

Traditional Media under Threat as Consumer Generated Media Reaches Mass Market, Says Gartner

Percentage of Internet Users Engaging in Consumer Generated Media Now Higher in UK and France than US

Egham, UK, 24 September, 2007 — Consumer generated media (CGM) has reached the mass market with between 46 and 83 per cent of internet users engaging with it at least once a month, depending on age group and geography, according to a recent survey by Gartner, Inc. CGM represents a wide variety of content and activities including blogs, podcasts, wikis and tagging as well as rating, recommendations and user reviews of products and services.

The survey*, which looked at the impact of consumer generated media amongst internet users in France, the United Kingdom (UK) and the United States (US), found that CGM threatens to undermine traditional media's influence over a wider range of consumer behaviour (see Figure 1).

"There is clearly a large pool of would-be authors, journalists, musicians, photographers and playwrights who have failed to find an outlet through the traditional media value chains," said Adam Daum, research vice president at Gartner. "They are now being empowered by access to low-cost hardware, software, viral marketing and distribution channels. The nature of the new medium gives them the power to attract audiences outside of the traditional entertainment channels."

This shift in media consumption and creation has caught many organisations unaware, according to Mr Daum. "When CGM first appeared on the internet radar it wasn't clear whether it was a fad or a long-term shift in behaviour, and many didn't take it seriously," he said. "Our research indicates that the future for CGM is likely to be a mixture of both. Some people sample CGM, find it mildly diverting but revert to professionally produced content. However many people are now adopting CGM as a permanent part of their personal media mix and the media companies need to wake up to its significance."

The growth in CGM also indicates that at least part of the audience can no longer be treated as passive, and media companies, therefore, must rethink their content strategies. "They cannot just focus on creating great entertainment. They need to build in CGM, encouraging audiences to contribute original content and provide feedback on existing content, enable sharing of clips, and so on," Mr Daum added. "Content alone is no longer enough; it must be wrapped in Web 2.0 functionality and sold as part of a broader content experience."

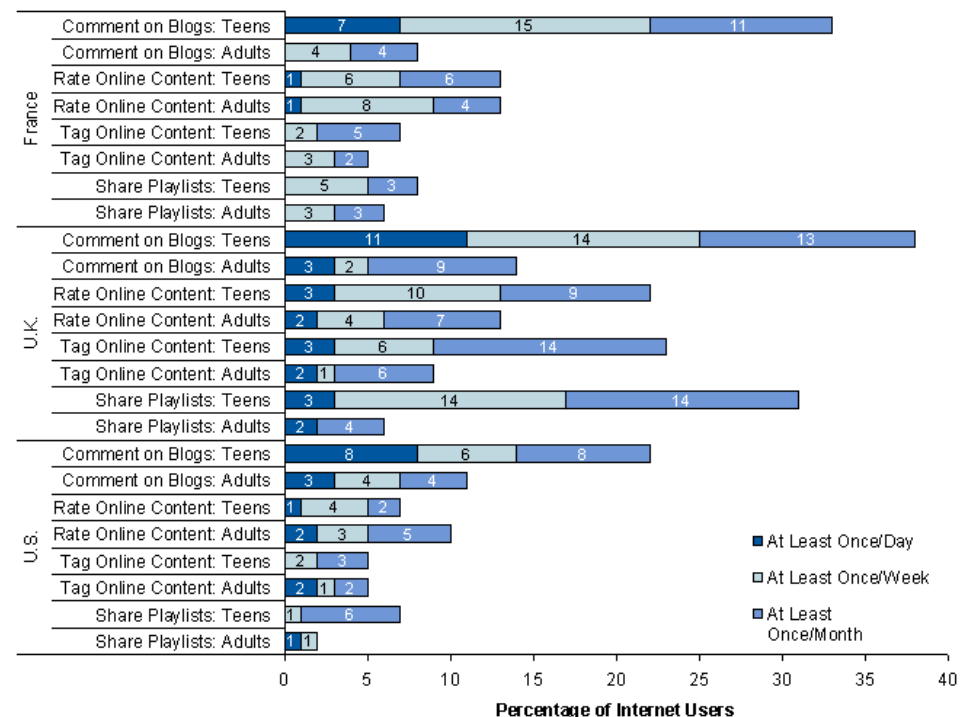
A number of clear usage trends emerged from the research. The survey confirmed that teenagers are more engaged in CGM than adults in all countries for almost all activities. The percentage of internet users who engage in CGM is lower in the US than in France or the UK for both teens and adults in all categories. Mr Daum said that this could be a sign of market maturity in the United States. Although a lower proportion of US internet users engage in CGM at least once a week, Gartner found that those that do so tend to spend more time doing it (compared with those in France and the UK), particularly adults — across most CGM activities.

The power of CGM has far more to do with social networking than content creation per se. "The concept of consumer-generated media may evoke the idea of armies of would-be creators unleashing their output on an unsuspecting world, unencumbered by the inconvenience of professional editors," he said. "However, most humans are fundamentally gregarious, social animals, who confer and derive a range of benefits from participating in social networks."

He added that most participants are influencers and social networkers, rather than creators; they use a variety of tools to get value from online social networks. Most of the content generated is not the result of deliberate acts of creation, but is produced in the course of social interaction such as: giving advice, sharing tastes and memories, developing identity and self-esteem.

According to Mr Daum, this explains the popularity of blogging and social networks, but raises questions about mass collaboration, which, as Gartner's research shows, has gained very little traction. There are notable exceptions, such as Digg, but generally, the number of people rating, tagging or sharing play lists is low given the small amount of effort it involves.

Figure 1: CGM Participation in France, UK and US



Source: Gartner (August 2007)

A likely reason for relatively low levels of participation in CGM is that there is very little feedback or incentive. You may get an automated "thank you" message, but there is usually no sense of contributing to a larger project (as there is with Wikipedia), and the anonymity means there is no kudos in your social network. This helps explain why rates of CGM creation are almost as high as CGM participation, despite the fact that creation generally takes more effort than participation.

All this points to a hugely diverse landscape which media companies need to study carefully. "There is no doubt that CGM has become a mainstream activity among internet users," concluded Mr Daum. "However, the market is immature, with widely differing levels of engagement between different age groups and countries. Also, much of the content is generated in the context of social interaction, not as deliberate acts of creation. Media companies developing CGM strategies must understand consumers' differing motivations and, if necessary, reward them for participation."

***Note to editors**

The data from the report "Consumers' Engagement With Consumer-Generated Media" was taken from a consumer online survey conducted by Gartner in January and February 2007 with samples of both teens (aged 13-17) and adults (18+)

representative of the general online population. The survey was conducted in the United States (100 teens; 603 adults), the United Kingdom (98 teens; 227 adults) and France (88 teens; 303 adults). Respondents were asked about their general media consumption habits, technology ownership, and adoption of and interest in various types of digital media.

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