Contently

State of Content Marketing 2015

When Content Ate Marketing

By Shane Snow

Content marketing is the only marketing left.

-SETH GODIN

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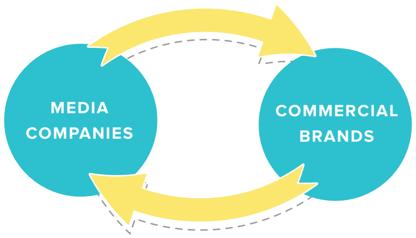
This morning I woke up, stretched, and said to myself, "You know what I could really use today? A relationship with a brand."

That's not true. (Not even the stretching.) But someone in nearly every company in America woke up today wanting to build a relationship with me.

More precisely, today's savvier brands are trying to win me over by creating stories and games and movies and educational materials they think I'll like instead of interrupting me with ads I don't care about or trying to butt into my social life. In other words, trying to be "friends" with me the way real friendships are formed.

That give-first mentality is the essence of a good relationship. It's also increasingly true of content marketing, which as of 2015 is officially the fastest-growing marketing channel for most businesses. (For a primer on content marketing and all its definitions, see our Content Marketing Dictionary.)

If the 21st century is the era of democratized publishing, the 2010s are the decade of brand publishing.



And 2015 is a year of convergence, where the content business further shifts from a media-corporation model (make content, sell ads) to a corporate-media model (make content, get customers). This is happening to both traditional and new publishers.

(Read more on the future of business models of journalism here.)

Before the Internet, content marketing was the domain of a small number of companies that had publishing in their DNA—really, media companies that had something to sell. Cookbook makers who sold kitchen supplies. Business newswires that sold computer terminals. Today, between 80 and 90 percent of U.S. businesses use content for marketing in a strategic fashion. Half of those businesses spend 25 percent of their marketing budgets on content.

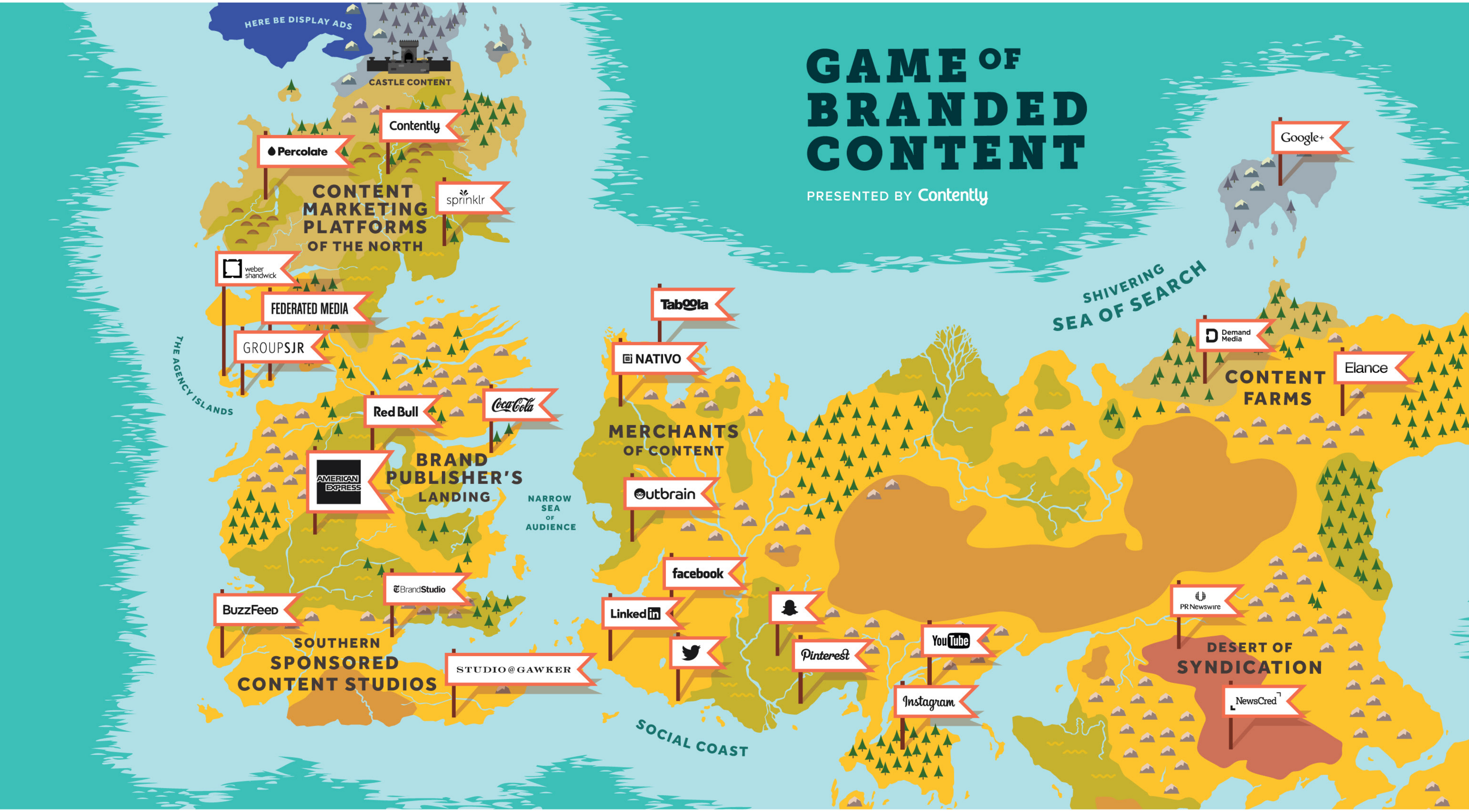
In 2014, brands did more content marketing than ever. *(We highlighted the best branded content of 2014 here.)* Everyone and their pet ferret started a content marketing agency. Agencies (creative, media, and PR) skated onto the content marketing rink en masse. And in the process, three main content marketing strategies emerged:

Owned content: publishing to one's own publication. E.g., GE Reports and Amex OPEN Forum. This is an "always-on" content marketing strategy, often promoted by PR and creative agencies, or run internally by brands willing to make long-term investments in content marketing.

Rented content: paying a publisher to publish an advertiser's content (whether written by the advertiser or by the publisher). E.g., This beautiful piece for Cole Haan created by *The New York Times*' T Brand Studio, or these bonkers sponsored listicles on BuzzFeed. Typically, these are labeled "sponsored content," and are promoted by media buying agencies (who aim to make profit by selling content like they do advertising inventory) and traditional media (who aim to further monetize their publications through brand content).

Social content: using "micro content" to spark conversations and build communication channels on social networks. Essentially, this is social media marketing, but people call it content marketing or social content. E.g., the many, many pancake GIFs that Denny's posts to Tumblr. (Read more about "microcontent" and other content marketing buzzwords here.) PR and social media agencies typically push this strategy.

These strategies are being powered by a new world of technology platforms, sponsored content studios, and content distribution services, as you'll see in the map on the next page.


GAME OF BRANDED CONTENT
PRESENTED BY Contently
HERE BE DISPLAY ADS
CASTLE CONTENT
Contently
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CONTENT MARKETING PLATFORMS OF THE NORTH
weber shandwick
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GROUPSJR
THE AGENCY ISLANDS
Red Bull
Coca-Cola
AMERICAN EXPRESS
BRAND PUBLISHER'S LANDING
NARROW SEA OF AUDIENCE
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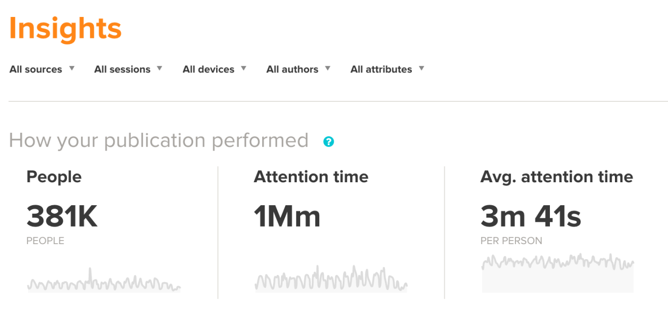
YouTube
Instagram
SOCIAL COAST
SHIVERING SEA OF SEARCH
Google+
Demand Media
Elance
CONTENT FARMS
PR Newswire
DESERT OF SYNDICATION
NewsCred

At Contently, we've experienced all sides of this world. Our technology platform helps power brands like American Express and Coca-Cola that have built publications that millions of people visit each month, and we grew as a brand publisher ourselves in 2014—dramatically so. The Content Strategist quadrupled in audience, garnering a million minutes of attention time in Q4.



(Read more on [Contently Insights and the importance of attention time here.](#))

As a result, we're fortunate to see a lot of industry trends before they unfold. Here's what we see happening in the next 12 months:

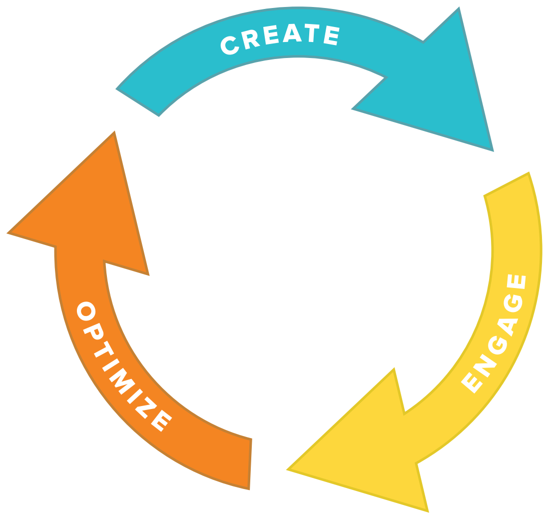
What will work in 2015

Before the Internet, publishers needed three things: talent to find and produce stories, a press to print stories, and trucks to deliver stories to newsstands and doorsteps. Back then, publishers learned about their stories' effect on their audience via newsstand sales figures and letters to the editor (and sometimes changes in politics and society). Humans and analog technology did each of these jobs for centuries.

That was the common model that worked for analog publishers: Produce stories, deliver them to the audience, and use audience clues to divine what worked and didn't.

In the Internet age, smart digital publishers—folks like BuzzFeed and Mashable—have essentially used the same process with new tools: Use tech-savvy talent to find and produce stories and print them to the web using a content management system (digital "printing press"), send the stories out to audiences via social media and native advertising (digital "trucks"), and measure the results using analytics (digital "newsstand figures"). Really smart publishers use those analytics to inform their next round of publishing.

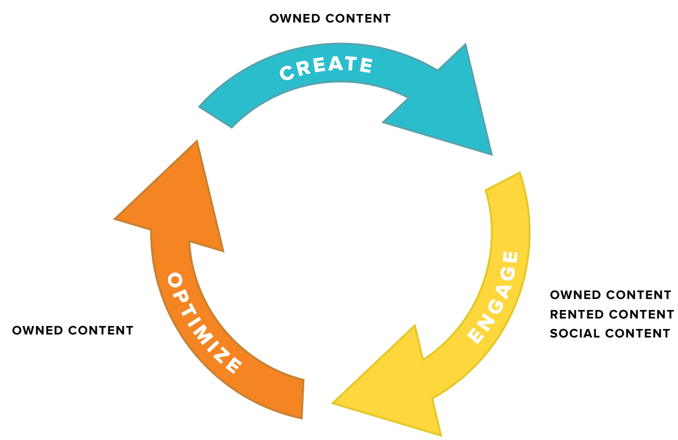
At Contently, we boil down that process of being an effective publisher to "C.E.O.": create, engage, optimize. We call it the flywheel:



At many brands, what used to be an audience-reaching effort is increasingly shifting to an audience-building effort.

Instead of treating content as ads with a shelf life, they're seeing content as a way to build an asset. This has increased in priority as social networks tweak their algorithms, making it clearer that brands don't truly own their audiences.

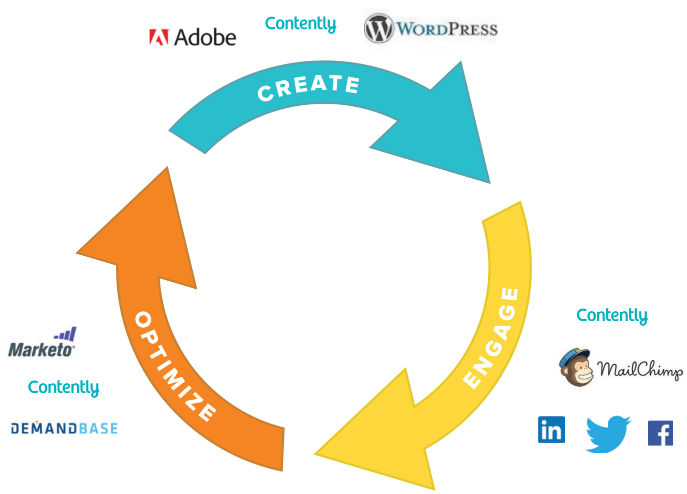
That's where the flywheel becomes the proper paradigm for content marketers as well. When you organize a content marketing strategy around these three audience-building initiatives, the optimal place for using owned versus rented versus social content becomes clear:



In 2015, we're going to see more companies converge their disparate content strategies into one strategy that points toward owned content first.

brands building their own publications and using rented and social content as mechanisms for drawing audiences to their own turf. There, the brands have an opportunity to build direct relationships with their readers and viewers. As such, we'll see a lot more emphasis on racking up email subscribers (where a brand has direct access to its audience, Facebook algorithm changes be damned!) and less emphasis on building social media followings. Instead, social will be properly viewed as a channel for distributing your content and attracting readers who will become direct email subscribers.

To make the flywheel work, content marketers can no longer ignore software. And as I mentioned before, technology companies are racing to provide solutions across each piece of it. Here, for example, is how we use some of the primary players on that tech field (including our own products) to make Contently's own flywheel work:



This owned-first, rent- and social-second strategy is going to be the most effective plan for brand publishers moving forward. In fact, the brands that have gotten the most bang for their content buck—and who get the most sustained industry cred—are the companies that have jumped all in on owned content: Red Bull (with its separate business unit for media, Red Bull Media House), American Express (disclosure: a Contently client), and Marriott, which just went all-in by building a 65-person content studio.

(For more on the optimization piece of the flywheel and the ROI of content marketing for B2B and B2C brands, see our guide here.)

What won't work in 2015

In the last few years, our neighbors have learned a few brand content lessons for us the hard way. Here's what won't work for brands in 2015 and beyond:

NON-INDEPENDENT NEWS

In 2014, we witnessed the boisterous rise and messy explosion of Verizon's brand publication, Sugar-String. The cause of the crash? Verizon tried to do "the news" as a brand with a stake in shaping said news, banning coverage of sensitive topics like the NSA. As I wrote in my recent essay about business models of journalism, brands can thrive as publishers of education and infotainment, but will have a hard time acting like news organizations. To be honest, they shouldn't even try.

Read more on the SugarString snafu and the lessons learned here. The main message: Brands can be great magazines, but ought not to try being digital newspapers.

Inauthentic content—like the "health" stories by Chik-fil-a documented in this story—won't work for brands in the long run either. The common element to both of these is the refrain we repeat every day here and cite in our Content Marketing Code of Ethics: Don't betray the reader.

CONTENT LICENSING

I talked about this in last year's State of Content Marketing, but I'm mentioning it again because we have another year of data to confirm:

For brands, licensed content simply doesn't work.

Zero brands got organic traction, attention, or built an audience using licensed content in 2014. Many tried, and 100 percent flopped.

If you're trying to build a relationship with someone in real life, re-gifting them something they could easily get on their own is a bad strategy. Telling them a story they already heard is a bad strategy.

"Syndicated content is like giving popcorn to children," Moz's Cyrus Shepard recently told me. "It will keep them busy for a while but thats it.

I think all the value is having something original." Furthermore, he says, the SEO implication of a content strategy based on publishing other people's content is "dangerous."

Google rankings aside, if you're trying to build audience as a brand, a blog that's populated with stories that were already published elsewhere is not going to get them very interested in visiting your website.

Because of social media, the era of the aggregator portal is over. Today's big remnant portals—Yahoo, MSN, etc.—increasingly create original content in additional to the content they syndicate. The biggest portals today for aggregated/curated content are simply Reddit, Twitter, Facebook, Tumblr, and the like. A brand like Nike or Ford is not going to compete with those websites on that battlefront. But the reverse strategyis effective: Nike or Ford can leverage portals and aggregators to spread their original content.

As a wise ad man once said, "It is better to be syndicated than to syndicate."

Licensed content has been an attractive proposition because it's cheap and easy. It's a terrific proposition for ad-supported media companies that already have audience and need more page refreshes to sell more ads against. But it doesn't build audience. And for brands, it simply doesn't work.

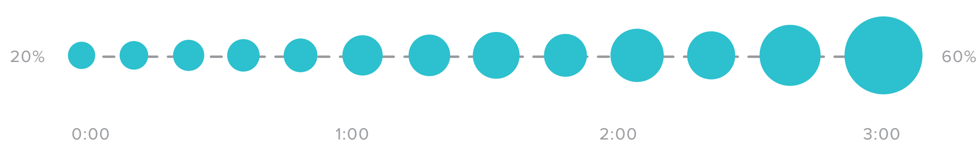
HEADLINE TRICKERY

"The thing at the end of this story is gonna be crazy!!" <— Headline you're going to be seeing much less of this year.

Facebook is getting sick of deceptive headlines that pull you in with a tease and then let you down. Algorithms are changing, and readers are getting more savvy. So click-throughs on stories that begin, "You won't believe what..." are going to plummet. But more importantly, good headlines with bad content behind them don't result in people spending much time with you, and therefore don't help brands build audiences. If you want to build a relationship with someone in real life, you need to spend time with them. That's why brands looking to build relationships with customers ought to think of "engaged time"—or how much time people are actually paying attention to content—as their most important metric.

Data shows that engaging with content longer makes people more likely to come back to a brand later. See that 3-minute engaged time mark? That's a magical point to hit because it corresponds with a 50 percent-plus probability that the reader will return to your site within the next week.

ENGAGEMENT AND PROPENSITY TO RETURN



But tricking people into showing up? That does little good. We will see brands get better at writing engaging headlines, yes, but we'll also see content that matches the expectations that those headlines set.

At the end of the day, great stories are still the thing that will drive success.

TWITTERJACKING

We probably will continue to see more “Oreo tweet” behavior as brands perpetuate the fad that is Twitterjacking (latching onto a cultural event by posting a clever photo on Twitter and trying to incorporating your brand into said event). We’ll see more of it because agencies can charge an arm and a leg to build “war rooms” that sit around and make these. But most brands haven’t caught on to how useless it is for audience-building (in most cases).

Leaner social content efforts will be a part of a good content strategy, under the “Engage” section of the flywheel, but employing a dozen agency folk to produce a photo of a pizza with a bow tie that gets 1,000 retweets is a monumental waste of money.

(For a breakdown on the costs and benefits—or lack thereof—in real-time social campaigns that brands are in the habit of today, see this recent analysis.)

BLATANTLY PROMOTIONAL SPONSORED CONTENT

This one almost goes without saying because it's obvious. But apparently it's not obvious enough for it to stop happening. Sponsored stories that read like an infomercial are a worse Internet experience than being flashed by a furry on Chatroulette. Blatant ads masquerading as content do nothing for a brand, and they hurt publishers' relationships with existing readers.

This stuff won't work. No matter how many times you try it.

Where we're heading

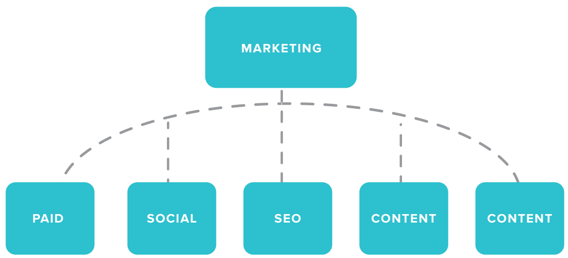
The marketing industry has been saying for years that "brands are publishers." And brands are definitely publishing. But so far, most of them make pretty crappy media companies. With the shift to an owned-first content strategy, brands are going to have to address that fact.

What's needed? Deep understanding of audiences that you're speaking to. The ability to capture audience. The ability to run a publishing operation like a real magazine, with software and process and an appropriate amount of oversight (that means empowered editors and managers, but not fleets of corporate approvers). Essentially, the infrastructure and process to run a real publishing flywheel.

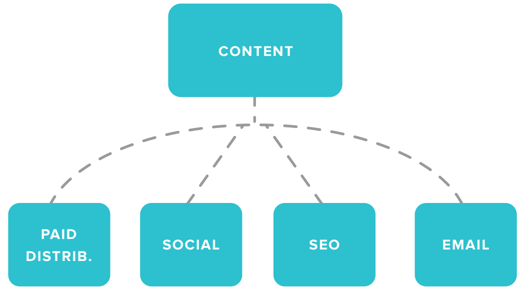
Since the launch of Blogger and WordPress, and subsequently Facebook and Tumblr and Twitter, Content has been a Marketing Thing, but it's sat on Marketing's back burner. At the rate that content marketing (and digital content consumption itself) is accelerating, however, I believe that

2015 is the year that Content starts to subsume Marketing.

In other words, in order to create a real publishing flywheel, marketing organizations that used to look like this:



will increasingly look like this:



Other things to watch for in 2015: an increase in emphasis on divisible content, using traditional banner ads to advertise content instead of landing pages, using chat apps to engage audiences in riskier ways, and a lot more email content.

And I think I'm going to pick up stretching. It's going to be a fun year.

Conclusion

Content marketing may still be the shiny new toy of the advertising industry, but brands that want to create content are beginning to learn how to best spend their sacred budgets.

Clearly, there's plenty of room for growth. According to a recent study by the Content Marketing Institute, only 23 percent of B2C marketers are successful at tracking ROI. Everyone points to Red Bull, GE, and American Express as the all-stars of content marketing, but aspiring content marketers likely need some of the resources afforded to those best-in-class brands—a stable supply of time, money, and analytics that take the guesswork out of their jobs.

Ultimately, the fate of content marketing isn't in the hands of the marketers pushing for creativity on a daily basis; the future depends on a dedicated investment from the executive level. American Express President Ed Gilligan, for example, fully supported OPEN Forum's initiative to publish small business content. Marriott International's chairman, Bill Marriott, who doesn't use computers, still saw the value of telling his company's story directly to consumers and has invested heavily in content.

Thanks to an early commitment from the executive level, Red Bull now employs approximately 135 people just for their media house. Marriott's content studio has grown to 65 employees, and Nestlé's digital editorial team consists of almost 20 community managers and designers producing content every day. And according to the *Columbia Journalism Review*, Coca-Cola "now reportedly spends more money creating its own content than it does on television advertising."

(Full disclosure: Coca-Cola, GE, and American Express are Contently clients.)

In 2014, many brands tested the waters, and a few dove in headfirst. In 2015, we'll see how many follow.

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