

Shopping Behavior is Evolving

Over the past decade, eCommerce has experienced steady growth. But thanks to the COVID-19 pandemic, that growth has accelerated quicker than anyone ever foresaw.

Consequently, shoppers are increasingly minimizing their trips to brick-and-mortar stores, opting instead to shop online.

This has propelled eCommerce growth previously unimaginable heights. According to the Adobe Digital Economy Index, \$66.3 billion was spent online during the month of July 2020, up 55% from the same period last year. Our recent Holiday survey really underlines this trend. For the 2020 Holiday season, 64% of shoppers say they will spend more online than they did in previous years. This is particularly pronounced when focusing speci ically on the 19% who say they will increase their total spend in 2020. Of these, 83% will do more shopping online.



51%



of consumers have done more online shopping than usual since the start of the COVID-19 pandemic.

Dotcom Distribution

64% ##

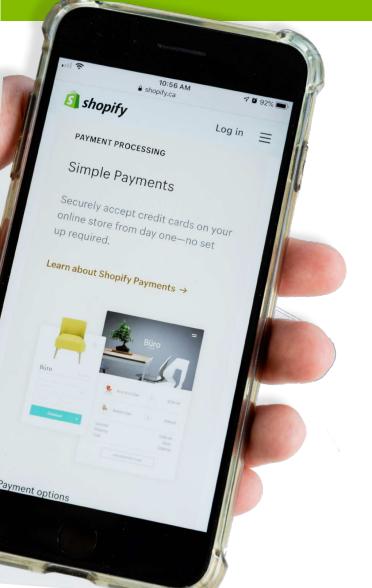


say they will spend more online during the Holidays than they did in previous years

Adobe

Online Retail Spend, Actual vs. Expected | U.S. 2020





Brands Must Adapt to Survive

Clearly, consumer behavior is shifting. And probably has forever. In fact, **our Holiday survey** reveals that shopping habits have changed forever for a third of consumers, while 39% are now more comfortable shopping online than they were before COVID.

In order to survive and thrive, brands must adapt — and they must do so quickly. This is especially true for brands that have historically sold their products through brick-and-mortar retailers or megaretailers.

At a time when in-store foot traffic is down, brands must find ways to broaden their reach online. Selling directly to consumers is a key way many are doing this. In fact, this has become a huge trend evident in 2020. How else can you explain Shopify's insane growth (second quarter revenue rose a staggering 97%)?

Brands are going D2C... and for good reason.

Why has D2C become such a big thing for brands? Long term it works out more cost-effective. If done right, it also enables you to gain a better understanding of your customer, more control over your brand and provide more freedom to innovate. And best of all: it can seriously positively impact your bottom line.

It's not just relatively smaller brands who are making this transition. During the COVID pandemic, household names ranging from PepsiCo and Nestlé to Heinz launched D2C programs. This trend is affecting brands of all sizes and is being hugely accelerated by existing market conditions.

The Missing Piece of Your eCommerce Strategy

Soyour brand has decided to start selling direct-to-consumer. Perhaps you've launched your eCommerce site and started developing digital campaigns to drive traffic to it.

But there's one critical component of your eCommerce strategy that is absolutely essential to converting this traffic to sales: User-Generated Content (UGC).

UGC — user-submitted ratings and reviews, Q&A content, photos and videos — has a large, measurable impact on your D2C sales. But getting started with an all encompassing UGC program probably seems daunting and overwhelming.

Throughout these pages we'll explore the power of user-generated content and how to get up and running. We'll also share five key tips that'll help ensure you're getting the biggest ROI from UGC.



of brands say going D2C improved their customer relationships



of brands report that going D2C improved customer experience



of brands say going to D2C also boosted sales at their channel partners



say going D2C increased brand awareness

Source: Forrester

How UGC Impacts D2C Success

When you're entering the world of D2C sales, there are many ways to spend your marketing dollars. Why invest in UGC?

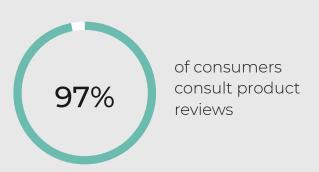


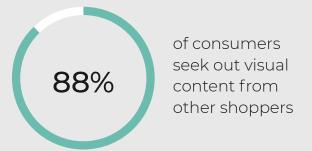
Shoppers Expect UGC

In the past, when a shopper was in the market for a new product, they'd ask their family and friends for recommendations. But increasingly, shoppers turn to reviews and other types of usergenerated content to make informed purchase decisions.

<u>PowerReviews research</u> found that nearly all consumers (97%) consult product reviews prior to making a purchase. And <u>another PowerReviews</u> <u>survey</u> found that 88% of consumers look for photos and videos submitted by other consumers prior to making a purchase.

What happens if you don't display this content? Shoppers will look elsewhere — and they probably won't return to your site. **Our research** found that 70% of shoppers will go to a search engine or Amazon if they can't find reviews (or enough reviews) on a brand or retailer's site.





Reviews are just table stakes now. If you want to sell online, you have to have them — and the more the better.

SUCHARITA KODALI

Principal Analyst, Forrester

UGC Grows Sales

So that's what happens if you don't have review content on your site. But what happens if you do? Just how impactful is it?

Well, this content is proven to impact the bottom line by boosting traffic, conversion and sales. A product page with at least one review generates 108% more traffic, 65% higher conversion and a 92% sales lift, when compared to a product page without this content.

And as the data shows, the greater the number of reviews, the greater the impact.

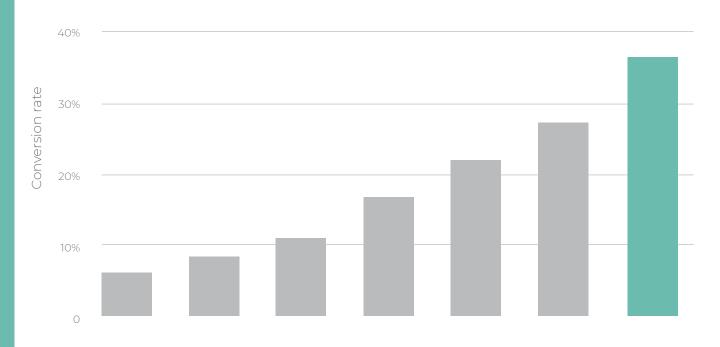
108%
More Traffic

2X
Increase in Sales

65% Higher Conversion

Impact of Review Count on Conversion Rate

Based on a study of 168k products, 28 million orders, 321 million page views



UGC Provides Insights to Improve Products & Experiences

UGC offers a ton of context-rich and actionable insight voluntarily provided by your customers. The sort of information organizations otherwise have to go to great lengths to capture through surveys or other methods. Leading brands therefore use these insights to drive improvements across individual products, their broader product catalogs and overall customer experiences.



- You can easily map consumer feedback to specific products: most brands have extensive catalogs of products. Monitoring customer sentiment accurately across this sheer volume of items is literally impossible via any other methodology.
- 2. Reviewers often provide demographic information (be this age, location, gender and in some cases use case). Being able to factor this insight in provides a highly valuable extra layer of context. No other type of customer feedback data captured digitally provides that level of specificity. With UGC, you can very precisely map product feedback and information about those who bought it to the actual product itself.



Unlike other forms of customer feedback, UGC is almost always constructive and meaningful in its focus – whether it's related to a specific product or your entire customer experience. Whether positive or negative, it typically includes extremely powerful, actionable and context-rich recommendations and suggestions for improvements.



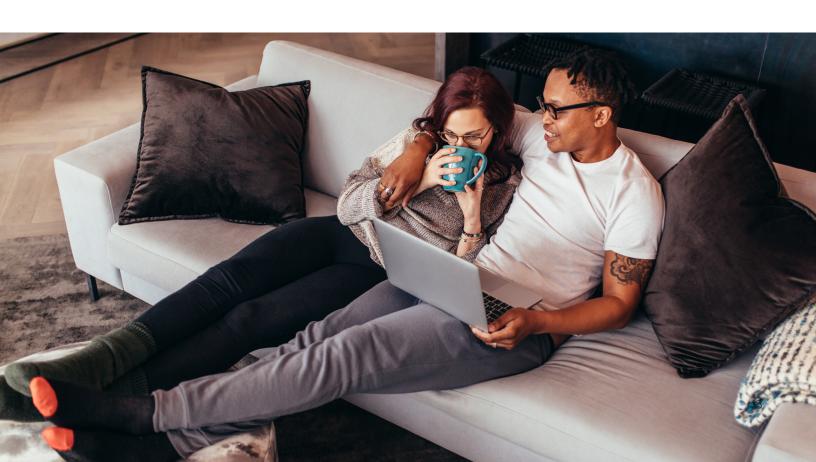
In addition, UGC can help brands uncover issues they wouldn't have known about otherwise. For example, PowerReviews partners with a D2C outdoor furniture company that typically generates very positive UGC. But suddenly, they noticed a large volume of negative reviews. They dug into the content being submitted and noticed many customers mentioned rusty furniture. Thanks to these insights, the brand was able to fix the problem and protect their hard-earned online reputation.

By making these improvements, brands are better positioned to attract new customers, retain existing ones and grow their businesses.

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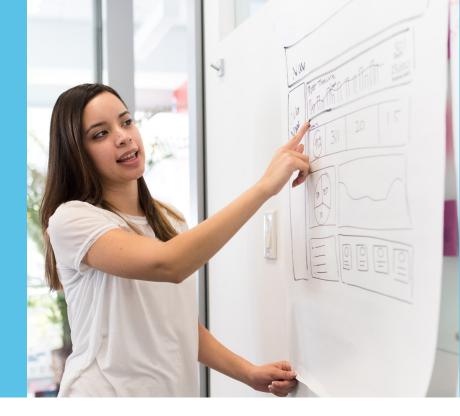
UGC Benefits Consumers and Brands Alike

UGC is a win-win for both consumers and brands. It empowers consumers to make informed purchase decisions, while enabling D2C brands to grow sales and improve products and experiences.



Getting Started with UGC

You now understand the value of UGC. And you're set on adding this conversion-boosting content to your D2C eCommerce site. Now what?



Getting user-generated content up and running on your website might seem overwhelming. But it doesn't have to be. Here are a few key things you'll need to consider as you put together your go-live plan.

Timing

In an ideal world, your eCommerce site would launch with ratings and reviews already in place. That way, even your earliest visitors can access the content they need to make informed purchase decisions. And you don't have to worry about them going elsewhere to find this content.

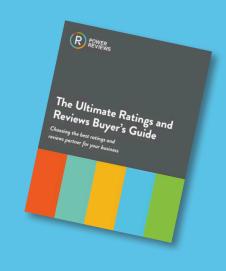
How can you generate reviews when your website hasn't even launched? Product sampling is a great way to do this. Essentially, you send samples of your products to shoppers and in exchange, they share their honest feedback by writing reviews. These reviews can be collected before your platform implementation is complete. And then, when you launch, you'll already have reviews on your product pages.

What if you've already launched your eCommerce site? It's certainly not too late to get started with reviews. But you will want to get UGC implemented on your eCommerce site as soon as possible.

Vendor Selection

After you've determined your timeline, it's time to find the UGC vendor that best fits your needs. For most businesses, the first step in choosing a UGC provider is to document the criteria for your business needs. That way, you can better compare your options and identify the vendor that meets those needs. You'll want to ask potential vendors plenty of questions to determine if they're a good fit, including:

- Do you have proven, documented case studies on the success and value your platform and services have driven for customers?
- Does your solution work with my eCommerce platform?
- How does your solution support rich media content collection?
- How can we leverage data and reporting to help us improve our business?
- What will the implementation process look like? How long will it take for us to be up and running?
- What ongoing support will we receive?



What other questions should you ask potential UGC vendors?

of The Ultimate Ratings and Reviews Buyer's Guide to find out.

Read the Guide



Implementation

Once you've chosen your UGC vendor, it's time to implement the solution. Your chosen provider should offer an easy, streamlined implementation process that gets you up and running quickly. And they should be there to guide you every step of the way.

Of course, the implementation process varies by vendor. But a best practice process includes:

- Scoping and implementation planning with a detailed project plan
- Weekly touch points and project tracking to stay on time
- Technical expertise on imports of product and review data
- Pre-launch quality assurance with checks and balances

5 Ways to Leverage UGC to Drive Sales

Your chosen UGC solution is live on your eCommerce site. That's great news! But the reality is your work has only just begun. Now it's time to maximize the impact of UGC.

Read on for five recommendations that can help you get the most ROI from UGC.





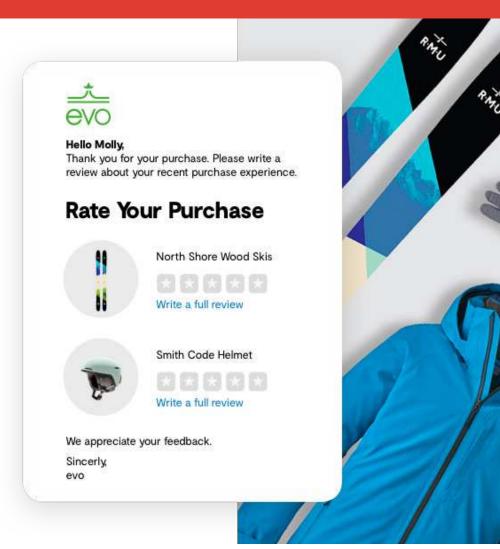
Generate More High-Quality Reviews

The more reviews you collect, the bigger the impact on sales. So make it a priority to collect more of this key content.

At a minimum, add a review button to each product page and send post purchase emails to your shoppers, asking them to write reviews. Consider sending two follow up emails, as studies show that up to 80% of reviews originate from post purchase emails.

In addition, make sure the process of writing a review is easy to complete and customers can provide content for multiple product purchases without leaving the window or refreshing the page.

Remember: quality is just as important as quantity. Be sure you're generating reviews that are detailed and informative, as these are more helpful to shoppers.



Looking for more tips to generate more reviews?

Get The Ultimate Guide to the Perfect Review







Your Rating*	
Pros Select all that apply	
Comfortable fabric	Comfortable sit
Cushions hold shape	Great design
Well made	
Add your own +	
Cons Select all that apply	
Cushions lose shape	Poorly made
Too deep	Uncomfortable fabric
Uncomfortable sit	
Add your own +	
Best Uses Select all that apply	
Accent	Formal
Informal	Large spaces
Lounging	Primary seating
Small spaces	Watching TV
Add your own +	
I live in a Select one	
Apartment/condo	
Loft	
Townhouse	
House	
Describe your style Select all that apply	
Classic/traditional	Eclectic
Mid-century modern	Minimalist
Modern/contemporary	Vintage

Add your own +

There are many ways to encourage more detailed reviews. For starters, before requesting the written content on the submission form, you can prompt the writer with suggested descriptive words. You can structure this by highlighting relevant descriptive words under section headings such as "Best Uses," Pros" and "Cons." That way, by the time the reviewer reaches the comment section, they'll have a more vivid idea of the content they want to provide.

In addition, <u>consider adding a</u> <u>character counter</u> that tracks the reviewer's comment length as they type and encourages them to keep writing.

looks great for verse great for verse long a come up short.	s looking for a slim fit shirt that work at a good price. I have arms (35 inches) and most shirts But this shirt fit like it was tailored slity is also fantastic, I have bought
eep it up! Your review is a	above the rest.
y submitting, you represe rivacy Policy.	nt that you have read and agree to our <u>Terms</u> and our
	nt that you have read and agree to our <u>Terms</u> and our Submit Review



Execute Product Sampling Campaigns

Earlier in this guide, we mentioned that product sampling can be a great way to generate reviews prior to launching your D2C eCommerce site. But that's not the only time to consider product sampling.

At PowerReviews, we've found that product sampling is especially effective in these four instances:

When you're launching a new product (or an entire product line)

Send out samples prior to launch. Then, when the product pages go live, there's already UGC in place.

When you need to fill in content gaps

Execute sampling campaigns to generate content for products that are in need of content, for example, products with a lot of traffic, but a low conversion rate.

When you have a seasonal product and need to generate reviews fast

Consider a pre-season sampling campaign. That way, there will be plenty of reviews available when consumers start actively shopping for it.

When you need to keep reviews fresh

Run sampling programs for existing products on a regular basis (for example, quarterly or bi-yearly) to ensure shoppers can always find fresh reviews for your key products.

On average, brands leveraging PowerReviews Sampling campaigns generate an **85%+ review submission rate**, the highest in the industry.



Get The Definitive Guide to Product Sampling

Read the Guide





Collect Photos & Videos from Your Customers

Shoppers want to see what products look like "in real life." That's why they're increasingly seeking out photos and videos from people who have already bought the product.

As we mentioned earlier, 88% of consumers seek out visual content from others like them. Our research also found that nearly half of consumers find a photo of a product supplied by another customer to be more valuable than a professional photo supplied by a brand.

Visual content helps shoppers make informed purchase decisions, especially when they can't touch or see a product in person prior to purchase. And the great news is, it's great for your D2C sales. At PowerReviews, we've found that just one image added to a product page boosts traffic by 18% and conversion by 69%.

Nearly half of consumers find a photo supplied by another customer to be more valuable than one supplied by a brand.

Great Customer Photos











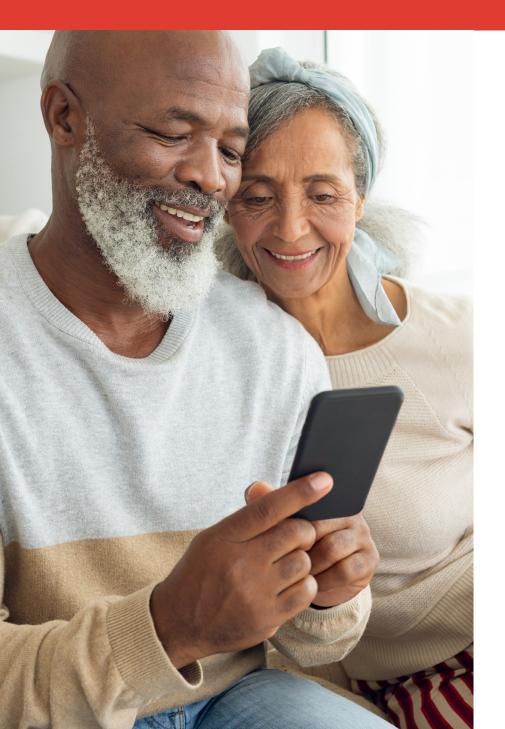


Start collecting visual content from your shoppers both natively (by asking shoppers to include photos and videos in their reviews) as well as through Instagram. Then, display this content where future shoppers can easily find and consume it.



Integrate UGC with Your Existing Loyalty Program

Of course, it's important to find new customers -- especially when you're just getting started with D2C selling. But it's equally important to nurture your existing customers. After all, 60% of "loyal" customers will make more frequent purchases from their preferred brands.



A key way many brands nurture their existing customer is through a loyalty program.

Think of ways you can tie your UGC strategy to your existing loyalty program. For example, you might award loyalty points to customers who submit reviews, photos or videos. Or you might include members of your loyalty program in your product sampling campaigns.

The result: you get more reviews, generate improved customer loyalty and boost sales.

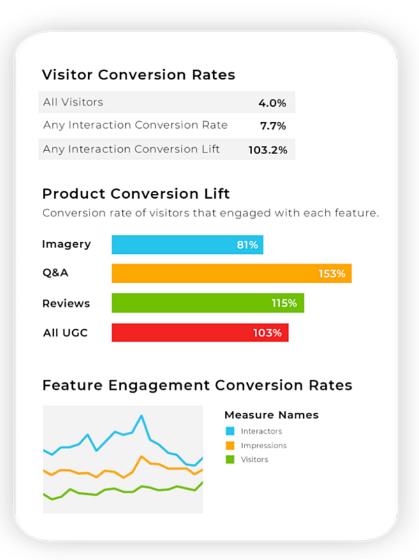


Leverage Insights from UGC to Boost Performance

Reviews and other types of user-generated content are full of actionable insights. These insights can help you deliver products and experiences your shoppers love.

For example, you can measure overall sentiment for reviews written for a specific product. If the sentiment seems negative, you can dig deeper to identify themes. Maybe shoppers love a shampoo you sell, but they don't like the packaging. You can work with your supplier to improve packaging, and then watch your average star rating soar.

Of course, this higher star rating will drive more product sales -- and more satisfied customers.





Conclusion

The COVID-19 pandemic has had a profound impact on shopping behavior. Notably, more consumers are shopping online than ever before.

Brands that have historically sold their products through brick-and-mortar retailers are under pressure to adapt accordingly. With a big dip in store traffic, many are opting to sell directly to consumers.

But simply launching an eCommerce site will only get you so far. D2C brands must make it a priority to collect and display UGC, as this content has become a key part of the customer journey and leads to more sales.

Make establishing a best practice UGC program a priority to ensure you're best positioned to meet shopper expectations and grow your D2C sales.

PowerReviews helps leading retailers and brands generate reviews in larger volumes to significantly increase sales, while enabling you with the analytics to optimize product performance, customer experiences and sales.

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