What's the Difference Between User-Generated Content and Influencer-Generated Content?

A blog guide from NeoReach

In today's digital world, content is king. The average person spends around seven hours on the Internet. Accounting for such, companies have since adjusted their advertising strategies from strictly traditional (print, television, radio, etc.) to make room for digital marketing.

And of all the ways companies send messages to their consumers, influencer-generated content (IGC) is among the best. After all, the right influencer can effectively guide viewers down the sales funnel. Another method for companies to reach their audiences is through user-generated content "UGC". This guide will summarize the differences between UGC and IGC and evaluate the pros and cons of each.

What's the difference between UGC and IGC?

User-generated content

UGC refers to any type of content created and shared by users or consumers of a product or service. UGC includes text, images, videos, and other forms of media. Examples of UGC include social media posts, product reviews, customer testimonials, etc. UGC content is not always paid for or commissioned by the company; rather, UGC can be made by the everyday person. While brands view UGC as free earned media, brands still need to acquire permission to use UGC.

https://www.instagram.com/p/CTWWGadMMQu/?utm_source=ig_web_copy_link&igsh=MzRlODBiNWFlZA==

Every fall, Starbucks receives tons of UGC for its popular pumpkin spice latte. These lattes are seasonal favorites, often persuading consumers to head to Starbucks and purchase their own on chilly mornings.

Here's an example of UGC for Starbucks:

Pros and Cons of UGC

Pros: User-generated content

01 Raises brand awareness

02 Feels more authentic to audiences

03 Less expensive than IGC

Cons: User-generated content

01 Can't control what people say about you

02 Content may not be as aesthetically pleasing as influencers

03 UGC is typically seen as more credible and genuine than IGC since smaller creators tap into their audience better than mega-influencers.

04 The average user's audience may not hit the brand's target audience

What's the difference between UGC and IGC?

Influencer-generated content

IGC is content created and shared by influencers or content creators with a significant following on social media platforms. While not every influencer has millions of followers, brands will officially reach out and commission influencers based on their product and brand fit, reach/conversion rates, and audience demographics.

IGC includes sponsored posts, brand collaborations, product endorsements, etc. Unlike UGC, IGC is intentionally scripted, using brand-approved messaging and formatting before posting.

Let's take that same subject (pumpkin spice latte for Starbucks) and see an IGC example:

https://www.instagram.com/p/CTU0 Lxrs9pX/?utm_source=ig_web_copy link&igsh=MzRlODBiNWFlZA==

Here's an example of IGC for Starbucks:

Pros and Cons of IGC

Pros: Influencer-generated content

01 IGC usually has better reach, engagements, and conversions driven among a brand's target

02 IGC is higher quality, as influencers are more experienced with content creation and with working with brands to deliver brand-approved content

03 IGC can inspire trends involving products

Cons: Influencer-generated content

01 IGC isn't guaranteed to perform well, especially if the product doesn't fit with the influencer or their audience. Remember to research an influencer's audience and niche before seeking a collaboration.

02 IGC can be expensive, making it not a favorable choice for small businesses.

03 UGC is typically seen as more credible and genuine than IGC since smaller creators tap into their audience better than mega-influencers.

The Grey Area In Between: UGC Creators

The issue with most definitions of UGC and IGC is that there's no official distinction between when a casual user becomes an influencer. With the trend of utilizing micro-influencers for advertising campaigns, the explosion of user-generated style, short-form content (courtesy of TikTok), and brands paying "UGC Creators," the line between UGC and IGC is blurred.

Furthermore, UGC Creators may also be micro-influencers who freelance their work to brands. So if anyone can be an influencer and brands pay "UGC Creators," what does UGC mean?

Here are the key distinctions:

1
Brands choose IGC to leverage the influencers themselves and their audience

2
Brands usually post UGC on their own channels to build authentic content around their product/service, not to tap into the creator's audience

3
UGC Creators usually receive a smaller, one-time payment and give the brand all rights to the content

4
Brands would have to negotiate with influencers for the right to distribute the content during a specific time frame

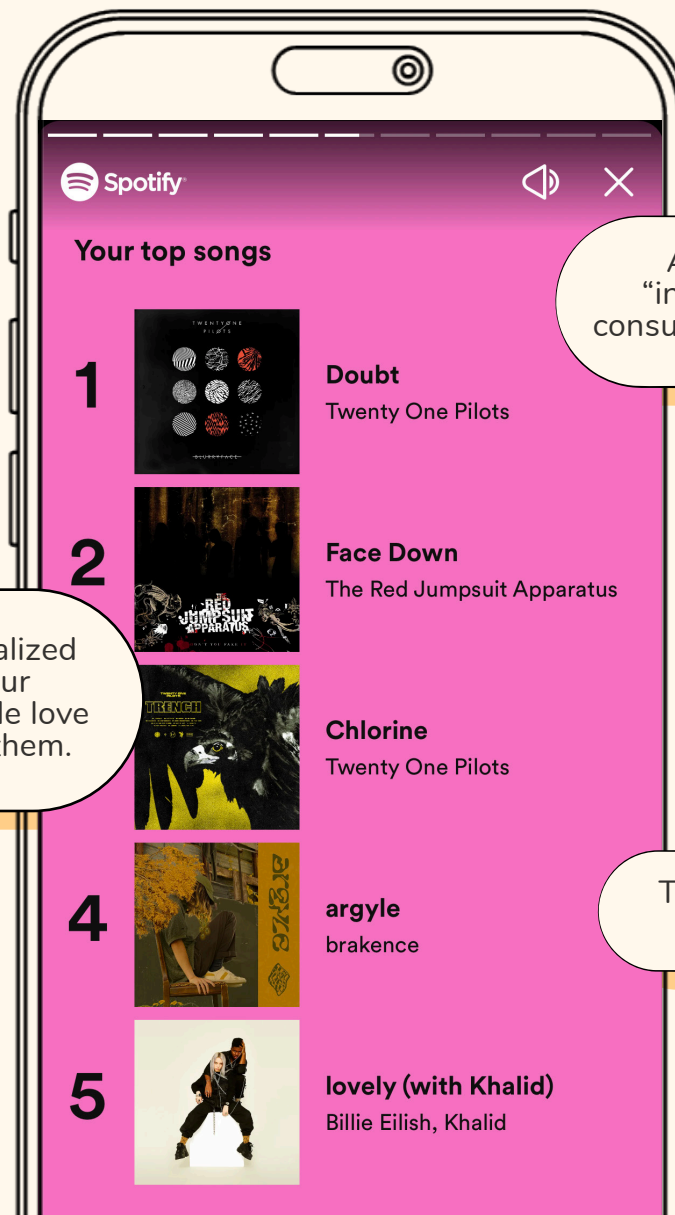# Case Studies

Spotify Wrapped

One of the most successful examples of UGC is Spotify Wrapped. Every winter, Spotify utilizes its large database to inform users of their year's top artists, songs, and genres. Users would then share their Spotify Wrapped on social media. In 2021, Spotify Wrapped reached more than 120 million people (4).

https://drive.google.com/drive/folders/1WEUV8e6xKyqo3aRfS9TWi6BPWcY9piL7?usp=sharing

Alt text: A glimpse of Spotify Wrapped 2022
Photo credit: Jessica Lu

Lessons Learned:

Anyone can be an "influencer," and your consumers are the best kind

Give something personalized and shareable for your customers to post. People love things curated just for them.

Tap into your existing user data

Case Studies

Julie

Julie is a morning-after pill launched in September 2022 in 4,500 Walmart locations (5). Aimed at Gen Z, Julie has made quite the splash on TikTok, working with UGC Creators and influencers to produce engaging videos. Since the launch, Julie has accumulated 231.4K likes on their TikTok page and expanded to 5,600 CVS stores and 1,500 Target stores (5).
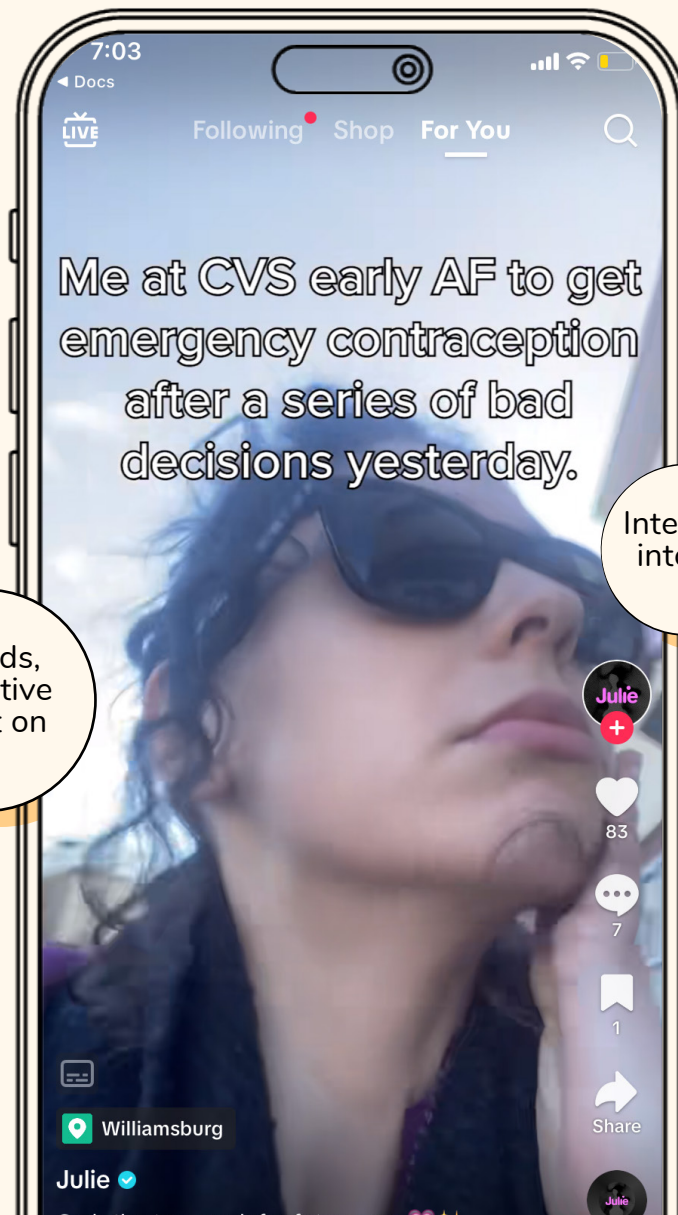
Example of IGC:

https://www.tiktok.com/t/ZTRToDJRA/

Example of UGC via UGC Creator:

https://www.tiktok.com/@julie/video/7222027942195465514?is_from_webapp=1&sender_device=pc&web_id=7076629054167172651

Lessons Learned:

IGC are often better as ads, while UGC is a cost-effective way to get funny content on your channels.

Integrating both UGC and IGC into your marketing strategy will maximize results.

Case Studies

Starbucks' "White Cup Contest"

Another primary example of user-generated content done right is Starbucks' White Cup Contest. Kickstarted in 2014, Starbucks invited fans to design their own Starbucks cups using plain, eco-friendly cups for intricate designs and colors. Thousands of submissions were judged, and winners received a $300 gift card.

Cup submissions used the #WhiteCupContest hashtag across social media to showcase their canvases. Briar Waterman, the creative director for Starbucks, says that the cups allowed artists to "try an abstract design and just keep adding to it" and that the design variations are "infinite." This contest generated brand awareness and loyalty, all while encouraging die-hard Starbucks fans to put their creative skills to the test.

Example:
https://www.instagram.com/p/nRpTrwoSlh/?utm_source=ig_web_copy_link

https://www.instagram.com/p/nYGdLRg5Zo/?utm_source=ig_web_copy_link

Lessons Learned:

Starbucks promoted eco-friendly practices through their reusable cups.

While IGC typically has higher engagement, prioritizing authenticity and originality in Starbucks' contest made UGC creators stand out. If you intend to utilize UGC creators, remember that creative freedom will generate higher engagement!

The authentic spin on Starbucks' contest encouraged participants to express themselves through Starbucks branding and affiliation without committing to IGC.

Conclusion

UGC and IGC both have a place in marketing campaigns and can be used at each stage of the sales funnel

UGC is more authentic than IGC and is less expensive for brands to repost on their owned media channels.

UGC is often organic but can be paid for by brands to secure all rights for distribution.

IGC is more expensive and contracted: It's used to tap into the influencer's audience and then reshared by the brand for paid ads, driving greater and more targeted traffic. UGC may be your gateway to engagement without blowing a hole in your bank if you're on a tight budget.

As a business, don't limit yourself to one type of content. Mixing and matching your rosters of creators, from mega-influencers to small UGC Creators, will make for a well-balanced campaign strategy.

While contracting UGC Creators or creating ambassador programs are increasing in popularity, don't forget about the average user. Like in the Spotify case study, capitalize on word-of-mouth marketing by giving users something they want to share.

Sources:

https://neoreach.com/user-generated-content/

https://brands.joinstatus.com/ugc-creators

https://futureofmarketing.tintup.com/ugc-creators-vs-influencers/

https://neoreach.com/spotify-influencer-marketing/

https://qz.com/julie-morning-after-pill-double-pack-1850297652