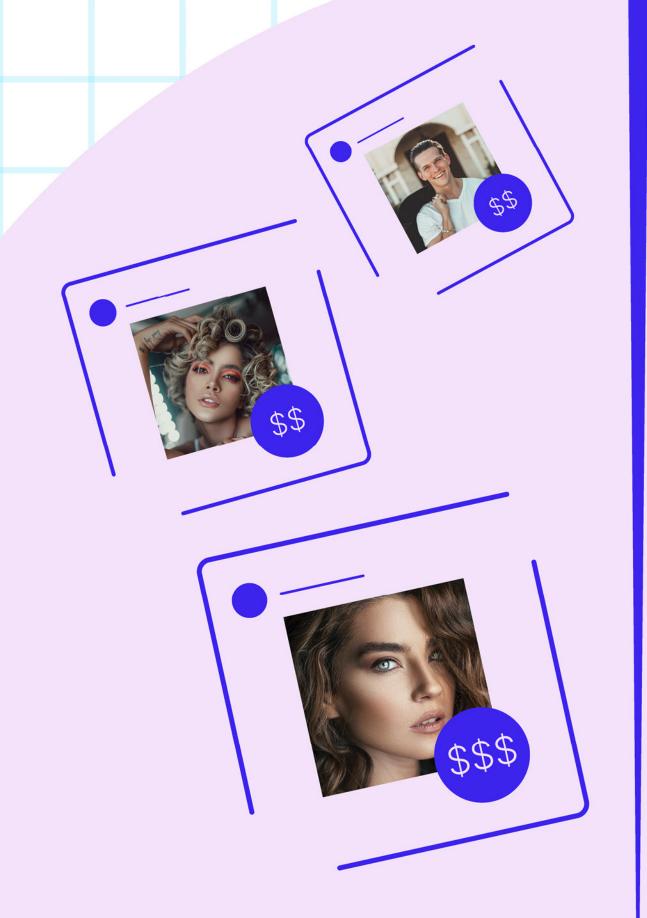
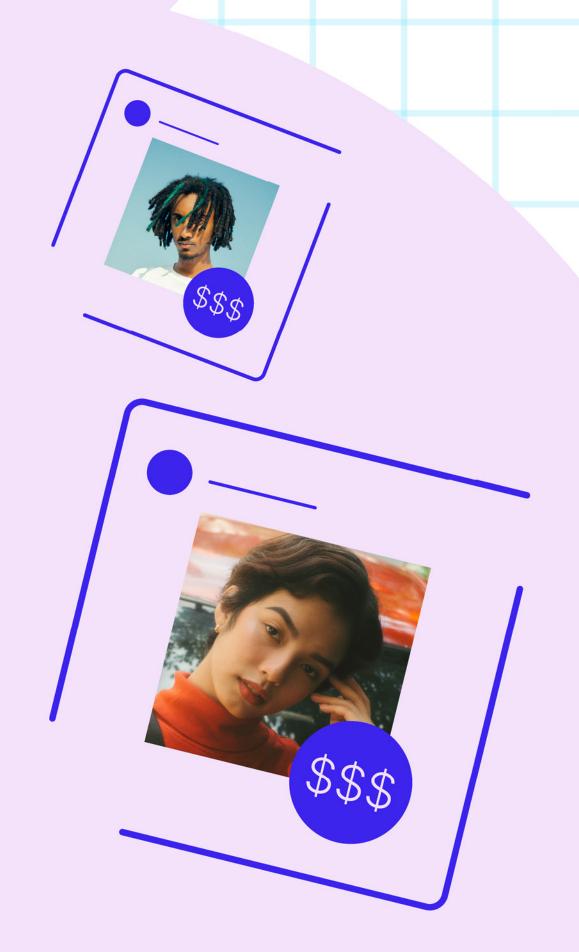


Benchmarking Brand Success with UGC

UNDERSTANDING SOCIAL MEDIA TRENDS







Intro

Social media is the epicenter of information. From news breaking first on Twitter to learning anything you want on YouTube, people turn to social platforms – and away from traditional media – to enrich their lives. The amount of content created daily on these platforms is astounding, opening the floodgates for people to gain a following by democratizing information distribution and turning every person into a de facto member of the media. The sometimes lampooned phrase "content is king" really does sum it up – the best, or sometimes simply most, content is what gets people's attention, and people are trusting what their peers say more than anyone else.

From a brand perspective, how does this affect you? Individuals are creating the vast majority (over 90%) of social media content. If this is where people spend their time, what does this mean for brands? A step further, how do you create a brand presence in the places people go to find new products?

Understanding social trends, engagement data, and platform features are the building blocks to any strong social media strategy. Here, we will focus on TikTok and Instagram because those platforms present the greatest marketing opportunity for brands.

What's trending now?

With consumer behavior:

Consumers are flocking to TikTok because it's a "safe space" to talk about their favorite brands. From changing one character in a hashtag (exp: #Am3ricanAirlines) so consumers can voice their true opinions to just being a more user friendly platform, creators are the ones driving awareness – not brands.

With platform led behavior:

Facebook has declared Instagram a product discovery platform and it's offering every tool possible to help big brands get in front of consumers – for a price. As well as allowing consumers to shop directly within Instagram.

What do both platforms have in common that brands can leverage? They are focusing on user behavior (see post about how brands can benefit from platform funded <u>Creator Funds</u>). Whether directly adjusting how people use the platform or encouraging them to use it more, Instagram and TikTok are putting in the hard work to encourage user generated content. And brands that capitalize on this upcoming wave of UGC will benefit immensely.

Building a presence leveraging user generated content (UGC) is the most effective way to grow brand awareness and audience reach – making UGC the next major innovation in social media. And the next frontier for digital and performance marketing. In this 2021 Industry Benchmark report, we'll review engagement numbers and average UGC across industries, giving your team a baseline as you strategize your brand's UGC campaigns.

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Section

THINGS TO KINOW



User generated content (UGC) is authentic, trustworthy content posted by customers and super fans. These are the people who can ignite virality and cultivate a brand's audience in a purposeful way.



UGC value – or earned media value (EMV) is calculated by [Impressions x .03] or \$30 CPM (Cost per thousand – or the price of 1k ad impressions). [*read more: The EMV of UGC...*]



Social Gifting - Rewarding your fans and customers for tagged UGC posts; can be as simple as reposting their content or sending product, discount codes, affiliate links, etc.



THE DISCUSSION TOPICS

1. What should B2C and DTC brands track when it comes to measuring and growing social?

UGC volume (tags/wk and hashtags/wk)

2. What should brands care about when strategizing social?

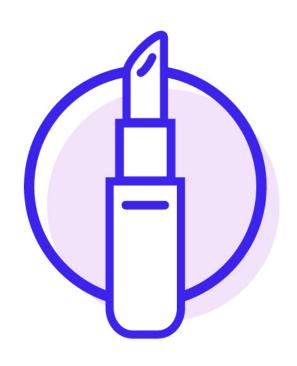
The fastest growing brands in the world are over indexing on UGC; they understand that it's the strongest way to grow an engaged audience.

3. Within each industry - what brands are setting the standard?

Brands like Gymshark (1500/day) and Fashionnova (5k/day) are continuously named as some of the fastest growing DTC brands – they avg 5X and 10X more UGC than the benchmark for their industries, all while they grow their customer base.

Section 3

BENCHMARK TRENDS 8 DATA



Health & Beauty

Health and Beauty Industry Instagram Averages

Posts per brand per week: 27.7

UGC per day: ~100

Engagement per post: 2.37k

Engagement rate: 0.05%

What should health and beauty brands track when it comes to measuring and growing social?

The fastest health and beauty brands think outside the norm, knowing they compete with big box stores like Sephora, and well established, huge budgets like Maybelline. UGC is the key to growth across social. Brands should care about UGC volume; track UGC analytics such as tags and hashtags per week.

Health and beauty brands are among the most popular industries to leverage and launch via social media platforms. Some are Instagram first, then moving to traditional marketing methods after finding their following.



What should health and beauty brands care about when strategizing social?

When building their brand, Touchland took a purposeful approach with gifting – garnering UGC from Kris Jenner, Rosie Huntington-Whiteley and Naomi Campbell – without paying anyone.

From Andrea Lisbona, founder and CEO of the luxury hand sanitizer company:

"When we analyzed social media conversions to determine network effects, we found an impressive word-of-mouth coefficient which resulted in one of our best channel conversion rates, at over 5%." (via AdWeek)

Other analytics to consider: competitive intel. Whether it's a brand to emulate or tracking competitor activity, you can manually benchmark others' progress across social platforms.

Within health and beauty - what brands are setting the standard?

Brands like ColourPop Cosmetics (2M followers) and Olly Wellness (146k followers) grew the majority of their audience through social media, leveraging UGC to broaden reach and grow their customer base rapidly.

If you're a new brand or just working to grow your social engagement, look to these brands to aspire to or benchmark against:

HEALTH AND BEAUTY BRANDS WITH 🔑 UGC:



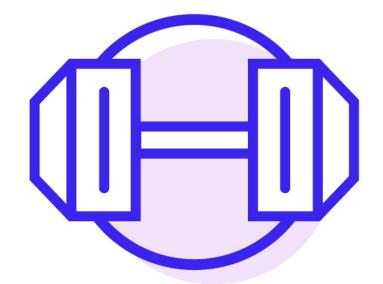
Avg # of UGC Instagram posts per day:

Sephora - **3,300**

Nocibe - 24

Moroccanoil - 260 / MoroccanoilPro - 90

function of beauty - 16



Athletics & Fitness

Athletics & Fitness Industry Instagram Averages

Posts per brand per week: 7.8

UGC per day: ~900

Engagement per post: 13.5k

Engagement rate: 0.18%

What should athletic brands track when it comes to measuring and growing social?

The most complicated part about this segment is the sheer number of accounts per brand. Almost every multi-product athletic company has an account per region, product line, or product-focus, as to create a lifestyle brand. When it comes to benchmarking competitors in this space, find accounts with an obvious purpose or strategy – i.e. Nike versus Nike Running

UGC tags can also build a clearer picture of your customers, as several UGC posts tag multiple brands. This creates an opportunity to understand the brands most tagged together; and how many of your customers are mixing athletics with health, food & bev, etc.

What should athletic brands care about when strategizing social?

With the growth of work from home and the increased awareness on health and fitness, athletic brands are seeing customer growth in all sectors. Whether sneakers with a skirt or all day athleisure, athletic brands are leveraging social to lean into fashion trends. Find your focus and be bold in asking your customers to help you build on it!



Within athletics and fitness - which brands are setting the standard?

The athletic brands who took advantage of shifting priorities consistently outpaced their competition. From Peloton instructor Alex Toussaint welcoming the people who hated on their infamous Christmas campaign to Lululemon acquiring Mirror, brands have the ability to be more attuned with their customer than ever before, via social media.

If you're a new brand or just working to grow your social engagement, look to these brands to aspire to or benchmark against:

ATHLETICS & FITNESS BRANDS WITH 6 UGC:



Avg # of UGC Instagram posts per day:

Gymshark continues to outpace their competition with UGC at the forefront of their strategy.

GymShark - ~2k

Adidas (main acct) - ~2k

Reebok - **500**

Peloton - 200

DYK: What are brands paying influencers?



Lululemon 2018 Influencer Marketing Stats: (source)

Estimated average cost per post: \$820.00

Number of influencers engaged: 475

Average followers per influencer: **32,000**

Nike 2018 Influencer Marketing Stats:

Estimated average cost per post: \$1,500 Number of influencers engaged: 3,200 Average followers per influencer: **158,000**



Alcohol

Alcohol Industry Instagram Averages

Posts per brand per week: 12.7

UGC per day: 25

Engagement per post: 359.8

Engagement rate: 0.27%

What should alcohol brands track when it comes to measuring and growing social?

Because of regulations within the alcohol industry, UGC is invaluable for organically growing brand awareness. To become the "kleenex of seltzer", White Claw took off on social media, averaging about 100 earned tags a day.

What should alcohol brands care about when strategizing social?

New releases are the Black Friday for alcohol. Those posts overwhelmingly have the most engagement; and much to our dismay, influencers are heavily used. The alternative, do research; find fans and future customers who are local and can really get the word out. Paying someone to promote your distillery or brewery is a one time spike; but building a crew of fans is the best long-tail play.

Within the alcohol industry - which brands are setting the standard?

<u>Pabst Blue Ribbon</u> is THE brand to emulate. They are the antithesis of influencer marketing and have no problems poking fun at the industry of #promoted. They are clever; they consistently engage with fans; and their swag is damn good. They average about 30 UGC posts a day from fans just as funny and kitschy as the PBR brand.



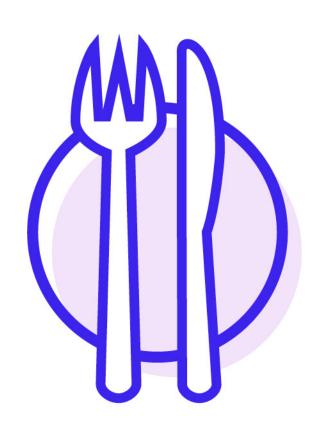
If you're a new brand or just working to grow your social engagement, look to these brands to aspire to or benchmark against:

ALCOHOL BRANDS WITH UGC:

Avg # of UGC Instagram posts per day:

Buffalo Trace - 45
White Claw - 100
Night Shift Brewing - 6
Angel's Envy - 12
Fiddlehead Brewing - 6
Schell's Brewery - 3

[User generated content on a brand-controlled site or page should be monitored and moderated regularly.]



Food & Bev

Food & Bev Industry Instagram Averages

Posts per brand per week: 13.7

UGC per day: 35

Engagement per post: 759

Engagement rate: 0.21%

What should food & bev brands track when it comes to measuring and growing social?

The food & bev industry is where UGC is the most impactful, measurable strategy for growth. Brand awareness and sentiment can all be traced to strong UGC engagement. Food & bev brands need to pick out 5 brands to benchmark against: 3 competitors and 2 to emulate. From here, calculate benchmarks, set goals, and build a strategy that includes engaging with customers to drive UGC.

What should food & bev brands care about when strategizing social?

If Instagram is product discovery and TikTok is product virality, then food and bev MUST be present. Kickoff your UGC strategy by finding like minded customers and fans who can help propel your brand to social media fame. This is not an influencer game – let's start a movement against fake eating/drinking in social posts. We're talking about everyday people who are active on social and would love to share new faves with their audience.

Within the food & bev brands industries - which brands are setting the standard?

The strategy behind UGC is customer and fan engagement as a foundation. When building UGC into your marketing strategy, brands are telling the public they care about perception; they care about the product they put out; they care about what happens after the purchase. And <u>Mid-Day Squares</u> is setting the bar REALLY high when it comes to customer engagement. Truly. Post about them right now, anywhere, and they'll engage within minutes. It's a strategy that has taken them from chocolate bar to cult favorite.



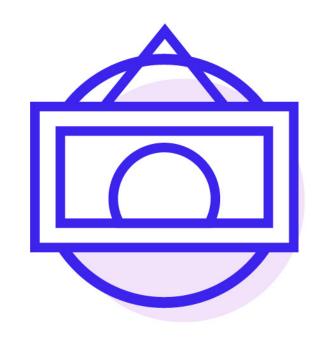


If you're a new brand or just working to grow your social engagement, look to these brands to aspire to or benchmark against:

FOOD & BEV BRANDS WITH 6 UGC:

Avg # of UGC Instagram posts per day:

Pepsi - **126**Organic Valley - **12**Bodyarmor - **50**Impossible foods - **30**



Home Decor

Home Decor Industry Instagram Averages

Posts per brand per week: 18.3

UGC per day: 60

Engagement per post: 1.14k

Engagement rate: 0.24%

What should home decor brands track when it comes to measuring and growing social?

Engagement is crucial to home decor brand growth. Sherwin-Williams does a really good job engaging with creators – probably why they have 2x the UGC of Benjamin Moore. Either way, something as simple as commercial paint companies have built such a strong following on social, they've become fodder for design, instead of just a simple product used by contractors.

What should home decor brands care about when strategizing social?

All kinds of home decor brands need to prioritize a social media presence. Luxury decor brands like <u>Serena & Lily</u>, who are investing in UGC to better reach their customers and to build a greater audience. It doesn't matter if you're budget-friendly IKEA (1500 UGC posts/day) or high-end appliances like Thermador (10 UGC posts/day), consumers expect a certain level of social interaction to help build trust in the brand.

Within the home decor industry - which brands are setting the standard?

HomeGoods (with 900 UGC posts/day) is setting expectations high...their UGC posts look better than their brand posts! Having a strong UGC strategy includes setting expectations and sharing guidelines with your brand audience. Most of us aren't social mavens so a few 'tips and tricks' or guidelines on which posts your brand will repost, are extremely important to getting the best UGC possible.



If you're a new brand or just working to grow your social engagement, look to these brands to aspire to or benchmark against:

HOME DECOR BRANDS WITH 5 UGC:



Avg # of UGC Instagram posts per day:

Dwell - 60 Benjamin Moore - 140 Muuto - **35** Sherwin-Williams - 220 The Home Edit - 42



Retail

Retail Industry Instagram Averages

Posts per brand per week: 17.7

<u>UGC per day:</u> 1,550

Engagement per post: 681.8

Engagement rate: 0.07%

"Social commerce is where the world is moving..." said Alex Barinka, the head of engagement and partnerships at StichFix

What should retail brands track when it comes to measuring and growing social?

- Macro influencer posts (\$\$\$) vs nano influencers organic UGC tags (free)
- Guest posts on your account vs a spokesperson post on their account

The strategy is based on long tail relationship or short spike results. It's cooking, not baking; throw new things in, try new things out, don't be afraid to experiment. Measure it all.

What should retail brands care about when strategizing social?

Building an audience of creators. We've discussed Instagram as a product discovery tool throughout this eBook because it is imperative for marketing teams to strategize appropriately. It's also very saturated. Brand presence on Instagram is a necessity, not a strategy. Building audience engagement and growth with UGC is the strategy. It's going to be this squad of micro-influencers that grow a brand's presence across social and potentially get them the highly coveted viral video.



Within the retail industry - which brands are setting the standard?

Had to go with Spanx (572k followers) for this one – going from undergarments to office attire is no small feat. Changing the mindset of the consumer takes repetitive strategy and flawless execution. But they don't move away from the item that launched hundreds (thousands) of lookalikes, the original Spanx shapewear. Whether launching new items, into new markets, or growing the brand audience, Spanx is the gold standard for engaging and activating brand loyalty. It's the only way you get your customers to go from thinking of you as underwear to wearing your apparel in the boardroom.

DYK: What are brands paying influencers?

Came across these influencer marketing stats – in the spirit of transparency, this is good info to share.

Forever 21 2018 Influencer Marketing Stats:

Forever 21 takes the micro-influencer (10,000 and 100,000 followers) route, gaining a wider reach for less \$\$ (<u>source</u>)

Estimated average cost per post: \$225 Number of influencers engaged: 10,900 Average followers per influencer: 7,300

If you're a new brand or just working to grow your social engagement, look to these brands to aspire to or benchmark against:

RETAIL BRANDS WITH 5 UGC:

Avg # of UGC Instagram posts per day:

Target - **2400**REI - **150**

BooHoo - 2k/day

Converse - 1500/day

Conclusion

Purchase decisions have become fuel for social fodder. And to be a part of the conversation, top brands – even new brands in growth mode – understand the impact of organic, authentic customer driven content, or UGC. Via tags and mentions across Instagram, the most popular product discovery and shopping social media platform, UGC is the way consumers find new brands, trending products, and it's how they share their excitement about a purchase as well.

Get strategic: track and understand trends in UGC; learn how to best grow this invaluable digital channel across platforms with detailed industry benchmarks and stats on valuable posting trends.

From a life-altering pandemic to several social movements, the future of customer marketing goes well beyond the sale as customers have an expectation of brands to join the conversation. And in the economy of convenience, brands are inundated with touchpoints. The brands who take advantage of shifting priorities will consistently win out. This puts an even greater importance on user generated content where the customer becomes the most powerful marketing tool. The brands who prioritize awareness will win with customers and grow their audience.





"I'd like to stop paying 'Zuck and start giving that money to our customers..."

Anonymous LoudCrowd stan

Thank you to RivallQ for the immense social engagement data; their **free benchmark tool** is invaluable.

All emojis designed by OpenMoji – the open-source emoji and icon project.