

VOLUME 17

SHOPPER EXPERIENCE INDEX

Essential insights for brands
navigating the current
economic climate



bazaarvoice™

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Shoppers have spoken once again.

This year's Shopper Experience Index explores how the economy influences shopping habits, highlighting key channels and content types. The customer's voice is louder than ever, shaping brands through shared content and interactions. This index is a roadmap for brands and retailers to enhance their effectiveness.

What did we uncover?

There is no more debate about the importance of social media and social content. Social is the new search — influencing every step of the shopper journey. An impressive 73% of 18-to-34-year-olds made purchases on social platforms last year, signaling a shift in how future generations will shop. For those aiming to fortify brand stickiness and loyalty, it's crucial.

The voice of your customer — be it a shopper, creator, or influencer — is molding your brand identity. 78% of consumers feel more confident in a purchase when they view shopper content. Progressive brands are amplifying these voices for greater impact. It strengthens customer loyalty while also presenting opportunities to draw in new customers.

These insights are a glimpse into the study, with more profound findings awaiting.

Want to see how your industry peers are adapting? As part of this year's study, we engaged brand and retailer representatives, seeking their insights on these topics.

I'm eager to share these findings with you and see how they align with your goals.



Zarina Stanford
CHIEF MARKETING OFFICER,
BAZAARVOICE

Introduction

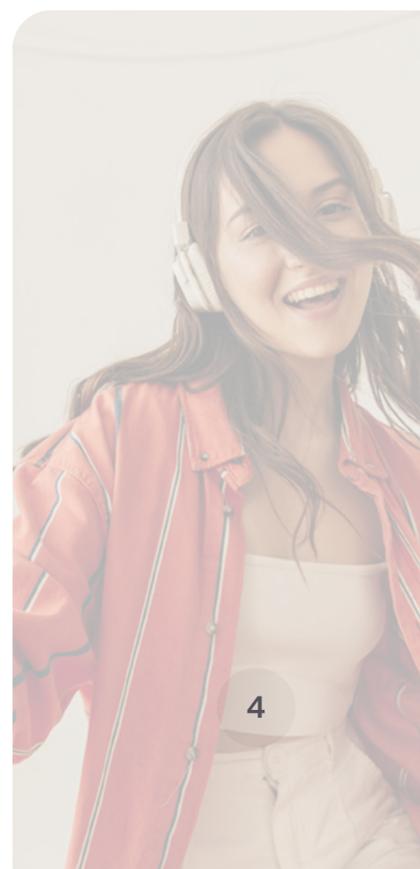
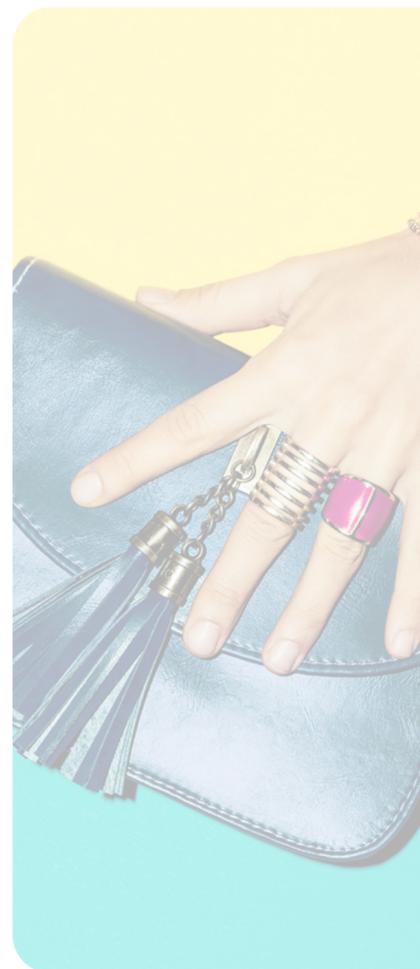
As consumers weigh their purchases more carefully, creating a winning shopping experience is more important than ever.

But what, exactly, does a winning shopping experience look like in the year ahead? And how can brands and retailers achieve it with ever-tightening budgets?

This year's Shopper Experience Index (SEI) tells us that the voice of the customer is paramount throughout the purchase process. Most brands are aware of its importance, but many have yet to adjust their content and channel investments accordingly.

Read on for all-new insights about:

-  How the current economic climate is impacting shopper behavior
-  The content shoppers most rely on to make informed purchases
-  The channels shoppers use throughout the buyer's journey
-  How consumers prefer to share their own opinions





About the report

7,000 consumer respondents

465 brands and retailers

7 global markets

The Bazaarvoice Shopper Experience Index Volume 17 reveals how shopper behaviors and expectations have shifted and how the voice of the customer impacts the shopper experience today.

Conducted in August 2023, the report compiles insights from over 7,000 consumer respondents and 465 brands and retailers across seven markets, including the United States, Canada, Australia, France, Germany, Spain, and the United Kingdom.

Shopper behavior: The economy takes a toll

It's unsurprising that the recent cost of living has impacted how consumers talk about, evaluate, and purchase products.

Globally, 73% of consumers claim to have changed their spending habits.

In most cases, consumers are choosing to make fewer purchases and spend less on products, particularly those that are practical (56%), delayable (61%), and non-essential (77%) purchases. When it comes to products considered essential, 54% of consumers have kept their spending habits unchanged, while 21% of shoppers have reduced spending on these items.

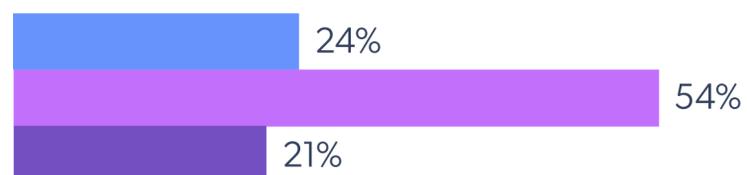
Spending habit changes by purchase type

● Increase ● No change ● Reduce



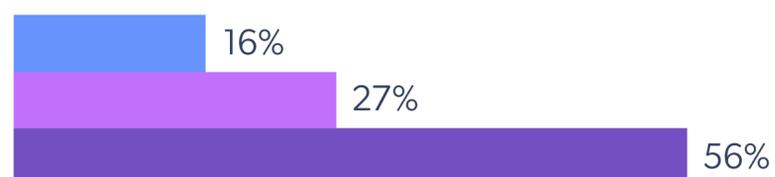
Essential purchases:

Necessary for survival, like food, basic clothing, and essential travel



Practical purchases:

Reasonable buys, like new clothes, sports gear, or makeup



Delayable purchases:

Items that can be deferred, like a new phone or replacing an appliance



Non-essential:

Non-essential buys, like luxury clothing, accessories, or experiences



Many consumers are making fewer purchases and spending less on practical, delayable, and non-essential items.

The trend of reducing spend mostly holds across demographics, although we see some differences.

Men are less likely than women to have changed their spending habits (69% vs. 77%), and women have reduced their spending across all product categories more than men.

In terms of age, older groups show more stability in spending habits. Specifically, 66% of individuals aged 65 and above have altered their spending, compared to 78% in the 35-44 age group. This could be attributed to stricter budgeting practices among the older population due to fixed incomes.



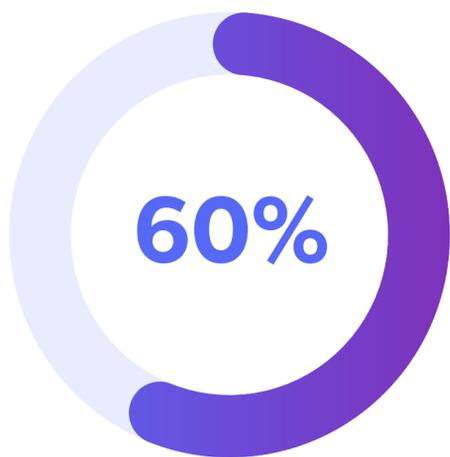
How is the current economic climate affecting shopper behavior?

Consumers are also reducing spend by buying store brands and private labels, looking for deals, and reducing luxury and impulse buys.

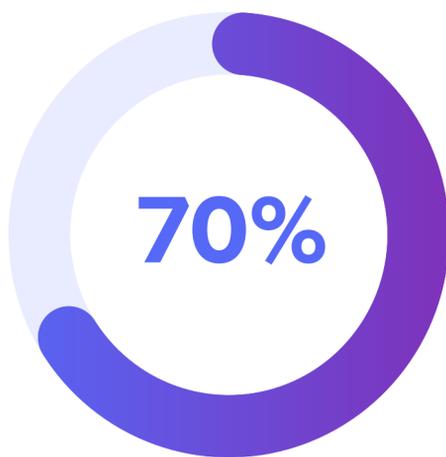
“The prices on everything went up and not the wages. I look for deals and online. If I see no deals then I don’t buy it.”

“I do not go out and buy luxury items when I want them. I have to save up. I don’t spend money on the kids as often.”

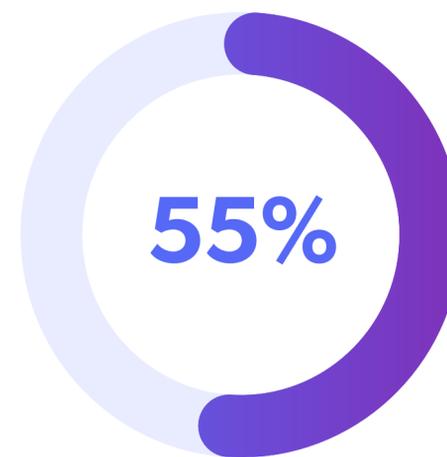
“Before shopping, I make a list based on what is on sale, and I stick to that list in order to stick to my budget. I am buying store-brand items instead of brand-named items and I am shopping only when necessary.”



of shoppers
have purchased
private labels in
the past year



of consumers are
open to trying a
different brand
for products they
regularly buy



of shoppers are
unlikely to buy
a product
without UGC

SHOPPERS ARE WILLING TO SWITCH BRANDS

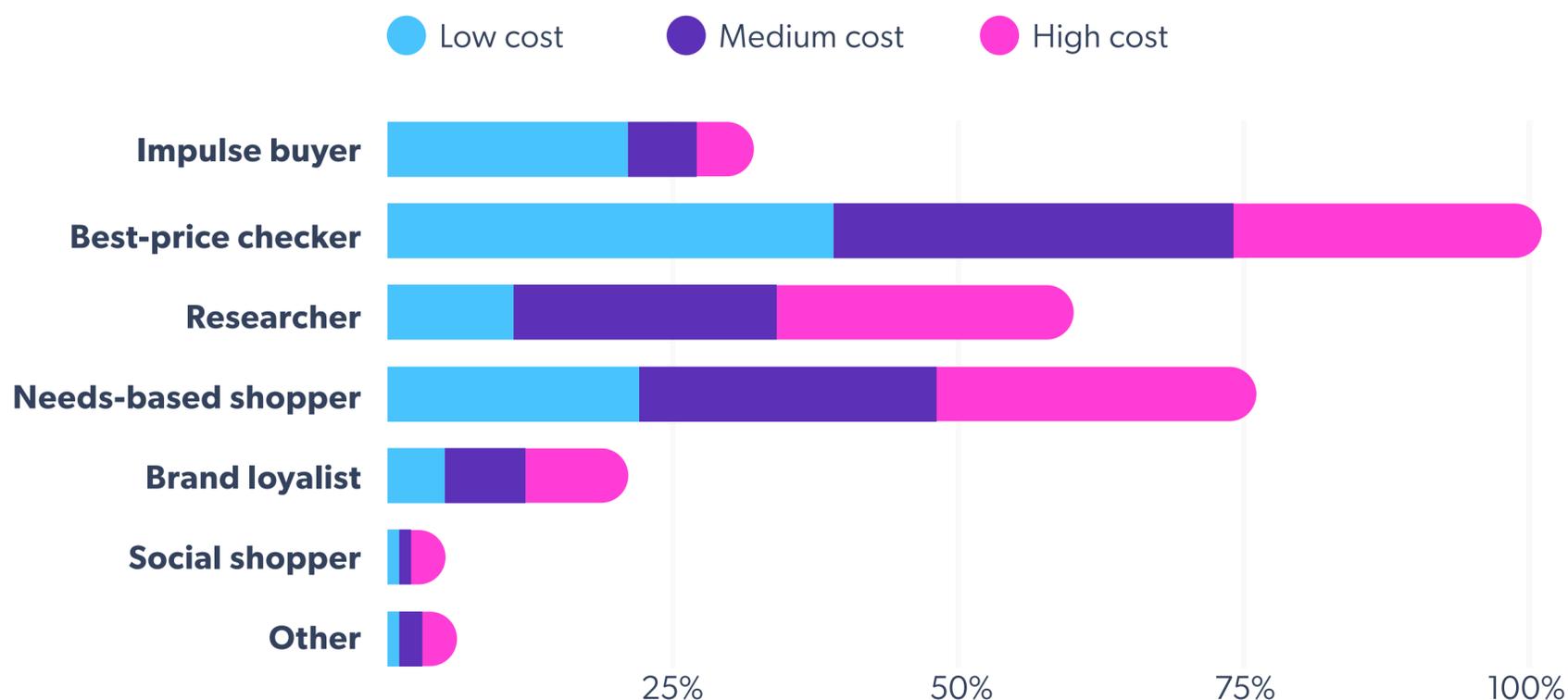
While many consumers want to cut costs, the downturn isn't entirely negative.

More consumers are also open to trying a different brand for products they regularly buy, representing a significant opportunity to attract and retain new customers.

For low and medium-cost products, consumers typically identify themselves as “best-price checkers,” shopping around for the best deal and purchasing from wherever a product is cheapest. Meanwhile, for high-cost products, consumers are typically “needs-based shoppers” who only shop when they need something specific and then only purchase that item.



Spending patterns based on buyer behavior types



THE BOTTOM LINE

Times are hard for a lot of people, and even those who feel minimal impact from the cost of living crunch are more mindful of their spending and cutting down on impulse buys.

We see dynamic shifts in spending due to the current economic climate.

77%

of shoppers are reducing spending on non-essential items

61%

are spending less on delayable items

As a result, you'll need to evaluate how changes in your customers' needs hierarchy could affect spending on your product ranges.

In challenging times, it's not enough to see how customers perceive your brand against competitors. You also have to understand how customers will prioritize your products against all other competing expenditures, what variables influence purchasing decisions, and how you can optimize those variables.

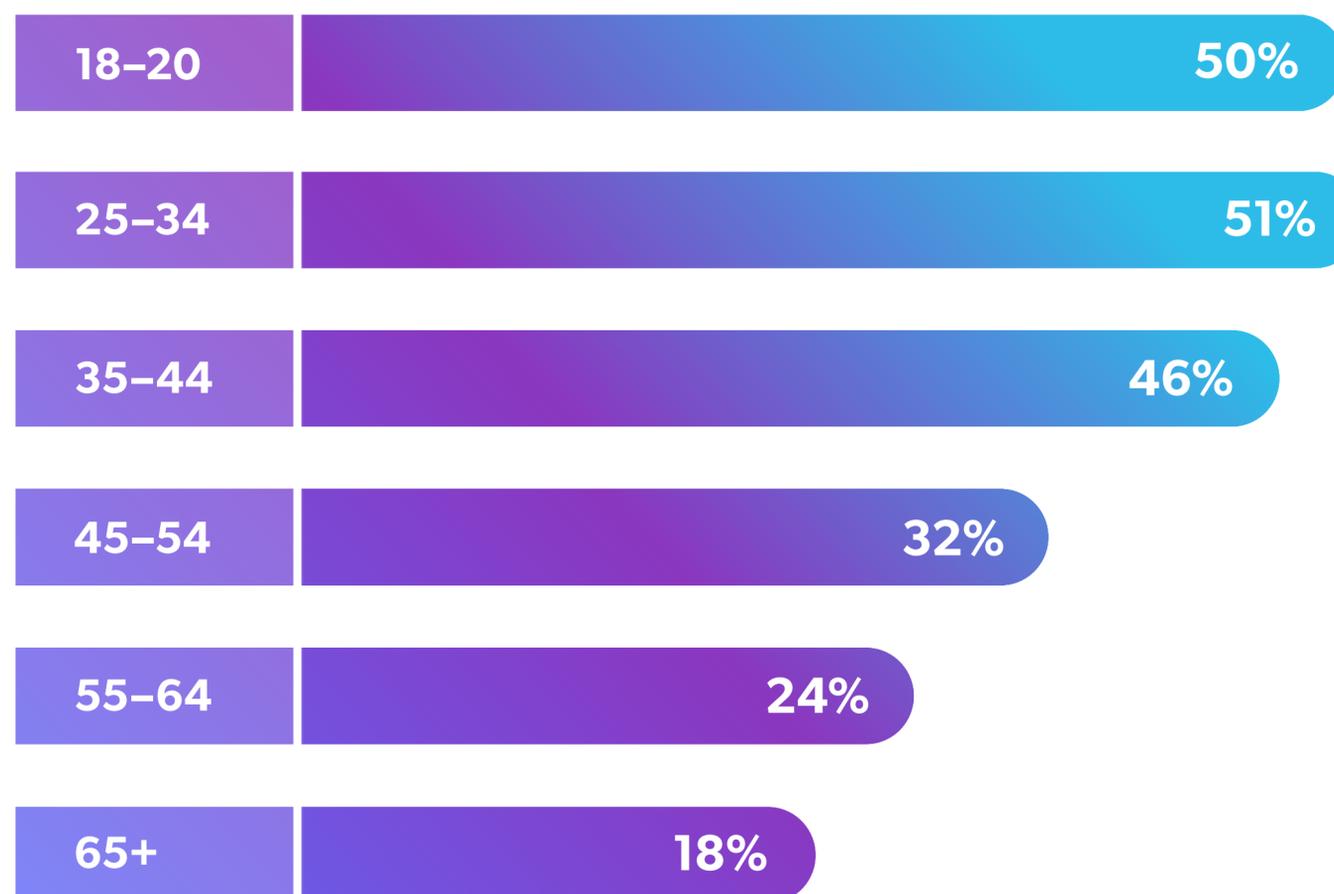
Content: Shoppers rely heavily on their peers

In the current cost-of-living crisis, with more shoppers willing to switch brands, consumers are shopping around more and seeking out sources of information that establish value — including UGC like ratings, reviews, photos, Q&As, and social posts.

78% of shoppers gain more confidence in a purchase when they see UGC, and 35% indicate they depend more on UGC during challenging economic times. This reliance on UGC is even more pronounced among US shoppers, with 43% using it more during economic difficulties. This trend is particularly strong among younger age groups.

Shoppers by age group relying more on UGC during challenging times

Age



UGC DRIVES PURCHASE DECISIONS ON PRODUCT PAGES

UGC is particularly important on product detail pages (PDPs), as consumers look to this content to inform their purchase decisions. Nearly 3 in 4 (74%) shoppers say they trust UGC more than brand-provided content on PDPs, and 55% claim they are unlikely to buy a product without shopper content to inform their decisions.

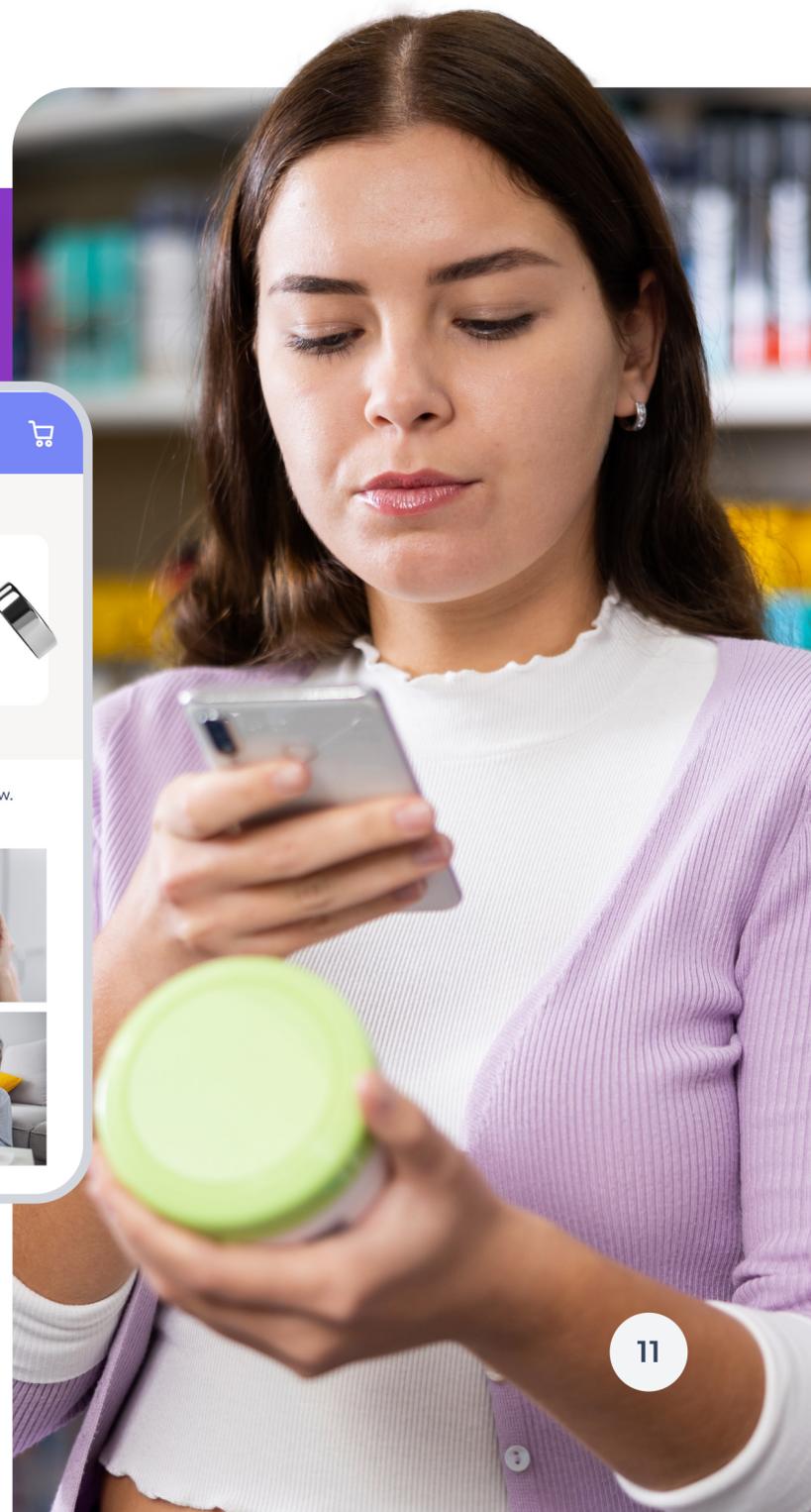
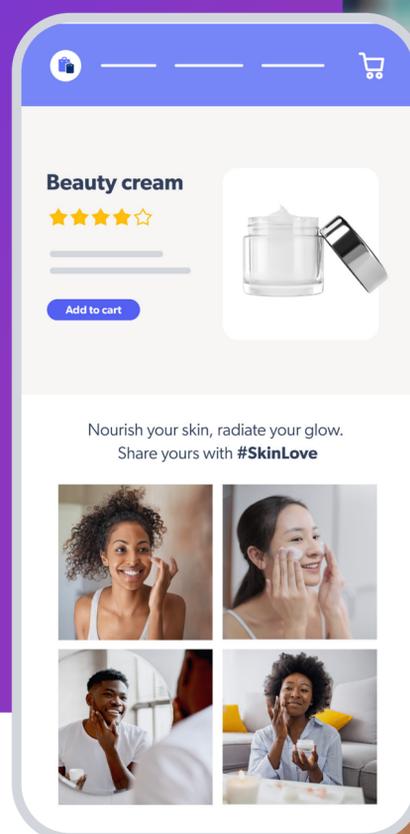
In particular, two-thirds of consumers claim that reviews (78%) and Q&As (77%) impact their purchase decisions, closely followed by photos of products taken by other shoppers (69%).

In the first 20 seconds of landing on a PDP, high-quality reviews are the most likely type of UGC to convince a consumer to buy a product (21%) — followed by average star ratings (19%), the number of reviews a product has (13%), and the details in the review that resonate with the consumer's needs (13%).



We want to show authentic, trustworthy, real-life content from our customers' lives, their tables, their rooms, and their homes... And a picture is worth 1,000 words. It can help describe a product far better than any words could.

Sabine Kaufmann, Head of E-commerce, Operations Dining & Lifestyle, Villeroy & Boch¹



Most persuasive shopper content

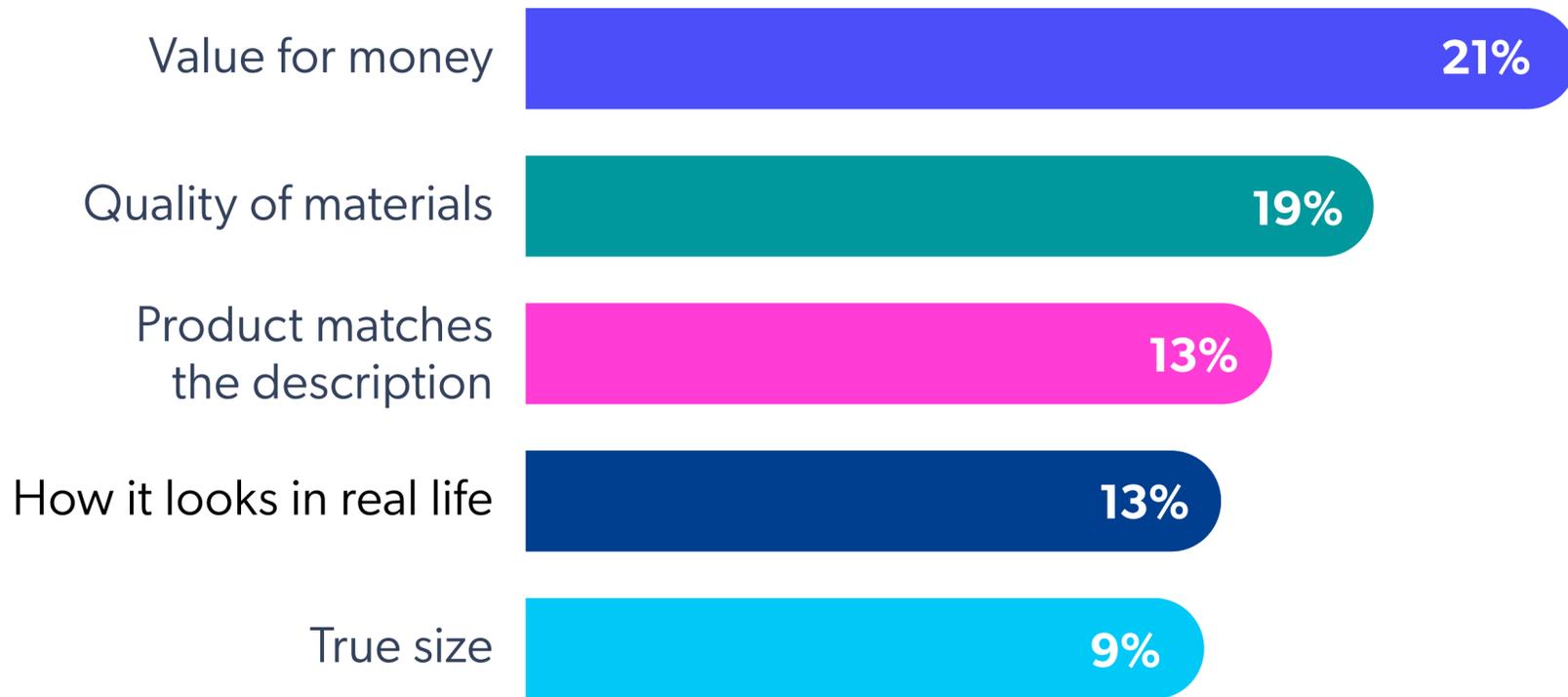


As the cost of an item increases, shoppers tend to spend more time reviewing shopper content before making a purchase. Specifically, for high-priced items, 41% of shoppers will dedicate over 30 minutes to this research. Even for low-cost items, most (51%) shoppers spend over five minutes reading shopper content before deciding to buy.

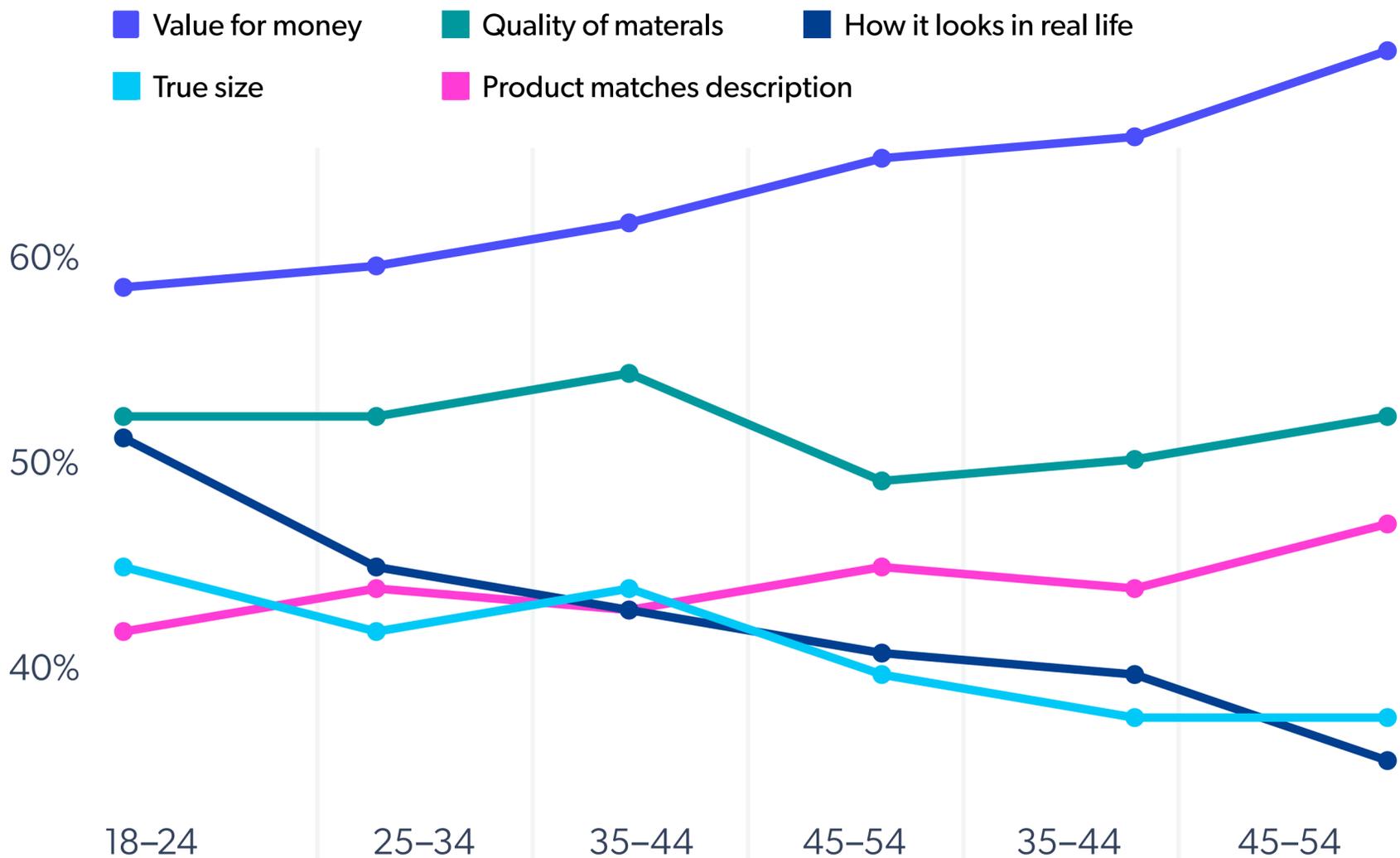
What are shoppers looking to learn from this UGC?

Consumers are looking to UGC to establish if they are getting value for money (62%), the quality of materials (50%), and whether the product matches the description (44%).

Top 5 factors shoppers look for in UGC



Top 5 factors shoppers look for in UGC by age



Across our seven surveyed regions, the perceived value for money remains consistently high. However, when we examine different age groups, it becomes apparent that older demographics prioritize seeking information related to value for money.

But branded content still plays an important role in the purchase process.

For example, the vast majority of shoppers need to see both branded photos (83%) and shopper photos (76%) to make a confident purchase.

We see a similar trend with videos — 73% of shoppers need to see branded videos on product pages, and 69% need to see shopper videos on those pages to make a confident purchase.



Q&A might be even more important [than reviews] because products are getting more complex. It's very helpful to have a forum where people can ask questions and we're able to answer them, but also other customers or potential customers are able to answer as well.

Joerg Bruehl,
Senior Vice President of Marketing, Gigaset²

Online impact for shoppers who interacted with UGC

	Conversion rate ▼	Revenue per visitor ▼	Average order value ▼
Reviews	+144%	+162%	+13%
On-site photo galleries	+145%	+190%	+22%
Questions & Answers	+127%	+145%	+10%

BRAND CONTENT IS NOT ALIGNED WITH CONSUMER PREFERENCES

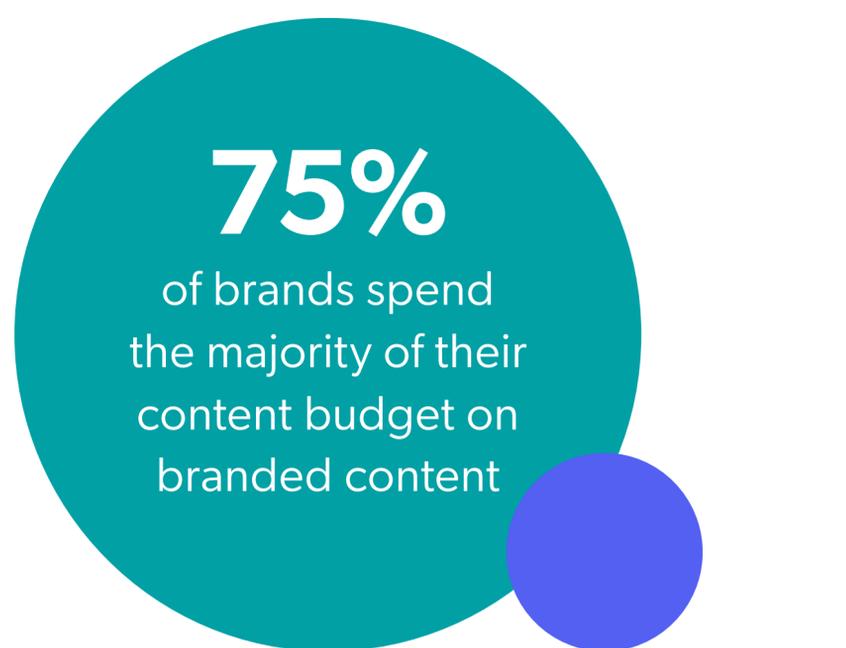
While consumers are changing their purchase behaviors, retailers are also facing changes due to the economy. 54% claim their budget and resources have stayed the same or decreased this year — and 64% anticipate they will need to stretch their budget resources further this year compared to the previous one.

At a time when budgets are under significant pressure, consumers are demanding more content.

Most brands and retailers recognize this increased reliance on UGC.

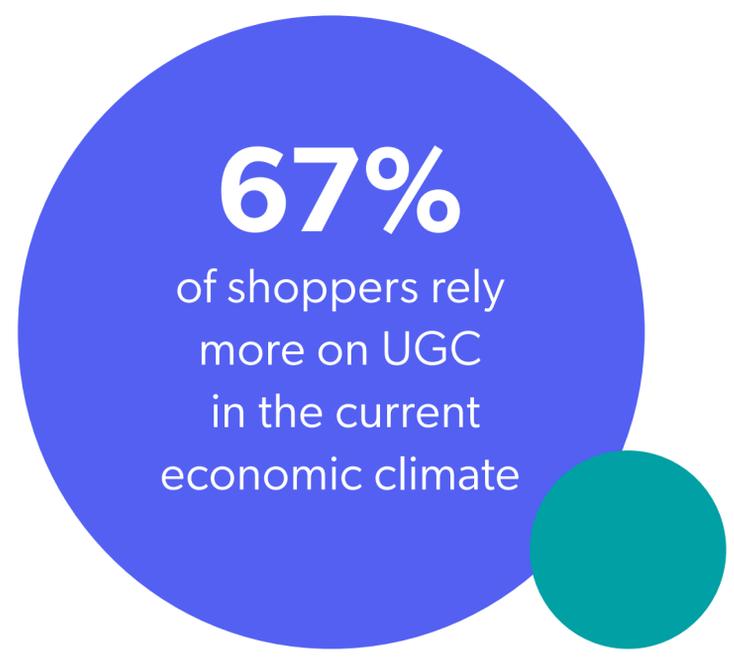
Across the various forms of shopper content, retailers agree that reviews (91%) and Q&As (82%) directly impact shopper purchasing decisions.

However, content creation budgets are still mostly spent on branded content, with 75% of brands and retailers spending over 60% of their budget on this content category.



BRAND EFFORT

% of budget



SHOPPER PREFERENCE

% of shoppers



67% of brands and retailers plan to ramp up their investment in UGC next year



Key uses of UGC by brands and retailers

80% Improve the shopper experience

79% Increase discovery

78% Increase conversion

76% Improve marketing messaging

74% Improve product detail pages

68% Improve SEO

68% Reduce returns

Over two-thirds of brands and retailers create content based on channels most shoppers frequent, measuring the effectiveness of content and channel usage by revenue, traffic generation, and engagement rates. That leaves just under a third that create content based on channels where the most money has been invested in the past — without accounting for changes in consumer behavior in the current economic climate.

Yet we see change ahead, with over half of brands and retailers expecting to spend more on user-generated advocacy content in 2024.



THE BOTTOM LINE

Shoppers trust UGC more than brand- and retailer-created content, and most need to see various types of UGC on product pages to make confident buying decisions. This shopper content has not replaced branded content but has proven equally important in the shopper journey.

However, brand and retailer content investments do not reflect this evolution in consumer preferences. A significant bias favoring branded content still exists — as does a significant opportunity for businesses to make better use of the voice of the customer.

Channels: The funnel is collapsing

In shoppers' eyes, earned and shared channels are equally as crucial as owned and paid channels, playing important roles in the buyer's journey. These shoppers, especially younger generations, take a hybrid approach to discovering, evaluating, and purchasing products.

For example, some may research a product in-store and buy it online. Others may use a retailer's mobile app to check online prices and availability while shopping in-store.

Number of products purchased in the last year (all ages)

	None ▼	1-5 ▼	5-10 ▼	10-20 ▼	20-50 ▼	50+ ▼	Don't know ▼
Online	7%	26%	23%	20%	12%	8%	3%
In-store	3%	20%	23%	14%	15%	15%	5%
On social	50%	23%	12%	7%	3%	1%	4%

And these shoppers expect consistency throughout their journey — 75% say that regardless of channel (e.g., website, in-store, email, social media), they expect the same experience from a brand or retailer.

SHOPPER CONTENT INFLUENCES IN-STORE SALES

Bazaarvoice network data and omnichannel research³ show that shoppers rely on UGC while shopping online — and in-store.

The best way to estimate the influence of UGC on in-store sales is to use an industry-specific ROBO (research online and buy offline) multiplier. For example, our numbers show that the average ROBO multiplier for the health and beauty industry is \$5.26. This means that for every \$1 of sales influenced by UGC online, an additional \$5.26 of sales is influenced in-store.

ROBO multipliers by product category

● Online sales ● In-store sales



EVERY DIGITAL JOURNEY IS DIFFERENT

The digital age of social commerce, mobile commerce, and e-commerce has profoundly changed the shopper journey — increasing speed and shortening the time to checkout. And the increasing number of shopping channels and touchpoints means no shopper journey is the same.

Search engines (49%) are the primary way consumers get to individual product pages — but site searches (38%), mobile apps (30%), and social media (28%) are playing increasingly important roles.

Ways consumers often get to product detail pages



When it comes to actual transactions, over a quarter (26%) of consumers have bought between 1 and 5 products online in the past year (compared to 20% in-store). Interestingly, 23% claim to have purchased the same amount on social media platforms — highlighting social’s key role in buying behavior.

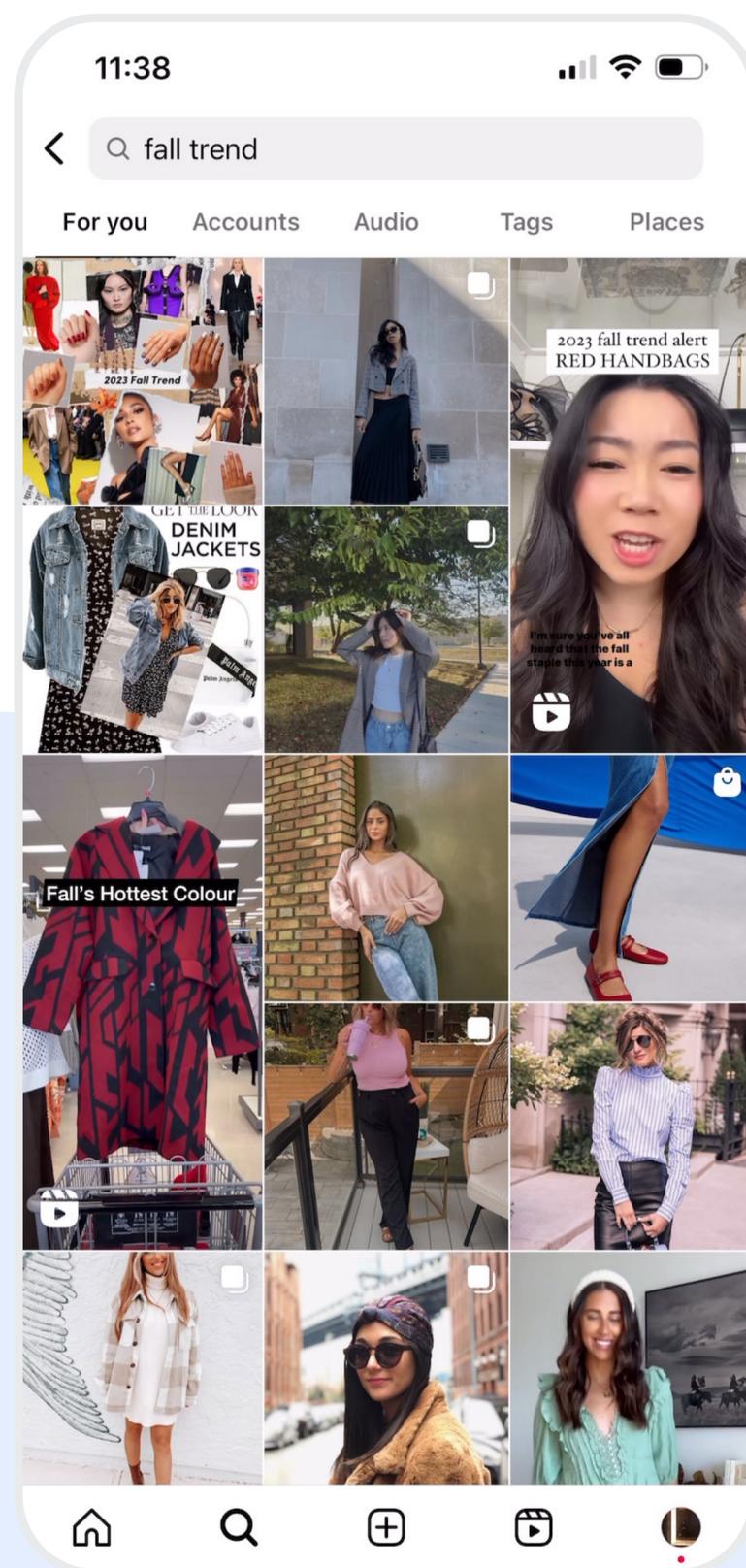
While hybrid shoppers show diverse preferences and behaviors, one thing is clear: Social media impacts the full journey.

SOCIAL IS THE NEW SEARCH

Over half (58%) of shoppers say they often discover a product or service through social media, and 49% agree they’re more likely to find products and services on social than any other channel. 50% often research a product through social channels, and 42% say social media impacts their purchasing decisions. Social also contributes to loyalty, with 46% of shoppers often following their favorite brands.

58%
of shoppers say they often discover a product or service through social media

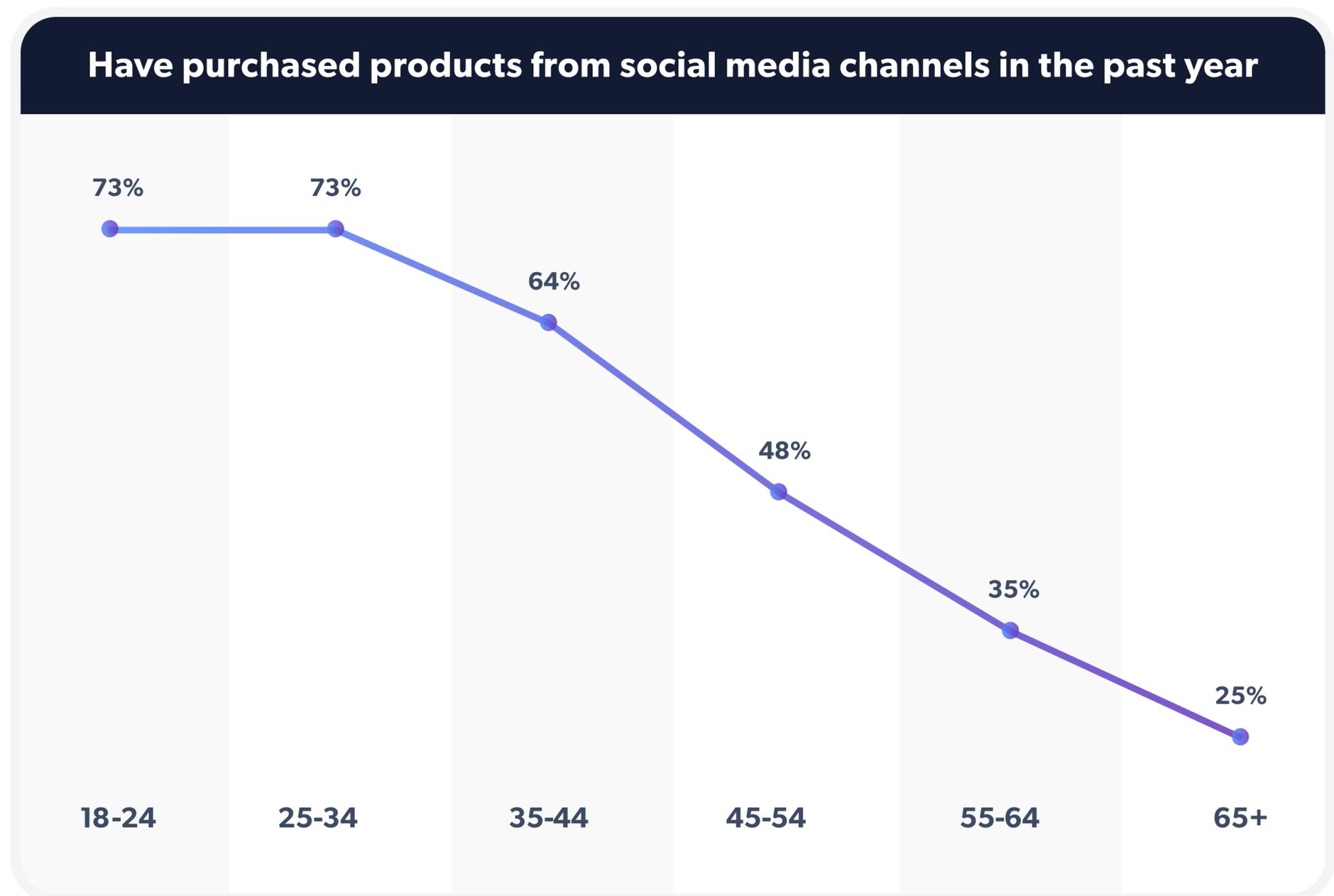
73%
of 18-24-year-olds are more likely to discover a product through social media than any other way



WHEN IT COMES TO SOCIAL COMMERCE, AGE ISN'T JUST A NUMBER

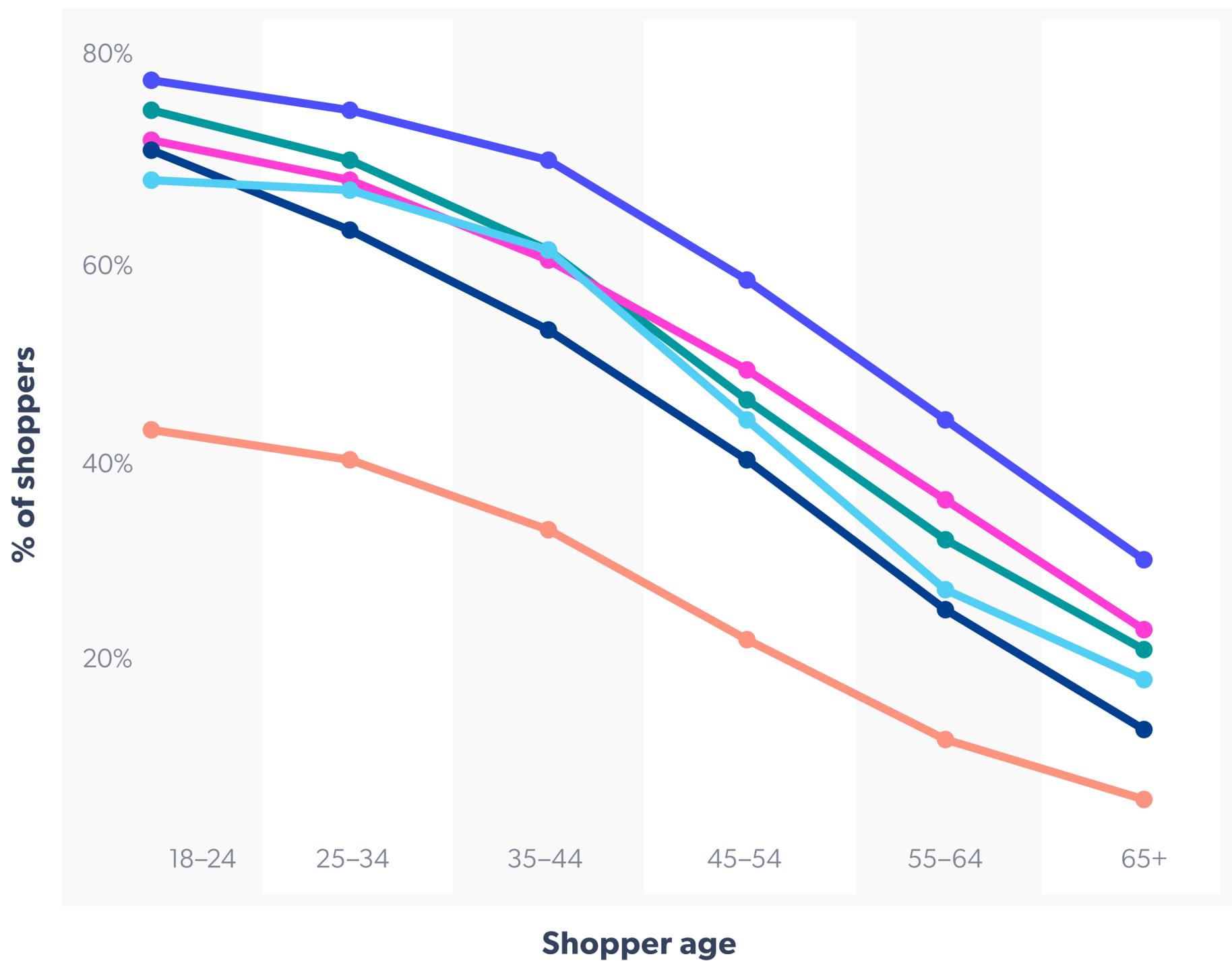
This is where we saw the biggest difference in social shopping preferences. The influence of social media is far more popular for younger age groups.

For example, while 50% of all shoppers have bought products via social media in the past year, this percentage increases to 73% among 18-34-year-olds and 64% among 35-44-year-olds. And this social native trend continues across the buyer journey from awareness to purchase to loyalty behaviors.

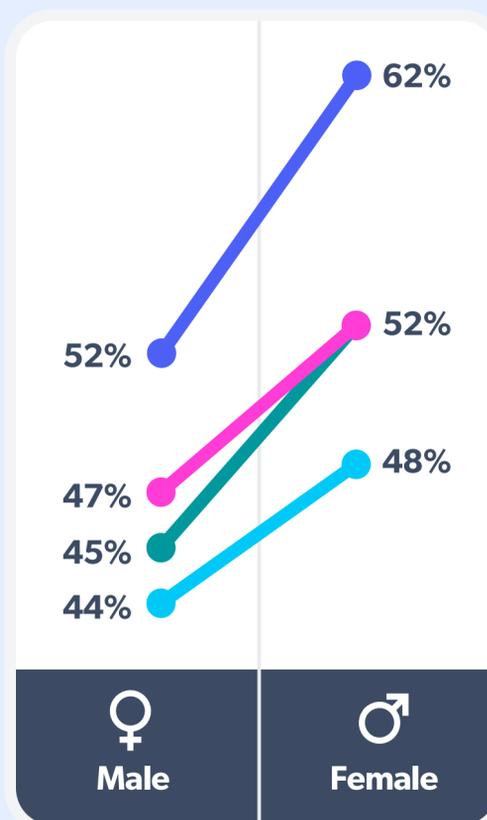


50% of all shoppers have purchased products from social media in the past year

SOCIAL SHOPPING IS A FULL-FUNNEL EXPERIENCE



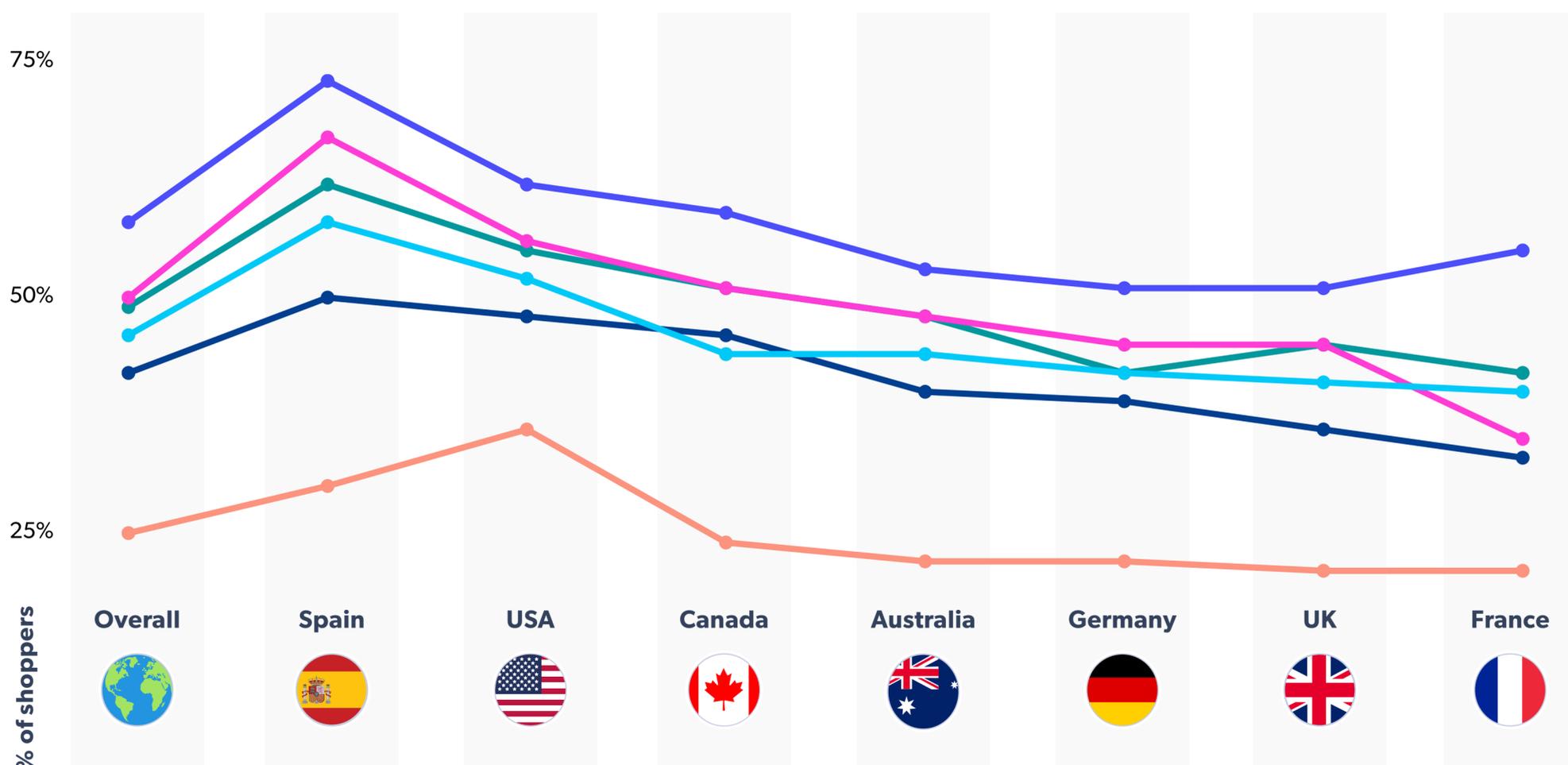
- Often discover products through social media
- More likely to discover a new product on social media than any other way
- Often research a product through social media
- Claim social media impacts their purchasing decisions
- Follow favorite brands on social media
- Prefer to shop via social media

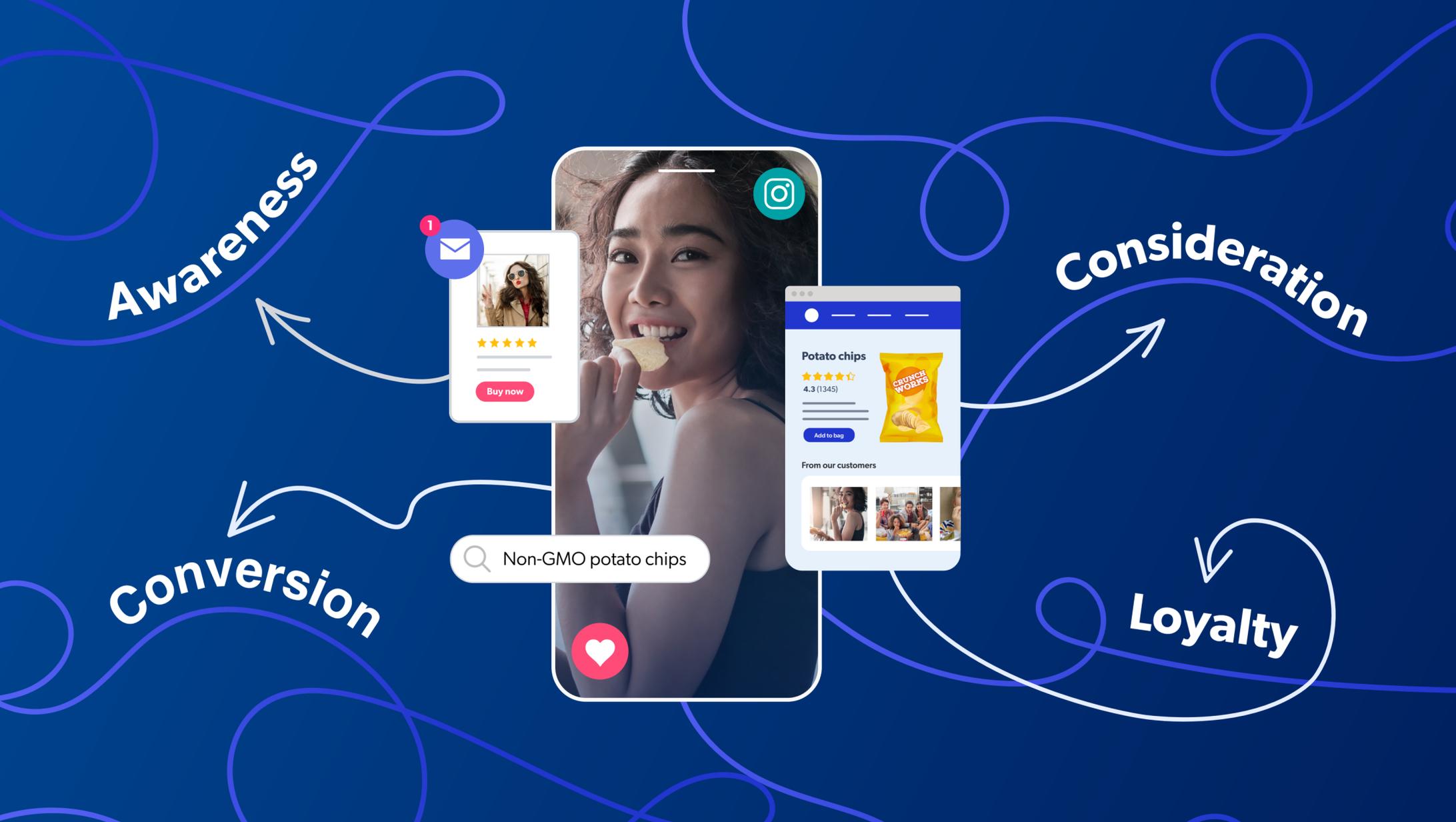


Women are more likely to turn to social media in their shopper journey

LOCATION, LOCATION, LOCATION

When it comes to shopper behaviors, social shopping preferences show similarities across all seven regions. However, Spanish, US, and Canadian shoppers are generally the more socially inclined.





CREATE CONTENT THAT BREAKS DOWN CHANNEL SILOS

The buyer's journey no longer follows a linear path. Shoppers can complete any portion of the journey directly on social media, resulting in the collapse of the traditional buying funnel.

This presents an opportunity for brands and retailers to consolidate costs while simultaneously creating higher-converting shopping experiences.

How? By creating content that breaks down channel silos.

Content-focused teams often operate at the top (such as brand or social teams) or bottom (like digital growth teams) of the sales funnel. You can drive efficiency by producing and curating effective content at every funnel stage, from discovery and consideration to decision-making and loyalty.

And no content does this better than UGC — just look to Iconic London for inspiration.

SUCCESS STORY

Iconic London

This digital-first beauty brand had a wealth of UGC. They used Bazaarvoice's social tools, including Like2Buy and Galleries, to display this content across the brand's Instagram account and website. This created an uninterrupted shopping experience, encouraging customers to spend more time on the site and engage with shopper content.

In 12 months, they achieved:⁴

361%
lift in time
on site

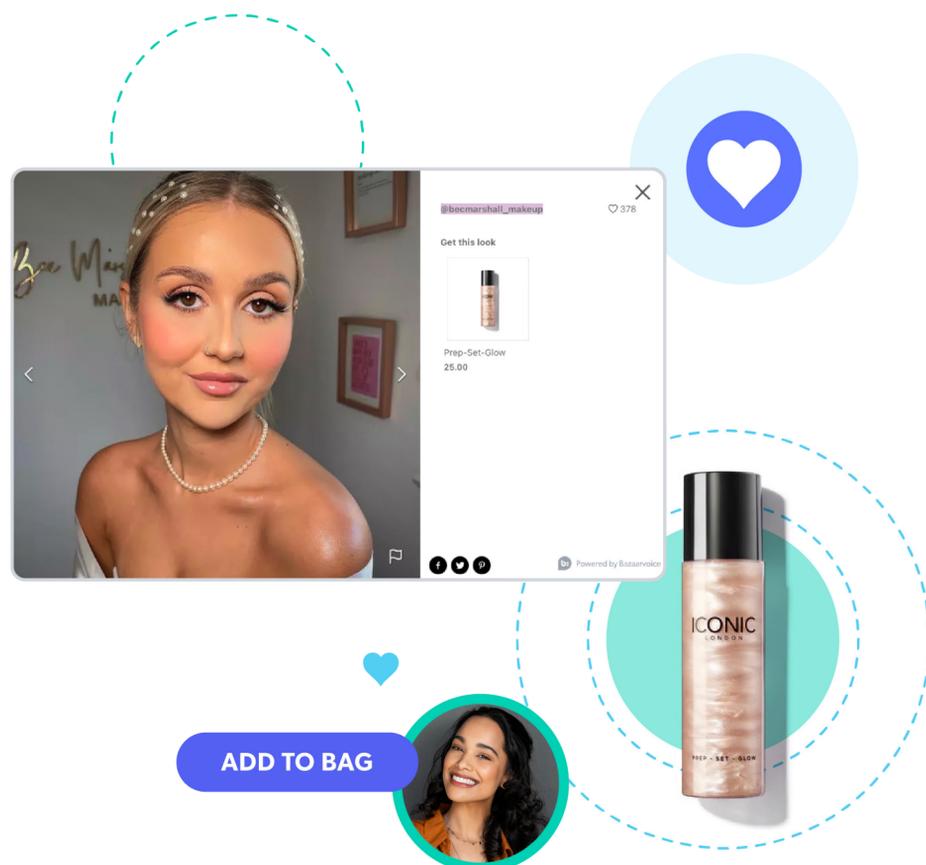
126%
lift in conversion
rate

11%
lift in average
order value



We know our customers like shopping in a social environment. Having Like2Buy allows us to maintain that social shopping experience a bit longer. It allows it to overflow into the website, onto the product page, and the homepage.

Lizzie Newell, Head of Marketing, Social, and Campaigns



THE BOTTOM LINE

While no buyer's journey is the same, shoppers — especially younger generations — are leaning heavily on social media content and other shopper content for discovery, consideration, and purchase. But most brands haven't yet caught up with this consumer demand for content from their peers.

This presents a significant opportunity for brands and retailers to capture market share. Success requires striking the right balance of branded and user-generated content and investing in an efficient content supply chain to deliver the right content in the right channels.

Opinion sharing: The creator economy grows

The creator economy is coming of age, with over half (53%) of shoppers identifying themselves as user-generated content creators. Among these creators, 17% actively produce content, while 36% contribute when prompted. The remaining shoppers see themselves as passive, happier to consume opinions than share their own.

The spectrum of self-identified content creators: From passive to proactive



So, the question becomes: How can brands and retailers engage best with these groups?

STEP ONE: Engage with consumers in the right ways. 43% say they prefer brands or retailers to use emails to ask for their opinion on a product they have purchased. Another 35% say they would prefer a sample to review.



What are the best ways for brands or retailers to contact you for feedback on a purchased product?



We asked shoppers about their favorite ways to give product feedback to brands and retailers. The survey showed different preferences for different types of creators:

- **PROACTIVE CREATORS** prefer receiving product samples as their top choice for providing feedback.
- **REACTIVE CREATORS** favor receiving an email to share their opinions.
- **PASSIVE CREATORS** also favor receiving an email for sharing their views, but they are also inclined towards in-person prompts, suggesting they are more likely to engage as a captive audience.

Our findings underscore the importance of adopting a true omnichannel approach when seeking customer feedback. In doing so, the careful consideration of channel mix emerges as a pivotal aspect of the strategy.

Proactive creators are more than three times as likely to leave a review than passive ones following a purchase. And they're almost four times as likely to leave a social post following a purchase.

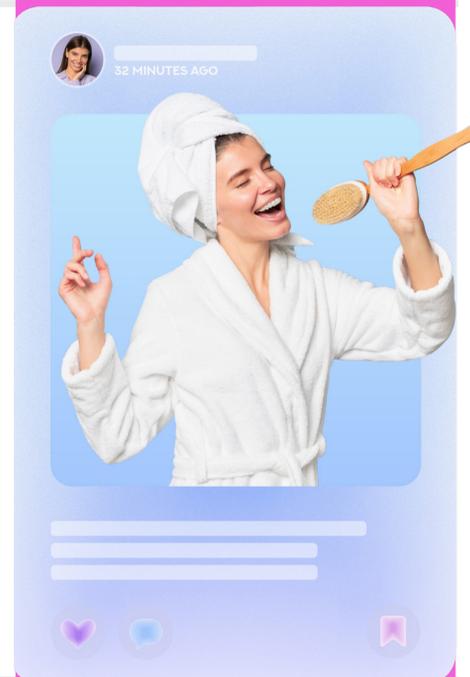
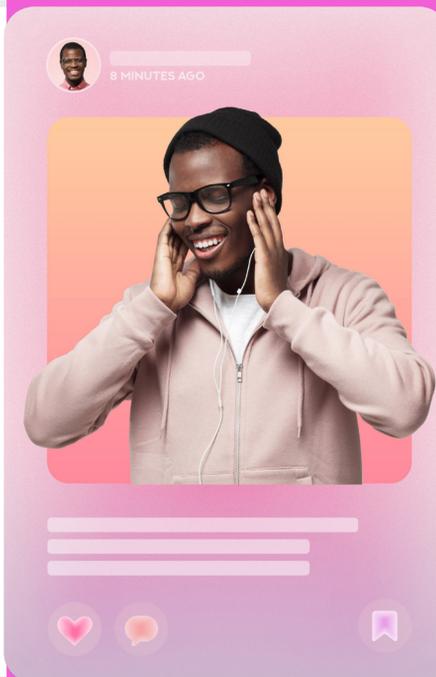
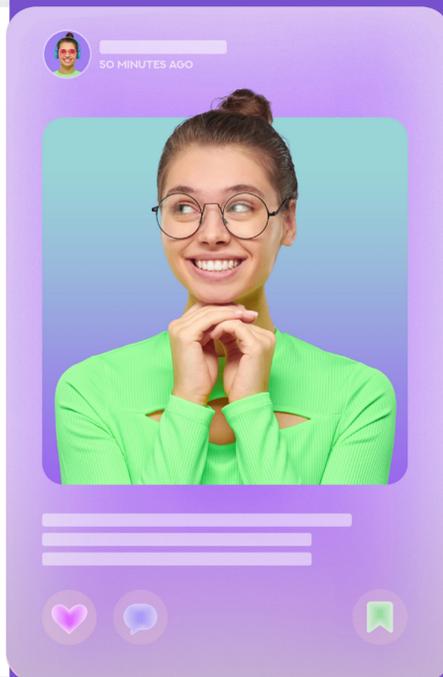
EVERYDAY SHOPPER/CREATOR AFFINITY

Creator type

Passive

Reactive

Proactive



Common habits when creating UGC

Tend to consume opinions rather than sharing their own

Happy to share their opinion when asked to rate a product

Actively seek out opportunities to share their opinion

% who leave reviews for a quarter or more of purchases

18%

49%

63%

% who leave social posts for a quarter or more of purchases

12%

22%

47%

% open to a brand asking permission to share social content

63%

76%

80%

STEP TWO: Reciprocate the engagement.

While some consumers are happy to produce content and review products, most expect the brand or retailer to engage. 54% of consumers say that if they write a negative review, they expect a response from the company. When customers post in a product's Q&A section, 58% expect a company response on the same day, while 20% expect a reply within 1 to 2 hours.

Thankfully, many businesses are already getting this part right.

84% of retailers claim to respond to positive and negative customer feedback, and of those, 73% respond within the same day. 61% say they respond to all customer questions shared on product pages, but 36% only respond to questions that have not already been answered by other shoppers satisfactorily. Of those retailers who do respond to questions, 73% claim to respond within the same day.

Response time: Shopper expectations vs. company reality



SUCCESS STORY

Webroot

Webroot, an internet security software provider for consumers and businesses, stands out from competitors on retail sites by quickly and reliably answering customer questions and responding to reviews.

Across more than 38,000 reviews on retail sites, Webroot has used Bazaarvoice Connections to respond to 70% of low-rated reviews.⁵



It's our responsibility from the top of the company down to be responsive to shoppers' questions and reviews. Someone who is vetting us against another brand sees that we interact with our customers, and that's a big competitive advantage.

Anna Kim, Senior Advocate Programs Manager at Webroot

Q: how do I download this software

Asked 1 year ago by Anonymous.

A: The best place to download the free version of Webroot is here: <https://www.webroot.com/us/en/home/products/wsa-installer-download> After installation, you can put your activation code in the "subscription" section on the right side of the software panel. That will activate your sub

Answered 1 year ago by WebrootTeam



Q: If I order this version, can I use it on my Mac book pro, and the windows computer. Do I need two separate versions of the Webroot complete. Will the code work for both??

Asked 10 months ago by fisherman.

A: The previous Community Answer is absolutely correct! You will just need to install on one device at a time and use the same keycode to activate each instance of Webroot SecureAnywhere.

Answered 10 months ago by WebrootTeam

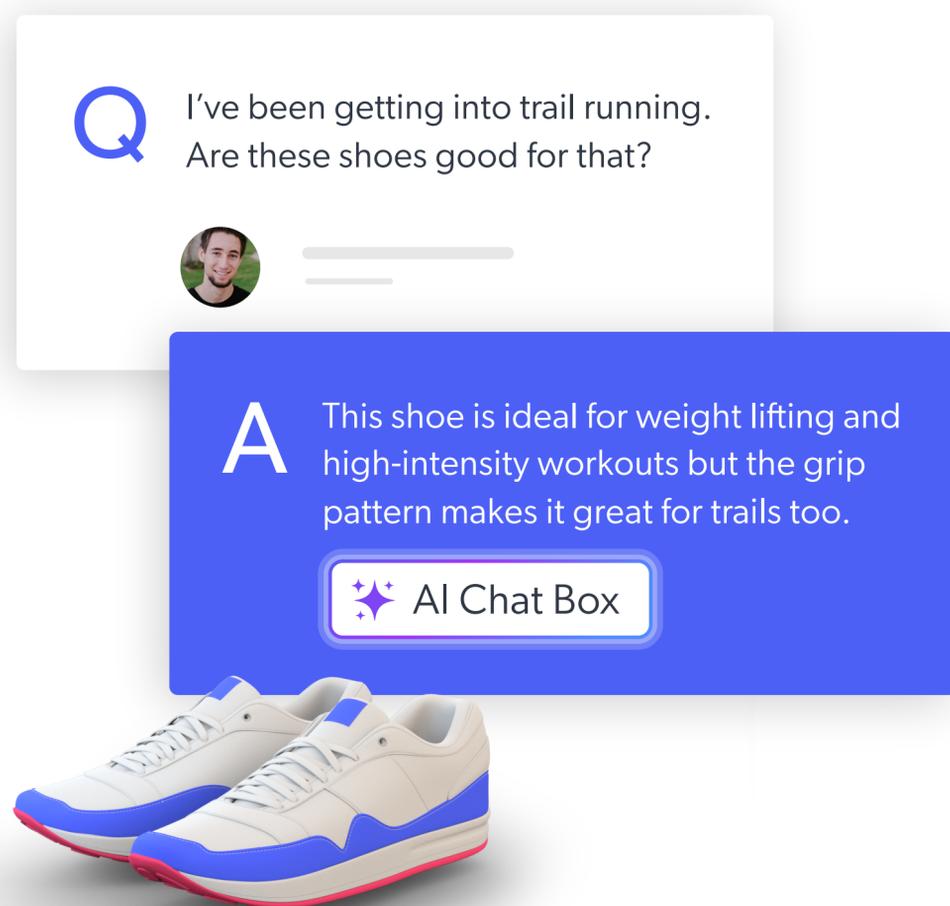


Shopper openness to AI assistants:

With relatively high consumer expectations and a desire for fast responses, 76% of shoppers are open to AI assistants responding to their questions. 45% would trust an answer that they would receive immediately that was generated by AI and 36% said maybe, depending on the answer.⁶

Brand and retailer adoption of AI tools:

Brands and retailers aim to use the rising popularity of AI to improve shopping experiences. However, only 21% currently use AI tools. Concerns persist about inaccurate recommendations (51%), misinformation (45%), and data privacy breaches (40%). Yet, with AI's rapid advancement, 51% plan to adopt AI tools in the future.



THE BOTTOM LINE

Brands and retailers can count on about 53% of shoppers to participate in content creation — like writing reviews and sharing product photos — and 70% are happy to share their social content when asked. This is a content goldmine.

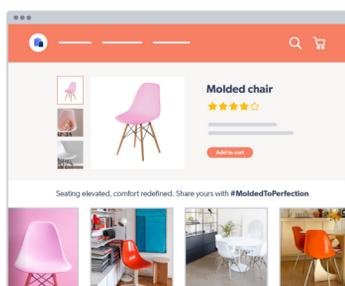
And when shoppers speak, they expect a response. Answering customer questions and responding to reviews is a great opportunity to create a world-class customer experience, delight happy customers, and win back the hearts and minds of disgruntled ones.

Key takeaways

With all this data, what should you prioritize? Keep these key points front and center as you shape your marketing and content strategies.



GET SOCIAL: To effectively meet shopper expectations, it's crucial to engage with customers on their preferred platforms. Meet them at their watering holes. Nowadays, that's predominantly on social media.



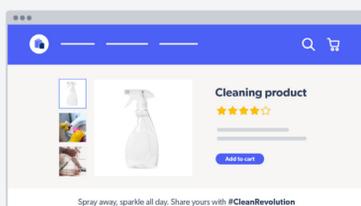
OPTIMIZE YOUR CONTENT SUPPLY CHAIN: Unlock the immense potential of social content by optimizing your content supply chain. Delve into the untapped potential of social content.



IMPROVE PRODUCT STICKINESS: Right now, it's critical for you to improve your product stickiness. How do you do that? You have to sharpen the content relevance, particularly for value seekers.



ACTIVATE ADVOCACY: Take charge of advocacy by mobilizing creators to fuel discovery, conversion, and community growth. When creators are engaged, they drive discovery and build lasting communities.



YOU'RE COMPETING WITH ALL PURCHASES NOW: Focus your efforts on product ranges most likely to feel essential to your customers' lives.

Conclusion

Even as the economy improves, just about everyone is weighing purchases more carefully, and shoppers are looking to their peers to help them make educated buying decisions. They expect brands and retailers to consistently incorporate the voice of the customer across content and channels.

And shoppers are willing to switch brands to those that deliver, which presents an opportunity for your brand to thrive despite difficult times.

Thankfully, about half of consumers are willing to provide the shopper content you need, as long as you make the ask. And with the collapse of the traditional sales funnel, it's easy and efficient to use this content across channels and throughout the buyer's journey.

It's a simple equation: UGC = cost-efficient, high-converting experiences that help your brand stand out in a sea of similar options.

Lean into the voice of your customers today to set yourself up for growth in 2024 and beyond.

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