



GROWTH AND OPPORTUNITIES IN CONTENT MARKETING

JULY 2020

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BACKGROUND AND METHODOLOGY

For the purposes of this study, “Content Marketing” is defined as “the discipline of creating content, on behalf of a brand, designed with the specific strategy of influencing the intended target audience to drive quantifiable profitable results.”

Content marketing is about a brand creating value-added content that helps to connect with a specific target audience to communicate the brand’s values. It also entertains and educates by attempting to deepen the relationship with the audience and expand the emotional connection. Content marketing can accomplish a variety of objectives, such as generating leads, improving brand affinity, and establishing thought leadership. Ultimately, content marketing is intended to generate profitability and improve lifetime customer value.

Content marketing differs from the content used in advertising. It can be editorial or educational in nature and is not always product- or campaign-focused. In developing successful content marketing, marketers consider the entire customer journey, prioritizing both the functional and emotional needs of the audience.

In working with members and constituents, brands are spending more on content marketing than ever before and strategically aligning to its value. It is also clear many continue to be challenged by numerous internal and external factors and the need to demonstrate return. The ANA and The Content Council came together to survey members to help define and solve the challenges.

The 2019 survey was completed by senior-level marketers from the U.S. and Canada. Respondents have an average of eight years of content marketing experience, in what may be longer marketing careers. Their companies represent well-established businesses across a range of industries with an annual average revenue of \$8.1 billion. Many industries were represented, including financial, legal, health care, CPG, technology, software, travel and leisure, retail, and entertainment.

There were 126 responses, of which 90 percent were client-side marketers, with the remaining 10 percent coming from academia, nonprofits, and associations. Nearly three-quarters reported being at the director level or higher, and more than half said they were the primary decision-makers for their company when it came to strategy, distribution, or development and production of content.

EXECUTIVE SUMMARY

Survey respondents have an overall positive view of the horizon of content marketing for the coming 12 months, with 31 percent of respondents saying their view of the content marketing forecast is “clear skies.” An additional 40 percent say it is “cloudy,” which indicates survey respondents recognize there is still room for improvement to make content marketing work effectively.

When asked about their commitment to content marketing, 52 percent of respondents said they currently have a strong commitment. That is double the commitment from two years prior (26 percent). Commitment is expected to be even higher two years from now.

Current estimates of content marketing spending represent a substantial portion (18 percent) of the current total estimated marketing spending among respondents.

Respondents reported an average increase in their total annual content marketing budget — up 73 percent from two years ago, with an expected 42 percent increase two years from now.

Almost two-thirds (63 percent) of content marketing services are handled internally. The percent outsourced — 37 percent currently — is relatively stable, though on a growing base.

Marketers are driving the process in most areas of content marketing, and are primarily responsible for strategy, technology, and measurement and analytics. Agencies have significant responsibility for development and production and distribution. However, collaborative efforts between marketers and agencies are still key.

Only 35 percent of respondents have a clearly documented content strategy. Fifty-two percent do not, and 13 percent are unsure. This is an obvious area for improvement.

Survey respondents who have a clearly documented content strategy were twice as likely to report a positive outlook on the future of content marketing as opposed to those who are operating without a strategy.

All respondents report relying on at least one agency partner to assist with content marketing functions. Advertising agencies were most consistently used across tasks, with other agency types being most utilized depending on the specific task area.

EXECUTIVE SUMMARY

Attributes most important to survey respondents when evaluating agency partners are quality content, actionable insights based on data, and metrics-driven strategy.

Despite increasing their commitment to content marketing spending, 59 percent of survey respondents reported a lack of actionable insights derived from current tracking methods in determining the effectiveness of content marketing activity.

It's imperative that every piece of content created serves the greater goal. But it's impossible to achieve that without a plan:

1. Consolidate the responsibility for content marketing.
2. Be authentic.
3. Think like storytellers, then elevate that to think like storydoers.
4. Develop measurement rigor.
5. Take the content marketing maturity assessment.
6. Have a clearly documented content strategy.

Note: All facts and findings presented are based on a survey that pre-dated COVID-19.

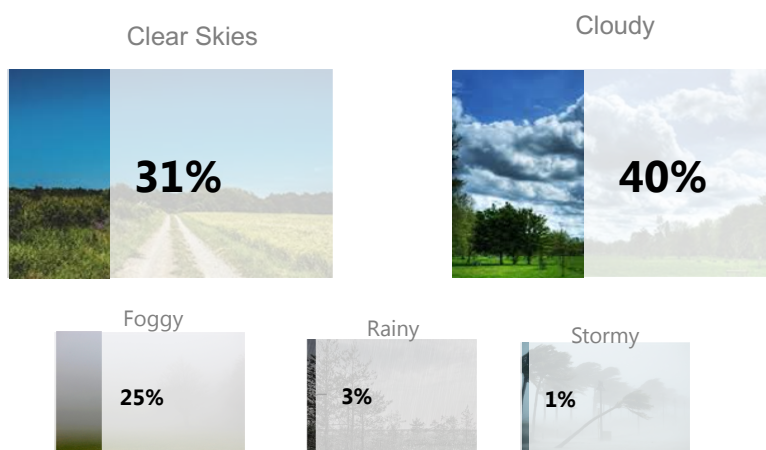
SECTION I: SPENDING OUTLOOK

Respondents Have Overall Positive Outlook on Content Marketing

Content marketing has earned its place in marketing plans and budgets: survey respondents rely on content to meet their marketing goals. And it's only going to become more valuable; marketers are optimistic about the direction content marketing is headed.

Survey respondents have an overall positive view of the horizon of content marketing for the coming 12 months, with 31 percent of respondents saying their view of the content marketing forecast is “clear skies.” An additional 40 percent say it is “cloudy,” which indicates survey respondents still recognize there is room for improvement to make content marketing work effectively. A quarter of respondents described the horizon as “foggy,” while a small number said it was looking “rainy” or “stormy.”

View of Content Marketing for the Next 12 Months



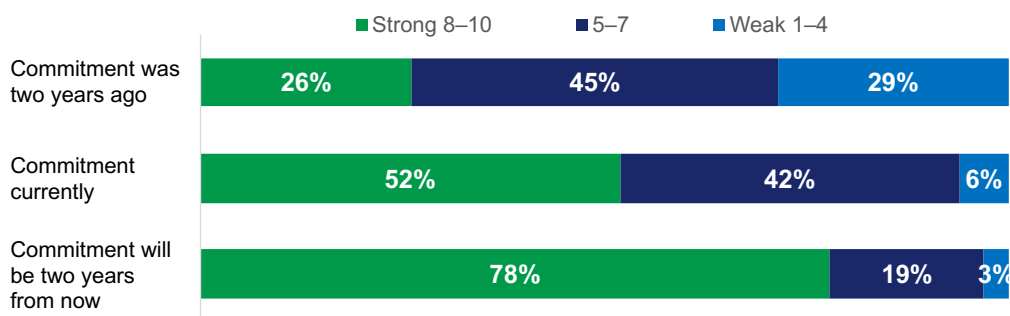
Q: In general, which of the following images best demonstrates how you currently view the horizon of content marketing for the next 12 months?

SECTION I: SPENDING OUTLOOK

Commitment Is Strong and Will Continue to Increase

When asked about their commitment to content marketing, 52 percent of respondents said they currently have strong commitment (noted as top-3 box on a 10-point scale). That is double the commitment from two years prior (26 percent). Commitment is expected to be even higher two years from now, when strong commitment is predicted to increase to 78 percent.

Commitment to Content Marketing



Q: Please rate overall how strong you believe your company's commitment to content marketing was two years ago, is currently, and what you believe it will be two years from now.

SECTION I: SPENDING OUTLOOK

Content Marketing Continues to Grow

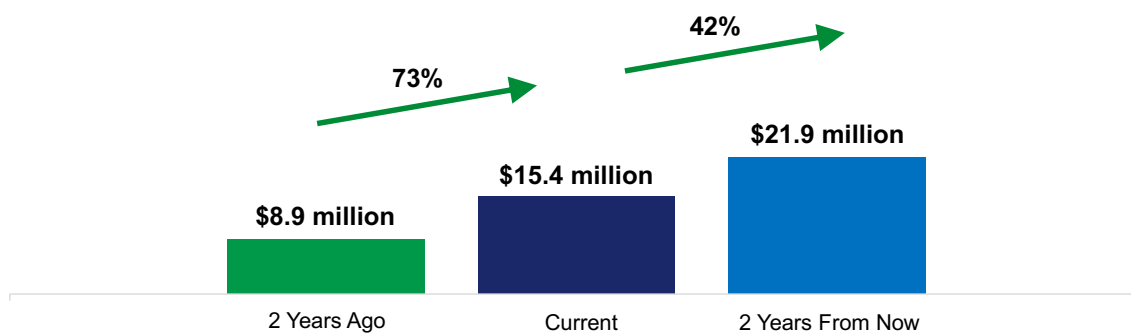
Along with increasing commitment comes increased budgets. When asked about their content marketing budgets, respondents continued to express their commitment, here in the form of budget increases. In the annual content marketing budget, respondents were asked to include spending for strategy, development and production, distribution, technology and measurement, and analytics.

Current estimates of content marketing spending (\$15.4 million) represent a notable portion (18 percent) of the current total estimated marketing spending among respondents (\$87.0 million).

Respondents reported an average increase in content marketing spending from two years ago of 73 percent and predicted growth of 42 percent two years from now.

Note: This survey was fielded prior to the COVID-19 pandemic. We have seen marketing budgets decrease as a result, so it's possible, at least in the short term, that content marketing budgets have also been reduced.

Average Annual Content Marketing Budget



Q: Approximately what was, is, and do you estimate will be your company's total annual content marketing budget?

SECTION I: SPENDING OUTLOOK

Content marketing spending growth is supported by outside third-party research. In 2015, when the ANA, in partnership with PQ Media, studied spending on brand activation, content marketing was identified as the fastest-growing platform within brand activation, at 11.2 percent per year (projected through 2020) vs. 5.8 percent growth per year projected for overall brand activation. The PQ Media study also projected content marketing spending to reach 15.5 percent of total brand activation spending by 2020.

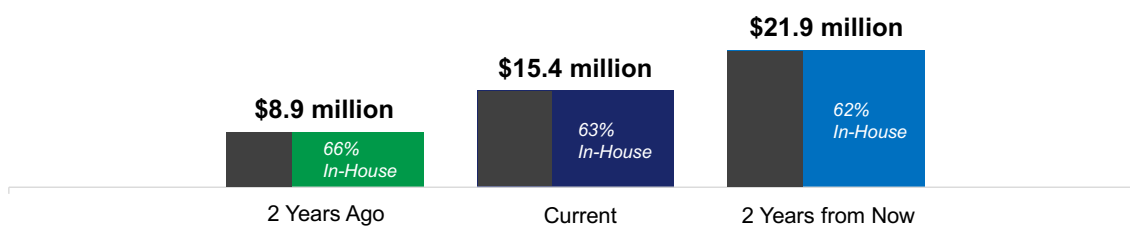
SECTION II: OPERATIONAL CHALLENGES

Content Marketing Efforts Done In-House

Almost two-thirds (63 percent) of content marketing services are handled internally. The percent outsourced — 37 percent currently — is relatively stable, though on a growing base.

Content Marketing Efforts Mainly In-House

In the next two years, Content Marketing budgets are projected to grow to an average of **\$22 million** — **62% of which will be in-house.**



Q: Approximately what percent of your company's annual content marketing budget was, is, and will be outsourced?

SECTION II: OPERATIONAL CHALLENGES

To Bring In-House or to Outsource?

According to the landmark 2018 ANA report, **The Continued Rise of the In-House Agency**, in-house agency penetration is rising and workloads are increasing.

- 78 percent of ANA members had an in-house agency in 2018, versus 58 percent in 2013 and 42 percent in 2008.
- For 90 percent of respondents, the workload of their in-house agency has increased in the past year, including 65 percent for whom the workload has increased “a lot.”

In-house agencies — sometimes also referred to as content studios — provide the benefits of cost efficiencies, speed, and institutional knowledge (and in many cases, strong creative too).

One example of an internal content studio is **Marriott, which created its M Live studio** with regional offices around the globe. This investment has allowed the brand to create content at scale while being responsive to market, guest, and regional relevancy when needed, and also create large-scale, integrated content marketing efforts.

Another such example of the content studio approach is **Pepsi Creator’s League In-House Content Studio** which produces content across its brands across three dimensions:

1. “Tentpole,” with a broad reach and large scale
2. “Episodic,” with a targeted reach
3. “Always,” for contextual and personalized content

While this current survey did not specifically address the increased use of in-house agencies/content studios, this is an area for future exploration specifically within content marketing.

SECTION II: OPERATIONAL CHALLENGES

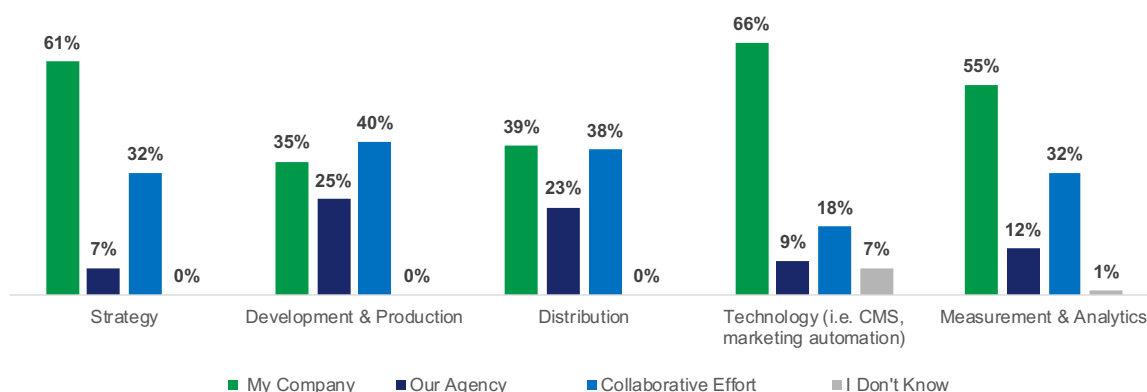
Marketers Have Primary Responsibility

As would be expected, marketers are primarily responsible for content marketing processes, including strategy (61 percent), technology (66 percent), and measurement and analytics (55 percent).

Agencies are most involved in development and production (25 percent) and distribution (23 percent).

However, collaboration is key, as collaborative efforts between marketers and agencies were reported to be between 18 and 40 percent for each content marketing process area. That further supports the idea that marketers are driving the process in most areas of content marketing.

Primary Responsibility for Each Content Marketing Process



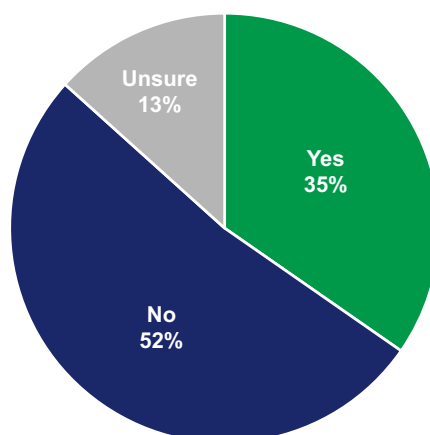
Q. Who is primarily responsible for the following processes of content marketing for your company?

SECTION II: OPERATIONAL CHALLENGES

Long Way to Go in Documenting Content Strategy

Only 35 percent of respondents have a clearly documented content strategy. Fifty-two percent do not, and 13 percent are unsure. This is an obvious area for improvement: marketers can control their own destiny, and given the importance of this area should make it a priority.

Does Your Company Have a Clearly Documented Content Strategy?



Q: Does your company have a clearly documented content strategy?

We were able to analyze the existence of a clearly documented content strategy by industry. Those industries which are more likely to have a clearly documented content strategy included CPG, financial, insurance, technology, and travel. Those which did not have a clearly defined strategy included manufacturing and telecommunications.

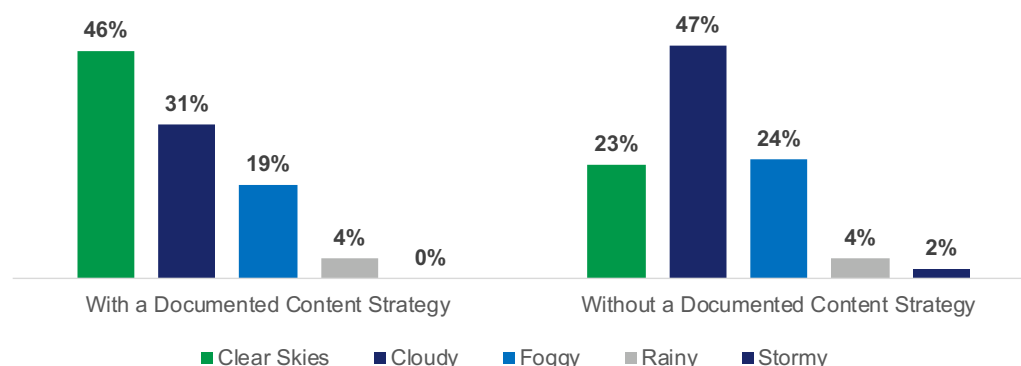
SECTION II: OPERATIONAL CHALLENGES

Clearly Defined Content Strategy Leads to Positive Outlook

Survey respondents who reportedly have a clearly documented content strategy were twice as likely to report a positive outlook on the future of content marketing (46 percent “Clear Skies”) as opposed to survey respondents who are operating without a strategy (only 23 percent “Clear Skies”).

This further underscores the need for and benefit of bringing all elements together into a unified plan.

Outlook Impacted by Presence of Content Strategy



Q: Does your company have a clearly documented content strategy?

Q: In general, which of the following images best demonstrates how you currently view the horizon of content marketing for the next 12 months?

Perhaps one of the reasons brands report not having a clearly defined content strategy is that many teams and even more agency partners tend to have a hand in brands' content marketing efforts. Brands that are responsible for creating content for multiple constituents must begin by aligning internally. Marketers need to collaborate interdepartmentally and across agencies to create a content plan that serves all teams, or at the very least is consistent with other teams' content strategies.

Some companies have moved toward a centralized content function under a chief content officer (or similar) which operates like a traditional newsroom. These groups streamline the strategy, developing a consistent corporate voice and ensuring the content is commensurate with the brand's mission, purpose, and vision. While this may not be an option for all companies, as it takes both commitment and resources, there is a lot to learn from these companies. They control the narrative versus allowing many arms of the organization to trade in content without clear guardrails for the production, delivery, and measurement of content marketing.

SECTION II: OPERATIONAL CHALLENGES

Numerous Agencies Involved Throughout the Content Journey

All respondents report relying on at least one agency partner to assist with content marketing functions. Advertising agencies were most consistently used across tasks, with other agency types being most utilized depending on the specific task area. For example, digital marketing agencies were most utilized (48 percent) for content technology.

There was very little consistency when it comes to which types of agencies companies use for different content tasks. Advertising agencies were particularly strong for brand storytelling (47 percent) and development/production (41 percent). Media-buying agencies were strongest for content distribution (55 percent) and measurement/analytics (51 percent), probably based on their existing reliance on data.

Type of Agency Used for Content Marketing Activities

Agency Type	Content Strategy	Brand Storytelling	Content Development and Production	Content Technology, i.e. CMS, marketing automation	Content Distribution	Content Measurement and Analytics	Performance Marketing
Branding	21%	28%	17%	5%	7%	7%	14%
Advertising	36%	47%	41%	20%	34%	31%	33%
Direct marketing	6%	2%	8%	7%	7%	9%	8%
Digital marketing	27%	22%	28%	48%	41%	38%	38%
Content	28%	23%	29%	14%	13%	9%	8%
Social media	28%	30%	29%	20%	37%	30%	24%
Public Relations	26%	31%	20%	5%	19%	16%	16%
Media buying	24%	15%	14%	28%	55%	51%	45%
Other	3%	5%	7%	2%	2%	3%	2%

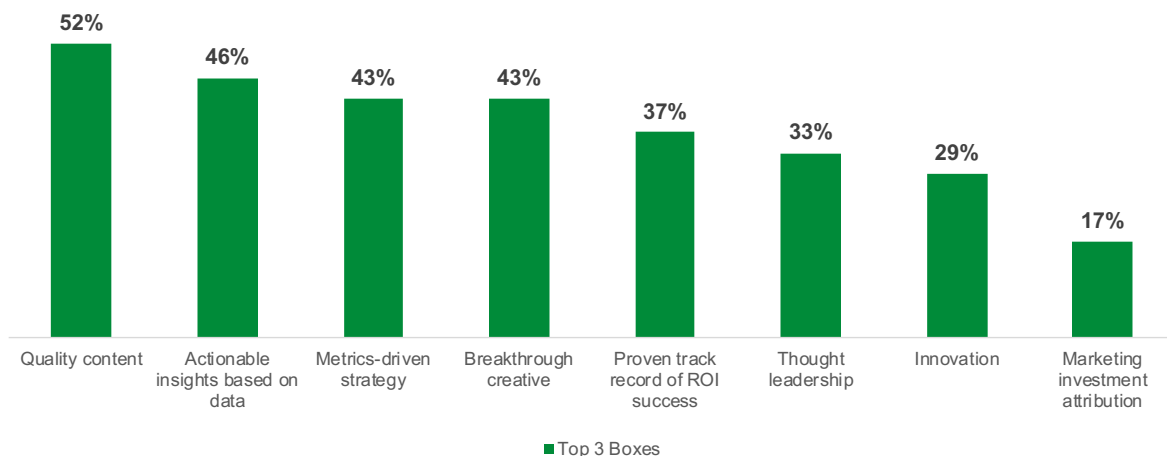
Q: What type of agency do you use for each of the following Content Marketing activities?

SECTION II: OPERATIONAL CHALLENGES

Agencies Evaluated Across Many Areas

As far as which attributes are most important to survey respondents when evaluating agency partners, respondents ranked quality content, actionable insights based on data, and metrics-driven strategy highest.

Important Attributes when Evaluating Agencies



Q: Please rank each of the following attributes in terms of what is most important to you when evaluating your agency partners. The top position equals most important. (Scale of 1–8)

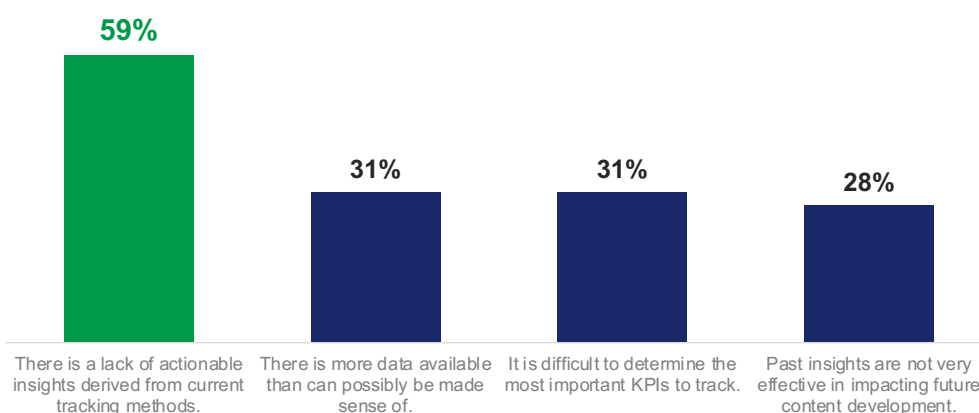
SECTION III: MEASUREMENT AND ROI CHALLENGES

Measurement Continues to Prove Elusive

Since content marketing's inception, it has been difficult to track, and often prove, its ROI. Effective measurement continues to be a pain point for marketers who must justify larger content investments.

Despite increasing their commitment to content marketing spending, 59 percent of survey respondents reported a lack of actionable insights derived from current tracking methods in determining the effectiveness of content marketing activity. Additionally, 31 percent reported there was more data available than could possibly be made sense of, pointing to additional measurement challenges.

Content Marketing Measurement Perception



Q: Which of the following statements do you agree with when determining the effectiveness of your content marketing activity? (Select all that apply)

SECTION III: MEASUREMENT AND ROI CHALLENGES

Marketers Voiced Their Frustration with Measurement

Respondents were asked the open-ended question, “What aspects of content marketing do you find the most frustrating?” Representative responses were:

- Proving the ROI
- Better at attribution and explaining ROI
- Tracking, measurement
- Metrics across owned and paid channels...comparing apples to apples across publishers
- Providing metrics that cut across platforms and publishers

“Prioritizing quality over quantity is key. One well-researched, well-structured piece of engaging content built around customer insights that enable it to truly meet your target consumers’ unmet needs — then targeted to reach those consumers where they’re most receptive — will win out over massive amounts of inexpensive, mass-produced, mass-amplified content every time.”

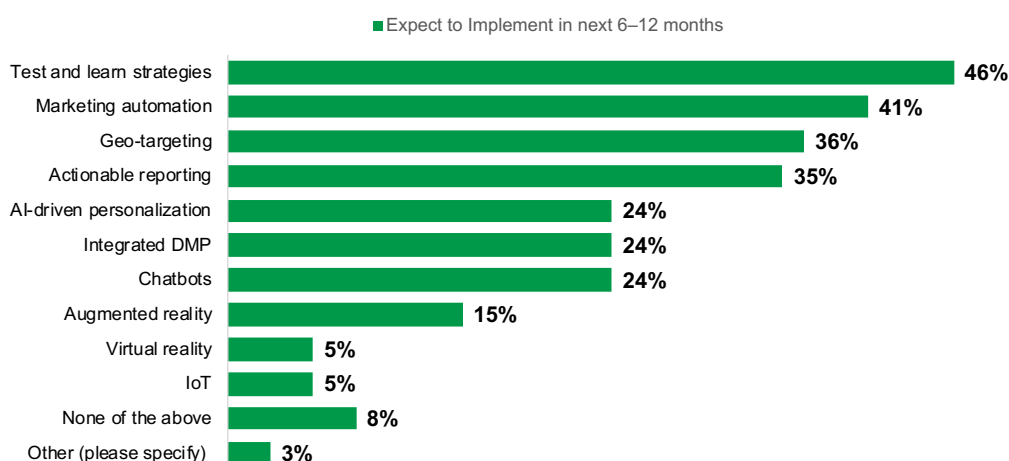
— Cathy McManus, VP, Marketing and Branding at McGraw-Hill

SECTION III: MEASUREMENT AND ROI CHALLENGES

Content Marketers Looking for Innovation

With the focus on test-and-learn strategies, marketing automation, geo-targeting, and actionable reporting, there is a continued pressure as brands place a premium on optimizing their content marketing investments. They are focusing on innovative investments to get smarter and help solve their challenges in measurement, purchase conversion, and efficacy.

Content Marketing Innovations



Q: Which innovations do you expect to implement as part of your content strategy within the next 6 to 12 months? (Select all that apply)

SECTION IV:

CONCLUSIONS AND OPPORTUNITIES

It is clear that content marketing has earned an important place in marketing plans and budgets, and marketers rely on content to meet their marketing goals. Still, content marketing is not without its challenges. And there are opportunities for improvement as the craft continues to mature.

Content marketers have much to look forward to in the coming years. Larger budgets likely point to more content. While all the research in this study predates the COVID-19 pandemic, we believe that the importance of content marketing will continue.

Of course, with an increase in content marketing spending expected in the coming two years, the pressure is on. Larger budgets come with more scrutiny. And it's imperative that every piece of content created serves the greater goal. But it's impossible to achieve that without a plan:

- 1. Consolidate the responsibility for content marketing.**
- 2. Be authentic.**
- 3. Think like storytellers, then elevate that to think like storydoers.**
- 4. Develop measurement rigor.**
- 5. Take the content marketing maturity assessment.**
- 6. Have a clearly documented content strategy.**

SECTION IV: CONCLUSIONS AND OPPORTUNITIES

1. *Consolidate the Responsibility for Content Marketing.*

Many companies have opted for a person or consolidated team for their content marketing to help drive consistency, standards, and best practices across the organization. This may be a “chief content officer” — in title or function — or a cross-functional team or content board. These groups should meet regularly to set the content strategy and appropriate guardrails for the various stakeholders in content marketing (corporate communications, public relations, brand marketing, etc.).

2. *Be Authentic.*

Great content marketing is editorial and objective in nature and is not a sales pitch. It is authentic and consistent with the brand’s values and beliefs. It begins with the “why.” Why is this topic important — to the company’s mission, employees, and the brand? It puts the audience first and is relevant to their community and channels of distribution.

“Without understanding through reporting what the audience likes, feels, and trusts about your content, how do you know if you’re fulfilling their needs or furthering your relationship with them? How is the content achieving the goals you’ve outlined that will help your business?”

— Matthew Herr, IBM’s North America Content Marketing Director — Consumer and Travel Markets

SECTION IV: CONCLUSIONS AND OPPORTUNITIES

3. *Think Like Storytellers, Then Elevate That to Think Like Storydoers.*

Great content marketers think like storytellers. They understand that driving stories with characters, conflict, and resolution has been the formula for great stories throughout time. And ultimately, people buy in the long term not based solely on campaigns, brand-/product-first communication, or promotions, but based on emotion, shared values, and brand purpose. This is where content marketing can help at connecting with the buyer without the constraints or demands of other avenues.

“Storydoing” companies take action on stories. Storydoing is more than a marketing communications function; it creates experiences and actions. Storydoers help make their brand useful and purposeful. Storydoing is about helping your consumer and being of service rather than selling products or services, with consumer empathy at the core.

“We find content marketing to be an integral part of our corporate reputation building and brand awareness. Many people see only one side of the work we do here, or have an opinion formed of us from the media. Content marketing gives us the opportunity to share stories of our work that the public doesn’t see every day.”

— Ellen Gerstein, Senior Director, Content and Employee Engagement, Pfizer

SECTION IV: CONCLUSIONS AND OPPORTUNITIES

4. *Develop Measurement Rigor.*

As content marketing programs gain larger investments and share of overall marketing budgets, the need for measurement rigor is greater than ever. Goals must be set up front — before a content program is developed — to successfully measure the effectiveness and its impact on the business.

Measuring the impact of content marketing requires the ability to knit together multiple data sets to see the impact at every stage of the buyer's journey. That can be complicated. When working with agencies, it requires agencies to have access to data that clients are sometimes reluctant or unable to share. As it becomes more important to prove ROI, brands need to let their agency partners into the fold of this process.

“Now we break down the customer journey and what we want the audience to experience. We build out the stories that resonate best with their needs. It’s like a movie with a beginning, middle, and end. We don’t sell, we tell.”

— Orestes Alvarez, Loyalty and Retention, Verizon Business Group

There is an opportunity, too, for agency partners to develop ways to more accurately and simply track and present ROI data. Agencies need to help brands interpret the data so that it can guide future content decisions.

In a 2020 ANA Content Marketing Committee meeting, Ranjit Raju, VP, head of West Coast at Knotch, discussed the best way to combine data and creativity to fuel an effective content marketing strategy. He stipulated that the bedrock of content measurement is holistic data collection, built specifically for content. Raju identified three areas to focus on to improve the impact of content marketing efforts:

- *Quantitative Data:* Is the content engaging? This question can be answered by evaluating overall and unique views, referral source, time spent, scroll depth, click-throughs, device and browser details, and social engagement.
- *Demographic Data:* Who is the audience? This question can be answered by analyzing age, gender, location, company, industry, job function, and seniority.
- *Content Impact:* Did the content do its job? Measuring perception, awareness, purchase, intent, impact, relevance, and conversion allow impact to be determined.

"There's no secret sauce to creating great content," Raju said. "It's about understanding your audience, looking at the data, and creating a feedback loop allowing you to iterate until you perfect your messaging."

SECTION IV: CONCLUSIONS AND OPPORTUNITIES

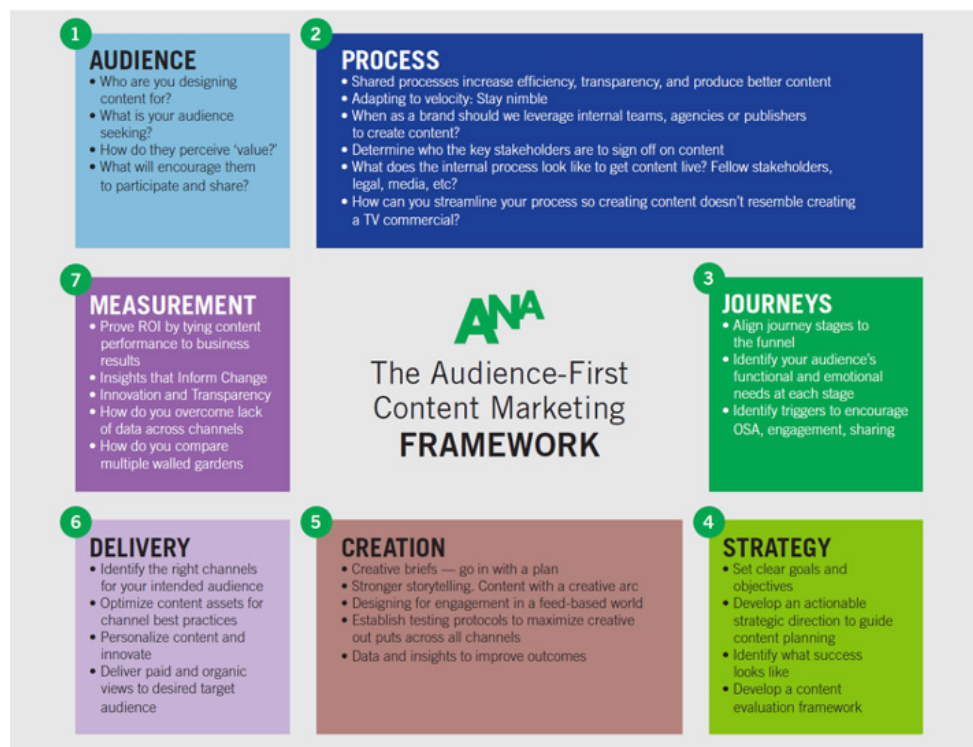
5. *Take the Content Marketing Maturity Assessment.*

As with all areas of marketing, companies may find themselves at various points in their content marketing commitment and growth model. ANA members should benchmark where they are compared to other companies by using the **ANA Content Marketing Maturity Model**. This model is designed to help organizations improve their content marketing capabilities by providing a defined roadmap. It evaluates eight components of content marketing: orientation, leadership, budget and staff, tools and platforms, lead generation, email marketing, cross-channel marketing, and metrics.

6. *Have a Clearly Documented Content Strategy.*

Just as marketers would not create a traditional advertising campaign without a creative strategy, they shouldn't be spending on content without a strategy in place either. It's unreasonable to expect content creators to optimize campaign performance without a clearly defined content strategy in place.

Brands that don't have a clearly defined content strategy need to make this a top priority. The ANA's Content Marketing Committee has developed an audience-first content marketing framework that may be helpful. These steps are not intended to describe a step-by-step process, but are very helpful in creating rigor in looking at your content marketing strategy.



RESOURCES AVAILABLE

For members of the ANA, there are many resources available, including content marketing playbooks, calendar templates, organizational maturity models, and best practice case studies. See www.ana.net/content-marketing for more information. Additionally, ANA offers Content Marketing Committees that allow members to learn from and engage with peers while driving industry thought leadership. For more information, please contact Paul P. Robinson at probinson@ana.net.

The Content Council offers free access to content marketing education, insights and thought leadership at www.thecontentcouncil.org.

ABOUT THE ANA

The ANA (Association of National Advertisers)'s mission is to drive growth for marketing professionals, for brands and businesses, and for the industry. Growth is foundational for all participants in the ecosystem. The ANA seeks to align those interests by leveraging the 12-point ANA Growth Agenda, which has been endorsed and embraced by the ANA Board of Directors and the Global CMO Growth Council. The ANA's membership consists of nearly 1,600 domestic and international companies, including almost 1,000 client-side marketers and nonprofit fundraisers and 600 marketing solutions providers (data science and technology companies, ad agencies, publishers, media companies, suppliers, and vendors). Collectively, ANA member companies represent 20,000 brands, engage 50,000 industry professionals, and invest more than \$400 billion in marketing and advertising annually. For more on how the ANA can help you in your content marketing activities, please go to www.ana.net/Content-Marketing.

ABOUT THE CONTENT COUNCIL

The Content Council is the premier non-profit organization representing content marketers globally. As the definitive resource for content marketing insights and thought leadership, we are focused on promoting the growth and vitality of this dynamic marketing discipline. We are also an excellent resource for connecting brand marketers with the best content agency to meet their specific needs. Through creativity and strategy, our members build content programs that deliver results. Our mission is to make content marketing service providers more effective, productive, and successful by providing thought leadership, research, networking, and learning.

ANA (Association of National Advertisers)

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