CONSUMER TRUST: KEEPING IT REAL

A look at consumer usage and attitudes towards user-generated visual content.
Visual communication is the oldest method known to man, but it is witnessing a renaissance thanks to the rise of the visual web, smartphone technology, and social media. These innovations have empowered us as consumers to create our own content using platforms like Instagram, and to compare it against collateral shared on brand-owned accounts. As a result, the old adage, 'people trust people, not brands,' has never been more true than it is today.

When advertisers promote worlds different from our own on the platforms we use every day, we turn to friends and families for inspiration. But this doesn’t mean brands can’t get involved; in fact, user-generated or “earned” content is rapidly becoming an indispensable marketing tool for brands.

As the role of user-generated content (UGC) becomes more prominent, Olapic seeks to empower brands to communicate in new ways, using real customer images and videos across touchpoints.

The following report offers insights into what, how, and why consumers create, discover, and engage with earned content. In the following pages, you will learn why UGC is seen as more trustworthy than other kinds of content, and what effect this has on sales and revenue.

This research was commissioned across 6 markets in the U.S. and Europe. It was carried out in April 2016 by market research specialist Censuswide on behalf of earned content platform Olapic, in collaboration with Withpr.

An online survey of 15 questions was completed by a total of 4,578 active social media users* between the ages of 18 and 49 in the U.S. (611), U.K. (698), France (807), Spain (852), Germany (762), and Sweden (848).

*defined as those who use social media at least once per week
### Key Global Stats

#### At a Glance

<table>
<thead>
<tr>
<th>How do consumers interact with brands on social media?</th>
<th>How does the bond deepen from brand awareness to brand advocacy?</th>
<th>What is the value of relatable content in revenue creation?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>45%</strong></td>
<td><strong>7X</strong></td>
<td><strong>56%</strong></td>
</tr>
<tr>
<td>of respondents look at user-generated images for inspiration once a day or more</td>
<td>respondents trust images of other consumers on social media 7x more than advertising</td>
<td>are more likely to buy a product after seeing it featured in a positive or relatable user-generated image</td>
</tr>
<tr>
<td><strong>40%</strong></td>
<td><strong>76%</strong></td>
<td><strong>49%</strong></td>
</tr>
<tr>
<td>of respondents say the main reason they upload photos with branded hashtags is to share purchases with friends</td>
<td>of respondents who trust UGC most, 76% view content posted by other consumers as more honest than advertising</td>
<td>of respondents are more likely to buy a product across verticals when endorsed by a real person</td>
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<tr>
<td><strong>74%</strong></td>
<td><strong>76%</strong></td>
<td><strong>1/4</strong></td>
</tr>
<tr>
<td>of all respondents have uploaded a photo hashtagging a brand</td>
<td>of 18- to 24-year-olds who trust earned content over other forms of content say it is more honest</td>
<td>almost a quarter of respondents say they have bought a product after seeing it featured in UGC</td>
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THE LAWS OF DISCOVERY: HOW CONSUMERS FIND INSPIRATION
AN INSATIABLE THIRST FOR IMAGES

Images are processed by the human brain 60,000 times faster than text and 65% of us are visual learners*, so it’s no surprise 52% of respondents say photos are the most appealing form of UGC, well ahead of video (27%) and written content (12%). Results across individual markets are consistent with these findings.

We know consumers enjoy photos, but how critical are they in the consumer’s daily life? Almost half (45%) of respondents say they look at user-generated content once a day or more, while 71% seek inspiration from UGC at least 2-3 times a week. In some markets, these numbers are even higher, with 38% of French respondents saying they look at UGC more than once a day. The demand from the Spanish consumer seems particularly avid, with 46% looking at user-generated content for inspiration more than once a day.

Unsurprisingly, millennials have the most voracious appetite for UGC of all age groups, with 55% looking at it at least once a day and 32% doing so multiple times a day.

Given the considerable appetite for UGC among consumers, marketers must strive to develop authentic and meaningful interactions with consumers on social media.

* 2005 University of Alabama School of Medicine
Hashtags began on Twitter, but have since spread to Instagram and Facebook to become a crucial way by which users discover and engage with brands. In fact, 74% of respondents say that they have uploaded a photo hashtagging a brand. So what drives consumers to use branded hashtags?

Many simply want to share news of their latest purchases with friends, as 40% of respondents indicate. This trend is particularly salient among younger consumers, as 54% of American and 44% of European respondents between the ages of 18 and 24 report.

Other consumers post pictures referencing a brand because they have enjoyed the product or service as 34% of respondents indicate. Entering a contest (14%), however, emerged as a less popular motive, which suggests the challenges brands face when encouraging hashtag adoption and the importance of making hashtags relevant and memorable.

For those that get it right, branded hashtags can increase visibility and engagement as Lancôme’s #bareselfie campaign demonstrates. The brand encouraged women to post pictures of themselves without makeup, generating 50% of the sales and driving a conversion rate increase of 4% for its newly-launched DreamTone serum.
Almost half of respondents (49%) said having an appreciation for the product would make them likely to post a picture on social media referencing a brand regardless of external influences. This score is particularly high in the U.S. (60%) and France (56%). A vast 86% of millennials surveyed in the U.K. would post a photo referencing a brand simply because they like the product or brand.

A smaller number of respondents (28%) indicate that they would be more likely to post a picture if they “look good” in the product. In certain markets, this percentage increases significantly among 18- to 24-year-olds, climbing to 54% in the U.S., 38% in Spain, and 34% in France.
UGC:  
WHO IS DOING IT & WHERE
Content Wars: Men vs. Women

Men are just as likely as women to share photos featuring their favorite brands on social media (79% and 78% respectively), European markets reveal a different story. In the U.K., 52% of men and 44% of women surveyed say that they would share a photo of a brand they love on social media. Perhaps more surprisingly, this rises to 90% for Spanish men and 85% for Spanish women. Of those consumers who would share photos of their favorite brands on Instagram, 18- to 24-year-olds (42%) are most likely to do so.

These findings suggest that brands must both meet a growing appetite for earned content and understand how best to harness it. After all, they are the most authentic, compelling, and affordable brand assets available to any marketer.
Although Facebook, with its 1.6 billion users, emerged as respondents’ social platform of choice for looking at earned images, Instagram, with 500 million users, has an especially significant following in Sweden, Germany, Spain, and the U.S., making it particularly pertinent for brands targeting young millennials. Widely touted as the fashion industry’s new front row, Instagram is the go-to social platform for 18- to 24-year-olds across markets, with 32% of them ranking it as number one for interacting with earned images. This is followed by Facebook (28%), Twitter (9%), and Pinterest (6%). For marketers looking to connect with the lucrative millennials audience, Instagram is the jackpot.
Once brands become privy to the importance of earned content, where should they showcase it? Should they prioritize their websites or their social media channels, or display earned content on both?

From brand websites to social profiles, consulting a range of sources is now a standard part of a consumer’s discovery and purchase process. Certainly, every touchpoint plays a vital role, and as this research suggests, social alone is not enough. In fact, many respondents indicate that they are likely to seek earned content on the brand’s website (30%) or on both the brand’s website and social media (29%) before making a purchase. This trend is sustained across verticals, including fashion, travel, and consumer goods.
THE PILLARS OF TRUST: HONESTY, AUTHENTICITY & CONSISTENCY
With a rising number of channels available to brands, few have the resources to fill them with quality, engaging content. It’s expensive and time-consuming to regularly produce high-quality visual content and create truly personalized experiences for each consumer. This is why brands often rely on a handful of traditional, impersonal images that vary little across paid and owned channels, leaving the online brand experience feeling a bit stale. This is what we call the “content gap.”

By failing to provoke emotional reactions through images, brands run the risk of alienating consumers. If images do not reflect the consumer’s reality or fail to feature relatable contexts or people, they will fail to resonate with their target audience. But by empowering consumers to create content on their behalf, brands can simultaneously solve the content gap and build trust with important consumer segments.

Our findings reveal that both brand websites and user-generated content are key sources of information and engagement for consumers, which suggests that it is important that brands implement an earned content strategy. This allows websites and social platforms to work in parallel, with user-generated content building consistency between the two sources. After all, consumers perceive earned content as the most honest form of content, which means UGC is an affordable way for brands to win over the consumers’ trust.
A NEW VISUAL LANGUAGE BASED ON HONESTY

Our results strongly suggest that consumers prefer UGC over brand-owned content. Of the respondents who trust UGC more than other content, 76% of them believe it is more honest. 50% of Americans surveyed trust user-generated images, which rises to 54% for Americans between ages 25 and 34. In Europe, 44% of respondents trust UGC more than other content, a trend that's even higher in Germany (48%) and Spain (54%).

Respondents trust user-generated images almost twice as much as those created by brands. This tendency is especially strong among the younger demographic, with 54% of respondents between ages 25 and 34 expressing greater trust for UGC.

Our results also indicate a consistently low level of trust among respondents in both advertising and editorial content produced by publishers. In fact, only 6% of British people surveyed state they trust advertising.

RESPONDENTS WHO TRUST UGC MORE THAN OTHER CONTENT

<table>
<thead>
<tr>
<th>Region</th>
<th>Trust UGC</th>
</tr>
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<tbody>
<tr>
<td>US</td>
<td>50%</td>
</tr>
<tr>
<td>EU</td>
<td>44%</td>
</tr>
<tr>
<td>DE</td>
<td>48%</td>
</tr>
<tr>
<td>SP</td>
<td>54%</td>
</tr>
</tbody>
</table>

WHAT TYPE OF CONTENT DO YOU TRUST THE MOST?

<table>
<thead>
<tr>
<th>Type of Content</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>UGC</td>
<td>46%</td>
</tr>
<tr>
<td>Professional images created by brands</td>
<td>26.9%</td>
</tr>
<tr>
<td>There is not any type of content that I trust</td>
<td>10.4%</td>
</tr>
<tr>
<td>Editorial content written by a publisher</td>
<td>9.6%</td>
</tr>
<tr>
<td>Advertising</td>
<td>5.4%</td>
</tr>
<tr>
<td>Other</td>
<td>1.1%</td>
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The impact of earned content on display advertising reveals just how much consumers trust user-generated images. **More than half of respondents (56%) say they would be more likely to click on an ad with a user-generated image than a stock photo.** This holds true for 55% of European respondents and 65% of 18- to 24-year-olds surveyed in the U.S. and 25- to 34-year-olds in France. In the U.K., where trust in advertising is particularly low, 43% of 18- to 24-year-olds indicated the same.

Incorporating user-generated content into a brand’s communications showcases fans’ loyalty and shows how products can be used or worn in everyday life. AllSaints, a U.K.-born upmarket clothing retailer, is one brand that has effectively harnessed the benefits of UGC.

The brand deployed the hashtag #ItsUpToYou, encouraging consumers to upload images of themselves wearing pieces from the AllSaints range, which were then distributed across its assets. Now, shoppers can sort through earned content to see how the iconic pieces can be styled in everyday life, which makes the brand seem both helpful and trustworthy.
When asked what makes a brand authentic in the eyes of consumers, respondents demonstrated diverse preferences across markets. For some, what matters most is that any branded content clearly focuses on the product or service it seeks to market, as indicated by 41% of Americans and 29% of Europeans surveyed.

For others, what is most important is that the people featured in the ads look “real”, which usually excludes models or celebrities. In fact, the presence of “real people” in branded content emerged as a key component of authenticity for 33% of respondents in France. In the U.S., this rises to 37% for individuals between ages 18 and 24, while in Europe, this demographic favors images that use real people only slightly more (27%) than those that focus on the product (26%).

In Germany, the same number of respondents see authenticity in ads that focus on the product (25%) as those that use real people (25%). For respondents in the U.K., there is a relatively small gap between the two answers, with 24% favoring product-focused images and 21% preferring those that use real people.

The variation above, especially as it relates to age, suggests that brands must consider which images seem authentic to their target audience. Younger consumers display a preference for branded images that both show real people and have a strong product focus. Older respondents, on the other hand, indicate a preference for a clear emphasis on product. These insights allow marketers to make informed decisions when selecting which user-generated images to showcase.
Consumers rate fashion as the most trusted vertical for consumer-generated images, which is natural when you consider the ongoing backlash against photoshopped models and the constant debate around body image and self-esteem. Consumers are now seeking out real people in fashion, which is why the likes of AllSaints and Calvin Klein are successfully using consumer-generated content to offer rich and authentic media experiences. These experiences prove to be successful because they are consistent with the consumer’s day-to-day reality, unlike so many other ads that depict unattainable standards of “beauty” or unrealistic lifestyles. Moreover, using these trusted images consistently across channels, from their own websites to paid media, helps brands strengthen and harmonize their overall image.

In Spring 2016, Calvin Klein launched its “I _ in #mycalvins” campaign, encouraging customers to upload images and fill the blank. Originally led by celebrities Kendall Jenner and Justin Bieber, customers are now submitting their own images on Instagram and Twitter. Calvin Klein now showcases these images across channels (with permission, of course), from a dedicated Calvin Klein microsite to social media and the brand’s website.

The survey results indicate a preference for brand endorsements by real people over models or celebrities across all markets and sectors. In fashion, for example, 58% of respondents in the U.S. and 50% in Europe prefer advertising with real people. This trend is particularly powerful among women, with 65% of American women (57% of European women) and 52% of American men (44% of European men) displaying a preference for real people.

This sends a strong message to brands who must now solve this persistent problem by establishing an intelligent and effective earned content strategy.
The survey results reveal other important trends for brands striving to build and reinforce consumer trust. They suggest, for example, that consumers are likely to look at multiple sources of information about a product or service before reaching for their wallets. This is true across sectors, especially in those often accused of dishonesty, like fashion and travel.

Respondents indicate that when shopping for fashion items, they check an average of three sources of information before making a purchase, an unsurprising trend for an industry infamous for digitally altering images. In the travel industry, where vacationers are often disappointed when their accommodation fails to match the glossy photos they saw online, this rises to four. Furthermore, as the price of the product goes up, so does the number of sources consumers check before buying, which means luxury brands are scrutinized especially carefully.

If consumers detect any level of dishonesty or embellishment, you can be sure they will conduct more rigorous research before buying or booking. Although some brands and verticals may be more susceptible to these trends than others, no brand is exempt from the critical eye of consumers. This is why all brands must acknowledge the importance of content consistency across channels, whether owned, earned or paid.

In the final section, we show how the use of relatable, real-life images makes a world of difference at the moment of purchase.

Our results confirm that consumers worldwide react positively to honesty, authenticity, and consistency in brand communications, yet prevailing marketing strategies still depict unrealistic worlds. All industries, regardless of vertical, must resist this trend and strengthen consumer trust. But how?

One way is to celebrate a product with images created by real people. Brands can also distribute consistent content across channels, presenting both the brand and product honestly. Overall, utilizing relatable visual content that reflects the daily lives and experiences of consumers will make a brand and its storytelling more appealing.
THE PATHWAY TO PURCHASE: UGC SEALS THE DEAL
From browsing products to brand advocacy, it's clear just how important UGC has become for consumer-brand relationships. But how can UGC make a difference further down the sales funnel? Our findings suggest that consumers look at UGC throughout the customer journey, including the critical phase we call "pre-shopping"—when potential consumers start browsing earned content.

In fact, 65% of respondents in the U.S. and 77% in Europe are interested in seeing UGC during this stage. Given that pre-shopping precedes purchasing, these findings are especially significant for sales. Providing valuable insight for brands that target a younger demographic, our results indicate that almost half of Millennials (47%) say they are most interested in seeing user-generated images while pre-shopping. Women are also more likely than men to look at UGC during this stage, at 52% and 48%, respectively. One in three British respondents indicate a preference for UGC while pre-shopping, and 24% seek UGC while shopping.

By understanding when and where consumers want to see UGC, marketers can make sure they are putting the right images in the right place at the right time, capitalizing on consumer interest at every touchpoint. When are you most interested in seeing consumer-generated images?
UGC is critical for brand discovery, advocacy, and the crucial stage of pre-shopping. But it also has a direct and tangible impact on the bottom line: purchases.

Our results indicate that browsing earned content online often precedes in-store purchases. In fact, one in four Millennials surveyed seek inspiration from UGC online before buying something. For all age groups, this figure remains over one in five (23%).

Breaking these statistics down further, 27% of respondents in the U.S. and 22% in Europe confirmed this trend. Of those respondents who browse online and purchase in-store, there is little variation between women (53%) and men (47%). While information about such behavior may complicate attribution, it is encouraging for fashion retailers, who can use UGC online to increase footfall and in-store sales.

But what kind of UGC can help move consumers successfully down the sales funnel? As our findings reveal, consumers prefer relatable marketing. A significant 70% of respondents in the U.S. and 53% in Europe indicate they would be more likely to buy a product after seeing a positive or relatable user-generated image of it online. This likelihood increases for younger Europeans, as 59% of 25- to 34-year-olds indicate.
These results provide powerful insights for brands, suggesting that earned content can be utilized in many ways; brands can deploy earned content to establish themselves in the market, gain consumer trust, and drive sales across demographics, particularly among Millennials.
MISLEADING CONSUMERS REALLY DOES DAMAGE SALES

Earned content not only has the potential to boost sales; it can also prevent disillusioned consumers from requesting refunds. Across markets, 9% of respondents have returned an item after purchasing it online because it was extremely different from the featured photo. This figure rises to 13% in the U.S. This high rate of forfeited sales represents a huge monetary loss for any brand, incurred by nothing more than misleading digital imagery.

What is more concerning about this phenomenon, perhaps, is the disappointment felt by consumers and the likelihood that they’ve lost trust in the brand. That’s why user-generated content has become such an effective tool in a buyer’s journey. It gives shoppers an authentic impression of the product ahead of purchase and provides brands with a way of guaranteeing successful sales. Placing UGC where consumers go for product information is the best way to make sure brands don’t mislead customers.

As this section has shown, UGC comes into play in diverse ways, even after a consumer has begun to trust a brand. Our findings illustrate why integrated earned content strategies are necessary throughout the sales funnel. Whether browsing, buying, or returning, today’s consumer uses multiple channels at every stage of the journey, which often involves both online channels and physical stores. User-generated content, if placed strategically along the way, can help seal the deal, whether consumers are making their first purchase from a brand or one of many.
Keeping it real: authentic earned content enhances consumer trust and increases revenue

Brands cannot ignore the wealth of opportunity earned content offers, but they must leverage it with caution. Our research suggests three key building blocks for constructing an effective visual consumer-generated content strategy.

Empower your audience to discover you

An average of 95 million photos and videos are posted on Instagram each day, with a further 350 million photos uploaded daily to Facebook. Moreover, our results suggest a vast majority of consumers engage with this content regularly, with 45% of respondents seeking inspiration from UGC once a day or more, and 71% at least 2-3 times a week.

Why are consumers so eager to check out UGC? Across markets, our study points to a very simple reason consumers interact with brands on social media: they love a product and want to share it with loved ones. After keeping customers happy and products on point, the most important move a brand can make to gain visibility is to curate and showcase its earned content across brand communications.

Lay the foundation for trust

User-generated images on social media are overwhelmingly ranked as the most trusted type of content across markets. In the U.S., for instance, user-generated images on social media are trusted (50%) far more than professional images created by brands (23%), editorial content written by a publisher (10%), or advertising (5%).

Furthermore, brands should not compromise the authenticity of their image; our survey results indicate that when brands emphasize elements such as professional modeling in their advertising, they risk backlash from consumers who increasingly demand authentic content showing real and relatable people.
Capture the purchasing power of UGC

Today, brand advocates are doing some of marketers’ legwork on their behalf, and it’s working. Our results show that positive or relatable earned content increases a consumer’s propensity to click an ad and purchase the product featured, as indicated by 52% and 56% of all respondents respectively. So for marketers, the increasing creation and consumption of UGC provides an endless, effortless, and cost-effective supply of visual marketing content. Distributing this content across existing and emerging channels can help solve a brand’s time and budget restraints.

In its exploration of the role of the customer journey, from discovery to trust and ultimately purchase, our research reveals how vital it is for brands to use authentic content to spark customer interest, retain existing customer trust, and boost revenue.

By seeing every customer as a potential influencer, marketers can move beyond rhetoric and get into the mindset of their target audience. The results will be positive for brands and consumers alike.
METHODOLOGY

This research was carried out by market research specialists Censuswide on behalf of earned content platform Olapic, in collaboration with Withpr. An online survey of 15 questions was completed by a total of 4,578 active social media users aged 18-49 in the U.S. (611), U.K. (698), France (807), Spain (852), Germany (762) and Sweden (848). It was carried out in April 2016.

ABOUT OLAPIC

Olapic is the first earned content platform designed to help brands tap real consumer images and videos to create more personalized and powerful consumer experiences, at scale. We work with hundreds of global brands to collect, curate, and permission content through a combination of machine-learning and human intelligence; activate it across the entire marketing and e-commerce stack, and analyze the impact on revenue, performance, and engagement. Olapic is headquartered in New York City with offices in California; Cordoba, Argentina; and The United Kingdom. For more information on Olapic, visit www.olapic.com.

ABOUT CENSUSWIDE

Censuswide abides by the code and employs members of the Market Research Society which is based on the ESOMAR principles.

SOURCES

http://blog.instagram.com/post/146255204757/160621-news
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