



Nielsen Online

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News Release

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CONSUMER GENERATED MEDIA: EVOLUTION OR REVOLUTION? *Nielsen Online releases first of its kind CGM study*

Sydney, 26 February 2008 — A first of its kind study released today by Nielsen Online has revealed that consumer generated media (CGM) is affecting a major shift in overall consumer behaviour, from communication styles to relationships to purchase decisions, and the vast majority of Internet users are now engaging in some kind of CGM activity.

The inaugural Consumer Generated Media Report, produced by Nielsen Online, provides the most detailed analysis ever of the uptake of CGM among online consumers in Australia and New Zealand, the drivers and barriers to uptake, forecast growth, and opportunities associated with this emerging trend in online behaviour.

The report has identified that among CGM activities, consumers are most likely to share/send photos and links, with content sharing and distribution generally seen as the initial entry point to CGM activity engagement – 84 percent of Australian and 88 percent of New Zealand internet users use Web 2.0¹ for sharing content such as photos, links and video while similar proportions consume CGM content (83% in Australia and 88% in New Zealand). Around 78 percent of Australians and 76 percent of New Zealanders download and stream audio and video content. (See Chart 1 for individual CGM activity breakdowns).

¹ Web 2.0 is a supposed second-generation of Internet-based services such as social networking sites, wikis, communication tools, and folksonomies that let people collaborate and share information online in ways previously unavailable (Source: Wikipedia)



The Nielsen Online report also identified that once consumers establish familiarity with CGM style activities, they then typically progress to become more involved with more advanced CGM activities such as actively editing and commenting on CGM content (77% of Australians and 78% of New Zealanders) and creating online content in the form of uploading video and music (69% of Australians and 76% of New Zealanders) to the web.

“We are seeing a revolution in the way in which consumers here in the Pacific and around the world are interacting, communicating, creating and nurturing personal and professional relationships, expressing and publishing their opinions and thoughts, creating and distributing content for and to one another, and entertaining themselves,” says Melanie Ingrey, Market Research Director, Asia Pacific, Nielsen Online. “This has largely come about through the tools that are now readily accessible for everyday online consumers from the luxury of their home, office, or any other location in which the Internet is available.”

In terms of the demographics of consumers using CGM, early adopters are most likely to be male and aged over 35, however, female uptake of CGM, particularly social networking, is expected to gain momentum in the coming months.

Overwhelmingly, the barrier to CGM use most identified by consumers is the perceived time-intensiveness of CGM-style activities, with this being the number one barrier noted by consumers for all CGM activities. Consumers also noted concern around security, particularly in relation to online profiles and video uploads. One of the key drivers of CGM growth noted by online consumers is peer recommendation and influence – for the majority of Australians and New Zealanders, factors that would increase their uptake of CGM activities were the uptake of activities by their friends and recommendation of services from friends. (See Chart 2).

“It’s quite fitting that word of mouth is the main driver of CGM growth given the increasingly viral nature of online content in general,” notes Ingrey. “The more participants that are attracted to each activity, the more growth we can expect to see as word of mouth spreads. Similarly, the greater the volume of content that users generate, the more likely it is that consumption will increase.”

Chart 1: Incidence of CGM activities undertaken in the last 12 months (Australia and New Zealand)

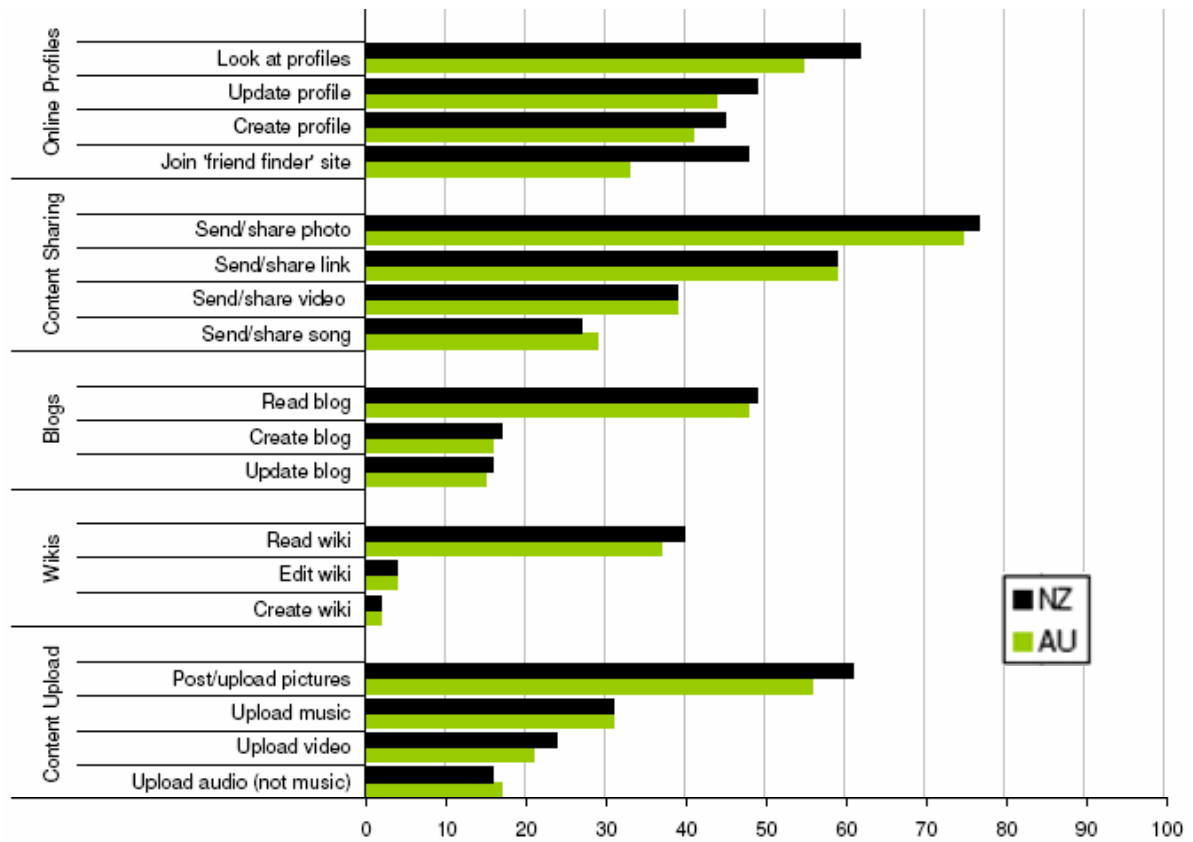
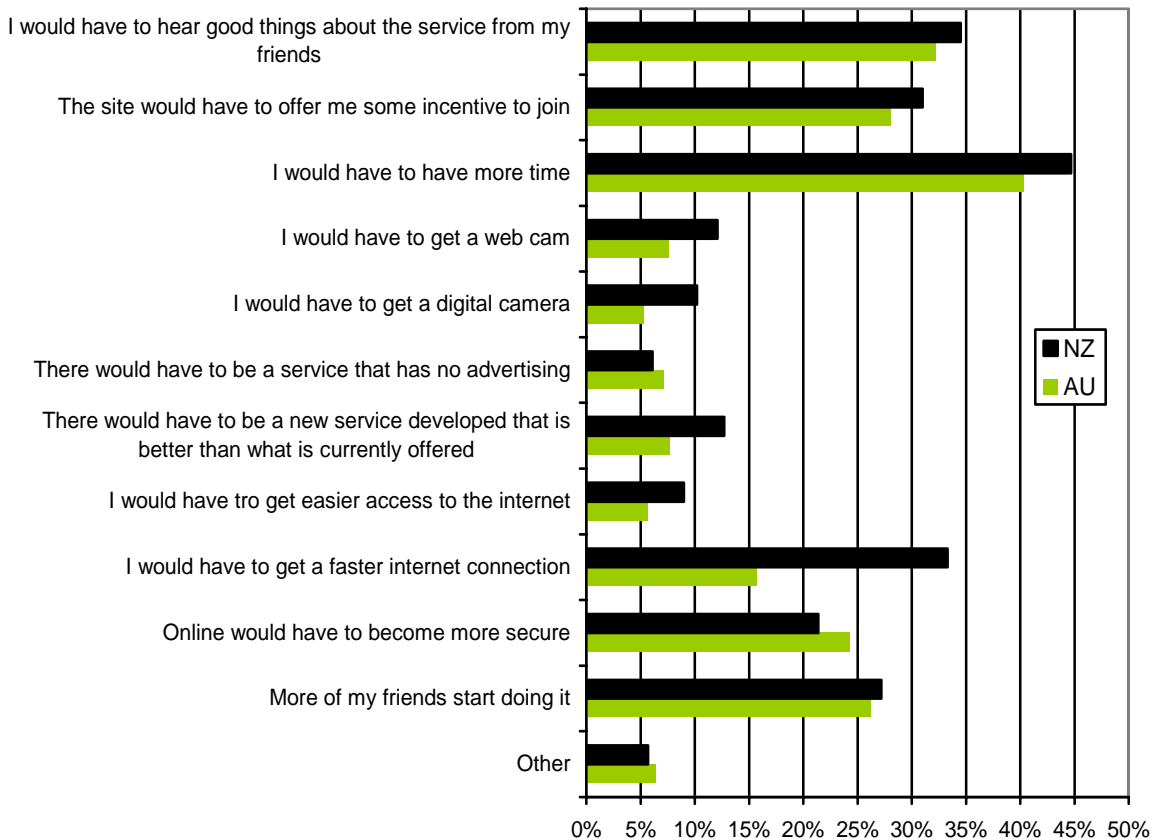


Chart 2: Factors influencing online consumers' uptake of CGM activities



About Nielsen Online's Consumer Generated Media Report

The Consumer Generated Media Report is one of the most comprehensive analyses of the consumer generated media (CGM) category ever published and delivers businesses and Government organisations with a detailed understanding of the uptake of CGM among consumers in Australia and New Zealand, the drivers and barriers to uptake, forecast growth and opportunities associated with this emerging trend in online behaviour. Nielsen Online surveyed over 4,000 online consumers in Australia and New Zealand, and these findings are further supported by our online behavioural measurement service NetView, and online advertising service, AdRelevance.

About Nielsen Online

Nielsen Online, a service of The Nielsen Company, delivers comprehensive, independent measurement and analysis of online audiences, advertising, video, consumer-generated media, word of mouth, commerce and consumer behavior, and includes products previously marketed under the Nielsen//NetRatings and Nielsen BuzzMetrics brands. With high quality, technology-driven products and services, Nielsen Online enables clients to make informed business decisions regarding their Internet, digital and marketing strategies. For more information, please visit www.nielsen-online.com.

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