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Consumers are the new kings of content

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New media calls for new media strategies. In part one of a series on consumer generated media, **Bronwyn Higgs** explores the marketing opportunities of blogs.

Consumers are the new kings of content.

There's a great deal of hype about consumer generated media (CGM). Throughout 2005, some of the world's most reputable mastheads, including the *New York Times*, *Wall Street Journal* and *Business Review Weekly*, declared that CGM constituted a paradigm shift. So, what's all the fuss about? More importantly, what promotional opportunities do these new media afford?

In simple terms, CGM refers to channels created by consumers for consumers. Using the internet along with innovative software, consumers have developed a range of new media forums – public message boards, blogs, wikis, podcasts, product review sites, consumer rating websites and social networking sites.

CGM is more than just another media platform. It is preferable to think about it as a form of word of mouth or viral marketing. Marketers cannot control CGM. Nor should they try, for CGM's real value lies in its independence. Control is out of the question, but subtle influence is a realistic goal.

While CGM has become relatively mainstream, CGM advertising is in its infancy. In fact, it is so new that business models are only just emerging. Certainly, advertising will form part of the equation. For some individual CGM providers, however, paid advertising is contrary to the ethos of this new, interruption-free media. If marketers are to fully exploit the potential of CGM, they will need to move beyond traditional advertising and develop new tactics.

WHY BOTHER WITH CGM?

CGM has many advantages. As community-based channels, CGM speaks with a personalised voice in an independent environment. This adds up to a channel with high



street credibility, especially among younger demographics.

CGM has a vast, global reach. Both CGM providers and audiences are opinion leaders and influencers. Advertising costs are relatively low on a pay per view basis and compare favourably with internet advertising. A major drawback, however, is the lack of reliable audience metrics.

CGM MEASUREMENT

Measurement of consumer-generated media is in its infancy. A major issue for researchers is

which metrics to use. In the Australian market, a related consideration is whether or not there is sufficient commercial demand for a local service.

Currently, no Australian research company is active in CGM measurement; however, Elvira Lodewick, from Nielsen//NetRatings, says that they "will keep a close eye on developments in the Asia Pacific region".

Savvy marketers have recognised the importance of insights gleaned from CGM. Mining blogs, boards and product feedback sites for information on brand attitudes and

product awareness should now be included among the standard sources used to acquire marketing intelligence. A number of US companies now offer specialist services in issue monitoring. Now, a great deal is known about issues emerging through CGM.

Less is known about the composition of the CGM audience. Available research comes primarily from the US. Austereo has carried out preliminary research suggesting that penetration rates in Australia lag marginally behind the US, but Australian audiences exhibit similar behavioural patterns to their US counterparts.

CGM users tend to be younger. Big Research found that 18 to 24-year-olds are the heaviest consumers of CGM. Almost 30 percent have used blogs, 45 percent regularly use personal players and 80 percent are using instant messaging. Among older age groups, usage rates are somewhat lower, but still respectable. For instance, 11 percent of over 55s have consulted a blog and seven percent have used personal media players.

MINING THE BLOGOSPHERE

A blog is a personal journal or diary. Unlike a paper diary, blogs are interactive. Second parties can post content, sparking a debate. This process of posting or hosting a site is known as 'blogging'.

Blogs have been likened to a virtual 'water cooler', a place where people gather to gossip and talk about what's hot and what's not. Blog postings are peppered with opinions on favourite brands, product experiences, new product launches and the latest advertising.

Intelliseek's BlogPulse estimates that there are more than 11 million blogs globally, with an additional 50,000 blogs being added daily. Of the total, approximately 500,000 are Australian blogs.

Most blogs adopt a themed approach. Popular genres include politics, lifestyle and technology. A handful of blogs are dedicated to consumer-related activities. See, for example, <http://whencustomerstalk.blogspot.com>.

The global information provider comScore estimates the US blog audience at 50 million bloggers. Demographically, bloggers are younger and more likely to come from wealthy families. They are active internet users – the majority are online daily and visit twice as many web pages as regular internet users and are more likely to shop online. They like reading, but curiously are light newspaper readers.

Consumers have long used the internet as a research tool in purchasing decisions. Now they are adding blogs to their repertoire of information sources. For example, a new car buyer would normally visit a manufacturer's website before visiting a dealership. Now, consumers also seek independent, third party reviews of an intended purchase via a blog. With this insight in mind, marketers can think about ways to seed blogs with relevant branded messages.

Straight blog advertising is especially suitable for new product launches. Teaser campaigns, designed to pique consumer interest, can be especially successful. The more innovative the promotional activity, the greater the chance that bloggers will pick up the idea and spread the news.

The principal promotion opportunities for blogs are:

- ✦ Blog ads. Sizes are typically available in standard internet formats (e.g. banners, buttons, hyperlinks etc.), although there is some variation across different sites. Rates, typically charged on a cost per click basis, compare favourably with internet advertising.
- ✦ Sponsored hotlinks. Approach third party sites that are known to have posted corporate copy, requesting an adjacent hotlink to the relevant corporate site.
- ✦ Blogging corners. Blogging corners on corporate websites allow you to personalise a product, build relationships and offer special rewards or prices. A local example of a blogging corner is ninemsn's Spaces at <http://spaces.msn.com>.
- ✦ Corporate sponsored websites. Why not develop a dedicated website for bloggers? Content that appeals to bloggers includes behind the scenes news, reviews, free downloads including ads, screensavers, music files, ring tones and games. A great example is Sony Bravia's One Destination site at www.bravia-advert.com.
- ✦ Seeding sites with editorial copy. Seeding refers to the act of contributing content with a view to influencing a discussion. Suggested seeding tactics include posting a question or leaving a message. Use topical, controversial or edgy copy to increase the probability that bloggers will seize on the topic. **M**

In part two of this series (Media Zone, June), we will continue to look at promotional opportunities in CGM platforms.

BLOG DIRECTORIES

Online Marketing Links

<http://www.onlinemarketinglinks.com>

Business Blog Directory

<http://blogbusinessworld.blogspot.com/2004/05/new-wiki-powered-business-blog.html>

Blog Search Engine

<http://www.blogsearchengine.com>

Blog Universe

<http://www.bloguniverse.com/>

CGM ISSUE MONITORING

Intelliseek

<http://www.intelliseek.com>

BlogPulse

<http://www.blogpulse.com>

Buzz Metrics

<http://www.buzzmetrics.com>

Campaign Radar

www.campaignradar.com

Technorati

<http://www.technorati.com>

AUDIENCE METRICS

Pew Internet and American Life, Content Creation Online Report,

http://www.pewinternet.org/pdfs/PIP_Content_Creation_Report.pdf

Digital Podcast, Postcast Value

Chain Report, http://www.digitalpodcast.com/PVCR_3Q_Update.pdf

comScore Networks,

Behaviours of the Blogosphere

<http://www.comscore.com/blogreport/comScoreBlogReport.pdf>

Big Research, New Media Usage,

<http://www.bigresearch.com/news/big062205.htm>

CGM ADVERTISING SERVICES

AdBrite

<http://www.adbrite.com>

Crispads

<http://www.crispads.com>

Burst Media

<http://www.burstmedia.com>

Blog Ads

<http://www.blogads.com>

Google

<https://adwords.google.com/select>

Feedburner

<http://www.feedburner.com>