

Exploring the Usage of User-Generated Content Advertising to Build Brand Equity

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Abstract:

In the time where more and more of advertising content is consumed momentarily, it is vital to hold consumer's attention right away. Moreover, in today's social media driven world, brand messages are no longer controlled by the brand owner. Today's technology allows any consumer to communicate their view like never before online. Usage of user-generated content strategy is ideal and cost-effective strategy used to reinforce the brand trustworthiness, raises immediate outreach, and improves customer trust and authenticity. User-generated content (UGC) has become an important part of the content marketing strategy in the current time where customers are ready to engage online. UGC refers to the content that is created by the users of a brand. It can be anything from comments, reviews, and images to social media posts. User Generated Content turns a loyal passionate consumer into a spontaneous campaigner of a brand. People incline to find the UGC more honest and genuine, compared to the information that brands provide to the customer. Brand Equity is the value of customers' perceptions of any brand. It remains to be on the front of marketer's minds as competition in multiple sectors gets tougher. Brand equity means brand description or brand strength and value.

This research aims to illustrate different types of user-generated advertising as well as to relate user-generated advertising to brand equity and to demonstrate the role of user-generated advertising in leverage of brand engagement. To achieve the research aims, qualitative method is adopted. Documentation and observation will be used to collect data.

Keywords:

User-Generated Advertising, e-commerce, brand equity, communal marketing, influencers, User-Generated visuals, posts.

Research problem:

The research problem could be put in the following questions:

- What are different types and format of user-generated content advertising?
- What is the relation between user-generated advertising and brand equity?
- What is the role of user-generated advertising in leverage of brand awareness and engagement?

Research aims:

This research aims to:

Illustrate different types of user-generated advertising.

Relate user-generated advertising to brand equity.

Demonstrate the role of user-generated advertising in leverage of brand engagement.

Research methodology:

This research uses a qualitative method for its exploratory role. This research aimed mainly to understand how user-generated advertising is important for elevating brand equity and how better understanding of user-generated advertising can be used by designers to endorse market position and create buzz. To describe and explore, the research used documentation as well as structured in depth interviews with one practitioner; Yasmine Ahmad, in the field of social media advertising to collect the appropriate data. Thematic analysis is deployed.

Research hypothesis:

There are different types of user-generated content advertising.

User-generated content advertising raises brand equity.

User-generated content advertising increases brand awareness and engagement.

1- Introduction:

In the era where more and more of advertising content is being consumed momentarily, it is vital to hold consumers' attention, awareness and engagement, right away. Moreover, in today's social media driven world, brand messages are no longer controlled by the brand owner. Social media is becoming an integral part of everyday life for communicating, sharing information and content (Khalid 2016). Today's technology allows any consumer to communicate their views instantly online. It has brought revolutionary new ways of interacting, participating, cooperating and collaborating amongst individuals and companies (Bruhn, Schoenmueller & Schafer 2012). An Integral Part of social media is the user-generated content, which allows people to connect through a "many-to-many", rather than the traditional "one-to-many", communication approach (Prahallad & Ramaswamy 2004). Among social media platforms, Facebook is the most widely used (Arenas-Gaitan et al. 2013). Usage of user-generated content strategy is getting powerful in any contemporary advertising plan due to its cost-effective nature as well as its instantaneous, personalized and interactive nature that is used to reinforce the brand trustworthiness, raises immediate outreach, and improves customer trust and authenticity.

User-generated content (UGC) has become an important part of the content marketing strategy in the current time where customers are ready to engage online. UGC refers to the content that is created by users of a certain brand. It can be anything from comments, reviews, and images to social media posts. User Generated Content turns a loyal passionate consumer into a spontaneous campaigner of a brand. People incline to find the UGC more honest and genuine compared to the information that brands provide to the customer.

In 2018 Facebook announced that there were [more than 6 million active advertisers](#) on its platform. (Vermeulen:2019) Moreover, Burberry increased their Facebook followers to over 1 million persons, and had a 50% jump in e-commerce sales after a UGC campaign that enlisted customers to share photos of their favorite Burberry fashion. By 2020, consumers are predicted to overtake marketers in content creation. (Vermeulen:2019) Many brands of high equity are already making the most of this treasure chest of genuine customer content. (Buckley, M.: 2019)

Brand Equity is the value of customers' perceptions of any brand. Moreover, brand equity provides value to customers. It enhances the customer's ability to interpret and process information, improves confidence in the purchase decision and affects the quality of the user experience. Aaker (2013) Arguments that brand equity is multi-dimensional, Aaker summed them

up in; brand loyalty, brand awareness and brand associations. Apple is a classic example of brands with positive brand equity. Apple provides consistent [customer experiences](#), the brand is dependable, innovative, and purposeful, and is integral in people’s day-to-day lives, making it of high value.

It is important for advertisers to comprehend the aspects of brand equity and how they affect outcomes of interest and their relation to UGC advertising.

2- Definition of User-Generated Advertising Content (UGC):

User-generated content (UGC) is known as advertising content voluntarily posted by everyday people, who are neither professional advertising executives nor an employee of the company that owns the brand^(IAB: 2019). Anyone with a smartphone, laptop or video camera can easily create content - like a picture, video or blog post -- about a brand or a product. Positive or negative, user generated content builds brand awareness with other people that see that video or blog post online, like on web sites, social media, or online forums. ^(Buckley, M.: 2019)

3- User- Generated Content Advertising Demographics:

As Gen Z and Millennials have grown up, increased their disposable income and moved into different phases in their lives where they’re buying more products and services, they have become powerful consumers. And these particular consumers don’t have the time or patience for generic advertising campaigns, unsubstantiated claims and badly photo shopped products. This segment view and create hundreds of images and videos every day, so can easily spot inauthentic advertising campaigns and will quickly dismiss them. Advertisers are seen as untrustworthy. Nowadays, trust comes from personal recommendations, with [89% of millennials](#) being more convinced by recommendations from family and friends than by claims of the brand itself. ^(Vermeulen: 2019).

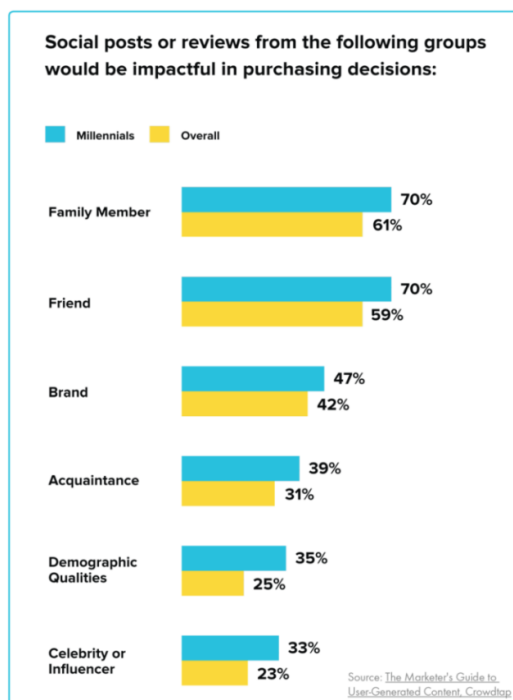


Figure (1): Social Posts According to Age

4- Defining Dimensions of Brand Equity:

Keller (2003, p. 60) defined brand equity as “the differential effect that brand knowledge has on consumer response to the marketing of that brand”. Brand equity means brand description or brand strength and value.

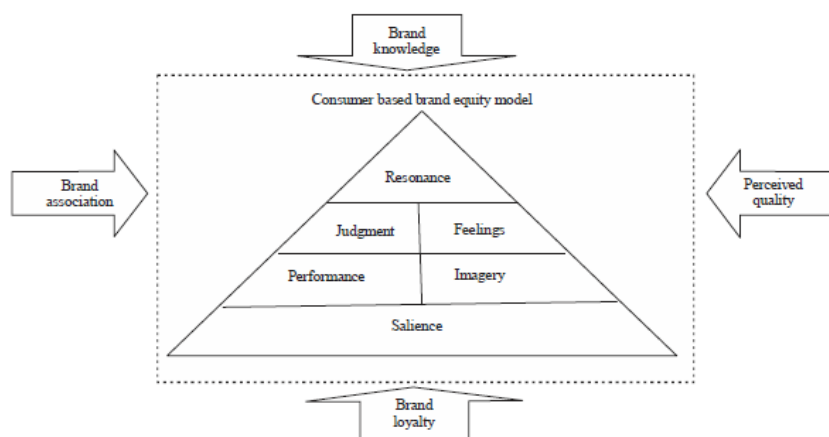


Figure 2: Key Dimensions of Consumer-based Brand Equity Model

4-1-Brand Loyalty:

Brand loyalty is the strong commitment by consumers to repurchase their preferred product or service on a continuous basis in the future in spite of influences. (Atilgan et al. 2005). When a customer is loyal they are not affected by the strategies that are employed by competitors to attract. (Tong & Hawley 2009). It is also important to mention that brand loyalty is based on customers' interactions with the company (Palmatier et al. 2007).

4-2- Brand Awareness:

Brand awareness is the ability of a buyer to identify and recall that a brand belongs to a particular product category (Aaker 1991; Atilgan et al. 2005). According to Hutter et al. (2013), there is a strong relationship between consumers' engagement with a Facebook brand fan page and their brand awareness. Therefore, there is a positive impact of user-generated content advertising and brand awareness.

4-3- Brand Associations:

Brand associations refer to the relative strength of consumers' positive feelings towards the brand. (Lassar et al. 1995). It has been argued by some researchers that when customers' experience of a brand is positive, the brand becomes stronger (Bruno & Dabrowski 2015). Bruno and Dabrowski (2015) indicated that social media brand communication helps in building unique and positive associations inside consumers' minds. Thus, there is a positive impact of user-generated content advertising on brand associations.

5- Reasons for Adopting User- Generated Content Advertising:

There are a number of reasons why top brands use content marketing to boost their brand equity.

5-1-Trust and Authenticity:

Researchers suggested that more than 60% of the people trust the comments posted or photos taken by other customers than those taken by sellers or manufacturers themselves (Sikder: 2019). Customers trust each other much more than the brands itself. 85% of users are found to be more influenced by the UGC than the content made by the brands directly (Adweek). In addition, a more

engaging, personalized ad leveraging is this trusted content. According to Nielson, 83% of people trust recommendations from friends and family, while only 56% of people trust information in brand emails they signed up for. (Buckley, M.: 2019). Authenticity and believability of core messages of consumer generated advertising are often more effective than traditional advertising. According to the Nielsen Consumer Trust Index, [92% of consumers](#) trust organic, user-generated content more than they trust traditional advertising. User generated brand communication is thought to be unbiased because other consumers adopt the message as being credible and trustworthy (Christodoulides et al. 2012).

5-2- Cost effective:

UGA can also have a financial advantage, being an inexpensive method to leverage the brand equity; from attention, awareness, and associations. (Vermeulen:2019) Consumers generating content do not receive payment from a company, although sometimes they do win prizes, prestige, publicity, or promotional items depending on the campaign, and because brands don't pay for UGC, it is believed to be unbiased as they are created by users. As a result, UGC is perceived as more authentic and honest. (Buckley, M.: 2019)

According to IAB 2019, top reasons for adopting UGC are summed in the following table (1).

Highly Trusted Online Content	UGC is among the most trustworthy content available. It is often more trusted, credible and memorable than traditional brand advertising, with trust being an important factor leading to increased loyalty, conversion and even purchases.
Stronger Brand Affinity and Engagement	Brand equity can be strengthened with the use of UGC which has proven to be an effective consumer marketing tactic. UGC can drive desired consumer behaviors including affinity and engagement which can lead to conversion.
More Earned Media	UGC campaigns are ripe for earned media opportunities which create a virality that can benefit marketers to draw more people in.
Stronger SEO	UGC is proven to be an effective way to increase search engine indexing, particularly in relation to a social SEO campaign.
New Research Opportunities	There are a number of tools available to help publishers and brands "listen" and act upon UGC conversations in near real-time, including machine learning/AI. This can help inform strategies, media plans, product launches, pricing, location targeting and can even aid in competitive intelligence.
Cost-Efficient and Cost-Effective Creative	In this era of content marketing, it can be challenging to develop enough quality content to fill the pipeline. UGC is both cost efficient and cost-effective, with the primary cost being labor to monitor the UGC activity. UGC can also be repurposed for use in advertising campaigns in digital, print, TV or OOH. This can represent significant production cost savings.

6- Types and Forms of User- Generated Content Advertising:

User-generated advertising content can originate in various forms and types:



Figure3: Types of UGC (IAB 2019)

6-1- Sponsored Posts

They are any type of post to a social media platform, website or blog run by an individual who is then rewarded by the firm to recommend their product or service. The individuals are often called influencers or someone with a rather large followers numbers, who has access to potential customers who fit within the company's target audience. (Vermeulen: 2019). Followers often have more trust in the views of an influencer than they trust the company and are more likely to listen to the message as it comes from someone they trust. The reward of working with experienced content creators who have qualified followers of their own is worth it. Some influencers only have small number of followers (200k to a couple of million) but still can bring many buyers to the brand.

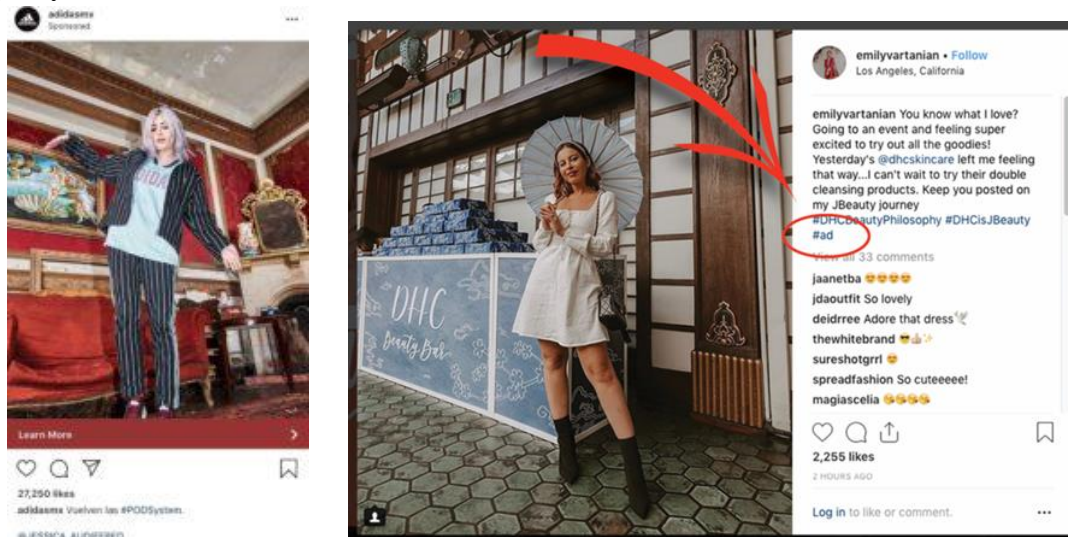


Figure 4: Influencer posting for Adidas

Campaigns like the POD System range from Adidas show the balance between content that was created by the brand itself, but still holds the familiarity and authenticity of user-generated content.

6-2- Communal Marketing

It is any type of campaign where a firm recruits the help of the public to crowd source ideas and content along a unified theme. Contributions come in many forms including print media, film and audio and are curated then used by the company in their campaign. Unlike Nike’s campaign, GoPro is a brand that takes time selecting the best UGC for its ad campaigns. By using a simple brand hashtag, they constantly monitor the content their customers are uploading to social media.

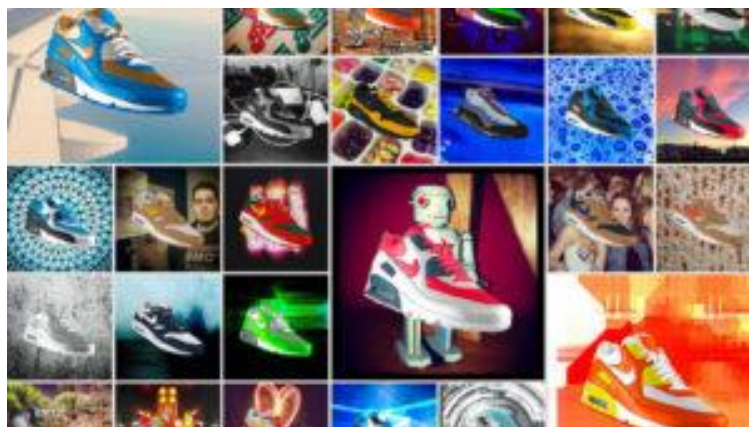


Figure 5: news.nike.com (Vermeulen:2019)

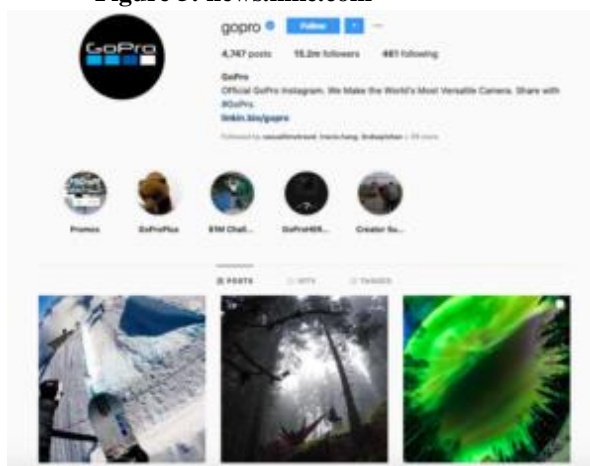


Figure 6: GoPro (Vermeulen:2019)

6-3- Reviews

Over 70% of consumers say they look at product reviews before making a purchase. Reviews show your potential customers that your offerings are reliable. Ratings and reviews can help you increase brand equity, build dependability, and enhance conversion rates. Both on-site and off-site user-generated reviews are important when it comes to conversions. (Buckley, M.: 2019)

User generated social media brand communication can have various forms; the most common being consumer-produced reviews and recommendations. (Muñiz & Schau 2007). Recent studies (e.g., Goh, Heng & Lin 2013, Bruno & Dabrowski 2015) highlight the persuasive and convincing power of user generated social media brand communication over marketer-generated content.

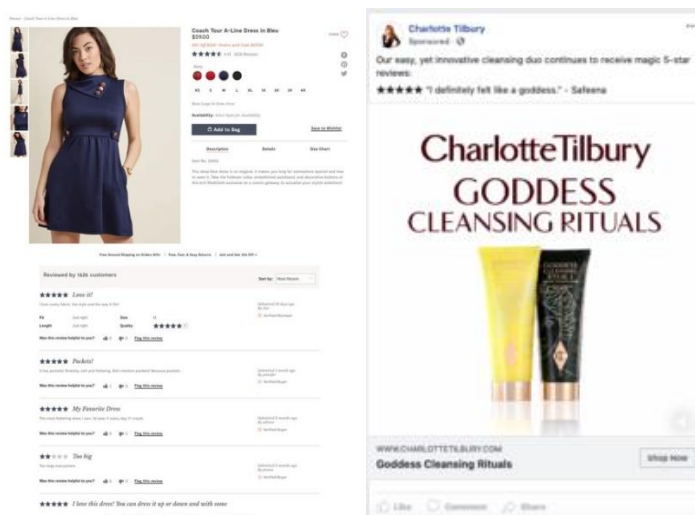


Figure 7: Reviews as form of UGC (Vermeulen:2019)

6-4- Hashtag Contests

One of the ways to get customer content is to host contests on social media, create unique hashtags and get your followers to contribute to your hashtag. With a UGC hashtag contest, followers share content on social media, along with using a particular hashtag. Users can share content like photos and videos accompanied by a specific hashtag, in order to win prizes. (Vermeulen: 2019). By using specific hashtags and spreading them, followers can push hashtags to trend. This can help to enhance engagement with the target audience, build brand equity and, ultimately, boost sales. (Dave2018).

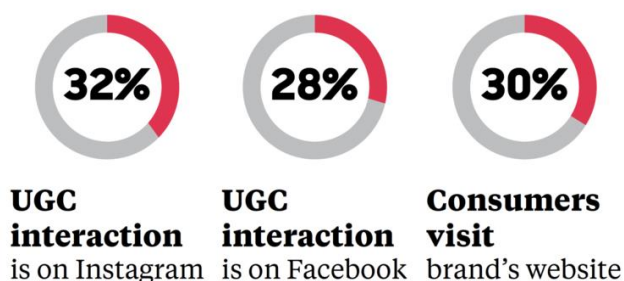


Figure 8: UGC in Different Social Media Platforms

It's also important to use hashtags that set the brand apart from the competitors, also including branded hashtag in all your posts raise brand equity. Popular fashion designer Marc Jobs, declared that his company would cast the model for their next advertising campaign through social media platforms; Twitter and Instagram. Users who wished to participate were required to post an image on Instagram or Twitter with the hashtag #CastMeMarc. The contest was extremely popular and within 24 hours there were 15,000 hashtag entries (Buckley, M.: 2019)

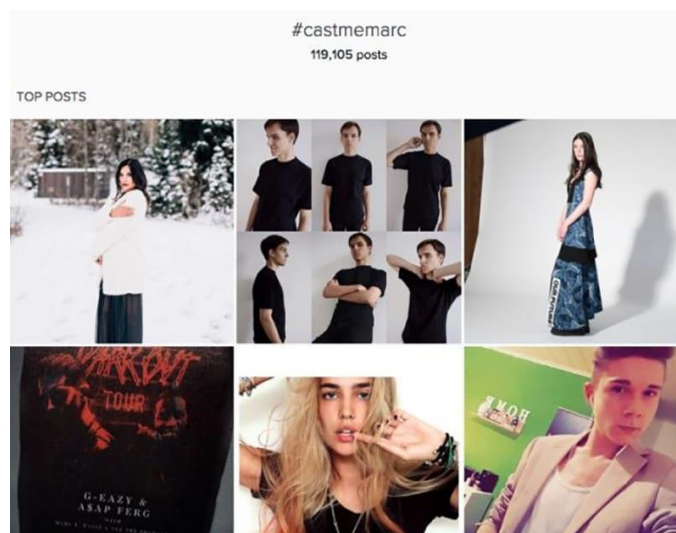


Figure 9: Cast me Marc Hashtag

6-5- Video Content

Video is a really effective way to create UGC irrespective of what your content is. It can help the audience connect in ways that other media can't do. When it comes to developing a successful advertising strategy, it's the visuals that will bring consumers in and keep them there. In fact, [91 percent](#) of people prefer more visual content that can be accessed on demand. (Macdonald: 2019). According to Octoly, on average, user-generated videos about a brand were viewed [10 times](#) more than official brand videos on YouTube. User-generated videos have immense potential for share ability and there is a higher possibility of them going viral, which can help to boost brand equity. (Dave2018).

UGC videos give original views to products and services, giving credibility to the brand. They provide audience-trusted insights into business' genuineness and integrity, boosting the brand image and consequently brand equity. Using UGC videos help to engage audience and show the support of the brands' customers.

6-6-Gamification:

Another way to create UGC and engage users is through gamification. In gamification, users are required to complete a few tasks and are then rewarded and recognized for their participation.

Brands use concepts like levels, high-scores, badges, leaderboards, points, etc. to make users complete tasks and share their achievements. Offering audiences special discounts, unlocking badges, making them a part of your VIP club, etc. to increase engagement. Small incentives inspire users to put extra efforts to do things they otherwise wouldn't. Gamification, therefore, allows building a long-term relationship with clients and helps to transform followers into loyal customers, encouraging them to make repeated purchases and help building the brand equity. Content shared by happy customers helps becoming a brand that's relatable and credible. Your customers are more than happy to help you to build your brand by sharing content that shows off your products. (Dave2018). Gamification was used by Nike+ and WebsUp to raise engagement of young consumers by asking them to share the result of the game they played.

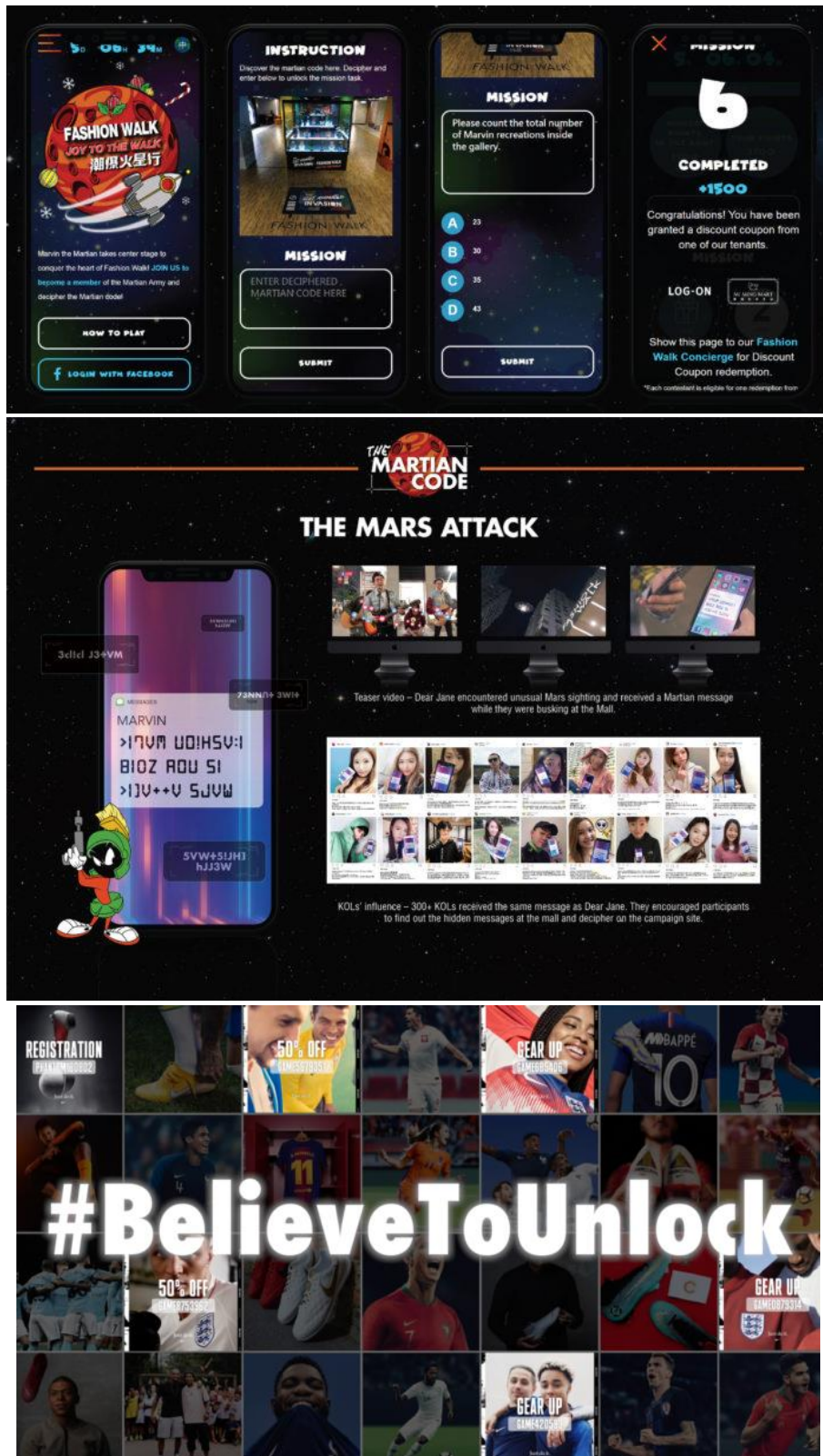


Figure 10: WebsUp and Nike use of Gamification in their campaigns

7- User –Generated Content Advertising vs. Traditional Advertising:

In [Red Carnation Hotels, a trial was held](#). After running A/B tests among ads featuring professional, branded imagery and ads featuring user-generated content (UGC), the team saw the UGC-powered Facebook ads boost click-through rates by 38 percent while decreasing cost-

per-click by 30 percent. And, after sourcing all of the great content for their ad content, the team created [videos](#) featuring that authentic, traveler-created content. Consumers who see the ads and click through to the site are then greeted with more visual social proof, providing a consistent brand experience and helping to move them from the point of inspiration to the point of conversion. All this helped to raise the brand equity. (Macdonald: 2019)

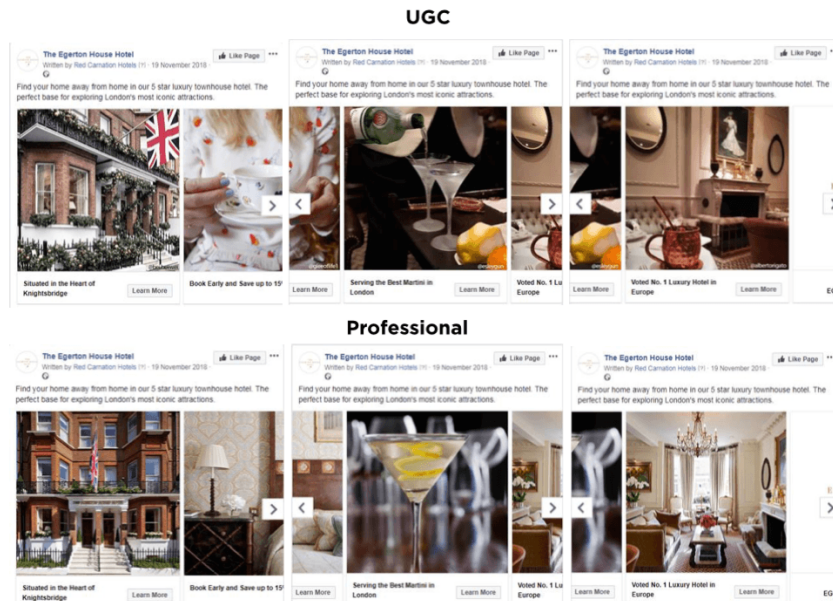


Figure 11: [Red Carnation Hotels, case study](#)

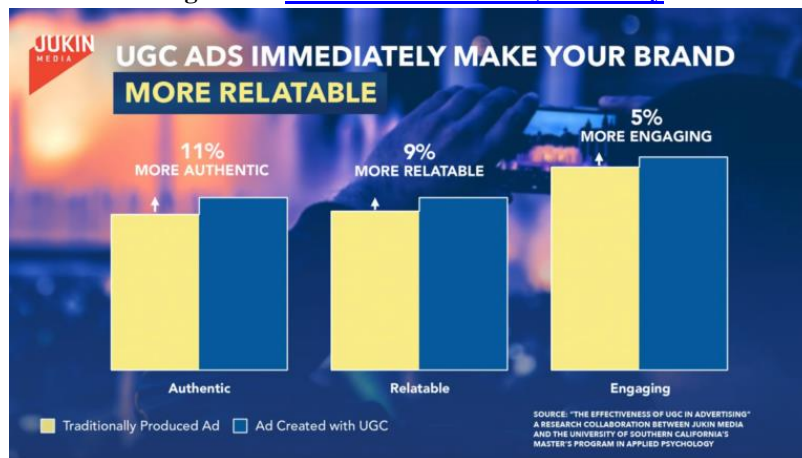


Figure 12: UGC vs. Traditionally produced Ads

8- Consumer Motivations for Creating UGC:

Reasons for sharing UGC vary. A significant study by The New York Times titled “[The Psychology of Sharing: Why Do People Share Online?](#)” suggested there were many reasons why people share content with the fundamental reason being about relationships. The study went on to say we all intuitively know, that “in the Information Age, we share more content, from more sources, people, frequency and quickly.” (IAB:2019) It concluded that the reasons are bringing entertaining content to others, to define oneself to others, to grow relationships, self-fulfillment and getting the word out about causes or brands.



Figure 13: why people share content

8-1- Personalization:

When brand’s advertising induces an emotional reaction, like a feeling of connection, the brand has a stronger chance of becoming a partner and a thought leader (rather than just a vendor and a bother). (Macdonald, L. 2019). Personalized content is one of the emotional inducing strategies used to motivate users to engage and post personal photos. Nescafe as well as Chipsy did an UGC campaign using personalization. Chipsy initiated an UGC called “matwa2fsh el de7ka 3andak” don’t stop the smile there”. Chipsy asked consumers to post their photo with their favorite chips flavor, (favorite smile). This campaign was a hit where consumers got engaged, felt relevant and was motivated by self fulfillment and defined themselves to others through a positive yet simple deed, a smile.



Figure 14: Chipsy UGC Using Personalization



Figure 15: Nescafe Faculties UGC Using Personalization

8-2-Interactivity:

It is the whole customer experience that can keep them coming back. Getting customers involved interactively in the content creation process through competitions, polls and other campaigns is a great way to increase sticking power and give customers a sense of engagement and belonging. (Macdonald, L. 2019). As technology advanced interaction possibilities grew more. Pepsi did an UGC ads using the interactive technology of smart phones and adding on to “YALLA NEKAMEL LAMETNA “(Let’s gather up). They used number of phones together to complete the image.



Figure 16: Pepsi UGC interactive campaign using mobile phones



Figure 17: Coca Cola write a sentence using the bottles

8-3 News jacking:

News jacking content creation is simply brilliant. It hijacks communal happenings or events, local or global that are creating a huge buzz. Relevant content is created without straying from any brand’s voice, it flows naturally. One of the brands that use news jacking is TODO which is a successful brand when it comes to social media advertising. TODO’s post likes ranges from 15,000 to 35,000 and reaches 75K likes. Ever since the AFCON matches and TODO has set the bar high. TODO does it smartly, engaging and hooking the 2.4 million followers. The copies used are clever, bold and relevant! The audience is captivated and prompted to engage with the brand and of course share the hilarity as to entertain their peers as well.



Figure18: TODO news jacking AFCON and the Oscars



Figure19: Dentacare news jacking of Chipsy success



Figure20: Jobzella a recruiting agency is news jacking of a celebrity TV presenter getting sacked

9- Conclusion:

The research concluded that user-generated content (UGC) is known as advertising content voluntarily posted by everyday people, who are neither professional advertising executives nor an employee of the company that owns the brand. Usage of user-generated content strategy is getting powerful in any contemporary advertising plan due to its cost-effective nature as well as its instantaneous, personalized and interactive nature that is used to reinforce the brand trustworthiness, raises immediate outreach, and improves customer trust and authenticity. Moreover, brand equity with its dimensions, are concluded to increase. Gen Z. and Millennials

view and create hundreds of images and videos every day, so they are arguably the most segment that engage with UGC.

It is concluded that trust and Authenticity, cost effectiveness and stronger brand affinity and engagement are the reasons for adopting user-generated content advertising. Types of UGC advertising include sponsored posts, communal marketing, reviews, hashtag contests, video content, and gamification. Consumer motivations for creating UGC are concluded to be, bringing entertaining content to others, to define oneself to others, to grow relationships, self-fulfillment and getting the word out about causes or brands. Personalization, interactivity, and news jacking are motives that are used by Egyptian brands. More research is needed to study brand categories that use UGC effectively. UGC is used to leverage brand equity.

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