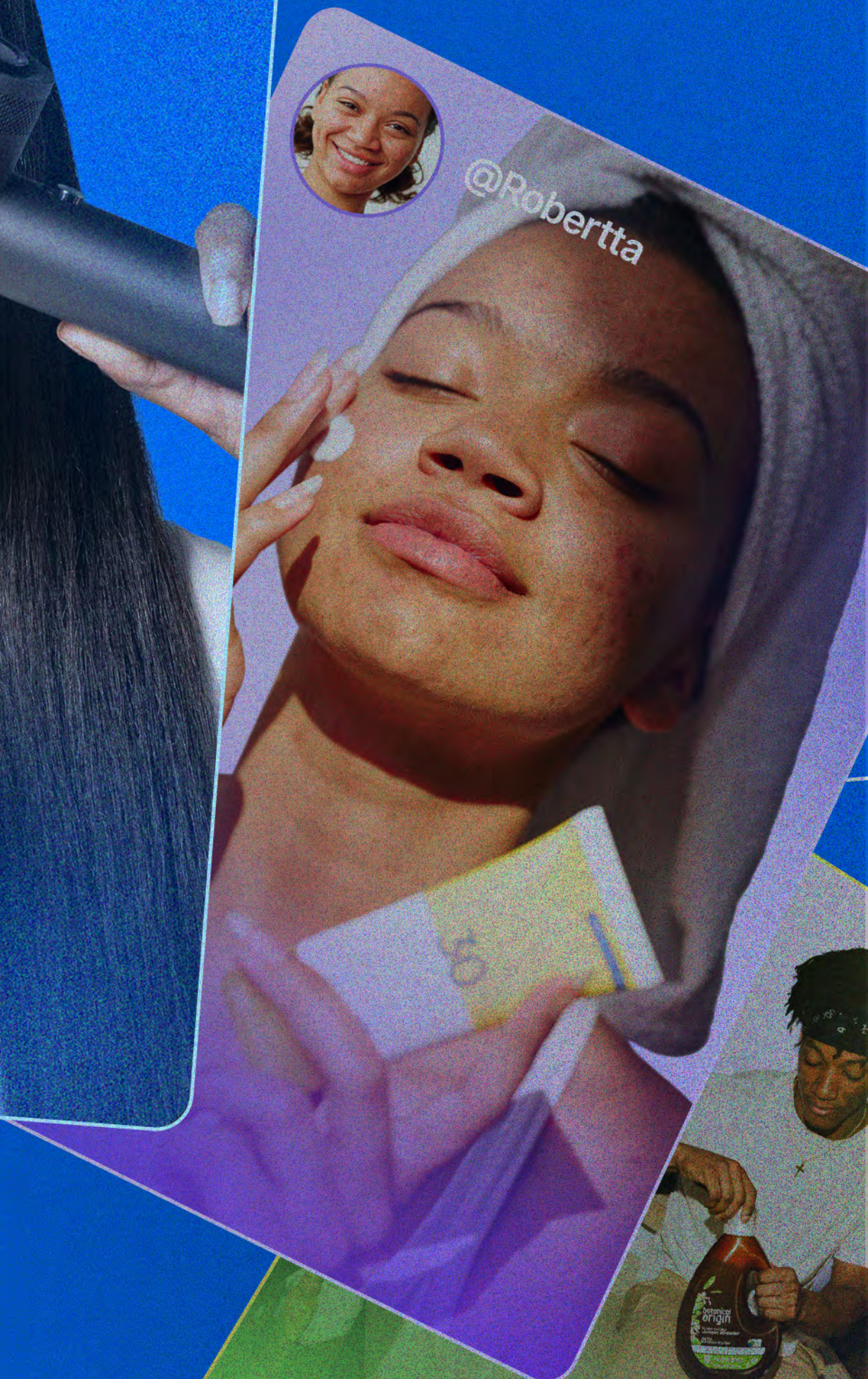




The Impact Report

The Impact of UGC on Conversion



Foreword

The impact of user generated content (UGC) on conversion is undeniable. Its mere presence is now an expectation throughout the buyer's journey and a must-have for all modern shoppers. The kicker is: consumers who are engaged with it are more likely to hit the buy button. If a shopper is **engaged with rich and authentic content**, the conversion lift from the interaction is **102%**. This alone proves that UGC is no longer an option. A study conducted by **Forrester Consulting on behalf of Skeepers** interviewed C-level executives from major brands and saw that more than 80% of the respondents said they reach out to creators and influencers to create authentic content as soon as a new product is launched.

Reviews, videos, user-generated social posts, if you're not multiplying and publicizing UGC, you're not capitalizing on potential revenue.

In our second data report, we have analyzed a subset of Skeepers' customers in the retail industry to give you a comprehensive breakdown of how various types of UGC impact conversion.

This report is based on customer data analysis between October 1, 2023 – December 31, 2023.



Angelica Reyes
Chief Marketing Officer, Skeepers



@Michel Smith
14 June

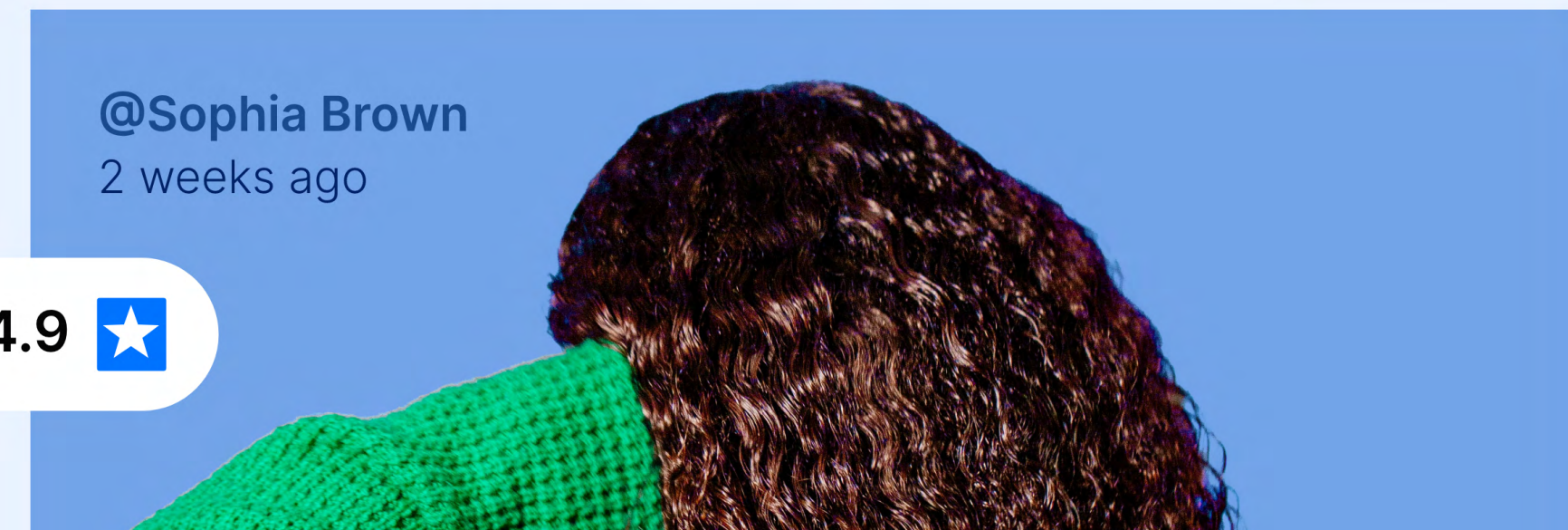


Daniel Martinez
A must-have for the summer!

@Sophia Brown
2 weeks ago



4.9



Research *At-A-Glance*

The Impact report is based on cookie consent and is intended to demonstrate the impact of UGC (reviews, gifted reviews, video content, and live shopping) on conversion and incremental revenue.

This report highlights the conversion rates achieved by Sleepers' customers that integrate UGC in their shopper journey, **showcasing measurable sales impact and revenue attributed to reviews.**



Glossary

Conversion

Conversion occurs when a visitor or prospect becomes a paying customer, a subscriber, or a lead. For this report, we have based our calculations on visitors who made purchases.

Review

A review is an evaluation of the quality of a product or service.

Consumer Video

Consumer videos refer to video content created by customers rather than by the brand or its marketing team.

Shoppable Content

Shoppable content refers to any type of digital content (such as images, videos, articles, or social media posts) that provides a direct purchasing option within the content itself.

Live Shopping

Live shopping is an interactive online shopping experience that combines live video streaming with the ability to purchase products in real-time.



Key Findings

Up to **70.3%** lift in conversion rate from consumers who read reviews displayed on product pages v/s those who do not.

Live Shopping replay records 2X the conversion rate of the live event, hinting the evergreen content is even more impactful v/s those who don't.

Brands that integrate consumer video content on their product pages saw an average conversion uplift of **+35%** v/s those who did not interact.

Our customers saw an average lift of up to **70% in conversion rate** when visitors interacted with Shoppable Content to drive sales.



Introduction

UGC has become a central part of modern commerce

The traditional norms of shopper engagement have evolved. UGC has completely changed the way consumers discover, research, consider, and purchase a product. **People rely on the opinions of others.** They seek the perspectives of friends and family on their decisions. They want to hear from real people with real problems. They desire transparency and authenticity in their interaction with brands, products and services.

UGC, including text reviews, photo reviews, consumer videos, user-generated social posts, and shoppable content have become a focal part of the purchase journey in modern commerce.

75%

of consumers read reviews before they shop

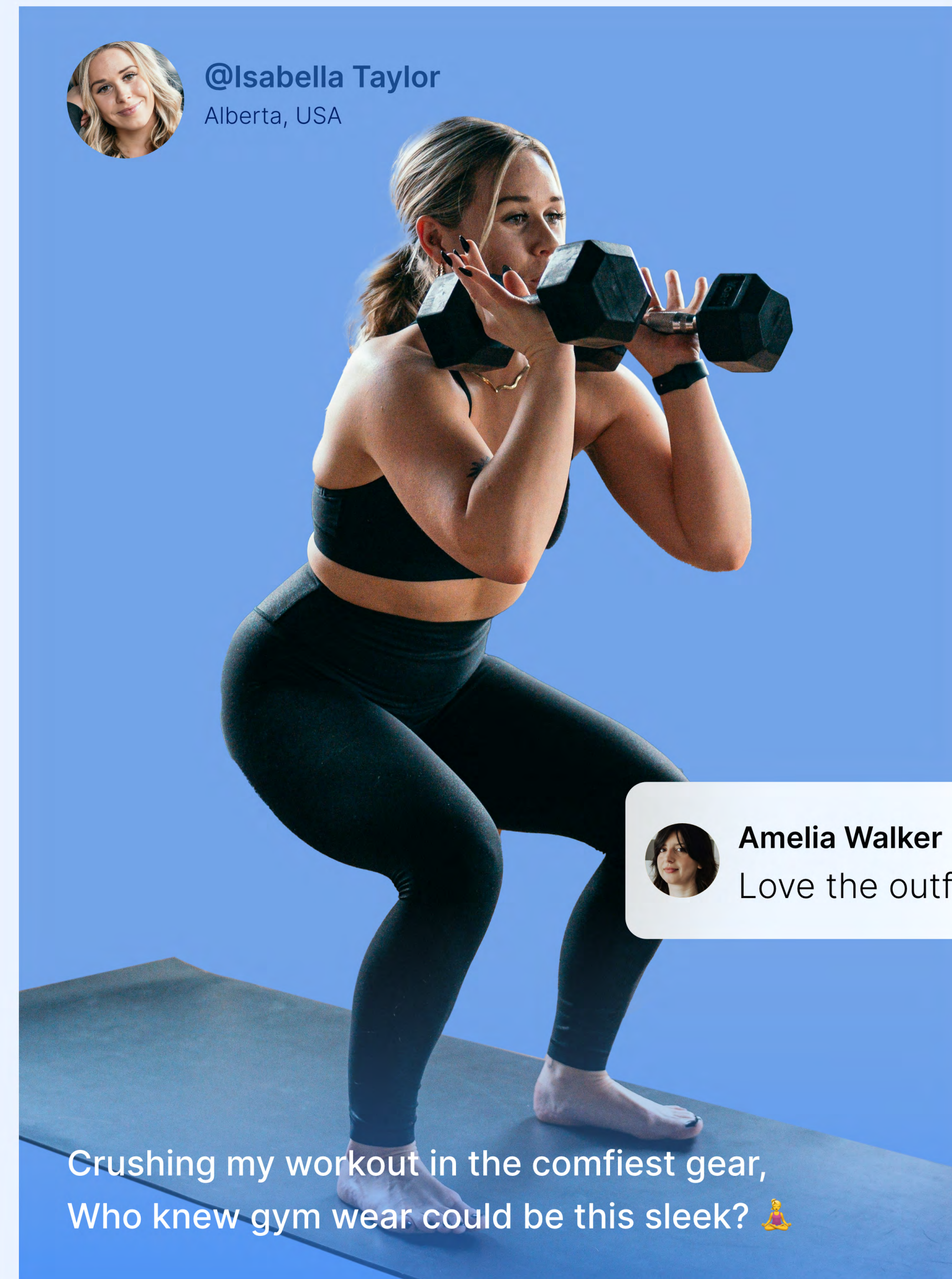
71%

of consumers say they leave a review within 7 days of purchasing a product

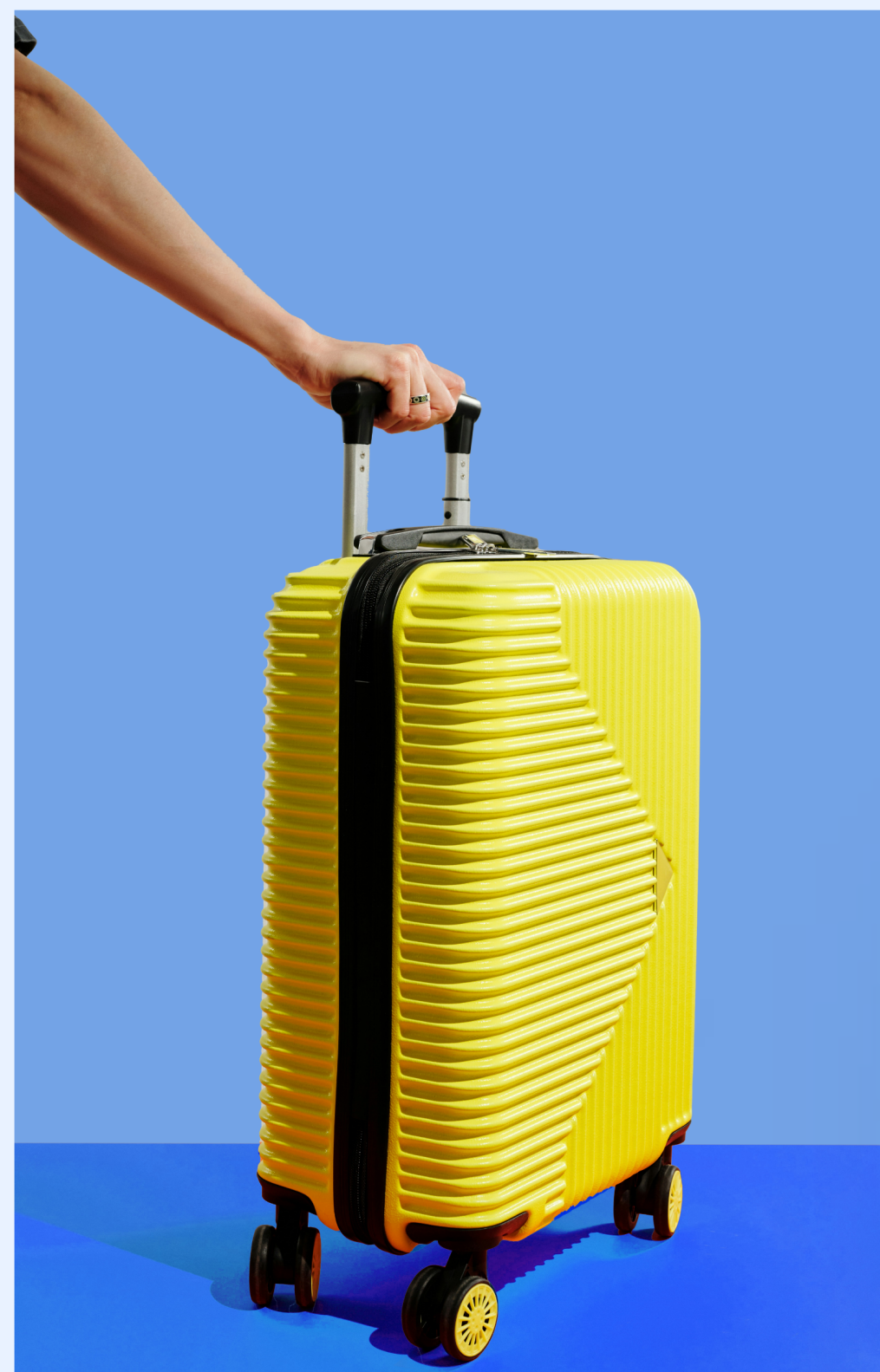
54%

respondents say they trust reviews with visuals

Source: Consumer Survey Report by Skeepers



Impact of UGC on Conversions



VoyageMaster Elite Suitcase

Product Number: VMES-2024

★★★★☆ 4.6

Add to bag



Olivia Davis ★★★★★

Lightweight and durable.
Glides effortlessly.



James Williams ★★★★★

Fantastic quality & design.
Very impressed.



Matthew Thomas ★★★★★

High-quality materials.
Built to last.



Displaying Reviews Has a Positive Impact on Conversion

In the fourth quarter of 2023, we observed a substantial uptick in conversion rates from visitors to sales, reaching as high as 70.3%, attributable to the display of reviews and active consumer engagement.

Displaying reviews significantly boosts product sales as consumers are more likely to make a purchase.

When authentic user reviews are featured on the website, it significantly enhances the likelihood of conversion. **60% of the people who read reviews said that they read more than 6 reviews before making a purchase** (Skeepers Consumer Survey Report). Today, customer reviews are the most dominant type of social proof.

Authentic reviews not only build and grow trust, but they also take edge off any concerns. As per the **Forrester report by Skeepers**, UGC such as reviews are keeping consumers engaged and driving sales. They are generating feedback, helping brands understand their shortcomings and resolving consumer problems with the product/service.







Lily Roberts 
16k Followers



Christopher
I had to get one! Easy and stylish.
  

Transform your space with the FlexiComfort DIY Chair –
easy to assemble, stylish, and oh-so-comfy!



Engaging Viewers with Consumer Videos Leads to Higher Conversion

Video content is an integral part of our daily lives. Billions of hours of videos are being watched every day around the world. Video formats are an influential way to tell a story. YouTube, Instagram and TikTok are one of the most visited platforms that are solely based on videos. This proves videos can be much more than just entertainment. Using them as a part of your marketing strategy can not only convey your brand message and showcase your products/services, but also boost your conversion.

In our study, people who watched consumer videos had an average conversion rate of 12% v/s those who did not.

Displaying consumer videos makes it more likely for products to sell compared to not showing them. **Video content keeps people interested**, and compared to the typical eCommerce conversion rate, it can boost revenue by showcasing more captivating content. Brands reported **an average conversion rate of 9% even for viewers who saw but did not play the video content**, showing how displaying videos on your site can make a difference.



The significance of consumer videos is not limited to online sales, but also to offline customers.

For most retailers, approximately **90% of their revenue still comes from physical stores.**

With Sleepers' ability to reconcile the online and offline channels, our customers have seen that authentic reviews not only boost online conversion but also significantly drive in-store sales.

The **ROPO effect (Research Online, Purchase Offline)** is a consumption habit that has increased since the pandemic and shows no sign of slowing down. Guiding and reassuring consumers online is a contributing factor of success for brands' omnichannel business overall.



For high-value product categories or those with slow sell-through where consumers require reassurance, consumer videos have a significant impact. Brands showcasing user-generated videos have observed an **increase in conversion rates ranging from 31-55%** in these categories.

Consumer videos provide the necessary **encouragement and confidence to both high-value products** and consumers with low shopping intent.

As brands and creators are chasing creative ways of storytelling to maintain a strong narrative, vertical videos are becoming increasingly popular. Mobile websites account for roughly 70% of traffic, as users are accustomed to browsing on their phones.

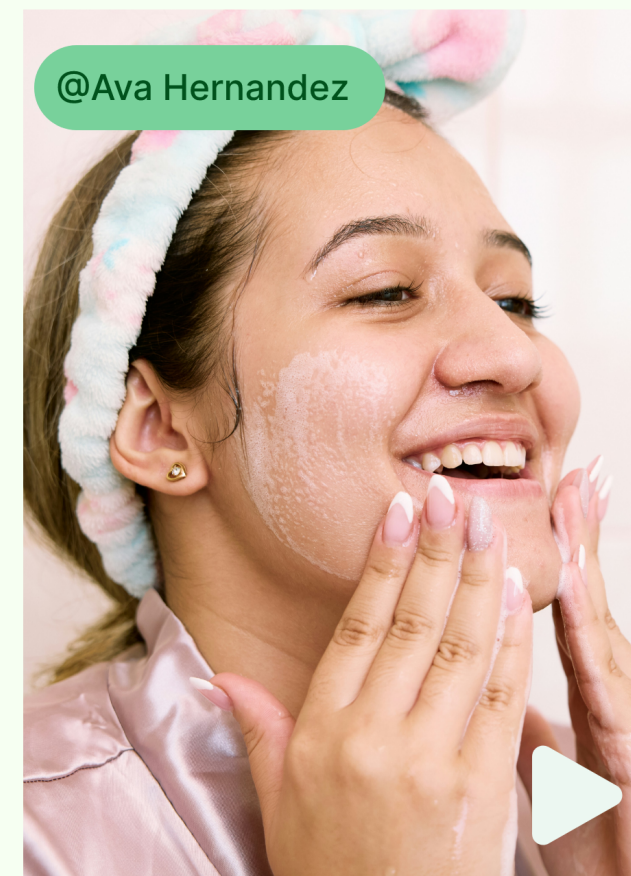
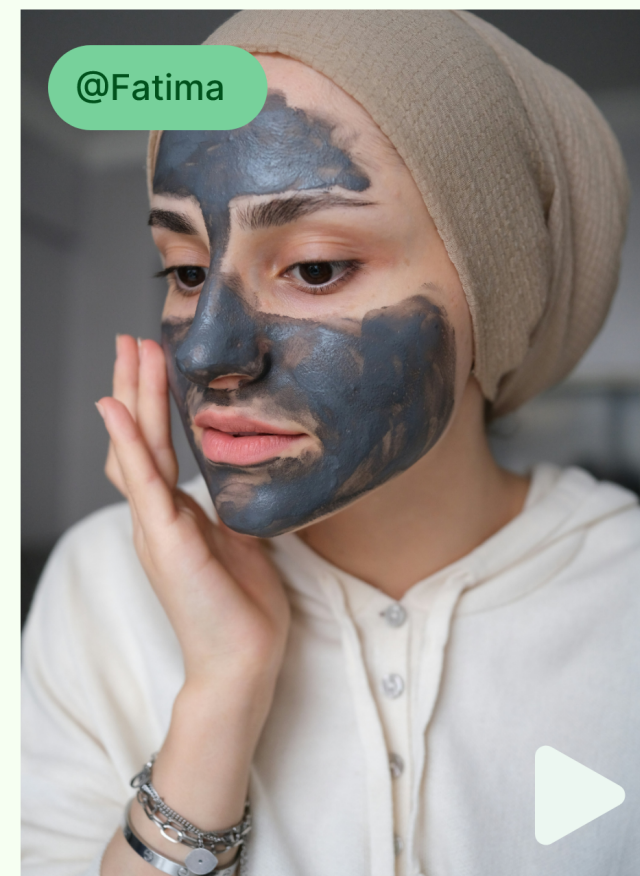
Optimizing brand assets for vertical video dimensions is now the bread and butter of marketing, considering how they offer a more immersive user experiences. Given the limited screen space, it's crucial to convey your message succinctly while preserving a compelling narrative flow.



Pure Clay - Blemish Rescue Mask

\$45

Add to bag



Interaction with Shoppable Content Lifts Conversion

The popularity of shoppable content is growing and is becoming essential for every e-commerce strategy. Take any ordinary digital interaction and shoppable content can turn it into an opportunity to shop.

But, before we dive into the details, what exactly is shoppable content? Imagine visiting a landing page with aesthetically aligned visuals of products you want to buy, but they are not clickable.

Traditional content fails to retain customers like Shoppable Content does, as it does not redirect consumers to another page to find the product.

In all its simplicity, shoppable content refers to any digital material—like social media posts, images, videos, or ads—that consumers can click on to make a purchase directly without leaving the platform.



Reducing the number of steps in the shopping process accelerates the experience and the buyer's interest in purchasing.

Skeepers' Shoppable Content Data indicates up to **70% average lift in conversion when visitors interact with Shoppable Content compared to those who don't**. When visitors interact with Shoppable Content, product sales can rise substantially.

In 2023, **Bourjois improved conversion rate by 29% YoY for consumers who engaged with the popin. The brand recorded 2350 add-to-cart actions across 84 of its shoppable content pages.** The brand created high value content with influencers which was used to drive sales.

With Skeepers' shoppable content tool, the brand increased traffic to its product pages and improved conversion.



The brand created high value content with influencers which was used to drive sales. With Keepers' shoppable content tool, the brand increased traffic to its product pages and improved conversion.

With Shoppable Content, your consumers are not forced to leave an environment to view the products or add them to the cart. It minimizes their time and maximizes their experience.

According to **Salesforce**, **52% consumers expect to find what they want from a brand in under 3 clicks**. When it comes to shopper engagement and conversion rates, less is more. Too many steps in the purchase funnel can lead to higher cart abandonment rates.



Customer Experience Drives Sales

In a transaction-based business, sales are driven by good customer experience.

ANNUAL REVENUE INCREASE PER CUSTOMER



When you provide a better experience to consumers, they are more likely to increase their average spending. According to **Forbes**, customers who have better experiences spend 140% more than customers who have poor experiences.





Add to bag



Emma Wilson

The live shopping session was so helpful. The trench coat is exactly what I needed. 🙌👉



Live Shopping Replays Significantly Boost Conversion Rate

Live shopping is transforming e-commerce by offering a distinctive and interactive encounter that boosts conversion rates. Through enabling customers to engage directly with hosts and products in real-time, live shopping cultivates a feeling of urgency and enthusiasm, resulting in spontaneous purchases and more sales. Additionally, the opportunity to pose questions and receive immediate responses during live sessions fosters a more tailored shopping journey, ultimately enhancing trust and confidence in the buying journey.

After analyzing Skeepers' dataset in Live Shopping, we recorded the **average conversion rate for live shopping events is 5.7%**. When products are on display, we have observed higher sales as consumers are more likely to buy due to the sense of urgency created by Live Shopping events. There is a higher intent of purchase on larger devices such as desktop and tablet computers.

On mobile devices, **the conversion rate is 3.7%** whereas on **desktop it is 8.5% and on tablet it is 15.3%**. When compared to the data from Statista, the average conversion **rate by device is: 2.3% for mobile, 2.8% for desktop, and 3.1% for tablet.**

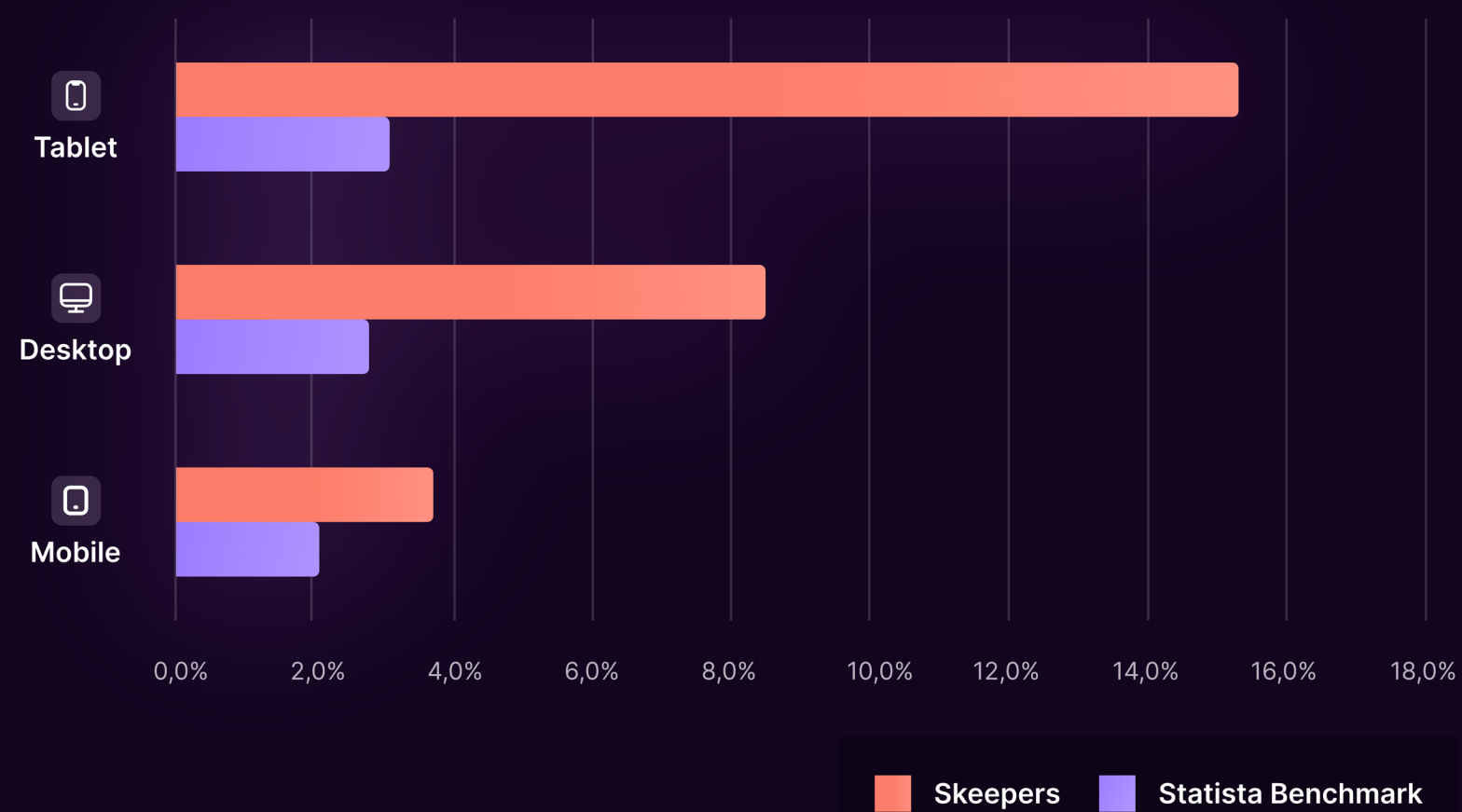


Although Live Shopping offers interactivity, replays represent an evergreen form of content. Unlike live events, which are time-bound, replays remain on your brand page indefinitely.

Impressively, replay conversion rates are twice as high as those of live events.

While online shopping offers convenience, shoppers often grapple with uncertainties regarding the look and feel of products, lacking the tactile experience available in physical stores. Live shopping events effectively address these concerns, providing a semblance of in-store engagement and putting consumer concerns at ease.

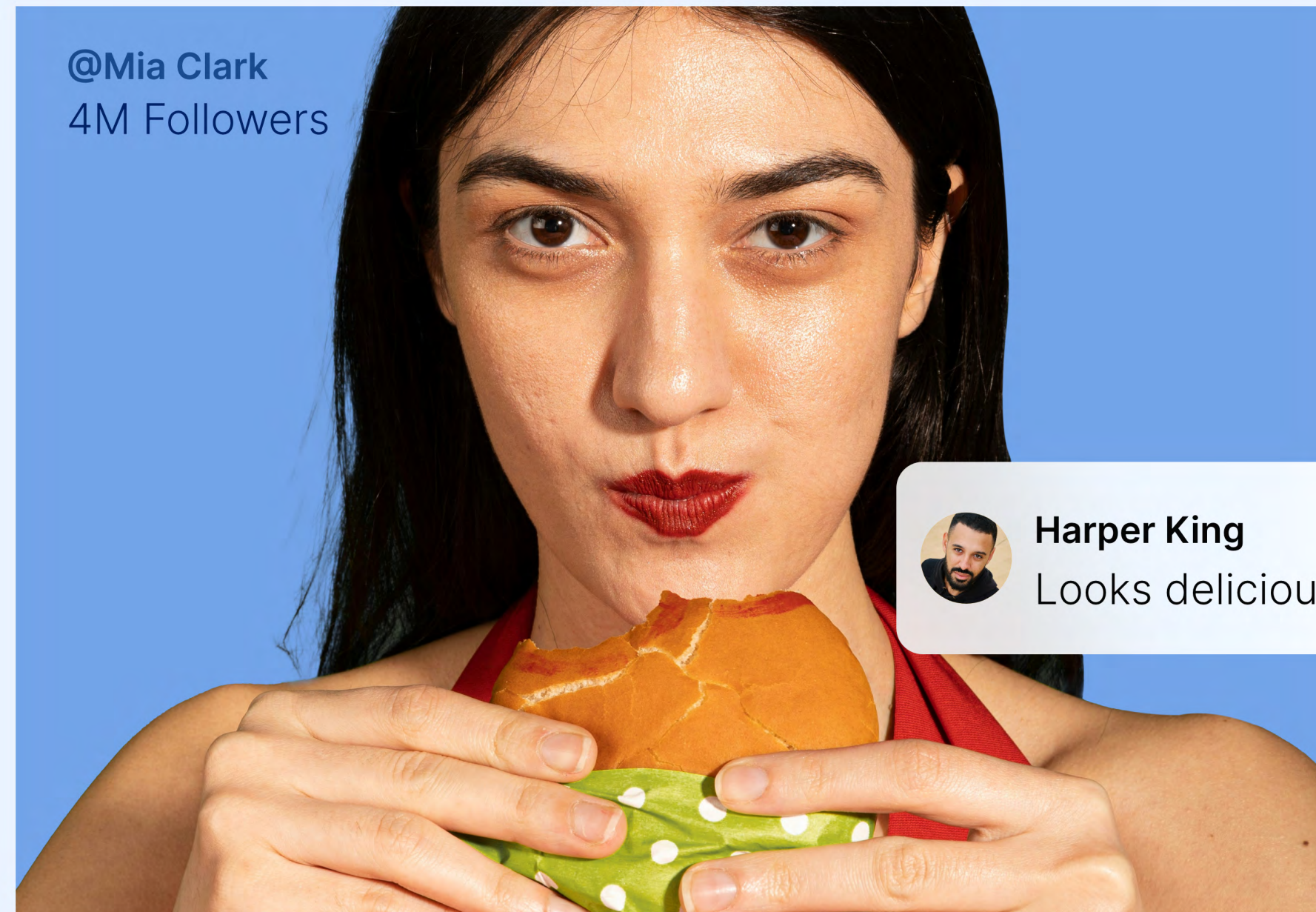
Live Shopping Conversion Rate by Device





4.7 ★

@Mia Clark
4M Followers



Harper King

Looks delicious!! 🍔👍

@Amelia Walker
16K



Conclusion

More and more shoppers are seeking out fellow shoppers' recommendations before making a purchase, and this significantly influences conversion rates.

Throughout this report, we've delved into different forms of UGC and how they impact conversions.

What's crucial to understand is that there's no universal approach that suits every brand. It's up to you and your chosen UGC provider to experiment and determine which solution resonates best with your brand and audience.

Implementing A/B testing from the outset can guide you in making informed decisions, ultimately leading to increased conversions and fostering brand growth.





About Skeepers

Skeepers is the European leader in shopper engagement solutions. We provide a fully integrated one-stop-shop UGC suite for brands to bond with consumers, amplify reach, boost engagement, drive sales and customer retention.

More than 8,000 clients across the globe use our AI-based solutions to generate millions of dollars in additional sales annually. Our commitment to provide brands and consumers with trusted, authentic experiences and technological innovation has made us the UGC solution of choice for some of the world's biggest and leading brands.