



Social Intelligence: 9 Insights that Drive Business Results



Every day, millions of online conversations take place among people who have never met. Still, they share a common bond: a desire to relate their experience about something they have purchased. In 2011 alone, consumers used social media to leave more than 500 billion impressions¹ about products and services. Clearly, consumers are eager to advise others about their recent experience — good, bad, or otherwise — with those who share their interests.

But equally as important as the opinions are the influence they have on purchase decisions: 84% of Millennials and 70% of Baby Boomers say that user-generated content has at least some influence on what they buy.² With so many consumers listening to the opinions of others before they buy, social content, both shared and received, is integral to online purchase activity.

Most of the world's retailers and brands recognize the value of user-generated content and are using the power of social to facilitate transactions on their websites in the form of ratings and reviews and questions and answers (Q&As). Many of these same companies, however, are not realizing the most valuable potential of this content: social intelligence.

When your customers are discussing specific products (down to the SKU!), user-generated content provides some of the richest and most relevant consumer information that exists. By aggregating and analyzing this social data, companies can gain valuable insights and use this intelligence to influence their business results in three critical areas: product innovation, optimized communications and customer support, and social segmentation.

This white paper provides nine specific insights that you can put into action to improve your company's bottom line and provide strategic advantage in the marketplace. ▶

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Innovate your products

Consumer research provides invaluable insights for brands and their products. User-generated content such as ratings and reviews and Q&A give you that same information, but in much greater volume. It's like having a 24/7 focus group that includes hundreds or even thousands of willing participants. This provides (or at least approaches) the kind of statistical significance and specificity that is difficult to get from focus groups. It also provides you with a constant flow of information about what your customers like and don't like, and what could be improved and how to do it.

1 Guide product enhancements

Your customers, acting as informal quality assurance specialists, provide priceless insight into how your company can improve your offerings via the questions they ask or the comments they include in their reviews. For example, children's furniture retailer The Land of Nod discovered through reviews that the top on one of their popular activity tables scratched easily. By passing this feedback along to its suppliers, The Land of Nod selected a harder wood for the tabletops, improving their durability. In addition, the company responded to customers who had provided a review, letting them know that the problem had been resolved and offering them the new, improved table free of charge.³

Dell experienced a similar situation. When the computer giant mined its customer feedback and reviews, it made more than 20 feature changes on a new generation of its notebook computer.⁴

Listening and responding to customer questions and suggestions ensures that your products meet their needs, which will positively impact sales.



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2 Identify product shortcomings

Despite your best efforts, not every product is a superstar from the get-go, but often these products can be turned around if you can quickly address customer issues. Social data highlights potential product shortcomings in real time for faster action.

Home improvement retailer Castorama responds to reviews from customers that raise questions or concerns. For example, the company completely redesigned its Equinox shower kit, which had been the subject of numerous returns and complaints. Castorama then sent the new shower kit at no cost to all the customers who had returned the product or given it a poor review. Most of them responded with a positive review of the new product, which significantly boosted sales of the revamped product.⁵

Setting automatic alerts to notify you when there's an increase in negative reviews or product returns can help you identify emerging issues before they affect sales. For example, leading outdoor retailer Cabela's noticed a spike in product returns for a popular trail hiking pant. The company's quality assurance team used customer reviews to discover the primary reason behind the high return rate: The supplier had eliminated a pocket that customers deemed essential. The retailer then worked with its suppliers to bring back the pocket and quickly address negative perceptions around quality and service.⁶

3 Gain product insights

By surveying customers using open-ended questions at different times in the purchase process, you can gain deeper insights about your products. One way to glean product insights from user-generated content is to add open-ended questions to your buyer ratings and review forms, such as "What is your favorite feature?" or "What other products would you like to see?" Responses to such questions can uncover gems of information, such as unmet customer needs, that can help your company make new product decisions.

Furniture designer Herman Miller took a proactive approach and offered attendees at the 2011 Cusp design conference the chance to ask the designer of the popular SAYL chair questions about the product, some of which would then be answered online. More than 7% of conference attendees asked questions about the chair, giving Herman Miller valuable information for future planning and a wealth of user-generated content to post on its site.⁷



Optimize communications and boost customer support

Intelligence gained from social data is also valuable in helping refine your messaging to better target your products and services for increased conversions. As well, you can use insights from user-generated content to identify and address customer issues to improve support.

4 Fine-tune your messaging

With user-generated content, you can identify the scenarios and phrases your customers use to describe your products. This is useful to develop descriptions that better target your market. Although marketers and agencies spend a lot of time developing the right messaging, buyers may use entirely different words when speaking about your products and services. Aggregating the terminology that consumers are using to characterize your products offers an opportunity to message much closer to customers than ever before.

Fine-tuning messaging based on user-generated content can improve business results. For example, 3M Company leveraged reviews to change the product copy for its Precision Ultra Edge nonstick scissors and quoted the language customers used online. The effort led to a dramatic improvement in product sales.⁸

5 Improve customer support

Every business wants to reduce the cost of customer support, and social data can help you do just that. You can tag and aggregate reviews related to customer service and support, and then mine the issues and advice that customers offer.

Q&A is a gold mine for unearthing the issues that are most vexing to customers or that come up most often. Put those questions into an FAQ and proactively provide customers with the information they need. Customer questions also can help you develop better in-package documentation, support scripts, and new or improved business processes.

Urban Outfitter's Decorative Home discovered from customer feedback that a popular retro-styled audio cabinet with strong sales and overwhelmingly positive reviews wasn't accommodating customers' audio equipment. The company used this intelligence to update the product's description to include the interior dimensions of the cabinet. It also worked with product designers to develop a new iteration of the console with more depth to accommodate a wider range of audio components.⁹

You can also encourage your brand advocates to participate in Q&A. This is a great way for customers to provide support to one another and a cost-effective way to reduce calls or inquiries to your in-house customer service team. What's more, it makes your advocates feel valued, increasing their loyalty.



Segment for success

Segmenting social data from user-generated content by consumers and products can reveal insights on a higher level. In addition, by integrating customer data from other sources such as customer relationship management (CRM) with user-generated content, you get even more insight into segmentation. You can use this intelligence to gain a deeper understanding of your shoppers' loyalty and behavior and the effect this has on product performance.

6 Discover your advocates and detractors

When analyzed holistically, ratings and reviews can accurately segment your audience based on their own sentiments. Segmenting shoppers by traffic and ratings behavior will quickly identify your brand advocates and detractors. You can then work with the most influential advocates to amplify their voices at different touch points along the buyers' journey — both online and offline. For example, you can incorporate quotes from advocates' positive reviews into online promotions and into point-of-sale displays. You can further encourage their participation as product and brand evangelists by including them in pre-launch activities and rewarding them for their continued contributions.

For example, prior to introducing ProMend, a hair care system for repairing split ends, the marketing team at Nexxus created a targeted, pre-launch consumer advocacy campaign. The company invited brand advocates who had indicated split ends as a hair concern to try the product before the launch. The campaign gathered 30 reviews with a 4.4 to 4.7 (out of 5) average star rating, indicating the product truly worked. With these authentic, positive recommendations from real customers, Nexxus was able to launch the ProMend system with earned media already in place, sharing it in display and print ads on the brand's Facebook page and on major retailer sites.¹⁰



Bazaarvoice Intelligence: Impact

Segmenting your customers will quickly identify your brand advocates.

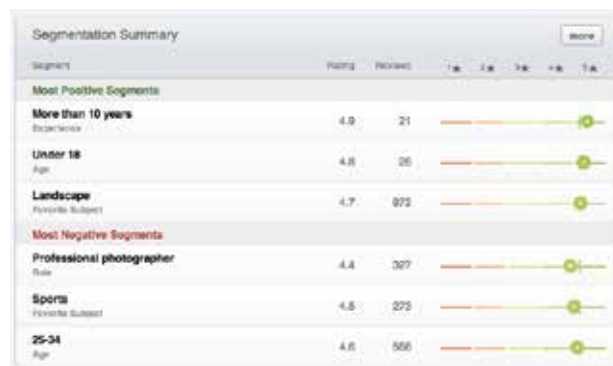
Identifying and reaching out to detractors directly also provides your company with a unique opportunity — to understand what's behind their dissatisfaction. By acknowledging and addressing their concerns, you can regain their trust and potentially turn them into advocates. Also, when you address detractors' issues publicly, you earn goodwill with the consumers who witness how you address complaints.



7 Pinpoint customer preferences

If you have encouraged your customers to profile themselves during the registration process, you can use this self-definition to delve deeper into their likes and dislikes. Beyond age and gender, consider more discerning attributes such as skill level (e.g., novice, intermediate, and expert) or a persona in your market space (e.g., do-it-yourselfer, avid outdoorsman, seasoned traveler, etc.).

This subsegmentation enables you to gauge how your products rate in these like-minded groups. You might learn, for example, that novices love a product because it's simple to use but experts don't like it because it lacks advanced features. You can then revise the language in your marketing materials and product pages to target the product at the appropriate customers. User-generated content is ideal in this sense because consumers are defining their own subsegments that you can leverage to create more relevant offers and messages.



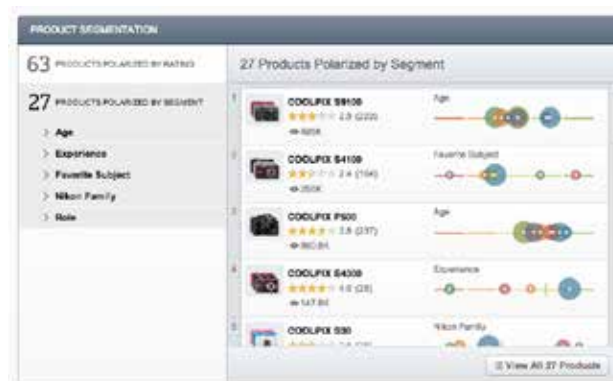
Bazaarvoice Intelligence: Segmentation

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8 Optimize your product catalog

You can aggregate customer feedback by product category to connect traffic and ratings. Products with high traffic and high ratings are your superstars, and you want to continue promoting those items. Products that have high traffic but low ratings indicate that they may require some attention — either for the product itself or the way it's positioned. Having this insight allows you to prioritize these products for improvement to increase their margins.

Low traffic and low ratings indicate performance challenges worthy of serious business consideration. Finally, products with low traffic but high ratings indicate items that — with some additional promotion and search optimization — could eventually become superstars for your company.



Bazaarvoice Intelligence: Performance

By aggregating customer feedback by category, you can connect traffic and ratings to determine product performance.

9 Get a pulse on product performance

Sometimes there's not enough user-generated content for a given product to provide actionable insight. But aggregating data for multiple products in a category can give you enough content to mine for trends and insights. For example, say you're a retailer with a line of women's socks. Each SKU doesn't have enough reviews to provide you with insights about the products. When you aggregate the data from all the SKUs, however, a pattern emerges: Buyers are complaining that the socks are sliding down. Now, as the retailer, you have information you can take back to the manufacturer to improve the quality of the socks.



Turn social data into strategic business advantage

Thanks to social, consumers are more vocal today than ever before and those opinions are influencing the purchase decisions of consumers all across the web. By implementing user-generated content on your own website and leveraging the data it provides, you can uncover valuable insights that can drive business results. With this intelligence, you can influence new potential customers, improve product and service offerings, and enhance the effectiveness of sales and marketing — all of which can have a positive impact on your bottom line and give you a competitive advantage in the marketplace.

b: About Bazaarvoice

Bazaarvoice is the world's largest shopper network connecting people, products, brands, and retailers at each stage of the buying journey. For more than 2,000 clients globally, Bazaarvoice helps channel authentic, consumer-generated branded content into all the places that influence purchase decisions, giving our clients business insights so they can offer consumers more of what they want. Many of the world's largest retailers rely on Bazaarvoice to drive more traffic and conversion on their

e-commerce sites, and the Bazaarvoice Shopper Network helps brands participate directly in the retail channel to influence consumers at the point of purchase. Headquartered in Austin, Texas, Bazaarvoice has offices in Amsterdam, London, Munich, New York, Paris, San Francisco, Stockholm, and Sydney. For more information, visit www.bazaarvoice.com, read the blog at www.bazaarvoice.com/blog, and follow on Twitter at www.twitter.com/bazaarvoice.



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