Consumer Packaged Content

How Storytelling is Transforming CPG Marketing

Contently

Thanks!

contently.com

I. An Industry At a Content Crossroads

On July 1, 1941, Bulova Watches aired the first television commercial ever during a lead-in to a baseball game between the Brooklyn Dodgers and Philadelphia Phillies. The 10-second commercial depicted a black-and-white outline of the United States sitting stoically on a screen, with the Bulova Watch emblazoned on it. For the first seven seconds it stood in silence, like a classroom map eagerly imprinting a nation's outlines on a child's mind. Then, a voice-over chimed in: "America runs on Bulova time."

IMAGE CREDIT: BULOVA

Why did Bulova do it? After all, only 4,000 television sets had been installed in New York at that time, and television advertising was completely unchartered waters.

"I suppose that's because we took pride in being a pioneer in marketing," the spokesperson told Mashable recently.

Plus, it only cost the company nine dollars. That's $138.45 in today's money.

Content as the new TV spot

It's hard not to see the parallels between television advertising in the 40s and 50s and the content marketing movement of today. Like brands' current efforts to become publishers, television advertising was a very experimental challenge that required brands to tell their stories in a new way. Like content marketing, television advertising was quite cheap when compared to the alternatives.

TV commercials seem like they've been around forever, but they were groundbreaking at the time and most brands avoided them. Many CPG brands have approached content marketing with similar trepidation.

Which doesn't mean that some CPG brands haven't embraced content—it's just that many content marketing campaigns overlap with their traditional marketing counterparts. Today, deciphering all of a brand's marketing efforts can be like staring at an ant colony and trying to figure out what all the ants are doing. That makes deciphering the entire CPG industry's activities like staring at football field filled with ant colonies.

Unlike the early days of TV commercials, modern CPG brands have an almost limitless choice of marketing channels: TV, print, display, product placement, sponsored articles, pre-roll ads, brand magazines, radio, billboard, branded web series, banners, SEM, event sponsorship. CPG brands have a plethora of ways to reach consumers and, in most cases, multiple marketing teams and agencies on the case. What's clear is that content is playing an increasingly important role for nearly everyone.

Digital divide

To get an accurate picture of the state of content marketing amongst CPG brands, you have to first look to digital advertising, and the CPG industry has embraced digital advertising with less gusto than most sectors. CPG brands will spend just $3.48 billion on digital advertising this year, which is no small sum—but its 63% less than the Retail industry, and 33% less than Financial Services.

That is, in part, because while the Internet is a great place to drive sales and conversions for retailers, banks and investment groups, it's less so for CPG companies. That makes it harder to see the ROI of digital campaigns, and as a result, many CPG marketers continue to rely on tried and true methods that drive direct sales, spending "67% of their all-inclusive marketing dollars on retailer trade promotion," such as print circulars, according to eMarketer. "Shopper marketers"—the subset of marketers that focus on promoting products in retail channels and getting them into stores—particularly skip digital, spending less than 1% of their budget on digital. And even against diminished returns, they're still embracing TV advertisements.

CPG brands will spend just $3.48 billion on digital advertising this year.

Making moves towards mobile

CPG marketers, however, do find themselves at a crossroad, cognizant that they're going to have to adopt non-traditional methods to reach modern consumers, who increasingly ignore coupon books and TV ads. To that end, they're embracing the web's ability to boost brand awareness. eMarketer estimates that 62% of CPG's digital spending will go towards branding efforts like banner ads, sponsorships, video and other rich media content this year, with that digital spend increasing at a significantly faster rate than most other industries.

Also helping things: A comprehensive study by the Interactive Advertising Bureau (IAB) found that shifting 15% of TV spend into digital made campaigns far more efficient, boosting brand recall and reach significantly in the process.

Shifting 15% of TV spend into digital made campaigns far more efficient, boosting brand recall and reach significantly in the process.

Another sign that CPG marketers are primed to embrace content marketing and brand publishing: an increased investment in mobile. Sixty four percent of marketers plan on increasing their mobile ad spend over the next 12 months, according to an Advertiser Perceptions semiannual survey. It makes sense: mobile devices now account for over half of adults' time spent online, according to a new report from Comscore and Jumptap, and many in the younger demo are going mobile-only.

But if CPG marketers want to reach people on mobile, they'll have to do it with content. Mobile display ads are so ineffective that they only fetch a minuscule $0.75 CPM, compared to $3.50 for desktop, according to renowned Wall Street Tech analyst Mary Meeker's 2013 internet trends review. Brands don't want to pay for them, and publishers can't use them to monetize their mobile traffic. As a result, 2014 will see CPG brands embrace mobile content in a big way, with everyone from Coca-Cola, to Clorox, to Kraft creating unique mobile experiences for consumers.

This signals that content is going to have to become a larger and larger part of CPG brands' marketing plans moving forward.

Too many choices?

For CPG brands, deciding what type of content to create is more difficult—and in some ways less natural—than it is for other industries.

Financial services companies, for example, are used to talking about finances. It's instinctive and relatively easy for American Express to create content that helps small businesses—that's a conversation they were having before OPEN Forum ever opened.

Retailers, similarly, have long had a publishing tradition with the catalogue. Leading retail publishers like WalMart, Kate Spade Saturday, and Net-A-Porter, have largely been tasked with updating the catalogue for the 21st Century, letting bland product descriptions give way to immersive storytelling, interactive shopping carts, and lifestyle content.

> CPG brands…are experimenting with a little bit of everything when it comes to branded content.

CPG brands, on the other hand, are faced with a dizzying array of options, and as a result are experimenting with a little bit of everything when it comes to branded content.

Through its Content 2020 approach, Coca-Cola has placed a strong emphasis on storytelling to reach older consumers and experimental microsites—61 in the past year alone—to reach teens.

Instead of creating a magazine (Cookie Quarterly?) Oreo decided to create 100 different pieces of content on the pulse of pop culture in 100 days, with only a vague idea of what would come next.

We'll revisit these and some more examples in a bit more detail later on.

Fixation on real-time marketing

During the third quarter of the 2013 Super Bowl, the lights went out. During the nearly-30-minute delay, Oreo leveraged the brand newsroom it'd created for its 100 days campaign to tweet out a piece of content: a photo of an Oreo with "You can still dunk in the dark" copy overlay. The post was retweeted 15,893 times and favorited 6,349 times and sparked an industry-wide obsession with "real-time marketing."

On the surface, the obsession made sense. With no clear content area for many CPG brands to own, cultural relevancy seemed like a safe bet. But 2013 was littered with examples CPG brands attempting to co-opt cultural events with highly-planned executions... and failing miserably.

In almost all cases, these failures did not come from experienced CPG brand publishers like Oreo and Pepsi, but rather rookie brands with little brand publishing experience.

"Spontaneous wit takes practice; it doesn't take planning," Scott Monty, Ford's global head of social media, explained to Digiday. "Brands declaring they are planning real-time marketing initiatives during high-profile events is the modern-day equivalent of saying 'we're going to make a viral video'– it's poor form and 99 percent of the time it falls flat."

Practice makes perfect

Brands' adventures and misadventures in real-time marketing have highlighted a larger trend: There's a caste system developing in CPG content marketing. A few brands are at the top with a clear strategy in place, a commitment to content, and the infrastructure to succeed, and as a result, they've reinvented themselves as legitimate media companies in their own right, capable of competing with traditional publishers and media outlets for consumer attention. Others are starting to figure it out. And many other brands are eager but ultimately at a loss for how to proceed.

We could examine what every single brand is doing, but we're not trying to write an encyclopedia. Instead, in the next section, we're going to examine some best-in-class CPG brand publishers that are succeeding with unique strategies that many other brands should be able to co-opt.

They've reinvented themselves as legitimate media companies in their own right, capable of competing with traditional publishers and media outlets for consumer attention.

II. The worst lack all conviction; the best are full of passionate intensity*

While CPG brands seem to be trying out every content-marketing strategy under the sun, the most successful are the ones who have taken Yeats' advice to heart. They've focused their content on a specific core topic that their customers care deeply about, and built their publishing strategies around it—with some incredible results.

In the next section, we'll take a deeper look at some of the very best CPG content strategies and the companies behind them.

* W. B. Yeats (misquoted on purpose).

The media powerhouse

"Red Bull is a publishing empire that just happens to sell a beverage."

Those words, written by Mashable, may sound a bit hyperbolic, but they're not far from the truth.

No media company on earth owns the extreme sports space like Red Bull, and more than any other company, they represent the full potential of brand publishing, capitalizing on nearly every multimedia channel available.

Six-year-old Red Bull Media House has over 135 full-time publishing house employees. It has produced 105 videos—and counting—with at least 1 million views on a YouTube channel that consistently ranks in the top 5, and its 2011 film, The Art of Flight, topped the iTunes charts.

On the surface, Red Bull's approach isn't particularly ground breaking. It identified its core consumer and asked: What do they want? What do they like? Well, they like extreme sports and action. Lots of brands get to this point.

The difference between Red Bull and most brands, though, is that it got to this point and decided to create the vehicle through which its core customers consume the things they love.

Determine what your audience wants, and give it to them better than anyone else.

Red Bull Media House lives up to its name; there's a whole family of media sub-brands driving Red Bull's content marketing operation. The company's magazine, The Red Bulletin, is available online, via an iPad app, and through a print magazine that boasts around 5 million paid subscribers. Red Bull even has a film studio and a record label.

Then, of course, there's Red Bull's most notorious achievement—dropping a man from space. On October 24, 2012, The Red Bull Stratos campaign dropped daredevil Felix Baumgartner 24 miles above the earth's surface, setting a new YouTube livestream records with over 8 million views. The jump also generated roughly 2.6 million social media mentions and over a half million new Facebook fans.

“The value for Red Bull is the tens of millions of dollars of global exposure, and Red Bull Stratos will continue to be talked about and passed along for a long time,” Ben Sturner, CEO of Leverage Media, told Forbes the day after the event.

Red Bull’s content marketing strategy is so effective that it’s guarded as a closely held secret. “The marketing strategy that has worked best for us is not to publish our strategies,” said a Red Bull representative. But it’s not difficult to decode and see how the blueprint and how it can be applied by other CPG brands. In fact, it can be summarized in a sentence: Determine what your audience wants, and give it to them better than anyone else.

Of course, that’s easier said than done, and Red Bull has had a number of factors in its favor: a billionaire owner willing to go all-in and a core content area—extreme sports—that was being underserved by the traditional media. But they still needed to be a branding daredevil and take a big risk. That’s something their fans can be proud of, and other brands can learn from. After all, they’re not the only brand with cash on hand and content opportunities to exploit.

The pop culture king

These days, most every CPG brand aspires to “publish at the speed of culture” and become an integral part of the major events in consumers’ lives.

For brands without an obvious content topic to own, being a part of pop-cultural moments can seem very tempting—especially for CPG brands that have consumers from all demographics and consider themselves a part of Americana. But it’s a difficult path to forge.

Writing for AdAge, Bryan Weiner, CEO of 360i, warned that: “to meet this challenge, brands today require a fundamentally new go-to-market approach in order to stay relevant in the eyes of their consumers.”

That means, among other things, asking key questions about your content (Why should they care? Will they be inspired to share?), and creating internal processes and structures that can get content created and approved in three minutes, not three months. “Our recommended formula for success can be distilled down to what we think of as the “three Ps”: planning, process and practice,” wrote Weiner.

In Oreo’s case, their Super Bowl success came as the result of the practice the brand had gained through their “Daily Twist” campaign, which aimed to “reimagine pop culture through the eyes of Oreo” for 100 consecutive days and concluded shortly before the Super Bowl.

It was a promising and ambitious idea—the kind that usually “gets stuck in the middle,” as Gary Vaynerchuk likes to say. But from Day 1, Oreo’s Daily Twist campaign avoided that fate.

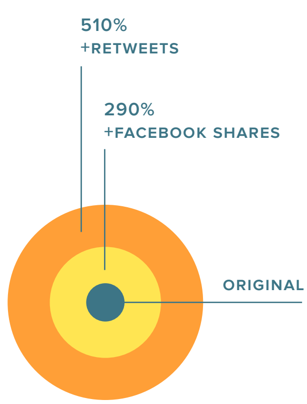
On June 25th, the first day of the campaign, Oreo released a photo of a septuple-stuffed rainbow Oreo to celebrate Gay Pride Month. While Oreo’s stated goal was to document and reimagine pop culture, they started off by actually creating a piece of pop culture themselves. After all, it was significant for a giant, iconic American brand to kick off their 100th birthday celebration with a celebration of the gay community.

But Oreo's challenge was just getting started. The brand could plan for Day 1 for months. Now, its brand newsroom had to operate in real-time. Each morning, they would hone in on trends in the world, ideate, and then design and shoot cookies that meshed with that pop-cultural moment.

"Whether it's entertainment, utility, inspiration or humor, we're always testing the value of the relevance to drive the most interactions and valuable conversations with Oreo fans," said Sarah Hofstetter, president of 360i, would tell AdAge 10 weeks into the campaign. "Current events tend to be of strong interest to our community," she said. "The content performs at its best when the relevance and timeliness come together, so we're not too late to the meme."

For social media wizards used to creating memes every day, it might not seem like much. But a massive brand like Oreo, getting an on-the-fly piece of content approved and distributed every day is a massive accomplishment. It required content creators, strategists, compliance and decision-makers to be aligned in an efficient approval process.

And it worked. The 100-day campaign resulted in a 290% increase in facebook shares, 510% increase in retweets. 1 million new Facebook likes and 231 mm earned media impressions. And it gave them the practice to strike when the Super Bowl opportunity arose.



The master storyteller

Coca-Cola's much-talked-about Content 2020 program has a clear goal: To move Coca-Cola brands from a position of "creative excellence" to "content excellence" through great storytelling over the course of the decade.

While a number of brands have been focused using pop culture moments as the creative inspiration for their content programs in an effort to share important moments with consumers, Coca-Cola instead sees its own brand storytelling as the creative spark for all the content it creates. In an internal video memo, they outlined a three-step process: Create engaging brand stories to spark conversations; listen to those conversations; then act and react to those conversations.

It's what Coca-Cola appropriately calls "liquid content," which involves a strong emphasis on high-quality storytelling. "The role of content excellence is that of a ruthless editor, otherwise we'll risk just creating noise," the video memo states.

> They outlined a three-step process: Create engaging brand stories to spark conversations; listen to those conversations; then act and react to those conversations.

Coke's Content 2020 is most evident, perhaps, in their approach to viral videos. Instead of reacting to a pop-culture moment, like the Harlem Shake, Coca-Cola took a meta-storytelling approach that would make most post-modern lit professors proud.

Like many great tales, Coca-Cola's story was about a dancer with a dream. The CPG giant partnered with extreme-dance filmmaker Jon Chu and his LXD crew and solicited audition tapes of aspiring dancers who wanted to make their dance go viral. After putting hundreds of audition tapes for user feedback, Coke found its dance: the "Toe Tappy," a side-to-side dance created by a formerly homeless street dancer named Joey "Knucklehead" Turman. Then, the brand held an open casting call for a dancer who could bring the dance to life and make it a viral sensation, ultimately discovering a French dancer named Keemo Driss.

The new dance didn't go viral, but it didn't matter. Coke's huge success came from telling the underdog tale of "Knucklehead" and Keemo and how the whole project came together. Dubbed the Make It Possible Project, the two-minute short film of the dance's journey lived on makeitpossibleproject.com and amassed over 5 million views on YouTube. A how-to music video of the dance has garnered another 3.9 million views.

In this case study, you can see Coca-Cola's strategy at work. Their team cleverly created a bona fide viral hit by telling a new brand story—that of Coca-Cola's making two dancers' dreams come true.

Coca-Cola's magazine, Coca-Cola Journey, also places a strong emphasis on brand stories—particularly historical ones. Putting its place as an iconic American brand to good use, Coca-Cola Journey's most popular stories of 2013 included the tale of how Coca-Cola created Santa Clause, a re-imagining of the infamous New Coke launch in the digital age, and Mean Joe Green reflecting on how his iconic Coca-Cola ad changed his life. These stories attracted thousands of Facebook likes, evidence that brands can talk about themselves. They just have to tell good stories.

Perhaps most telling about Coca-Cola's content strategy is the name itself. "Content 2020" communicates that transforming all its brands into successful media companies and captivating storytellers will be a slow process over the course of this decade.

70% of content is safe, 20% is innovating on what they do well, and another 10% is experimental.

To attract a teen audience, Coca-Cola has created over 60 microsites of "snackable games", which encompass the more experimental portion of their 70-20-10 philosophy: 70% of content is safe, 20% is innovating on what they do well, and another 10% is experimental. That's allowed the company to be bold and see what works and what does not. For instance, the brand tried to base a game off a Brazilian Coke commercial where people kept an orange ball up in the air. It failed miserably. A Fanta interactive novel, on the other hand, was a hit.

The emotional connector
Dove

When people talk about the success of the most effective brand video of all time—Dove's Real Beauty Sketches—they should start in 2004, since that's when Dove discovered the conversation that they would build their brand around.

That year, Dove released a major global study, The Real Truth About Beauty: A Global Report, which found that only 2% of women around the world would describe themselves as beautiful. Then, they started creating content that would change that.

Dove has built up a lot of consumer trust thanks to its strong, self-esteemed focused content over the past decade.

First came campaignforrealbeauty.com, which invited users to judge a woman's looks in a new way (wrinkled or wonderful? Oversized or outstanding?) and discuss beauty issues. Evolution, a short film released by Dove in 2006, showed how the hair, makeup and photoshop process transformed a real women into an unrecognizable model, revealing how unrealistic conventional conceptions of beauty can be. Dove has continued that content focus to the present day, through everything from its tagline ("You are more beautiful than you think") to its user-generated gallery celebrating real women's bodies, to new groundbreaking studies, its self-esteem toolkit for girls.

Along the way, one Dove research insight revealed that "over half (54%) of women globally agree that when it comes to how they look, they are their own worst beauty critic." To make that insight truly resonate, Dove had to turn it into a story. That's when Real Beauty Sketches—a video that would garner 163 million views across the globe—was born.

In Real Beauty Sketches, Dove asked women to describe themselves to an FBI sketch artist. Unbeknownst to the women, the sketch artist had also drawn them based on the descriptions of a stranger who had met them earlier that day. The big reveal: Time after time, the stranger's descriptions were not only more attractive than the self-perceptions, but also closer to what each woman actually looked like.

It would be presumptuous to say that any brand could have pulled this off on day one; Dove has built up a lot of consumer trust thanks to its strong, self-esteemed focused content over the past decade. That helped make the Real Beauty Sketches feel emotionally genuine and resonate with hundreds of millions of people. Thanks to their focused storytelling, it's an advantage that Dove will have for years to come.

III. Opportunities Ahead

It's no stretch to say that brand publishing is still in its infancy. A few brands may have figured out the key to media success, but there are many companies that are still in the process of finding their voice.

What's clear though, is that there are many great brand-publishing empires yet to rise. A few key factors will help them grow exponentially.

Creating a blue print

It's no secret that CPG content marketing has been a topsy-turvy game of trial and error. Just a few years ago, CPG brands did not even know what success in this content-powered social media world looked like, never-mind how to achieve it.

These successes will also loosen budgets, giving CPG brands the ability to experiment more and more.

That's changed. Just like Bulova Watches in 1941, pioneer brands are creating a content marketing blueprint for the rest of the industry to follow. The past two years have brought a lot of content marketing breakthroughs, and that knowledge base will only grow. These successes will also loosen budgets, giving CPG brands the ability to experiment more and more.

Mobile

Mobile usage may be terrible news for banner ads, but it's great for content; according to a study by OutBrain, the click-through rate on articles is 36% higher on mobile devices than it is on desktops, and mobile video has overtaken desktop video quicker than anyone expected. That's likely because the contained environment on mobile that makes ads so intrusive also makes content all the more immersive.

Mobile usage is expected to increase a whopping thirteen-fold by 2017; that's great news for brands looking to reach consumers through stories.

> The contained environment on mobile that makes ads so intrusive also makes content all the more immersive.

Distribution advances

Video was a key component of many of the most successful campaigns we detailed. That's in part because, thanks to YouTube and Google ads, videos are currently significantly easier to distribute than articles. Since most brands haven't yet built their own bespoke media destinations that consumers come to without prodding, distribution is—and will remain—a key component in the branded content game.

For all types of content, distribution is about to get a lot better and easier.

This year, Facebook's ad exchange, FBX, began to roll out retargeting solutions that allow brands to serve native ads—rich with article and video content—to users in their feed based on browsing history, search history, interests, and other key data points. Twitter's Tailored Ads will soon offer the same capabilities. Similar solutions for Instagram, Pinterest, Tumblr, and maybe even SnapChat aren't very far behind.

In addition, companies like Federated Media, OneSpot, PulsePoint, and many others are trying to figure out new ways to target users with branded content across publisher sites—much like OutBrain's content recommendation widget, but more finely tuned and in more dynamic formats.

The future of content distribution is still taking shape, but one thing's for sure: It's about to get a whole lot more effective.

For all types of content, distribution is about to get a lot better and easier.

Publisher partnerships

Publishers are embracing sponsored content as the business model of the future. Refinery29 just raised $30.4 million on the promise of their sponsored content. Buzzfeed—which has shunned display ads since its inception—has built a $60 million a year business on sponsored content. Forbes' BrandVoice program is on pace to bring in 30% of the company's advertising revenue next year.

Excited by the ability to borrow a publisher's audience and create content that will appeal to them, CPG companies are investing more and more in sponsored content.

Those who experienced the branded content were 28 percent more likely to have a favorable view of the brand.

The numbers back that decision up. A study conducted by IPG Media Lab found that those who viewed a Forbes.com page that contained a piece of branded content were 41 percent more likely to express an intent to buy the brand's product than a visitor who viewed a Forbes.com page without branded content. And those who experienced the branded content were 28 percent more likely to have a favorable view of the brand.

Some individual case studies are even more impressive. Being exposed to Hidden Valley For Everything's sponsored posts on Buzzfeed resulted in a 121.8% brand lift. When those users were exposed to the content via social sharing, that already-impressive brand lift figure skyrocketed to 397.4%.

For brands receiving stagnant or dropping returns from traditional and display spends, sponsored content offers an incredible opportunity to both reach consumers and also get their feet wet in the publishing waters.

Traditional media gaps

Just as Red Bull capitalized on the lack of media attention to extreme sports, there are other opportunities for brands to fill gaps in the content universe.

As a whole, the economic realities of the digital age have forced traditional publishers to simultaneously go broader and cover less in pursuit of click-worthy content. There are myriad topics with hungry audiences but nobody creating a consistent amount of high-quality content. It's on brands to locate those opportunities.

In doing so, brands would be smart to remember their advantages as publishers. They have no need to sell advertising, besides their own branding, which allows them to offer their audience a cleaner and superior experience. They can run at a loss while still delivering a net profit. And they can leverage the large, built-in social followings that many top CPG brands enjoy.

Sponsored content offers an incredible opportunity to both reach consumers and also get their feet wet in the publishing waters.

It's a huge opportunity, and one that will be seized again and again. One thing's for certain—by the end of 2014, the state of content marketing in the CPG industry will again look far different than it does today.

Want more insights into the state of content marketing?

Be sure to check out “Banking on Content”,
Contently’s overview of the finance industry.

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 feel free to reach out to us.

contently.com

Contently