Consumer-Generated Media (CGM): An Exploratory Study of Various Forms, Value to Consumers, and Marketing Practitioners, and Global Implications

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This paper examines consumer-generated media (CGM), (also called user-generated Web sites or social media). The Internet is clearly dynamic in nature and CGM will be of interest to marketers as e-Commerce races ahead. The basis for the growth and the importance of such sites will be explored to improve our understanding of their development and use by marketers. Our research will consider the domestic and global behaviors and findings will be useful for both researchers and marketing practitioners who seek to understand issues relevant to CGM and associated marketing tactics and their ability to accomplish marketing objectives, particularly related to building customer relationships and consumer behavior online.

Introduction

Recently, considerable attention has been devoted to investigating the existing and emerging e-Commerce marketing programs (e.g., e-tailing, e-mail campaigns, Weblogs (blogs), online advertising). Despite being a relatively young medium, research has improved our understanding of how these new and emerging technologies and their related marketing tactics influence customer behavior (West 2005, Palser 2005, Watson et al., 2002). Generally speaking, studies show that online tactics may be effective in influencing customers in positive ways. Indeed, such tactics can transform how companies communicate and establish rapport with existing and prospective customers (Sterne 1996). Other research suggests that the Internet allows for individualized and customized marketing strategies as well as the ability to target diffused and scattered customer groups (Dreighton 1996). Moreover, Kalyanam and McIntyre (2002) identified ways in which e-marketing might change long-accepted marketing practices. Further, they suggest that marketing today requires a new vocabulary, particularly given the rise of e-marketing and its various elements (e.g., online communities, search engine marketing, blogs, RSS feeds, and podcasts). Of course, part of that emerging vocabulary includes consumer-generated media (CGM). Our research goal is to clearly define CGM and to examine the growing importance of CGM sites, particularly as they relate to marketing programs. The need to better understand CGM is underscored by Watson et al.'s (2002) contention that people use the Internet today to do more than just buy products. Increasingly, people are using the Internet to be a part of special interest communities, to network with friends, to stay informed on various topics, to perform personal services (e.g., banking, trading stocks), to interact with various organizations and to entertain themselves. Consequently, we explore CGM sites and their application in marketing programs. Specifically, this manuscript will define CGM, identify current and emerging forms of CGM, reveal the value and utility of CGM to consumers and marketers, consider related marketing applications, and finally address global efforts and implications in CGM. The authors hope these findings and observations will be of interest to both marketing practitioners and academics.

CGM Overview

CGM is imprecisely defined and refers to "…just about any Web site powered by the user on a constant and mandatory" basis (Levy & Stone 2006). Unlike paid media, CGM is created and driven by consumers and is advancing as a major consumer resource and activity. Indeed, CGM sites have largely replaced phone books, are in the process of replacing much of what phones do, are places where people can obtain information they need, and are referred to as Web 2.0 in the popular media. Put simply, when it comes to CGM, the central idea is "harnessing collective intelligence." (Surowiecki 2005, as cited in Levy & Stone 2006). For instance, each time a person searches Google, a mass-polling operation is occurring to see which other sites people online regard as most relevant to the search term entered. In essence, the Internet is something that "is structurally congenial to the wisdom of crowds" (Surowiecki 2005, as cited in Levy & Stone 2006). A good early example of a CGM site is Craigslist, an online community bulletin board where millions of consumer go to peruse "classified-ad" listings to find jobs, apartments, concert tickets, and more. In doing so, they connect with millions of people who provide postings in a self-service, community-moderated marketspace. Managed by a small staff of 19, Craigslist is the seventh largest Web site in the world. (Levy & Stone 2006). Examples of CGM include blog entries, consumer e-mail feedback, message board posts, forum comments, personal Web sites, and personal e-mail. Recently, Hart and Blackshaw (2006) included wikis, raves, profiles, networks, and mailing lists as other examples of CGM. Not surprisingly, one of the most influential consumer segments propelling the CGM movement is teenagers. This group instant messages heavily—44% go online everyday, and have an average of 50 "buddies" on their regular IM list. (Hempel 2005). There is insufficient information as of yet on global usage, and therefore, it is recommended that this be explored further. Indeed, Hempel reports that "Being online, being a Buzzer, is a way of life...and increasingly, social networks are their medium" and a way to establish social identities. Table 1

describes the most common forms or types of CGM to assist the reader in further understanding this media.

Table 1. Most Common Forms or Types of CGM

Form or Type	Description
Blogs	Web site where entries are written in chronological order and displayed in reverse chronological order.
Message Boards/ Forums	Web application for holding discussions and posting user-generated content.
Review/Rating Sites	Web site where product/company reviews are posted by experienced consumers.
Direct Company Feedback	Media vehicle allowing consumers to provide direct feedback to companies.
Third Party Web Sites	Web site where smaller yet active groups of consumers generate comments such as Complaints.com and My3cents.com.
Moblogs	Mobile-enabled blogs that let users post photos from anywhere.
Vlogs/Video blogs	A blog that comprises video.
Podcast	A digital media file, or a series of such files, that is distributed over the Internet using syndication feeds for playback on portable media devices.

CGM Applications and Value

The authors first address the value offered by CGM to the consumer. Consider the well-known CGM site, MySpace.com, which is visited by 65 million (mostly young) people as well as marketers wishing to connect with them. (Levy & Stone 2006). Another popular CGM site, Flickr (a 2.5 million member community of people with a passion for sharing photos) was recently purchased by Yahoo, and of course, YouTube provides another example of a CGM site that has attracted tremendous attention. Each day 35,000 videos are added to YouTube with 30,000 visitors to the site viewing millions of videos daily (Levy & Stone 2006). Indeed, Google Video now lets users load videos and even sell them, while Microsoft will soon solicit videos from users. Interestingly, the video industry seems to have learned from the music industry's problems with the Internet and is responding swiftly to embrace CGM because of its astonishing innovativeness and value to consumers. One of Hart and Blackshaw's (2006) main contributions is the identification of factors that determine the influence and value of CGM sites to consumers. Those factors include consumers' ability to learn about other people's product or service experiences, the availability of CGM sites of interest, the ease of finding appropriate CGM sites, and the odds that consumers will actually post their own product experiences on CGM sites. Clearly, CGM is also more important for some types of products than for

others—and as importance increases, so does the clout of consumers' posted opinions on other people's buying behavior. Dickey, et al. (2006) also address the consumers' need and or desire of a sense of community. CGM can often provide a platform for such a need. It is further found that one of the keys to building a successful CGM is to create a sense of belongingness or community among members (Old 2001). The concept of community can and should be explored further in future research due to its importance in CGM and marketing practices associated with CGM. Horrigan (2002) finds that such sites or networks can nurture relationships among participants. In fact, some firms, according to Krishnamurthy (2003), have been using the concept of community to build relationships with customers and their brands in physical space and in virtual space. CGM appears to be the current media for doing so.

For most marketers, the Internet provides a critical platform for buying and selling (Bradlow & Schmittlein 2000), disseminating information to and gathering information from customers, and providing after sales support or other customer retention efforts (Bakos 1997, Hoffman & Novak 1996). Blackshaw (2005) reports that CGM, like other forms of online communication, leaves a digital trail. CGM is highly measurable. For marketers, specifically advertisers, this allows for the gauging of a message's effectiveness (in real time), brand equity, reputation, and more. It allows advertisers to evaluate the accountability, the scope, and the effect of such media and make decisions to use it (or not) and to overall, make more-informed decisions. As such, the Internet is a rich source of managerial information that assists in market research and decision making (Vikas, Manz & Glick 1998; Haubl & Trifts 2000). That said, the value of an online presence goes beyond these more obvious benefits. On CGM and most other sites, visitor and customer information can be harvested via metrics, providing insights into customer behavior, demand, customer perceptions, language, and so on (Burton & Walther 2001; Maxwell 2001). And, as Hart and Blackshaw (2006) and Clark (2001) explain, at the core of CGM sites are virtual communities, where, as in physical communities, members come to know and trust each other. So CGM communities provide value akin to the value of word-of-mouth, but where that word can span the globe and is limited only by the size of the online network (Hart & Blackshaw 2006). Of course, CGM sites vary in terms of amount of traffic, visibility and credibility. But as Smith (2006) suggests, the Internet is still evolving--with the latest "killer application" being social engagement. Indeed, the growth of CGM sites that accommodate social engagement underscores this phenomenon. Smith (2006) notes that "the best way to sell something is not to engage consumers with a brand, but to host or facilitate the ability of people to engage with one another." Consequently, embracing the use of CGMs as a tactic in marketing programs might be a viable component, generating business and strengthening relationships with the company, the brand, or both. The key leverage point for marketers with CGMs is the engagement such sites can produce. Smith (2006) argues that amazon.com and ebay.com have always understood this, but, as identified earlier, so have others. "Facilitating shared moments of self-expression," is how Smith (2006) describes efforts by Pop Secret brand popcorn on whatsyourpopsecret.com site, by Saab on maintainyouridentity.com, and by Volvo on whatsyourstory.msn. Rand (2006) reports that these sites grow because they provide information consumers might not otherwise find on their own.

The sites are organized like a "superstore" with aisles that you just walk up and down, looking for products, information, and people. There is no clear picture how and if these sites will make money other than from contextual advertising, but their numbers and influence continue to rise (Newcomb 2006).

One additional value to marketers emerged in this research. Given the various forms of CGM, it is apparent that consumers communicate frequently about products and brands. News media have been known to pick up on stories found on CGM sites and, if deemed newsworthy enough, the resulting damage (or benefit) to the company may be far-reaching. Hart and Blackshaw (2006) suggest that companies "…can and should apply aggressive marketing, PR, and crisis control techniques to such stories, even when they are based on humble weblog entries." Yahoo! and Google are among a growing list of companies that offer monitoring services. These companies can send e-mail alerts to notify a company every time they index a new page mentioning a company's name, brand, or product. Other companies monitor tens of thousands of Usenet newsgroups, message boards and almost ten million blogs for their clients. Just as one does with other marketing research data, this data can be coded, classified, analyzed, interpreted, disseminated and action can be taken. There is little doubt that CGM will increase in importance and that marketers should be aware of what they are and how they can be used, if not defended against.

Many examples of the use of CGM in marketing programs exist, but are beyond the scope of this research. It is the recommendation and the objective of the authors to explicitly explore and report the use of CGM in marketing programs in future research. However, with regards to the value of CGM to consumers and marketing practitioners, it would appear, in this exploratory research, that it clearly exists. The authors now address global considerations to CGM.

CGM and Global Usage

There is little academic research revealing the state of CGM site usage globally, yet news of its emerging popularity and some of the threats that come with this growth continue to be reported in the media. The use of blogging continues to expand globally and *BusinessWeek* reports that CGM, and in particular, video-sharing is spreading worldwide. These CGM sites are used by consumers globally to express ideas and exchange information and are a popular and accessible medium that can accommodate many different types of people, opinions, and activity. A site similar to YouTube is Paris-based Daily Motion which counts approximately 9,000 new videos and over 16 million page views daily. Although this site came online before YouTube, YouTube achieved 9.1% reach there, compared with 10.3% for Daily Motion (Carlin 2006). The Daily Motion site is now available in six languages and others similar sites have emerged, such as Germany's MyVideo and Israel's Metacafe. CGM in Japan appears to mostly mean text-based media, but Japanese consumers quickly began using YouTube to upload their favorite material, but instead of creating home or self-produced videos to share with the world (as was the YouTube creators' original goal), the vast majority of material uploaded onto YouTube in Japan is comprised of pre-existing television clips. Clearly, there are both similarities and differences among cultures in their adoption and use of CGM. At the same time, the authors' research revealed many examples of a growing intolerance to some of the content on these sites. Recently, a court ordered the YouTube Web site

blocked throughout Turkey because of a video deemed insulting to Mustafa Kemal Ataturk, the founder of modern Turkey. Insulting Ataturk is a criminal offense in Turkey. The ban followed a week of what the news media termed a "virtual war" of videos between Greeks and Turks on YouTube. Turk Telecom, the largest Internet provider complied with the ban and cut off access to the site. (Crampton 2007). During nearly the same time, the Thai government failed in its attempts to have the YouTube Web site in Thailand taken down because of a video clip ridiculing the country's much revered king. As a matter of policy, Thai ministry will block Web sites deemed pornographic, offensive to the monarchy or a danger to national security (SEAPA 2007). There appears to be much opportunity to explore the emerging consumer behaviors and business and political responses to these behaviors. This is especially true in light of some CGM sites having international and even global users.

Conclusions and Recommendations

The pace of change on the Internet is such that new marketing tactics are spilling forth at a pace that challenges researchers and marketing practitioners alike. The topic of CGM is an important one for researchers and for marketing practitioners alike. Researchers and practitioners need to have a clear understanding of what CGM is, and the various types of CGM. One of the main objectives of this research was to provide a better understanding of CGM as well as some clear descriptions of various types of CGM. In addition, more research is needed to better understand consumer attitudes and behaviors with regards to CGM and the possible marketing applications and their impact in the Web environment. This is especially true in a global marketspace where there is even less research available. However, this research reveals that CGM can provide value to both consumers and to marketers, and therefore, marketing practitioners must continue to scan the environment for new developments that may impact the creation and use of marketing programs that include CGM. It is also recommended that academicians and business people consider identifying monitoring, measuring and interpreting the consumer-generated sites that are relevant to their industry.

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