

UTILIZING USER GENERATED CONTENT TO REACH » AND CONVERT « MILLENNIALS



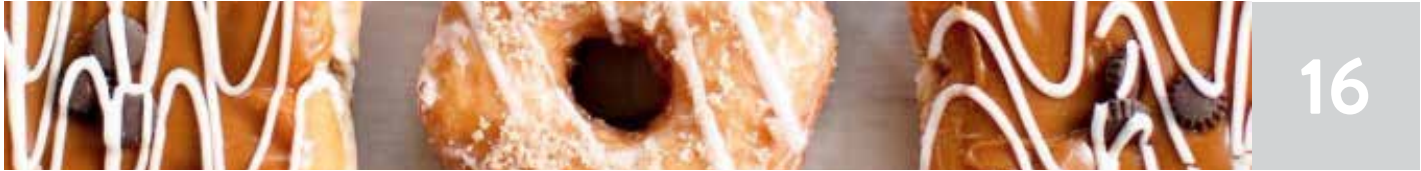
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CHUTE

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INTRODUCTION




It wasn't that long ago that brands had just a handful of tried-and-true options to market their products and services. While these "traditional" advertising channels like TV, radio, print and outdoor provided brands with the ability to achieve high reach and capture the attention of a mass audience, they could also be quite costly. Depending on the medium, reach, frequency and size/daypart of the ad or spot, they could run into the thousands, hundreds of thousands or even millions of dollars.

Some brands can shell out that kind of dough, though, like those that spent \$4.5 million for a 30-second commercial during this year's Super Bowl.

Most brands, simply, cannot.

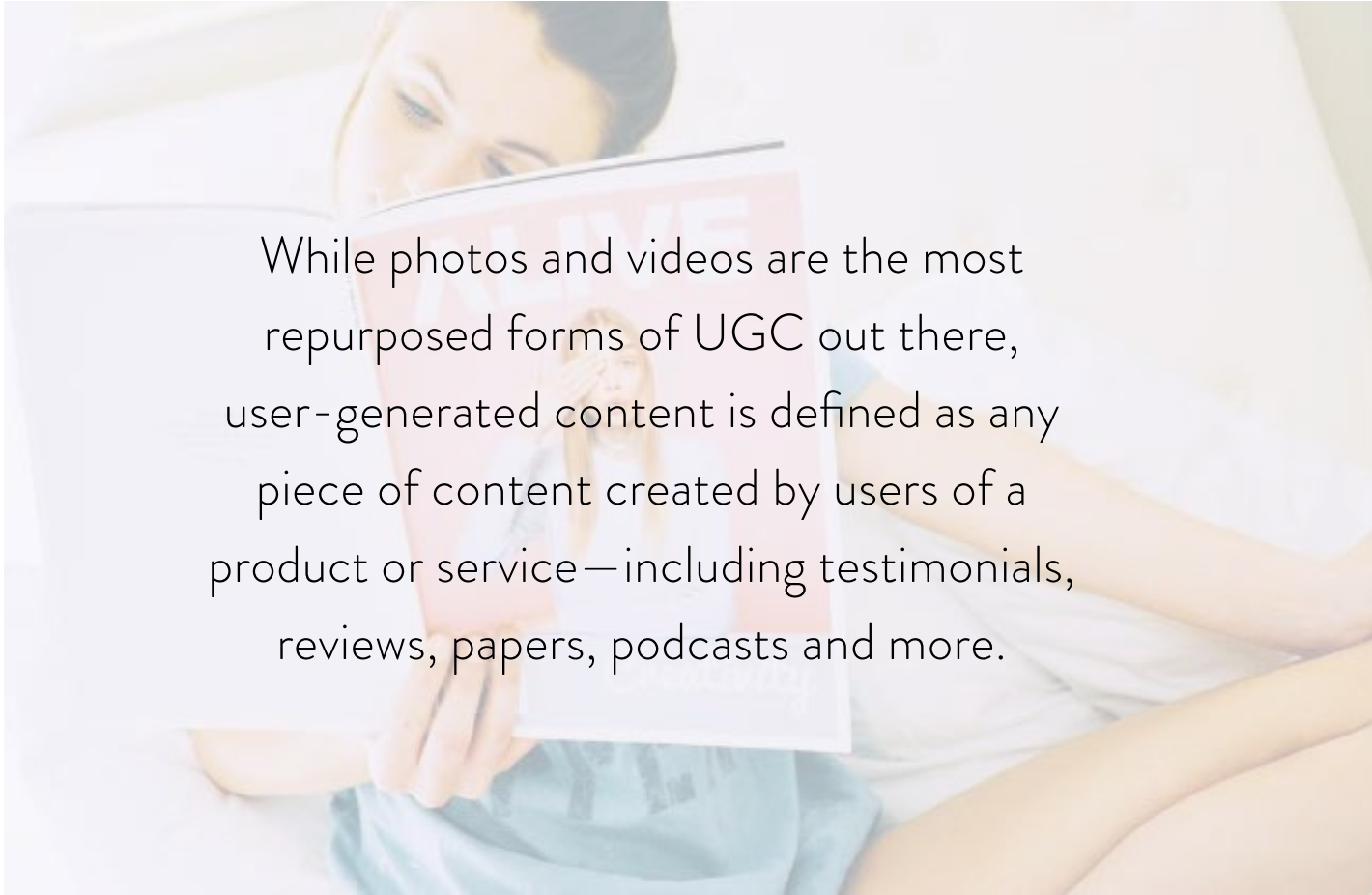
When advances in digital technology opened up new (and more affordable) opportunities for brands to reach their target audiences, many companies took advantage. From social media (organic and paid) to digital to mobile, brands could now more tightly focus their advertising dollar on the prospects that mattered most through highly targeted advertising. In the same vein, advertisers were starting to pay more attention to the kinds of messages that resonated most with their customers and prospects; ads that looked less like ads and more like stories were infinitely more appealing and were, in turn, converting prospects into customers.



Then along came Instagram, where brands were able to tell their story through photos and share them with the world. Instagram became brands' "lookbooks," and the art of visual storytelling took on more meaning. Brands took it a step further by encouraging their social communities to share their stories and experiences through social media. And because photos achieve high engagement and are highly shareable, Instagram became the platform on which to accomplish this. Social users were flocking to Instagram to see what other people were saying about brands they loved, places they wanted to visit, and hotels at which they were considering staying. On the flip side, brands were starting to re-purpose this user-generated content (UGC) on their own social feeds and other customer-facing channels—providing an authentic story about their brand through the eyes (and lens) of their customers.

And this is exactly what consumers—especially millennials—were craving. According to one study, nearly half of travelers said that what they see on Instagram significantly shapes their travel decisions—from where they go and where they stay to what they do when they get there. Of those who said they would refer to Instagram, a whopping 76 percent were millennials.

So by leveraging user-generated content, brands can now tell a more powerful, authentic story without having to dip into their marketing budget for creative and production fees. It doesn't cost a dime to find a great photo, get permission to use it and then repurpose it on your own channels.



While photos and videos are the most repurposed forms of UGC out there, user-generated content is defined as any piece of content created by users of a product or service—including testimonials, reviews, papers, podcasts and more.

In this paper presented by Chute and Commit Agency, we explore the power of visual UGC among millennials and how brands can leverage it to tell their story to this generation.

PART 1:

USER GENERATED CONTENT & MILLENNIALS

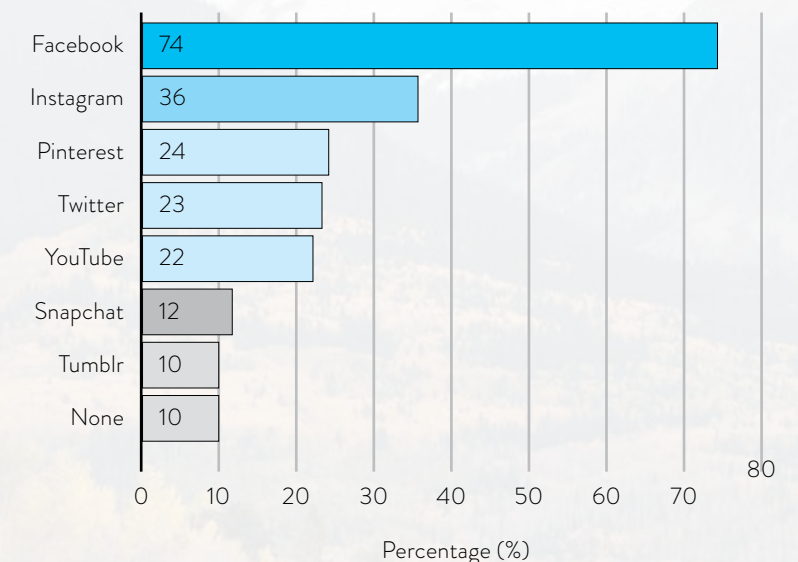
According to Pew, millennials (defined as those aged 19-35 as of 2016) have already surpassed Baby Boomers as the largest living U.S. generation. These millennials now number 75.4 million, and Pew projects the number will peak in 2036 at 81.1 million due to immigration. While millennials continue to be stereotyped as teens or young adults living with their parents, Accenture found this group already has immense buying power—equalling \$600 billion annually with projections to hit \$1.4 trillion by 2020.

These consumers have grown up with digital and social media, and a large number can't remember a world without Google. This has had a great influence on their buying and research habits; they are innately more aware of marketing and search out authentic stories to guide their decisions. Chute saw this reflected in their research, discovering that 55% would be most likely to purchase a product after getting to see someone like them use it. Looking specifically at the youngest group of millennials, aged 19-24, this number increases to 60%. And overall, 78% of millennials said they would rather see photos of real customers over professional photos created by the brand.

How does this authenticity factor fluctuate based on industry? Chute gave consumers a series of images and had them blindly choose the ones that most inspired them to travel or purchase. For travel, 74% said the user-generated images most made them want to visit the location shown. For electronics, that jumps up to 83%; for fashion, 85% were inspired to look into a clothing item after seeing it worn by a fellow consumer.

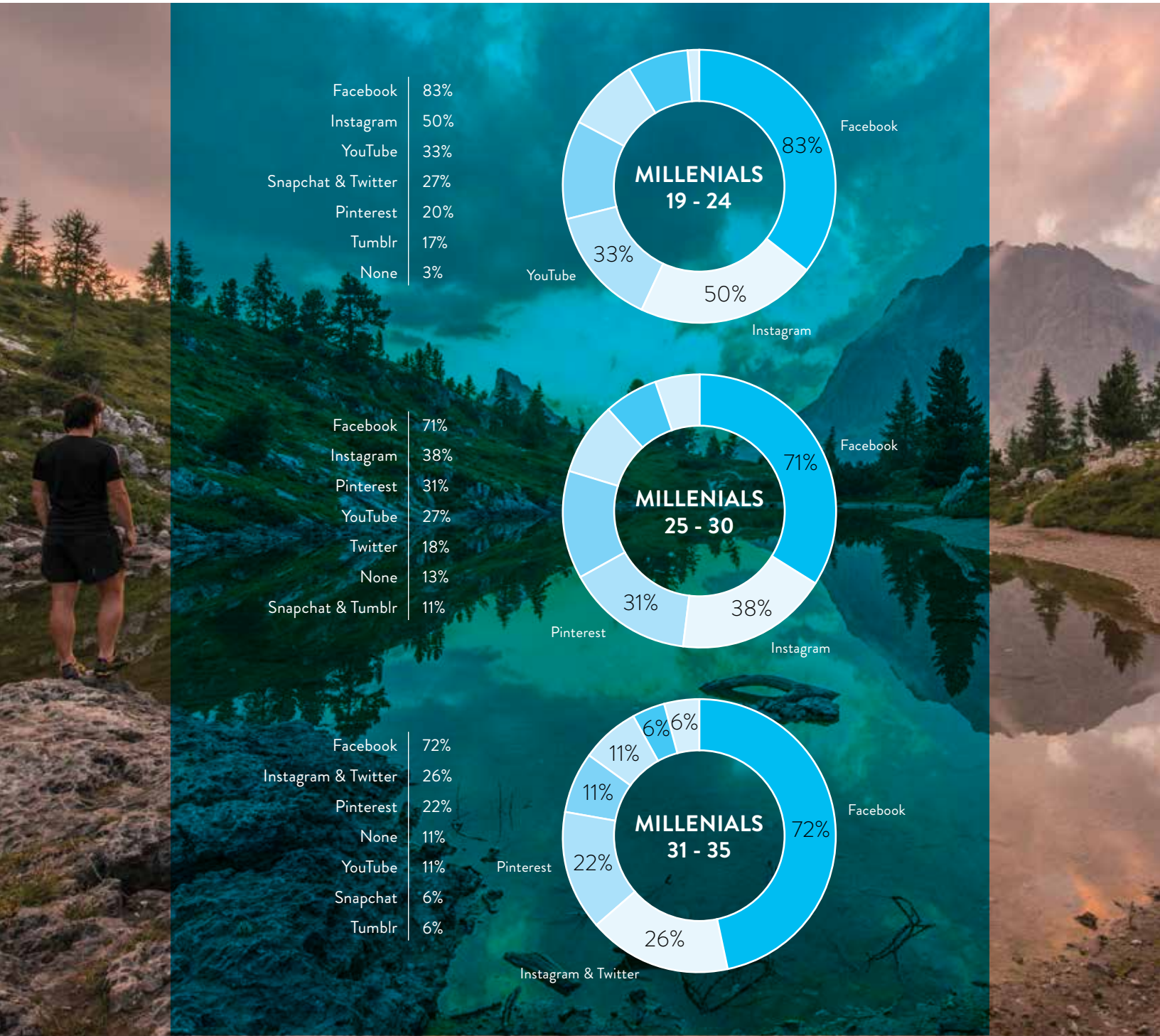
Not only are millennials looking to UGC to make real purchase decisions, they're also the ones creating this content. Across the board, 64% post to social media to recommend a product or service at least once a month, and that grows to 67% for 19- to 24-year-olds. And what do these consumers want in exchange for their interaction? Not a whole lot—the majority said they just want a comment or reply from the brand they're posting about.

THE TOP SOCIAL PLATFORMS ON WHICH MILLENNIALS FOLLOW BRANDS ARE:



Of course, brands also are hoping consumers will want to follow their social accounts. However, these consumers are still hard-pressed to follow brands. While 74% said they follow a brand on Facebook, that number decreases by half for the following platform with 36% saying they follow a brand on Instagram.

However, this list shifts depending on the age of the millennials. Younger millennials are much more likely across the board to follow brands, but their top platforms (excluding Facebook) are Instagram, YouTube, and Snapchat. Meanwhile, millennials aged 31-35 are much more unlikely to follow a brand across the board, but their top platforms for doing so are more “traditional” social media platforms: Instagram, Twitter and Pinterest.



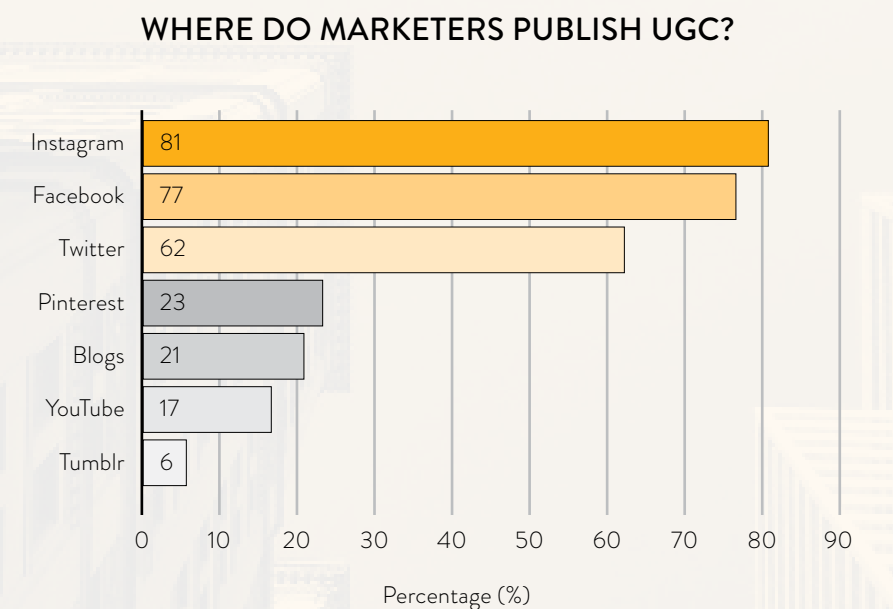
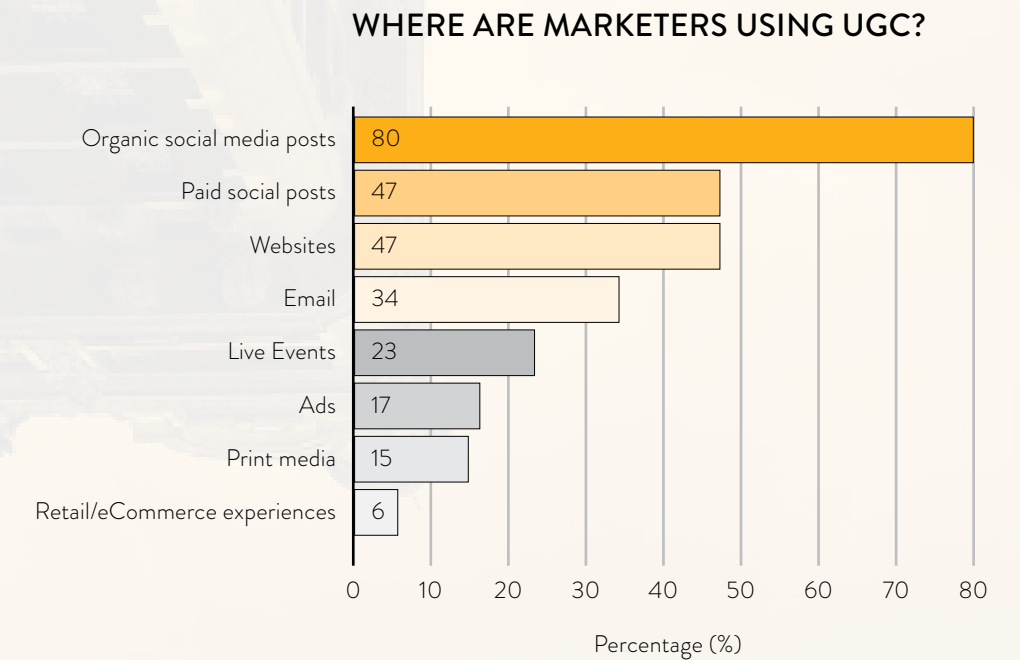
The question brands undoubtedly have are: what gets these people to follow and not follow? Looking specifically at Instagram, Chute found that the top thing millennials look for is a good theme or aesthetic. In fact, 57% said this was the top factor when deciding to follow a brand—with that number jumping up to 73% for 19- to 24-year-olds. In terms of unfollowing or just choosing not to ever follow, 64% said the top factor was posting too often and 55% said they get turned off by posts that look like ads or try too hard to sell.

PART 2:

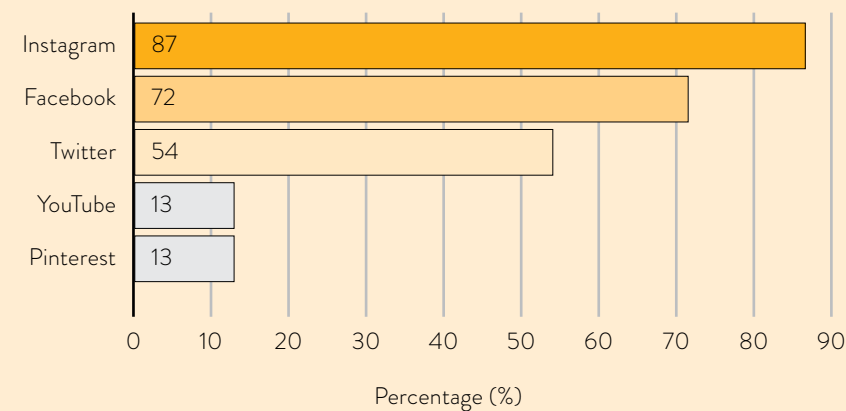
USER GENERATED CONTENT & MARKETERS

Chute then talked to the marketers tasked with engaging these consumers through digital media to see how user-generated content comes into play for their executions. Currently, 78% are turning to user-generated content for at least part of their marketing tactics. Why? Because marketers also understand the value millennials place on authentic media; 87% said they use user-generated content for that reason specifically.

Where are they implementing UGC? The top place is organic social posts—especially on Instagram. However, many are also using it in paid social and on their websites. Instagram is the top place these marketers are sourcing user-generated content—unsurprising, considering the amount and caliber of content that tends to be posted versus other social platforms.



WHERE DO MARKETERS SOURCE UGC FROM?



However, there's more to UGC than just content. Marketers also see value in the data behind it; 45% said they hope to find new influencers with targeted niche audiences while 23% want to uncover demographic and social media trends.

User-generated content also has its pain points. Of marketers utilizing UGC, 57% said discovering good content was their biggest hurdle. In fact, when asked what part of UGC marketing they most wish could be automated, the top pick was discovering and managing their media. A huge issue is that so many marketers are trying to tackle UGC manually. There are tens of millions of photos being shared daily on Instagram alone; discovering the best on-brand content by using their search bar is impossible to scale.

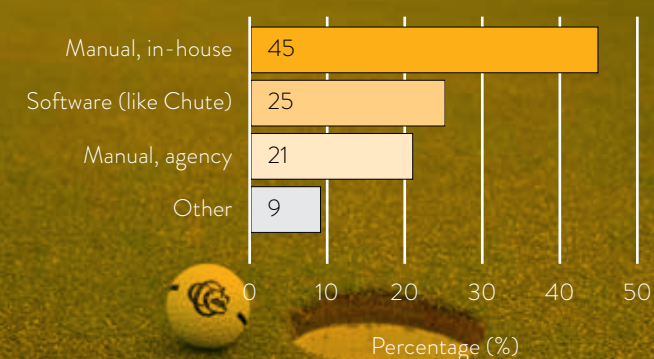
WHAT DO MARKETERS MOST WANT TO BE AUTOMATED?

1. Collecting and managing media
2. Content creation
3. Discovering influencers
4. Content discovery, creation and search
5. Mining consumer insights
6. Getting permission to use content
7. Performance measurement
8. Scheduling/publishing content
9. Approvals and governance

Lastly, the biggest worry for marketers around user-generated content is the legalities. Rules and regulations haven't adapted yet to this new form of marketing. That's why, of the marketers who aren't yet using UGC, 57% said legal concerns were their biggest hurdle. And of the marketers already using UGC, 38% said copyright was their top concern.

Again, the majority (53%) of marketers are doing this completely manually—directly commenting on or messaging creators. Not only is this not scalable, but it also leaves room for human error—something most legal teams are going to be wary of allowing. Without access to software, that leaves marketers with the less safe options of either using a branded hashtag and hoping consent is implied or not getting rights at all.

HOW ARE MARKETERS MANAGING THEIR UGC?



PART 3:

BRANDS DOING IT RIGHT

While most brands would likely be able to source and repurpose quality UGC, it is those brands within more experiential industries—travel, food and lifestyle products—that seem to have the pick of the litter when it comes to great photography that tells their brand story in a creative, authentic way.

So, which brands are killing it with UGC? Let's take a peek into some of our favorites and tell you why they're so great.



TRAVEL

MAGNOLIA HOTELS operates six distinct urban properties in five cities (Dallas, Denver, Houston, Omaha and St. Louis). While it had been using UGC to some extent, it wasn't sharing or optimizing the content in a way that triggered any kind of response from its community; likes and comments were typically in the single digits for each post. To elicit the kind of reaction that improves overall performance and engagement, Commit Agency developed a strategy that prioritizes UGC by telling the story behind each image rather than just re-posting. As part of this, a specific hashtag schema was developed to tap into conversations and influencers who were talking about the same kinds of things and would be receptive to this content.

From weddings (highlighted each Wednesday for #wednesdaywednesday) to artistic shots in and around each property, each image highlights something different that makes each property so special. Year over year, Magnolia Hotels' Instagram has enjoyed a 900 percent increase in comments and a 431 percent increase in total interactions.



CHEYENNE MOUNTAIN RESORT

is right at the gateway to the beautiful Rocky Mountains, where it's just about impossible to take a bad photo. Until recently, however, these photos weren't being sourced and shared by the resort. With a new strategy in place, Cheyenne Mountain Resort began repurposing quality content that captured the essence of the property and the jaw-dropping surroundings. Not surprisingly, resort guests, visitors and locals have been snapping their #QuintessentialColorado outdoor adventures in and around this picturesque destination—and Cheyenne

Mountain Resort has been sharing those moments without the dreaded "book your stay now" sales pitch in the next breath. Because they know that people will book anyway once they get a look at the kinds of moments they could be making there. Despite its relative newcomer status to Instagram, it boasts a higher engagement rate than properties that have much larger Instagram followings, and UGC posts are outperforming all other posts when it comes to user engagement.





THE CAMBY in central Phoenix opened its doors on Christmas Eve 2015 following the completion of a major property overhaul and rebrand from the building’s previous occupant, the Ritz-Carlton. The undertone of “Refined Revelry” is reflected in all guest touch points, from the funky bowtie-wearing food servers (who are called BFFs, or Beverage and Food Fanatics) to the camel-shaped green topiary near the porte cochere. The challenge for Commit Agency was to introduce this entirely new brand to locals and prospective guests who had experienced the Ritz-Carlton and may not be aware of the change. Gradually, as guests and visitors started gathering at this new hotspot, they would inevitably take photos and post on Instagram—many times using The Camby’s unique art installations as backdrops (such as the bike in the lobby with mirrored wheels or the cow skull scone donning a copper nose ring).



Since its opening, the Instagram content mix incorporates user-generated content, The Camby’s own photography as well as that of local bloggers and social influencers who flock to The Camby for a stunning backdrop. Instagram users regularly tag The Camby and use the property’s hashtags (#refinedrevelry and #thecamby), and the property has amassed about 1,000 Instagram followers (not to mention more than 9,000 on Facebook, where UGC is also repurposed) in less than six months since its opening.



SCOTTSDALE CVB rounds up the best photos taken in the Scottsdale area so that visitors get a true feel for what Scottsdale is really like. From lounging by the pool to those too-pretty-to-be-real Arizona sunsets, Scottsdale CVB showcases those experiences worth sharing. Whether a city, county or state, destinations have a lot of territory to cover. Having the best photos of every landmark and attraction, from every angle or season would be impossible. Tapping into visitors and locals’ content to highlight the best of the destination is a great way to achieve the necessary coverage.



FOOD

DUNKIN DONUTS knows creative pictures of donuts and coffee typically receive a big thumbs-up, so it predominantly features photos captured by its biggest fans alongside its own marketing shots. How can you go wrong with frosted and sprinkled donuts that somehow fit perfectly atop a cup of its famous iced coffee?



THE RITZ-CARLTON has an incredible legacy. Even with an older primary demographic, the luxury hotel group realized the importance and opportunity of appealing to younger generations while not alienating others. They noticed many guests proactively using the #RCMemories hashtag when sharing photos on social media. So they adopted this hashtag and even took the bold move of posting a blanket legal statement on their website stating if someone uses this hashtag, The Ritz-Carlton can use it in their marketing. And that's exactly what they do! On average, they receive about 15,000 images a month. When the hotelier recently launched a new website, it incorporated space in the design to highlight these guest memories. They tag the images by the property name so that as website visitors navigate their site, they can be inspired on the homepage with a photo gallery highlighting the best of all The Ritz-Carlton's around the world, or dive into specific property pages and only see the photos shared about that property.



BUZZ FEED FOOD doesn't sell food, nor is it a restaurant. But it knows people love their food, and there's a lot of food out there to share. How does a photo of someone holding Burger King's new "Mac n' Cheetos" get more than 47,000 likes? Because it's BuzzFeed. (Fun fact: Burger King's own "Mac n' Cheetos" Instagram shots didn't even get half the Instagram likes as BuzzFeed's did.)



LIFESTYLE PRODUCTS



SHAKE SHACK is famous for its dogs, burgers, fries and shakes, so it's no surprise its Insta-fans are snapping up their burger-eating, shake-slurping moments. Shake Shack prioritizes its fans' photos over its own marketing shots, which makes its feed really fun and unique. Who wouldn't be hungry for a Shake Shack trip after seeing endless photos of yummy goodness?

PATAGONIA makes products—clothing, gear, provisions and more—that are seriously built for adventure, so it's no surprise that brand lovers and adventure-seekers alike are snapping moments that are truly in line with Patagonia's mission.





CHARLOTTE RUSSE knows its young-at-heart customers would rather see their clothing and accessories on actual people than on a headless mannequin in the store window, which is why it regularly features real people donning their on-trend designs in its popular Instagram feed.



REI lives and breathes its #OptOutside mantra, which breathtakingly takes shape through stunning photos of its brand lovers and everyday adventurers experiencing life in the great outdoors.

BENEFIT COSMETICS is known for its cheeky style and progressive attitude. What the beauty brand also knows is that a culture obsessed with selfies is ripe for a UGC initiative. They encouraged women to share photos using various product-specific hashtags, including #benefitbrows, and now receive tens of thousands of images a month from which to choose their favorites.



They use these photos across their marketing channels in an evergreen fashion—meaning everyday, it is no surprise to see the brand highlight aspiring beauty gurus on their social channels, as well as on their website’s product pages. “Digital for us is central to building our brand awareness—it’s where our consumer spends most of her time,” Claudia Allwood, Benefit U.S.’s director of digital marketing, told Digiday. “She’s a digital native and we want to be where she is and build authenticity as a trusted brand that entertains and educates at the right time.”

PART 4:

WHAT NOW?

You’ve just read about the growth of user-generated content, how companies are utilizing UGC and which brands are doing it right.

SO, WHAT NOW?

For brands just starting to explore UGC—and also those who haven’t even gotten their feet wet—we have three simple rules for how to get started.



1

INVEST TIME IN FINDING/SOURCING GREAT UGC

- A.** Start with your own social accounts (especially Instagram) to see what users are posting and tagging you in.
- B.** If you are a brick-and-mortar shop, check the Places tab to see if people have been checking in to your business. Remember, they may check in without tagging you, so it’s important to do a thorough search.
- C.** If your brand has a hashtag (like #OptOutside for @REI), search the hashtag to see what people are posting. Be creative when searching hashtags; if you’re Cheyenne Mountain Resort, for example, you’ll find a lot of great photos of adventurers in the nearby area when plugging in hashtags like #VisitColorado, #PikesPeak, #RockyMountains and #ColoradoSprings.
- D.** Don’t forget your own (owned) assets as well, like your website, where your customers may be leaving great testimonials and reviews. That’s UGC, too, and something you can creatively shout from the rooftops.
- E.** Check out review sites like Yelp!, TripAdvisor and Google My Business, where customers oftentimes leave positive reviews.

2 REQUEST PERMISSION

- A. Once you find something great, the next step is to ask social users for permission to use their great photos. Not only that, but make sure to give them credit when you do. Brands have landed in hot water when they've missed this step, and you don't want to find yourself on the wrong side of a front-page story. Not only does this action reduce friction between marketers and legal teams, but it has a side effect worth noting. Chute has found that when brands reach out to consumers asking for permission, they not only receive a resounding “yes” from 85% of all requests, but they also increase earned media by 9x.



3 GET CREATIVE

- A. It's great to repost great images on Instagram, but there are even more ways to use UGC to tell your brand story. A rotating UGC feed can be fed into a live display on your company's website, onto a screen in your store or restaurant, or even splashed across a hotel room's TV. This rich content can even be fed into live digital ads, outdoor billboards and email campaigns. The bottom line - if it is performing well on social media - it will likely perform well across all channels - so leverage these authentic stories.



CONCLUSION

While the idea of getting started with a UGC strategy might seem intimidating or daunting, don't let that stop you. There are myriad resources and tools for brands of all shapes and sizes.

Not to mention, UGC isn't going away anytime soon. It's out there, and millennial consumers are not only paying attention to it, but it's making a huge impact on their purchase behavior.

Previously, brands had to spend millions on ads to reach mass audiences and targeting was barely scientific. Now with social media - they have choices. Sure, they could still go about it the old way - but most brands know that that is no longer the smart way (in terms of ROI). Today, marketers can now build real relationships with consumers - achievable by leveraging UGC and tapping into the community they've created.

Remember that old saying, "A picture's worth a thousand words"? It's as true today as it was decades ago when that saying was first coined. Today's brands have figured out a new, authentic way to tell their story through user-generated content. You don't want to be left behind.