White Paper: Harnessing UGC

Maximize user-generated content and reward customers for sharing their content

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Introduction

User-generated content is one of the most influential yet cost-effective ways for organizations to market products on social media platforms (Beveridge, 2022). User-generated content can be described as "is original, brand-specific content created by customers" which is posted on social platforms to promote or review products.

In an age where content is king, content from consumers feels more genuine and can be more effective than traditional advertising methods such as TV commercials or magazine ads. UGC can be even more effective than social media ads because the testimonies that come from real people have the ability to be more enticing (Aaker, 2018). Advertisements in the form of UGC frame content in a more humanistic manner, making it more appealing to viewers (Littlejohn & Foss, 2009). In a recent study, it was found that "user-generated content led to higher purchase intention compared to disclosed advertisement and brand posts" (Mayrhofer et al., 2019). This means that UGC could be more effective at reaching target markets than traditional advertising methods.

Hootsuite names UGC the modern-day word-of-mouth, and this is especially true for the millennial and Gen Z generations who are primary users of social media (Beveridge, 2022). User-generated content can be split into three categories: **customer-generated content, employee-generated content**, and **UGC creators**. Customer-generated content is created organically by customers who like the product or brand, whereas employee-generated content is made by people who work at the organization whose content can offer a different appeal to consumers to purchase products. UGC creators are paid by brands to create content, so it is not

as authentic as typical user-generated content but has the same appeal as customer-generated content.

Problems with UGC

Today, social media platforms such as Instagram, Facebook, and TikTok are saturated with different forms of user-generated content since the launch of social media commerce. **Social media commerce** is the commerce experience built into social media where purchases can be made directly through the platform (Beveridge, 2022). For example, recently TikTok launched its 'TikTok Shop', and TikTok users are encouraged to make content about purchases they've made on the shop. User-generated content as a primary form of advertising is a very new concept, which means it can be difficult to regulate and the newness may be associated with some issues. User-generated content is difficult to control because it is organic content coming from consumers rather than the brand.

Sponsored UGC solves some of these issues by providing content parameters and some form of reward, but even still these guidelines are not foolproof. Risks associated with user-generated content are unreliable, inappropriate, harmful, or even illegal content. **Inappropriate Content** is content that is not an accurate representation of the brand's products or values, or worse content that is harmful to the audience or brand itself (Andric, 2023). **Illegal Content** is considered inappropriate content that breaks laws. This could be content that harms consumers or the brand on a legal level or this could be content that is pirated or stolen (Andric, 2023). **Unreliable Content** is content that does not properly represent the brand or product. Content could be dishonest or inaccurate (Andric, 2023).

Solutions

UGC comes with quite a few risks because it is new, organic, advertising originating from consumers rather than the brand itself, which results in a lack of quality control of the content. The solution to creating accurate, reliable, and appropriate UGC is the UGCReward App. The **UGCReward app** is not only for brands, but consumers as well. The UGCReward acts as a mediator between brands and consumers and incentivizes consumers user-generated content. The app offers three different solutions to regulate content, reward app users, and smart match businesses and customers.

The UGCReward works to **smart-match businesses and consumers**. Consumers can find brands they love through the UGCReward app, create content for products they already own or want to purchase, and be rewarded for it. On the other hand, brands can connect directly to consumers on the app and specifically find users based on engagement metrics (amount of followers, likes, comments, reach, etc.) to create content. Next, **UGCReward offers incentives to consumers** for using the app and posting content. Rewards include discounts on participating brands' products or monetary rewards through PayPal. Most importantly, **UGCReward moderates user-generated conten**t to make sure abides by branding guidelines as well as social platform community guidelines. In order for the content to be posted and for the consumer to be rewarded, each post must be approved by the UGCReward app to ensure that the content is appropriate for the product and the platform.

Conclusion

User-generated content is the leading form of advertising on the world's most popular social media sites such as TikTok, Instagram, and Facebook, not to mention, it is a lower-cost investment compared to traditional advertising methods. User-generated content is an organic form of advertising created by consumers themselves (Beveridge, 2022). User-generated content has been proven to be more effective than traditional advertising methods, but the content is mostly unregulated which can lead to inappropriate, unreliable, or even illegal content associated with the brands or that is harmful to viewers (Mayrhofer et al., 2019).

The solution to regulating user-generated content is the UGCReward app. This app works to smart match businesses and consumers to maximize content productivity, it rewards customers for creating content, and most importantly it mediates user-generated content to make sure that it abides by community and brand guidelines. All content must be approved by the app in order for it to be posted and rewarded.

This is the era where content is king. UGC is fairly new and leading the social media marketing industry (Aaker, 2018). Because of social media commerce, it is important that we continue to research and better understand the full effects of user-generated content in order to maximize its use.

Citations

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