



NEW SURVEY SHOWS SPIKE IN CONTENT SPENDING

An Exclusive Peek at the Numbers

New York, NY (November 20, 2012) –With the fiscal cliff deadline only a month away, spending is a hot topic. A new survey, *“The Spending Study: A Look at How Corporate America Invests in Branded Content for 2012,”* the 12th annual industry study by The Content Council and *ContentWise*, compares 13 years of studies, noting outcome in content marketing has grown at record levels.

Brand content is getting a bigger slice of the marketing pie—a 13% increase, or \$1,640,107 in spending for the last two years. A thriving sign for the content marketing industry, 79% of marketers are now reporting that their companies are shifting into branded content either at a moderate or aggressive pace. Fifty-two percent of companies are reporting that they outsourced some portion of at least one type of branded content creation in 2012.

“The stability of brand content spend in the face of overall marketing budget decline proves the staying power and efficacy of content marketing,” said Lori Rosen, Executive Director, The Content Council. “This notable growth outcome is motivating brands to outsource at record levels.”

Record high outsourcing dollars are being spent on external agencies such as custom publishers, PR/social media firms, design firms, ad agencies, and interactive agencies which are handling aspects of branded content. Some 56% of brands now outsource and of those, the average annual spend is \$987,417—an increase of 46.6%.

About three-quarters of brands build content for print and repurpose that content for social media and the brand’s parent website. This underscores the integrated nature of content marketing today, where content ideation requires a multi-channel consideration. The multi-channel nature of content marketing is driving an average brand investment of \$1,725,736, representing a 5.1% increase.

Spending Survey Highlights:

- **How the Money is Spent:** Personnel continued to be the primary use of budget funds; print form spent 44% on personnel, 37% production and 19% distribution, and electronic form spent 57% on personnel, 26% on production and 17% on distribution. Between 66% -74% of content created for print, electronic and other marketing ends up being used in social media efforts.
- **Outsourcing Spending:** The average total branded content outsourcing spending was a record \$371,364. Looking exclusively at the companies that outsourced, the average spend was even higher at \$987,417.



- **Content Spending:** The total spent on branded content per company rose compared to the last two year average to a total of \$1,725,736 (up from \$1,640,107), with electronic and other forms of content marketing reaching new highs. The overall marketing spent from 2012 of \$4,424,964 looks in line with historical averages, with spikes seen in the last two years appearing as an outlier.
- **Top Four Reasons for Using Branded Content:** Respondents' primary reasons for using branded content were educating customers, brand loyalty, up-selling and customer retention.
- **Projected Change in Budget:** Thirty-eight percent of respondents felt their branded content budgets would increase in the coming year—the number of respondents expecting a budget decrease was at the lowest level of the decade.

Methodology:

The research was conducted via online and email methods targeting a random sample of companies across all industries. More than five thousand invitations were distributed and approximately 177 surveys were completed and returned, producing a +/- 6% degree of accuracy at a 90% confidence level. Among the responding organizations were: Graybar, Manpower, State Farm Insurance, Towers Watson, Good Will Industries, Sunkist, ValueOptions and many more.