success of UGC-powered marketing.

IKEA’s Birse reveals, “When we first went into UGC, there was a big nervousness from global partners. But the UK has been a market that leads testing and trying new things and we very quickly saw some really good results from it. This year, we’re going to roll it out across the whole range of global sites.”

Many brands, like IKEA and MADE.com, have certainly made good use of UGC with it becoming something of a virtuous cycle. The more UGC they show, the more widely it is shared and the more content they generate from consumers in return. However, brands must be careful not to get caught up in the hunt for that mythical beast – the content that just ‘goes viral,’ all of its own accord.

Edwards is insistent that brands should manage their expectations, “UGC could be a huge red herring for brands” he warns. “We’ve seen Ocean Spray have huge success with Fleetwood Mac on TikTok and that brings with it a whole new way for people to hunt out that viral content. But it’s always going to be the outlier. It’s great if it happens to you, but you could waste so much energy chasing it.”

Instead, he returns to his original point

about rigor and measurement that we discussed in the previous chapter.

“What we need to bring in is the science and understand what works. When you know how to get the scale and you can buy against it, it’s a much more solid strategy than chasing UGC earned media.”



ACTION POINTS

- Consumers are happy to interact with brands as long as the right motivation and platform is in place.
- Focus on fan passion, and not on product, when building a UGC-based campaign.
- Consumers often have a fresh take on a creative approach to your brand or product. They should be given the freedom to express it.
- Not all content will be shared spontaneously. Consumers need a friction-free mechanism to help them share and a compelling reason to do so.
- Have a destination in mind for content before asking for it and, once you have it, broadcast the fact that you are using UGC.
- Building a compelling use case for UGC also helps tie it to business results, securing resources and buy-in from the business.

It is clear that deploying UGC as a content resource, either in place of professionally produced assets or alongside them, is a winning strategy when it comes to enhancing the authenticity and empathy of brands. However, customers can also deliver a lot more through their contributions than just media resources. In the next chapter, we will see how companies should be examining their customers’ interactions much more closely as they reveal new insights into all aspects of the business. These insights are incredibly valuable when it comes to discovering new opportunities. ■

CHAPTER 5: UTILIZE UGC TO PREDICT THE NEXT BIG TREND

Beyond advocacy and content, there is a third, vital service that UGC provides to brands. That is its ability to deliver insight into consumer needs and future trends. While writing reviews or posting on social media, consumers are often acting instinctively and intuitively. This means the authenticity of their interaction can reveal new insights into their behavior.

“You can see what people do with your product and then you can harness that knowledge and put it back into your proposition. Users are telling you what you need to know,” Tieleman points out.

AN OPENNESS TO INSIGHT DRIVES BUSINESS EVOLUTION

Jarvis explains, “It’s become incredibly important for us to shape conversations with customers. We have invested a lot in technology for social listening over the last two to three years, trying to find out what are the customer issues so we can understand what is trending and important in their lives. Social is a great way of keeping it relevant.”

He also reveals that Superdrug has started online communities on its site that allows customers to answer each other’s questions and interact without the business getting directly involved.

“The richness and volume of interaction we’ve had from customers has blown us away. We are using this content to help us inform and educate other customers and it’s become a much bigger part of the overall marketing mix,” he adds.



THE RICHNESS AND VOLUME OF INTERACTION WE’VE HAD FROM CUSTOMERS HAS BLOWN US AWAY. WE ARE USING THIS CONTENT TO HELP US INFORM AND EDUCATE OTHER CUSTOMERS AND IT’S BECOME A MUCH BIGGER PART OF THE OVERALL MARKETING MIX.”

Dan Jarvis

Chief Digital Officer, Europe at AS Watson Group

For MADE.com, learning from customer content has helped them stay relevant during the pandemic.

“Responding to the pandemic, we stayed true to our campaign style, but adapted it to be sensitive to the situation around us”, says Jackson. “UGC enabled us to tap into really relevant topics and turn around stories in a much quicker timeframe than if we’d have shot fresh assets in a studio. Our ‘Stay Grounded’ campaign ran throughout lockdown, focusing on really useful content like working from home and small space living, which really resonated with our community.”

Much is made of the need for companies to



WE CAN CONFIDENTLY SAY THE POTENTIAL FOR DEEP CUSTOMER ENGAGEMENT WITH UGC IS HIGH, AND WE HAVE ORGANIZED OURSELVES AROUND IT.”

Andrew Nguyen

Product Leader & Coach, Mobile, UGC,
Onboarding & Advertising at Zappos

develop agile mindsets, particularly in the fast-changing world thrust upon us by COVID-19. Flexibility and an openness to learn and evolve are an important part of engaging with UGC.

Through their actions, consumers show us which products and services matter to them the most. Companies can use these insights to mold their propositions more effectively than by using market research alone. But these insights are not something that can be discussed endlessly and left in development hell for months at a time. UGC is all about capturing the zeitgeist and trends wait for no committee.

According to Nguyen, for example, “One of our core values at Zappos is to pursue growth and learning, making us lifelong

learners on the UGC front as well – meaning we continue to approach it with a beginner’s mindset. We’re constantly learning how UGC can drive customer engagement on the Zappos apps and website. That said, with what we have learned so far, we can confidently say the potential for deep customer engagement with UGC is high, and we have organized ourselves around it.”

Being constantly open to new ideas doesn’t always come naturally to corporates. The habit of ‘trial and testing’ needs to be proactively introduced and practiced until it becomes second nature. And, it needs to be introduced across the entire business.

“The mentality of learning and trying things out is a transferable skill. Listen to your community, ask people if they want to see more of this or that. For example, I’ve heard that, especially in the retail sector, the community wanted to see more behind-the-scenes stories about the business. Yet business owners didn’t think customers wanted to know about that,” Ray described.

USE YOUR COMPETITORS AS A SOURCE OF INSPIRATION

For some brands, adopting this flexible mindset does not come naturally as they must first overcome years of accepted wisdom. Instagram’s Ray says there was one large business that instructed its social teams not to use its account to follow anyone else. By doing so, leadership felt it helped the company convey the impression of its superiority in the marketplace.

“Having worked in branding for many years, I know why that conversation happened,” Ray admits, but he cautions against it. “Use the platform to see your own trends and follow accounts from different businesses. For example, oftentimes, finance and beauty can learn from an industry like fashion. Part of the social media experience is to learn from others.”

IKEA’s Birse agrees with Ray, that it’s important to look outside your niche. Even a business as far-reaching, beloved and successful as the Swedish furniture retailer

has realized that it can still gain plenty inspiration from all corners.

“When you’re looking at other brands, fashion, sports, and even hospitality, you’re seeing more and more using UGC. We always look at competitors and other markets to see what people are doing. There are little things you can pick up and see how that would fit in furniture,” Birse explains. “It’s always good to see what’s happening and not be left dragging behind.”

He notes how UGC helps the company understand the ebb and flow of customer desires.

“Everyone is currently obsessed with hallways. People love to share content about their own homes and they don’t need an incentive to share their content with us. Some of the rates we’ve had on social posts has been pretty much double.”

Not only does using social to capture the zeitgeist help keep content fresh and relevant, it also opens the company up to new audiences, ones who are following the trends, not the company.

“When you focus on a trend and work closely with market intelligence, that’s when you connect with customers who wouldn’t necessarily have thought of us. UGC helps us because people who don’t habitually shop with IKEA will now discover us,” Birse shares.



ACTION POINTS

- Take an active, research-focused interest in UGC as it reveals insights about your brand that you can’t access by asking.
 - Community-based mechanisms reveal what customers are saying about you to each other.
 - Keep an open, agile mindset in preparation for responding quickly to the insights that customers have shared with you through their UGC.
 - Look beyond your own borders for inspiration.
 - Learning how consumers interact with competitors and in different sectors also delivers valuable insights.
-

Just as the growth in e-commerce is here to stay, the demand for discovery-first design, social proof, and consumer-inspired content will only increase. In the following chapter, we explore what’s next for UGC. ■

CHAPTER 6: THE FUTURE OF UGC

As we stated at the beginning of this report, the volume and variety of social platforms and the opportunities for consumers to share their views and content is only going to grow – and rapidly so. Not only will these platforms increase in number, the way users interact with them will continue to evolve.

THE CHINESE INFLUENCE

China is certainly leading the way in how people interact with social platforms. WeChat's dominance in the market has been a direct result of its evolution from messaging platform to allowing users to connect retail, communications, payments, dating and food ordering. Facial recognition and hyper-personalization are also key factors.

Livestreaming is also a developing trend across China that is making inroads in the West. Local platforms Taobao, Douyin, and Kuaishou all feature brands who livestream products and services. China Central Television (CCTV) news, Taobao, and Sina Weibo also generated 40 million sales with their livestreaming formats.

Even luxury brands are getting in on the act, with Louis Vuitton, Prada, Burberry, and more using WeChat and Tmall to livestream, as well as combining the efforts of KOLs, Key Opinion Leaders or Influencers, to attract shoppers. Burberry's Tmall activation with KOL Yvonne Ching gained 1.4 million views and sold out most of the featured items.¹⁵

"Livestreaming has been huge in Asia and

is proliferating in Europe. Through both social and UGC it has been about connecting with customers during a time when getting to a store has been very difficult. The Perfume Shop used its tool 'Go In-store' which is video shopping using social broadcasts and proved very popular," Jarvis explains.

Cellular network brand, Three, also took on the livestreaming challenge, using in-store experts to demonstrate mobile features and answer live customer questions while their retail outlets were closed due to the pandemic. While organized on a broadcast-type schedule, the two-way interaction was key, allowing the company to learn what challenges customers were facing not just as a result of the pandemic, but with their devices and service as a whole.

However, more intimate, personalized contact is also being demanded. In a variation of Superdrug's consumer community in Chapter 3, Chinese beauty brand Perfect Diary has created a WeChat-based mechanism where customers are invited to join a private group by scanning the QR code on their purchase. There, customers are encouraged to create content and the brand can discover particular creators who may add value to the brand in the future.¹⁶

MANAGING UGC AT-SCALE

What has become very clear is that UGC is already a major content pipeline. If our initial prediction that the current proportion of 5% UGC and 95% brand content will soon find

itself reversed is correct, brands will have to invest significantly in managing it.

This is where automation and machine learning are going to play crucial roles. Brands are already attuned to using automation to manage their social customer service interactions through bots. These bots don't just respond with pre-populated answers to common queries, but they frequently have the ability to learn new queries over time, informing the business and giving it the opportunity to enhance its brand information resources.

The same principle will apply to UGC. Through automated technologies, brands will be able to 'scrape' the internet and social platforms for some of the most active, highest quality potential creators to acquire the most appropriate content for their own platforms.

"We've invested quite a lot in automating the social content process. We've built machine learning algorithms in order to find positive consumer quotes within submitted reviews. Curalate can recommend pictures and make a 'style profile,' giving the user insights as to which images perform best, the impact those pictures have, and even recommend when best to post them," Tieleman reveals.

While automation takes care of the acquisition and, in some cases, distribution of UGC content (such as pre-populating image carousels from a digital asset management system onto product pages or incorporating reviews automatically on landing pages), there will still have to be a human analytical element in deciding where, when and with whom to engage. Will every platform be appropriate and will every interaction be a good fit with brand values?

JUDGE OPPORTUNITIES ON MERIT

Understandably, brands and particularly their leadership teams are nervous about investing heavily in the more unproven tools. Social media and UGC have plenty evidence behind them but there are always new platforms and

new behaviors that show promise but aren't necessarily backed up with solid figures. This sort of evidence can take time to emerge and, by the time a brand is fully on board, the trend has gone mainstream. Brands looking to earn a reputation for innovation and an ability to capture the zeitgeist won't find it if they try to play safe.

Movers+Shakers' Horowitz insists that it's better to take the plunge with social commerce and UGC is better than to adopt a 'wait and see' approach. Alluding to the fact that TikTok is still perceived as a purely Gen Z platform, he says, "Our advice with TikTok is to get in now. For most brands, their audience is already there. Perhaps a year ago the older generation would have felt weird on it but Gen X and Boomers are there too now. There's something out there for everyone."

Horowitz's enthusiasm is infectious but brand marketers still take that more measured view.

"At the moment, it's about how we keep people engaged on the channels we know work. TikTok is great for young fashion brands, for example. I'm not saying we wouldn't consider it in the future, but we've got a really good way of working through Facebook, Pinterest, and Instagram and that's a really good growth area to spend time with UGC," claims IKEA's Birse.

L'Oréal's Bradshaw-Zanger sums up the role of UGC for most brands in the near future.

"In a world where the consumer is bombarded by advertising and content from brands, it is true that there are multitude of opportunities to use content that is, on the one hand, targeted and personalized, but on the other, coming from respected and relevant sources. This means that the relevance of influencers, ambassadors, prosumers and family and friends is more and more important in driving product recommendations. All our marketing strategies and objectives look at how to integrate influence and advocacy that is relevant for the consumer, with broad reach at the top of the funnel and more targeted sales conversion lower down." ■

CHAPTER 7: SEVEN KEY SUCCESS FACTORS TO HARNESSING THE POWER OF UGC

1 Plan with a social-first mindset.

Ask how you can catalyze social experience around a product, whether it's through curated content, engaging with influencers, or designing a launch.

2 Find the right influencers.

Size clearly isn't everything. It's about finding people who are passionate about your product category, who are self-selecting experts, and who are looked to by their peers for trusted advice.

3 Push passion, not product.

Where can your brand add value by telling stories and giving customers a platform to share in those stories? Customers are comfortable having a conversation with a brand, but not necessarily always talking about it per se.

4 Understand your content acquisition and distribution.

Create a pipeline of social content that delivers a sustainable flow of high-

quality, rich assets. Then, know where and how to best deploy that content, exploring all channels. Just because it comes with the 'social' tag, don't eliminate email, or direct mail from your channel distribution strategy.

5 Pick up on cues from customers.

Social isn't all broadcast. Social listening is paying attention to your customers to see where the trends and insights are found, in real-time.

6 Invest in UGC management.

Consumer content is a vast resource but it is delivered in real time and it is constantly evolving. Use automated tools to bring the most relevant, best quality assets and insights into your business.

7 Build an agile mindset.

The landscape is changing all the time with new platforms, creative styles and rules of engagement. Don't be afraid to take inspiration from outside your bubble and be willing to adapt.

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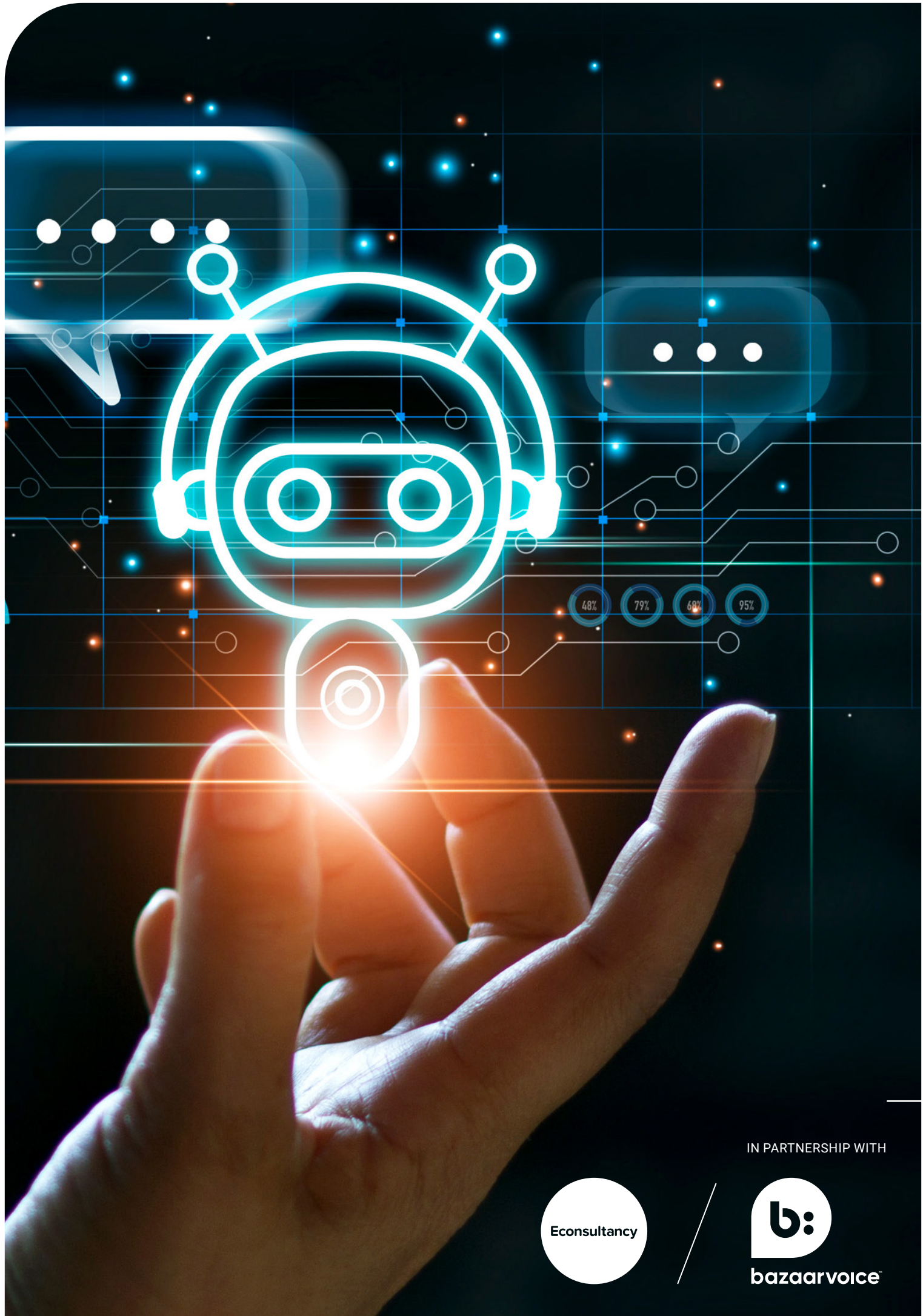
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