We’ve reached another turning point.

For as long as humans have been able to communicate, we’ve been evaluating, recommending and sharing. After thousands of years of word of mouth, these conversations began to take place online, where it is now digitally archived.

Naturally, smart businesses got hungry. Here was a chance to capture what their customers — real people actually using their products and services — were saying about them. But, as has happened so many times before, technology eventually outpaced our capacity to truly understand its impact. To companies that were hungry for social data, suddenly it seemed there was simply too much of it. Navigating the flood of social content and arriving at meaningful insights about customers became a challenge — and still is — for many businesses.

Social data isn’t slowing down, but we’re now able to get ahead of it, to make sense of it.

We’ve arrived at a turning point at which social data can be captured, analyzed—and most importantly, acted upon—to drive true, customer-centric change across companies, and even entire industries.

But this report isn’t about social data. It’s about the people behind the data. We’re excited to share with you what we’ve learned about them from the hundreds of billions of conversations our technologies have been a part of.

The Conversation Index you’re about to read is the first of many to come. Now, on to the insights...

Best,

Erin Nelson (@erinclaire)
Chief Marketing Officer, Bazaarvoice
The Conversation Index

Brands that lead, capture, and analyze customer conversations develop a deeper understanding of what they must do to meet and exceed expectations and become truly customer-centric enterprises. In The Conversation Index, you’ll find the latest and most actionable customer insights, drawn from millions of customer conversations.

The substance of these conversations is user-generated content (UGC), an insight-rich form of social data that enables analysis at every level of focus—from global consumer trends, to product- and customer-specific sentiment, and all degrees of granularity in between.

In serving over 220 billion pieces of UGC (and counting), Bazaarvoice has collected massive amounts of social data for hundreds of top brands across industries. From this pool of social data, our Social Analytics team has extracted select findings to be featured in this report.

The findings in this report are aggregated based on a 5 million data point sample of UGC indexed in Q2-2011 (April–June), from consumers in 210 countries around the world.

Our analysis reveals the following key takeaways:

- The way consumers talk about products changes during economic downturns.
- Distinctions between offsite, onsite, and siloed channels are crumbling, but some still exist. Onsite and offsite consumer behavior is largely similar in some areas, but Facebook behavior is unique.
- Those who control spending in a product category lead the online conversation about that category.
- Product quality and interactions with brand representatives are inseparable in the minds of many consumers—poor customer service is the product sentiment killer.
- Innovative product improvement ideas, as well as flaws, can be found just as readily in positive reviews as in negative reviews by searching for pivot language.
- Consumers seek facts and details, not opinions and subjective comparisons, when the price and complexity of products and services increase.
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- Those who control spending in a product category lead the online conversation about that category.
- Innovative product improvement ideas, as well as flaws, can be found just as readily in positive reviews as in negative reviews by searching for pivot language.
Q1 2009: Highest number of reviews mention price when Dow and CCI at lowest points.

Price reference vs. Dow Jones Industrial and Consumer Confidence Index
Consumer language reflects economic uncertainty

One in ten reviews in Q2 mentioned “price.” To understand how economic conditions affect price sensitivity in reviews, the Bazaarvoice Social Analytics team compared references to price in customer reviews to two key economic indices around and during the Great Recession, from July 2007 to August 2011.

When comparing price references to the Consumer Confidence Index, an overall correlation of -.66 was determined, meaning reviewers mention price more often when the CCI is low. The CCI sank to its lowest point in February 2009, the same month price mentions hit a new high; 11.5% of all US reviews explicitly mentioned price.

Mapping price references in reviews to the Dow Jones Industrial Average reveals an even stronger negative correlation of -.68. The pattern is nearly the same. Beginning September 2008, conversation around price skyrocketed as the Dow average continued its fall. A second pattern began January 2010, continuing until October 2010, with price mentions falling as the Dow average improved.

During economic downturns, use UGC to promote value and ease the hesitation price-sensitivity brings. Brands should highlight reviews and answers that praise a product’s high quality for its price. Additionally, they should feature value-touting customer content in online and offline advertising to reassure potential customers that their money will be well spent.
All over the map: sentiment by region, country

Overall, customers in the southwest Pacific region showed the highest overall sentiment this quarter, followed by the North Asia and Europe regions.

Interestingly, sentiment by country doesn’t seem to correlate with two intuitive explanations – money and happiness. We found essentially no correlation between a country’s purchasing power and sentiment, and essentially no correlation between sentiment and scores on Gallup’s Global Wellbeing Survey, either.

Even geographic proximity isn’t a reliable indicator of sentiment. Moldova has the highest average rating of any country (4.54 out of 5 stars), while its neighbor Ukraine has the lowest (3.31). While they share a border, the two countries are further apart in product sentiment than any two countries in the world, according to our data.

Blog: Do happier people leave higher product ratings?
http://bv-url.com/a5r9
<table>
<thead>
<tr>
<th>15 most positive countries</th>
<th>Average rating</th>
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<tr>
<td>Moldova</td>
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<th>Average rating</th>
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<tr>
<td>Ukraine</td>
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The Friday Facebook flood

Nearly a third (32%) of all reviews collected on Facebook in Q2 were submitted on Fridays. The remaining reviews were collected fairly evenly throughout the week.

Facebook reviewers are also more positive, with a 12% higher average sentiment for Facebook reviews over reviews not collected on the social network.

This Friday spike in Facebook reviews doesn’t match overall usage patterns for Facebook pages, which see the most activity on Wednesdays.¹ Nor does it mirror onsite review submission data, where 21% of reviews gathered this quarter were submitted on a Tuesday, the most popular day of week for this activity. In fact, Fridays accounted for only 11% of onsite review submissions—only Saturdays (9%) saw lower activity rates.

However, a study of 50,000 posts from the top 14,000 pages on Facebook found that Friday posts had the highest weekday interaction rates², so it’s likely that when brands invite Facebook users to review their products, the calls to action posted on Fridays are driving more review submissions than similar posts throughout the week.

Facebook reviewers are also more positive, with a 12% higher average sentiment for Facebook reviews over reviews not collected on the social network. With many of these reviews coming from existing Facebook fans, this can be attributed to the more positive disposition of Facebook fans toward the brands they like. In fact, 60% of Facebook fans say they’re more likely to recommend the brand since becoming a fan.³
Daily review submissions via Facebook
Women fuel word of mouth

Women dominate social networks, as the majority on both Facebook (58%) and Twitter (64%). This dominance is also seen in onsite social use, with women producing 60% of all UGC in Q2.

Women were also more positive than men. The average rating for female-written reviews was 4.43 stars out of 5, as compared to the male average of 4.32 stars.

Overall, consumers age 35-44 contributed the most UGC across Bazaarvoice clients this quarter. Collectively, consumers between 25 and 54 years old were the biggest content drivers, contributing 70% of all UGC. The majority of social network users also fall in this age range.
Reviews from women, percent of total, by age

- 25-34: 16%
- 35-44: 16%
- 45-54: 15%
- 55-65: 11%
- 66+: 6%

Reviews from men, percent of total, by age

- 25-34: 9%
- 35-44: 11%
- 45-54: 9%
- 55-65: 6%
- 66+: 3%

Average rating from women

- 3.5
- 4.0
- 4.5
- 5.0

Average rating from men

- 3.5
- 4.0
- 4.5

All reviews by gender and age
Controlling spending, leading conversations

In consumer packaged goods (CPG), the vertical with the highest average sentiment (4.68, 11% above the cross-industry average), women contributed a huge majority of UGC in Q2 (84%), and wrote 3% more content when doing so.

This is likely due to the fact that women typically control CPG budgets for their households. In the US, women control 85% of household spending and 93% of food purchases. It follows that the women researching, considering, and purchasing CPG are also talking about and recommending these products online.
Controlling spending,
leading conversations

Average rating from women
4.0
3.5

Average rating from men
4.5
5.0

Reviews from women, percent of total, by age

Reviews from men, percent of total, by age

Consumer packaged goods reviews by gender and age
Consumer electronics reviews by gender and age

Average rating from women:
- 5.0: 16%
- 4.5: 17%
- 4.0: 16%
- 3.5: 10%

Average rating from men:
- 5.0: 15%
- 4.5: 17%
- 4.0: 16%
- 3.5: 4%

Reviews from women, percent of total, by age:
- 25-34: 1%
- 35-44: 1%
- 45-54: <1%
- 55-65: 4%
- 66+: <1%

Reviews from men, percent of total, by age:
- 25-34: <1%
- 35-44: <1%
- 45-54: <1%
- 55-65: 4%
- 66+: <1%
The CPG conversation peaked among 45-54 year olds, with 35-44 and 55-65 trailing just behind. CPG saw higher sentiment among older generations this quarter, keeping with historical patterns.

The consumer electronics vertical showed the opposite gender makeup, with a large majority (77%) of word of mouth generated by men, the plurality of which came from men age 45-54. Again, we see that those who control the budgets tend to control the conversation: men spent 53% more than women on consumer electronics in 2010. To influence these spenders, solicit and display UGC wherever purchase decisions are made. In addition to product and category pages online, use customer words and product ratings in advertising, on packaging, in coupons, and via mobile to reach shoppers in stores.

CPG review readers show 6% higher average order value than visitors who don’t read reviews.
Summer warms traveler sentiment

The travel vertical saw a 4% increase in average rating in Q2 to 4.46 stars on a 5 star scale, while most other verticals only fluctuated +/- 1%. We saw a similar seasonal sentiment increase for the travel industry in Q2 2010, and the sentiment spike is likely caused by the fact that summer is the peak season for pleasure travel.

Overall, travel had the longest average review of any vertical in Q2. Travel has always been a category that lends itself to storytelling, so this is no surprise.
91% lower average rating when tagged with customer service.

Percent of reviews with customer service mentions

Customer service mentions by industry

Average rating based on a 5 starscale

Average rating for reviews with customer service mentions

- 5.0 ★★★★★
- 4.5 ★★★★★
- 4.0 ★★★★
- 3.5 ★★★
- 3.0 ★★★
- 2.5 ★★★
- 2.0 ★★★
- 1.5 ★★
- 1.0 ★
Poor service destroys product sentiment

Across industries, 6% of reviews mentioned customer service in Q2. Overall, the average rating for these reviews was a staggering 91% lower than the general average rating. Many consumers are clearly unwilling to evaluate a product’s quality separately from their experiences with brand representatives. A great product won’t save brand word of mouth if the company doesn’t support customers with good service.

Financial services saw the highest portion of reviews that mention customer service (17%).

Financial services saw the highest portion of reviews that mention customer service (17%), but also showed the smallest gap in average rating between service reviews and reviews not mentioning service (62%). Service industries can expect a higher rate of customer service mentions in reviews, as customers have a higher expectation of service from these businesses and are therefore more likely to discuss service as part of the product.

Historically, February sees an increase in customer service mentions in reviews. This is likely due to the surge of holiday gift purchases and returns, which accounted for nearly one quarter of all retail returns in 2010.7

Though reviews are inherently product-specific, brands shouldn’t overlook the massive opportunity to learn more about how customers view other elements of the brand like customer service. Rather than waiting for and reacting to individual inquiries, proactively search for customer service issues in UGC. When appropriate, responding to service complaints in line with a review shows other customers that service teams are truly listening to their feedback, and can present an opportunity to turn a negative experience into a positive one.

Additionally, aggregated customer feedback offers insights businesses can act on to improve their overall customer experience. Analyze reviews mentioning service for key positive and negative themes, and distribute these trends to service teams to reveal how to delight customers.
One in five spread the love

One in five reviews in Q2 contained the word “love.” Ratings for reviews containing “love” averaged 4.55 stars—10% higher than the overall average.

The word “easy” was found in 7% of reviews overall in Q2, and most often in the consumer electronics (19%), automotive (16%), and financial services (16%) categories. Consumers in these more complicated purchase categories are typically looking for ease of use. One tenth of the reviews that contained “easy” also contained both “quality” and “value.”

Analyzing high-rated and low-rated reviews for key themes reveals exactly what customers like and dislike about a product. Brands should emphasize key words from positive reviews in product copy and marketing materials to highlight a product’s best attributes.
"love" 4.55 average rating

22% frequency of word

"easy" 4.50 average rating

7% frequency of word

"price" 4.09 average rating

11% frequency of word

Word themes in correlation to ratings
“Even though”
“but wish”
“HOWEVER”
“Only Problem”
“IF ONLY”
“although…”
Pivot language reveals product opportunities

Low-rated reviews often contain ideas for improving products. But when it comes to UGC, businesses shouldn’t rely on ratings alone to uncover opportunities to innovate. While it’s not surprising that 86% of reviews mentioning “never again” were one- or two-star, many reviews contain “pivot language”—critical review points within an otherwise positive review with a high rating.

For example, 75% of customers who “wish” a product was better in some way still rated the product four or five stars. And 87% of reviews that identified a product’s “only problem” also rated the product four or five stars.

Even the best products can get better, so don’t focus solely on low-rated products for opportunities to improve. Devote just as much scrutiny to high-rated products for innovation suggestions. And while it’s important to closely monitor negative reviews for potential issues, some of the best insights for improvements come from a product’s biggest fans. Use text analysis to locate pivot language in positive reviews and uncover trends in suggestions. These insights empower product teams to co-innovate better products with customers.
As price and complexity increase, consumer questions get specific

The questions consumers asked about products in Q2 can be divided into two broad types—seeking questions and discussion questions.

“Seeking” questions ask for product-specific use cases and information, and are looking for facts rather than opinions. Example seeking questions include:

“Does GPS navigation in this truck come standard?”

“At what decibel do these speakers max out?”

“Does this hotel offer free wireless internet?”

Seeking questions were more prevalent in verticals where products are more expensive and complicated. Consumers risk more if they have less knowledge about these products, so they make sure to ask detailed questions before they purchase. In the automotive, travel, and consumer electronics categories, seeking questions comprised 81%, 79%, and 58% of questions asked, respectively.

Brands in these categories should closely monitor Q&A communities in near real time, and have representatives provide fact-based answers to help shoppers find the right products for their specific needs. Analyzing trends in seeking questions also gives insight into which product attributes and information brands should emphasize in product copy.

“Discussion” questions are open-ended, or concern categories or comparisons of products, and are often invitations to other consumers to weigh in with more subjective answers and recommendations. Example discussion questions include:

“What type of baby wipes do you recommend for infants?”

“Which of these two sweaters looks better on my body type?”

“Which of these lamps is the best, and why?”
“Any recommendations for affordable 3D TVs?”

“What shampoo works well on curly hair?”

“What features come standard with this car?”

“Does this hotel allow dogs?”

“Which style of glasses best suits my face shape?”

“Does this restaurant take credit cards?”
Discussion vs. seeking questions

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<tr>
<th>Industry</th>
<th>Discussion Questions</th>
<th>Seeking Questions</th>
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<tbody>
<tr>
<td>Manufacturing</td>
<td>53%</td>
<td>47%</td>
</tr>
<tr>
<td>Travel</td>
<td>21%</td>
<td>79%</td>
</tr>
<tr>
<td>Retail</td>
<td>58%</td>
<td>42%</td>
</tr>
<tr>
<td>Automotive</td>
<td>64%</td>
<td>36%</td>
</tr>
<tr>
<td>Consumer packaged goods</td>
<td>19%</td>
<td>81%</td>
</tr>
<tr>
<td>Consumer electronics</td>
<td>42%</td>
<td>58%</td>
</tr>
</tbody>
</table>
Discussion questions were seen most often in verticals where product price and complexity were lower, allowing more leeway to discuss subjective favorites and opinions. In the CPG, retail, and general manufacturing verticals, discussion questions comprised 64%, 58%, and 53% of questions asked, respectively.

For subjective discussion questions, answers from brand representatives are less helpful and trusted than answers from actual users. Brands in categories prone to discussion questions should focus more heavily on fostering peer-to-peer discussion communities amongst their customers. Follow up purchases and review submissions with an email, inviting customers back to a brand site to share their trusted, first-hand product knowledge with shoppers.

Site visitors who interact with both reviews and customer Q&A are 105% more likely to purchase. They spend 11% more than visitors who don’t interact with UGC.
UGC served at 3 kilohertz, volume soars

Overall, UGC volume and submissions continue to soar across industries. Q2 showed 34% year-over-year growth for review volume. Overall average rating across all industries studied was 4.22 out of 5 stars for the quarter. Retailers saw the largest increase in volume this quarter, far outpacing other verticals.

Question and answer volumes likewise grew this quarter, with 119% growth in questions and 129% in answers year over year.

Answer volume continues to outpace question volume, keeping with the historical pattern.

These increases in volume correlate with an increase in UGC impressions. Two hundred and seventy-six million pieces of UGC were served to online visitors each day in Q2—that’s over 3,000 pieces every second, or 3 kilohertz.
Occurrences per second

- Babies born: 4
- Facebook wall posts: 1,322
- Pieces of UGC: 3,000
- Tweets: 2,200
- Craigslist posts: 200
Conclusion

Social data is a wellspring of rich customer and product intelligence. By analyzing customer conversations, businesses uncover insights to develop a holistic picture of their customers—who they are, what they want, and how they talk about products and services.

But these insights are only as powerful as the actions they enable companies to take and the choices they inform. Our marketplace is increasingly driven to deliver exactly what customers want, as soon as they want it. Only the companies that can operationalize their social insights across the business, and empower business decision makers in every function with the insights to make customer-centric choices, will fully capture the value of social data.
This paper should raise just as many questions as it answers. Contact us at bazaarvoice.com to see how we help brands gain invaluable consumer and product insights by enabling conversations.
Citations

1 “When Are Facebook Users Most Active? [STUDY].” Mashable.

   http://momentusmedia.com/blog/?p=899

3 “Consumers Engaged Via Social Media Are More Likely To Buy, Recommend.” Chadwick Martin Bailey.

4 “Twitter, Facebook And LinkedIn: Age, Ethnicity And Gender Of The Major Social Networks [STUDY].” All Twitter.

5 “Social Media Marketing to Women: What Every Brand Needs to Know.” Pontiflex.


   http://milo.com/blog/returning-those-unwanted-gifts-the-life-cycle-of-a-gift-receipt/?display=wide
About Bazaarvoice

Bazaarvoice’s Software as a Service (SaaS) solutions have powered more than 240 billion customer conversations on brand web sites like Best Buy, Blue Shield of California, Costco, Dell, Macy’s, P&G, Panasonic, QVC, and USAA. The company connects organizations to their influencers through a unique network that reaches hundreds of millions of consumers around the globe, enabling authentic customer-powered marketing. Through syndication, analytics, partnerships, and consulting, Bazaarvoice brings the voice of the customer to the center of their clients’ business strategy, proving “social” can drive measured revenue growth and cost savings for manufacturing, retail, travel, and financial services companies. Headquartered in Austin, the company has offices in Amsterdam, London, Munich, Paris, Stockholm, and Sydney. For more information and access to client success stories, visit www.bazaarvoice.com, read the blog at www.bazaarvoice.com/blog, and follow on Twitter at www.twitter.com/bazaarvoice.
THE POWERFUL SOFTWARE IS THE HUMANMIND.