

# Contently

# State of Content Marketing: Retail

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Content is  
the new retail store.

—Amaryllis Fox, Mulu Media CEO

## Editor's Note

Welcome. You hold in your hands (or more likely on your monitor) Contently's overview of the state of content marketing in the retail industry. This is the third ebook in our series that examines content marketing efforts across different industries; so far we've tackled [financial services](#) and [consumer packaged goods](#), and you can expect overviews of the tech and real estate industries soon. We started this series for a pretty simple reason: Content marketing is evolving at a rapid pace, but it's still kind of the Wild West out here. Until now, there hasn't been a central authority on who's doing what and how.

We don't like to play favorites with our ebooks (I'm saving all my favoritism for when I have children), but I'm incredibly excited about this one. Simply put, some of the world's most innovative brand publishers are in the retail space, which makes sense if you think about it. As humans, we are deeply connected to how we present ourselves to the world, which is essentially what retail brands are selling us. And some forward-thinking brands like Nike are taking that connection even further through wearable technology that bridges the gap between our bodies and our second mind—the mobile devices that have become an inseparable part of ourselves. It's an exciting time, and we're excited to be able to cover it.

So sit back, relax, and enjoy. We hope to be writing about your brand next year.

—**Joe Lazauskas**

Editor in Chief, Contently

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Courtesy of  
Touchstone Pictures

## State of Content Marketing: Retail

**Fifty-four out of one hundred. That's the percentage of consumers who would consider ending a relationship with a retailer that fails to directly deliver tailor-made, relevant content.**

In 2014, the stakes for retail brands have never been higher, and content marketing is the game they have to play.

In retail more than any other industry, aspirational branding drives long-term success, and telling original stories is becoming the key to stoking those aspirations. It's not just about being in *Vogue* anymore—it's about being the new *Vogue*. That's what luxury retailer Net-a-Porter is doing with its new magazine, *Porter*, which hit newsstands this spring with a star-filled masthead, Giselle on the cover, and Uma Thurman inside.

Above all, the retail game has become about meeting and exceeding consumer demands, and that means rapidly innovating with mobile in mind. Alex & Ani are rerouting shoppers into their jewelry stores in real-time with iBeacon technology and corresponding content. Nike has embraced wearable technology and fitness apps to become an integral part of consumers' daily workouts. And Rapha's cycling short films are putting a whole new spin on mobile content.

In the words of Mulu Media CEO Amaryllis Fox, "Content is the new retail store."

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# Trends

## Mobile migration

With four out of five consumers [now using their smartphones to shop](#), and mobile devices accounting for 20 percent of sales and nearly 40 percent of traffic [on Black Friday in 2013](#), mobile is suddenly at the forefront of every retailer's content strategy.



Courtesy of unsplash

On a basic but crucial level, retail brands are embracing responsive design that automatically adapts content to fit mobile screens. [Internet Retailer](#) reported that online retailer Fathead found smartphone conversion up 90 percent and revenue up 538 percent after launching a responsive design site, greatly outpacing their growth in all other channels.

But mobile responsiveness isn't enough. Consumers' mobile habits are changing so fast that it can leave brands in a bit of a whirlwind. "They're just moving," former Burberry CEO and new Apple Retail Chief Angela Ahrendts told [Fast Company](#).

In response, smart retailers are looking past just pushing conversions. According to [Skyword](#), retailers that pack their mobile apps with "sales-driven copy" will likely experience high abandonment rates. On the other hand, those with engaging, consumer-focused content build loyalty, drive long-term traffic, and hold onto consumers even as their habits change.

A case in point is the Nordstrom app, which gives brand loyalists a rich editorial experience. In addition to the app's "N Style" section, which delivers photo-heavy style blogs and video, Nordstrom allows shoppers to engage with their content by writing reviews and sharing products with friends via social networks or text message.

## Real-time retail

Real-time retail is the new impulse aisle. [Brands are upping their sales](#) through targeted up-selling immediately prior to checkout, with new technology delivering unprecedented results. Retailers are also delivering hyperlocal messages and deals to consumers in close proximity to a physical store, prompting them to pop in to take advantage of the offer. Walmart, Macy's and Best Buy [have been using this kind of geotargeting](#) since 2012.

Some brands are even using Twitter, the center of the real-time universe, to [poach competitors' customers](#). Walmart has been observed responding to tweeted complaints about Best Buy's prices or service with counter offers, using timely content to pick off shoppers one by one.



Pinterest

## Social media struggles

Social media is still the distribution darling for retail content marketing, but most brands are still struggling to fully utilize their social presences. Though the [top 100 retailers on Facebook](#) have an average of 1.2 million likes, they're only averaging engagement rates of two percent. To boot, 75 percent of retail product pages include a Facebook share button, but only 22 percent do the same for Pinterest, despite the fact that Pinterest [drives more sales](#) and new customers than Facebook.

### Transparency trending

As consumers' appetites for interesting content and more sustainable lifestyles are simultaneously on the rise, retailers are jumping on the opportunity to tell unique stories about their products.



Courtesy of Zady

The leader in this space is [Zady](#), the 9-month-old startup that sells “clothes with a conscience,” and publishes a captivating, in-depth story about every item on their site. Everyone from [Timberland](#) to relative newbies like Sweden’s [Nudie Jeans](#) have embraced this product-storytelling strategy. And outdoor clothing retailer Patagonia recently went all in with a [27-minute film](#) that actively encouraged consumers to reuse their products instead of buy new ones on Black Friday.



Courtesy of Gilt

### Publishing powerhouses

For decades, fashion and lifestyle magazine publishers have acted as a middlemen between consumers and retailers. Now, brands establishing their editorial voices can rival the world’s leading fashion magazines in both print and digital. Gilt Groupe’s [DuJour](#), [Saturdays Magazine](#), Frank & Oak’s [The Edit](#), and Net-a-Porter’s [Porter](#) are just a few of many branded fashion magazines finding their footing.

Many brands are also finding a dynamic publishing partner in [Refinery29](#), which has created an intriguing bridge between content and commerce by becoming fully shoppable. While reading fashion or culture content, visitors can browse a wide variety of curated products and link directly to the retailer’s website to make the purchase. Brands like [Macy’s](#) and [Guess](#) continue to generate big results through sponsored content partnerships with the insanely popular site, which sees over a billion pageviews each year.

## Winning by pinning

Pinterest is quickly establishing itself as a goldmine for retailers, the Bay Area of social media's Wild, Wild West. During the first three weeks of the 2013 holiday season, Amazon led the industry by averaging more than [16,300](#)

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[pins per week](#), and pins reportedly [tripled online retailers' revenues](#) on Cyber Monday 2013. Pins are only becoming more effective, since Pinterest now allows retailers [to embed metadata into rich pins](#), including real-time pricing.

While some retailers have [struggled to keep up](#) with the skyrocketing value of visual content, others are capitalizing on the trend. Nordstrom even [used Pinterest to crowdsource](#) decisions on what products to display in stores.

## The new utility companies

There's hardly a better selling point for a product than utility, and now retailers are using content to become useful themselves. Nike has become an essential part of cardio routines with the Nike FuelBand and [Nike+ Running app](#), which tracks routes with GPS and logs running stats, and even cheers runners on.

Walgreens has similarly tapped into customers' needs with an [app](#) that functions like a virtual pharmacist with pill reminders, a prescription refill scanner, health resources, and live chatting with actual pharmacists. By making their content useful for everyday needs, these brands are managing to become a daily presence in the everyday lives of consumers.

## Best-in-Class Examples

With any emerging trend, there are those who wait cautiously on the sidelines and those who fall flat on their faces. And then, there are those who just get it, becoming the industry standard.

### Real-time revolutionary: Alex and Ani

Imagine if 30 percent of everyone who interacted with a piece of branded content reacted by dropping what they were doing and walking into the store—and then over half of them made a purchase?



Courtesy of Alex and Ani

It sounds like an ROI fever dream, but those were the results of jewelry retailer [Alex & Ani's](#) trial period with beacon-based marketing firm [Swirl](#). Swirl's technology let them communicate via Bluetooth with consumers who were near a store and push promotions to them in real-time using relevant customer data.

"The future of commerce," Alex & Ani's Ryan Bonifacino [told Inc.com](#), "is being more intelligent about what your customers want and taking a one-to-one approach to sales."

Though iBeacon is built into Apple's iOS 7 and available for download on Android devices, the location-sensing technology is so new, it hasn't even been taken advantage of by many retailers as of yet. After their successful trial, Alex & Ani has emerged as an early favorite to set a new industry standard, rolling the program out in all 40 of their stores. That conversion rate in the high teens should leave retail brands' mouths watering.

### Hard copy comeback: Net-a-Porter

As mentioned above, Net-a-Porter has joined the [resurgence of branded print magazines](#) with *Porter*, a honest-to-goodness glossy publication built to rival commercial fashion mainstays. With an editor-in-chief of *Harpers Bazaar UK* fame, bone fide supermodel Gisele on the cover of the inaugural issue,



Courtesy of Net-a-Porter

and kick-off parties in New York, London, and Sydney, there's no question the glossy magazine is planning to play in the big leagues. For those still unconvinced that the retailer is producing a legitimate magazine rather than glorified catalogue, the \$9.99 cover price should settle the case.

While *Porter* is set to shake up the world of print, it's also positioned to leverage the power of digital. The companion "[I Am Porter](#)" app is designed to promote the mag with online engagement through hashtags, shareability, shoppability, and even a selfie contest.

### Best in show, not tell: Rapha

Like similar niche passions, those who love cycling may struggle to explain why. Some things just have to be experienced. Yet, cycling retailer [Rapha](#) has

managed to bottle their enthusiasm for the sport in a series of breathtaking short films.

"Storytelling is in our DNA," Rapha founder Simon Mottram told D&AD. "It's been part of us from the very beginning."

Telling those stories through short — very short — films, viewers can begin to understand the beauty, skill, and heart of cycling, which has garnered the brand quite the following. With more than

100 videos uploaded to YouTube, [Rapha's channel](#) has surpassed 8,200 subscribers and one million views.

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### Utilitarian domination: Nike

Nike+ Running is only one member in a family of utility apps the retailer has created to embed itself into the lives of its customers. The [Nike+ app offerings](#) extend to golf, training, basketball, and [most recently, skateboarding](#).

With nine sports utility app offerings, the company that built its name as shoemaker has been making headlines as a retail content game-changer with its [“apps, not ads”](#) strategy. “The Nike+ training system is truly the holy grail of branded utility,” wrote James Connelly for [The Drum](#).



Courtesy of tomtom.com

From biometrics to social sharing, virtually any way athletes want to monitor, chart, or interact with their sport is becoming available through Nike+, which leads to a unique incentive for consumers to workout. More athletes doing more training is always a win for Nike—especially when their name is at the center of it all.

## What's Next

No one knows where retail's branded content is headed better than those who are in the thick of it. Here's what some retail and content insiders had to say about what's next:

“The future of commerce is being more intelligent about what your customers want and taking a one-to-one approach to sales.”

—Ryan Bonifacino, vice president of digital strategy for Alex & Ani in [Inc.com](#)

“Content is the new retail store. And publishers are increasingly interested in turn-key solutions to capture that potential commerce. Reading a recipe on *Good Housekeeping*? Buy the roaster and immersion blender you'll need without leaving the page.”

—Amaryllis Fox, Mulu Media CEO to [USA Today](#)

“The business case for retailers investing in Pinterest is well past the tipping point...Pinterest is basically a viral marketing machine.”

—Christopher Ratclif, [Econsultancy](#)

“With social media and mobile technologies providing increased access to this information, this overt decision to be transparent is quickly becoming a precondition to doing business in a connected world, as more consumers attempt to understand exactly what it is they're buying.”

—Scott Lachut, [PSFK Labs](#)

## Our Predictions

**With consumers demanding interesting, personal, and engaging content from retailers, the most obvious prediction of the future of retail content can be summed up in one word: More. But let's get a bit more specific.**

### **The rise of iBeacon innovation**

With 54% of consumers expecting tailor-made information and offers from retailers, any fears brands may have about freaking their customers out with über-targeted content can be dismissed. Perhaps that's why so many retail experts are watching to see how the industry reacts to iBeacon.

Considering the conversion rates in the high teens seen by Alex and Ani in their iBeacon experiment, expect to see a lot more brands embrace the technology.

### **Editorial arms race**

*Porter* and *The Edit* are just the beginning. In contrast to other industries, retail brands are uniquely positioned as authoritative tastemakers. With the

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glossy-mag old guard hemorrhaging cash and struggling to adapt to the digital age, the opportunity is ripe for brands to win over audiences.

To quote [The Independent](#), "The devil wears Prada – but may just fear *Porter*."

### Deeper, more personal transparency

Consumers are becoming more conscious about their purchases, making decisions based on the stories behind the products, not just the price tags attached to them. All American Clothing's new [traceability function](#) is a

**In a few years, don't be surprised to see a mix of automated tracking and rich storytelling become the industry standard.**

pioneer in making that transparency automatic, allowing shoppers to trace an individual pair of jeans back to the farm where the cotton was grown and meet the farmers who grew it.

In a few years, don't be surprised to see a mix of automated tracking and rich storytelling become the industry standard.

### Shoppable content for the masses

The convergence of e-commerce and content has incredible potential, because retailers want to expedite the content-to-purchase transition as much as shoppers want to be as few clicks as possible away from the shiny new thing they're reading about. As Fox said in [USA Today](#), "In a world where you're more likely to survive a plane crash than click on a banner ad, that kind of contextual commerce is a potentially big win for all."

The technology to make content shoppable is quickly becoming widely accessible; mobile commerce company Mulu promises to bring that tech not only to brands en masse, but to publishers, too. Indeed, shoppability could significantly increase the value of fashion content thanks to the cut of sales revenue that comes with it.

In a reboot of native ad wisdom, however, the brands that will succeed must be careful to not oversell. If content appears to exist only to sell the item on the same page, it's instantly discredited. Early effective pairings of content and e-commerce have thoughtfully aligned well-matched products and audiences to sell anything from [men's accessories](#) to [dog mustaches](#).

## Conclusion

**Content's prominent place in the future of retail marketing is undeniable—the only question is: which brands will take hold of the available opportunities?**

For those playing wait-and-see, the statistic that opens this ebook should scare them mightily, and it's worth repeating: 54 percent of consumers would consider ending a relationship with a retailer that fails to deliver tailor-made, relevant content directly to them.

Brand publishing isn't a short sprint, but the starting gun has sounded, and the race has begun. Consumers are watching, and it's likely they'll only follow those who lead the pack.



Courtesy of Zady

## Want more insights into the state of content marketing?

Be sure to check out [“Consumer Packaged Content”](#), Contently’s ebook on how storytelling is transforming CPG marketing.

For daily insights, subscribe to our online magazine, [The Content Strategist](#).

And if you’d like to talk to someone about Contently’s services, please reach out to us at [sales@contently.com](mailto:sales@contently.com) or visit [contently.com/brands](http://contently.com/brands).

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