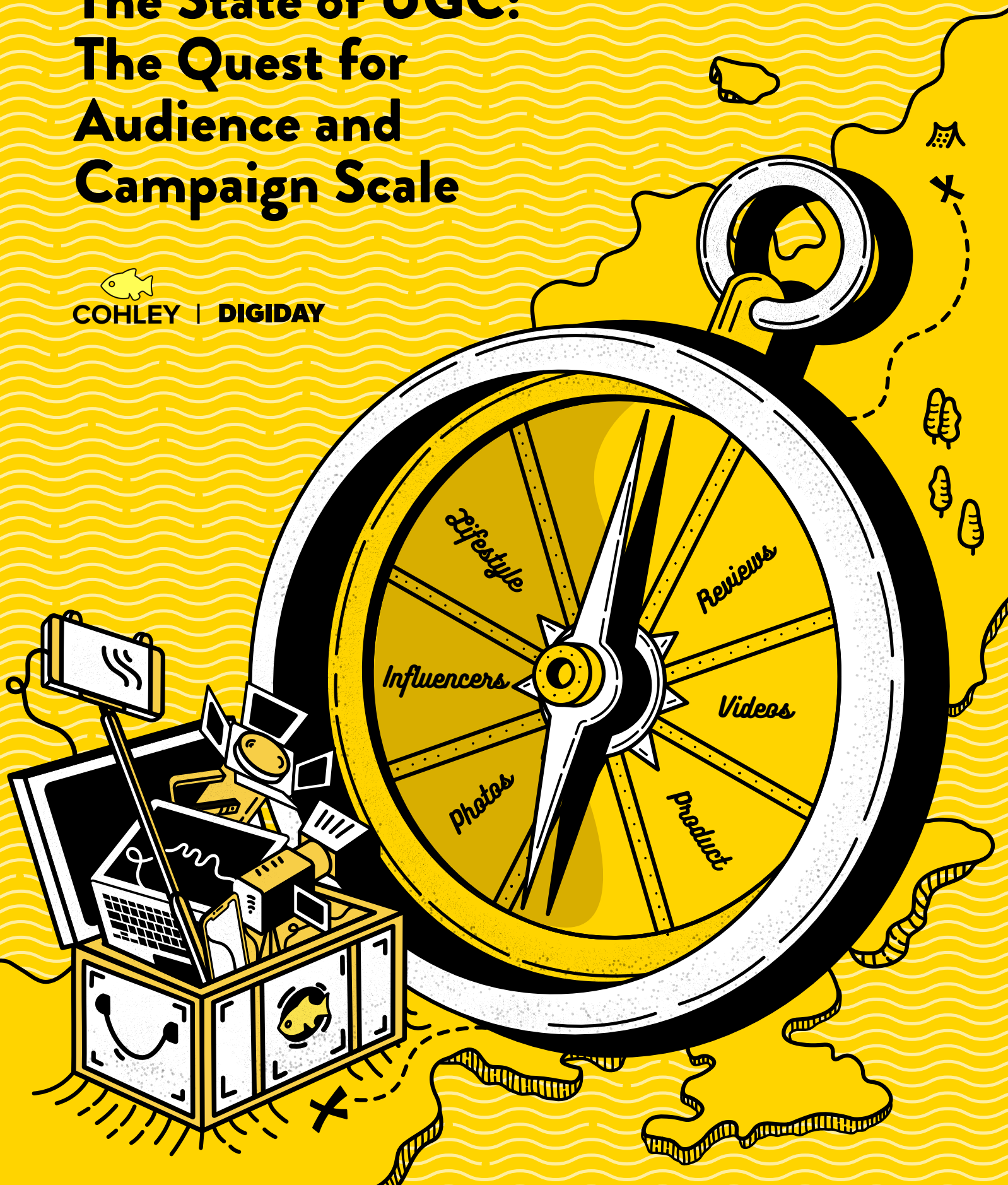


The State of UGC: The Quest for Audience and Campaign Scale

 **COHLEY | DIGIDAY**



The changing state of UGC: Marketers and the quest for creativity at scale

The story of user-generated content is the story of an evolution, and most recently it is a story of acceleration as well.

The sweeping changes driven by a global pandemic and the resultant quarantine have scattered creative marketing teams, but they have also opened brands' and agencies' eyes to the promise of UGC as an avenue to fresh takes on campaign content and context and audience discovery. User-generated content — in this case, content for advertising that has been created by people who are not on the teams of brands and agencies — is driving an entire mindset shift that marketers are bringing to advertising creative overall.

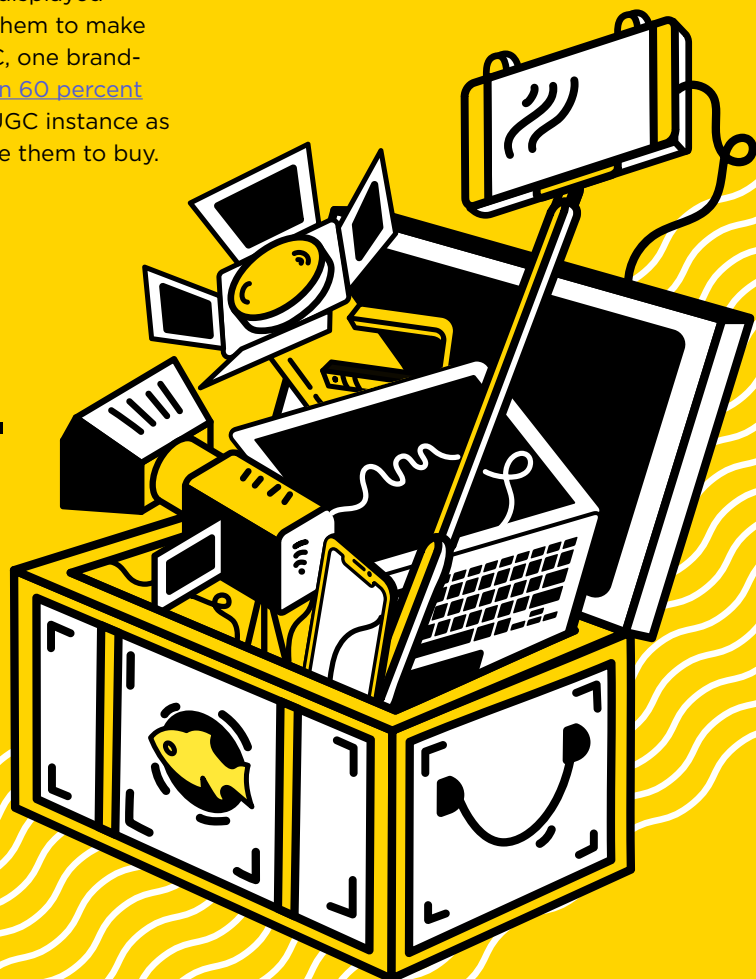
"You're going to see many brands be resourceful and creative with how they use assets, use stock footage, stop motion, leveraging social media influencers and UGC," said Fernando Machado, the global chief marketing officer at Burger King, [in a recent Digiday interview](#).

Indeed, as workflows change to reflect the new normal, advertisers are reaching for more UGC than ever. They are sending their briefs to creators who will probably never step inside the four walls of their companies, and they are

adopting a way of working in which the old chains of content custody are loosening and being shared differently. And when the assets that come back resonate with audiences, and when the metrics evolving alongside these altering workflows prove the value of UGC, perceptions of risk melt away, replaced by opportunities to take chances and win new cohorts to boot.

The results are measurable: [more than 86 percent](#) of businesses engage with UGC to some degree. And in recent consumer tests by Visual Objects, a firm that showcases creative agencies to companies seeking talent, when asked to indicate which of two displayed assets would prompt them to make a purchase — one UGC, one brand-generated — [more than 60 percent](#) of people picked the UGC instance as the one that'd motivate them to buy.

But the evolution is not complete.



To further understand the state of UGC in a changing consumer landscape, Cohley and Digiday conducted a survey of more than 300 brands and agencies in summer 2020. We found that while UGC is a valuable tool for many marketing teams, they're simultaneously grappling with obstacles. The goal is to find high-quality user-generated content creators but they need additional resources to do that. And they need help managing the data and AI elements of their campaigns that help identify and match the right content to the right audiences at scale.

And so, while UGC is, on the one hand, a newly evolving and powerful tool in the marketer's kit — and one now especially suited to the times — on the other hand, it is often bottle-necked as marketers work to dislodge legacy thinking and leverage needed resources to activate.

In this report, we'll unpack how and why this happens, and we'll explore the avenues marketers are taking to move ahead with UGC and realize the full promise of content created outside traditional team structures.

What's in this report?

1

[55 percent of marketers in our survey are struggling to keep up with the pace of campaign-content demand.](#)

2

[More than half — 59 percent — are still attempting to keep pace with the demand for campaign content as a primarily in-house project.](#)

3

[Marketers seek high-quality UGC to keep up with demand, but 79 percent are struggling to find it at sufficient scale.](#)

4

[Marketers are striving to overcome legacy thinking to achieve teamwide buy-in and loosen the content "chain of custody".](#)

5

[While most marketers — 75 percent — are keeping up or ahead of the volume of content-related data they must manage, they're having to look both inside and outside the team, centralizing AI in particular, to achieve tightly aligned content-to-audience matches.](#)

6

[Case study: how one brand used AI to expand UGC testing from 10-15 instances per day to 50, and then 150 — and quadrupled ROAS.](#)



Treasured content: A marketer's guide to effective campaign assets

The content to which marketers turn for their digital campaigns has evolved far beyond the blogs and infographics of the early days. In terms of user-generated content, they are looking for creators and influencers who can offer fresh takes on the content in-house teams have traditionally made — and who can represent a diverse spectrum of backgrounds and lifestyles (which, in turn, drive revenue, according to a recent [Deloitte/Heat study](#)). On the trail of high-quality UGC, categories such as the ones below are particularly prized for their effectiveness in today's digital campaigns.

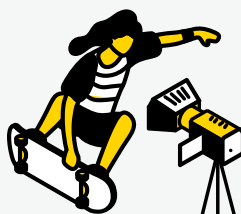
1



Product photography and video:

Commercial photography and video portraying a brand's products with careful attention to lighting, background, focus, framing and editing. In some cases, such as on Amazon, there are precise format requirements imposed by the marketplace.

2



Lifestyle photography and video:

Often supplementing product photos and videos, the lifestyle approach to UGC centers on presenting what appear to be candid scenes in the lives of people, all the while featuring the advertiser's product in the shot.

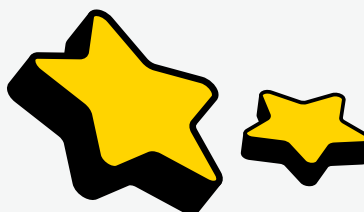
3



Unboxing videos:

First emerging in the consumer-technology sector in the mid-2000s, unboxing videos feature on-camera personalities unpacking products for the first time and describing them in detail to the audience.

4



Written product reviews:

The written (pixelated) word is still a marketing tactic for online retail. The UGC approach emphasizes paid or incentivized product reviews that natively bolster organic consumer reviews on retail sites, encouraging shoppers to convert.

Demand on the rise, marketers hunt for more content partnerships

To start, when it comes to campaign creative, no surprise: Content is still king.

From photography to video to reviews and other formats, virtually every brand and agency in our survey reaffirmed the centrality of content to their work: 68 percent said that it always formed the core of their advertising. Nearly 100 percent confirmed it as a critical factor to at least some segment of their output.

“Brands need more content today than at any other point in history,” said Tom Logan, co-founder and CEO at Cohley, and he pointed to recent reporting on the amount of content-led competition marketers are up against. “I always go back to this 11-x stat: ‘Facebook announced its top-performing direct-response accounts, and they all had one thing in common. They created and tested 11-x more creative than the majority of advertisers.’ That’s a mountain-sized challenge to address for the average marketer: How can they compete at scale?”

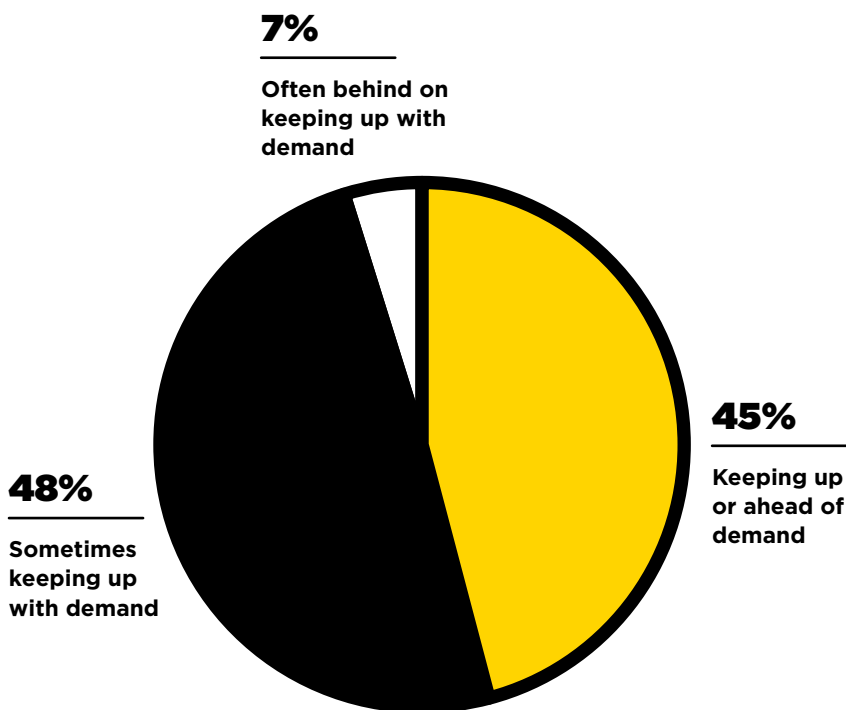
In a time of dramatic e-commerce expansion (the at-home consumer is mostly shopping online), brands and agencies need a lot of content.

It’s a race to keep up: as the chart below shows, 48 percent said they’re only sometimes pacing with the volume of material needed to create campaigns, and 7 percent said they’re often falling behind. In total, that means more than half — 55 percent of our respondents — are struggling with volume when it comes to the content they need.

Marketers and content demand

When it comes to the kinds of content that marketers are deploying overall, product videos and lifestyle photography account for the majority of the assets — 55 percent and 54 percent, respectively, as the chart on the next page shows.

And, within their content-led efforts, marketers know the types of UGC that work well for their campaigns. Our data shows that marketers have identified the UGC that works best for them — i.e., in the chart on the next page, effectiveness and what they use the most are closely aligned.



Q: How well is your marketing team generating and/or sourcing the content needed for campaigns?

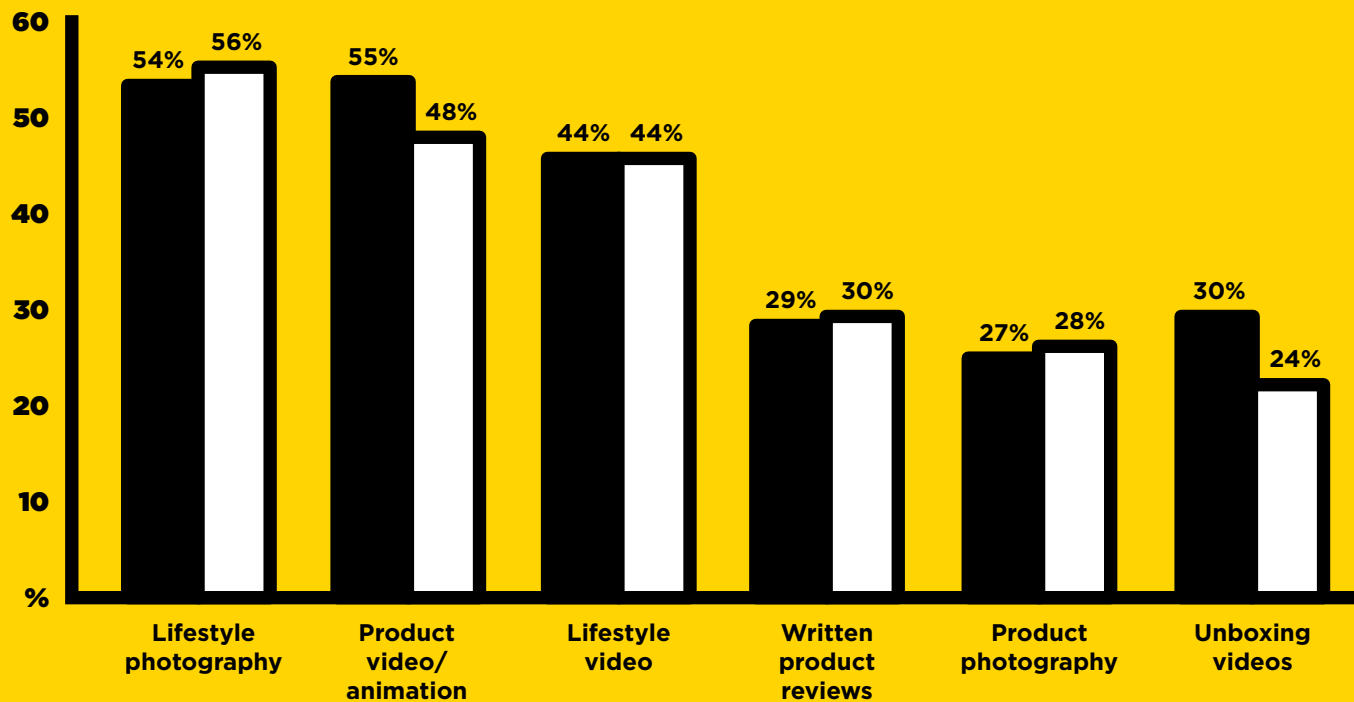
UGC: Demand and effectiveness



Effectiveness



Used most



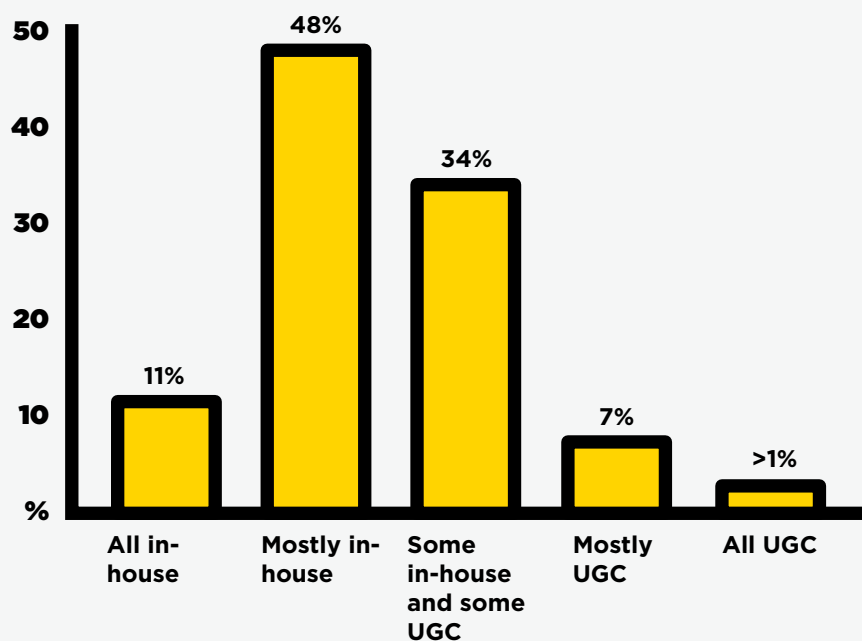
Q: What type of content represents the majority of the UGC you use, and what are the most effective types?



Furthermore, when it comes to the state of needed content and UGC's role in meeting campaign demands — user-generated content is not only here to stay, it's going to be increasingly critical in the year to come. In our survey, 70 percent predicted a moderate to a significant rise in their demand for user-

generated campaign assets. At present, just over one-third — 34 percent — said they work with some UGC to augment their in-house creative and 7 percent are creating the majority of their campaign assets with UGC partners. In full, nearly half, 41 percent, are turning to UGC already.

Marketers' in-house and UGC split



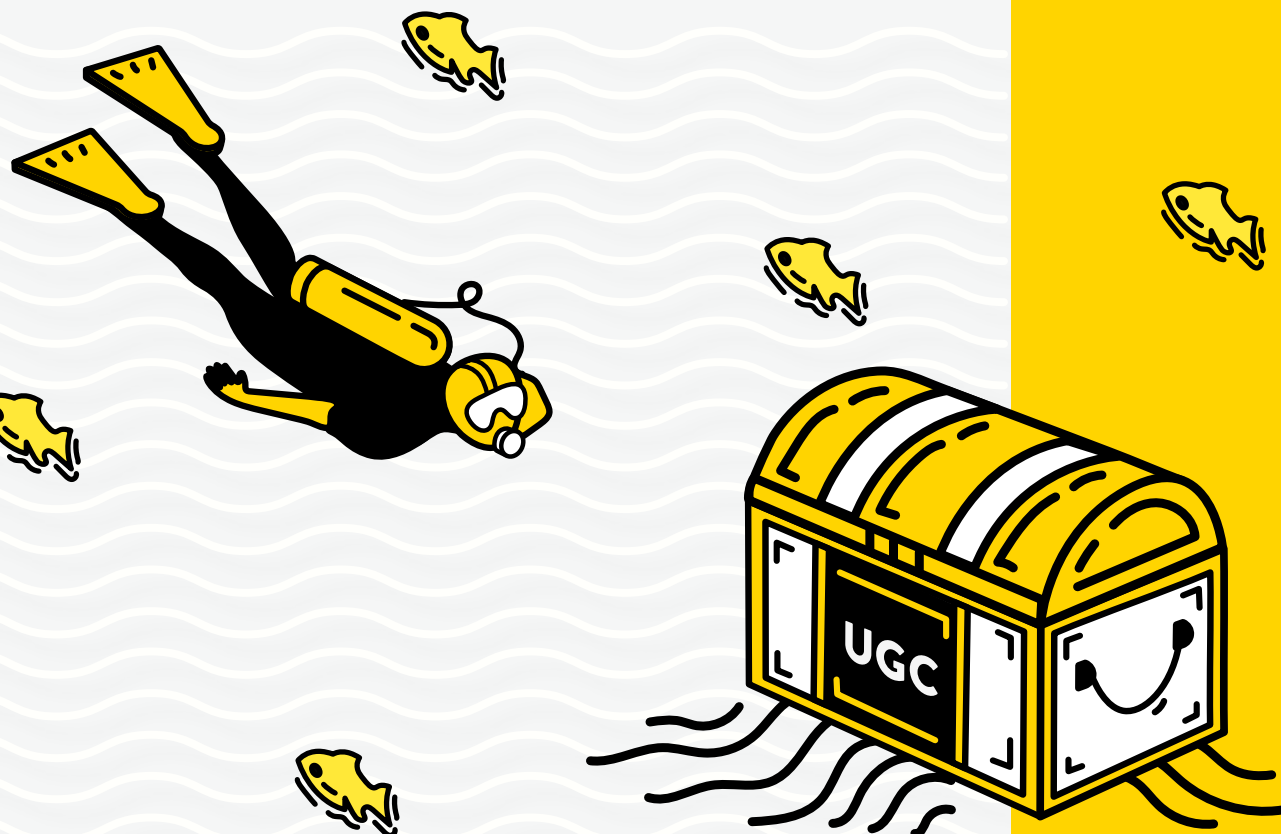
Q: What best describes your marketing strategy's content mix?

Despite the demand, however, more than half (59 percent) are still attempting to keep pace with the demand for campaign content as a primarily internal project. For those marketers, there is something different happening around the way they build content-driven campaigns.

So, what's keeping the drive for more UGC from kicking into higher gear?

While the move to at-home work might seem like a likely answer, the challenge before marketers working with UGC is largely unrelated to in-house teams working remotely. Only 14 percent of our respondents said distanced colleagues were the driving factor in their content-related challenges.

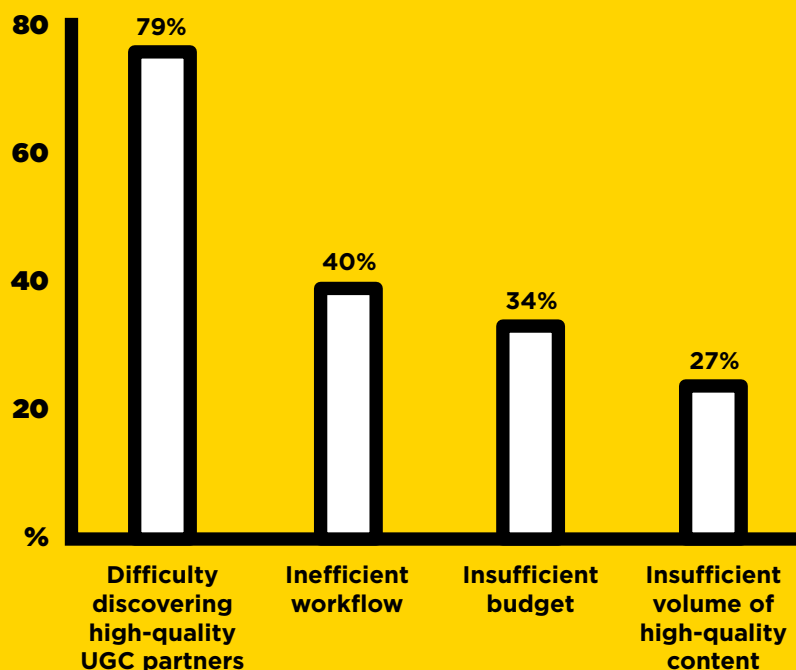
Instead, as they hunt for UGC partners, they are finding it challenging to discover partners who can generate it at scale and meet quality standards — all the while representing a good match for the brand and target audience.



Challenge point: Marketers struggle to discover high-quality UGC creators

In our survey, marketers highlighted factors that complicate their engagement with UGC.

Challenges and high-quality UGC



Q: What are the most significant challenges your marketing team faces when it comes to UGC?

The quest for scale is certainly notable: among our respondents, 79 percent said they struggle to discover high-quality creators — but only 27 percent said there isn't enough of it out there. In other words, the problem isn't scarcity, it's discoverability.

With all of these factors in play, the question becomes: what are marketers doing to solve the challenges they cite?

Mapping solutions to UGC challenges

Successfully discovering high-quality UGC partners is a large part of what's affecting 79 percent of our survey respondents, but another factor is at work, as well: 40 percent said workflows were a challenge.

KMS Media Solutions helps brands that have struggled with discovering high-quality UGC creatives for their marketing campaigns, and the firm has also addressed how workflows can slow or interrupt a team's path to adoption.

"I think it comes down to knowing what you're looking for and understanding that with all of these content creators, it's not a product shoot," said KMS Media Solutions president Kim Snell. "They have to have some sort of freedom to create content that is true to them. It's getting them to understand that if we hold these creators inside a small box, we're going to get lower-quality content. It's not going to be authentic to who they are. And it's going to feel forced."

In other words, creative freedom fuels higher quality in the hands of talented UGC partners. And, as Snell has worked to address the workflow for brands, she's come to understand their main disconnects as a two-pronged scenario. One prong is that

of inefficient planning. Teams aren't taking three months to plot out a campaign; they're often working on a just-in-time basis. Another prong amounts to a recurring confidence gap around the very concept of including creators outside the in-house team.

Success can boil down to a clear internal mandate, according to Snell: "Just getting them used to the fact that if we want content to show their product being used in different ways with different types of people," she said, "we're going to have to loosen up the reins a little bit."

Solving for legacy thinking that might prevent that, Snell said, often comes down to the moment the team puts eyes on a fresh take from UGC talent.

"They're not having to spend so much of their time, and they're getting different photos they couldn't otherwise get — or it would cost thousands of dollars just to get those types of photos," said Snell.



Strategy snapshot: Creators and social media

For many UGC creators, the social feed is sacrosanct, and they aren't always willing to populate it with heavily branded material.

Another way to access high-quality content from premium makers, then, is to not require them to post the campaign assets across their own social-media accounts, freeing them to follow brand guidelines without worrying about the material crossing over into the digital cornerstones of their personal brand messaging.

One approach to loosening the reins, according to Davitha Ghiassi, executive vice president of social and integration at Red Havas U.S., is to identify in-house stakeholders who will stand up for new strategies that include UGC creators.

"What I would say works across the board, whether it's a smaller or a bigger organization, is to allocate advocates," she said. "Be really clear on who are the advocates for content and for creativity across the different types of divisions, whether it's marketing or sales or whatnot."

Especially for smaller companies, Ghiassi said, "They can't do it all in house, clearly, because they don't have that kind of scale and size. So, they need to tap into clever partnerships.

"And it takes having someone internally who is invested in understanding the content space," Ghiassi continued, "the social, the mobile space, the influencer space, and really can identify the right tools and partners to engage and also the level of investment that should be allocated."

“

[Marketers] can't do it all in house, clearly, because they don't have that kind of scale and size. So, they need to tap into clever partnerships and have someone internally invested in understanding the content space.

— Davitha Ghiassi, executive vice president of social and integration, Red Havas U.S.



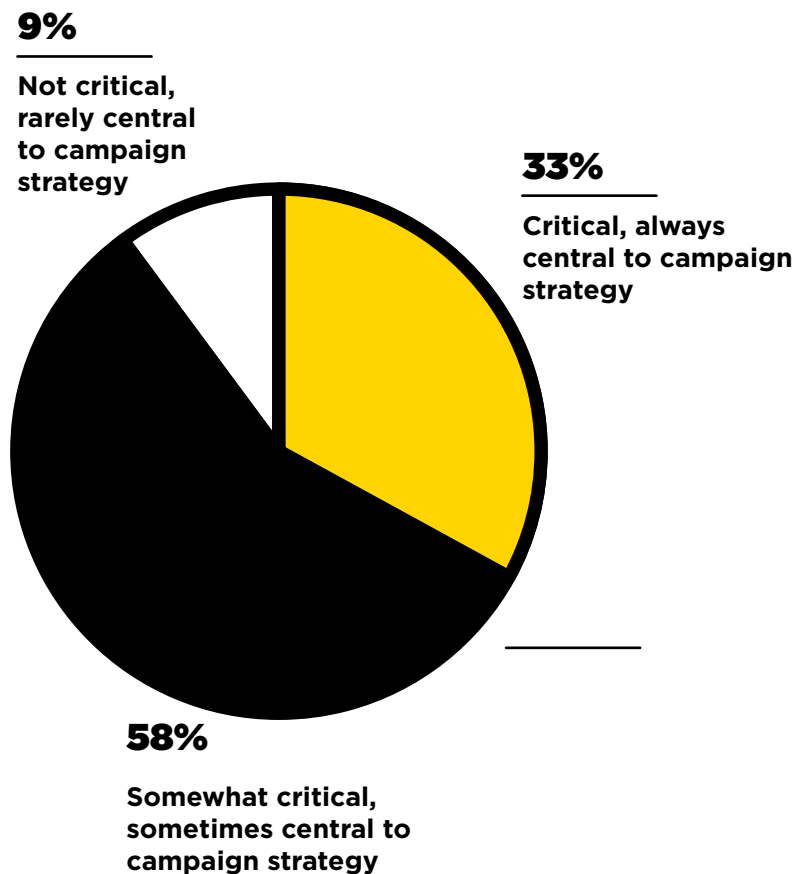
UGC and data: For marketers, treasure lies in the details

There is another element at work in UGC's evolution — and in the challenges inherent. It's data.

In our survey, as the chart below shows, 91 percent of brands and agencies said data takes a central role in campaign strategies at least some of the time, and one-third said data is always the essential factor in matching the right creative to the right audiences.

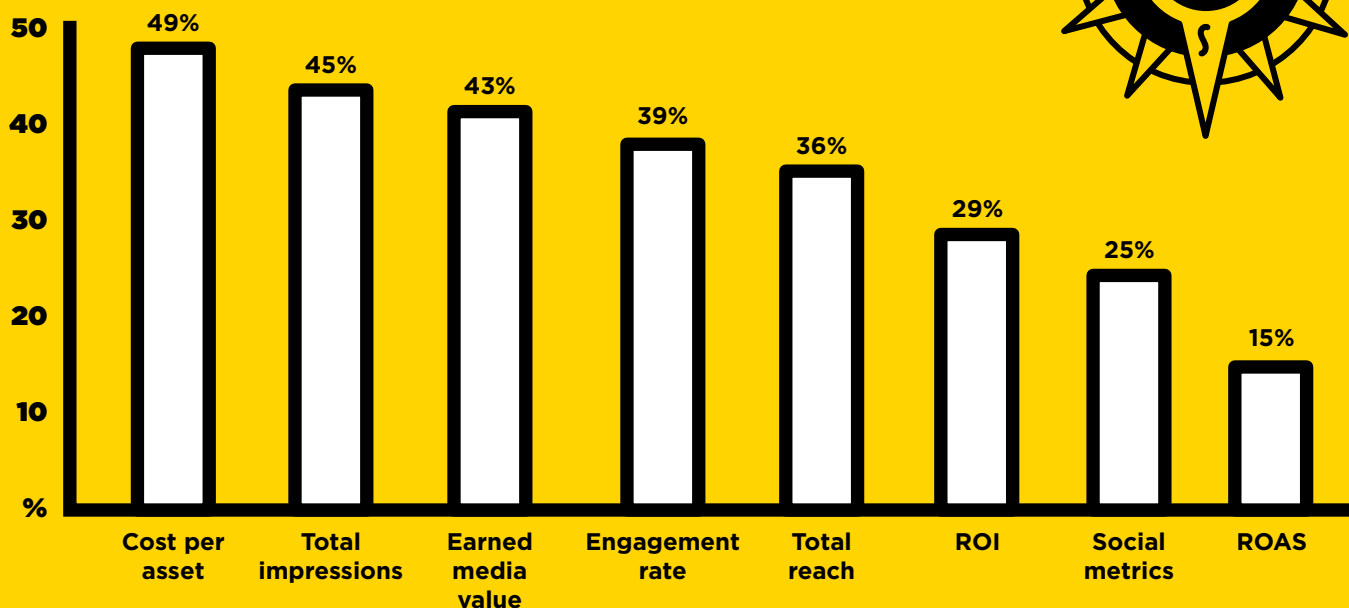
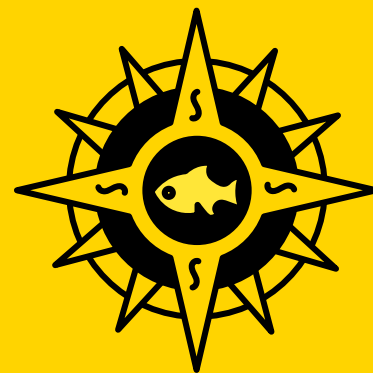
Data is at the heart of campaign content success

When it comes to assessing outcomes — empowering data to drive the performance of successive campaigns — the respondents in our survey highlighted which metrics are most important to those moves, and the chart on the following page illustrates their rankings of measurement types.



Q: What role does data play in discovering, targeting and matching your content choices to the right audience in the right ways?

Performance metrics aren't confined to revenue



Q: What are the most important data types for assessing marketing content success against relevant audiences?

Of course, as the graph above shows, costs and returns figure into the data points that matter to marketers. These can be considered primary metrics, in fact, accounting for 49 percent and 29 percent of what brands and agencies consider to be among the most critical content-evaluation metrics.

"In the end, it's still revenue, right? And it's one of those things that doesn't ever go away," said Jeffrey Douglass, vice president of marketing at Weyco Group, the holding company for brands such as Florsheim Shoes and Stacy Adams.

Weyco Group has leaned into UGC and data to course-correct and make successful campaigns worldwide,

particularly in Asian markets within the past two years. For Douglass, UGC and data are also unlocking new audiences, allowing them to discover more about audience preferences and what kind of brand experiences they prefer to have.

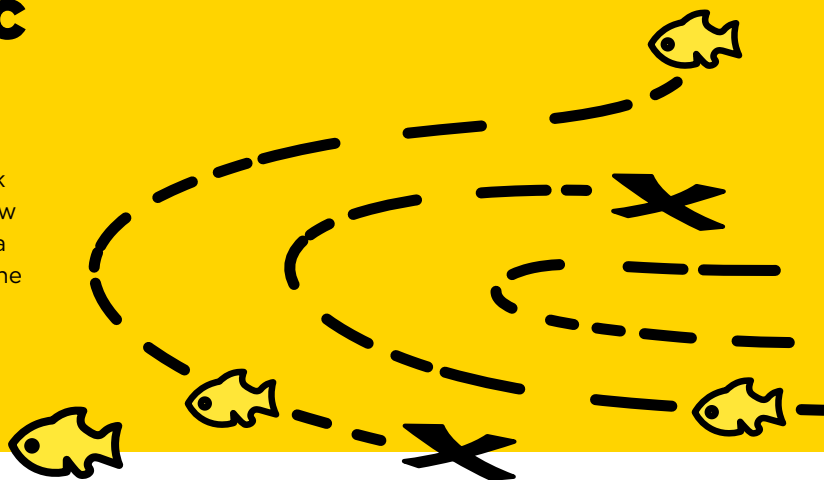
For example, they may not like to buy from a brand's site, and so the company had to pivot to become more of a content provider to retail sites rather than an e-commerce player. Beyond that, metrics other than just the primary factors of cost and revenue figure into marketers' work. Unlocking deeper audience details, they could be considered secondary, but significant, metrics for campaigns.

"The secondary metrics come into play because, depending on the medium in which it's deployed, what you're trying to do is say, 'what kind of cohorts exist within there?'" Douglass said. "It's what cohorts are available, and how do they perform with the content that's being delivered?"

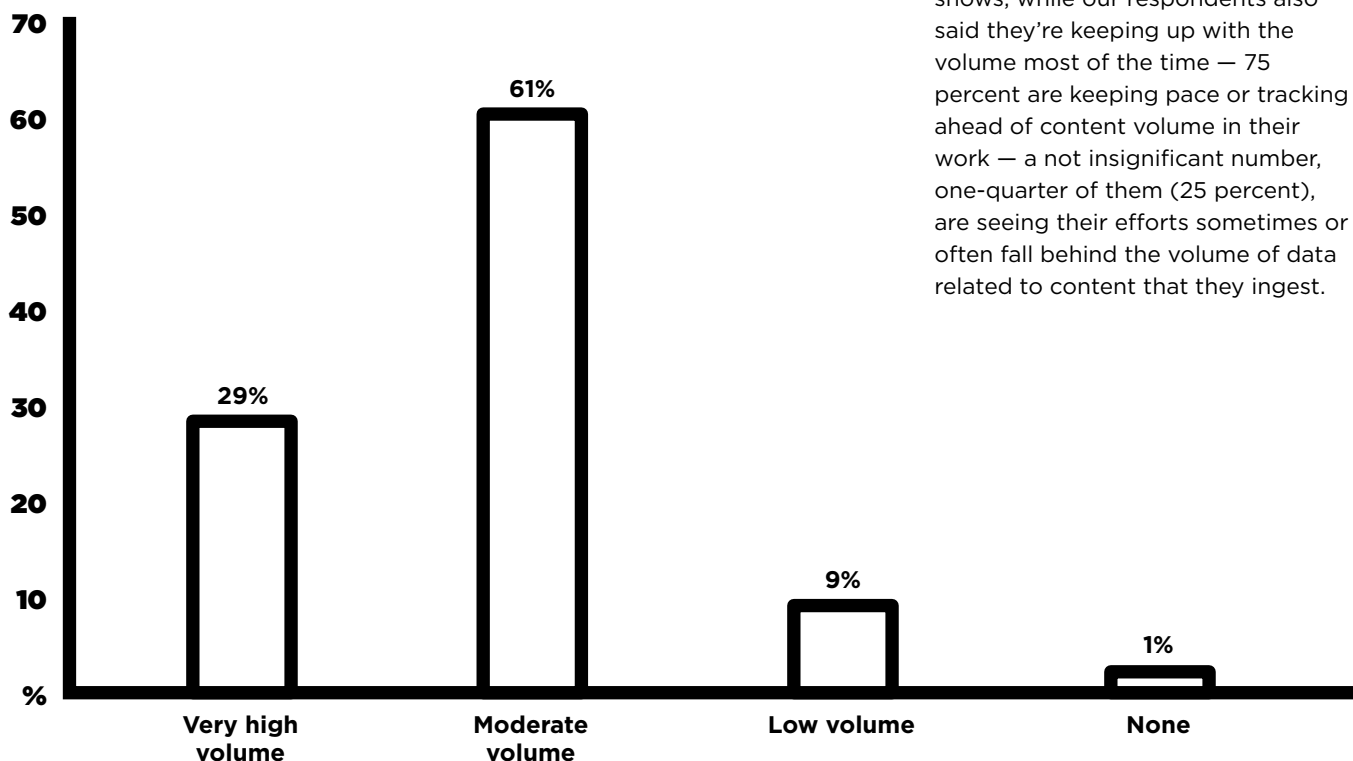
In terms of other metrics, our survey also shows marketers are measuring content performance by analyzing audience attention, reach and overall engagement: Total impressions, engagement rates and total reach all earned north of one-third on the above significance chart — 45 percent, 39 percent and 36 percent respectively.

Technology: The dotted line for data-driven UGC campaigns

The vast majority of respondents in our survey said the task of managing data volume is formidable — as the chart below illustrates, 90 percent told us they're facing a moderate to a very high influx of data for driving campaign content into the right channels to reach the right audiences.

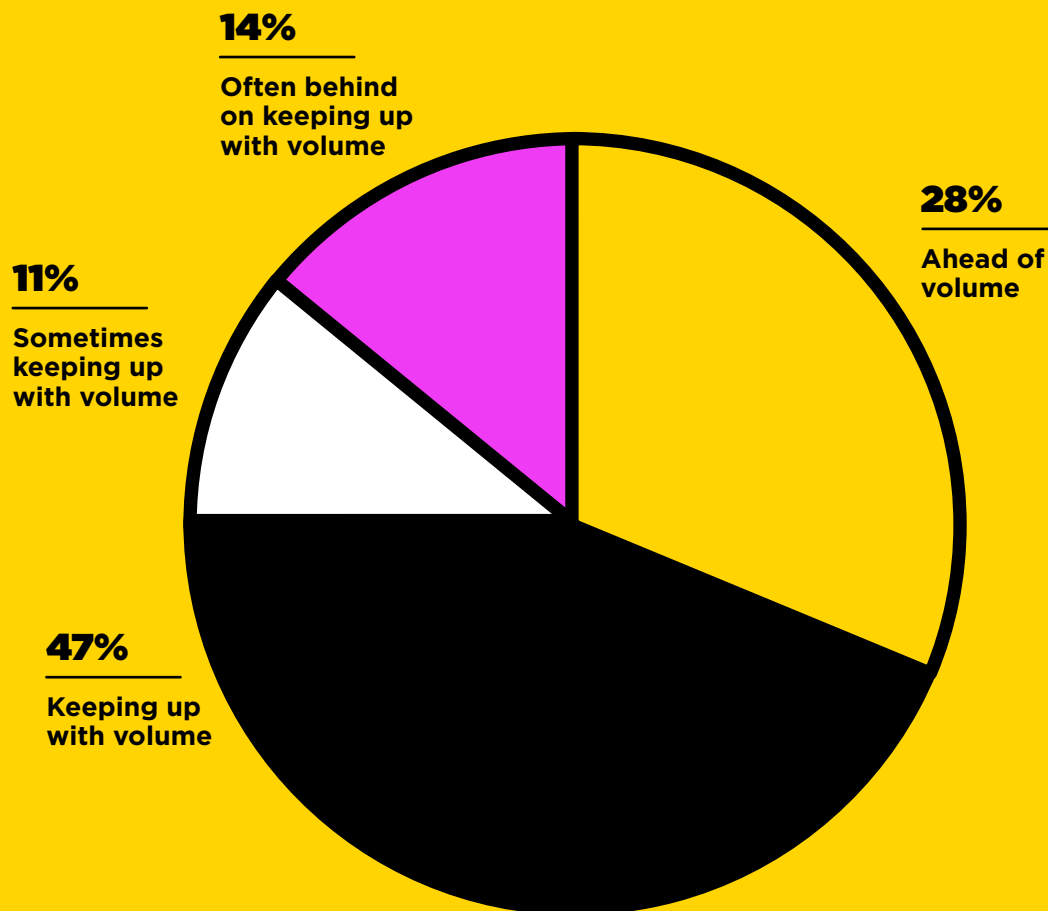


Marketers are handling data at scale



Q: What best describes the volume of data you collect to discover, target and match content to the right audience?

And, as the chart on the next page shows, while our respondents also said they're keeping up with the volume most of the time — 75 percent are keeping pace or tracking ahead of content volume in their work — a not insignificant number, one-quarter of them (25 percent), are seeing their efforts sometimes or often fall behind the volume of data related to content that they ingest.



Q: How well equipped is your marketing team to generate and/or source the content needed for campaigns?

Marketers on managing data volume

The bottom line is that while there are data-driven capabilities in the marketing world, that doesn't always mean that every marketing team can handle content and data at a sufficient scale. Our respondents tell us that the challenge is often related to the toolkits with which they're working, and the gap between the in-house knowledge they need versus the skill sets they have. It can be expensive and time-consuming to solve for either, never mind both.

Technology and platforms can eliminate much of the manual labor needed to source content — and one-fourth of our respondents struggle with just that task. The right tools that allow for not only workflow organization by stage, but also mass messaging and distributing an all-encompassing creative brief immediately, these capabilities enable brands and agencies to scale, drastically cutting down on the time and overall headaches of negotiating with creators individually.

For advertisers that lean into solutions such as those, the difference in outcomes can be profound — by orders of magnitude.

In the two case studies that follow, marketers tell us exactly what happens when those abilities come into play — with data driving UGC campaigns and teams seeing the returns that come with loosening the reins and strengthening workflows.

Case study: Rhone strikes gold with UGC and data

Data demands time and resources, but data also unlocks more quality content and highlights new audience cohorts once it's properly in play. It's a tradeoff that counts.

Adam Bridegan, chief marketing officer at Rhone, a premium men's performance lifestyle brand, said part of his passion lies in helping other startups see the value in working smarter with content — to break out of legacy thinking and put new technology-forward solutions to work. That's because he's recently implemented such a shift himself.

"For us, we knew there was a problem," Bridegan said, "in the sense that yes, we were creating really good content, but we weren't customizing that content at the scale that we needed to reach different audiences and bring additional customers into our funnel."

Rhone's resources were limited, but their conversations and internal audits of content led them to an undeniable conclusion: Their campaign creative looked too much like their competitors' assets.

"We had to go to different content creators who were thinking differently than the way that we think," said Bridegan. "And that was the biggest a-ha moment for us. I mean, we had TikTokers who were phenomenal at that platform, and now they were doing amazing things with our gear on skateboards, and they were doing things that we would never, ever have put money behind."

Furthermore, Rhone was now able to put all this new content to work at scale.

"We're a lean, small team; we were testing about 10 to 15 things a week, right?" he said, referring to Facebook ad tests. "But now we have this library of content, and our team is testing 50 things a day. So we've just massively scaled up the campaigns that we've built and then allowed the data to drive the performance."

Bridegan said he expects Rhone to reach a testing cadence of 150 ads and assets per day within the year, and the results of their UGC approach have extended to the company's bottom line.

"I'm talking about an increase of between three and four times ROAS versus our internal content," he said. "And when you think about three to four times ROAS, and what that allows us to do as a brand — it allows us to now scale on Facebook — whereas everyone else is jumping off and saying, 'Oh, the Facebook costs are rising.'"

"Well, guess what?" said Bridegan. "We're going to take our strategy, continue to do it on Facebook. We're going to go right into TikTok and look for those areas of arbitrage as well. And it's going to be content this time. It's not just going to be budget."



Case study: Data marks the spot for testing campaign-content and workflows

According to the decision-makers interviewed for this report, data and technology also create opportunities to rethink traditional iterative workflows, solving for yet another pain point when it comes to UGC.

It improves the capacity to test content, for example. Rather than spending on a vast array of different campaign creative possibilities, marketers can introduce data to make granular decisions along the way to a final set of testable units.

"It's very easy to be quite inefficient when it comes to the A-B testing and to waste quite a lot of funds just producing different types of assets when really you're not clear on what the outcome that you're looking for is," said Davitha Ghiassi, executive vice president of social and integration at Red Havas U.S.

"In most instances, you don't really need a completely different type of creative," she said. "You can do more iterative testing early on, and then, based on those early learnings, make more informed decisions about where you go with a higher-value kind of change — a production approach or in-content approach."

Ghiassi said that addressing details of the content down to copy and color scheme before ordering a series of finished photos or videos "can really inform where to take the direction more broadly. You want to do more of this smaller A-B testing early on so that you can make bigger decisions and be more confident — whether that's off-the-line production or for influencer collaborations as well."

Industry snapshot: From testing to 'content engineering'

With data at their disposal, marketers are evolving from iterating and testing whole projects to content engineering — the ongoing process of content generation and optimization informed by data on increasingly granular levels.

Marketers: scaling for smaller teams is data-driven

Another example of how platforms and data are changing the way teams work with content is that scaling-up across campaigns.

At Threadless, a company that offers a catalog and marketplace platform on which artists and designers create UGC-driven online shops to sell their apparel, the team requires the resources to handle data for what can be millions of creative designs.

“We’ve got just under 40 people total,” said Elizabeth Schmidt, digital marketing director at Threadless. “My team is the creative team and marketing team, and we have one graphic designer and one art director and one photographer. So it’s not like we have a lot to work with, and we’re all human, and we can only do so much.”

Across all those instances, they have an advantage.

“All the artist-shop data, sales data — all marketplace sales data and all Threadless catalog sales data over the last two years — we’re constantly looking at that data, and it’s generating recommendations of what we should do and where the opportunities exist,” Schmidt said. “So it’s basically been our playbook for what we need to do and what things we need to launch.”

This data driven strategy that is so ingrained into the small team culture at Threadless that it weaves into their content strategy as well. They are deploying outsize campaign content and need access to the details and insights that only their analytics can provide to ensure they are generating and activating data-driven content.



Artificial intelligence: Digging deeper for UGC and returns

For Threadless, and many teams, the answer to these challenges lies in accelerating their relationships outside the in-house bench in the places where they identify a need, adding technology and partnerships to shift their UGC efforts into a higher gear.

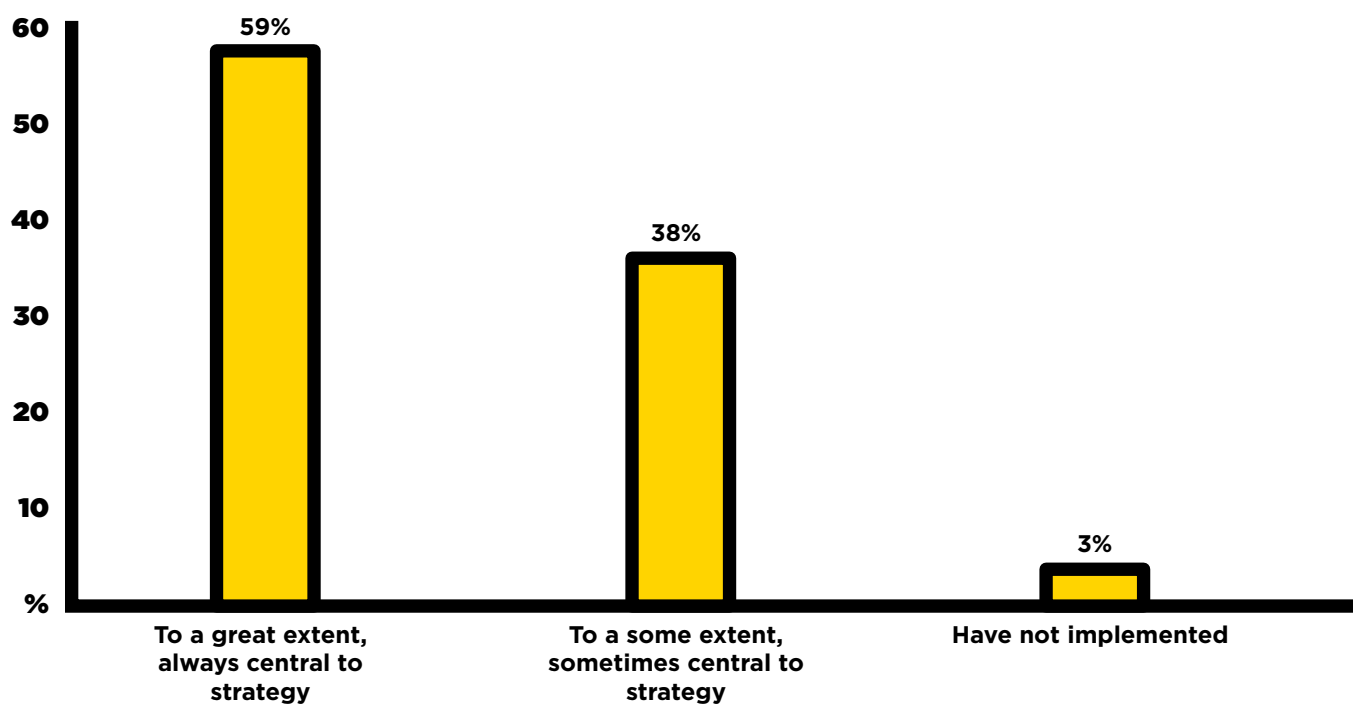
In platforms lie opportunities to equalize and level playing fields for smaller shops struggling with large content ecosystems. In particular, artificial intelligence is democratizing the ways data and UGC work together. Our survey shows a marketing cohort that is indeed leaning into solutions like the ones

Threadless has brought to bear via platform partnerships.

As the chart below illustrates, 59 percent of respondents said AI tools are greatly assisting their efforts to target campaign content better. Overall, 97 percent said AI came into some level of play.

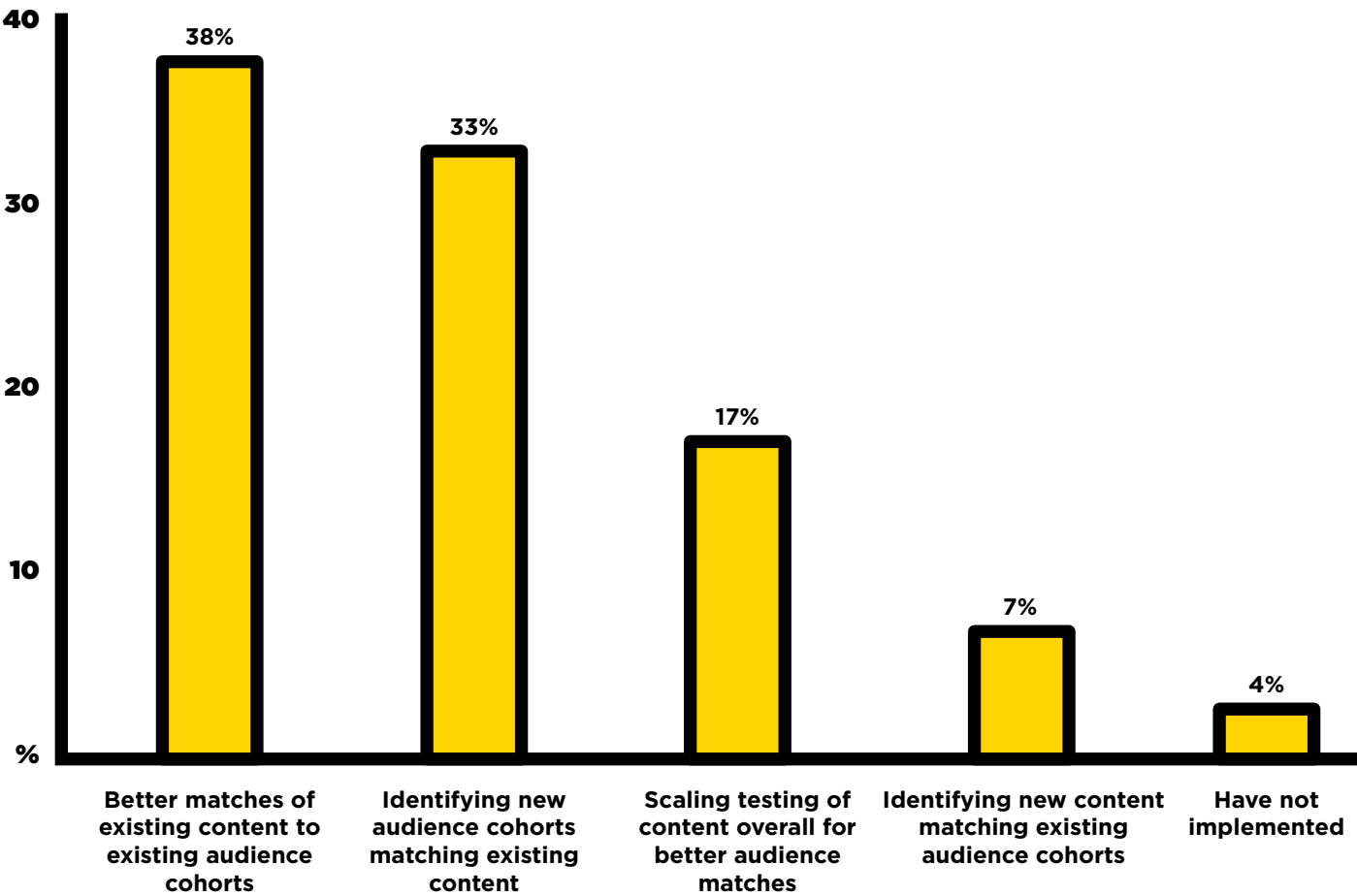
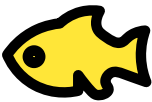
And, as the chart on the next page shows, 75 percent said these approaches were allowing them to identify new material that would match existing audiences, to identify new audiences that match existing content, and to make better matches between existing audiences and content overall.

Artificial intelligence and campaign-content strategy



Q: To what extent do AI tools assist your marketing team in its campaign content targeting and measurement?

AI: Audience targeting and measurement



Q: In what ways has AI assisted content discovery, targeting and measurement?

Examples of AI at work echo the Rhone case study we considered earlier in this report.

If a marketer is working with a set of some 200 UGC photos, for instance, seeking to assign and activate the best matches across numerous channels, it's a process that can

occupy up to 10 hours a week, especially for less-seasoned teams. This is where AI comes in: pattern-matching algorithms enable any team to identify the images most likely to perform best with a specific target demographic. It's a step that drastically shortens and expedites the content-selection process.

And when AI has a hugely positive impact on the performance of that content as well, then data and the platforms to use it expand the argument for further loosening the content chain of custody and scaling with UGC. Marketers know they will have the tools to keep up with the volume at last.

The ‘exact moment’ for content, context and creativity

There are numerous important factors that marketers are addressing as they build content strategies that bring together in-house, UGC and technology. These include AI and partnerships to help with discovery, targeting and the metrics that tell them when they’ve combined optimal creators, assets and audience cohorts.

As they evaluate their strategies and needs, pursuing the tools and partnerships they require to achieve their content goals, the critical questions marketers can ask of content and UGC platform providers include the following:

1

What’s the full breadth of creative assets that the team can generate via this platform?

2

As the marketing team looks to use user-generated content across the organization’s efforts, what significant and beneficial integrations and partnerships can the candidate partner bring to the table?

3

With what types of content do the vendor’s clients see the most success in terms of ads?

4

What is the default level of content rights that the team will acquire when they generate content via campaigns on the prospect platform?

—

But beyond the above questions, there’s a central query that goes to the heart of the change underway. As Tom Logan, CEO at Cohley, puts it: “What do I, as a marketer, want to accomplish with this platform? What’s causing me to look at doing something different at this exact moment in time?”

In this exact moment in time, the key to answering both questions lies in what we already know. Marketers

will likely increasingly work remotely, and in small teams that outsource the creative they turn into campaign content.

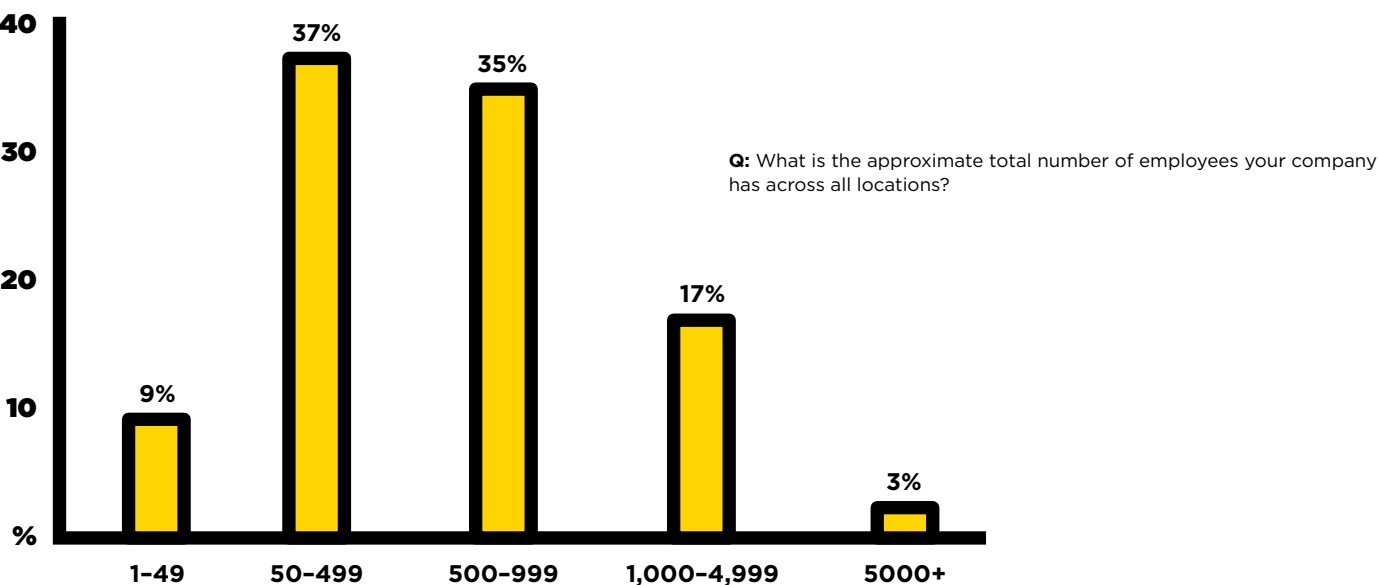
And marketers tell us that if that’s the state of content, they’re ready for UGC. They just need to find their partners faster, understand and uncover contextual content-to-audience matches with help where required — and that’s how to answer Logan’s questions.

The UGC shift was likely always going to happen, but it’s accelerating in 2020 and it will almost certainly continue to do so throughout 2021. The state of UGC? It’s a powerful approach for meaningfully engaging with a consumer that’s craving more of it. Furthermore, it’ll evolve into even more powerful approaches for marketers who can stay dynamic, flexible and wholly adopt a mindset that incorporates a truly distributed team of creators. □

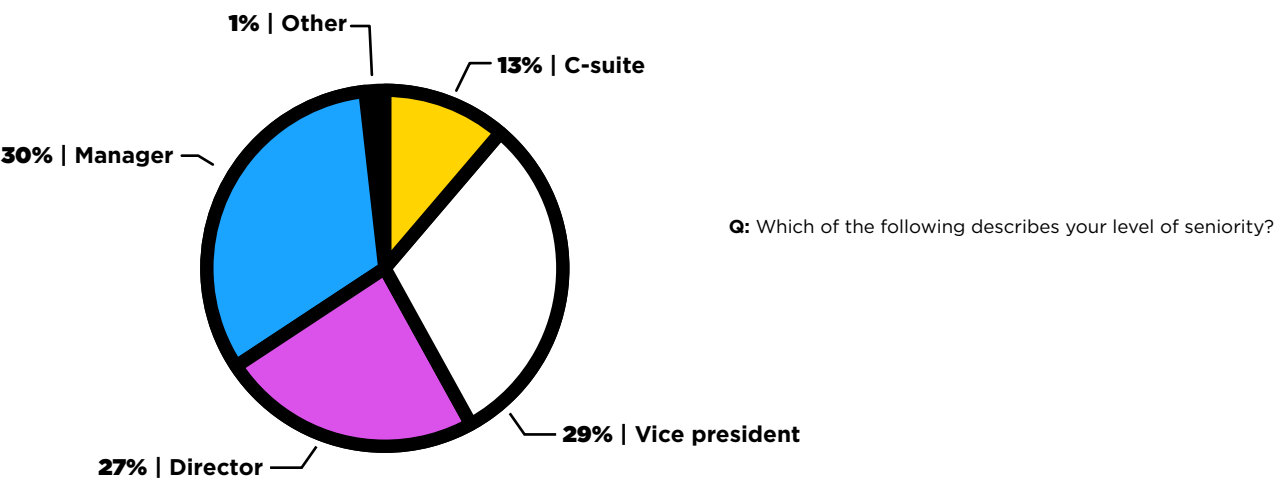
Survey Methodology

Digiday and Cohley surveyed 315 brands and agencies in June and July 2020. Among our respondents, 47 percent self-identified as brands and 53 percent as agencies. Further details about the respondents are as follows.

Respondent company size



Respondent company roles



About Cohley

In today's marketing environment, brands need more content than ever. Between optimizing digital ads, ensuring that they're featuring great content in email marketing campaigns and consistently posting on social channels and refreshing website content, it's a lot to keep up with.

Cohley empowers the world's best brands to generate the content that they need through vetted third-party creators, allowing those brands to scale high volumes of diverse, actionable content for a fraction of the cost.

By providing content generation tools and performance analytics in one platform, we drive data-informed content strategies for our customers. Whether the need is for branded photos, videos or text reviews, Cohley is the content engine that changes the way brands generate content and helps them grow their businesses.

Learn more at <https://www.cohley.com/>

COHLEY | DIGIDAY

