

State of Content Marketing 2014

A black and white photograph of a wall completely covered in dense, overlapping graffiti. The graffiti consists of numerous names and stylized letters in various colors and fonts, creating a complex, textured surface. A person's arm and hand are visible on the right side, reaching towards the graffiti.

The revolution occurred [because]
the audience is now in charge.

—Brian Alvey

Editor's Note

Welcome to the State of Content Marketing 2014—Contently's version of the State of the Union. And the state of our union is strong, and getting stronger. Just a few years ago, most brands' content marketing landscape was comprised of fractured states; strategy, social, digital, IT, tech, media planning (and so on) often operated within their own silos. Lately, though, those states have been brought together around a relatively simple idea: high-quality brand publishing.

It's only fitting that Contently's State of Content Marketing should come from the man in charge of our own content marketing operation: Shane Snow, our co-founder and CCO. We hope you enjoy Shane's view on the state of the industry and what lies ahead.

—Joe Lazauskas
Contently Editor in Chief

Table of Contents

I. The Dawn of a Revolution	5
II. How We Got Here	7
III. Where We Are Now	10
The Stats	
The Voices	
The Vendors	
The Highlights	
The Misses	
IV. What The Future Holds	17
A Surge In Transparency	
Increased Measurement And Accountability	
Distribution Gets Proper Attention	
A Storytelling Arms Race	

The Dawn of a Revolution

By Shane Snow

Revolution.

That's the term [Brian Alvey](#), the man who built the software underlying three generations of digital publishers, uses to describe a buzz that has reached a crescendo over the last twelve months: Advertisers don't want to just make ads that run alongside other people's content anymore; a surging number of them want to be publishers themselves.

"The revolution occurred," Alvey [says](#), "[because] the audience is now in charge."

Brands have been publishers for almost as long as publishers have been publishers. Tractor maker John Deere has been [publishing a corporate magazine called The Furrow since 1895](#). But it was the late aughts when corporations like Coca-Cola and P&G started embracing the Internet's chant, "We're all publishers now." They began trading homepages for magazines, press releases for documentary-style storytelling, 30-second spots for web series.

"The revolution occurred [because] the audience is now in charge."

Today, the chorus has become more frenzied. Because of social media's massive new influence, "publish or perish," is now no longer just the dreaded axiom of academics; brands — and their agencies —

are saying that those who don't embrace the trend will be left behind.

Perhaps that's overdramatic. But the recent success of brand publishing (and long history) indicate that the practice is more than a fad, and that those that refuse to embrace it [may find themselves in a difficult position in a few years](#).

If you're in marketing, you've likely heard the buzz — [Red Bull's magazine](#) circulates to [two million people a month](#); American Express attracts millions of small business owners to its stories on [OpenForum.com](#); Dove's "[Real Beauty Sketches](#)" video became the most viewed "ad" of all-time. In response, creative and PR agencies are adding "content marketing" to their lists of offerings and [hiring away some of the traditional magazine world's best editors](#) to run publications for their clients. Brands building newsrooms in house are doing the same.

In 2010, I went part-time [in my own journalism career](#) to build a company, and inadvertently entered the space myself. At the time, content farms were polluting the media world, and with two friends, I co-founded Contently with the aim of building a better one —

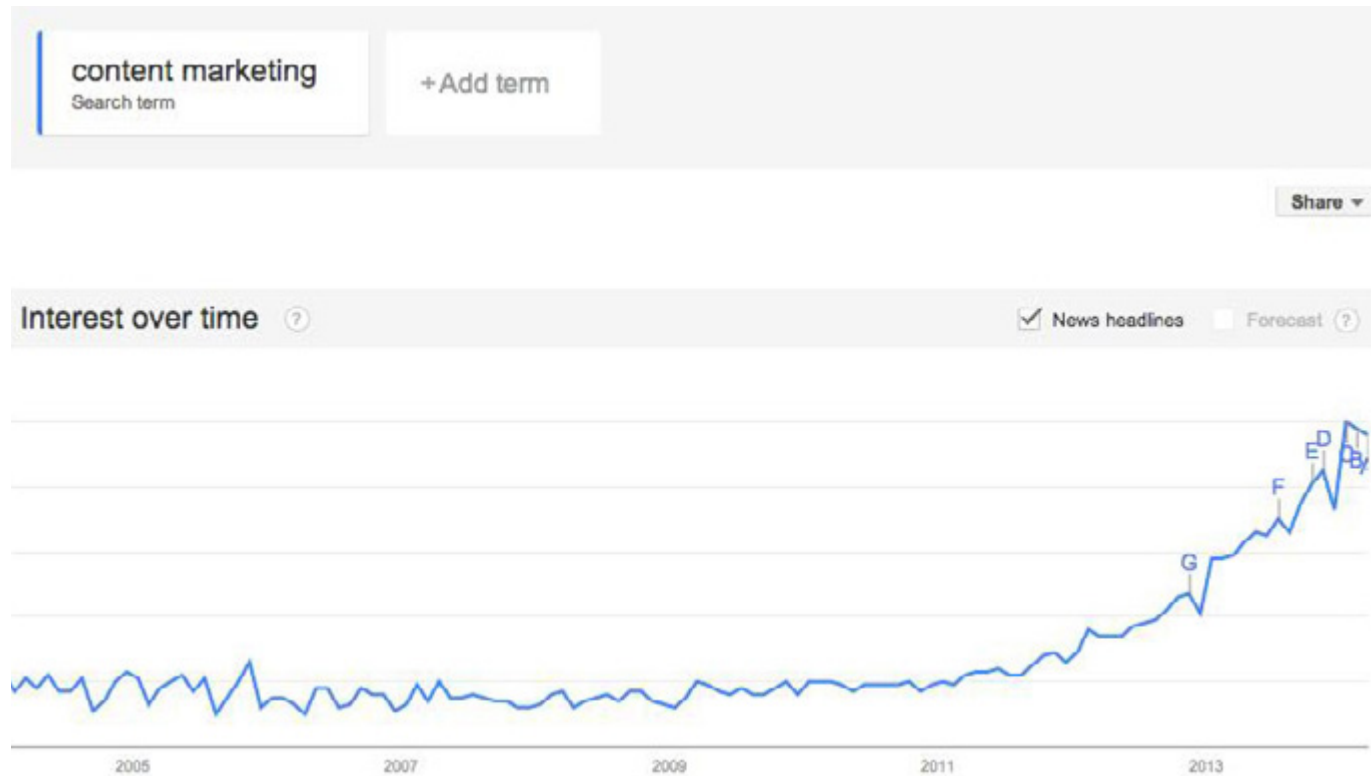


FIG. 1: Google Trends report for "content marketing"

one where content is awesome and free of spam, and where journalists and storytellers could get paid for doing what they love. To our surprise — and initial resistance — most of the publishers who came to us were brands, not “pure” traditional media companies.

But instead of cheap or spammy SEO content ([which we refused to do](#)), these companies wanted to engage people on social media, which means they wanted to create the kind of professional editorial content that a well-compensated veteran reporter would be glad to do. Since then, our growth has

mirrored the hockey stick chart that what is now the “content marketing” industry, and we’ve been fortunate enough to see the evolution of the revolution from the inside — [and report its news along the way](#) through our magazine, *The Content Strategist*. It’s been a wild ride, and as Alvey says, it’s clear that the trend is not going to flame out quickly.

With 2014’s first quarter in the rearview mirror, I’d like to step back for a moment and discuss the state of this industry: how we got here, where we are now, and what the future holds.

How We Got Here

Since the historical beginning of trade and commerce, businesses have wanted to build relationships with customers. That's the goal. With the invention of each new communications medium, businesses were able to reach more and more of those customers [by piggybacking on content that people wanted](#).

The press gave rise to print advertising; the radio enabled sponsorships and radio advertising; television allowed 30- and 60-second spots; the Internet quickly yielded banners and popups. This is a crude recap of media history, to be sure, but the fundamental idea in each iteration was to insert a commercial message into the flow of the medium with the hope that a consumer would pay attention to the business as well.

The Internet made it possible to publish without the prohibitive fixed costs of presses and trucks and antennas. Commercial brands began staking their own real estate on the web. But it was the next medium, dubbed “social,” that allowed them to reach audiences with their own publishing messages in a much easier fashion.

At first, it was just about “doing” social media, and having some sort of presence on Facebook and Twitter. In the absence of clear goals, the game was

about vanity metrics, such as likes and fans and followers. Often, this was done through giveaways and contests—online analogs to sweepstakes and coupon books. Social Media Management Software companies like [Wildfire](#) and [Vitrue](#) and [Buddy Media](#) popped up to help enterprises manage the fan-building process. And suddenly all of these giant businesses had built or bought direct access to audiences and needed something to say to them.

The challenge, however, was that social media gave distribution power to the people, not the highest bidder, which meant that brands had to publish

messages that people actually enjoyed in order to get them to spread. All the inane Facebook posts like “Who loves summer?!?!?” might have been good at juicing interaction at first, but translated poorly into business results, even before consumers learned to ignore them. And banner ads posted to Instagram feeds and Facebook walls did absolutely nothing to move the needle.

“Soon enough, smart brands started to think like storytellers instead of trying to shove an old-school-advertising round peg into a new-school-media share hole.”

Soon enough, smart brands started to think like storytellers instead of trying to shove an old-school advertising round peg into a new-school-media share hole. Red Bull, perhaps the most overused example in the space (though still the superlative one), made other brands realize that a company with no publishing DNA could build an audience that was loyal to it by telling stories about things that people love.

Brands telling stories that inspire and provoke consumers' attention, imagination, time, and willingness to talk.

In Red Bull's case, it was action sports. (And indeed, there is no action sports publisher bigger than Red Bull today.) Red Bull's media house's goal was to become independently profitable — with content so good they could sell it — which forced them to create content that people loved. That content helped the mother brand build an unbeatable reputation and dominate the crowded energy drink market. This and other examples of successful brand storytelling ushered the term “content marketing” — and its euphemisms — onto the docket of every CMO in the Fortune 5000.

Hence, Alvey's revolution: Brands telling stories that inspire and provoke consumers' attention, imagination, time, and willingness to talk.

Interestingly, this caused content marketing to engulf social media marketing, as brands realized that social media success hinged on telling great stories native to each platform. Today, it's all about content, not contests. And so social media is now a subset of content marketing.

Meanwhile, the same, increasingly tech-savvy consumers were no longer interested in or fooled by banner advertisements. Click-through rates steadily declined; attention to 85 percent of the ads came from the same 8 percent of people — mostly older or not technically astute. This created problems for the vaunted journalism institutions we've trusted for decades, who once again had to downsize or find new revenue.

Some of that new revenue, it turned out, could come from the same brand publishing trend: Media companies still attracted huge audiences and (often) great trust. By allowing advertisers to publish stories on, say, Forbes.com, Forbes could charge a premium versus a traditional ad, and give its partners' messages some distribution.

A handful of media companies were quick to embrace this “sponsored content” model.

(Mashable, which (full disclosure) I started writing for in 2009, was a quiet example of a media company that did this well early on.) But in the past 12 months, nearly every major media company in America (and 90 percent of online publishers) has either launched or talked about launching a sponsored content program.

In the past 12 months, nearly every major media company in America (and 90 percent of online publishers) has either launched or talked about launching a sponsored content program.

Content Marketing

n. The overarching practice of using information and entertainment to promote a brand or product.

Brand Publishing

n. The practice of a brand telling stories about the things it cares about, its brand, and its brand's products in a way that's genuinely engaging (and often not self-promotional.)

Branded Content a.k.a. Custom Content

n. Any original content with a brand's name or stamp on it.

Native Advertising

n. Advertising that fits the medium in a way that does not interrupt users; i.e. the ad is as good or better than the expected non-ad content on that medium.

Sponsored Content

n. When a brand pays to put its branded content on a media property that it does not own. (This is one type of native ad.)

Brand Journalism

*n. There is no such thing. Branded content is information, entertainment, and education—and should have ethics. But journalism is **independent**.*

As advertising agencies got increasingly interested in this emerging trend and their place in it, the term “native advertising” started becoming popular. (My favorite [definition of native advertising comes from NYU professor Jay Rosen](#): “Ads that can compete with the best material out there.”) Research organizations like the Content Marketing Institute started evangelizing the merits of brand publishing, and agencies, consultants, “experts,” and vendors swooped from the sky and seeped from the floorboards, all talking about marketing with content, but in terminology that their respective industries could jive.

And so we got the following terms added to the dictionary (SEE FIGURE 2):

A small number of technology companies like my own grew up with the trend, and a larger number of them began popping up to meet the demand for brand publishing solutions. Predictably, a number of startups with competencies in other arenas shifted over the last 18 months to become content marketing solutions, hoping to assist brands in achieving their audience-engagement goals. And the game, as they say, is now on.

FIG. 2: Content Marketing Definitions

Where We Are Now

Figure 2: Which three digital-related areas are the top priorities for your organization (or for your clients) in 2014?

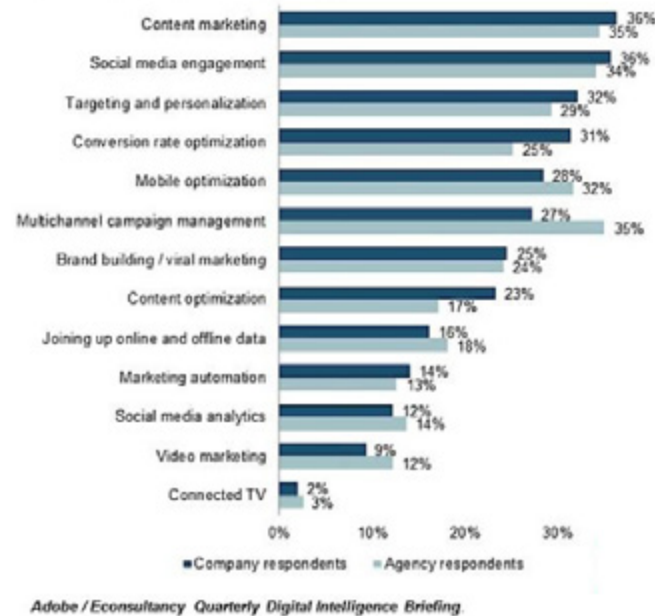
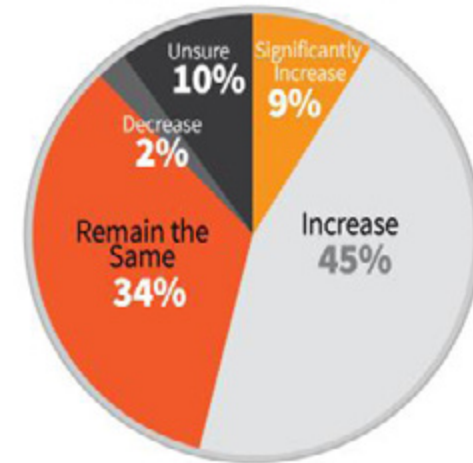


FIG. 3: Adobe Marketer Survey

The Stats

According to various studies, content marketing (and its outcome, audience engagement) is top priority for marketers in 2014. (SEE FIGURE 3)

B2B Content Marketing Spending
(Over Next 12 Months)



2013 B2B Content Marketing Benchmarks-North America; CMI/MarketingProfs

FIG. 4: CMI/MarketingProfs Marketing Survey

And spend on content marketing is increasing.
(SEE FIGURE 4)



© Wikimedia Commons

There are a lot of bogus content marketing statistics floating around out there (Google “content marketing stats” and the front page of results are all marketers regurgitating lists of dubiously-sourced statistics), but The Content Marketing Institute and MarketingProfs put together a fantastic [benchmark report](#) for 2013 from real research.

The nutshell: more brands are doing more content at a faster rate than before. Brands that aren’t prioritizing publishing are now in the minority.

The Voices

More momentum in the space has meant more commentary, more analysis, and, predictably, more marketers marketing about marketing. Making sense of the noise, a number of prominent voices currently stand out:

Jon Steinberg: The ubiquitous president of BuzzFeed has near-encyclopedic knowledge on the history of advertising the future of media — and he shares it regularly online and on cable.

Rebecca Lieb: Altimeter Group's digital media and advertising analyst literally wrote [the book on content marketing](#). Her posts and panel appearances are frequent and insightful.

Dan Lyons: Currently my favorite journalist/brand reporter crossover, Lyons is formerly of ReadWrite and Newsweek, and writes about both the journalism and branded content industry with refreshing skepticism and advice. Definitely [check his stuff out](#).

Joe Pulizzi: The orange-draped founder of the Content Marketing Institute is probably the most prolific guy out there right now. He helps old-school marketers cross the bridge to marketing with content, and [has a new book out](#), too.



© garyvaynerchuk.com

Joe McCambley: Credited with [creating the web's first banner](#) and founder of The Wonder Factory, Joe is one of the more sensible voices in the industry from an advertising POV and has a [great perspective on storytelling](#).

Brian Clark: The Copyblogger founder has spent the better part of a decade writing some of the most practical stuff on creating helpful content. He's among the best "how-to" voices out there right now.

Gary Vaynerchuk's [Jab, Jab, Jab, Right Hook](#) is another recent book to tie a thread between social media and brand storytelling, and Poynter's [The New Ethics of Journalism](#) by Kelly McBride and Tom Rosenstiel provides needed perspective as brand new publishers flood onto the web.

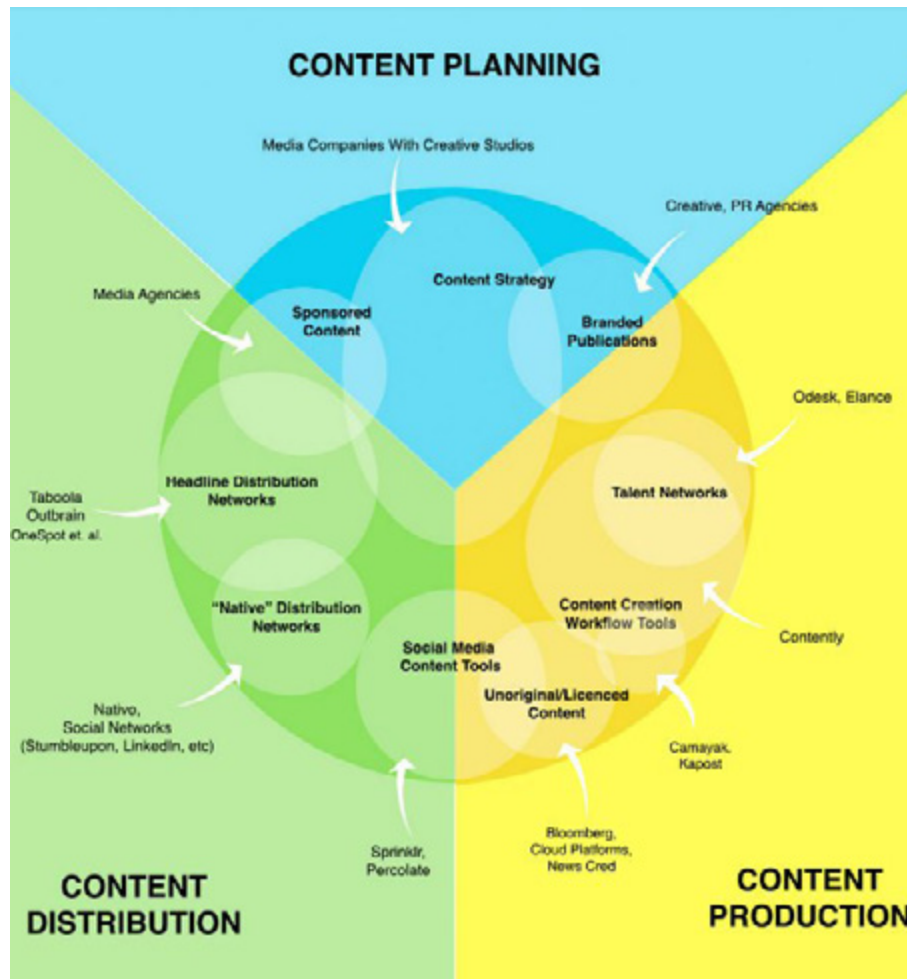


FIG. 5: Brand Publishing Vendor Landscape

The Vendors

Between technology vendors, agencies, and media companies forming internal branded content studios, the solutions landscape is being filled in on all sides. Here's a crude chart of the main players right now in the **enterprise** market:

Of note: new tech startups and small agencies are emerging to compete on every inch of the field. This time next year, I predict there will be several times as many vendors on a chart like this.

This is, of course, not including all of the vendors in the existing ecosystem of CMSs, CRMs, analytics tools, and email and marketing automation systems like [Hubspot](#) and [Mailchimp](#) that are all fed by content and its associated traffic. I'm particularly interested in how new players like [Rebelmouse](#) and big software companies like [Adobe](#) are getting involved in the content marketing space.

The Highlights

The last 12 months witnessed a lot of great examples of brand content rise above a sea of noise. [Here's a good recap of some of the best](#). My personal favorites were the following:

- Patagonia's [Anti-Consumerism Black Friday Film](#)
- Dove's "[Real Beauty Sketches](#)," the most viewed ad of all-time.
- Mini's "[Not Normal](#)" series on BuzzFeed.
- Cottonelle post-branding of [Gawker's butt wipes rant](#).
- The Onion's [Very Meta Sponsored Post](#) for Adobe.
- Chipotle's "[The Scarecrow](#)" short film and complimentary video game, which earned massive views and downloads,
- And their original Web Series on Hulu, "[Farmed and Dangerous](#)."
- BlackBerry/Neil Gaiman's imaginative collection, "[A Calendar of Tales](#)."
- The Oatmeal's "[Dinosaur Hotel](#)" post.
- Red Bull's [Harlem Shake \(Skydive Edition\)](#)
- Rapha's [Gentleman's Race Short Film](#)
- Pepsi Max's "[Uncle Drew: Chapter Three](#)."
- Converse's answer to Snow Fall — "[The New New](#)"
- Net-a-Porter's [Porter Magazine](#)
- And, of course, our own magazine, [Contently Quarterly](#)



FIG. 6: E-commerce site Net-A-Porter's magazine that's taking on Vogue

Of course, there were some misses, too:

- Scientology's [advertorial-in-sheep's-clothing](#) on *The Atlantic*
- A few of Gawker's sponsored posts that [Gawker itself called "garbage"](#) (despite some great sponsored content, Gawker had some big flops on Deadspin in particular.)
- Yahoo's [stream ads](#) on its homepage are often direct response crap that jam up the experience (sketchy mortgage ads, etc).
- CapGemini's [Content-Loop](#) website of aggregated posts from Forbes and ReadWrite (which causes one to ask, why not just go to Forbes?), and the head-scratching claim of being "The Only Continuous Source of Technology And Business News" was disappointing, especially considering the institutional expertise and potential original stories the brand has to share
- BuzzFeed has a lot of hits, of course, but several head-scratchers (Virgin Mobile's gifs about dads are meaningless from a brand-value perspective, and [Nestea's](#) Summer Holidays you never heard of fall pretty flat, for instance.) And then there's the copy for this listicle, "[10 Things We Learned From GIRLS About Content Marketing](#)," which sounds as much like BuzzFeed's editorial voice as Miley Cyrus sounds like Metallica.
- Coca-cola's [The Polar Bears](#) short, produced by Ridley Scott, had exceptional production value and was cute, but failed to deliver a great story or much word-of-mouth. (However, it's a fantastic start, and I think we're going to start seeing a lot more stuff like this starting next year. Who knows, maybe Coke will keep the polar bears' story going and up the ante.)
- Wheat Thins jamming a bunch of print ads into a Vine = [truly terrible](#). (They were far from the only brand to commit this sin.)

Interestingly, an examination of the landscape reveals zero prominent case studies of large brands using licensed content (paying someone else to use their content, with credit, on your own website) or curated/aggregated content (cobbling together already-published content from around the web) to make any meaningful return on investment or build audiences of significant size. The reason is somewhat intuitive: [telling original stories is a more powerful way](#) to build brand affinity than republishing bits and pieces of other brands.

To drive the point a little deeper, here's a look at Contently's own publishing results versus a competing blog's licensed content on a similar topic:

Original Content Gets 100x More Shares Than Licensed

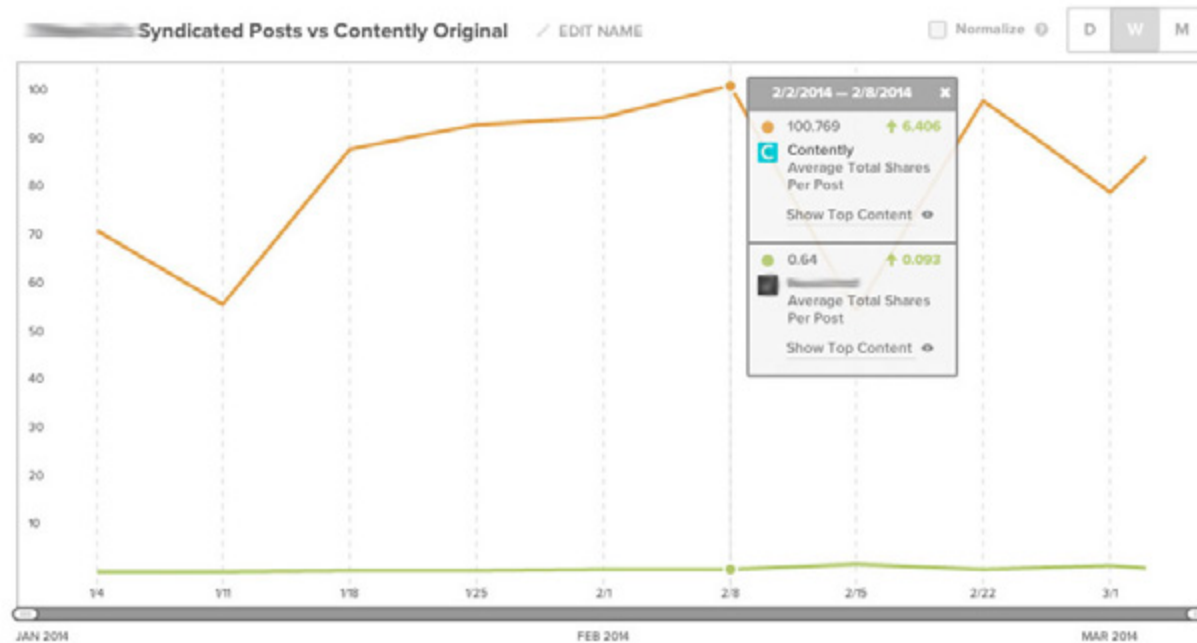


FIG. 7: Licensed Content vs. Original Content about the topic, “content marketing”

As you can see, our original stories are shared over 150 times more than the competing blog with primarily licensed content from other publishers.

Though many companies are embracing publishing and paying homage to original storytelling, many of them are not indeed telling interesting stories — yet.

However, one can see from industry news that every week brings new examples of brands that are starting to get it. (In fact, one could argue that LEGO just created [the world's most profitable piece of branded content ever](#).)

What The Future Holds

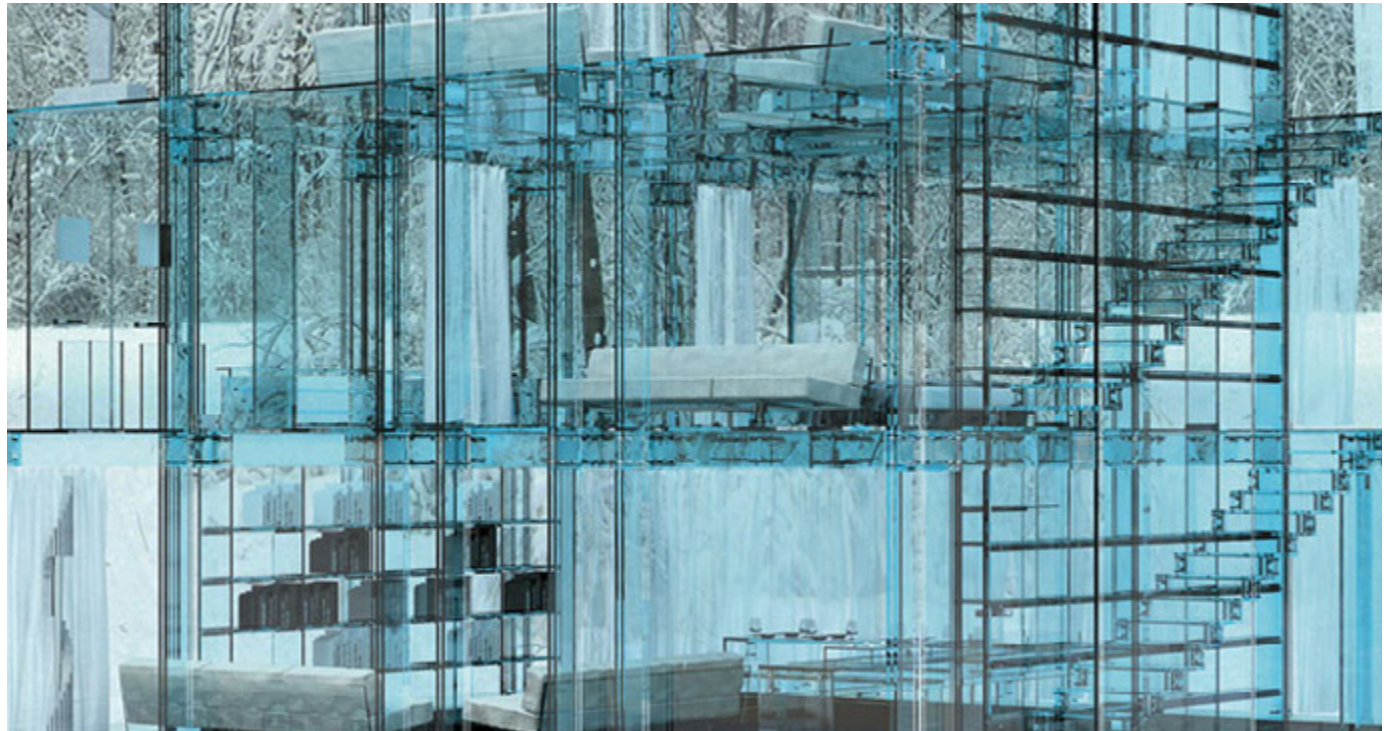


© dornob.com

Right now is a moment of truth for brands. We're simply never going back to an age where our companies can just scream at people for attention. Every day that we fail to embrace that reality is a day that hurts us. The social web has altered the balance of power in the information business, which in turn has shifted the ground on which advertisers stand.

The brand publishing space is a land grab right now. Like in the Old West, the early settlers have (and can still) staked claim to good land that they'll be able to harvest (cheesy metaphor alert!) with increasing results. But as more rush in seeking gold, competition for attention is going to get stiffer.

Based on what we've observed brand publishers do over the last 12 months, and based on what aspiring brand publishers are asking for right now, [Joe Lazauskas](#), editor-in-chief of our magazine, *The Content Strategist*, predicts the following four trends for the near future of brand publishing:



© dornob.com

1. A Surge In Transparency

Contrary to popular advice, [brands have nothing to gain by downplaying their role in the content they produce](#). Small disclosures or shying away from the spotlight is counterproductive. And, as great

big-brand examples like [Chipotle's Scarecrow campaign](#) have shown, people respect and buy into brands that are very clear about what they believe and what their goals are when they tell great stories.

2. Increased Measurement And Accountability

What's the point of publishing content that doesn't make a difference in some way? The further down the publishing path brands get, the more pressure there will be to show results from their efforts. In 2014, a good number of brands will put real pressure on their marketing teams to tie the thread between publishing results and business results.

In 2014, a good number of brands will put real pressure on their marketing teams to tie the thread between publishing results and business results.

The metrics that will matter will be proxies for relationship-building, not vanity stats like pageviews. B2B brands will closely track pipeline value, and B2C brands will want to measure consumer sentiment. The best short-term proxy for either right now is going

to be [quality time](#) spent with the brand, and that will be driven by creating content that people like enough to spread. Chartbeat CEO Tony Hale wrote [a great piece](#) about this for Time just recently. And [BuzzFeed's case studies](#) show that a second important proxy is "repeat exposure", which increases brand lift astronomically.

3. Distribution Gets Proper Attention

The newspaper companies used to have two things that gave them control of the world's information: printing presses and delivery trucks. Tools for creation and publishing online have given brands the virtual press; this year and forward, they're going to need to start investing more intelligently in the trucks. We have lots of options now — which lead to nice dilemmas like [buying traffic versus placing stories as sponsored posts](#).

4. A Storytelling Arms Race

This one is my favorite, because it's the trend that benefits consumers the most. More competition for attention means that brands will need to invest more in creating content that people genuinely love. They'll have to create hits, not just filler. That means more investment into great production and into paying creative people what they deserve to find and tell amazing stories — which is great for the beleaguered journalism talent community. (And which is why I got into this business in the first place!)

That will also mean less garbage in our news streams. The path to that utopian news feed is going to be slow, and lots of brands will flop in the process, but it's going to be awesome. We've been writing [about this arms race a lot lately, and invested in it ourselves](#).

There are, of course, lots of discussions to be had this year about the future of this industry, particularly about [content marketing ethics](#), and [what happens to "journalism" when the advertisers write the stories](#). Another big conversation will be "what happens to the agencies when media companies create their own agencies?" But I'm encouraged at the



[Download our Contently Quarterly magazine](#)

quality-first direction the industry is taking — and so is much of the journalism community.

Revolution is a term that ought not to be used lightly. But in 2014 it appears it's no longer a premature descriptor for the brand publishing movement. Like most successful revolutions, the dominant powers appear to be aligned in giving the people what they want. Let's hope that doesn't change.

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 or visit contently.com/brands.

contently.com

Contently