Consumer-Generated Media (CGM) 101
Word-of-Mouth in the Age of the Web-Fortified Consumer

Consumer-Generated Media (CGM) describes a variety of new and emerging sources of online information that are created, initiated, circulated and used by consumers intent on educating each other about products, brands, services, personalities and issues.

Ever growing in number and format on the Internet, CGM refers to any number of online word-of-mouth vehicles, including but not limited to: consumer-to-consumer e-mail, postings on public Internet discussion boards/forums, Usenet newsgroups and listservs, consumer ratings Web sites or forums, blogs (short for Web logs), moblogs (sites where users post digital images/photos/movies), vlogs (video blogs), social networking Web sites and individual Web sites. Although influenced or stimulated by traditional marketers and marketing activities, online word of mouth is nonetheless owned and controlled by consumers, and it often carries far higher credibility and trust than traditional media, especially as media channels become more fragmented and less trusted. The growth of CGM’s influence poses challenges and opportunities for marketers.
Each time technology advances, the world’s behavior changes accordingly. Just as the printing press and copy machine revolutionized the publishing world, the World Wide Web in a very short time has dramatically altered how people communicate, shop, work, learn and stay connected.

The Web also has fundamentally changed one of the well-entrenched concepts for marketers: word-of-mouth behavior. Before the Internet, word-of-mouth behavior was pretty much that—behaviors and experiences shared orally with others. People talked individually or in small groups on the phone, over the backyard fence, at the ball field or at the water cooler at work. One-on-one or in small groups, they exchanged stories of products, shopping experiences, politics, sports, recommendations, jokes and the like.

But the Internet changed and turbocharged word-of-mouth behavior in ways that marketers have not been able to capture, understand or learn from—until now. The Internet has transformed the intimacy of word-of-mouth behavior into a broadcast-like ability to communicate with the masses, whether a group of friends or hundreds and thousands of online-but-connected strangers at computer keyboards.

In essence, the Internet has exponentially supercharged the concept of word-of-mouth behavior, giving it a power that marketers have only begun to understand. Nielsen BuzzMetrics calls this phenomenon “consumer-generated media” (CGM).

The evolution has been gradual but quick. Initially, e-mail made person-to-person communication instantaneous and novel. When early computer users discovered the “reply to all” and “forward” keys, e-mail’s impact became voluminous and far-reaching, giving the “word-of-mouth” concept much more power, potential and breadth.

Today’s technological word-of-mouth behavior stretches far beyond e-mail, and new evolutions and formats occur over periods of months, not decades. Web-enabled word-of-mouth behavior—or CGM—now includes the ability to post send photos, video clips, audio clips and instant text messages. It includes web logs, or “blogs,” which have emerged as a new publishing format and form of influence and idea dispersion on the Internet. “Moblogs” are online sites for posting and sharing digital images, “vlogs” are blogs that host consumer-created videos. Consumers are downloading, uploading, voting, polling and forwarding/sharing information constantly and multi-functionally on the Internet. Nearly 70% of online teens, for example, have created content for the Internet (e.g., drawings, stories, photos, videos) and 20% have authored their own blog, according to the Pew Internet & American Life Project (Mary Madden: “Teen Content Creators and Consumers,” 11/2005). Among all Internet users, 35% have posted content in some form—a blog, a Web site, a photo, a video or piece of artwork—to the Internet. (John B. Horrigan; “Home Broadband Adoption 2006” 5/28/2006).

BuzzMetrics’ technologies, as a logical outgrowth of CGM behavior, locate and analyze millions of public online messages and content from millions of blogs. And the
numbers grow each day. On the Internet, word-of-mouth behavior leaves a digital, archived trail—one that can now be measured and transformed into market research and intelligence.

CGM also has emerged as a new source of news (i.e., political and activist blogs) and is influencing the concept of “search.” Type in any brand name or product into a Google or Yahoo! search engine, for example, and you’re just as likely to find a consumer-owned Web site, blog or online forum about that product (positive or negative) as you are to find the corporate or brand Web site. The same high-ranked links that marketers work so hard to achieve often share the same real estate with heavily-trafficked consumer-generated links and personal Web sites, yet the CGM links often carry higher credibility and trust. So what does this mean for marketers?

### The Marketing Impact: New Challenges, New Sources, New Measures

Marketers, as a breed, are accustomed to guiding and controlling marketing efforts, research and outreach. They assume marketing emanates primarily from the marketing department. They assemble focus groups. They launch surveys. They test concepts and copy, they arrange for and expect orderly feedback to help them plan better and tap the public’s pulse. Information travels predictably: from them and back to them.

The Internet and CGM, however, throw that paradigm to the wind. Web-enabled CGM is a mixture of fact and opinion, impression and sentiment, founded and unfounded tidbits, experiences, even rumors. It is created by, shared by and absorbed by other consumers, for other consumers. What separates it from traditional marketing intelligence is that most of it is unsolicited, unfiltered and outside traditional marketers’ ability to contain or control it. It exists primarily as a medium that allows consumers to communicate directly with other consumers—not with the companies or marketers who are trying to capture their attention. Most importantly, it plays a growing role in shaping consumer purchase behavior, especially as consumers increasingly place their buying power and trust in other consumers rather than other forms of media and marketing.

Marketers, ever mindful of the power of word-of-mouth influence, are faced with a new challenge from this technology. They need to know how to find and analyze what’s on the Internet to have a deeper understanding of opinions, sentiment and winds of change, but the information they seek must be gathered as part of a need-to-know-marketing approach that respects the public nature and privacy concerns of the Internet world. They also need to compete with CGM as its very presence erodes the audience pool, impact and reach of traditional advertising media—TV, radio, print advertising. They need to know how consumers are reacting to marketing/ad campaigns and promotional programs and to shift their efforts accordingly, and they’re under increasing pressure from executives to measure the impact of their word-of-mouth campaigns. Enter CGM: “Companies have found on-line marketing to be more efficient and more measurable than traditional media, making it an easy sale to corporate executives,” according to Blackfriars’ Communications’ Carl Howe, whose Feb. 2006 blog post noted that nearly one quarter of 2006 marketing budgets were earmarked for online activities. Why? “Buzz, word-of-mouth, and viral marketing were pretty radical ideas in 2003. Now, companies are allocating almost a tenth of their annual budgets to these activities, and they have become just another arrow in the professional marketer’s quiver.”
Indeed, marketers’ abilities to understand online behavior needs to be adaptable, because consumers’ behaviors expand over time and with experience and technological evolution. If today’s camera-cell phone technologies already are raising privacy issues, what will tomorrow’s technological wonders bring?

The Internet: A New Shopping Experience

It’s important for marketers to understand how the Internet has fundamentally shaped and changed the shopping experience from the consumer’s point of view. No longer limited by bricks-and-mortar shopping encounters, the pendulum has fully shifted as consumers turn to the Internet for actual purchases and pre-shopping information. They use the Internet to read about products, shop around for prices and sales, determine price ranges, and compare what’s available from different online and traditional retailers.

Ninety percent, in fact, have used an Internet search engine to research a product or service (Source: Pew Internet & American Life Project, December 2005). More than 75% of car buyers cite word-of-mouth recommendations as most influential in their purchase decisions, and many of those recommendations emanate from thousands of online car forums and discussion boards. Moreover, they use the Internet to consult with other consumers by reading opinion sites where consumers post reviews and personal experiences about specific products, companies or brands. They use the Internet to give feedback to companies or ask questions before they buy so that they feel comfortable making a final transaction and sale.

But importantly for marketers, consumers turn to the Internet for influence—good and bad. They view it as a trusted, third-party, independent source of information that’s populated by other consumers—consumers who can share their “been there, done that” experiences. According to Nielsen BuzzMetrics research, more than 60% of consumers trust other consumers’ online postings. These online consumers are important to marketers precisely because they are so active and so influential. They are not the typical focus group. They are not the folks typically found in rep-panel research. They are talkative, active consumers who try new products first and have no qualms about sharing and spreading their experiences among other consumers. They are highly active and highly influential teens, stable middle-agers and growing numbers of seniors. Some describe them as “viral” consumers because they spread their opinion and influence rapidly among consumers.

CGM vehicles are quickly evolving to higher-impact, multi-media formats. Digital photos and online videos are beginning to dramatically raise the stakes for brand/corporate reputation.

Why Internet Insights are Important to Marketers

And as every marketer learns in Marketing 101, word-of-mouth is already an important factor in consumer behavior and purchase patterns. In fact, word-of-mouth has a reputation as the most trusted and reliable form of advertising—a finding that was bolstered by a 2003-2004 Nielsen BuzzMetrics survey about trust levels in various advertising formats. As and it grows in volume and abundance, so does its influence—all at a time when traditional forms of advertising (especially television) are becoming less trusted, less dominant and more fragmented by the boom in media outlets and consumers’ growing tendency toward “media multi-tasking,” which might involve watching TV while simultaneously cruising the Internet.

CGM is also measurable. Because it exists and thrives on the Internet, online word of mouth leaves a “digital trail,” so to speak, allowing its content to be located, categorized, analyzed and understood for basic data and trends, sentiment, polarity and experience. More than many traditional types of market research, it provides unclouded, real-life entry into the minds of consumers.
Where do Consumers Hang Out on the Internet?

Not all Internet players are the same, either in size, influence or reach. But consumers tend to migrate to specific and well-defined areas of the Internet when looking for information that’s important to themselves and, ultimately, to marketers.

- **Large Internet Portals**: The largest players in the Internet world draw the most consumers/viewers, and they fuel most of the discussions. These include USENET postings, and the big Internet Service providers and portals, such as MSN, Yahoo!, America Online and Google. They represent tens of millions of Internet users.

- **Verticals**: These are industry- or interest-focused areas of the Internet that draw consumers based on a particular product, specialty or niche. Typically, they draw consumers interested in specific products (automobiles, computers, electronics, software) or issues (politics, baby/parenting, lifestyle, travel, etc.) They represent millions of users.

- **The Clubs/Microcommunities**: These are sites or online groups where fans and enthusiasts of particular products, personalities, companies or brands hang out and share information, likes, dislikes. They can range from celebrity fan clubs to stamp collectors clubs to automotive owners’ sites to book clubs. Users are in the tens of thousands.

- **Groups/Nanocommunities**: These are highly focused, highly specialized sites where aficionados congregate around a single issue, product or item. Groups can be public or private, and even though membership is usually small (tens to hundreds of users), thousands of such groups can exist on the major Internet Service Provider and search Web sites that host them.

- **Web Logs, or “Blogs”**: A growing sphere of influence involves blogs, short for “Web logs.” These are self-published online diaries or commentary sites, many of which provide regular updates on various topics, issues and themes. Most blogs are maintained by an individual or collaboratively by an organization or group.

- **Third-party Web sites**: Small but active groups of consumers gather at third-party sites that offer the ability to complain (complaints.com), review/rate products (epinions.com) and provide feedback to companies online. They often represent early-warning experiences and behaviors, especially if consumers turn to them first to report and share information.

*USENET is a broad term that describes a network of public-access links on the Internet where people share, post and read information*
Consumer-generated media on the Internet holds key insights for marketers. Because it represents candid and unsolicited feedback, Internet discussion is untainted, unfiltered and unbiased by marketers. With Internet insights, marketers can:

- Intuitively discover the “right” questions for supplemental research. Often, the best question asked in any one-on-one or small-setting interview is the last one: “What haven’t I asked about that I should have?” On the Internet, that information often emerges first because it is driven by the consumer’s deepest needs and emotions, not the interviewer’s timetable or focus.

- Understand emerging issues, trends and themes by studying and listening in to consumers’ real-time experiences.

- Effectively manage a company’s or brand’s reputation by following sentiment as it circulates.

- Benchmark a product/service/company against major competitors, and use information for competitive advantage.

- Spur product development, feeding it with immediate real-time feedback, suggestions, alternative-use ideas and product-testing insights.

- Gather product suggestions, alternate uses and enhancements offered by consumers.

- Spot damaging issues/rumors quickly, many of which originate today on the Internet.

- Intervene quickly if potential problems are mentioned, circulated or spotted on the Internet. (See Case Studies on Page 12)

**Technology That Makes it Happen**

Just as technology produced the Internet, today’s technology also makes it possible to find, analyze and understand CGM for information, insights and intelligence. In essence, the Internet is an electronic medium that serves as a collection and dissemination point for consumer insights, and as a new medium, it requires new tools for tracking and understanding it.

Technology that discovers online information, by its nature, must confine itself to public areas of the Internet where users already know that their information is posted and shared publicly for others. These include online discussion boards, USENET groups, blogs, consumer-oriented ratings and review sites, forums and the like—places where consumers naturally gather and actively, publicly trade information. Consumers are attracted to the Internet because it gives them an unfiltered, unfettered voice, a community in which they can establish and exert influence, and an easy-to-use communication tool that is increasingly powerful.

Content discovery and text-mining technologies are able to locate relevant discussion on the Internet, standardize it, classify it, analyze it and make sense of it for marketers by pulling out of it key findings, sentiments, trends, negative-positive factors and opinions. From raw text and material, content mining tools can extract themes, context, meaning, relevance, action and reaction—all the characteristics that make up marketing intelligence. BuzzMetrics’ key product line, BrandPulse, and its single-topic BrandPulse Insight research reports, analyze data from public areas of the Internet and thousands of blogs daily to find what’s hot and what’s not, who’s current, what people are talking about and in what context.

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**Who Else Listens to CGM?**

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<tr>
<th>Who</th>
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<td>Consumers</td>
<td>Informs purchase, loyalty</td>
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<td>Reporters</td>
<td>Accelerates research, fact-finding</td>
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<tr>
<td>Analysts</td>
<td>Offers scoop/insight company won’t volunteer</td>
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<tr>
<td>Competitors</td>
<td>Exploits actual users of competitors’ products as “intelligence gatherers”</td>
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<tr>
<td>Regulators</td>
<td>Vocal consumers provide leading indicator into future problems</td>
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<tr>
<td>Activists</td>
<td>Helps reinforce/solidify a key position</td>
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Consumer-Generated Media (CGM) is readily available and accessible to consumers and to other “high-influence” listeners. Major business publications, such as the Wall Street Journal, now regularly quote consumer message boards and forums to provide texture and fresh perspective in stories, and financial analysts often review boards before quarterly calls with CEOs.
A Marketer’s Quiz: Questions to Ask Yourself

Every major company or brand with measurable Internet activity today should institute and operate an Internet-monitoring program as part of a broader marketing intelligence program. Without it, marketers, managers and key product specialists are functioning in an information vacuum. Here are some questions to get started:

**Phase One: Identify who’s speaking**

- What are top 10 sites/forums that discuss your company/brand?
- How can CGM enhance existing relationship marketing programs?

**Identify what Internet users are seeking**

- Where are consumers seeking information about your company, brand or service? How much do they want? What are they finding? Are you part of their solution—or out of the loop?
- Do consumers speak highly of your company or brand, or do their conversations tend to exist as if you didn’t?
- Is sentiment positive or negative? Changing or shifting over time? Full of emotion or eerily dull?
- Which discussion boards or Web sites are sought out for authority and oversight by media and analysts who cover you?

**Who is involved in capturing and updating Internet insights?**

- Who else is helping your online analysis efforts? Your PR agency? The media? External relations? Investor Relations? Public relations/Corporate Communications? Legal?
  - If you answered “yes,” make sure all involved parties are on a distribution list so everyone’s in the loop, sharing the information
  - If you answered “no,” get key parties involved and linked

**Manage the Internet as a marketing tool**

- Is your Web site set up to handle input and feedback from consumers, the public, the media, analysts?
- Can your Web site act as a “radar” for positive or negative buzz?
- Does your company/brand have a system in place to notify key personnel of trends, rumors, changes, new information?
Phase Two: Identify and Flag Key Issues

Once you have a marketing intelligence plan in place to identify Internet buzz, expand it by looking critically and strategically so that you find the information you need, want and can act upon. Internal data and findings can guide your assumptions, but those assumptions can be altered and changed because of what is found on the Internet.

Again, here are some questions to ask as you get started:

- Which issues fuel the most Internet discussion?
- Which issues inspire the most emotional online discussion? (Is it, for example, customer service? Price? An ad campaign? A celebrity spokesperson? Unmet expectations? Product availability? A rumor? The company president’s latest public faux pas?)
- What issues are most likely to prompt consumers to spread information to others?
- Do topics and issues change over time? Can you track the changes and trends?
- Which issues or topics spread faster than others?
- Which issues deserve the most attention/intervention from marketers?
- Can internal processes be changed to help facilitate clearer understanding of online behavior (e.g., can CRM data be guided or forwarded differently? Can lingering issues be dealt with on the Web site? Can frequently asked questions be answered automatically?)

Phase Three: Deepen Relationship Marketing Efforts

In order to market effectively and intelligently, you need to know your audience. According to research, 70% of consumers who give feedback to a company are active on Internet discussion boards and forums, making them a key target for outreach. Once you’ve pinpointed active online consumers, take time to get to know them and their habits by offering opt-in programs that allow them to engage further, on their terms. Questions to ask include:

- How often do you tell others of your shopping/buying/brand experiences?
- How often do you visit Internet discussion boards?
- How much time you spend consulting Internet ratings/reviews/opinion sites?
- What sites or blogs do you consider to be the most credible? Influential?
- How likely are you to act or change your behavior based on what another Web site or online consumer says?

CGM in a Multi-Media Context

As movie-making technology unfolds, consumers are expressing themselves easily and with maximum impact. The political advocacy group MoveOn.org surprised the advertising and political communities with a 2004 primary-election program that invited members to submit their own 30-second political ads. Participation rates and viewership far exceeded even the most bullish expectations.

Overall Best Ad and People’s Choice Winner:
CHILD’S PAY
by Christie Fisher of Denver, CO
High-Bandwidth Version
Low-Bandwidth Version
Stills 1 2 3

Funniest Ad:
IF PARENTS ACTED LIKE BUSH
by Christopher Finn of Sherman Oaks, CA
High-Bandwidth Version
Low-Bandwidth Version
Stills 1 2 3

Best Animated Ad:
WHAT I’VE BEEN UP TO
by Mark Wolfe and Ty Pierce of Columbus, OH
High-Bandwidth Version
Low-Bandwidth Version
Stills 1 2 3
Exploit Your Own Web Site

Some companies want only bare-bones information on their Web sites on the theory that too many questions or inquiries from pesky consumers just mean more work. Web sites, in fact, can be classified into several camps, depending on how well they treat CGM. Does the site enable CGM by inviting feedback? Does it sponsor forums and discussion opportunities? Does it neutralize potentially damaging information? Indeed, truly intelligent, tuned-in companies consider the company/brand Web site a gathering place that invites consumers in and makes them feel at home in a way that respects and fuels positive, external buzz. The Web site should be your company’s/brand’s face to the world, as well as an ear to the ground and a gut check for trends and watch-outs.

Web-site Tips for Internet-Savvy Marketers

• Make sure all the right information is on your Web site and updated regularly
• Answer all questions from consumers, quickly
• Be up front and candid about difficult questions/issues, too
• Establish a great first impression. (Ask yourself this question: If your Web site were a person, who would it be? Someone friendly? Warm and fuzzy? Helpful and reassuring? Or someone Cold? Gnarly? Bureaucratic?)
• Consider your Web site to be a subtle (or not so) form of marketing

Reach Out to Consumers

Rather than assume your Web site is easy to navigate and find information, set it up and design it so that it offers a way to identify and build relationships with the consumers and potential customers who visit it. For example:

• Enable word-of-mouth and referral programs with easy send-a-link functions
• Segment particularly positive or high-value customers and treat them as special ambassadors by offering loyalty programs, members hip clubs, special offers, survey possibilities and the like.
• Make sure your online efforts are well represented and integrated into your Web site. Does your Web site feature a link to your newest TV commercial, radio-blurb broadcast/podcast or online promotion?

Examples of Influential CGM

Subservient Chicken

In April of 2004, a Web site called The Subservient Chicken took the blogosphere by storm, moving from obscurity to an astounding 46 million visits in the first week, thanks almost entirely to online “buzz marketing.” Within a day of launch, in fact, BuzzMetrics’ BlogPulse tracking tool ranked www.subservientchicken.com as the top-linked Web site among highly active blog writers.

On the Web site, a guy in a chicken costume acted out commands typed by visitors into a text box. The site was created by Burger King’s Crispin Porter + Bugusky agency to promote the food chain’s new chicken sandwich, and it included pass-along links, TV clips, photos and a downloadable chicken mask. The Subservient Chicken was one of the first online-only campaigns fueled almost entirely by consumers, bloggers and others willing to pass it digitally around the Internet because of its uniqueness. It falls into the category of trail-blazing CGM.

Super Bowl Integration

For some brands, a TV ad during the Super Bowl game remains the largest single-day expense for TV air time. And between the 2005 and 2006 Super Bowls, something big happened: more than half of the 2006 brands that advertised during the Super Bowl somehow integrated their online and offline efforts. TV viewers were directed to a brand Web site or a stand-alone Web site where they could find more: more information, video links, promotions and other goodies. It was a marked change from 2005, when only a handful of advertisers coordinated the multi-million-dollar TV spots with their Web-site campaigns. In addition, at least five separate Web sites featured links that allowed Internet visitors to play the TV ads on their computers or download them to video players—a first for the Super Bowl.
Know that unsatisfied visitors to your Web site go away from you and migrate to the broader Internet community for commiseration. Why not let them get it off their chest on your site and be satisfied?

Ask for feedback. More than anything, consumers often just want to feel that someone is listening.

Just as consumers gain new tools to educate, information and arm themselves, marketers also need the technology and tools to stay apace for critical purposes: research, market information, trend analysis, rumor detection, product launch and research, consumer understanding, loyalty programs and promotions and much more.

Buzmetrics provides the technology and applications that can help marketers understand consumer “buzz” on the Internet and its various information sources, with tools such as BrandPulse, the BlogPulse.com search engine/analysis portal, and issue-specific research reports. Singly, they are powerful tools. Combined, they provide a 360-degree of consumer intelligence never before possible. In today’s technologically advanced, Web-enabled world, they are emerging as critical tools to help marketers carry out the principles and practices of their profession.

Putting Your Marketing Plan in Perspective

Not only can CGM be quantified, it can be tracked and linked to specific marketing and ad campaigns, product launches, offers, news events and industry fluctuations. This exhibit shows how varying degrees of Internet buzz—by volume, by sentiment, by model—correlate with key marketing events for an auto client.
Case Studies

Which companies and brands benefit from Internet capabilities? And how does the ability to understand Internet content play out? Consider these scenarios:

**Consumer Packaged Goods**

**Issue:** A consumer sends an e-mail to a leading food company about a suspicious pill found in a package of food.

**Solution:** BuzzMetrics’ technology captures the message immediately, using keyword detection technology, and alerts appropriate contacts within the company automatically by e-mail within 60 minutes. The company rectifies the issue with the consumer before it spins out of control.

**Wireless Industry**

**Issue:** Wireless consumers discover a code that allows them to steal pre-paid minutes from one of the nation’s largest wireless carriers, and they begin sharing it freely on Internet discussion boards.

**Solution:** BuzzMetrics’ BrandPulse technology locates the online discussion where consumers share the code. With the source located, the company is able to make necessary changes to its systems and codes to prevent future theft.

**Entertainment**

**Issue:** A major movie studio needs advice on positioning a marketing campaign for its blockbuster summer film.

**Solution:** BuzzMetrics’ BrandPulse technology scours discussion boards and finds, unbeknownst to the studio, that most of the online “buzz” involves the film’s star, an up-and-coming actor. Armed with this information, the studio tailors its online marketing campaign to emphasize the rising star and generate further buzz.
The Nielsen BuzzMetrics service, marketed by BuzzMetrics, Inc., is the global standard in measuring consumer-generated media and word-of-mouth. Nielsen BuzzMetrics helps more than 100 leading global companies strategically leverage the buzz surrounding them—clients like Canon, Comcast, Ford, General Motors, HBO, Kraft, Microsoft, Nokia, P&G, Sony, Target and Toyota, as well as 15 of the top 15 pharmaceutical concerns. Partners include the world’s largest marketing-services firms, and innovative new-marketing agencies. The company has also collaborated with distinguished research organizations such as the Pew Internet and American Life Project. BuzzMetrics, Inc. is an affiliate of VNU, owner of such renowned research names as ACNielsen and Nielsen Media Research.

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