Consumer Generated Media: marketing by consumers

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In September 2004, in an online discussion forum, an anonymous web surfer explained how Kryptonite branded locks could be opened with a Bic pen. Within ten days, the story spread to the blogs and seven million people became aware of it. The item was even picked up by *The New York Times*, and Kryptonite was forced to replace the defective locks free of charge. The cost of the operation: US$10 million.

Even though this story is four years old, it is still present on the web. It is a perfect illustration of the incredible reversal that we have seen over the last few years in terms of the division of power and influence between companies and consumers.

Thanks to the increasing availability and utilization of broadband connections and the multiplication of the means of expression—blogs, videos, podcasts, mobiles—millions of messages are published every single day. This phenomenon is what we call *Consumer Generated Media (CGM)*. For brands, CGM represents both a risk and an opportunity.

The risk resides mainly in the absence of any control that the brands might exercise over this type of communication. Consumers' opinions propagate in a rapid manner and often remain accessible on the web for an indefinite period of time. And, it is not rare that the 'traditional' media also pick up and repeat some of the principal talking points originating in the blogosphere, thus amplifying their circulation.

According to the *Edelman Trust Barometer* (edelman.com), consumers are giving more and more credence to the opinions expressed by their peers, while paying less and less attention to the messages coming from brands' marketing departments. Under these conditions, any criticism directed towards a particular company on the Internet is a potential time bomb.

As for the opportunity side of CGM, it can be found in the incredible mass of information contained in consumers' opinions. For purposes of marketing, communication and research and development, this is a veritable gold mine. Now, there is an alternative to complex and costly market studies, formerly considered to be the only way to really understand the market. Consumers will readily express their needs, expectations, and feelings—you only need to listen to them. This information can be used in many ways. Developing a new product, improving existing products and adapting the message to the real concerns of the target audience are among only a few examples of things that can be accomplished based on privileged market insights.

Some companies have already fully understood this reality and have pushed the reasoning even further by initiating conversations with their clients. This is, for example, what computer maker Dell did on its site, DellIdeaStorm.com, where visitors could propose ideas for improvement or new developments, and then vote for those they considered most promising. This interaction led to the pre-installation of the Linux operating system on some Dell models.

While all companies want to develop and maintain a good brand image, some sectors are making this an absolute priority. This is most notably seen in the luxury arena where a company's brand name, its reputation and the prestige associated with that brand play a preponderant role in the buying selection process. For these brands, an in-depth understanding of their consumer offers the opportunity to more precisely meet their expectations and to offer them an even more unique and personalized experience. There is no better sector than luxury—the land of excess—for this type of endeavour. To satisfy a clientele with colossal means who are often as much interested in the prestige as in the product itself, the creation of unique models, or models in limited series, does not represent an insurmountable barrier.

To navigate through the gigantic jungle of information making up the web and to differentiate useful information from simple noise, a number of solutions are available. Among them is *Consumetrics*, a new solution developed by Europa Star's partner IC-Agency (ic-agency.com), which meets the needs of companies by combining technology and human expertise.

In light of the continued increase in the number of people connected to the Internet, *Consumer Generated Media* will become more and more important. The necessity for companies to become aware of this new reality and to take a proactive approach in adapting to it is now a question of months, not years.