User Generated Content and the Rise of Internet Prosumer

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Abstract

The emergence of user generated content platform (UGC) as a technology, also contributes to cultural change in society. The UGC demonstrates the power of participation that can determine where the direction of the world will change. From this phenomenon, this paper tries to explain how UGC platform changed the way people consume internet and the emergence of prosumer in UGC. The main criterion of UGC platform is user can make their own content, actively participating, and independently disseminate the content. We conducted a qualitative study with explorative methods on literature review related to research topic. This study shows that UGC is changing the way people use the internet. People become more active and more participative by becoming content creator. In fact, content creator is also used in a variety of industries to become influencers of certain products.

Keywords: User generated content; internet prosumer; participatory culture; internet user; digital behaviour; digital influencer.

Introduction

In 2006, TIME Magazine, which annually has a tradition of crowning someone with a Person of the Year title, bestowed the prestige award on "You". You here mean you, me, and all of us. This title aims to show the appreciation of Time Magazine (article written by Lev Grossman) to everyone who has dedicated his creative power in coloring the virtual world (Dijck, 2009). The TIME magazine writes that in 2006, community activities and online collaborations touched scales never before seen, were enormous. In its development, UGC-based video sharing platform, YouTube, for example, has now posted more than 1 billion users. This figure is equivalent to one third of internet users worldwide. Another example, the social media platform, Instagram, in September 2017,
managed to record the number of monthly active users reached 800 million users (Statista, 2018), almost equivalent to the number of YouTube users.

The presence of UGC platforms also has an impact on human culture. The Wikipedia phenomenon, YouTube, MySpace, and other user generated content (UGC) platforms demonstrate the participative power of users that not only can change the world but also determine where the direction of the world will change (Grossman, 2006). TIME magazine considers this possible because of the development of internet technology that becomes a tool for everyone to contribute in cyberspace so as to create broad contribution that the impact looks great too (Grossman, 2006). Furthermore, TIME exemplifies how users work hard in this online collaboration world, for example by creating good profiles on Facebook, creating blogs, to creating open-source software. TIME also explained the existence of the internet brings opportunities for each individual to form a common understanding even on an international scale (Grossman, 2006).

The changes brought about by the emergence of UGC make researchers feel it is important to take a deeper look at (1) whether the emergence of UGC platform services changed the way people use the internet?

As a medium, UGC platforms mostly rely on advertising as their economic revenue source. PricewaterhouseCoopers (PwC), through its Global Entertainment and Media Outlook 2017-2021 report, states that the industry value of all media advertising in Indonesia in 2016 touched US $ 8.4 billion. Online advertising contributes 13.1% to the overall advertising industry. Compared to the global ad industry's value, the percentage of online advertising is much smaller. In the global ad industry, online advertising contributes up to 31.5%. However, interestingly, PwC stated that the online advertising industry in Indonesia will grow very rapidly. Annual growth in this sector is predicted to touch 21.8%. In contrast, in the global advertising industry, its annual growth is predicted to only touch 9.8%. Globally, the online advertising industry is already more mature than in Indonesia. However, the predicted high growth rate in Indonesia makes the field of online advertising a promising source of income.

In response to this growth, there are entities who are trying to come into the industry to earn income. These are not established companies. They are individuals who used to be ordinary internet users. Apparently, they can earn revenue from ads that are embedded on the content they publish. They take advantage of the UGC platform, like YouTube or Instagram, to publish his work and gain dollars from there. They are often given the term prosumer internet. This research will also try to explain (2) how these prosumers can be formed.

**Literature Review**

*The Birth of User Generated Content: The Fruit of Internet Technology Development*

The development of internet service technology, especially since the late 20th century, centered on the development of technologies that allow internet users to
contribute to content on the website and interact with other users (Naab & Sehl, 2017). Naab and Sehl (2017) continue that this pattern of development has implications for platform operators who are now moving into intermediate positions. The platform now no longer produces content, but serves to provide services that enable Internet users to produce themselves or collaborate on creating shared content. Platforms play a role in distributing, customizing, and developing content created by Internet users (Naab & Sehl, 2017). The development of internet service technologies that promote interactive capabilities is popular with Web 2.0 labels (Croteau & Hoynes, 2014).

Web 2.0 labels were popularized, one of them, by Tim O'Reilly, a well-respected visionary in the industrial world (Wolcott, 2007). Tim O'Reilly in Yeritsian (2017) characterizes Web 2.0 as an internet network built on the architecture that enables user engagement and interaction, not merely service or software in one direction. O'Reilly explains the "architecture of participation" in Web 2.0 services along with the spirit of cooperation in it. Service providers function like intelligent brokers who take advantage of internet user capabilities. However, O'Reilly believes that internet users, in this case are positively empowered because of Web 2.0 technology (Yeritsian, 2017).

Tim O'Reilly argues that the main core of Web 2.0 is the collecting effort of collective intelligence (O'Reilly & Battelle, 2009). In Web 2.0, collective intelligence is derived from collecting user data. This data user becomes very valuable for service providers (Yeritsian, 2017). Therefore, data collection becomes an absolute thing done by the service provider. To obtain data, service providers must be able to make users participate in the services they provide and service users are positioned to be co-developers (Yeritsian, 2017).

However, the Web 2.0 label popularized by Tim O'Reilly was much debated by experts. Croteau and Hoynes (2014) consider that Web 2.0 does not represent a substantial technological change in the Internet's capabilities. Trebor Scholz in Croteau and Hoynes (2014) assesses Web 2.0 as just a concept to show a change in the way internet usage by software developers and users, while the internet technology itself remains the same. Web 2.0 labels are considered to be popular because of the successful marketing hype created after the dot-com-bust event (Croteau & Hoynes, 2014). The dot-com-bust event took place in March 2000 in the United States, where dot com companies declined drastically to bankruptcy (Geier, 2015). To reassure investors to invest in this area, it is necessary to make an impression of the fundamental innovations and differences of the internet with Web 2.0. In fact, the basic technology that exists on the internet has not changed, but the way it is used is now evolved (Croteau & Hoynes, 2014).

User Generated Content Defined

Regardless of the debate about whether Internet technology is fundamentally still the same or not, we can see that today the internet is filled with a lot of things as more and more users contribute to fill the content in it (Chia, 2012). Chia (2012) continues, the
Contribution of collective text, video, pictures, and sounds can be referred to as user generated content (UGC). However, there is no agreement on the UGC (Östman, 2012) definition. Östman (2012) states UGC may be identified because there are two features that make it very different from other internet features. First, UGC is associated with the production or modification of original content amateur or small scale. Secondly, UGC is related to the sharing process between users, which is usually done by posting in a personal website or blog (Östman, 2012).

Naab and Sehl (2017) argue that a stable definition of UGC is necessary for UGC-related academic research to be properly implemented. Naab and Sehl (2017), using three main criteria to define UGC:

1. The UGC should be defined for how much the level of personal contribution in a content. Users must contribute themselves to a content, not just receive and forward content from others. User contributions in UGC may include: commenting on an internet service (eg commenting on an article in an online news portal), the user researches and prepares information for publishing (eg Wikinews), and uploads works in the form of text, images, audio, or self-produced video (for example: blogging, post forums, uploading photos / videos on the photo / video sharing service platform).

2. The UGC should be publicized so that the public can discuss the work in general. In addition, the work should also be accessible to the general public or arranged to be shown only in certain groups. Examples of these criteria are reflected in social media services as well as blogs.

3. UGC is made outside of certain professional fields as well as outside of professional routine activities. For example, in the case of journalism, the work of professional journalists can not be regarded as the work of UGC because there is a professional editorial process that influences the work of journalism. UGC's work in the world of journalism must come purely from a society where the process of design and publication is in the hands of amateurs.

Change of Information System Hierarchy with Emergence of User Generated Content

From an information system point of view, the UGC is seen as a form of decentralization in the hierarchy of information systems (Sawhney & Suri, 2014). Sawhney and Suri (2014) draft three stages of the process of decentralizing this information:

1. Stage 1: Hierarchy. The circumstances in which the service provider has exclusive control over the architecture of the information system along with the information provided to the public.

2. Stage 2: Open-hierarchy. The circumstances in which the service provider maintains exclusive control over the information system architecture but opens the possibility of making and supplying the content publicly.
3. Stage 3: Un-order. The circumstances in which information systems architecture and the creation and provision of open content.

From research conducted by Sawhney and Suri (2014), it was found that UGC turned out to be an unexpected method of solution for service providers who had difficulty finding content that appealed to the public.

![Figure 1. Stages of information desentralisation (Sawhney & Suri, 2014)](image)

**Research Methodology**

This research uses qualitative approach. Denzin and Lincoln (2009) say that the qualitative approach emphasizes the nature of socially constructed reality, the close relationship between the researcher and the subject being studied, and the pressure of the situation that constitutes the investigation of the terms of value. With this qualitative approach, it is expected to explore whether the emergence of UGC changed the way people use internet services and how the emergence of prosumer in the digital era now.

The method used in this research is descriptive method with explorative strategy. Descriptive research is a study that aims to describe a character / characteristic or function of something (Neuman 1997). Descriptively this research aims to describe UGC and people’s behavior in consuming internet, and the emergence of prosumer because of the phenomenon. This research is also explorative, with this research is expected to get a picture about UGC phenomenon and findings in digital society as well as the emergence of prosumer.

Data collection techniques used in this study is document studies in the form of data collection, documents, website pages related to research and literature review by analyzing literature literature.
Results

Participatory Culture: Starting Point of Internet Prosumer

Henry Jenkins in Dijck (2009) states there is a paradigm shift in society in seeing how media content is produced and circulated. Audiences (users) are now more empowered by the presence of new media technologies so they are no longer merely as parties exposed to the content provided by media companies. This change makes the audiences (users) feel entitled to participate in content production activities. This is called Jenkins as a participatory culture (Dijck, 2009). Jenkins (2006), which focuses his research on the artistic expression of society and civic engagement, defines participatory culture if conditions in society meet the following aspects:

1. Low barriers to artistic expression and civic engagement
2. Strong support for creating and sharing works
3. The presence of mentorship where knowledge is given from the already know to the uninitiated
4. Community members understand that their respective contributions are important
5. Community members perceive social relationships with each other. At the very least, they are concerned with what others think of the work that has been made.

Jenkins thinks, not all community members should contribute, but each member of the group must be sure that they are free to contribute when they are ready to contribute. When they are ready to contribute, the work produced will be appreciated by other community members (Jenkins, 2006). Jenkins continued, some examples of participatory culture are:

- Affiliations. Formal membership, formal or informal, within an online community facilitated by the media. For example: Facebook, MySpace, and so forth.
- Expressions. The existence of creative works in the new form, for example: digital sampling, video-making fan, and so forth.
- Collaborative Problem-Solving. The existence of cooperation in the form of team, formal or informal, to do the task or develop new knowledge. For example: Wikipedia
- Circulations. The existence of new works are distributed or distributed, for example: blogs, podcasts, and more. (Jenkins, 2006)

In relation to UGC technology, the phenomenon of participatory culture is characterized by increasing demand from ordinary people in using technologies that were formerly owned by large corporations. Content production activities are performed by the user to express himself and the resulting work is distributed in person at his own discretion (Dijck, 2009). Jenkins (in Dijck, 2009) thinks, when the old media still dominates, content recipients have little power to determine the content of the media
they produce. Unlike the case in a digital environment where it is possible for consumers to expand its role more than just a content connoisseur.

The Birth of Internet Prosumer

The expansion of roles enabled by new media proved to be supported also by increasingly affordable price technologies that can help users create their own content. In addition to more affordable, these tools more easily to be operated by the user himself (Dijck, 2009), for example: digital cameras, laptops, and so forth. The use of content production tools is now not only controlled by companies only. The combination of participatory culture facilitated by open access to content production technology and content distribution using UGC-based new media, generates a new consumer trend called prosumer.

In today's information industry, Tapscott and Williams in (Yeritsian, 2017) argue that consumers, especially the digital native generation, have turned the role of prosumers or co-creators or peer producers. User (consumer) is no longer a passive recipient of a product or service. Users can participate in the overall economic activity by creating shared value and forcing the company to fulfill those values. It can be used for many things, changing the world or just for fun (Yeritsian, 2017). Tapscott and Williams continue that blogs, wikis, peer-to-peers, and personal broadcasting sites have enabled consumers who normally play passive buying information to have a participatory role in creating information value (Yeritsian, 2017).

The implications of this role change, the boundaries between producers and consumers are blurred amid the development of UGC-based internet services (Paasonen, 2010). Leadbeater in Yeritsian (2017) states the same thing, namely the blurring of the limits of production and consumption activities occur because of the increasing role of consumer (user) in the production activities. Consumers want to participate in making services as they wish. Leadbeater calls this consumer as Pro Ams (professional amateurs) (Yeritsian, 2017). The Pro Ams are considered to perform the production activities because of his love, not because of money or want fame. However, they produce every UGC work with high standards. The works they produce may include music, movies, software or text (Yeritsian, 2017).

The Birth of Internet Prosumer

Open access and the availability of technology in producing and publishing works through the UGC platform is not enough to make everyone interested in participating as a prosumer (content creator). Croteau and Hoynes (2014) states, in reality, active users generate content in online communities and social networks are few in number. Many users act as "peepers" and do not actually contribute actively. This phenomenon is called participation inequality and there are two rules of thumb that can be used to examine this phenomenon (Croteau & Hoynes, 2014). Arthur in Croteau and Hoynes (2014)
formulated the 1% rule, which believes that out of every 100 people, only one person actively produces content and 99 others do not. The second rule of thumb commonly used is the 90-9-1 principle, which believes the user is generally divided into three categories. The first category is a snoop consisting of 90% of users. This category only surfs the internet without contributing content. The second category is the user who sometimes provides content on the internet. The number is believed to be only 9% of existing users. The third category is the user who actively provides content on the internet. Their number is only 1% of all users (Nielsen (2006) in (Croteau & Hoynes, 2014)).

Forrester Research, a media research institute, conducts research on adults to find out their level of participation in using new media and find several categories of user types (Bernoff and Anderson (2010) in (Croteau & Hoynes, 2014)):
1. Creators: those that produce content consumed by other users, such as: blogs, videos, music, and text
2. Conversationalist: those who share opinions with consumers, companies, and others, for example through social media such as Twitter
3. Critics: those who respond to content produced by others by posting reviews, commenting on blogs, or making modifications to wiki articles
4. Collectors: those who organize content for themselves or other users by using RSS (really simple syndication) feeds, or tags.
5. Joiners: those who have accounts and take care of their profile on social-networking sites
6. Spectators: those who consume only content created by other users

From the results of research conducted in the United Kingdom, Europe Union, and Japan, most new media users fall into the spectators category:

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<td>Joiners</td>
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Figure 2. Forrester Research result on Social Media Participation Types (in percent) (Croteau & Hoynes, 2014)
The results of this study confirm the rule of thumb previously described. Croteau and Hoynes (2014) say some people are not interested in being a creator. This is because creating good content takes a lot of time and the user must be fluent using technology related to the process of content creation. The ability to produce this content is not a universal division of capability. As a result, in a world that already recognizes this new medium too, most people in most of the time only act as spectators just consuming the work produced by others (Croteau & Hoynes, 2014).

This reluctance to produce content is the gateway to the birth of the content industry across a variety of UGC platforms. In the UGC platform, content is the main commodity to be consumed for visitors. Limitations in the amount of content necessarily lead to a lack of content variation within the platform. The end result, boredom can hit the visitors or users of the UGC platform. This is a nightmare for UGC platform managers because a decrease in the number of visitors or a decrease in content creator participation rate will adversely affect their business. The UGC platform relies heavily on advertising as a source of their economic income. Therefore, the more visitors a UGC platform means the more likely advertisers advertise on the platform, and vice versa. Losing visitors can lead to the demise of a UGC platform.

Case Study: YouTube and Its Content Industry

YouTube is a video sharing site that can be accessed free of charge by its users. Founded in 2005 by 3 people who met while working at PayPal (online financial services), namely: Chad Hurley, Steve Chen and Jawed Karim (The Telegraph, 2010). Just 1 year after its birth, Google bought YouTube because of its enormous potential. Sure enough, YouTube is evolving into a digital giant that until now has more than 1 billion users worldwide. This user number is equivalent to one-third of internet users worldwide. YouTube has also recorded a fantastic daily video watch number, 1 billion hours per day. With a variety of positive performance achieved, no exaggeration if YouTubers have a slogan that they believe: "YouTube is more than television!".

As a new medium, YouTube has a vital character difference with conventional media, in this case television. There are two distinct distinctions: interactivity and user generated content. Interactivity offers the user (control) full control in choosing the impressions you want to watch. Full control of selecting impressions can not be given to audiences so that the audience is only passively receiving impressions. In addition to changing the way audiences opt for impressions, YouTube also reverses how video views can be published. Prior to the presence of YouTube, practically the work of a video can only be aired through television stations. Television stations have full control over every impression that will go up. As a business institution, the selection decision of the impression will certainly be banged with financial considerations (profit and loss). Consequently, can not all types of impressions can be published by television stations. With the concept of user generated content, YouTube reverses the conventional concept by giving users permission (creator) to publish works of any kind. YouTube
“democratizes” the right to deliver impressions so anyone can work and publish via YouTube.

With the concept of user generated content, YouTube is creating a new growing industry of content. In Indonesia, as of November 2011, Google reveals there are 50 million viewers of Youtube every month. The growth of the audience was followed by the growth of YouTube content creators. Google exposes YouTube content creators in Indonesia are now growing not only in urban areas, but also in the regions, such as: Bayu Skak from Malang, Devina from Medan, and Epen Cupen from Papua (detikcom, 2017). Currently, the number of viewers and the growth of content creators certainly has increased.

The YouTube content creator generally make content of a video blog, or so-called vlog. The creators of this vlog are called vloggers. They are also often called YouTuber, because their content is uploaded on YouTube. As YouTube gained popularity, the YouTubers also got the power. In addition, they also gain huge financial earnings.

Forbes magazine announced the top 10 YouTuber earnings of 2017. Forbes said the total money earned 10 YouTuber it reached 127 million US dollars or equivalent to Rp 1.7 trillion. YouTuber with the highest income last year was Daniel Middleton, who made the videos while he was playing games. Daniel earned $ 16.5 million or Rp 222 billion in 2017. In second place there is Evang Fong, who is also a gamer, who earned 5.5 million US dollars or Rp 209 billion in 2017. Third, twin brothers Cory Cotton and Cobby Cotton who showcase sports tricks and tips with a humourous style. They earned 14 million US dollars or Rp 189 billion for a year. Fourth, Logan Paul. The comedy vlogs he made, makes him earn 12.5 million US dollars or USD 168 billion in 2017. Rank five is Mark Fisbach, a gamer, who also earned 12.5 million US dollars or Rp 168 billion. The next, sixth to tenth place are Felix Kjellberg (Rp 162 billion), Jake Paul (Rp 155 billion), Ian Hecox (Rp 148 billion), Ryan ‘Toys’ (Rp 148 billion) and Lilly Singh (Rp 141.8 billion) (Kompas, 2017).

In Indonesia, the value of money from the content industry on YouTube is also fairly large. The creators of Indonesian content can earn billions of dollars annually from vlogs or videos created on YouTube. Here are he top five Indonesia YouTubers with the highest earnings in 2017 (CNBC, 2018):

1. Gen Halilintar with estimated income of Rp 2.3 billion to Rp 37 billion
2. Ria Ricis with an estimated income of Rp Rp 1.2 billion to Rp 18 billion
3. Raditya Dika (Rp 623 million to Rp 10 billion)
4. Edho Zell (Rp 447 million to Rp 7.4 billion)
5. Reza Oktovian (Rp 365 million to Rp 5.8 billion).

The data described above show the high value of the content industry. The development of the content industry is also predicted to beat television. Another
Interesting fact that is obtained from the data above is the popularity of the prosumer on YouTube can beat celebrities or public figures who have first fame in the real world.

Conclusion

Widespread UGC, for example in the form of blogs, Wikipedia, photo or video sharing platform; changing the way people consume internet services. Communities who used to be passive users of internet services filled with industry players can now become more participating users by producing content and passing it through UGC channels. These digital participants become prosumer in the midst of society. For example, they can take the form of a Youtube vlogger with their respective segments.

Today, fundamental changes are taking place in the communications industry (eg advertising and PR). We no longer live in an age where the acting ability and debut on the big screen become the main pre-paid celebrity or celebrity stars. Instead, we now live in a world where individuals can promote themselves on sharing platforms, such as YouTube. The YouTube star or otherwise known as a vlogger is like a celebrity now with a large fan base.

Almost all industries, such as the beauty industry, start to look at the beauty vloggers as influencers of a brand. Many brands are increasingly believing the power that beauty vloggers have in influencing their audience. Consumers in the digital age are saturated and tend not to believe the brand message delivered through conventional media and choose to see reviews that they can consume from their mobile phone screen. The beauty content creators that make video tutorials, tips & tricks bermake up, to give recommendations to consumers. These things can not be executed in 30-second TV ads. So it can be concluded through vlogger, the brand becomes more effective and efficient in delivering the message to the audience.

References


