

# The Insider's Guide to Analyzing User-Generated Content to Drive Business Growth

How to leverage data from UGC to drive positive improvements and boost sales performance



#### The Value of UGC Goes Beyond Traffic & Sales

In the long history of commerce, the idea of asking for customer feedback, then displaying that feedback for the world to see, is a fairly new concept. But it's one that's quickly caught on for consumers and businesses alike.

Today, nearly all consumers depend on reviews and other types of user-generated content (UGC) to make informed purchase decisions, regardless of product category. Our research tells us that a staggering 97% of consumers read reviews. And 88% seek out photos and videos submitted by other consumers prior to making a purchase.

Brands and retailers that collect and display this content are rewarded. In fact, when a product page goes from displaying zero to one review, it leads to a 65% increase - on average - in conversion. The same goes for imagery: a product on average receives a 69% increase in conversion when just one customer-generated image is added to a product page.

By now, the vast majority of brands and retailers understand the positive impact UGC can have on traffic and sales. But there's another major benefit of capturing this content. And it's one that's often overlooked by even the most progressive brands and retailers.

#### The Quantifiable Impact of UGC

#### **65%**

increase in conversion when reviews are displayed on a product page

#### **6**x

sales lift when a customer's question is answered via Q&A

#### **69%**

increase in conversion when one customergenerated image is added to a product page

#### Your UGC is Full of Rich, Actionable Data

UGC is a valuable source of context-rich, actionable insights about your products and the experiences a shopper has with your brand.

In fact, you probably already use other tools and mechanisms to capture feedback from your customers that you can then act on. Think surveys or other forms of direct customer feedback.

But UGC offers a completely different layer of context that these other methods just can't. Why? Because you can easily map feedback to specific products. And that makes it a whole lot easier to act on the insights you uncover.

#### **Unlock the Actionable Insights in Your UGC**

User-generated content is a gold mine of incredible insights just waiting to be discovered. But figuring out how to tap into this data source to drive impactful improvements can seem pretty overwhelming.

If you're not sure how to execute on this objective, you're in good company. In fact, most brands and retailers do not effectively leverage the insights they receive from UGC. They typically see this form of feedback in a vacuum. It exists only to convince shoppers to buy products.

But the holistic analytic potential of this data is immense. If you fail to realize it, you are missing out. Big time. So we've created this guide to help you out.

Throughout the following pages, we'll provide you with a solid understanding of what you need to do to start leveraging UGC to drive strategic improvements in business performance and growth.

## Why Analyze Your UGC?

Ratings and reviews are great validation and social proof for other customers. But using this information to drive tangible change makes sense on so many levels.
 In the first month alone, we were able to identify and size two process issues from our review data. We implemented corrective action right away for huge impact.

#### **DAN WAINWRIGHT**

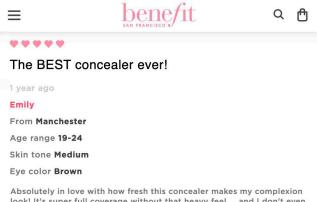
CUSTOMER INSIGHTS COORDINATOR, DISCOUNT TIRE

Today, businesses typically rely on surveys to capture customer feedback. But - as we already explained - the problem with surveys is that they generally yield feedback that's pretty generic. And that makes it hard for them to take any meaningful action. But UGC is different.

#### **Unique Specificity**

With UGC, you can map customer feedback to specific products. That's super powerful. Most brands and retailers have extensive catalogs of hundreds or even thousands of products. It's impossible to monitor customer sentiment across a large catalog of items using any other methodology.

What's more, reviewers often provide demographic information, such as age and location, which provides another valuable layer of context. For example, this review from someone 19-24 who identifies their skin and eye color, alerting similar customers that this could also be their "BEST concealer ever."



Absolutely in love with now fresh this concealer makes my complexion look! It's super full coverage without that heavy feel ... and I don't even need to set this concealer with any powder as it's so long wearing on its own! I'm using light and deep shades in this to cream highlight and contour ...Super impressed!!



Bottom Line Yes, I would recommend to a friend

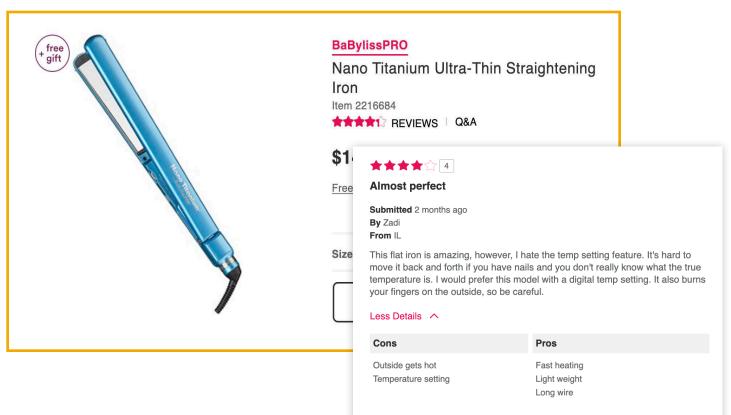
Was this review helpful to you?

<u>∧</u>8 <u>∨</u>0

No other type of customer feedback that's captured digitally and at scale provides that level of specificity. For example, now Benefit can see how this particular concealer resonates with customers of different ages, locations, and even complexions.

#### Feedback Content is Meaningful and Constructive

Another thing that sets UGC apart from other feedback collection methods is that it's almost always constructive and meaningful in its focus. Whether positive or negative, UGC typically includes powerful, actionable and context-rich recommendations and suggestions for improvement. For example, this reviewer isn't shy about voicing their specific recommendations for this flat iron: *"I would prefer this model with a digital temp setting."* This is valuable feedback for the next iteration of the product.



Bottom Line Yes, I would recommend to a friend

Was this review helpful to you?

2 🕶 0

## Tap into UGC to to Make Powerful Discoveries

The biggest opportunity may be simply leveraging Ratings & Reviews as a new, different means of insight mining— specifically around competitive and product innovation insights.

**?**?

#### **CHARLIE NUTTING**

SR. PRODUCT MANAGER, ECOMMERCE, GILLETTE



When you regularly analyze your user-generated content, you're sure to make a lot of powerful discoveries. And these discoveries can help you drive powerful change at your organization. Here are just a few of the insights you can garner from tapping into your UGC.

#### How Shoppers Feel About Your Products (and Your Brand as a Whole)

The feedback in the UGC you capture helps you understand how your brand and its products resonate with shoppers. You'll get a very accurate picture of which products your shoppers love, and which ones fall flat. You can zoom in even further to understand which features people love about your products -- and which could use some improvements.

#### How You Stack Up Against Your Competitors

Analyzing UGC is a great way to understand how your products compare to your competitors. For example, let's say you're a brand that makes sunscreen and Banana Boat is one of your largest competitors. Because UGC is publicly available online, you can - with the right technology - compare sentiment at the product, product category and even brand level. And by doing so, you can uncover some great ways to give your brand and your products a competitive edge.

Your Product & Men's Razor Category



#### How UGC Impacts your Shoppers' Behavior

You've probably seen plenty of stats about how UGC positively impacts key metrics like traffic and sales. But when you tap into your UGC, you can determine exactly how this content impacts your buyers' journey.

Namely, you can see how shoppers are interacting with content on your site, and what action they're taking next. For example, you might determine that those who interact with the Q&A on one of your product pages are more likely to make a purchase than those who don't - and then adjust your content generation strategies accordingly.

### Online shoppers that interact with some form of UGC are 103% more likely to convert.

## Analyzing the Data When You're Not an Analyst

User-generated content provides brands and retailers with some pretty powerful data. But how exactly do you access and analyze that data?

At many organizations, analyzing UGC is a manual, clunky and time-consuming process. A staff member might be assigned the duty of reading each and every review -- on top of their other job duties. As you can imagine, this is not a methodology that sets you up for success. Great insights are often overlooked or missed, human bias creeps in and so on.

So - if you really want to maximize the incredible potential of this data - you will need to leverage some form of technology. At a very basic level, you'll need some form of text analytics that surfaces the key trends and helps you quantify their impact.

#### **Get Actionable Insights into the Right Hands**

When you tap into your UGC, you're going to uncover some amazing insights that'll help your company better meet the needs of its customers. But if the data doesn't drive any action, it's pointless.

Be sure to share the insights you uncover with the teams that can take action on them. For example, let's say you notice a lot of shoppers are complaining about a broken zipper on a pair of jeans. Share that information with your merchandising or product team. Or maybe several negative reviews for a bed mention an inaccurate product description. Pass along that feedback to your web team to take action.

# Share the right data with the right teams to drive impactful change

UGC insights can drive positive impact across organizations.

#### <u>C-Suite</u>

Drive key decisions impacting company direction.

### <u>Marketing</u>

Determine how to best position, differentiate and promote the product, product line and brand.

#### In-store Teams

Influence in-store displays, presentations and where to sell across the in-store network.

### **Copywriters**

Influence how to describe the product and brand and which features to elevate.

#### Product Teams

Influence product development and improvements in line with market demand.

#### <u>Web</u>

Influence how and where exactly to market the product throughout the digital experience.

### <u>Merchandiser/Buyer</u>

Drive supplier decisions, requirements and negotiations.

# How to Leverage Data from UGC to Boost Your Bottom Line

User-generated content is a rich source of data that can help you uncover insights you can't find elsewhere. But what actions - and actual tangible change - can it generate? The possibilities are endless.

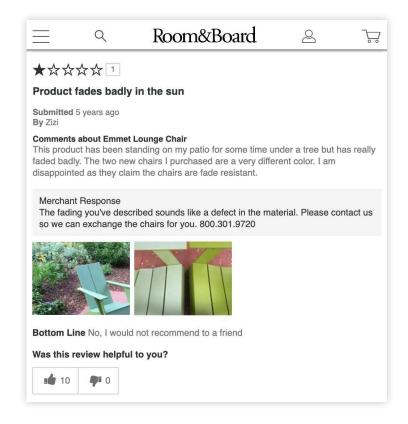
Here are eight ways leading brands and retailers are using data from their user-generated content to improve products and experiences -- and, of course, optimize sales performance.



# O Improve a Product (or an Entire Product Line)

In some cases, a negative review brings up an isolated problem. For example, Room&Board received the occassional return or negative review on their fade-resistant lounge chairs. These are unfortunate, but expected as a normal part of business.

In one instance however, a negative review sheds light on a larger (but fixable) issue. This one-star review, which included photos, mentioned that their dissatisfaction was specifically with the lack of promised fade-resistance. Room&Board offered to replace the chair, and upon further investigation, they identified several negative reviews for the lounge chair that specifically mention the color.



When you holistically analyze your UGC data with technology specifically designed for this purpose, it's easy to spot recurring themes in your negative content. You can then work with the manufacturer to fix the issue -- and then monitor your UGC to ensure it's having the desired effect.

[Holistic benchmarking] enables me to aggregate our customers' opinions. I can go to our merchant and say 'look at what our customers are saying, you need to fix this'. This insight is such a time saver for us.

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#### AMANDA EVERSE

SEO MANAGER, GARDENER'S SUPPLY COMPANY

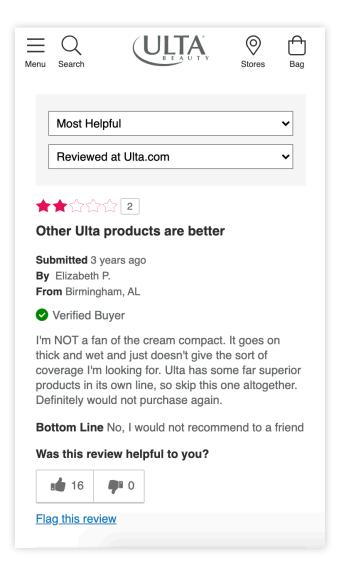
## Discontinue a Product

Let's face it: not all products can be winners. While some products will resonate with your shoppers -while others will fall flat.

If you're consistently getting negative feedback about a specific product, it might be time to pull the item from your catalog. If you don't, you risk damaging your reputation which can, in turn, negatively impact your sales.

For example, Ulta has a huge line of products with a dedicated following. But a closer look at its UGC revealed a consistent stream of one and two star reviews about a specific foundation. They took that feedback, discontinued the product, and focussed on improving the ones that sold well.

If you see similar patterns in your own product line, you can choose to adjust or withdraw it. It may be worth cutting your losses.



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The ability to collect and review seller ratings has made the biggest impact on my day-today responsibilities. That immediate feedback from our customers is helpful in discovering pain points we may have missed.

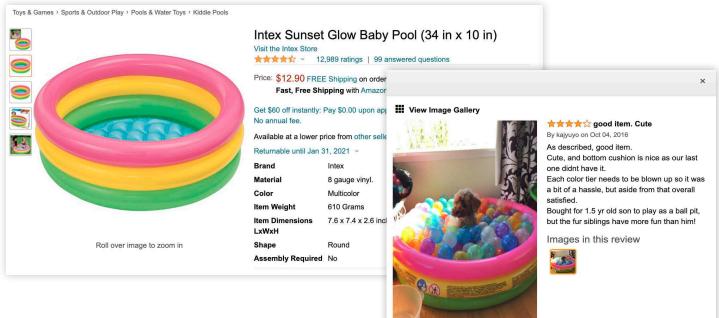
#### **DENA CHILDS**

ECOMMERCE MANAGER, WEBS - AMERICA'S YARN STORE

### 03 Identify New Audiences and Use Cases

You might think that you have a good idea of who uses your products (and how they use them). But digging into your UGC data can help you identify audiences and use cases for your products that you wouldn't have known about otherwise. And that can open up new opportunities for sales.

Take, for example, this inflatable baby pool with nearly 13,000 reviews. Sure, a lot of the reviews discuss how the pool did (or didn't) work well for a child. But there are also a decent number of reviews that mention the product being used for a dog, rather than a child.



UGC can help you discover new audiences and use cases you wouldn't have known about otherwise.

If the use cases are prevalent enough (and in line with your brand), consider updating your messaging to reflect them. For example, the brand that sells the children's pool could add a bullet point to the product description that mentions that many shoppers use the product for their pets. And by doing so, the product is more likely to show up when a shopper is searching for a pool for their dog.

# Adjust Product Pricing

Determining the right price for a product is key. If you price it too high, you'll lose shoppers to a more affordable competitor. But if you price it too low, you won't make much of a profit. Of course, you work hard to price your products right from the start. But analyzing your UGC can help you determine if and when those prices need to be refined.

The first place to start is average rating. Price considerations may not exclusively drive a low rating. But if your pricing strategy is off, it'll certainly show up here.

Beyond that, look at the aggregated sentiment of the review content. For example, this one star review for a toddler toy indicates the item is "a little pricey." The shopper seems to like the product otherwise; the price seems to be the sole reason for the one-star review. If cost is a common theme of this particular product's reviews, it may be time to adjust the item's price.

Suzette F	ope	
★☆☆☆☆ b	ut a great item for	toddlers
Reviewed in the	United States on De	ecember 18, 2014
Color: Natural	erified Purchase	
A little priceyb	ut a great item for t	oddlers.
One person four	nd this helpful	
Helpful	~ 1 comment	Report abuse

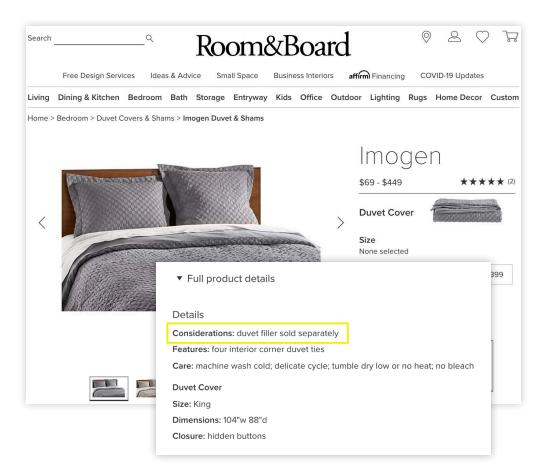
Additionally, you might notice that one of your competitor's products has a lot of reviews that mention the item being great value. You sell a very similar item, but at a significantly higher price point. And sales haven't been great. There's an opportunity here to modify the price of your product to generate more sales.

# 05 Adjust Product Messaging

Accurate, thorough product descriptions help shoppers make informed purchase decisions. Your UGC can help you identify ways to make these descriptions even better.

By analyzing your UGC, you'll get a better idea of what product features your shoppers love. These are things you'll want to be sure to showcase in your product descriptions. For example, let's say you're a health and beauty company that sells shampoo. When analyzing your UGC, you notice several positive reviews mention the great smell of your product. This isn't a feature that's mentioned in your existing product description. So you add some text to your product page to describe the fragrance (or even callouts from real-life reviews).

Insights from negative reviews can help you improve your product messaging, too. For example, let's say you sell this duvet cover. You notice an influx of negative reviews for this product. Many of them mention that there was no duvet insert like in the product photo. So you update the product description to make it clear what is (and isn't) included. That way, your shoppers know exactly what to expect.



### 06 Inform Digital Marketing Initiatives

Your marketing team works hard to develop campaigns to attract shoppers. But the data from UGC can make these campaigns even more effective.

In fact, there are nearly endless ways your marketing team can leverage UGC to be more effective. For example, think about pay-per-click ads. When creating PPC campaigns, you want to include keywords your shoppers are likely to use when conducting a search.

By analyzing your UGC (and that of your competitors), you get a clear picture of the words your shoppers are actually using when describing products. So use this intelligence to uncover new keywords and phrases you can start using to improve the performance of your PPC ads.



You can also share the new use cases and audiences you uncovered in tip #3 with your marketing team. Then, they can put together targeted campaigns to reach these audiences.

Remember when we discovered that the inflatable children's pool is also commonly used for dogs? This information should be shared with the marketing team, as there may be opportunities to create marketing campaigns targeted at pet owners. For example, they could run display ads for the pool on websites focused on pet ownership topics.

### 07 Invest More in Content that Drives Conversion

When you examine your UGC, you get a very accurate picture of what types of content is driving sales. You can then use that information to invest in generating the UGC that'll drive the biggest return on investment.

Let's say you notice visitors to your website are more likely to make a purchase after interacting with usergenerated photos and videos. That means you should make it a priority to collect more of this content. You can do so by sending post purchase emails to your shoppers, specifically asking them to submit photos and videos.



Or, maybe you determine that for your brand, reviews are the most impactful type of content. So when you release new products, you'll want to make it a priority to collect reviews.

88% of consumers specifically look for visual content from other consumers prior to making a purchase.

And visitors who interact with Image UGC have a conversion lift of 81% over general visitors.

# **Optimize Your UGC Display**

Of course, it's important to determine which types of content is most likely to drive sales for your brand. But it's also key to understand how shoppers are interacting with different types of UGC. For example, you might notice a large percentage of your shoppers filter reviews to display only the one-star rated content.

With this information, Skechers optimized the UGC displayed to their

<u>SKECHE</u>	R5		
S Stars 4 Stars 3 Stars 2 S Show only 1 star 1 Star	193 29 6	Pros 217 Comfortable 173 Attractive Design 162 Breathe Well 132 Stylish 126 Durable	18     Need Break In       5     Poor Cushioning       4     Wear Out Quickly       1     Ball of foot sole wears out       1     Too soon to judge
Sizing		Width	
Feels full size too Feels f small too big		Feels too Feels too narrow wide	
Best Uses	Casual Wear 147 Tr	ravel 61 Going Out 32 Work 14	4 Special Occasions 8 [+more]
Describe Yourself	Casual 102 Practice	al 81 Conservative 15 Stylish 19	5 Trendy 4
View On Shoes	Shoes are for Wearing 13	30 I'm Into Shoes 40 I'm Really Into	

customers. If there's a particular component that's boosting conversion, make it more prominent. For example, the review faceoff allows shoppers to easily compare the most helpful positive review with the most helpful critical review. This integrates the behavior of checking negative reviews, while also promoting detailed, higher quality reviews. The positive review describes specific assets, and the negative review provides criticism that's relevant to other shoppers ("the padding isn't as durable as comparable shoes" as opposed to "not how I imagined them" ).

Most Liked Positive Review	Most Liked Negative Review
****	$\star$
These shoes are a life saver	Comfortable shoes in wide width
I have intense arthritis in my feet. Just waking up I feel like I've been standing for hours. I know at age 70 I need to "move" more but just walking around the house is painful. Then I found out I'm right on the border with a pre-diabetes diagnosis and of course changing eating is a must, but ex	I have the Max Cushioning Ultra Go shoes which are very comfortable stable and well padded which I need. I use these for walking . They say Performance on the tongue. I ordered these Max Cushioning Ultra Go shoes for going out. These shoes are comfortable but the tongue has no padding and the sho
Read complete review 🗸	Read complete review 🗸

# Unleash the full potential of your UGC

UGC - including reviews, Q&A, photos and videos - offers a rich source of data that offers huge value beyond the influence it has on shopper journeys in the moment. Why? Context and actionability. Other more conventional feedback mechanisms just can't compete when it comes to these two points.

Too often, however, brands and retailers don't use UGC to its full potential. But that is beginning to change. The more innovative are increasingly using the intelligence derived from their UGC to drive critical product and customer experience changes that have tangible business impact.

Use the tips in this guide and a strategy powered by a dedicated analytics engine to surface key trends, take necessary action, and maximize the full potential value of your UGC.

PowerReviews helps leading retailers and brands generate customer product ratings and reviews in larger volumes to significantly increase sales. We then enable them to analyze and benchmark all this data to improve product quality and customer experience with the number one UGC-dedicated analytics platform in the world - <u>UGC Analytics.</u>

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