



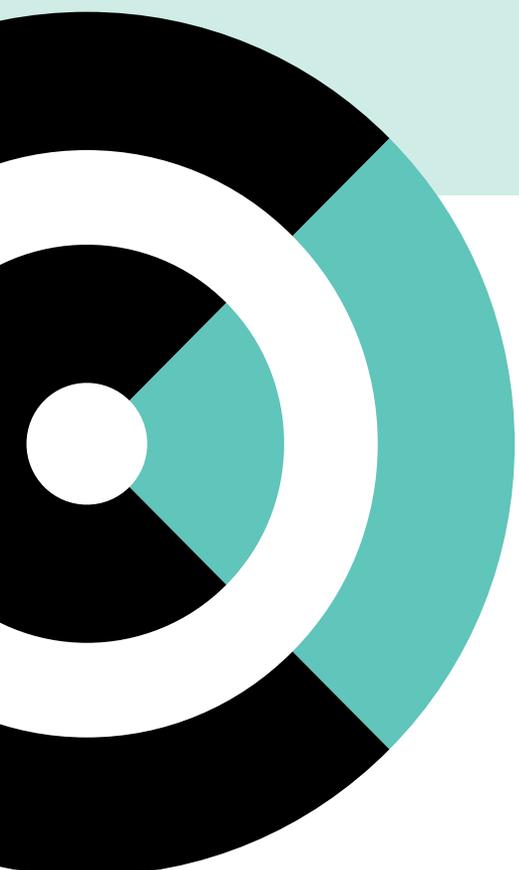
CONTENT MARKETING

*Growing and Transforming
Customer Engagement*



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THE STATE OF CONTENT MARKETING

With budgets and manpower growing, content is rapidly becoming the key to brand marketing

When marketing and advertising execs are asked to define content marketing, they use certain words over and over again:

Custom storytelling. Thought leadership. Value-added. Relevant. Ongoing. Funny, informative or enlightening. Engaging audiences. Influencing action.

One executive, however, sums it up this way: “Content marketing is increasingly becoming the most important source of traffic generation, customer loyalty and engagement.” If so, marketers can no longer afford to consider content marketing as secondary, and must begin to move forward with strategies to include this essential channel in marketing plans for the future.

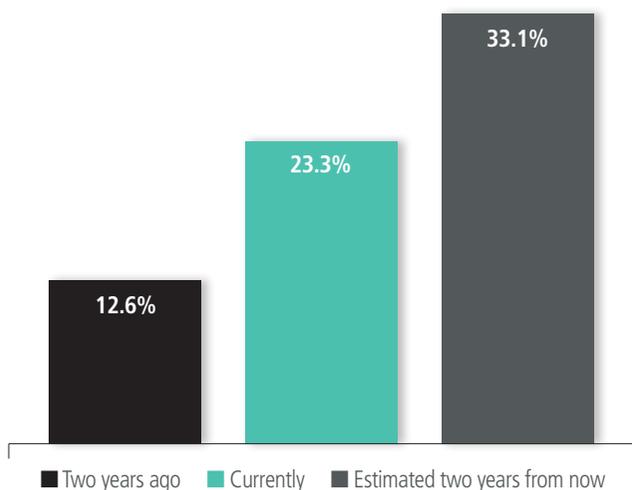
An exclusive survey, conducted by Advertising Age

for The Content Council, shows that many marketers are dramatically increasing their commitment to content marketing—with budgets on the rise (Figure 1) and more companies developing internal structures as well as external relationships to handle the new emphasis on content. According to the survey respondents, whose companies have been involved in content marketing for an average of 10.2 years, the three most important goals of content marketing are to acquire new customers or members, increase brand engagement and improve brand perception.

“Content is the secret sauce to attract customers and build loyalty today,” says Andy Seibert, managing partner at Imprint and chairman of The Content Council. “Content is the way brands have conversations, and increasingly

HOW COMPANIES ARE BUDGETING FOR CONTENT MARKETING

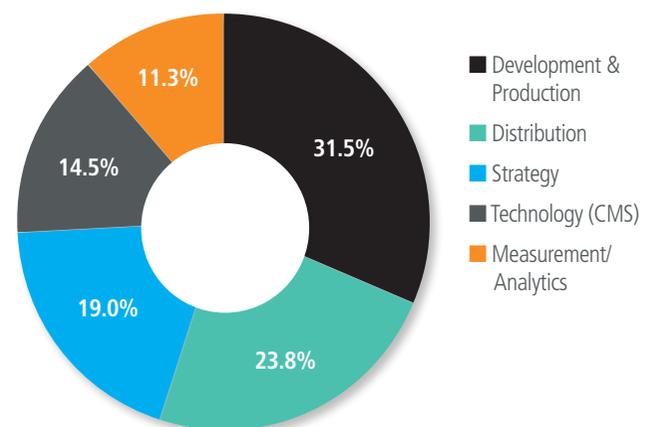
Content Budgets Are Growing Almost Threefold



Base 445
Filter: Those who currently have a marketing budget

Figure 1

Content Spending Focused on Development, Distribution



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Filter: Those who currently have a marketing budget

people are investing in that story.”

Says John von Brachel, senior VP-director of content marketing and integration for Bank of America Global Wealth and Investment Management: “Customers are asking for added value in what they get from companies and brands. At the same time, the advertising world is saturated—and brands understand that. Companies see their competitors connect better with customers through content, which can improve site traffic and reduce the cost of sales leads. That’s why content is a buzzword today.”

In the Ad Age survey, which will be discussed at The Content Council’s spring conference March 22-24 in New York, respondents were asked to assess their company’s or clients’ commitment to content marketing on a scale from extremely weak to extremely strong. Looking back two years, only 17.7% of respondents said the commitment to content marketing was strong or extremely strong. That number jumped to 39.7% in 2014, with 75.9% of respondents predicting their commitment will be strong or extremely strong in the next two years.

Reflecting that increased interest, survey respondents said that while content marketing averaged about 12.6% of their marketing budgets two years ago, content’s share has nearly doubled, to 23.3% currently. Respondents estimate content will account for about a third of their marketing budgets by 2017.

HOW CONTENT MARKETING IS EVOLVING

While interest and budgets are increasing, content marketing is still an evolving discipline. Many companies continue to function without a content strategy or without connecting content marketing to their overall business

or marketing strategies. Only 12.7% of respondents to the Ad Age survey said they believed the industry’s use of content is very well-aligned to overall strategy.

As new channels and formats have broadened the definition and role of content, many marketers are still working to figure out how to handle their accelerating content needs.

With its roots in owned media—first, custom publications and, later, websites—content is still distinguished by an editorial point of view. Keith Sedlak, CMO at McMURRY/TMG, describes social content as “social journalism.”

Mr. von Brachel says Bank of America views its content as “more editorial-minded, delivering stories, solutions, service or brand journalism that highlights our expertise and adds value to customers and prospects.”

For Mr. Seibert, there are three kinds of content: entertainment, transactional and educational. “At Imprint we focus on content that empowers a consumer, client or prospect to engage with the content and the brand, and take positive action in their lives,” he says.

That opportunity for a brand to share its expertise is a key attraction for Cold Stone Creamery as it expands its use of content marketing. “Content gives brands the opportunity to be a subject matter expert,” says Sara Schmillen, director of marketing for Cold Stone. “We know what we do and we do it best. Content marketing allows us to take that out in the marketplace and communicate it to our customers. Content also gives us a unique opportunity to give customers a peek inside the machine—to see the humans and the passion behind a brand.”

General Electric Co. is pushing the content envelope even further as it looks for opportunities to explain to other businesses what it does and to capture the imagination of potential employees. In one recent example, sounds made

30% believe that their company/clients are aligning their content goals “extremely well” to their overall business objectives.

Only **13%** rated the marketing industry as a whole doing “extremely well.”

by GE machinery were recorded and used to form the basis of an original musical composition, which was then used in a live performance on the company's factory floor.

Katrina Craigwell, GE's director-global content and programming, says, "We talk a lot about how we can create an experience that people will remember. In some cases, that might be a YouTube video with millions of views. In others, that might be a presentation to 10 people on the factory floor. The key is reaching people in the right way with the help of our partners."

At the same time, while the content is changing, so are the media used for content marketing. The Ad Age survey respondents said that while social channels such as Facebook and Twitter currently receive a lot of attention

and content budget, video content is on the rise.

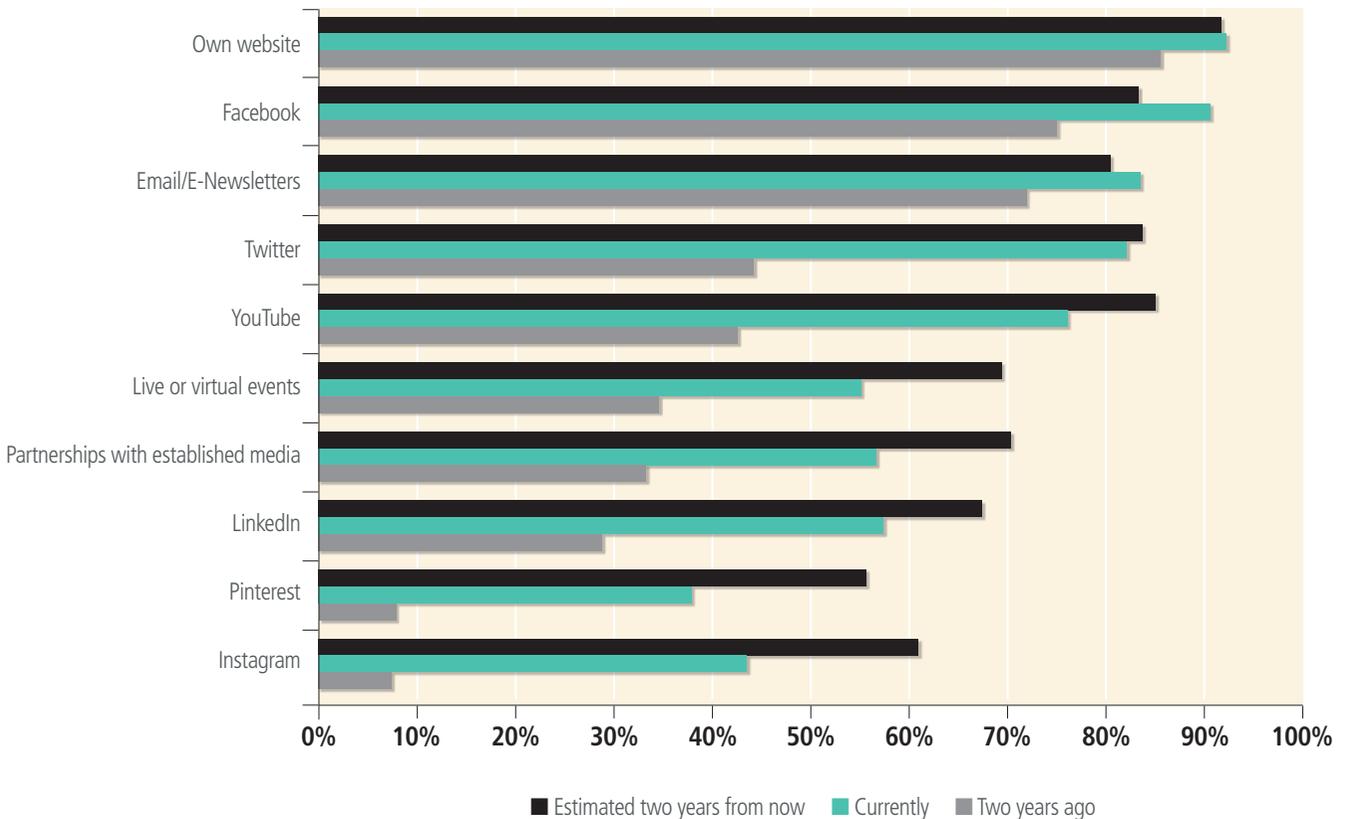
Respondents said they expect video content to grow to 16.1% of content budgets. Reflecting that, survey respondents predict YouTube will supplant Facebook as the top outside channel for distributing content within the next two years, alongside marketers' owned websites and email/e-newsletters. Also on the rise: social channels such as Instagram, Pinterest and LinkedIn, as well as partnerships with other media brands (Figure 2).

"Content is not a campaign tool, not something you can switch on and off, but a way of communicating," says Craig Waller, president of Pace Communications. "And [content is] the way the customers of today want to be communicated with."

THE CONTENT MARKETING CHANNELS OF CHOICE

Figure 2

Which of the following channels have you used or will you use to distribute content?



Base 448

CHANGING TO MEET THE FUTURE

As content becomes a more critical area of marketing, companies will have to change how they operate. David Brown, exec VP at Meredith Xcelerated Marketing, says the most interesting thing in the next phase of content marketing's growth will be how it fits into clients' organizational structures. "Content hates silos," he says. "Content doesn't become strategic unless it travels between channels. But content doesn't exist as a separate discipline in the majority of client organizations."

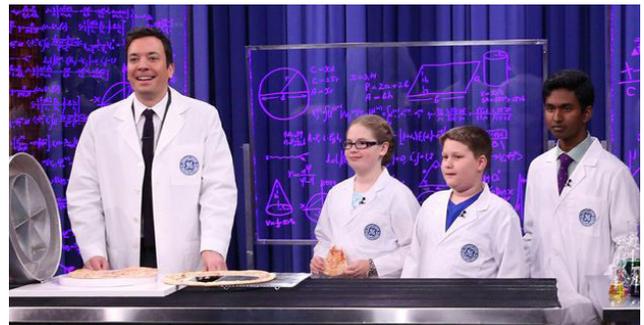
Mr. Sedlak says he sees more brands adding head of content or director of content marketing positions, reflecting their increased commitment and understanding of content's role.

Citi started building its "content muscle" about a decade ago, says Linda Descano, managing director and head of content and social, Global Consumer Bank at Citi. When content was specifically added to her title in 2012, it was a signal. "When you have someone [in an elevated] role, it brings a certain gravitas to the function," she says.

She says at Citi, content is "increasingly part of the ecosystem of how we deliver marketing messages. My team is at the table looking at what makes sense for a brand or campaign. Sometimes an effort will be very content- and social media-heavy; other times content will be supporting something like a new TV campaign. But we are thinking in a 360-degree way, providing that 'surround sound' in our marketing efforts."

While many companies are formalizing their internal content structure, the Ad Age survey respondents who said they are active in content marketing also said they expect more than a third of content budgets to be outsourced within two years, as clients look to outside experts for growing content needs.

Interest and budgets are growing because clients are finding ways to measure the impact of content, says Mr.



GE: 'FALLONVENTIONS'

When Jimmy Fallon took over as host of NBC's "The Tonight Show" in February 2014, GE's content marketing team saw an opportunity. Part of its mission to talk directly with consumers about what GE does has been to reach young people—the next generation of shareholders and employees—with a message about GE's ethos of invention and innovation.

"We looked at Jimmy Fallon and the 'Tonight Show' brand as a platform in and of itself," says Alexa Christon, GE's head of media innovation. "The show was a place where GE could reach a bigger audience, but a smart audience, with a relevant message: At GE, we are big geeks. We are all about innovation and invention, and kids can be part of that, too."

As part of a multilayered, integrated partnership, GE worked with the show to create a segment called "Fallonventions." Each segment featured three school-age kids demonstrating their inventions. The young inventors and Mr. Fallon wore GE-branded lab coats, with the GE logo featured prominently in the background.

Even better, the team discovered Mr. Fallon himself is a patent holder, giving the partnership a deeper, authentic connection and ensuring that "Jimmy was really into it," Ms. Christon says.

Three "Fallonventions" segments ran during 2014. The team measured the segments' success using key performance indicators such as the size of the audience reached, GE's social activations, social interactions with the Fallon online community, the number of video and repeat views online, and likability.

"Fallonventions" is one of a list of cutting-edge efforts by the GE content marketing team. "Moving forward, we'll communicate with our audience in some more expected ways, but also with these unusual expressions you wouldn't expect from GE," Ms. Christon says. ©

CITI: #SO LONGWALLET CAMPAIGN FOR APPLE PAY LAUNCH

When Citi signed on for Apple's Apple Pay system last fall, it was logical to find a way to approach consumers as they were thinking about shopping—and holiday shopping in particular.

Linda Descano, managing director and head of content and social, Global Consumer Bank at Citi, says her team designed a multifaceted content program to support Citi's Apple Pay launch. The #SoLongWallet campaign included a branded presence in shopping malls in the Miami and Los Angeles areas. Shoppers were encouraged to take a selfie of themselves kissing their wallets goodbye, then upload the photo to Twitter or Instagram for a chance to unlock the code on a vending machine that might deliver prizes such as a retailer gift card or an iPhone 6.

Simultaneously, the content team worked with local bloggers to create stories about reducing the stress of holiday shopping, weaving in the value of Citi's Apple Pay option. For instance, one message was about how using Apple Pay for all gift purchases could help a shopper stay on top of holiday spending.

"When we think of these opportunities, we can't think about content or social media in isolation," Ms. Descano says. "We knew we had to be relevant to what people care about in November and December—when they are out there in shopping malls, what is on their mind. That is content that makes sense." ©



Brown, whose firm calls itself a customer engagement agency. According to the Ad Age survey, 58% of respondents said content marketing is measurable, using digital benchmarks such as website traffic, engagement metrics, sales, and brand awareness and loyalty.

He views content marketing as still in its "early days." "Content is very complicated, between the complexity of the channels and the way it's handled in client organizations," he says.

As this area continues to grow in importance, companies committed to content marketing will be working to evolve their offerings to meet ever-higher levels of performance expected by brands. While 30% of survey respondents believe their companies or their clients are aligning their content goals "extremely well" to their overall objectives, only 13% said the industry as a whole

was doing "extremely well" in this area.

This represents huge opportunities, as well as a number of obstacles, as companies continue to expand their content marketing offerings and organizations to meet the market's growing demands for new and better ways to effectively reach customers.

ABOUT THE SURVEY Advertising Age and The Content Council commissioned this online research study about content marketing. The study was conducted in December 2014 by third-party research firm Advantage Business Research. The final findings are based on 448 respondents made up of 48.2% ad agencies, 35.0% marketers and 16.7% media companies. The margin of error for the total of 448 respondents to the survey, at a 95% confidence level, is +/- 4.6 percentage points.

NEXT: MARKETING'S CHALLENGES AND OPPORTUNITIES, MAY 19

Ad Age

**CONTENT
STRATEGY
STUDIO**

The Ad Age Content Strategy Studio, an extension of Advertising Age and adage.com, works with companies to help them tell their brand stories their way. Built on Ad Age's heritage of editorial expertise and excellence, the Content Strategy Studio works to develop the ideas that create an emotional connection with customers. Through articles, blogs, video, microsites, research, events, white papers and other opportunities, it provides end-to-end solutions for brands that will create the story that's fueling today's conversations.

Storytelling for your brand by the brand that knows how to tell stories

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ABOUT THE CONTENT COUNCIL

The Content Council is the leading nonprofit organization for branded content and content marketing in North America. Our members include the industry's top publishers, media companies and marketing agencies that create quality, multichannel strategies for North American and global brands. Our mandate is to promote the continued growth and vitality of the content marketing industry by advocating best practices, fostering thought leadership and commissioning research on the use and effectiveness of content marketing as a discipline.

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