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# CONTENT MARKETING 2014

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New Media Platforms Drive Demand for High-Quality Content

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### New Media Platforms Drive Demand for High-Quality Content

With more and more media platforms available to them, consumers have developed an insatiable demand for content. They're plugged in 24/7, sharing videos on YouTube, posting links to articles on Twitter, reading news on iPad or iPhone apps and watching their favorite shows on Hulu.

This presents a huge challenge for marketers that have to figure out how to keep the content machine full of high-quality material that keeps users engaged and coming back for more. It's time-consuming, costly and continual; and marketers are struggling to keep up with the demand. Some are hiring people internally to produce content, while others are turning to third parties or partnering with media companies to come up with content.

But one thing is clear: Content marketing has become a top priority for marketers.

According to the Content Marketing Institute, 93.0% of b-to-b marketers now use content marketing as part of their overall strategy, and 90.0% of b-to-c marketers use content marketing.

To find out more about the top challenges in content marketing, how marketers are allocating spending to content marketing and which platforms they're using, Advertising Age conducted a survey of 191 marketing and ad agency executives between Feb. 11 and 25. The following core findings emerged from the study:

- Fifty-seven percent of marketers plan to increase budgets for content marketing this year.
- The biggest challenges for marketers when it comes to content marketing are the need to create engaging content, lack of budget and lack of time.
- The top seven channels for distributing content are all owned or earned.
- Print, live events and other traditional media are still important to content marketing.



#### Majority of marketers will boost content marketing budgets

This year, 57.0% of the marketers surveyed plan to increase their content marketing budgets, while 40.0% plan to keep them flat; only 3.0% plan to decrease their budgets for content marketing, according to the Ad Age survey.

In the past, most marketers distributed their spending for content marketing across different areas of their overall budgets, from public relations to collateral to website development. Now marketers, realizing the importance of the discipline, are beginning to create separate budget lines for content marketing.

"Given the attention and focus on building a content strategy that is based on attracting and retaining buyers, we decided to have a dedicated budget for content marketing," says Cindy Kim, director of marketing at JDA Software Group, a software and consulting company for the retail and supply chain management industries.

#### Goals for Content Marketing

Improve your brand's perception/visibility	82.7%
Acquire customers/generate leads	74.7%
Increase relevance/influence	65.4%
Engender loyalty/ongoing customer engagement (CRM)	58.0%
Build community	56.2%
Move people along the sales funnel	45.7%
Create customer service content	25.3%
Attract new employees	12.3%
Educate trade partners	11.7%
Eschew traditional ad-media channels	6.8%
Other (does not apply, fulfill our mission, etc.)	1.9%

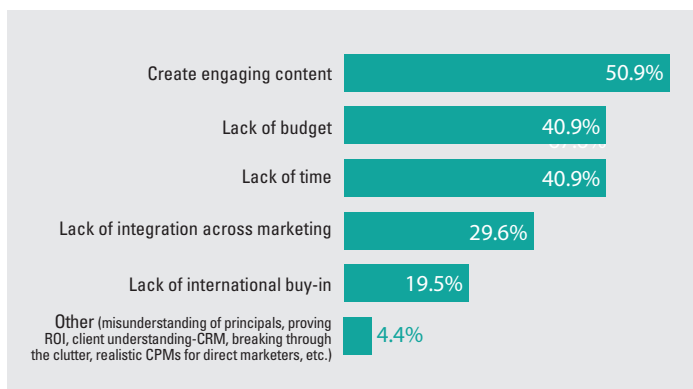
n=165 respondents\*

Previously, JDA had an internal team of writers who produced content for online videos, brochures, blogs and other channels, with each department funding its own materials (for example, PR or website development). This year, the company created a separate content marketing budget, which it declined to disclose, to cover all content creation.

“Digital is a huge component we’re focusing on this year,” Ms. Kim says, pointing to one major investment area for content marketing.

JDA uses a lot of video in its content marketing, including interviews with customers at its annual user conference and thought-leadership pieces created for its website, as well as sharing content through social media and e-newsletters.

## Content Marketing’s Biggest Challenges



n=165 respondents\*

The top challenge when it comes to content marketing is creating engaging content, cited by 50.9% of marketers and agency executives. Other big challenges are lack of budget and lack of time to devote to content marketing, each cited by 40.9% of respondents.

Database software company SAP is a prime example of a marketer that wanted to expand its content marketing strategy but didn’t have a lot of money to invest initially.

We didn’t have a big budget to launch the site,” said Michael Brenner, the former VP-marketing and content strategy at SAP, referring to the SAP’s Business Innovation blog site, introduced early in 2012. Business Innovation features blogs-written by SAP employees, subject-matter experts and outside contributors-on topics such as cloud computing, mobile and Big Data. Mr. Brenner is now head of strategy at Newscred.

“We had a small amount of money to set up the infrastructure and almost zero money for content curation,” Mr. Brenner says. “We found

authors who were thought leaders and asked them to contribute, even though we didn’t have the budget to pay them.”

Today, Business Innovation publishes more than 20 blogs a day and has an average engagement time of more than five minutes spent on the site. A key to the site’s success is that SAP does not feature any promotional content there.

“We developed the Business Innovation blog to earn our audience’s attention rather than buy it,” Mr. Brenner says. “You have to deliver content that is relevant and valuable.”

Some of the most popular blog posts have been those offering tips, strategies and resources for its target audience of IT professionals and business executives—for example, “Top 50 #BigData Twitter Influencers,” “Top 10 News/Blog Sites for Cloud Computing” and “Analytics Terms You Need to Know.”

American Express Co. is another company that has been successful at creating engaging content focusing on its customers rather than itself.

At OPENForum.com, a website for American Express OPEN’s small-business customers, content includes case studies of how customers are making their businesses successful and advice from such experts as financial planners.

Content is produced by customers, subject-matter experts and freelance writers. AmEx also incorporates Twitter, Facebook, YouTube, Tumblr and LinkedIn into its online community.

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**The top channels for content distribution are owned or earned**

One of the most significant findings from the survey is that the top seven channels used for distributing content are all owned or earned: Facebook (81.5%); a company’s own website (77.8%); Twitter (68.5%); YouTube (59.9%); e-newsletters (51.9%); LinkedIn (50.0%); and video (43.2%).

Coca-Cola Co. has embraced all these channels and turned its marketing strategy on its head. In 2011, Coca-Cola announced Content 2020, a content marketing initiative designed to “move from creative excellence to content excellence,” said Jonathan Mildenhall, then-senior VP-integrated marketing content and design excellence at Coca-Cola Co., in a video announcing the initiative. Mr. Mildenhall recently left Coca-Cola to become CMO at Airbnb.

"All advertisers need a lot more content so that they can keep the engagement with consumers fresh and relevant because of 24/7 connectivity," Mr. Mildenhall said in a speech in October 2011, when Coca-Cola announced the initiative.

With a goal of doubling its revenue by 2020, Coca-Cola embarked on a content marketing strategy that is heavily focused on storytelling rather than marketing. The marketer relaunched its website in 2012, replacing its traditional corporate website with a digital magazine called Coca-Cola Journey. The site features more than 9,000 videos, on topics such as how Coke is empowering women and how it's providing water to impoverished areas in Africa.

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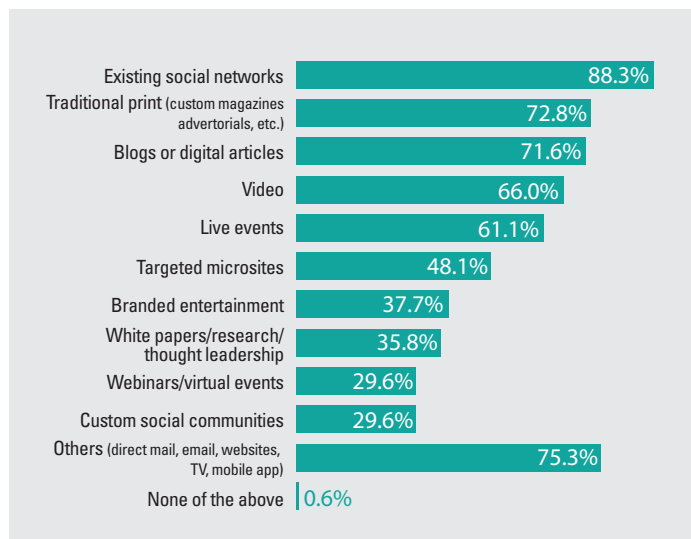
**Print, TV and other traditional media are still important channels**

Does this shift to earned and owned media channels mean advertising and other paid-content channels are doomed? Not at all.

In addition to pushing out more content through social media and owned channels, 42.0% of marketers still plan to partner with established media for their content needs, 40.7% regularly use paid print media and 40.1% regularly use paid TV for content distribution, the Ad Age survey found.

"We are seeing an evolving role of media to brand-plus-publisher," says SAP's Mr. Brenner. "We will see much less brand advertising and much more sponsored content."

## Types of Content Marketing in Use



n=165 respondents\*

SAP continues to buy paid advertising for its ongoing brand campaign "Run Better" across TV, print, online and out-of-home, but it is also partnering with publications such as Forbes and The New York Times on sponsored content.

For example, SAP has a sponsored content channel on Forbes.com, called SAPVoice, where it runs blogs by SAP employees—including regular posts by CMO Jonathan Becher—on topics like data management or employee engagement.

The Forbes partnership is offered through BrandVoice, a sponsored-content program Forbes introduced in 2010 to offer marketers a way to connect their brands with Forbes' influential audience of business executives and investors. Revenue from BrandVoice accounted for 20% of Forbes' total ad revenue last year and is expected to make up 30% of total ad revenue this year.

Forbes is not the only publisher offering custom content. Condé Nast has partnered with marketers such as Gap Inc. and Procter & Gamble Co. through its Partnership Publishing program; The New York Times has produced custom content for advertisers including Dell Inc. and United Airlines through its Content Studio; and Time Inc. has served clients such as Allstate Corp., Bank of America and Ford Motor Co. through its Time Inc. Content Solutions group.

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**Content marketing: Looking ahead**

As channels for content viewing continue to open up, marketers will need to become even more innovative in developing engaging material to reach their target audiences.

Content marketing is a promising area for marketers, publishers and agencies, and smart marketers will invest in the resources to produce, curate and distribute content.

### About the Survey

Advertising Age conducted this online research study in February 2014. The 191 respondents were made up of 44% agencies, 40% marketers and 16% media. Respondents held a variety of job titles, including 35% head of business/C-level, 22% VP level, 38% director/manager level and 5% others.

The margin of error, based on 191 respondents, is calculated to be no greater than +/- 6.6 percentage points at the 95% confidence level.

\*Chart based on respondents who are currently involved with buying or selling content marketing.