RETAIL

Effective UGC will differentiate retailers from competitors

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In May, Net-A-Porter launched a dedicated user-generated content page on its ecommerce site. Image credit: Net-A-Porter

By NORA HOWE

When it comes to product discovery and conversion, consumers trust the opinions of other consumers, whether it is through product review pages or creative media content.

Strategic and creative user-generated content (UGC) can help retailers convert prospective buyers into loyal customers. During a session at the Bazaarvoice Retail Summit, an executive from the technology explained how retailers can evaluate whether UGC is maximizing return-on-investment (ROI).

"Make sure that your team is leveraging and investing in [the right] tools to ensure your understanding of what needs to be done to drive maximum ROI from your program, and that all departments are leveraging data as it is relevant to them," said Emma Maddison, vice president of global client services at Bazaarvoice.

Five key components
The first factor in understanding the effectiveness of UGC is to analyze conversion impact, identifying key UGC conversion drivers on a retailer's product description pages.

Bazaarvoice provides a tool that monitors how consumers engage with UGC and identifies how that affects sales on a retailer's ecommerce platform.

"If we can understand the level of engagement with the ratings and reviews or the visual content on your site, then we have a clear understanding of what is working well and what is not working well," Ms. Maddison said. "When engagement looks good, then you have enough volume and perhaps you're driving enough customers to the right program.

"When engagement is low, there could be low volume, meaning [content] is less compelling to engage with, or there could be a problem with your user experience on the site," she said. "This means customers may come to the site and have a hard time locating ratings or review content to interact with."

In 2018, Shiseido reposted actress Jamie Chung's red lip look on its own UGC account. Image credit: Jamie Chung

It is also important for retailers to have conversion impact data to understand the ROI of their programs. Ms. Maddison emphasizes the importance of being able to differentiate where dollars are coming from and why.

The second factor is evaluating product coverage and facilitating improvements utilizing insight from categories and products that lack UGC.

"There are a number of skews in your product catalog, and some of them are going to be more important than others," Ms. Maddison said. "We want to ensure that you have a healthy amount of volume across all of your skews, especially the ones that are going to drive the most margins for your business.

"What we usually take a look at here is which ones are going to be most important in ensuring success for your business, and then we look at how well they are performing, and how much volume they have as far as UGC."

When a brand launches a new product, especially if it is a high priority or white label product, Ms. Maddison suggests launching with a healthy amount of volume to optimize conversion from the start.

Third, retailers must ensure that the brands and suppliers they work with understand expectations and have the tools and abilities to meet them.

"It should not be solely on a retailer to build the type of content that they need they should also be getting help from brands," Ms. Maddison said. "It is important to keep track of which brands are performing well and providing content that is going to drive conversion and which brands are lagging behind.

"This helps you regulate which brands to prioritize and understand what they need to do to ensure healthy volume at the site."

Fourth is understanding consumer sentiment and identifying areas of praise and complaint for product development and messaging.
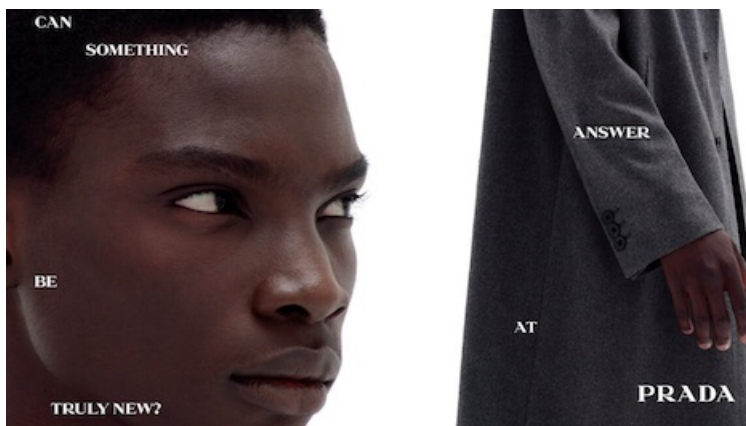
For a collection campaign, Prada prompted its audience to answer various questions, and used the answers in a follow up campaign. Image credit: Prada

"If there is a large number of product page views, but the volume of reviews is low, this means that people are interested in the product, but are not convinced enough to purchase it," Ms. Maddison said.

Identifying these discrepancies can also help internal marketing and product teams adapt their strategies to align with consumer sentiment.

Social content

The fifth key component of understanding the effectiveness of UGC is understanding the power of visual and social content on a retailer's ecommerce site.

"Brands do a fabulous job of driving campaigns that collect beautiful UGC content, so retailers should request that content to display on their sites," Ms. Maddison said.

Earlier this year, Italian fashion house Prada opened the conversation in a campaign encouraging consumers to answer and reflect on profound questions.

Prada's spring/summer 2021 "Dialogues" campaign examined the influence of technology and how fashion echoes the realities of a contemporary society, with an assist from UGC (see story).

Similarly, in late 2020, British fashion house Alexander McQueen launched an interactive campaign, engaging consumers each week with a social media-driven concept called #McQueenCreators.

McQueen encouraged its creative community to work together from home on a series of projects, where they were asked to select a picture from a series of images, then sketch, color or paint their favorite one (see story).

"When consumers enter a site, they are still in a decision journey that they are familiar with, but what retailers must ensure is that the inspire me' piece is there," Ms. Maddison said. "When UGC is integrated into the site and becomes shoppable, consumers discover new products they want."