Word of Mouth on the Web: The Impact of Web 2.0 on Consumer Purchase Decisions

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The internet stands apart from other media in enabling its "users" to *interact*. From this perspective, the internet will always be, at its core, a tool for interpersonal communication. While consumers find emotional and practical benefits in participating in online discussions, these conversations have profound commercial implications as well. Everyday consumers are wielding greater control over their media habits and their role in the commercial marketplace. Moreover, with the growth of online participation, consumers exert greater influence over the products and brands considered for purchase. Based on a study of over 4,000 broadband users in the United States, this article examines consumer adoption of Web 2.0 and the impact those rants, raves, comments, and reviews are having on purchase decisions today.

Findings presented in this article are from July 2006. Data from 2007 will be available starting in September 2007. U.S. Patent Application Serial Number 11/580,183.

INTRODUCTION

The internet stands apart from other media in enabling its "users" to *interact*. From this perspective, the internet will always be, at its core, a tool for interpersonal communication. Even the tagging, posting and sharing of popular videos on YouTube are fundamentally *community*-related pursuits. Facilitated by countless blogs, forums, chat rooms, and social networking sites, we now live in a 24-hour rolling, emotive, media world where we can satisfy our indelible need to feel a part of the events that unfold around us.

While there are practical and emotional benefits to participating in online discussions (Piper Jaffray, 2007), these conversations have profound commercial implications as well. Everyday consumers are wielding greater control over their media habits and their role in the commercial marketplace. Moreover, with the growth of online participation, consumers exert greater influence over the products and brands considered for purchase. This article discusses the growth of "user-generated content or UGC," and the influence it is bringing to bear on purchase decisions.

First, we explore the extent to which broadband users of various age groups are communicating online through various tools and applications. Next, we evaluate how they contribute to the content that is online, exploring certain segments—demographic and psychographic—that tend to participate more than others. Next, we examine the influence of UGC on purchase decisions, across various product categories, purchase channels, and user groups. Finally, we look at the MySpace generation—13 to 24 year olds—to consider what may be in store for online word of mouth (WOM) in the years ahead.

RESEARCH OBJECTIVES

Several objectives led to the research presented in this article. First, we were interested in measuring the adoption of Web 2.0 tools and participatory activities among broadband users. While the media are quick to tout new developments in technology and online user behavior, we suspected actual usage of these tools to be lower than that implied by the press and industry pundits, and in our own Silicon Valley "bubble." Second, we wanted to begin tracking the influence of UGC on purchase decisions. Consumer rating and review sites have been in use for many years, while less formal environments for product feedback (e.g.,

DOI: 10.2501/S0021849907070456

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blogs and social networking sites) have grown in recent years. With a better understanding of the role these sources play in purchase decisions, compared to other sources and across varying product categories and purchase channels, marketers can navigate an increasingly complicated media world more successfully. Finally, "always on" access via a broadband connection has been shown to deepen fans' engagement with their passions (e.g., video games, movies) (Yahoo/mediaedge:cia, 2005). We wanted to explore how fans participate online—everything from posting comments to sharing fanfic—and understand the motivations that prompt them to participate. If *passion* is a requisite for participation, what are the implications for WOM marketing around everyday purchases such as beauty products and consumer packaged goods? Additionally, tracking Web 2.0 involvement among younger Broadbanders (13 to 24 year olds) may show where online WOM is heading as the MySpace and YouTube generation grows up.

RESEARCH METHODOLOGY

The findings presented in this article are derived from Netpop™, an annual tracking study of the global broadband population that explores online consumer attitudes and behaviors in relation to shopping, personal productivity, advertising, and entertainment. Over 4,000 respondents who primarily use a high-speed or broadband connection completed the survey in the United States. We refer to respondents in this article as "broadband users" or "Broadbanders™."

The study was fielded online in July 2006 to a panel-based sample representative of the U.S. internet population aged 13 and older. A proprietary online sampling methodology was applied to ensure the profile of respondents taking the survey was representative of the U.S. internet population by age and gender. Respondents were eligible to complete the survey if they indicated they accessed the internet via a high-speed or broadband connection (any connection greater than 56 kbps/sec). We focus on broadband users only, excluding those who connect to the internet via a dial-up connection. We do this for several reasons: First, over 70 percent of internet users in the United States now connect via broadband. Broadband adoption is growing at a 60 percent compound annual growth rate (CAGR), while the adoption of dial-up is dropping at 7 percent CAGR (Nielsen//NetRatings, 2000–2006). Second, although the majority of *internet users* are on broadband, the percentage of *all Americans* who connect to the internet via a broadband connection is still under 50 percent. Imagine what the world will be like when over 50 percent, or over 80 percent, of Americans are "always on?" As seemingly ubiquitous as the internet is today, there is still incredible growth ahead. Finally, we believe broadband users represent the "modern consumer." As broadband gains mass adoption, the attitudes and behaviors of Broadbanders today provide an indicator of where the market is heading.

COMMUNICATION, COMMUNITY, AND CONTENT CREATION

Based on a survey fielded in July 2006, the average broadband user spends 27 percent of his/her time online on *communication* activities. This is commensurate with the amount of time they spend online for leisure and entertainment, and more than the time spent gathering news or information, personal productivity, or shopping (Figure 1).

The most basic forms of internet-based communication, email and instant messaging (IM), are essentially one-on-one channels that exist separately from any related web-based content or information. Newer forms of internet communication facilitated by blogs, forums, and social

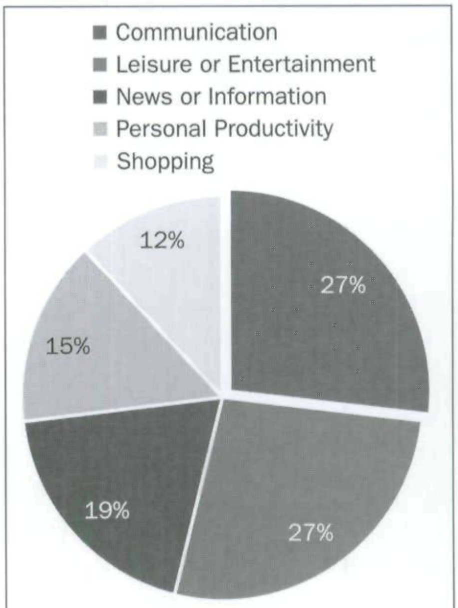

Figure 1 Allocation of Total Time Spent Online

networking sites depart from the email model in two key ways: they provide a channel for one person to reach many (often anonymous) others, and they are increasingly associated with specific topics.

Research shows that Broadbanders regularly use a variety of emerging and established digital communication channels. Of course, email is ubiquitous. More interesting is the finding that 4 out of 10 Broadbanders regularly IM or chat. Other channels, such as voice-over-internet protocol (VoIP), have been around for the past 10 years, but are just emerging as viable mass market options. VoIP is one of the most recent examples of the internet's ability to consume older media, essentially moving 100-year-old telephony to the web, a digital internet-based protocol. Video conferencing, a relative staple for business communication, has yet to find a market even among broadband-equipped consumers.

While regular users of chats, blogs, text messaging, and VoIP fail to match the numbers who rely on email, these alternative channels play an essential role in the daily lives of those who use them. With the sole exception of videoconferencing, at least two-thirds of regular users engage in each activity at least once a day (Table 1).

Email remains the dominant form of online conversation for all age groups, but the under-25 group is adding IM, chat, discussion forums, blogs, and text messaging to their repertoire. Seventy-three percent of 13 to 17 year olds and 68 percent of 18 to 24 year olds use IM or chat, compared with just 26 percent of Broadbanders 45 and older. Text messaging is also popular among those under 40, with use peaking at 40 percent among 18 to 24 year olds. VoIP and videoconferencing remain on the horizon with the highest acceptance among 25 to 34 year olds (Table 2).

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The internet has also brought a participatory quality to any and every online pursuit. Communities arise, allowing people to connect personally, professionally, and culturally with others. Web 2.0 sites like YouTube, MySpace, Wikipedia, Digg, and Flickr all contribute to this new bazaar of interests. A base of freely available user-created content, collaborative tools, and networked communities create this dynamic and participatory internet culture. The result is fundamental changes in the ability for people to communicate their ideas and opinions to many people.

But to what extent has this vision become a reality for the broader broadband population?

To understand how, and to what extent, Broadbanders are using one-to-many online communication tools, we asked users to evaluate a list of 17 different activities that could loosely be defined as "content creation" activities. From this inquiry we found that the average Broadbander performs 2.4 content creation activities regularly. Approximately one-third rate or review products online, but regular participation in activities that involve contributing to entertainment content—such as

TABLE 1

Regular and Daily Use* of Online Communication Tools

	Use Regularly	Use Daily (Among Those Who Use Regularly)
Email	95%	88%
Instant messaging/chat	41%	70%
Forum/blogs/discussion boards	19%	67%
Text messaging	18	64
VoIP	8	68
Videoconferencing	6	43

**Use regularly in typical month; N = 4,190; base: all respondents*

We found that the average Broadbander performs 2.4 content creation activities regularly. Approximately one-third rate or review products online, but regular participation in activities that involve contributing to entertainment content—such as uploading an audio or video file—is still in the single digits

TABLE 2

Online Communication Tool Use* by Age

	13–17	18–24	25–34	35–44	45–54	55+
Email	81%	90%	95%	97%^	98%^	99%^
Instant messaging/chat	73%^	68%^	49%	38%	30%	23%
Forum/blogs/discussion boards	33%^	29%^	26%	19%	12%	9%
Text messaging	28%	40%^	29%	18%	12%	5%
VoIP	6%	6%	13%^	9%	6%	6%
Videoconferencing	5%	7%	10%^	7%	5%	3%

**Use regularly in typical month; N = 4,190; base: all respondents*

uploading an audio or video file—is still in the single digits (Figure 2). Findings suggest text-based participation related to e-commerce activities have gained a foothold among broadband users, while the creation and sharing of multimedia remains low. Ratings and review sites have been available for a number of years, while a tendency to "mesh media" is still on the horizon for the vast majority of users.

When we isolate users of four collaborative dialogue tools (i.e., message boards, chat rooms, listservs, and wikis), we find that young Broadbanders are participating in greater numbers. The heaviest users of online communication channels include female Broadbanders aged 13 to 17

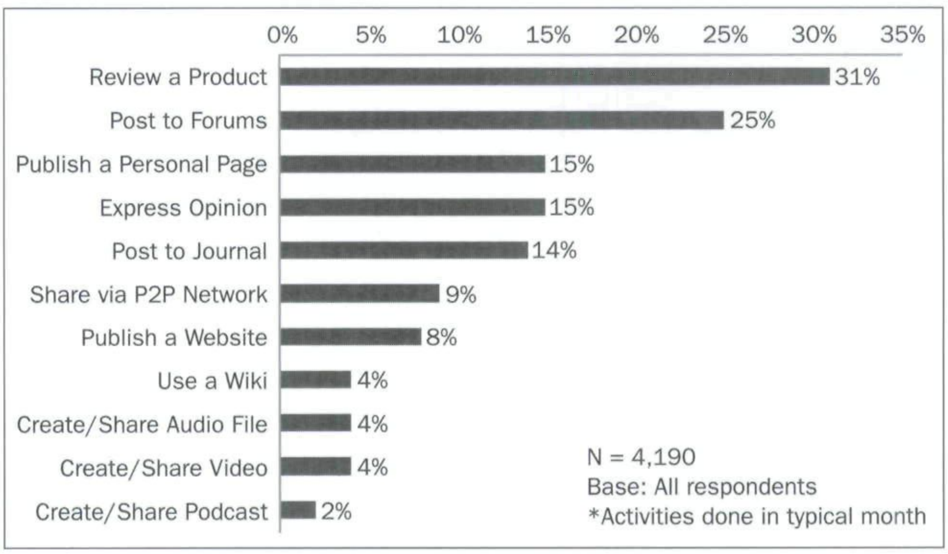


Figure 2 Content Creation Activities*

(50 percent) and male Broadbanders aged 18 to 24 (48 percent). Participation among Broadbanders aged 55 and over falls to 23 percent (Figure 3). Active participation among women in online conversations suggests techie guys are no longer the rulers of the web. But the disparity between younger and older users suggests a stubborn generational divide in Web 2.0 involvement.

A PSYCHOGRAPHIC VIEW—PARTICIPATION BY BROADBAND SEGMENTS

Based on a segmentation analysis of the broadband population, two segments we refer to as the "Online Insiders" and "Social Clickers" are particularly immersed in communication activities on the web. As discussed below, Online Insiders are very active on the internet and highly influential online shoppers. Social Clickers are heavy communicators online, but the most participatory ones tend to be younger and less affluent. These younger Social Clickers may not be influencing purchase decisions today, but could become

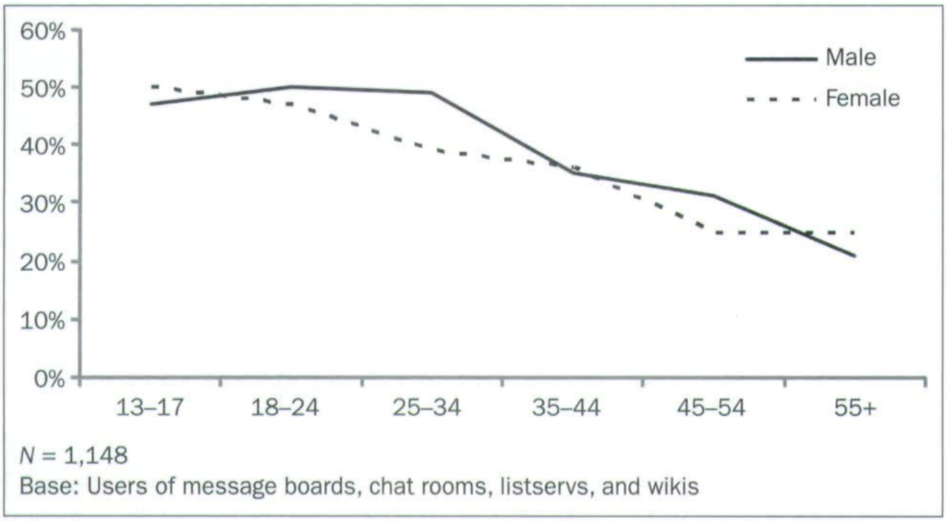


Figure 3 Online Talkers by Age and Gender

strong influencers in the future (Table 3). The following section provides a description of the attitudes and behaviors that characterize their orientation to the activities that foster WOM online.

Social Clickers rely on the internet to maintain relationships with friends and family, and to seek out new ones. While a generational divide runs through this group, all Social Clickers are active communicators online, spending over half (57 percent) of their time online doing *communication and community-oriented activities*. Older Social Clickers rely strictly on email. Younger Social Clickers are avid text and instant messengers. They are also actively engaged in *content creation* activities, for example, creating personal pages and posting comments on blogs, message boards, and chat rooms. With a natural interest in connecting with others, Social Clickers are poised to emerge as a key influencer group *for the products they care about*. They may not be the first to adopt, but they vocalize their preferences more readily than other users, influencing friends and family indirectly through their personal pages, posts, and chats.

Online Insiders are more holistic in their use of the internet and spend just as much time on communication activities as Social Clickers and sometimes more. Insiders do not IM as frequently as Clickers, but the two groups match in other communication activities. Online Insiders are more inclined than other groups to assume an online "voice" or persona and express themselves online. In fact, this group dominates every content creation activity measured in our study. Online Insiders are also avid online shoppers who frequently add their opinion via product ratings and reviews. They are very influential, the first to adopt new products and to vocalize their preferences.

Content Kings tend to be young, male, and addicted to online entertainment. They also spend the least amount of time communicating online, aside from activities that support their interest in entertainment, i.e., peer-to-peer file transfers, personal web pages, and posting comments to message boards and chat rooms. When Kings communicate, it is to achieve their ultimate goal of finding more ways to have fun on the web.

TABLE 3
Content Creation by Segment*

	Online Insider	Social Clickers	Content Kings	Everyday Pros	Fast Trackers
Review products	40%	31%	24%	35%	25%
Chat in chat room	18%	15%	15%	8%	9%
Post to forums	35%	24%	26%	18%	18%
Express opinion	13%	7%	6%	5%	7%
Offer advice on listserv	19%	15%	12%	11%	14%
Use a wiki	7%	3%	3%	2%	3%
Post to journal	18%	17%	14%	10%	10%
Publish a blog	21%	19%	17%	10%	8%
Share via P2P network	12%	8%	11%	6%	6%
Create/share audio file	6%	3%	2%	3%	3%
Create/share video file	5%	4%	4%	3%	4%
Create/share podcast	2%	1%	1%	2%	2%

**Do in typical month; N = 4,190; base: all respondents*

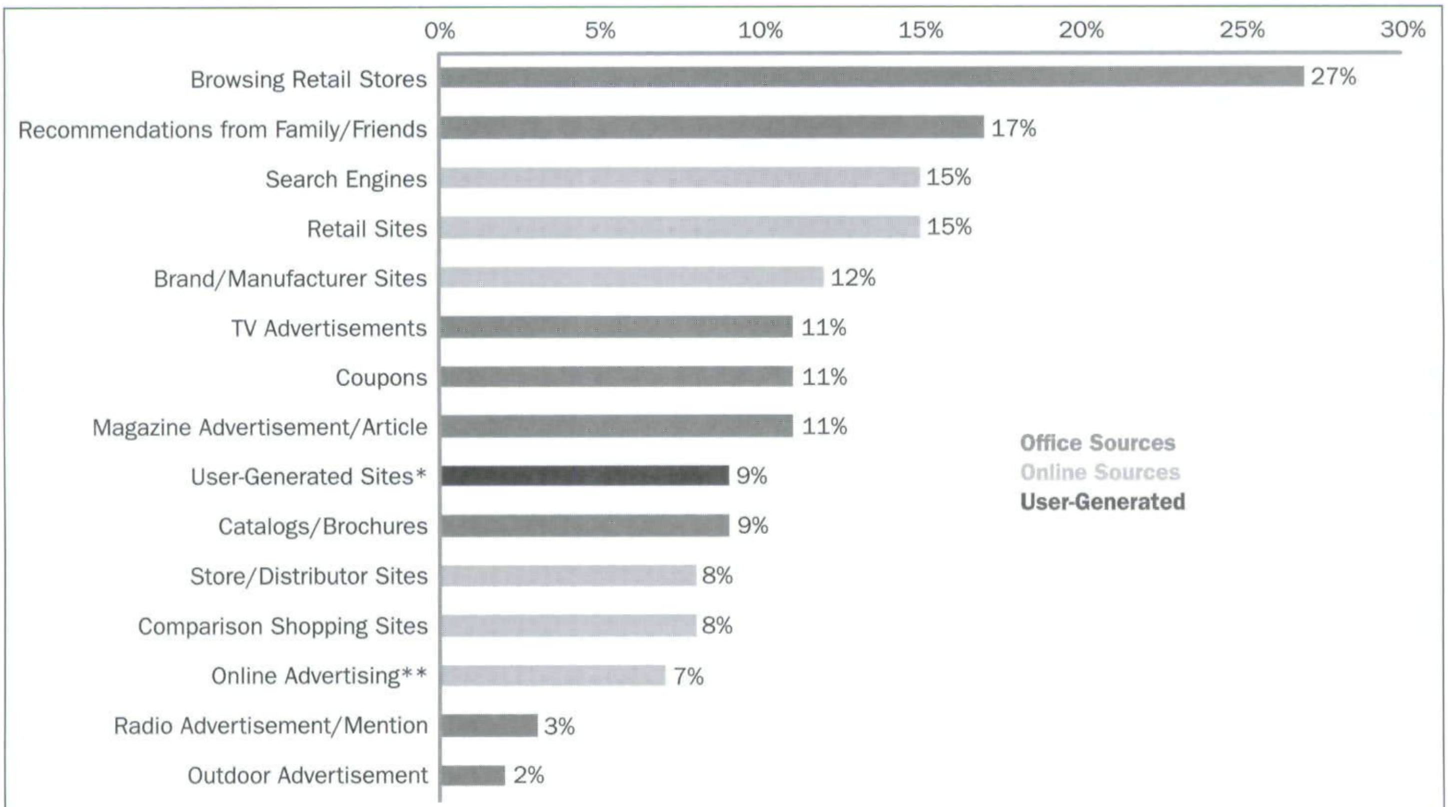
Everyday Pros participate in activities that relate to online shopping. For example, we find the Everyday Pro rating or reviewing products, but not publishing a personal page or blog. In fact their orientation toward the web in general tends to be more practical and focused. They are heavily involved in online banking and investing, and spend an average of $97 per month online ($10 more than the average). Consequently, they are more likely to participate in areas that support their primary interest in money management and e-commerce.

Fast Trackers are too interested in using the internet to meet their immediate needs—such as checking the news, weather, or sports—to spend much time communicating or participating with others. This is a group that wants to "get on and get off" quickly, acting primarily as receivers of information rather than creators or producers.

To summarize, we find Web 2.0 involvement primarily among younger Broadbanders (13 to 24 year olds), and the "early adopter" segment we call the Online Insiders. We do find some activity among older users around e-commerce related activities, specifically product reviews, but it is unclear whether their participation will expand into other areas.

INFLUENCE ON PURCHASE BEHAVIOR—EXPANDING BEYOND THE EARLY ADOPTERS

If UGC is still being promulgated primarily by younger users and an elite group of "netizens," what, if any, impact has it had on purchase decisions? To help answer this question, we analyzed over 1,300 broadband shoppers, a subset of the total Netpop sample, and over 100 different types of products purchased in the last three months. Respondents were asked to identify a product they had purchased in the last three months, either online or offline, and were then asked to answer questions about the



N = 1,397
Base: Purchased product in last three months
*Includes rating/review sites, blogs, forums, discussion boards, social networking sites
**Includes search advertisements, banner/rich media advertisements

Figure 4 Percent Saying Source Influenced Purchase sources that influenced their purchase decision.

First, it is noteworthy that online sources (e.g., websites, search engines, and comparison shopping sites) compare favorably to traditional sources in terms of their influence on recent purchase decisions: fully half (50 percent) of all recent purchases among Broadbanders were influenced by at least one online source, whereas 61 percent were influenced by offline sources. Half of the top 10 sources are based online—noteworthy given that only one-third of the purchases were eventually made *online* (Figure 4).

With regard to the influence of WOM, nine percent of Broadbanders link at least one user-generated source to a recent purchase decision. (User-generated source is defined as a blog, rating/review site, forum, discussion board, and/or social networking site.) Consumer review and rating sites, blogs, and discussion boards are more likely to be a source of influence than IM or chat rooms. We suspect IM and chat to be less helpful in tactical online shopping sessions (Table 4), while consumer ratings and review sites remain the most efficient way to obtain consumer feedback.

Thus less than 1 in 10 purchases is influenced by online WOM. The percentage may seem low (9 percent), yet only one source measured in our survey influenced more than 20 percent of purchases: *browsing in retail stores* (27 percent). Recommendations from family and friends influenced 17 percent of purchases. Findings suggest consumer influence is dispersed, or "splintered" as many would say, across a multitude of online and offline media channels.

TABLE 4

Influence of UGC Sources

UGC sources (any)	(9%)
Consumer reviews/ratings sites	5%
Blogs/discussion boards	3%
Instant messaging/chat rooms	2%
Social networking sites	1%

Note: N = 1,397; base: purchased product in last three months

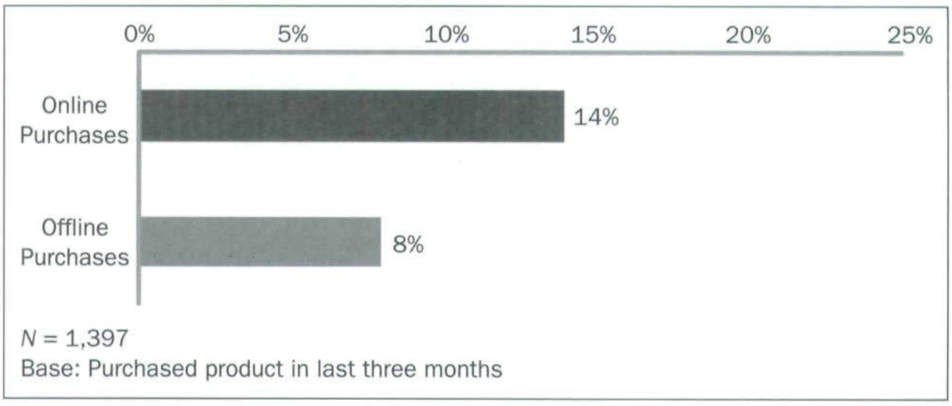


Figure 5 Influence of UGC by Purchase Channel

However, findings suggest that online WOM is still in an "early adopter" phase, influencing particular types of products and certain purchase channels more than others. For example, products purchased *online* are almost twice as likely to be influenced by UGC as products purchased offline (i.e., retail stores or over the phone) (Figure 5). Our research shows that online purchases tend to undergo greater scrutiny on the web, increasing the likelihood that buyers would seek consumer input on UGC sites.

An analysis of four separate product categories—Pricey Tech-Electronics, No Touch Services, High-Touch Retail, and Household Staples—illustrates the relative importance of UGC sites and online versus offline sources in general (Figure 6).

Pricey Tech-Electronics

User-generated content sites play an important role in the purchase of *Pricey Tech-Electronics* products such as DVD players and computers. In fact, they are the *second* most influential source for purchasing these items, influencing 24 percent of the products purchased in this category. *Search engines* are most influential and *manufacturer/brand sites* are third most influential. Retail stores still play a major role in the purchase decision, but *browsing in retail stores* is fourth in influence behind the aforementioned online sources. Our research shows the more expensive and valuable an item, the more it is researched. The fact that these technology and electronics items tend to be more expensive, more complicated, and highly coveted by their buyers contributes to the time consumers' devote to researching them and *considering the views of other buyers* prior to purchase.

High Touch Retail

While offline sources dominate the purchase of *High Touch Retail* products, such as clothing, appliances, and furniture, online sources also play a surprisingly important role in this category. Over half (58 percent) of High Touch Retail purchases are influenced by the internet—specifically, an average of 2.3 online sources. Yet only 8 percent of purchases in this category are influenced by UGC. The percentage may increase as retail sites

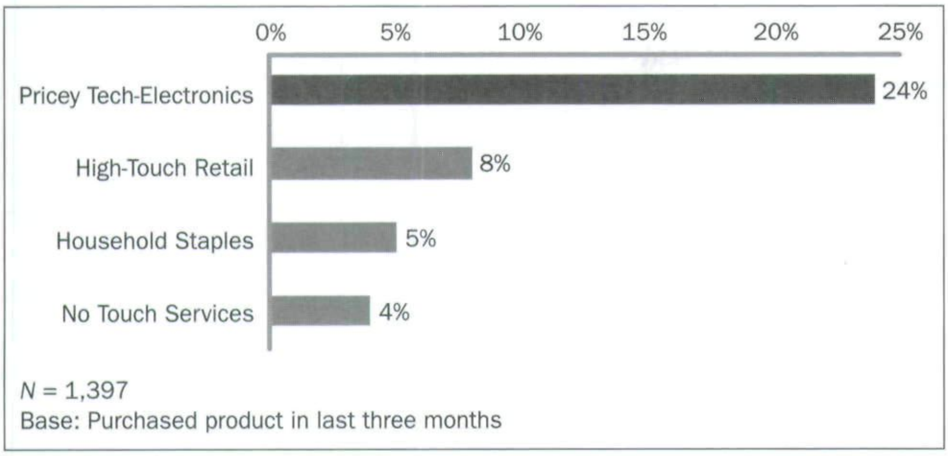


Figure 6 Influence of UGC by Product Category

offer more participatory features and younger Broadbanders gain more disposable income and settle into new homes. But the need to see and touch these items *physically*, rather than evaluate them more intellectually, may limit the potential for WOM to influence the purchase of these types of items.

Household Staples

Not surprisingly, only 5 percent of Household Staples, like beverages and pet supplies, are influenced by UGC. Yet there is some evidence that other online sources are playing a small role: 17 percent of Household Staple purchases were influenced by a shopping site, 7 percent by online coupons, and 7 percent by search engines. Like High Touch Retail products, the influence of WOM on Household Staples is likely to increase as retail sites offer more participatory features and retailers such as Safeway learn how to successfully combine bricks-and-clicks, taking grocery orders online and then fulfilling those orders through existing supermarkets. But a factor limiting the potential for online WOM in this category is passion, i.e., an emotional attachment to the products. Though every CPG brand has a core group of "Passionates" who actively tout a product's virtues, the average customer is unlikely to engage.

No Touch Services

The internet dominates the purchase of *No Touch Services*, such as travel and financial services—industries that stimulated the growth of e-commerce a decade ago. No Touch Service buyers rely heavily on search engines and recommendations from family and friends, suggesting a desire to balance the ability to pick and choose from multiple options online with trusted advice. Yet UGC is less important in these decisions (4 percent of all purchases). Buyer age likely dampens the influence of WOM for No Touch Services. Another factor that *may* limit the use of UGC in the purchase of these items includes the personal and confidential nature of many financial and travel decisions.

To summarize this analysis of separate product categories, UGC is more likely to influence items that are more complex, higher priced, and highly coveted—such as technology and consumer electronics. But it is less likely to influence low-involvement products and/or those primarily purchased in stores (e.g., CPG), products that buyers want to see/feel/try-on (e.g., furniture, apparel), and products that are personal or confidential in nature (e.g., travel, finance). Findings from Netpop 2007, available starting in September 2007, will identify any shifts in the results presented here.

An "early adopter" phase is also evident in the types of users who say they are influenced by UGC. Older consumers (45 and over) are less likely to turn to UGC sites (Figure 7) than younger users (under 45). And using the Netpop segmentation model, we find that Online Insiders are almost twice as likely to be influenced by UGC as other broadband user segments (Figure 8). Heavier Web 2.0 participants to begin with, Online Insiders are the ones driving current WOM marketing. As Online Insiders grow in proportion to other segments, a trend we are already starting to see, the influence of online WOM should logically increase. However, this assumes Online

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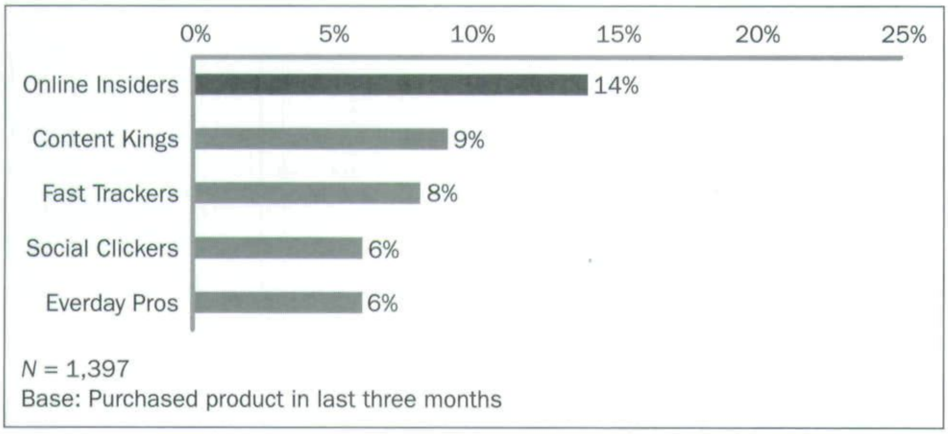

Figure 7 Influence of UGC by Segment

Insiders will retain the usage characteristics they share today. It may not be the Online Insiders, but rather a subset of this group, that act as the primary influencers on the web.

LOOKING AHEAD—PREPARING FOR THE MYSPACE AND YOUTUBE GENERATION

In consideration of what might lay ahead for online WOM, it is useful to examine the role of UGC in *online entertainment*. This is an area where 13 to 24 year olds, the heaviest purveyors of Web 2.0, are highly engaged in online conversations today. (Online entertainment is defined as movies, music, games, and television content or information that is available on the web.) A natural synergy exists between UGC and online entertainment, given that entertainment represents the cultural meme—the "water-cooler talk"—that draws people together. From a marketing perspective, the relationship between WOM and online entertainment is even more powerful when we consider how indistinguishable entertainment and media have become online. Take short online videos or movie trailers, for example: are they marketing or free diversions from the daily grind? Most would argue both.

In point of fact, Piper Jaffray recently coined the term "Communitainment" in reference to a new form of entertainment that combines communication, community, and entertainment online. Communitainment is certainly an important trend for media companies to embrace—both in defense of declining traditional media habits and to discover new ways of engaging audiences. But Communitainment carries profound *commercial* implications as well, especially as the MySpace and YouTube generation enters adulthood.

Our study shows that one-third of fans learn about new entertainment through UGC, specifically blogs, social networking sites, community sites, and podcasts (Table 5). While television remains an important channel for learning about new entertainment, the numbers of 13 to 24 year olds influenced by UGC (48 percent) is far greater than the percent influenced by television (31 percent) (Figure 9).

Findings also suggest that Broadbanders who use these UGC sources rank their influence fairly high. For example, while blog and social networking sites are used by just 19 percent of Broadbanders, fully two-thirds of these users find these sources influential in deciding what to watch or play. The influence of UGC is fairly strong across all genres of entertainment, with the exception of movies where it dips to

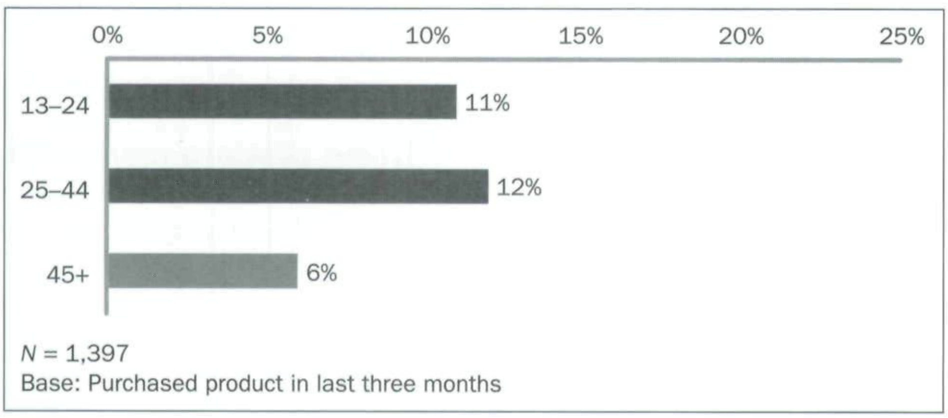

Figure 8 Influence of UGC by Age

TABLE 5
How Fans Learn about Entertainment

User-generated conent sites (any)	33%
Blog and social networking sites	19%
Community review/ratings and fan sites	16%
Video-sharing, online radio, and independent podcast sites	14%

Note: N = 1,411; base: online movie, game, music, and television fans

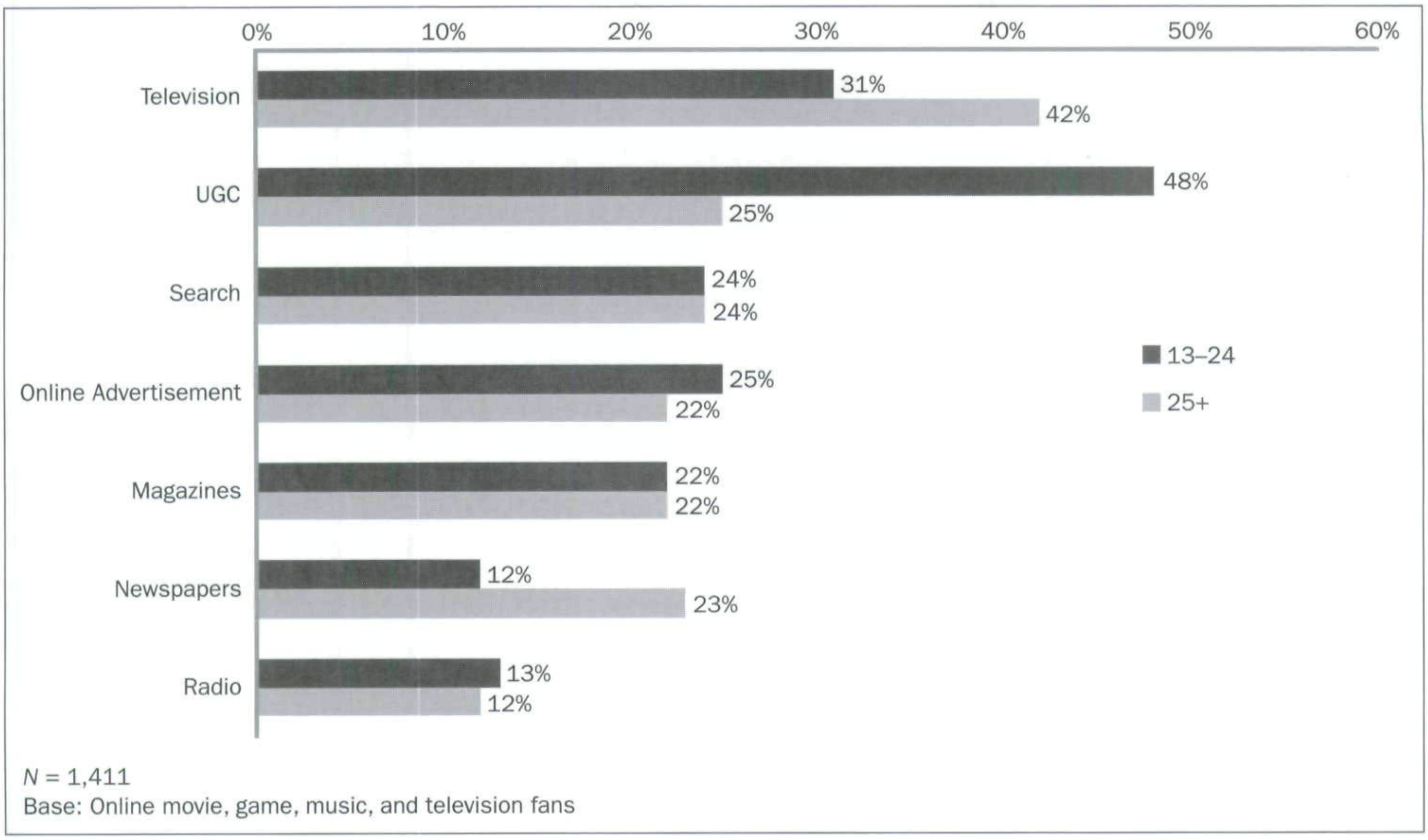

Figure 9 New Entertainment Sources by Age

49 percent (Table 6). This may be a reflection of the relative strength of other sources or the control Hollywood exerts in the release of its movies.

So how are fans participating in the entertainment that is online? Despite the ability to create mash-ups and fanfic, most of the sharing comes in the form of text-based postings. Talking to friends about a favorite title or artist is by far the most popular activity, with 33 percent of fans 13 to 24 years old regularly taking part. Other activities generally fall-out in accordance with the amount of time and engagement required to do them. For example, other general discussion or community-oriented activities rank second in popularity, followed by writing reviews or summaries. Creating mash-ups and fanfic, the most time- and application-intensive activities, garner the lowest participation rates (Figure 10).

TABLE 6

Use and Perceived Influence of UGC Sites

	Percent Who Learn from UGC	Percent Who Say UGC is Influential
Games	32%	67%
Movies	34%	49%
Music	36%	70%
Television	30%	67%

Note: N = 282–285 per genre; base: online movie, game, music, and television fans

What motivates fans to post? We asked Broadbanders to rate a variety of factors ranging from being directly asked for their opinion, to wanting to ask a specific question, to wanting to let other people know about something new. We found that many factors encourage 4 or 5 out of 10 fans to contribute to content surrounding a favorite entertainment title or artist. Younger fans (13 to 24 years old) are motivated by more factors across the board—everything from wanting to ask a question, to wanting to let people know about something new. Younger Broadbanders are actually twice as likely to participate in online WOM because they are (quite frankly) "bored and have nothing to do," supporting the view that communitainment has already displaced other forms of media and content consumption (Figure 11) (Piper Jaffray, 2007).

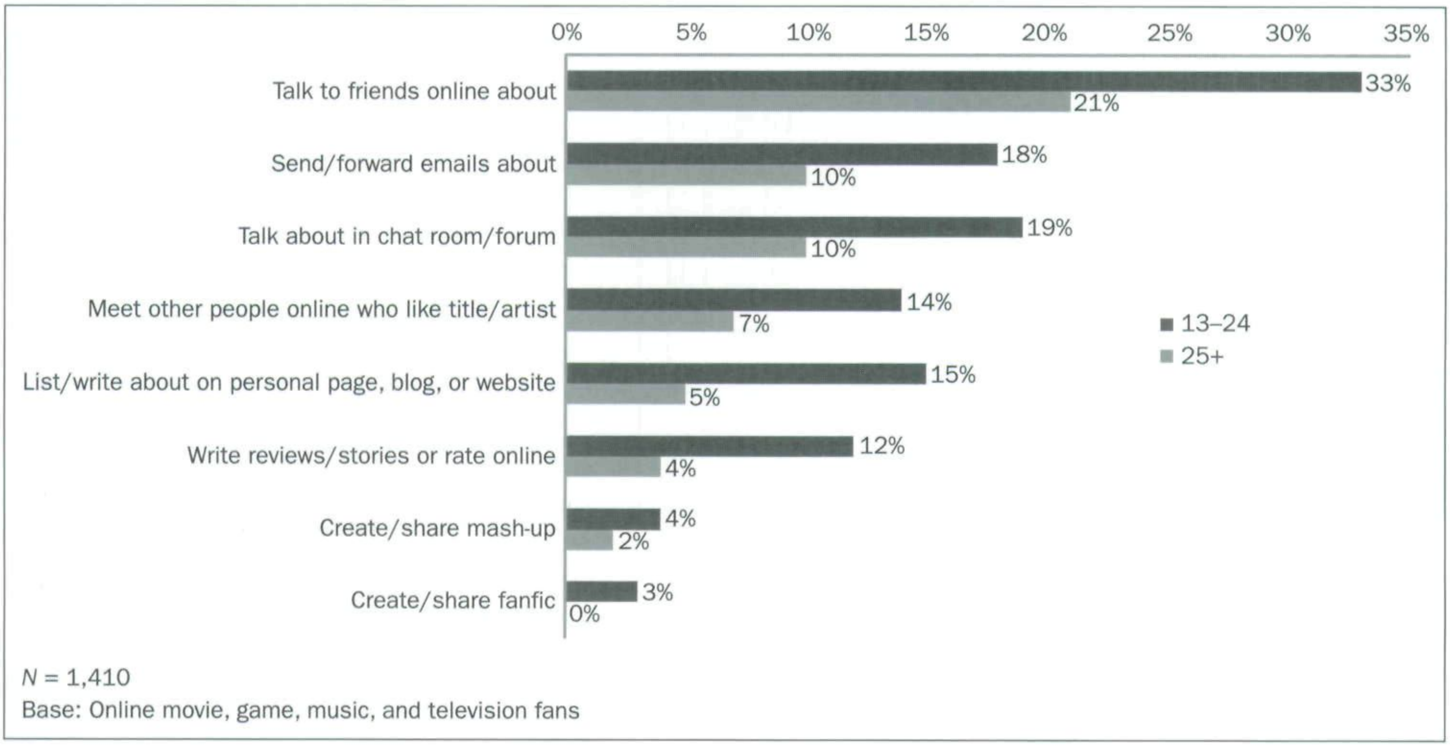

Figure 10 How Fans Spread WOM Online

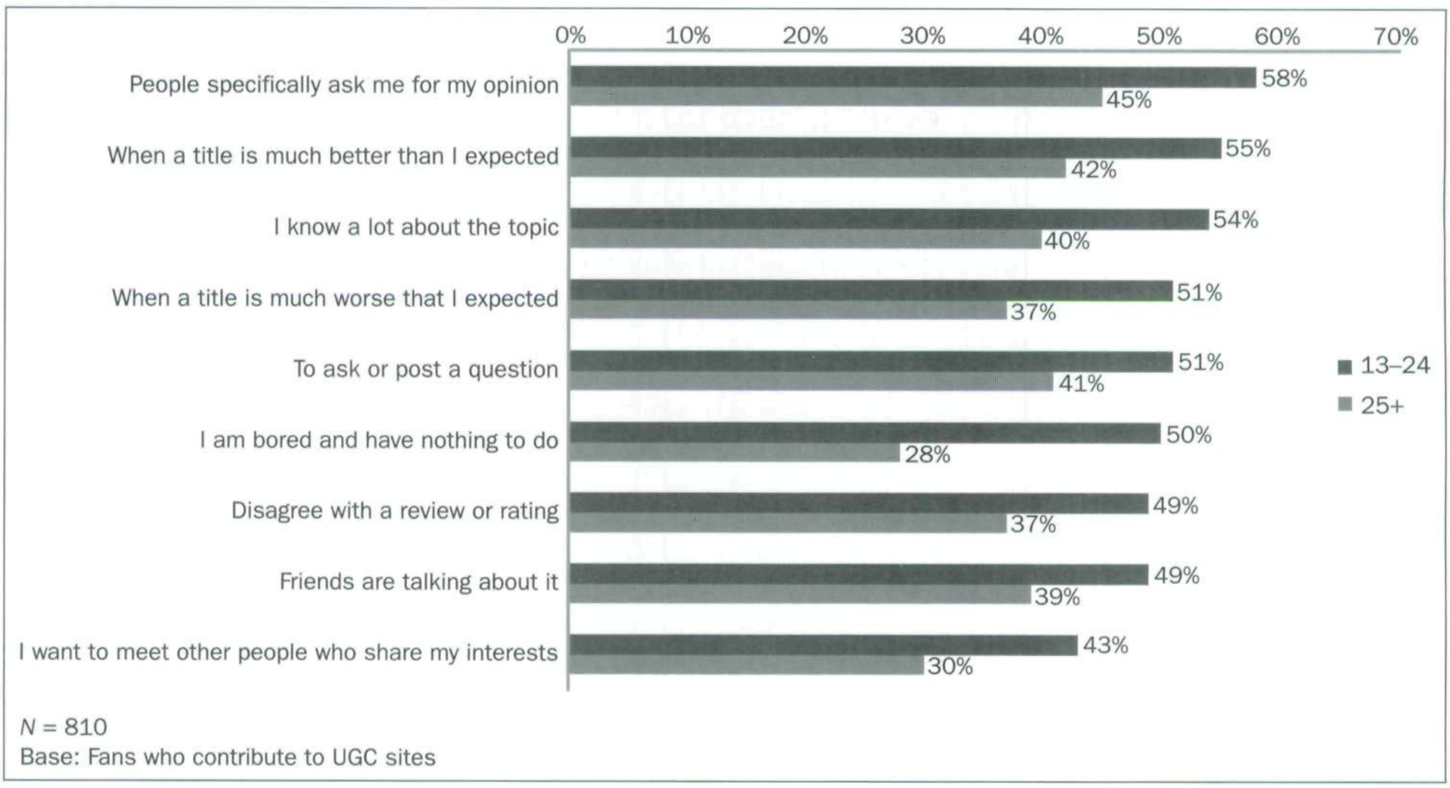

Figure 11 Why Fans Spread WOM Online

CONCLUSION

2006 was the year that "Web 2.0" made the leap from being a marketing buzzword to creating an out-and-out revolution in how users make use of the internet. Websites have reinvented themselves to transcend the format of a static publication, and successes in features that facilitate one-to-one and one-to-many communication have sharply altered consumer behavior online. What does this mean for online WOM marketing?

Research shows that while UGC is already wielding influence over some product categories and segments of broadband users, its influence is still in an "early adopter" phase. The most influential consumers on the web today are 24 to 44 year olds who embrace the internet, not just as a tool, but as a way of life. These Online Insiders are on the vanguard of online WOM and represent a group that stands to grow considerably in the next five years.

Younger users, characterized by the Content Kings and Social Clickers segments, are focused on entertainment and communication activities, respectively. They may be talking online in significant numbers, but their discussions are geared to entertainment or talking for talking's sake. When these younger segments enter adulthood, we expect many to move into the Online Insider segment and begin embracing the web more holistically. But as the segment of Online Insiders swells in number, it may consequently lose some of their "early adopter" edge. Thus it may be a subset of this segment that ultimately promulgates WOM online.

It is also unclear whether the small percentage of Broadbanders who currently contribute multimedia content (e.g., audio, video) will grow. The ratio of people who read blogs to people who actually publish them may always reflect the "80/20 rule"—with roughly 80 percent of Broadbanders consuming content and only 20 percent producing it.

We already see the impact of UGC on the selection of technology and consumer electronics products. While its influence is likely to expand to other, less tech-oriented, products in near future, higher-involvement categories are likely to progress faster than low-involvement ones. While makers of CPG products can offer online coupons, solicit feedback, and provide environments for collaboration, the challenge is not so much one of stimulating online WOM as identifying the "passionates" of their product who are most likely to spread the word.

Findings from the fielding of Netpop 2007 will give some indication on how fast the influence of WOM online has grown over the past year and in what sectors. JAR

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