



# USER-GENERATED CONTENT FOR MARKETING AND ADVERTISING PURPOSES

## An IAB Buyer's Guide

Use of User-Generated Content (UGC) for marketing and advertising purposes has grown significantly in recent years largely due to the rise of social and messaging platforms where "ordinary people" have become avid and voluntary content creators, notably on their mobile devices. Publishers, marketers, and agencies are increasingly taking notice and capitalizing on this trend in new and exciting ways.

UGC as a marketing and advertising tactic has developed into a distinctly different discipline than Influencer Marketing and, thus, warrants its own exploratory. This is an important shift in thinking by IAB from prior guidance on UGC that previously included top down influencers as part of the definition of UGC.

This Guide includes a Definition, Key Benefits, Sources and Types of UGC, Use Cases, and Legal considerations. The goal of the Guide is to help brands and their agencies understand how UGC can help meet their marketing and advertising objectives.



May 2019

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## MISSION AND CONTRIBUTORS

In recent years, user-generated content (UGC) has been utilized in marketing and advertising campaigns with increasing frequency. Why is this the case? And what constitutes as UGC?

These are the questions that the IAB UGC for Marketing and Advertising Purposes working group set out to answer with the goal of providing marketers and their agencies helpful insights and actionable best practices to put this growing marketing and advertising tactic to work.

The working group was led by Susan Borst, VP, Mobile Marketing Center of Excellence at IAB with co-chairs from TripAdvisor and Vivoom.



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## WHAT IS UGC?

### Definition

User-Generated Content (UGC) is content that is voluntarily created by individuals that has the potential to spark and or/drive conversation



\* Individuals is defined as those who do not have any kind of material connection with a brand. This would exclude paid influencers and professional bloggers. More details on the FTC's definition of a "material connection" is found below.

### The Difference Between UGC and Influencer Marketing Content

UGC for marketing and advertising purposes can be overtly related to a brand (i.e. a branded meme or a review), or it can be content that is not in any way related to a brand (i.e. a cat video that may complement a pet product's message), as will be discussed in this Guide. In all instances, there is no material connection between the brand and the person who posted the content.

**With no material connection, user-generated content does not need any disclosure copy because there is nothing to disclose.**

This is what differentiates UGC from Influencer Marketing. The test is whether it can be "reasonably expected by the audience" that no material connection exists between a brand and a user in UGC "that might materially affect the weight or credibility of the endorsement."

#### NOTE

The [Appendix](#) of this Guide includes examples of UGC content on social media alongside influencer content on social media to clearly illustrate the difference.

Per the [FTC](#), a material connection is "where there exists a connection between the endorser and the seller of the advertised product that might materially affect the weight or credibility of the endorsement (i.e. the connection is not reasonably expected by the audience) such connection must be fully disclosed."<sup>\*</sup>

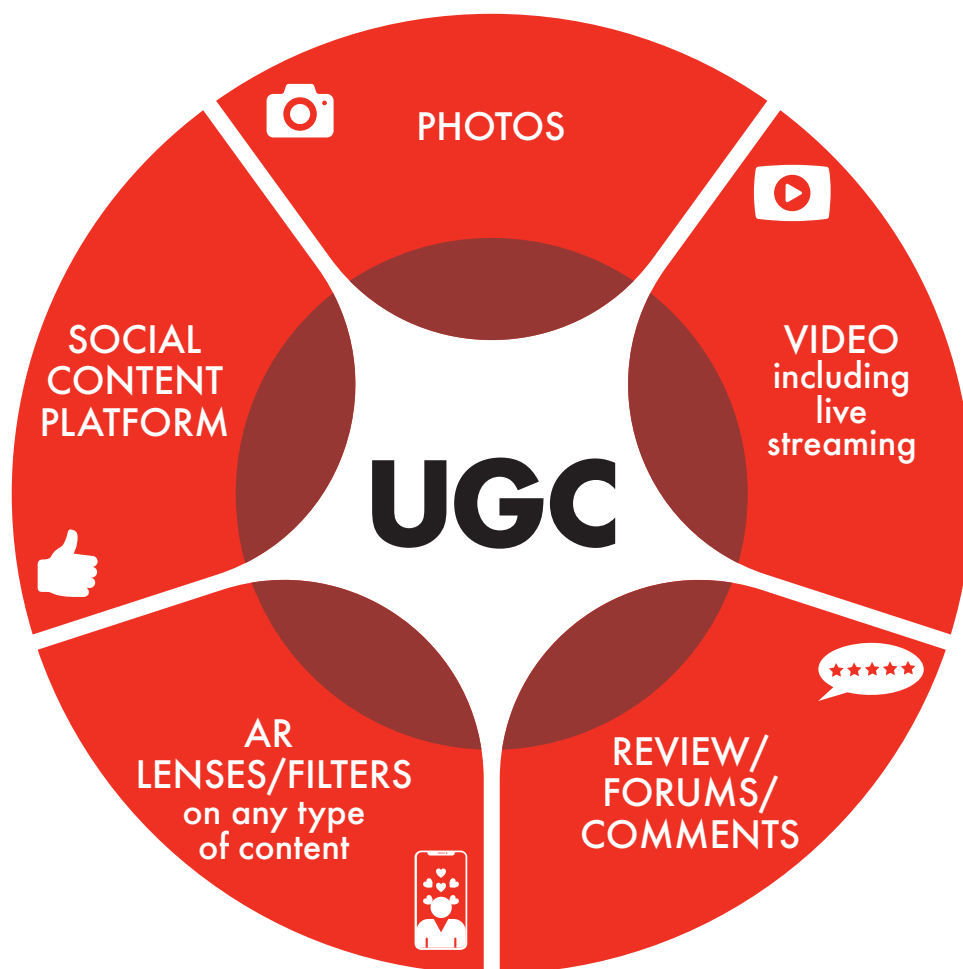
In other words, any relationship between a brand and an individual that challenges the objectivity of what s/he shares relative to that brand must be "clearly and conspicuously" disclosed. A material connection could include cash payment, a free product or trip, or could even be that individual's connection to the brand; e.g., they work for the company.

<sup>\*</sup> Source: <https://www.ftc.gov/sites/default/files/attachments/press-releases/ftc-publishes-final-guides-governing-endorsements-testimonials/091005revisedendorsementguides.pdf>



## THE MAIN TYPES OF UGC

It's no holds barred when it comes to consumers' content generation options. New formats such as live streaming and the use of augmented reality (AR) filters and lenses have provided consumers with new ways to create content and have given marketers new ways to leverage UGC as part of their marketing and advertising efforts.



"The advent of social commerce and the growing consumer distaste for aggressive marketing tactics has led many brands and advertisers to turn to user-generated content to connect and engage consumers."

• Pau Sabria, Co-founder, Olapic

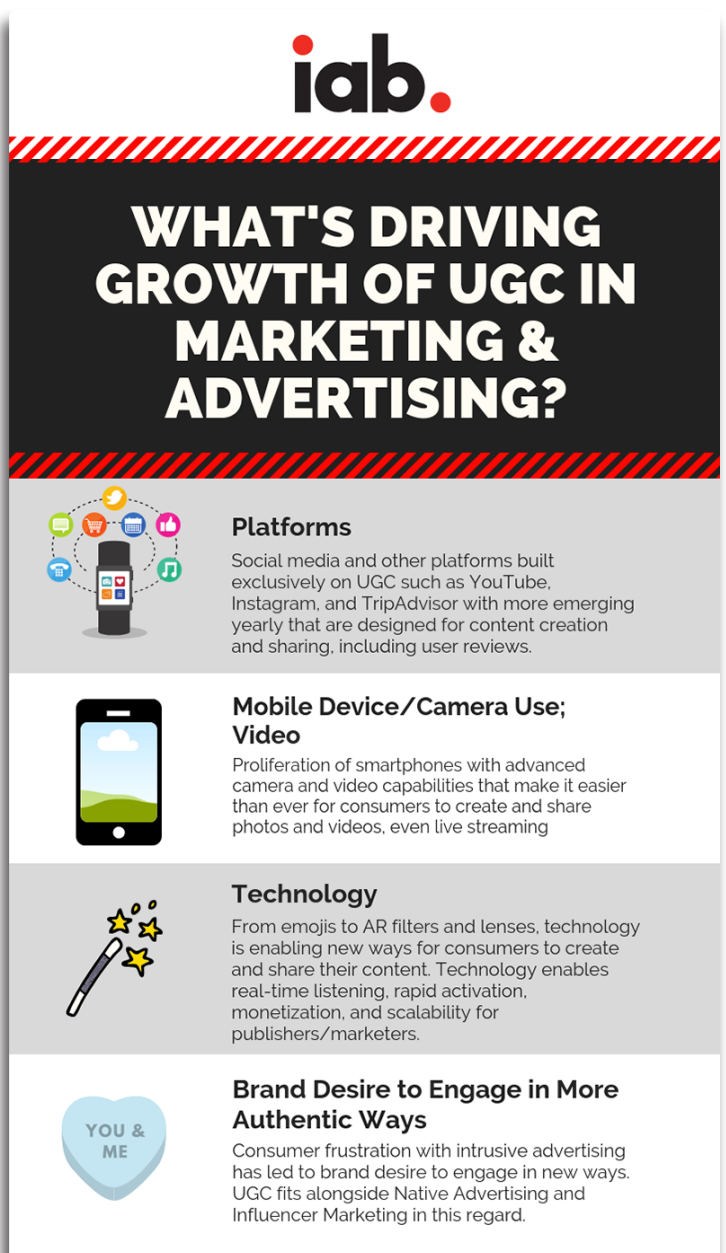


## WHAT'S DRIVING GROWTH OF UGC IN MARKETING AND ADVERTISING?

It should come as no surprise that advances in mobile device camera/video technology are driving growth as ordinary consumers can become extraordinary creators with ease of sharing made possible on social media, texts, messaging apps, video sharing platforms and more! Looking under the hood, however, trends like the sharing economy and the direct-to-consumer brand phenomenon are further driving the use of UGC for a variety of marketing purposes.

User generated content also offers unique insight into the hearts and minds of consumers precisely because their creations and contributions are without commercial motive. From Glassdoor reviews to Reddit threads to memes, these insights can arm companies with innovative ideas that can even inform creative direction and communication strategies.

The infographic to the right shows key drivers of UGC growth by brands who seek to engage with consumers in more authentic ways. Why? Simply, consumers are revolting from ads, particularly intrusive ads on mobile devices. This has led to banner blindness and even ad blocking. In a world where it is increasingly difficult to capture consumers' attention and engage with them in meaningful ways, UGC fits the bill on organic, engaging and non-intrusive marketing executions.



## KEY BENEFITS OF UGC FOR USE IN MARKETING AND ADVERTISING

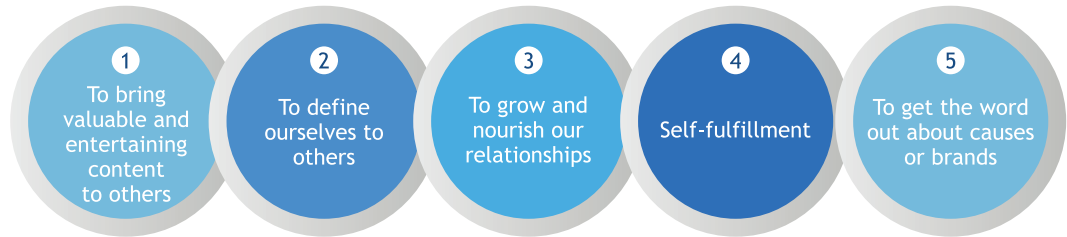
For brands and their agencies, there are many benefits to using UGC for marketing and advertising purposes. Top among them are:

<b>Highly Trusted Online Content</b>	Numerous studies, some highlighted in this guide, have shown that 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.
<b>Stronger Brand Affinity and Engagement</b>	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.
<b>More Earned Media</b>	UGC campaigns are ripe for earned media opportunities which create a virality that can benefit marketers to draw more people to your site, both new and repeat visitors.
<b>Stronger SEO</b>	UGC is proven to be an effective way to increase search engine indexing, particularly in relation to a social SEO campaign.
<b>New Research Opportunities</b>	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.
<b>Cost-Efficient and Cost-Effective Creative</b>	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.

## THE PROVEN EFFECTIVENESS OF UGC

### Why Do People Share?

First, it's important to understand why people share content in the first place. 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, with MORE people, MORE often and MORE quickly."

### Why Do People Share Content About Brands?

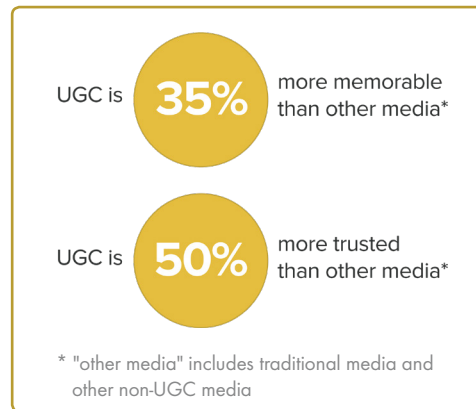
Olapic's 2016 study, "[Consumer Trust: Keeping It Real](#)," showed that almost half of respondents (49%) said having an appreciation for the product would make them likely to post a picture on social media referencing a brand regardless of external influences. This percentage is particularly high in the U.S. (60%) and France (56%). A vast 86% of Millennials surveyed in the U.K. would post a photo referencing a brand simply because they like the product or brand. A smaller number of respondents (28%) indicated that they would be more likely to post a picture if they "look good" in the product (e.g., an outfit, make-up, etc.). In certain markets, this percentage increases significantly among 18- to 24-year-olds, climbing to 54% in the U.S., 38% in Spain, and 34% in France.

### What Makes UGC Effective?

"[The Consumer Content Report: Influence in the Digital Age](#)," Stackla's 2017 survey of 2,000 adults in the U.S., U.K. and Australia, confirmed the value of authenticity with UGC. Importantly, when it comes to purchase intent, authenticity matters, especially among Millennials.

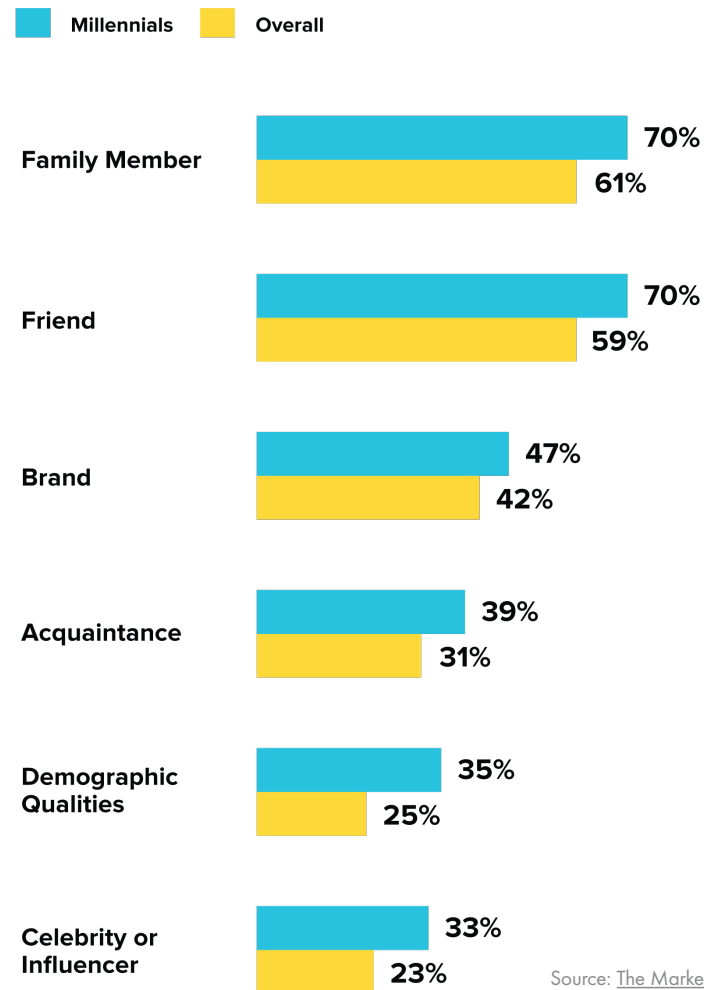
- 86% of consumers say that authenticity is important when deciding what brands they like and support. Consumers are 3x more likely to say that content created by a consumer is authentic compared to content created by a brand.
- 85% of people share their positive travel experiences on social media, 63% will post about a positive food or beverage experience.
- Approximately 52% of people say they post on social media at least once a month about products they've purchased.
- Nearly 3x as many people said content from friends and family influences their purchase decisions compared to content from celebrities. Specifically, 60% of consumers say content from a friend or family member influences their purchase decisions, while just 23% of consumers say content from celebrities influenced their purchasing decisions.
- The overwhelming majority of Millennials (90%) say authenticity is important to them when deciding which brands they support.

Time and time again, surveys have shown that peer e-WoM (electronic word-of-mouth) UGC recommendations are among the most trusted online content ([Nielsen 2015](#), [Nielsen 2013](#), [Nielsen 2012](#)). Evidence suggests that this is particularly true for Millennials. To illustrate, [Crowdtap / Ipsos MediaCT research](#) found that Millennials trust UGC 50% more than traditional media and think it is 20% more influential for purchase decisions and 35% more memorable than other media types.



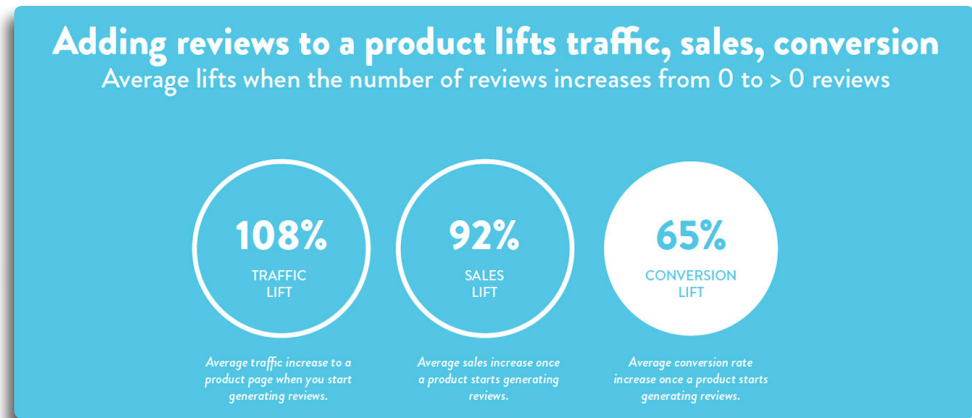
Source: [The Marketer's Guide to User-Generated Content, Crowdtap](#)

### Social posts or reviews from the following groups would be impactful in purchasing decisions:



Source: [The Marketer's Guide to User-Generated Content, Crowdtap](#)

Product reviews from real people are important and increasingly used in advertising. A 2017 PowerReviews UGC study titled "[Amplifying the Voice of the Consumer](#)" revealed that 86% of consumers consider reviews an essential resource when making a purchase decision. When adding reviews to product messaging, this study showed that significant lifts were seen in traffic, sales and conversion.



Source: [Amplifying the Voice of the Consumer](#), PowerReviews

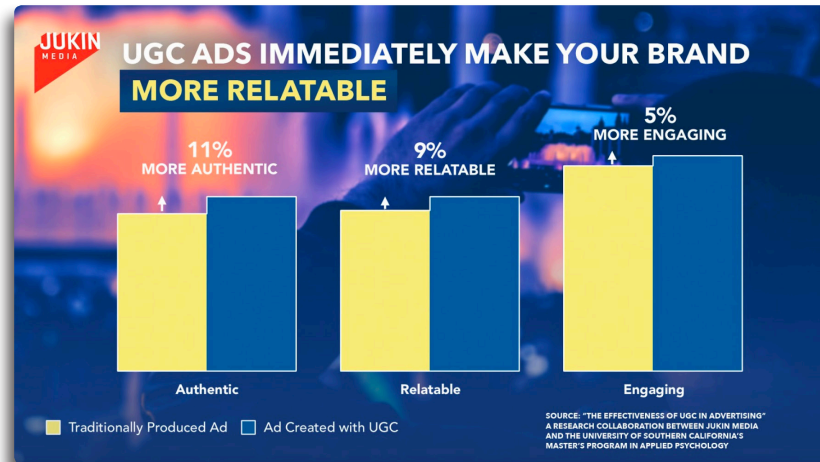
Reviews and comments can provide valuable insights into consumer perceptions about your product, service or even an event. Because it can be daunting to sift through reviews for insights, many companies turn to software companies that can analyze the sentiment of user review content, which increasingly means the use of Machine Learning.



To illustrate, a Cornell University School of Hotel Administration Center for Hospitality Report titled "[What Guests Really Think of Your Hotel: Text Analytics of Online Consumer Reviews](#)" provided a fascinating look into how hotels can decipher and act based on the reviews using text analytics. The study states, "Given that it is now possible to easily partition the positive and negative comments in a review, hotel managers should be appropriately prepared to make operational and strategic changes in response to both positive and negative content."

## How Effective is UGC When Used in/as Advertisements?

To assess the impact of video ads that used UGC, in 2018, Jukin Media and The University of Southern California Master's Program in Applied Psychology collaborated on a [research study](#) that compared the appeal of video ads that were made with UGC images against professionally produced images. The results showed the appeal of ads that used organic UGC visuals over traditionally produced ads across a number of brand dimensions as shown in the following charts:



The study also found that:

- Ads featuring UGC garnered 73% more positive comments on social networks than traditional ads.
- Ads featuring videos that were relevant to the advertised product scored significantly higher for positive affectivity in focus group participants.

"It automatically makes you feel happy and puts you in a good mood."

"They're more real, instead of staged. Nobody put this together, it just happened."

"I started watching it because it's relatable to me. Kind of like, ok let's go along for the ride."

### REAL QUOTES FROM FOCUS GROUP PARTICIPANTS

Source: USC/ "The Effectiveness of UGC in Advertising"



## HOW UGC IS BEING USED IN ADVERTISING AND MARKETING TODAY

UGC is being used in numerous ways, from organic content that is picked up for use in marketing, or via promotions that encourage consumers to create and share their own content (without having an individual material connection). Use of UGC is now seen in advertising campaigns and broader marketing efforts, including Content Marketing/Storytelling, Point-of-Sale (Digital), Email, Website Enhancement, Event Marketing, Crowd-sourced Content, Intelligence/Social Listening and Cross Channel Engagement.

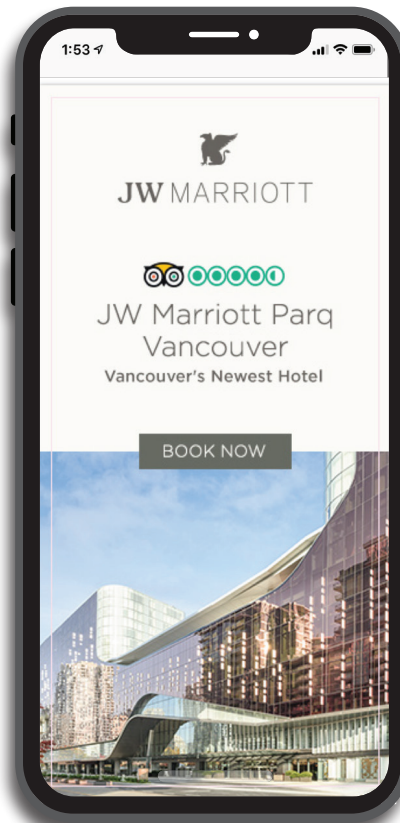
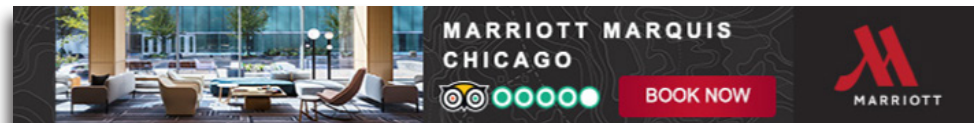
### UGC for Advertising Examples

Below are some great examples for each of these campaign types for UGC inspiration.

#### User Reviews

##### J.W. Marriott

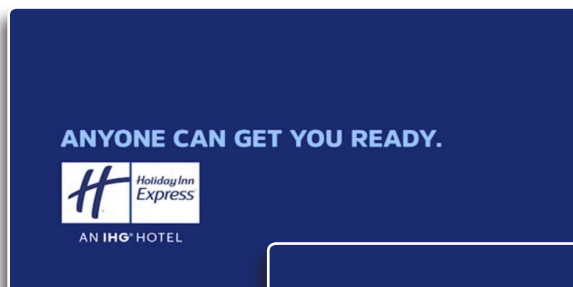
Marriott ads tapped into the influence of TripAdvisor ratings on travel industry decision-making.



## Crowd-sourced Videos

### IHG/Holiday Inn Express

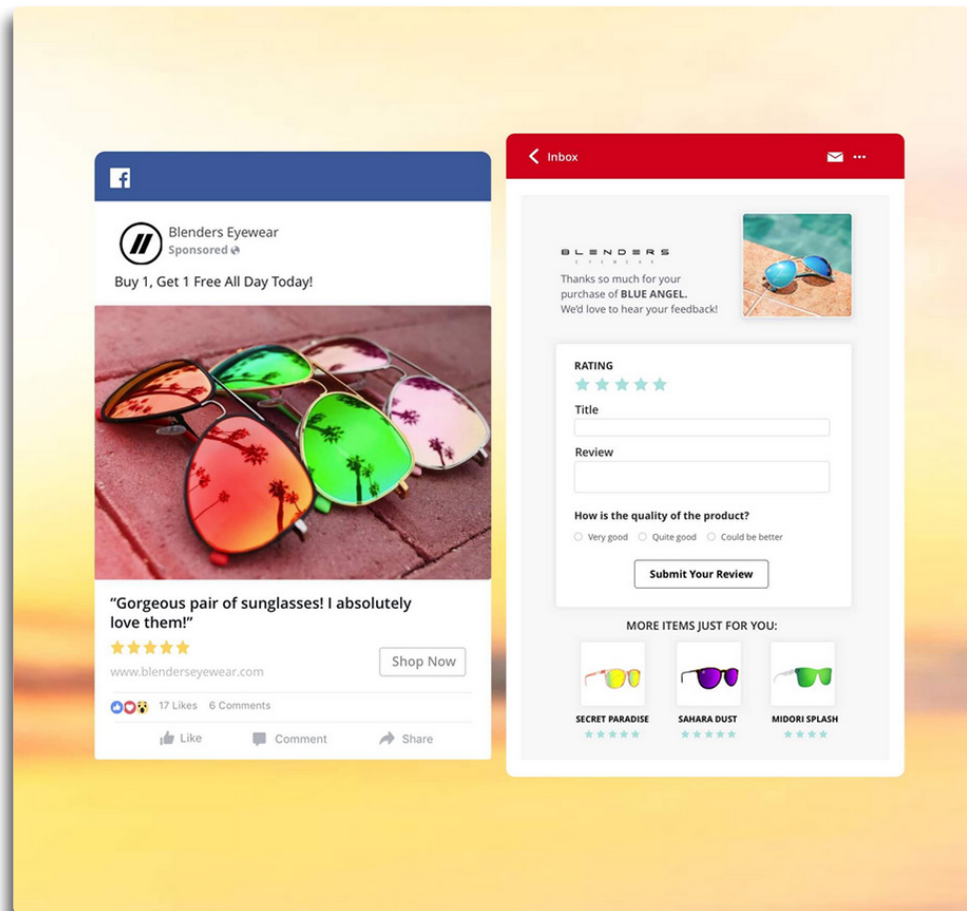
In a Summer 2017 brand campaign, Holiday Inn Express encouraged its guests to "Be the Readiest," rather than simply being ready, and used UGC to illustrate the point. As outlined in a [press release](#) from IHG, IHG partnered with Jukin Media and ad agency Ogilvy and Mather to produce crowd-sourced videos as part of the brand campaign. These UGC videos were used in advertising.



## Social

## Blenders Eyewear

Direct-to-consumer brands like Glossier, Away, Brooklinen and more capitalize on the strength of their community and frequently use UGC images in their advertising. In this example, Blenders, a DTC eyewear company, used UGC in cost-efficient creative for Facebook ads that retargeted shoppers with the power of social proof. The campaign yielded positive results over non-UGC campaigns in a short period with lower cost per acquisition, higher return on ad spend, twice the CTR and +14% in new session rate. The complete case study can be found on [yotpo.com](https://yotpo.com).



Source: Yotpo

We "immediately saw the impact of reviews/UGC on consumer engagement, community and conversion, but knew that to continue to grow, Blenders needed a solid strategy for using consumer content to sell on social."

• Chase Fisher, Founder, Blenders Eyewear



## Video Ads

### Google/Android

Google and creative agency Droga5 utilized UGC sourced from Storyful to create what would become one of the most viral ads of 2015, according to Adweek. The spot can be viewed on [iSpot.tv](https://www.ishot.tv).



From the Creative Agency perspective: "Your natural desire is to create something from scratch... But, this spot (using UGC) probably created more love in my household than anything I've ever created. It was a challenge to the way we create things. It was found footage that we put the strategy around. And I was always the one standing up and rallying against UGC, to be honest."

• David Droga, Founder & Chairman, Droga5

Source: Adweek



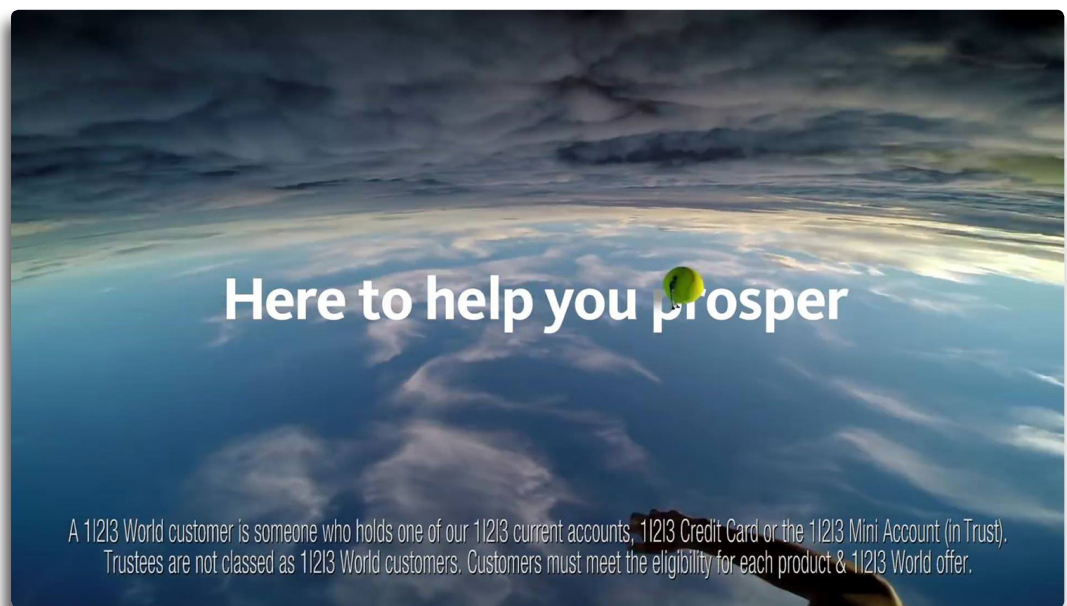
## UGC for Marketing Examples

UGC can be used to connect with consumers throughout a brand's journey from product discovery, to ongoing engagement. Following are examples of how UGC is used in everything from content marketing, to point-of-sale, email campaigns and website enhancements, events and even social listening/intelligence.

### Content Marketing/Storytelling

#### Santander Bank

Europe's largest bank, and one of the largest banking companies in the world, [turned to UGC](#) for a large scale, multi-channel brand campaign that was aimed at demonstrating the company's internal mission: to help people and businesses prosper. For Santander, UGC was the perfect way to depict prosperity in a way that would be relatable to consumers, while not being too emblematic of excessive financial wealth.



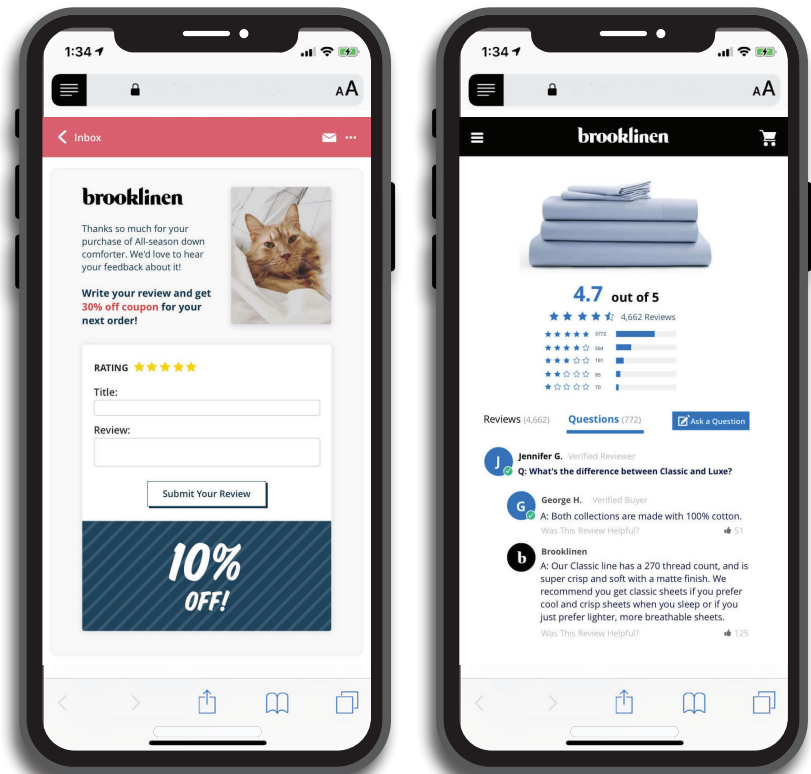
"We really wanted to anchor prosperity in happiness and the joy of everyday life. So we decided to use real people with real video clips that showed how they were enjoying everyday life and prospering... Our communications awareness scores are up as is our brand image, which for us means consumers will consider us for a current account."

- Rachel Baynes, Head of Marketing and Communications, Santander UK

## Point-of-Sale (Digital)

### Brooklinen

Brooklinen, a DTC bedding company, leverages UGC across their site to build community and promote brand loyalty. At the point of sale online, they invite consumers to leave reviews, incentivizing them with coupons and upsell opportunities. They additionally comment back on reviews to create a two-way conversation with their customers.



Source: Yotpo

## Email

### LUSH

UGC can drive engagement even in email campaigns. In this example, cosmetics company LUSH encourages consumers to share their photos on Instagram with the hashtag [#BareYourSoles](#).

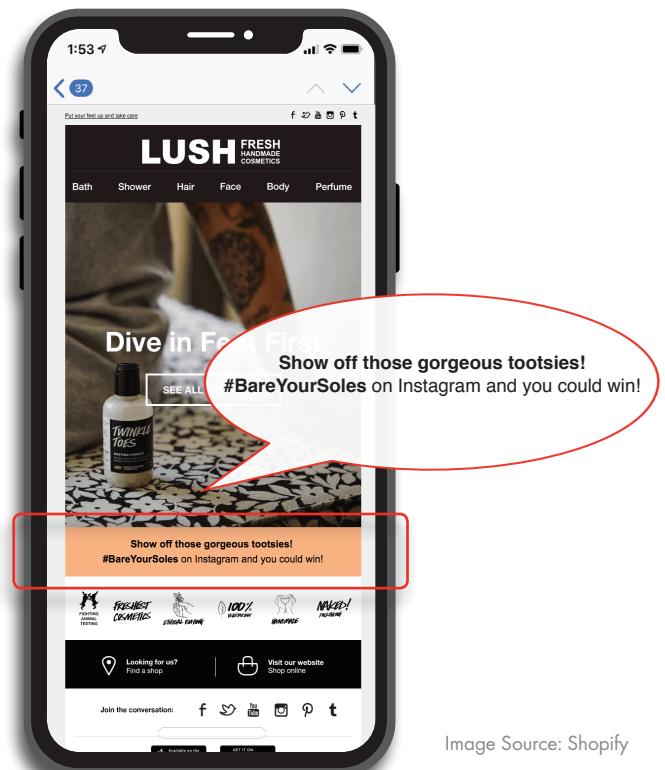
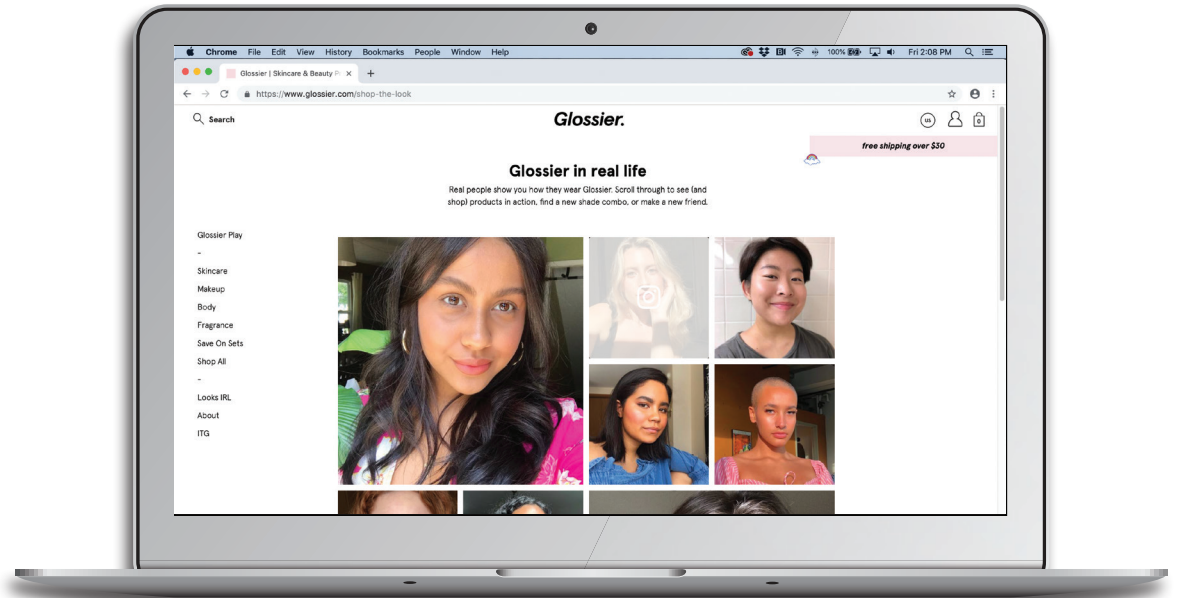


Image Source: Shopify

## Website Enhancement

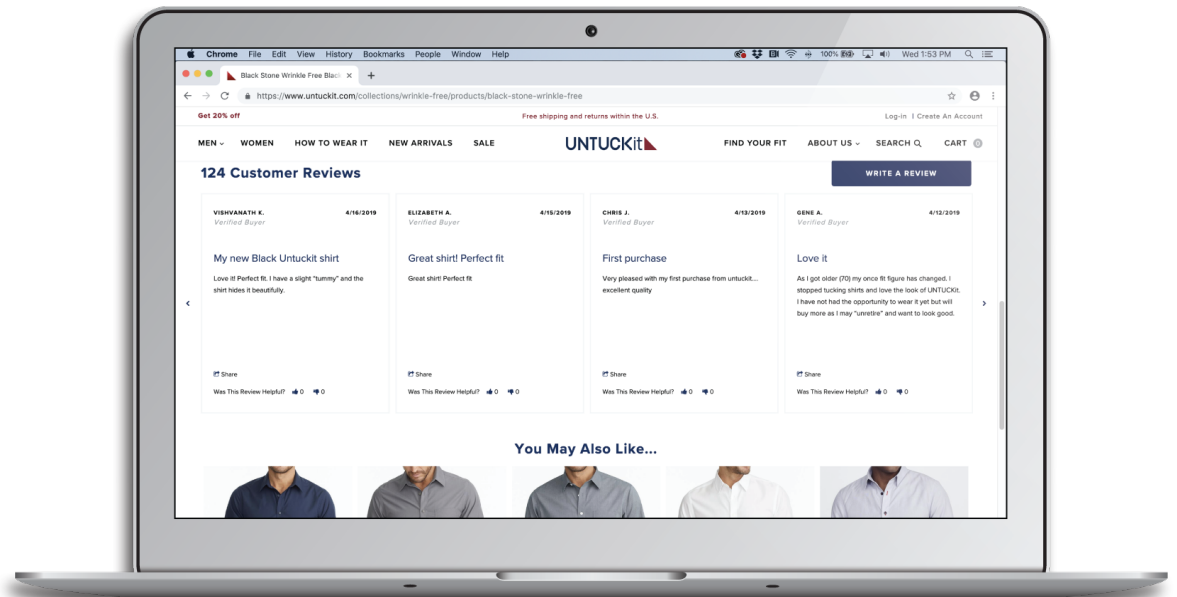
### Glossier

Glossier is a great example of a brand that has relied on both UGC as well as Influencer Marketing to add to their authenticity and to achieve marketplace success. Here, Glossier cosmetics repurposes UGC Instagram posts as social proof for their brow product.



### UNTUCKit

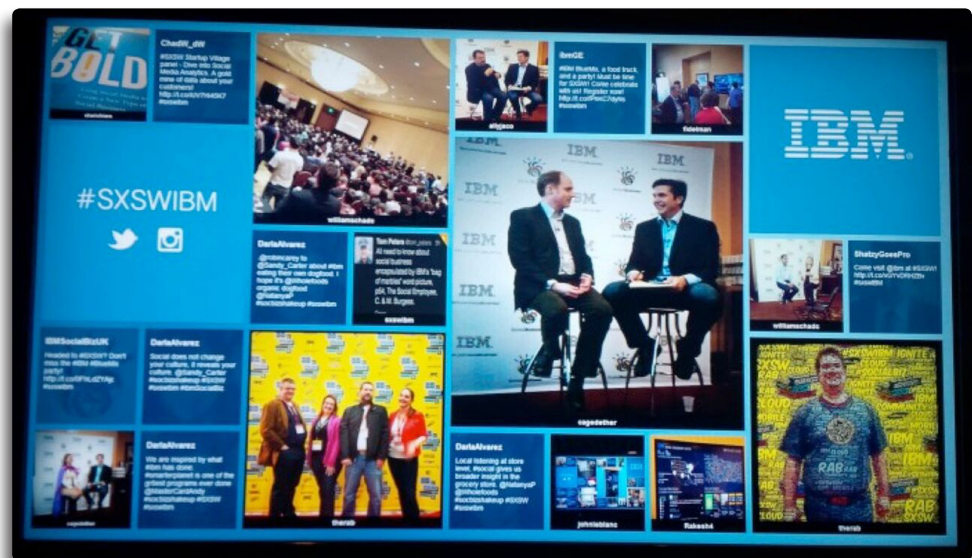
In another website example, online clothier UNTUCKit features customer reviews on their website. Because UNTUCKit has a unique feature (shirts designed to be worn untucked) reviews can be reassuring to new customers that may make them more likely to trust the brand and buy.





## Event Marketing

Live social media walls that show UGC in real time at events and conferences have become commonplace to spur engagement among participants who are attending in person, and also extend the event content to non-attendees. Below, two social media wall examples on-site at the US Open and SXSW generate excitement and encourage social sharing among attendees. Social feeds can also be added to display ads and on websites.

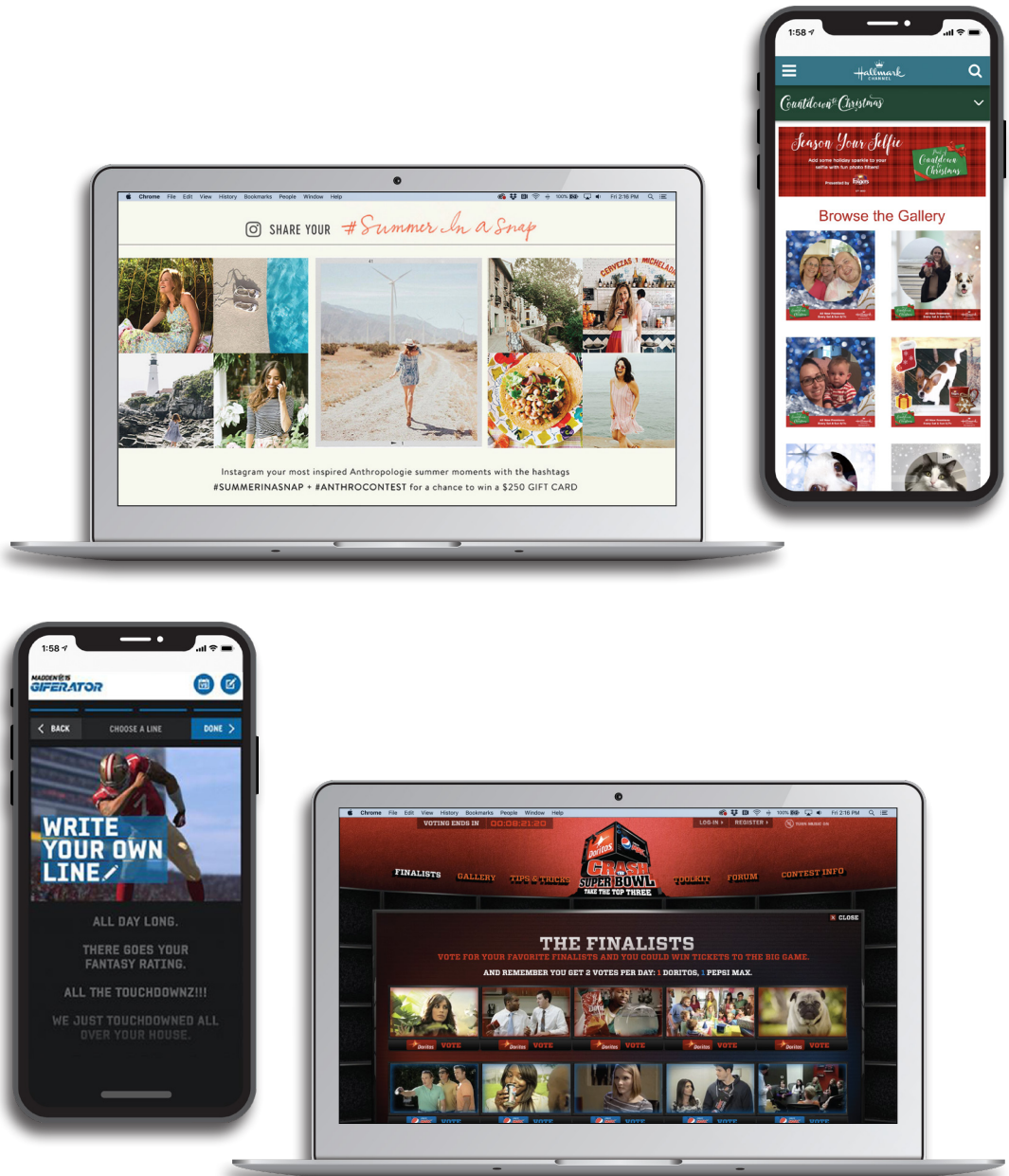


## Crowd-sourced Content

### For contests, advertising, product development and more

There are many examples in this category.

- Anthropologie crowd-sourced images from their Instagram followers for the chance to win a \$250 gift card.
- Hallmark Channel encourages UGC via their "Season Your Selfie" promotion done in conjunction with a brand, in this case Folgers, to promote Hallmark's seasonal programming. Consumers voluntarily share their images which are posted by Hallmark.
- EA Sports created the "Madden Giferator" for consumer engagement on their own site which was designed for social sharing.
- Long-running Doritos "Crash the Super Bowl" effort for crowd-sourced videos yielded thousands of submissions, viral content, and an ad that ran during the Super Bowl.

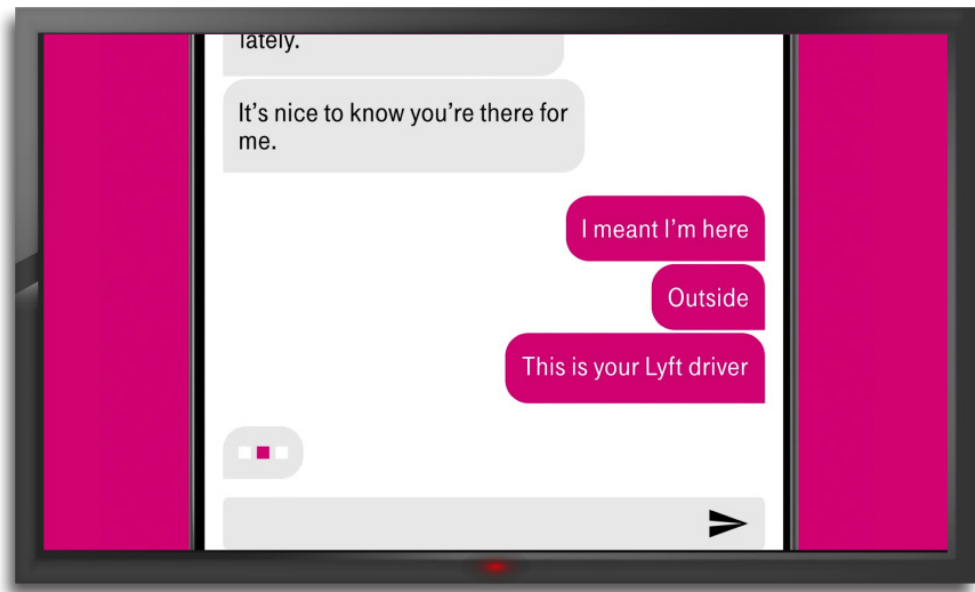


## Intelligence/Social Listening

Social listening (e.g., hashtag monitoring) can provide real time, voluntarily provided insight into consumer preference that brands can act on in a variety of ways.

As an example, in 2019, T-Mobile created and aired a spot during the Super Bowl that was directly inspired by a viral tweet that was originally in no way tied to T-Mobile. As reported by T-Mobile, they "capitalized on the viral nature of the tweet and inserted themselves into the joke by creating a new commercial using the same idea." T-Mobile licensed the joke from the original viral tweet source ([@decentbirthday](#)).

Here's a screen grab from the 2019 Super Bowl spot:



And here's the original viral tweet that was the inspiration behind the T-Mobile Super Bowl spot:





## Cross-Channel Engagement

Coca-Cola's successful "Share a Coke" campaign featuring people's names printed on cans and bottles globally is a terrific example of a cross-channel campaign that yielded UGC engagement, press and, [per company reports](#), incremental sales. Seen in OOH efforts, custom in-person events and even an eCommerce play for personalized cans not available in stores, this promotion captured the hearts of consumers who willingly shared photos and videos of their personalized cans on social media.



## HOW CAN A BRAND GET STARTED WITH UGC?

What makes UGC especially valuable is the inherent brand affinity an individual has in posting such content. This affinity could be a positive or a negative as would be the case with reviews, which IAB considers under the umbrella of UGC use cases. Here are some considerations to help you get started:

- **Know who is already sharing.** Understand the demographics behind your brand's UGC creators. You may find interesting insights in what products are being featured and the style of content created. With this information your brand can learn more about how a product is being used, who is using it, and what type of content resonates with different generations or genders for more accurate personalization.
- **Learn where they are already sharing.** While much of the social content out there is visual, some platforms are more conducive to visual content than others. Pay attention to where your customers are creating content that features your brand. Olapic [reports](#) the differences by social platforms that will vary by brand. Brands need to understand the rules of collecting UGC from various platforms before they initiate a campaign. For example, Facebook and Instagram have [recently changed their APIs](#) and now require users to use a hashtag and an @mention for a brand to collect UGC. Previously, these platforms only required a hashtag. And don't forget about including UGC on your own website!



**UGC  
interaction**  
is on Instagram



**UGC  
interaction**  
is on Facebook



**Consumers  
visit**  
brand's website

Source: Olapic

- **Encourage sharing with a call-to-action and hashtags for discovery.** People love to share when they feel connected with a brand, so overtly invite people to share using a hashtag so they can discover what others are sharing as well. The L'Oreal example below shows how a hashtag can be used to encourage social sharing.

### CASE L'ORÉAL

**Goals**

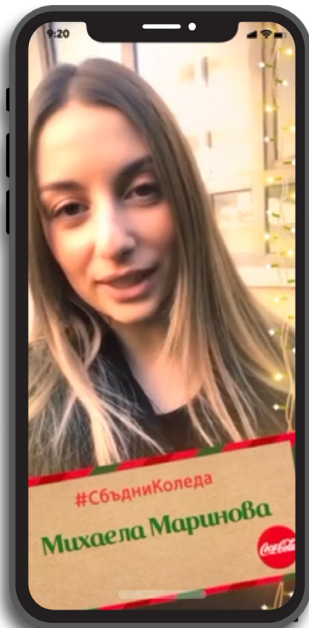
- Encourage customers to share visual stories and looks to increase brand awareness and market share of 11 core L'Oreal brands

**Solution**

- Integration of Visual UGC across customer journey, tying consumer participation on Instagram, Twitter and Facebook with personalized website experiences, email marketing, and advertising

Source: Salesforce

In the following example, fans of the band Maroon 5 could shoot, upload and share their own 15-second videos, which Vivoom's white-label consumer activation platform inserted directly into backstage footage of the band. Maroon 5 promoted the campaign on their social accounts, website, Facebook Messenger chatbot and fan email. The result? Millions in reach. 11% CTR and 88% of participants shared their content to their own social channel.



The example to the left shows how a call-to-action can be used in a messaging app. Coca-Cola in Bulgaria wanted to increase their Rakuten Viber messaging app subscribers and engagement. They partnered with [Vivoom](#) to create an experience which invited customers to #beSanta for a day and select from a list of good deeds to spread holiday cheer. Followers of the Coca-Cola chatbot on Viber were served a link to access and participate in this experience. Once users recorded their videos, they could share with their friends on Viber. Per Vivoom, Coca-Cola achieved their goal with a 45% increase in Viber subscriptions with more than 1.5 million engagements.

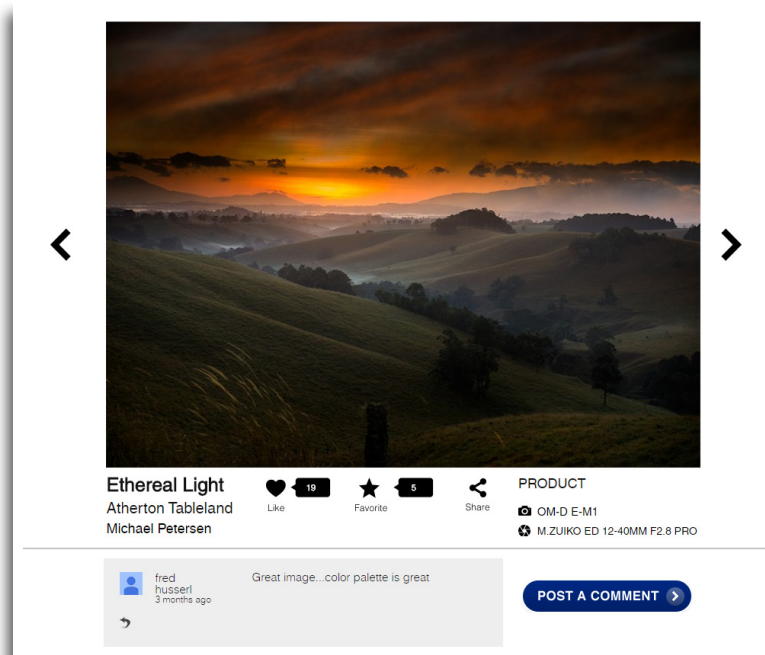
"With the overwhelming success of the Vivoom activation, Coca-Cola was able to increase chatbot subscriber growth by 45%. This resulted in us being one of the highest 'Fast Moving Consumers Goods' channels in the entire country. Not only did we add subscribers, we also saw tremendous value with an increase in sales."

• Dilyana Stoyanova, The Coca-Cola Company



- **Use UGC campaigns to create a community to encourage further sharing.**

Olympus Camera created a [community website](#) for users to share their UGC of beautiful photography taken on Olympus cameras. Users are rewarded with loyalty points for submitting their photos which are posted and open for comment, voting and sharing. Users can also share other people's photos which is the true motivation for these photography enthusiasts.



Source: Adobe

- **Let technology help you.** Finding, selecting, managing and curating the vast amount of branded content out there can be daunting. Not only can it be difficult for one human to handle rights management, moderation, UGC deployment and more, but humans are also biased in selection.

Luckily, platforms exist to make things easier. From surfacing the most clickable UGC to deploying the right content on the right channel, consider how technology can help your brand in this process. This technology can also enable greater scale for your UGC efforts.



## TOP USAGE AND LEGAL CONSIDERATIONS

Whether you're a marketer or an agency there are essential questions you need to answer before including user-generated content in your own marketing and advertising campaigns.

The following information is offered only for general informational and educational purposes and does not constitute legal advice. You should not act or rely on any information contained in this document without first seeking the advice of your legal counsel.

### 1. Who posted the content and do you have the right to use it?

If you don't know the original source or can't verify it 100%, you shouldn't be using it.

Further, regardless of form (photo, video – including GIFs, memes, boomerangs, reviews, comments, blogs, etc.) or location, it is best practice to consult with your legal counsel about copyright, fair use, creative commons, and public domain image considerations.



Be sure you are clear on who owns the content, whether it is the original content creator or a third-party representing the content creator. Otherwise, you risk legal action if you transform their creation in any way. Brands need to understand the rules of collecting UGC from various platforms before initiating a campaign. For example, Facebook and Instagram have recently changed their APIs and now require users to use a hashtag and an @mention for a brand to collect UGC. Previously, these platforms only required a hashtag.

When it comes to UGC created by minors, usage permission is required. This may be through acceptance of terms. This means the person accepting the terms needs to be of legal age to accept contractual terms, or a parent or legal guardian on behalf of their children. The UGC may itself be or may contain Personal Identifying Information (PII). The PII of minors under 13 years of age in the United States are covered by the Children's Online Privacy and Protection Act (COPPA). While this does not completely prohibit the use of the UGC, it can be very difficult to obtain permission to use it. The same applies to minors under 16 years of age in most of the European Union member states because of the General Data Protection Regulation for Kids (GDPR-K).

If you are considering a UGC campaign that includes a contest with one of the major social media or image sharing platforms you should:

- Check both State and Local Laws.
- Review, on a site-by-site basis, their specific contest and promotion rules and guidelines.
- Create submission guidelines to make it as clear as possible what may or may not be submitted and what one can expect after the submission.

- Establish a submission review process and ensure there is a mechanism in place to quickly take down potentially infringing content; e.g., false claims, copyright issues, defamatory statements, profanity, etc.

## 2. Is the content original and brand safe?

If you want to use a piece of visual content you have to be 100% certain that the post you are looking at is the original and is not something that has been copied from another profile or platform and re-posted somewhere else. Miss this step and you can be sure to hear from the original owner one way or the other.

For brand safety, measures need to be taken to evaluate and curate UGC when considering use for advertising or marketing. Brand safety should extend beyond keywords or anything else that may be deemed offensive by a brand, and account for any applicable age and/or regulatory restrictions. This could include product logos or other identifiable trademarked items such as clothes, artwork, buildings and/or landmarks seen in the background of a photo or a video. For these reasons, it is best to consult a clearance professional or a firm who will indemnify you of any potential liability.

## 3. How can I use it?

Users have rights and as a writer, producer or marketer, you have to understand those rights before you do anything with the content. Either you ask for permission yourself or you work with a partner that can guarantee those rights.

From an IAB perspective, it is very important to note that every UGC use case will be different, so it is always best to consult your legal team with any questions prior to launching a campaign.

## 4. Can I use reviews and comments from my website or app as UGC advertising? Can I use reviews from other sites in my marketing efforts?

If you want to use UGC from your own site, it is important to be transparent to your visitors, anyone who posts comments or reviews, and/or anyone entering a contest or promotion to provide clear parameters of how their submitted content might be used.

Here is an example of a UGC usage license, the goal of which is to be transparent with the consumer about what they can expect if they post content or contribute their own content to a site, an app or as part of a contest.



If you want to use a UGC review or comment from another source on your own site or in any marketing effort, you need to understand the specific permissions needed for authorized use and/or attribution. When in doubt, ask your [legal counsel](#)!

For content sourced from or to be used in the European Union (EU) or the Europe Economic Area (EEA) you will need to be mindful of General Data Protection Regulation (GDPR) requirements. The terms or license you work under for using the UGC should be clear and can restrict what you can do with it, how long you can keep it, and where you can transfer it. It also dictates rights for the consumer.

## 5. If there is a material connection with the consumer, do I need to disclose?

To be UGC, there should be no material connection between the brand and the consumer, as defined by the FTC (see [Definition](#) section of this Guide.) This includes reviews. Not doing so could get you in hot water with the FTC.

The most recent FTC case (November 2018) that involved [FTC action](#) was with a public relations firm, a magazine publisher and the two people who own and operate the companies. The FTC alleged "that the businesses used deceptive endorsements and 'advertorials' to promote the launch of a client's product."

Essentially, the companies not only failed to disclose that two Olympic athletes were paid spokespersons, but they also used standard article formatting to disguise paid advertising - advertorials - as traditional editorial content. Specifically, the FTC found that they:

1. falsely represented that endorsements reflected the independent opinions and experience of impartial users;
2. failed to disclose material connections between the endorsers and the marketer of the product, specifically that certain endorsers were paid or reimbursed by, or employees of, the PR firm promoting the product; and
3. falsely represented that paid ads were the independent statements and opinions of impartial publications.

In this Instagram post, Olympic Gold medalist Carly Patterson posted a social media endorsement without acknowledging that she had been paid.

**This is Influencer Marketing, not UGC Marketing.**



## CONCLUSION

The use of user-generated content for marketing purposes is on the rise. As detailed in this Guide, the authenticity and creativity of this messaging has been harnessed to drive positive business outcomes. As more marketers take advantage of this relatively new form of "advertising," close attention will need to be paid to how this content is commercialized, so as to not tread into the very different waters of Influencer Marketing.

Understanding usage rights is paramount, and, because each case is different, it is imperative that processes are in place. Marketers should first establish protocols with their legal counsel, and always make sure that desired use of content passes their internal "gut-check" before proceeding.

Finally, unlike Influencer Marketing, no disclosure is needed for UGC. This is because with UGC, there is no material connection between the brand and the consumer as defined by the FTC and outlined in this guide. (See [Appendix](#) for helpful examples of UGC use vs. Influencer Marketing).

We hope that this Guide inspires you to find new and creative ways to incorporate UGC into your marketing mix and provides a useful roadmap for proceeding.

## APPENDIX

### UGC OR INFLUENCER MARKETING? IS A DISCLOSURE REQUIRED?

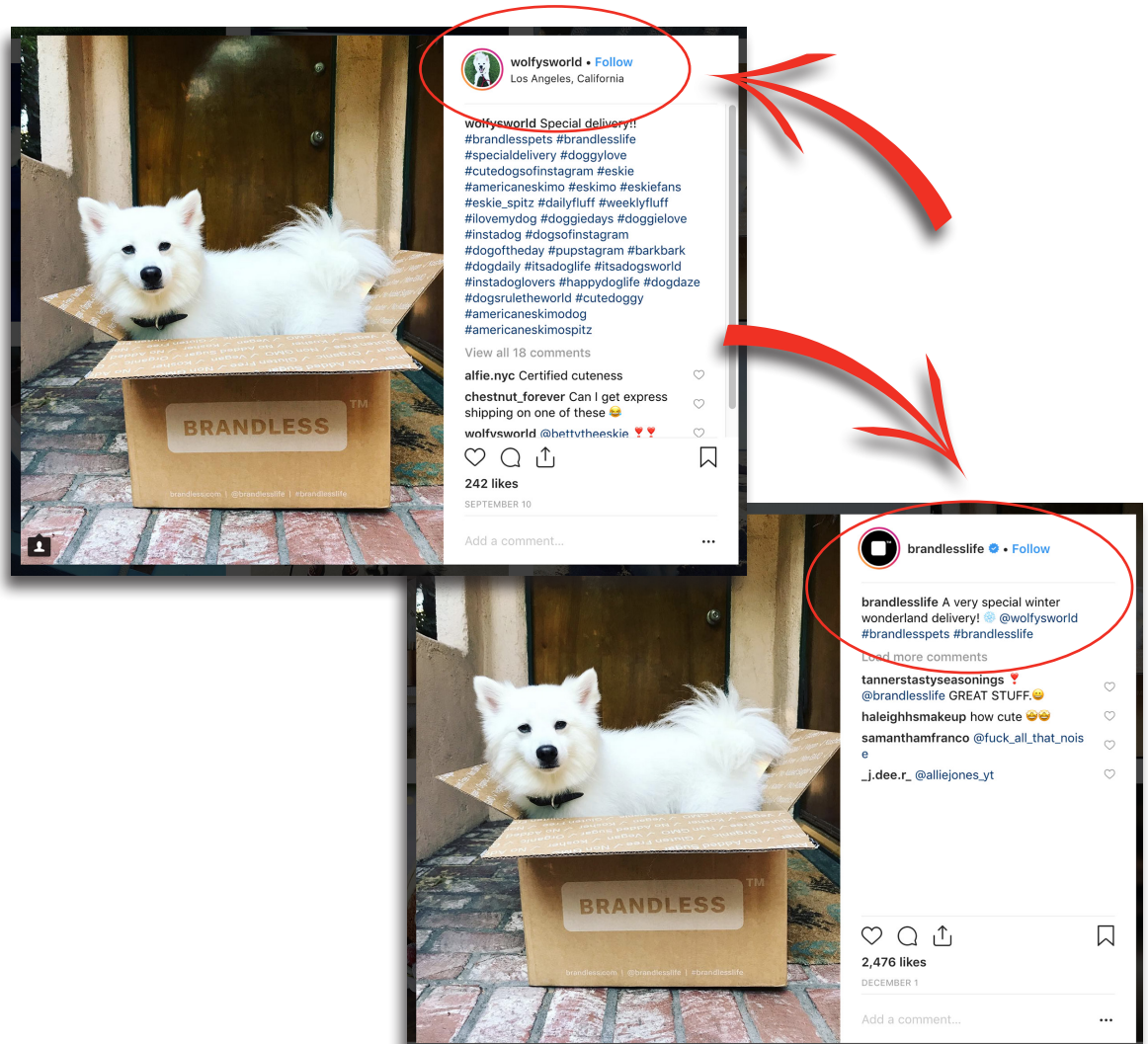
Below are three examples that illustrate the differences. The first is an implicit UGC endorsement example, meaning the consumer's post was not exclusively related to a brand or intended as a testimonial. The second is an explicit UGC endorsement, meaning the consumer posted with the intention of mentioning a brand, but, without a clear "material connection." The third, in contrast, is an example of a clear Influencer endorsement requiring disclosure.

#### Implicit UGC Endorsement

In this example, Instagrammer @wolfysworld features cute pictures of Wolfy, a dog, including one where Wolfy is seen inside a Brandless box. The post includes a #brandlesslife hashtag.

Brandless noticed the hashtag, responded to the post and, and added the image to their Instagram feed, tagging @wolfysworld. The image received over 2,400 likes on the Brandless site.

Looking at @wolfysworld's Instagram feed, there are no product testimonials of any kind. The post featuring Brandless makes no mention of the brand, aside from the hashtag. It can, therefore, be reasonably expected by the audience that Wolfy does not have a material connection to Brandless.

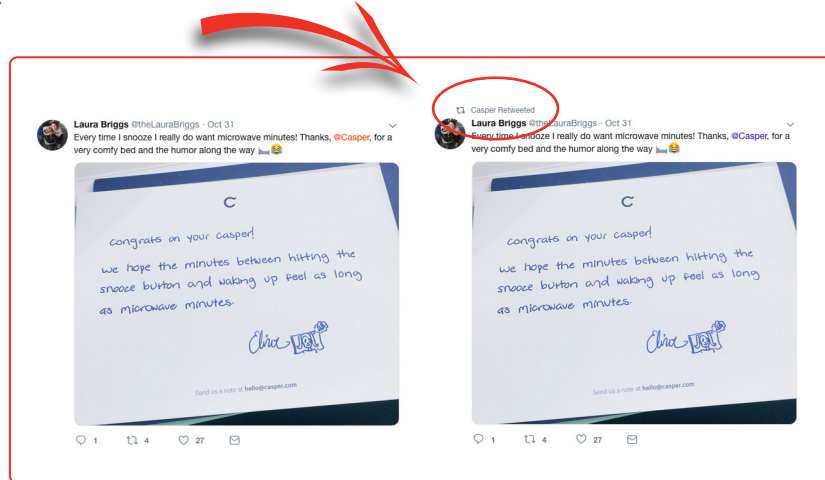




## Explicit UGC Endorsement

In this example, a Twitter user named Laura tweeted about her recent positive experience with a Casper mattress purchase and included an image of a thank you note she received from Casper. The tweet included the @Casper handle.

Casper retweeted Laura's tweet, sharing the endorsement with their over 113,000 followers. It received over 25 Likes and was retweeted a few times from Casper's handle, providing Caspar with additional organic reach.



Looking at Laura's feed, she does not seem to be a blogger nor an Influencer regularly promoting products. The use of the content by Casper can therefore be considered UGC, and no disclosures are needed. If the brand had provided the mattress or some other form of enticement to Laura in order to solicit the testimonial, a "clear and conspicuous" disclosure would have been required.

Reviewing both Wolfy and Laura's accounts reasonably shows that they are both "ordinary people" publicly sharing their own content without the involvement of the brands. Neither user is in the practice of regularly posting product testimonials either. It can, therefore, be concluded that disclosures are not required per the FTC's guidelines.

## Influencer Endorsement

As a contrasting example, Emily Vartanian is a lifestyle blogger with nearly 200,000 Instagram followers. Her feed includes frequent product endorsements which, in many cases, feature brand images. It can, therefore, reasonably be expected by her audience that she has some sort of material connection with the brands she writes about. She is, therefore, required to "clearly and conspicuously" disclose this relationship.



A simple #ad hashtag prominently displayed in her posts meet the disclosure requirement.