

Content Marketing: The Organic Chemistry of the Mobile, Local, Social Age

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Executive Summary

Over the past couple of years, one term has been used within media and advertising worlds arguably more than any other: *Content Marketing*.

This is defined as content that is created and positioned to promote a given business in ways that engage readers or viewers more organically than traditional paid advertising. It is not a new concept – sharing roots with the publishing world’s longstanding “advertorial.”

But it’s taking new forms, shaped by larger technological and cultural trends. Those include social sharing platforms like Facebook, Instagram, and Vine; and the proliferation of social graphs, and better hardware (i.e. smartphone cameras).

As advertising traditionally lags behind technological and behavioral trends, all of the above is causing advertisers to think about positioning their brands within and alongside this viral content (much like this Summer’s ice bucket challenge phenomenon). This has led to content marketing’s current phase.

Much of the activity in content marketing also involves more traditional formats like text. This includes Facebook status, tweets and blog posts. The latter’s long form advantages can characterize a person, place or business with greater dimension.

But content marketing doesn’t come without challenges and drawbacks. Creating content that is genuine, organic and of high quality is difficult to do – especially at the low budgetary ranges that are characteristic of local businesses.

These barriers represent one of the field’s biggest opportunities. Third parties that achieve economies of scale and execute content marketing for advertisers will fill a sizeable gap. The key is quality, scalable and cost efficient content production.

In this report, we’ll examine the state of the union of content marketing: What’s driving it? Where do the biggest opportunities lie? What are the do’s and don’ts? What can be lost by ignoring it? And what can be gained from doing it right?

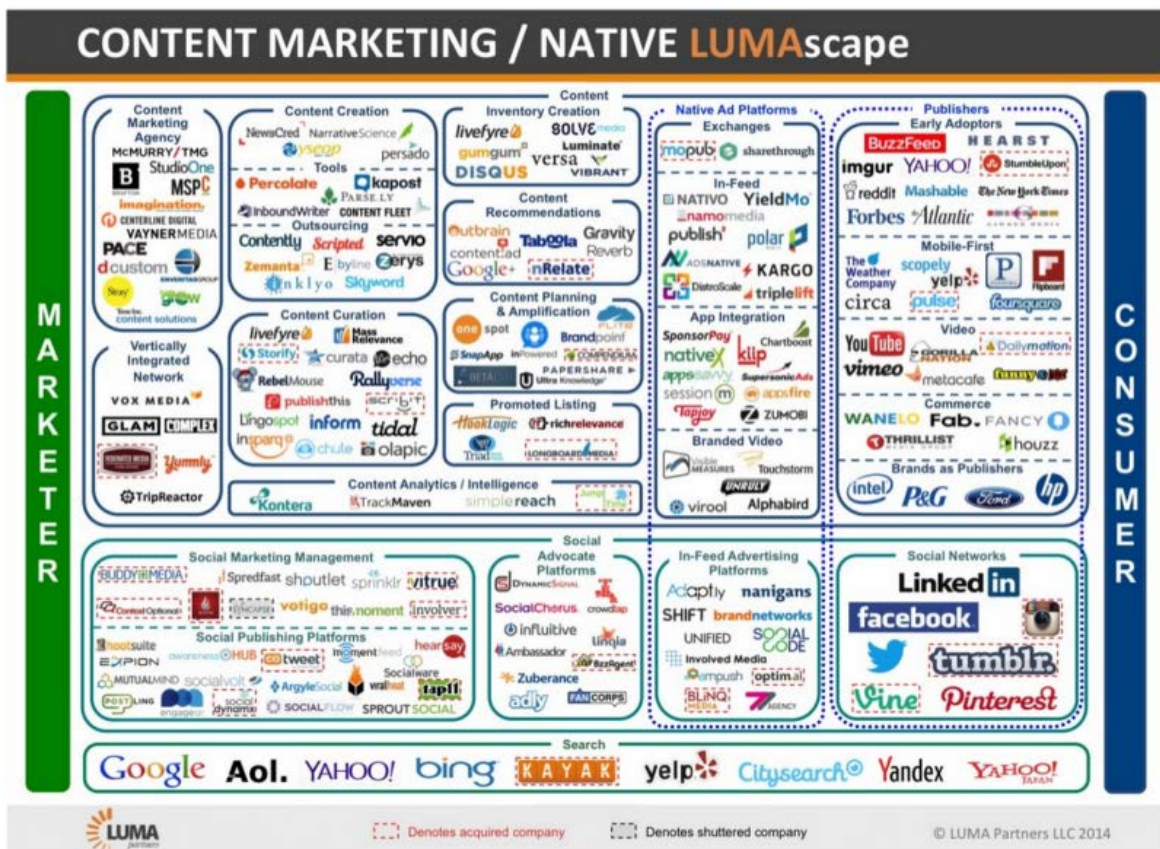
Content's Reign Continues

Content has long been king in media and advertising. But the phrase has gained new meaning with the content marketing trend underway. It has quickly gained velocity over the past year, being part hype and part real advertiser adoption.

The Interactive Advertising Bureau (IAB) reports that 28 percent of business-to-consumer marketing budgets are allocated to content marketing. And 55 percent of consumer marketers plan to increase content marketing spending over the next 12 months.

This is being driven (and followed) by a quickly developing ecosystem of content marketing providers and supporting functions. What's emerged is a traffic jam of content marketing companies, strategies and formats. It looks something like this:

Figure 1 - Content Marketing Native LUMAScape



Source: LUMAScape

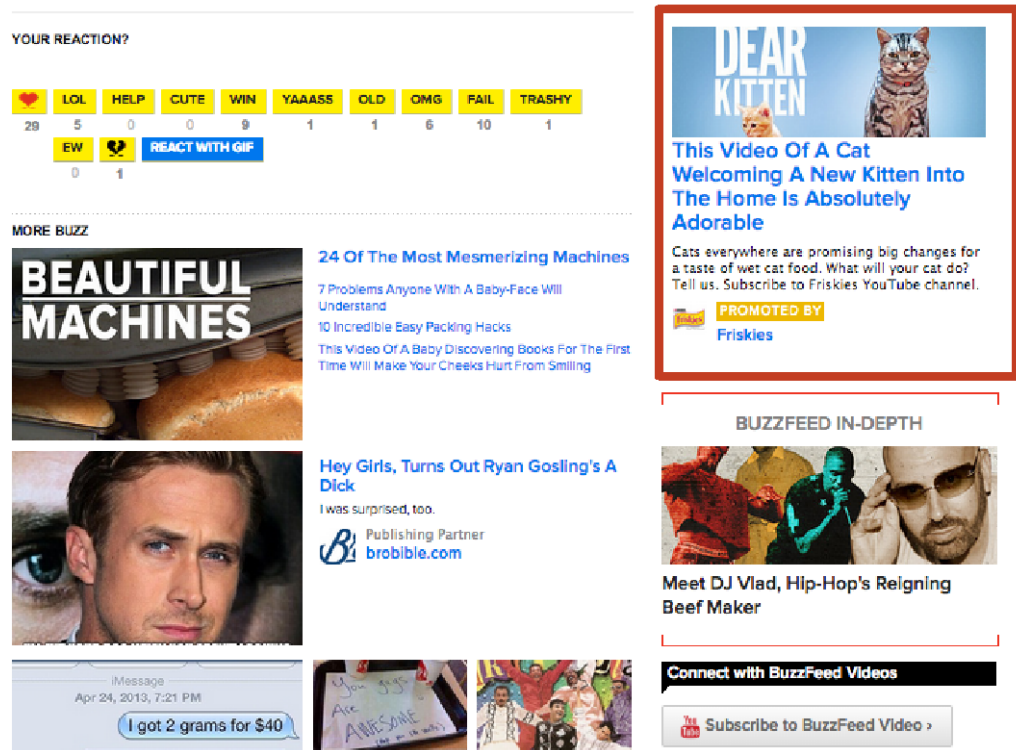
What is Content Marketing?

To simplify our scope and for the sake of definition, content marketing is content created and positioned to promote a given business in ways that engage readers or viewers more organically than traditional paid advertising. It exists *with* rather than *next to* organic content.

One subsector sometimes used synonymously with content marketing is “native advertising.” This can take many forms such as in-stream advertising within feed-based social media. We’ll mostly use the term content marketing in this report.

As further background, content marketing owes much of its recent growth to parallel trends in social media and “social sharing.” Social sharing is the growing trend of capturing experiences and sharing them through social channels.

Figure 2 - Content Marketing Finds a Home Within Popular Sites



Source: BuzzFeed

This can include the growing use of multimedia – fueled by continually improving smartphone hardware, camera optics, and connectivity. Apps are also proliferating to house social sharing features and to organize social graphs (i.e. Instagram).

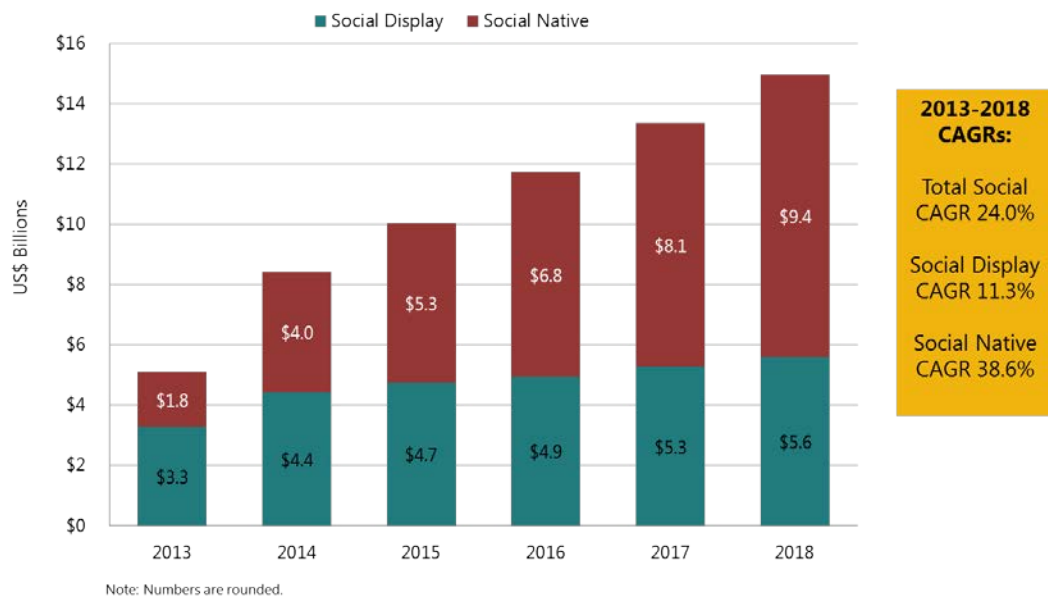
“It isn’t just words on a page,” said Search Influence CEO Will Scott. “It’s graphics, video, and infographics.”

Content marketing has come about as the principles of this social sharing have shifted into commercial use. That’s in turn driven by the advertising world’s evolving view towards this content as a vessel to carry high-quality brand messaging.

“If done well, content marketing and native advertising can blur the line between paid and earned media,” said Scott. “Even when identified as ‘sponsored’, readers and viewers may still be influenced by the credibility of the medium.”

BIA/Kelsey forecast data show native advertising revenues in social media to be \$1.8 billion in 2013, growing to \$9.4 billion by 2018. The majority of this is currently happening on Facebook (news feed ads) and Twitter (sponsored tweets)

Figure 3 - BIA/Kelsey’s Market Sizing of U.S. Native Advertising



Source: BIA/Kelsey U.S. Local Media Forecast

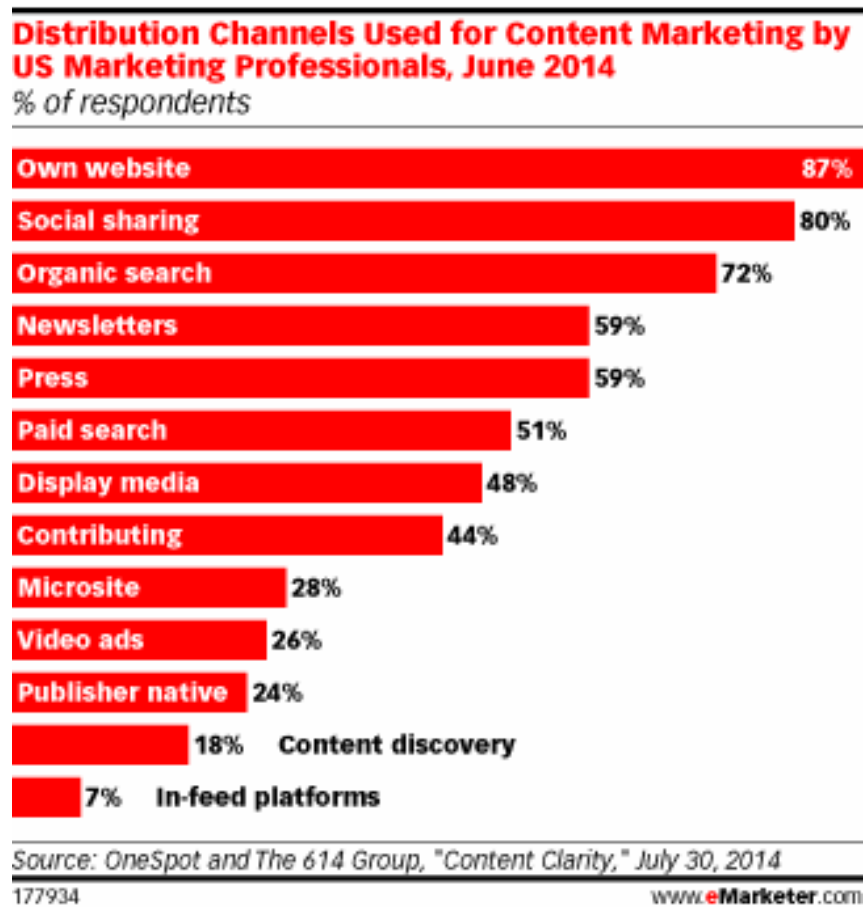
And it’s not just emerging social sharing platforms. Formats that house the majority of content marketing today are primarily text and images. That includes things like blogging, tweets, and infographics – each created with viral aspirations.

A few other content marketing formats include the following list (Graphical examples of many of these formats can be seen in the Appendix):

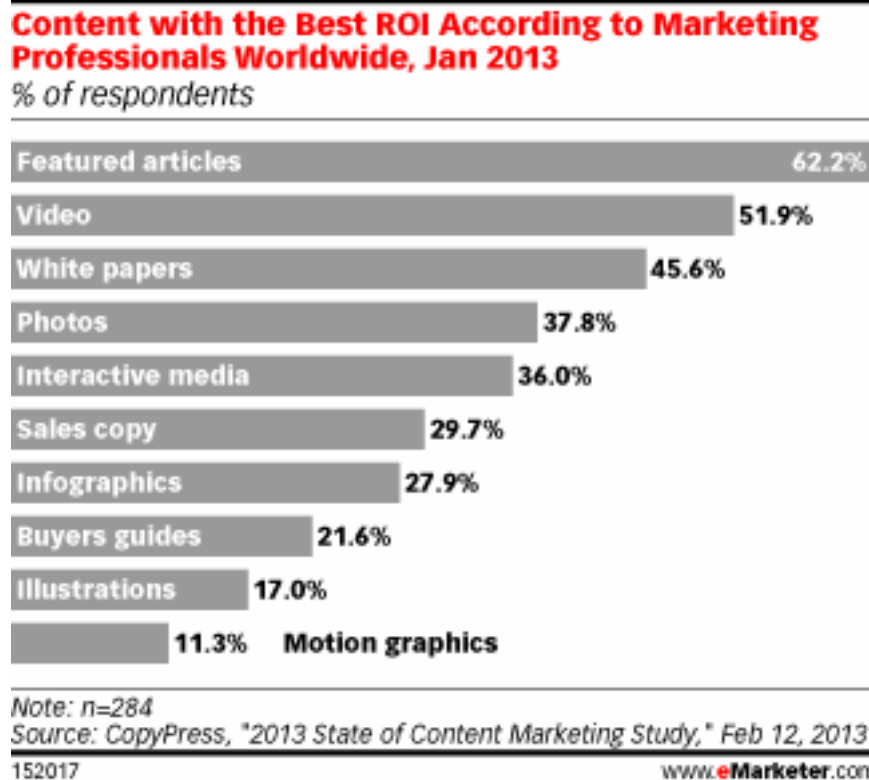
- Newsletters
- Press releases

- Paid search
- Promoted listings
- White papers
- Website content
- Community guides
- Sponsored editorial
- Email marketing
- Online video
- In-feed social media

Figure 4 - The Flavors of Content Marketing and How They Perform



Source: eMarketer



Source: eMarketer

The Pros of Content Marketing

In addition to advertisers, content marketing appeals to publishers and social networks, as their businesses are often built on advertising. All three entities – advertisers, publishers and social networks – can benefit in several areas.

Many of the benefits in the table below are supported by content marketing’s performance. Its relevance and tighter knitting with organic content – although contentious to content purists – show positive signs of consumer engagement on Facebook and others.

Facebook’s news feed ads (one flavor of content marketing) show higher engagement than its “sidebar” banner ads. Ad exchange AdRoll reports 49x higher click through rates (CTRs) than sidebar banners and 21x higher CTRs than standard web retargeting.

Figure 5 - Native Advertising: Pros

NATIVE ADVERTISING: PROS

	PUBLISHERS	SOCIAL NETWORKS	BRANDS & AGENCIES
Users opt-in to content/pull strategy	●	●	●
Combats downward pressure on price/effectiveness of banner ads	●		●
New revenue streams	●	●	●
Life/reach/efficacy of owned media	●		●
Better paid-owned-earned media integration			●
Higher engagement	●		●
Strong potential for mobile platforms	●	●	
Potential for deeper behavioral/contextual data	●	●	●
Reinforce or even improve UX	●	●	
Amplification beyond fans/followers		●	●

Source: "Defining and Mapping the Native Advertising Landscape," Altimeter Group (Sept. 10 2013)

Source: Altimeter Group, 2013

In fact, mobile -- where these news feed ads are shown exclusively -- now accounts for 62 percent of Facebook's ad revenue. That will total \$7 billion globally in 2014 according to BIA/Kelsey's mobile ad forecast, growing to \$52.3 billion by 2019.

The Cons of Content Marketing

Though opportune, content marketing operates on a different currency: In many cases, businesses pay with their time as well as money. And for some – especially SMBs – time can be the scarcest resource. Therein lies one of content marketing's barriers.

But it also represents one of the field's biggest opportunities. Third parties that execute content marketing effectively for advertisers will fill a sizeable gap that exists today. The key is effective, scalable and cost efficient content production.

These three requirements have been content marketing's biggest stumbling blocks. Creating content that is genuine, organic and high quality is difficult to do – especially at the low budgetary ranges that are characteristic of local businesses.

“Journalists and bloggers need a story to tell, and SMBs are often closer to the story,” said Search Influence’s Scott. “When we facilitate that connection, through content and relationships, everyone wins.”

The Art & Science of Content Marketing

We’ve covered the *what* and *why* of content marketing; *What* is it and *why* should you pay attention? The remaining question is *how*; how are models being developed to tackle the opportunity, and how are best practices being shown today?

In executing content marketing, there are guidelines to achieve the quality levels that are tied to its success (*the art*). There are also tactics to do it in a scalable way that preserves margin, even at low SMB budget levels (*the science*). The art and the science map to editorial and production strategies.

Art Form (Editorial Strategies)

As for the art, it can be summed up by saying that the goal is quality content that is genuine and projects confidence. Of course that’s easier said than done, and there are many best practices outlined below about how to hit those targets.

The importance of achieving these quality levels is underscored by IAB consumer survey data that show relevance as the top factor (90 percent response) in generating interest in sponsored content. This is a function of both content and its placement.

IAB respondents also named subject matter expertise (82 percent) and good storytelling (60 percent) as critical factors in capturing their interest. The common theme in these results is content that doesn’t seem like advertising, at least in a traditional sense.

These are key findings to preface some of content marketing’s core goals and tactics. Those tactics are listed below, having been assembled through a variety of sources including the IAB and content marketing specialists such as Search Influence.

1. Transparency

Though one of the key tenets of content marketing is to merge with its surrounding organic content, it can’t be done in a covert or disingenuous way. Any sponsored content should be clearly marked as such. This engenders the second point...

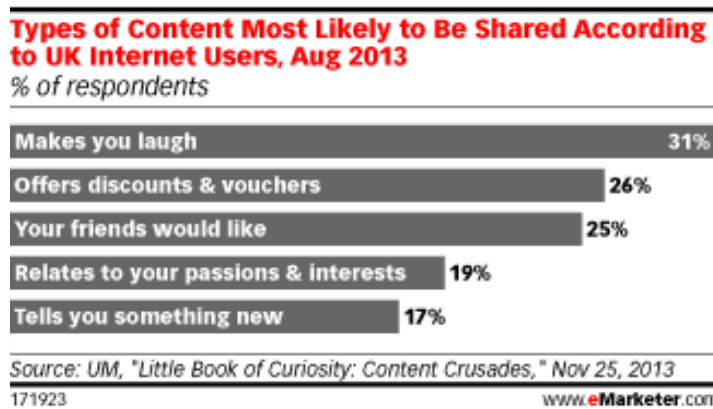
2. Trust

Trust is a defining factor in consumers' receptiveness to any content marketing on a long-term basis. The first step towards trust is being transparent, as noted. Other ways to build trust include well-sourced material and a genuine, confident tone.

3. Tone

Building from the trust factor, breeding genuine and organic interest in a piece of content marketing means using plain language. Talk like a human rather than a marketing executive. Levity is also a way to loosen any natural skepticism.

Figure 6 - Types of Content Most Likely to Be Shared According to UK Internet Users



Source: eMarketer, 2014. Confidence

4. Confidence

Related to tone, credibility can quickly erode if confidence is not projected. Why should consumers believe content marketing if it doesn't appear to believe itself? This can be gained via well-researched, structured and data-backed commentary.

5. Collaboration

The broad domain expertise or supporting data necessary to project confidence and authority can be challenging to aggregate. Collaborating with cross-disciplinary teams (see below points on scalability) can help achieve content quality and tone.

6. Earned Component

Engagement levels and frequency of consumption are higher when consumers feel invested in content through membership or subscription. A value exchange (through education, humor or rewards) can stimulate that membership and foster trust.

Scientific Method (Production Strategies)

As for the *science* of content marketing, it's all about scalable creation. This is challenged when the above quality factors are counterbalanced by their cost. And when working with SMBs specifically, low budgets can further compress margin.

One strategy involves a combination of in-house and outsourced creative talent. The former can fulfill the quality standards for a baseline of business. On-staff presence can also achieve economies of scale for various aspects of demand fulfillment.

But to deal with volatile demand, outsourced resources can scale up and down as necessary. They can also enable nuanced expertise for a broad addressable market -- especially true with SMBs where there are hundreds of verticals and "headings".

"It's difficult to create quality content at scale," said Search Influence's Scott. "The way that we make it work is by having a large stable of content creators, most of whom are contractors with some in-house. And, to date, all of our editorial staff is in house to assure we maintain a high standard of quality".

These variables lead up to the goals that define the science of content marketing:

1. Ability to Scale

High cost of quality content compresses margin, meaning scale is needed to reach meaningful profitability. Identify where content can be repurposed without losing quality. Example: learn and replicate knowledge specific to high-value topical areas.

2. Content Portability

Drilling down further on content replication, atomizing content into portable and adaptable components is one way towards scale and resource efficiency. The best content marketing firms employ software that indexes content assets for reuse.

3. Training

Replicating best practices within content areas or advertiser verticals can be achieved through repetition and practice. This can also accomplish the desired confidence, topical authority and consistency. These goals start with good training.

4. Measurement

Like any other form of marketing, attribution and ROI clarity are a function of good analytics. The importance of this point happens on two levels: to communicate ROI to advertisers (retention driver), and to optimize ongoing campaigns iteratively.

Mini Case Study: LocateADoc.com

To animate some of the above principles (mostly the *art*), Search Influence provided an illustrative example. The study examines an infographic-based content marketing campaign for LocateADoc.com, a directory and lead generator for doctors.

History:

In 2012, LocateADoc.com went through a site redesign from which it lost online authority, including SEO ranking factors. Site traffic decreased by 52 percent.

Approach:

An aggressive SEO and content marketing strategy was implemented, built around monthly infographics. Each one aimed for appeal grounded in education and humor.

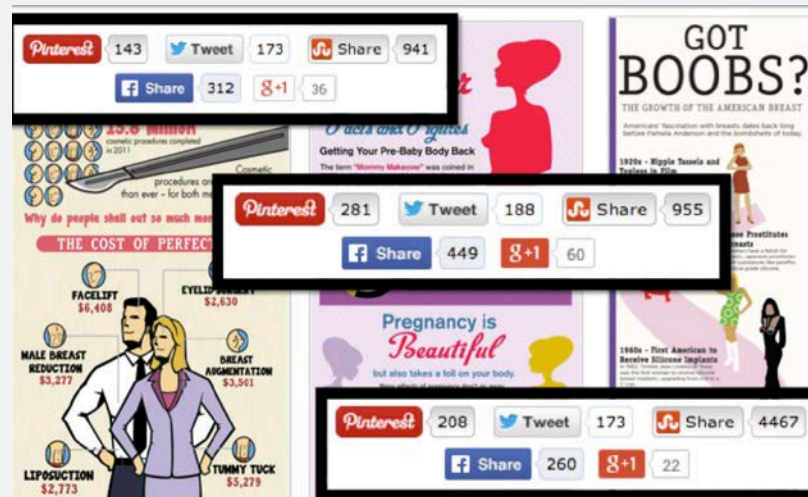
Results:

Upon its launch, the campaign's flagship Infographic "How to Give Yourself a Breast Exam" drove the site's second highest all-time daily total of new patient leads.

1 Month Later:

- The infographic received 2,496 page views
- Average time on site grew 1,275 percent to ten minutes, 54 seconds
- Referral site traffic increased 15.2 percent

Figure 7 - LocateADoc Infographic: Educational, Confident, and a Touch of Humor



Source: Search Influence, 2014

Act Local

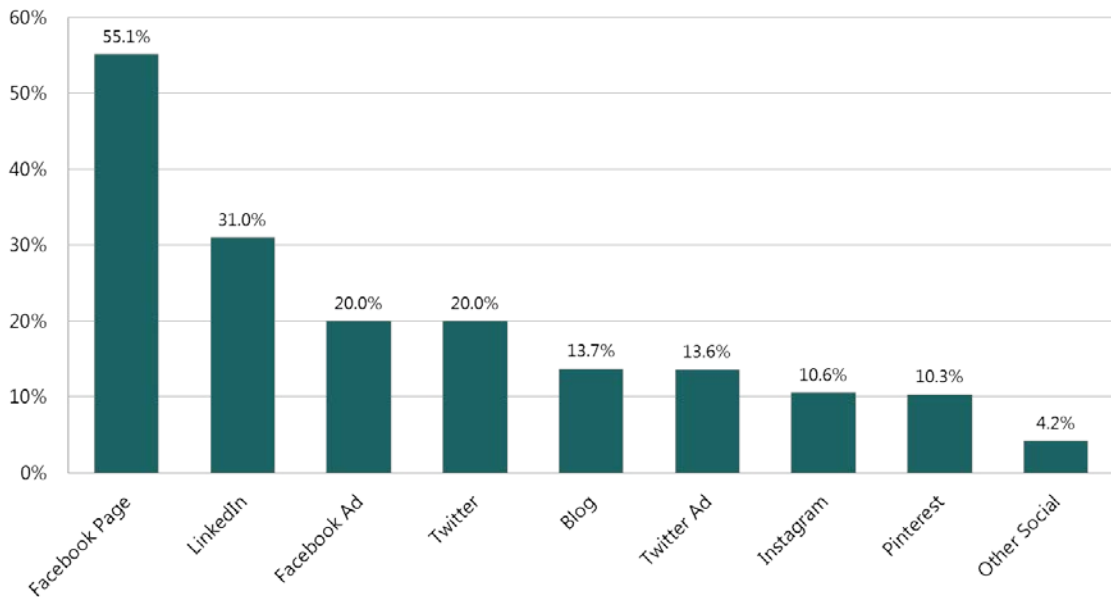
As BIA/Kelsey’s core coverage area is local media, an important question is how all of the above principles play out at the local level. That includes national multi-location businesses as well as SMBs.

The SMB segment tends to lag larger national advertisers in its adoption of emerging media. Much of that is due to lack of technological savvy, resources and time. Larger advertisers conversely have dedicated marketing departments in most cases.

But content marketing has caught on faster among SMBs than many other forms of emerging media over the last few decades. This is because its value proposition is aligned with the factors that resonate with SMBs: Telling their unique story.

BIA/Kelsey data prove this out. In its Local Commerce Monitor survey of SMB local advertising behavior, many of the top forms of local marketing include content marketing-oriented channels like Facebook, email, video and blogs.

Figure 8 - Social Media Used for Advertising and Promotion



Source: BIA/Kelsey Local Commerce Monitor™ (LCM) Wave 18, Q3/2014 (and prior waves, if relevant). Methodology: Online panels.
 S11 Media Used for Advertising or Promotion
 Sample Size = 546

Source: BIA/Kelsey Local Commerce Monitor™ (LCM) Wave 18 (Q3/2014)

These trends align with the “vanity factor” as a driver for SMB ad spend. Lawyers, real estate agents and other high value categories have a penchant for full-page yellow page ads or park benches.

Content marketing when positioned correctly can carry that same level of appeal to SMB vanity in that it “tells their story” and characterizes their uniqueness. That can be everything from origin stories, to how they make each batch of cupcakes.

“These things are more intuitive to the business than search marketing,” said Perch CEO Perry Evans at BIA/Kelsey’s SMB Digital Marketing Conference. “[Such as], putting out a promotion or piece of news or bragging about an award they got.”

User Friendly

Appealing to small businesses in these ways is a big step forward, but it’s only half the battle. In order to execute content marketing properly for SMBs, it has to be engaging content rather than thinly veiled advertorial, as described earlier.

This is easier in some cases than others. The cupcake example above taps into a subject that is fun, trendy and has positive connotations. The same could be said for bars and restaurants and other local categories. But it’s not always the case...

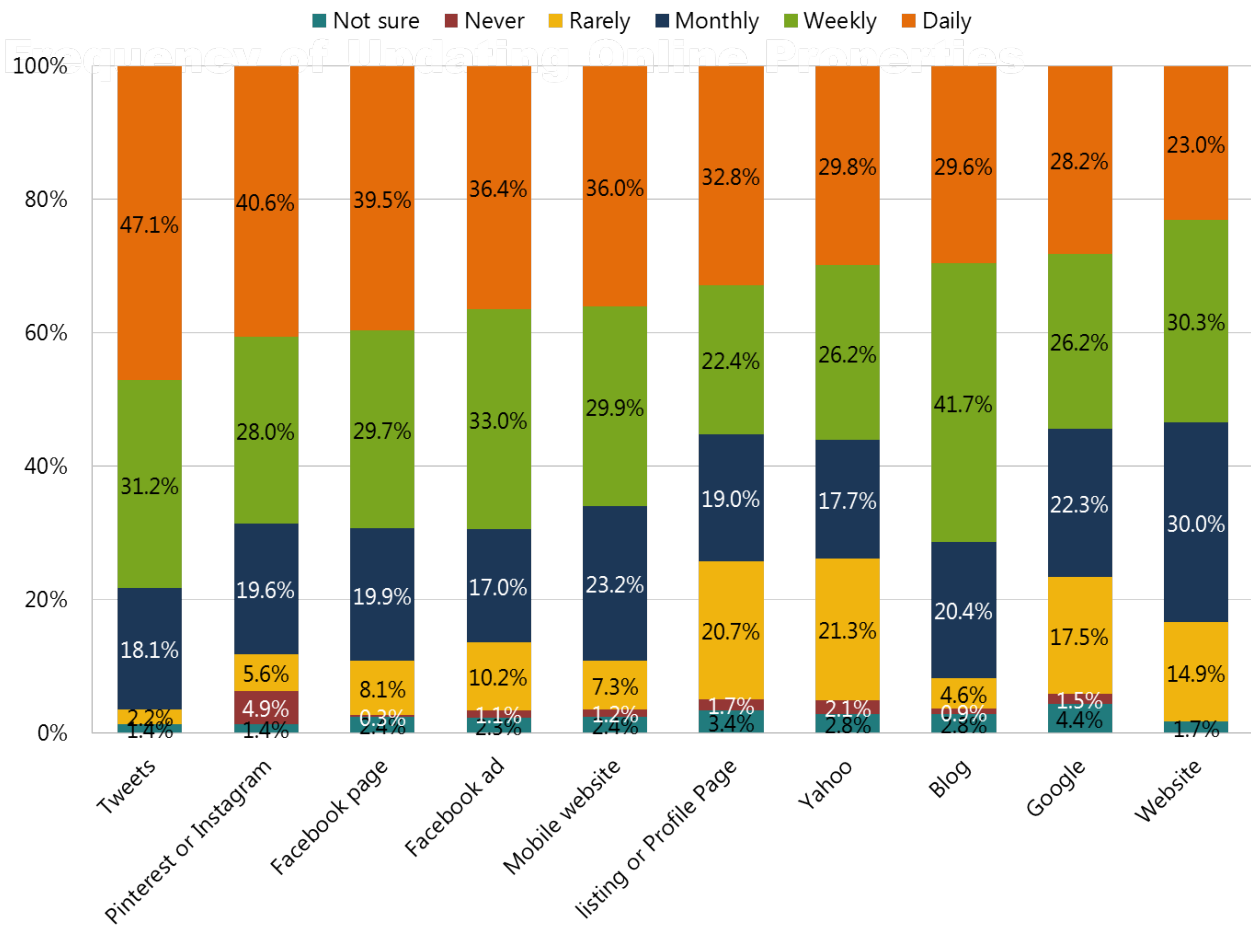
“I don’t want to read an article from my dry cleaner about the science of cleaning cottons,” said Perry Evans. This brings up an important challenge among many SMBs: In addition to being resource constrained, they’re sometimes *content-starved*.

In these less “sexy” subject areas like mufflers and plumbing, it can’t be expected that content will be shared virally and organically. This is where content marketing merges with traditional paid advertising to boost distribution through paid means.

Time Share

SMBs are also *time-starved*. For example, blogs are great for content marketing according to Digital Sherpa CEO Adam Japko, but SMBs struggle to update them. PagePart CEO Randy Parker tells us this is why 90 percent of SMB blogs “go dark.”

Figure 9 - Frequency of Updating Online Properties



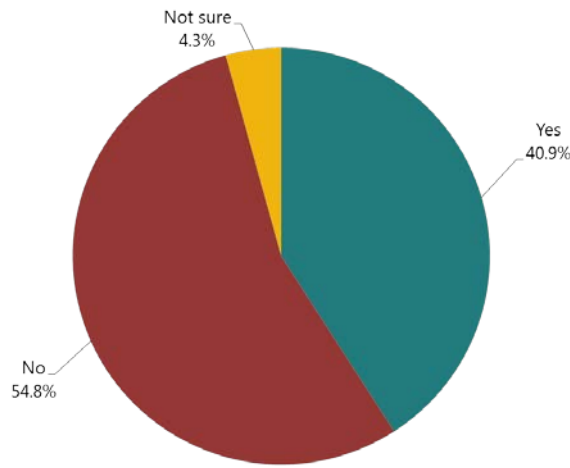
Source: LCM Wave 17, Q3/2013 (and prior waves, if relevant). Methodology: Online panels. Q303d
Sample Size = Variable

Source: BIA/Kelsey Local Commerce Monitor™ (LCM) Wave 17 (Q3/2013)

Parker and Japko agree that one way around these time compression challenges is by bringing more automation into the picture. Make use of third party material that's curated. Shorter form "snackable" content can also go far such as tweets.

In any case, in situations where time and content are lacking, the opportunity is for third parties to help SMBs reach their content marketing goals while getting around these challenges. BIA/Kelsey data indicate that many SMBs are already doing this.

Figure 10 - Paid Assistance for Updating Online Properties?



Source: LCM Wave 17, Q3/2013 (and prior waves, if relevant). Methodology: Online panels.
 Q322
 Sample Size = 484

Source: BIA/Kelsey Local Commerce Monitor™ (LCM) Wave 17

41 percent of SMBs adopting third parties to populate content marketing is a sign that the demand exists and execution is underway. Similarly, the 55 percent that haven't adopted could indicate a larger addressable market and room for growth.

The Content Marketing Agency Model

The firms that are tapping into this opportunity are mostly digital advertising agencies and content marketing specialists. Those with the greatest marks of success can offer a combination of high-touch service and "teaching a man to fish".

The latter translates to dashboards that allow businesses to manage their own content marketing. This carries the advantage of getting businesses more involved, which both reduces cost and makes them more attentive to results.

That attentiveness boosts their ROI perception and makes them more personally invested which aids retention. Other retention benefits can be found through SaaS based platforms that are locked-in to businesses marketing and operations.

"We've been doing content forever, and mostly text so far," said Search Influence's Scott. "The next iteration is a management console with a content creator, editor, and distribution platform with social promotion. This can take the content and make it go farther."

Content Marketing as a Search Driver: A Conversation with Will Scott



Content marketing is usually viewed as a distinct topic, indirectly related to search. But the two are intertwined. BIA/Kelsey explored the relationship between content marketing and search in an interview with Search Influence CEO and Content Marketing pioneer Will Scott.

BIA/Kelsey: Is there a clear connection between search and content marketing?

WS: SEO has always included a fair amount of content. The publication of good content is still the best way to get the attention of search engines. The value of links has diminished in the past 18 months, but they remain very important in demonstrating a site's credibility to Google.

BIA/Kelsey: Search Influence is primarily known as a SEO/SEM firm. Should we think of it as a content marketing firm as well?

WS: Historically, we have published a ton of content. In one month in 2013, for instance, we published 10,000 pieces of content for a single national firm.

BIA/Kelsey: Shouldn't newspapers take the lead in producing content marketing?

WS: If newspapers take advantage of the opportunity, they are the best positioned to really use it. The irony with the downsizing of newspapers and other media is that they don't have the resources to work with businesses. We have a number of newspapers that are coming to us to produce editorial content. We give the search engines ammunition to understand what SMBs are about.

BIA/Kelsey: What's the biggest mistake that SMBs make with content marketing?

WS: The biggest mistake they make is failing to be original. It's too easy to repackage manufacturer information, or to mimic content that others in your vertical are creating. Every SMB has a story to tell, and unique interactions with customers.

BIA/Kelsey: There is a broader definition of content marketing that includes marketing automation. What is your relationship with marketing automation players?

WS: Marketing automation is a key part of the ecosystem. The key companies in the space – such as Yext, Single Platform, Connectivity and Vendasta -- have a set of pipes that push data. But they've got to have a smart driver to make sure your data is accurate on all the sites where people are looking.

BIA/Kelsey: What trends are next for content marketing?

WS: The piece I would underscore, which SMBs don't always understand, is getting content in front of the right audience. At the end of the day, the Yellow Pages companies had it right. Make the phones ring and doors swing for businesses. Content is important in this context; and a good understanding of where to put that content is even more so.

Conclusion

This report is meant to serve as an introduction to content marketing and its current challenges. Think of it as a conversation starter to stimulate thought and interest in the area – that which can be furthered through discussions with its practitioners.

As explored, there are many different forms of content marketing and they're all evolving quickly. The firms worth talking to are those that 1. Specialize in specific areas of interest. 2. Exhibit the more universal marks of quality and competency.

On that measure, content marketers must serve two masters, representative of the components of the term itself. Consumers want *content*; Advertisers want to push *marketing*. Any good content marketer will balance these opposing forces.

That requires convincing marketers that the best way to sell is *not to sell*. This puts the marketer's goals first by putting the consumer first: Give them good content. Put another way: content marketing should be *more content* and *less marketing*.

That can be hard to do profitably, requiring a close eye on industry best practices. For content marketing practitioners, quality, scalability and adaptability are success factors. To advertisers and publishers: find the practitioners that hit these marks.

About BIA/Kelsey



BIA/Kelsey is a market research and analyst firm that focuses on all things local. Local media is an increasingly dynamic area of ad spending, and is quickly evolving with emerging digital platforms like mobile, social and search.

Over the past three decades, BIA/Kelsey has been an authority on these developing technologies as well as their forbearers in traditional media, which continue to transform as they likewise compete for local ad dollars and consumer affinity.

Through a growing suite of products that include research reports, articles, conferences, and client consulting, BIA/Kelsey analyzes the business, financial, social and technology trends affecting local media.

Readers, event attendees, partners and clients are given the inside track on critical data, analysis, and recommendations needed to grow and transform in a rapidly evolving media and advertising landscape.

About BIA/Kelsey Sponsored Reports



BIA/Kelsey Sponsored Reports are commissioned by companies that wish to spotlight areas of coverage.

BIA/Kelsey maintains full editorial control and applies its longstanding standards of editorial practice and objective market analysis. If you'd like to sponsor BIA/Kelsey's coverage of any topics or to profile sectors of local media innovation, please contact spasswaiter@biakelsey.com.

About Search Influence



Search Influence is a national, full-service, online marketing company based in New Orleans. Search Influence serves small / medium size businesses with SEO, Online Advertising, Social Media and content marketing, both directly and as a white-label provider for media companies and resellers.

The only New Orleans company on the 2011 Inc. 500 list (and Inc. 5000 in 2012, 13 and 14), Search Influence is the largest online marketing company on the gulf coast with nearly 80 full-time employees and more than 40 contractors supporting our hundreds of direct and white label customers.