
Consumer Intelligence Series:

The value of user-generated
content in today's media
landscape



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Discovery sessions conducted on January 23, 2008

Series overview

As part of our global consumer research program, PricewaterhouseCoopers Entertainment, Media and Communications practice is conducting a series of consumer discovery sessions to elicit candid feedback and gain new understanding of consumer attitudes and behaviors in a rapidly changing media landscape. This research will help identify emerging trends and provide fodder for consideration of how to monetize content. The following is a summary of what we discovered when talking with consumers, ages 18–24 and 25–34, about user-generated content (UGC).

Key findings

User-generated content is perhaps the most personal form of media content today. From humorous videos to political opinions, UGC offers consumers a unique platform to express their views and post content relevant to their personal interests. Our research shows consumers will devote more time to viewing content which appeals to their individual interests. Consumers also want content to which they feel personally connected and which appears “real,” not staged. For advertising on UGC sites, consumers generally prefer highly-creative, well-integrated and credible ads.

Our key findings are as follows:

- 1. Consumers prefer user-generated videos that are relevant, relatable or provide meaningful information**
 - Content is more likely to be forwarded when it personally resonates.
 - Content that viewers immediately relate to, such as particularly humorous or emotional situations, is more likely to spark an immediate personal connection.
 - Restaurant reviews, news about the latest products and other information-driven content appeals to consumers, enabling them to share information with friends and cultivating their sense of awareness.
- 2. Consumers expect advertising in UGC to be entertaining, interesting and personally relevant**
 - Advertising for products and brands which appeal to youthful audiences are well-suited for this venue.

“...as opposed to telling a story, actually getting to see the story instead of just hearing it from someone. You like to see it first-hand, which is kind of cool.”

-18–24 year old consumer

“I think the creativity and entertainment value of the commercial is the most important thing.”

-25–34 year old consumer

"I think those kinds of (reality video clip ads sponsored by the advertisers) make it more relatable when you watch. It's more like real life."

-18–24 year old consumer

"If you have a different commercial for the same product in different mediums, then it might be more interesting. You'll view it on the Internet. You won't just say, 'Oh, I saw this already today on TV' (and) switch it or close it."

-25–34 year old consumer

- Advertising for technology and Internet products fits seamlessly with Internet venues.
- Younger consumers prefer fresh, concise, creative and entertaining advertising to the staged or overly-produced ads that typically appear on television.
- Viewer-created advertising is perceived as more creative and engaging; because this form of advertising is generated by their peers, consumers perceive the message as more credible and more real.

3. User-generated content is posted and viewed most often on YouTube, widely considered to be the predominant site to view video online

- YouTube is considered an unmatched source for user-generated video content.
- Consumers favor the site for being easily searchable; maintaining libraries for longer-than-average periods of time; and for featuring content that may not appear on the contents' original site, such as a news or TV show.
- MySpace and Facebook draw a significant amount of user-generated content; because the sites are password protected, consumers feel comfortable knowing that what they post will be seen only by viewers they pre-approve.

Implications to your business

1. Advertisers and marketers will benefit by creating a personal connection with the viewer, tailoring messages and respecting the personal nature of non-traditional media venues

- The content and execution of advertising messages must be tailored to fit each venue and appeal to young consumers' entertainment ideal: young, fresh, innovative and original material.
- Advertisers and marketers must understand and respect individual interests and deliver against them, rather than overtly "sell" their messages.
- Viewer-created advertising messages may be one way to begin to establish a credible brand/consumer relationship, as consumers may view them as being more welcome on their personal sites than traditional advertising.

"I think the main thing is that there's a personal space that you want respected and when anything...crosses the line, then it just becomes a turn off, whatever it is."

-18-24 year old consumer

2. Advertising perceived as relatable and real is more likely to win trust from consumers, while live or "first hand" content can come across as more interesting, entertaining and forward-worthy

- Creating content that audiences will relate to is a critical factor for breaking through in this venue.
- Live or "first hand" content creates a unique intimacy that may have a stronger appeal and connection among viewers.
- Entertaining advertisements increase the likelihood that the ad will be viewed in its entirety and passed along to other viewers.
- Location-based technology affords a range of opportunities in information, education, advertising and sponsorships. Non-staged advertising is preferred.

3. YouTube is currently the most viable media target for ad-sponsored/supported video

- Viewers perceive YouTube's content as inherently "real" and therefore inherently relatable.
- Advertisers and marketers will benefit from a presence on the "Go2" site for user-generated content.
- Ad-supported content must fit in with the casual, irreverent, unstructured style of the venue.

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