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The *Death* of Content Marketing

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Introduction

Few major changes have impacted the world of marketing strategy since the creation of Philip Kotler's '4P's' and the Marketing Mix in the 1960s[i]. However, at the beginning of the 21st century, rapid technological development transformed many business operations, and a new marketing strategy appeared, promising to revolutionize the way companies attracted and retained customers. The name 'content marketing' became popularized by 2010, becoming an integral part of vocabularies of modern professionals. Marketing experts and authors such as David Oglivy and Joe Pulizzi promoted this new approach as the "panacea" for all marketing problems.

After a decade of experience, it is time to ask if content marketing is truly the answer for all marketing dilemmas?

In this Insight, the authors aim to analyse the concept of content marketing, look at the expectations companies had towards it and whether these promises are being met. This paper will also look at the challenges that companies are facing while implementing content marketing and offer new directions for future development in marketing in a digital age.

Definition

One of the definitions of content marketing was coined by Content Marketing Institute as following:

"Content marketing is a marketing technique of creating and distributing valuable, relevant and consistent content to attract and acquire a clearly defined audience – with the objective of driving profitable customer action"[ii].

Rebecca Lieb describes content marketing strategy as a "pull strategy" or "being there when consumers need you and seek you out with relevant, educational, helpful, compelling, engaging, and sometimes entertaining information"[iii].

In other words, implementing content marketing implies acting more like a publisher, than a traditional advertiser. Although published content does not generate sales directly - the idea is to become a 'thought leader' by producing valuable and relevant content without pushing an offer directly, but with the intent of nudging customers towards a later purchase. Some common examples of content marketing are newsletters, articles, white papers, podcasts, blog posts, etc.

Content Marketing is older than we might think

Google Trends[iv] clearly illustrate that the popularity of "content marketing" keywords started growing in 2011 and is still flourishing.
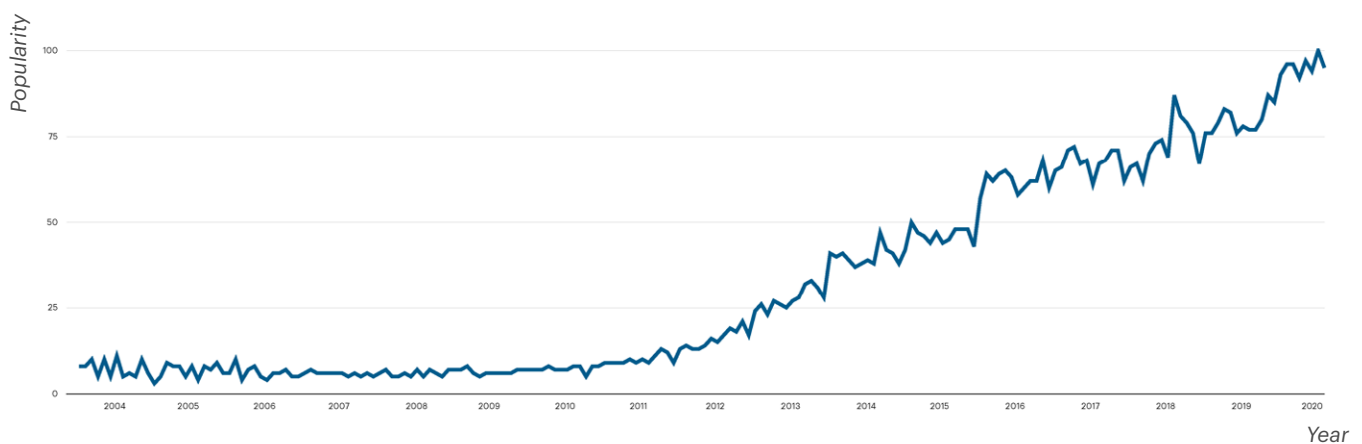

Figure 1. Interest in "content marketing" keywords worldwide from 2004 to 2020.

However, the idea of providing useful content to potential customers for educational purposes is far from new.

One of the iconic examples of content marketing is The Furrow magazine published by John Deere – an agricultural manufacturer in the US[v]. Launched in 1895, the magazine contained technical information on farming aimed at helping local entrepreneurs be more successful business owners. In this way, John Deere became a valuable resource for farmers, who then turned to this trusted brand when they needed to purchase new equipment.

Other examples include JELL-O company – a producer of gelatine-based desserts – which distributed recipe books to consumers for free in the early 1900s.

In this case, if the success of such a strategy was already proven, why did content marketing only become a "must have" ten years ago? One of the reasons was the ease of content publishing and distributing brought by technological development – it allowed online content creation and publishing for an almost unbelievably low cost. The Marketing Rule of 7 suggests that a potential buyer needs to see a message 7 times before the purchase will take place. However, recently it became more difficult to "reach" customers through all the other information clutter. According to David Shenk's estimate[vi], most U.S. citizens were exposed to 560 advertisements per day in 1971, by 1997 this number had increased to around 3'000 per day, now it is more than 15'000.

Therefore, classical marketing becomes more challenging. Now, instead of throwing more advertisements to people, companies offer relevant content for a potential buyer to find[vii].

Traditional marketing Vs. content marketing

The core differences between traditional advertising and content marketing are summarized below:

Permissibility: Content marketing offers information which can be accessed when potential customers want, using distribution channels such as social media, website articles, blogs, white papers etc. Classical advertisement is interruptive and reaches customers while they are engaged in another activity (e.g. commercials on tv and radio, billboards on the street, popup banners on the web).

Information: Content marketing provides educational and valuable content from the industry, while classical marketing offers information limited to the product it offers.

Audience: Content marketing is open to an audience who has interest to engage, while classical marketing is normally targeting a specific group limited by an advertisement channel.

Cost: According to Forbes[viii], content marketing is 62 percent more cost-effective than traditional advertising and delivers three times as many leads.

What promises were made?

It quickly became accepted by the marketing industry that in current times of constant information noise, the only way to keep customers engaged is though generating valuable content[ix].

There has been an avalanche of literature published on the topic of content marketing in the last decade; at the time of writing, over 9'000 publications exist on this topic on Amazon alone. Experts in the field promise outstanding results, claiming that content marketing helps establish trust with the audience and build authority; help generate leads and create returning customers; can stimulate a conversation and improve SEO[x].

The aim of content marketing is to develop a privileged relationship with customers and to determine brand loyalty by providing content. Therefore, some marketing experts believe that the future of a marketing department is 50% in publishing[xi]. They believe that brands will be regarded on the same level as real media companies, delivering highest quality content for their customers.

Statistics show that the importance of content marketing for companies is growing as 70% of B2B marketers are creating more content than they did one year ago[xii]. Further, more and more budget is invested every year. Will all these investments really generate desired profits?

High adoption, common failures

The appeal of content marketing is so strong that reports suggest that as much as 90% of B2B suppliers say they employ the concept. With such a broad level of adoption we should look at how it stacks up when it comes to producing results and what reasons for failure may exist.

A 2018 paper that focuses on the most common challenges organizations face when they implement a content marketing strategy identifies:

- Focus on 'thought leadership'
- Overly personalized
- Not related to the buyer's process

The first error is one of the easiest to fall into. Simply put, it suggests that much of the time and effort invested in content marketing is actually little more than content distribution and assumes that there will be a pay-off for a company in being associated with expert perspectives.

Anyone familiar with marketing strategy discussions will have heard a variation of the phrase, 'we need to position ourselves as thought-leaders'. The research behind this report shows that delivering expert content has no significant impact on how buyers decide whom to work with. Content marketing is first and foremost part of the overall sales process and, as such must contain elements that impact the decision-making process.

An example of a classic approach to content marketing can be found from the French-based multinational industrial company Saint-Gobain. Their white paper on abrasive grinding technology[xiii] contains significant educational information on the technology but offers little guidance on how a buyer faced with a difficult technical question should assess whether this technology fits with their requirements.

The document contains many technical product claims for performance, but there is no clear path for a potential client to use the information as the basis for a conversation with the company. Put simply, this is a one-way distribution of information which has no element of engagement through a 'call to action'.

The conclusions reached by the Harvard Business Review report mentioned above suggests very strongly that this piece of thought leadership may go some way to educating the reader but is unlikely to have any meaningful impact on the buying decision of the reader.

In terms of the second common error identified by the authors, the idea that 'over-personalization' of communication ranks high. This may seem counterintuitive in an era where the idea of 'mass customization' is taken for granted as being a positive goal.

In a paper for MIT Sloan[xiv] the authors give several examples where companies implement winning strategies by targeting the needs of buyers in a highly specific manner. However, applying the idea that giving people what they want is the path to success assumes the focus to be the profile of the target audience while ignoring the idea that complex decision- making processes require an internal champion to win approval for the purchase.

The third major challenge with most content marketing, according to the MIT authors, is that it fails to offer the marketing side any indication of where the customer is in their decision-making. It may deliver content and that content may be of interest to the potential customer, but if it fails to provide intelligence to the marketer it will fail as a marketing initiative.

Not aligned

Similar criticisms of content marketing are made in a Harvard Business Review article[xv] which states that "an estimated 70% of the content generated by marketing is never used by sales representatives, and a similar percentage of the leads generated disappear into a 'sales lead black hole.'"

This indicates that there is a huge amount of marketing activity taking place which is not aligned in any meaningful way with the sales activity, which is essential to convert that investment into business results.

Many studies have shown that the success rate for corporate initiatives is in the region of 30%. One study[xvi] suggests that a major reason for this is the tendency to rely on internal thinking and a willingness to follow established paths. Content marketing came into being as a means of transforming the way that companies engaged with their target markets, but it seems to suffer at least as much as what it replaced in terms of creating a set of conventions that often do little to create any form of meaningful two-way connection. As the author of one study states[xvii]

"but there are now many myths and unexamined assumptions that have accrued around content marketing as the practice has exploded."

Toward engaged communities

In terms of effectiveness, few would challenge the idea that word-of-mouth referrals are a primary driving force. This arises when a brand moves from 'satisfaction' to 'engagement': the client feels a sense of community with the brand. Engagement goes beyond building transactional relationships and requires firms to go deeper in how they interact with their target market.

There are two functional levels to effective engagement:

1) Customers talk to the company

2) Customers talk to each other

Organizations need to spend time getting to know their customers and understanding their needs in a manner that goes beyond simple segmentation: they then need to create a space for customers to be able to interact with the brand as well as with each other. This is best done in the form of a community.

Benefits of brand communities

Communities have always been part of society, providing a sense of belonging and identity. Today, communities exist beyond the limits of geography as technology allows our social interactions to be more dispersed than ever. This creates a greater desire for community experiences, both online and offline.

Brand communities have the potential to bring companies distinctive competitive advantage over those who fail to move beyond traditional and content marketing. This is true for B2C and B2B companies alike. Below are four main benefits companies experience through their branded communities:

01 Customer acquisition

According to HubSpot data, 90% of consumers trust word-of-mouth marketing over any other type of marketing[xviii]. As for business customers, HBR states that 94% of them believe user-generated content to be more credible than that provided by the company itself[xix]. This calls for companies to focus on customer acquisition strategies that leverage advocacy. With a well-engaged community, members become advocates for the community as well as for the brand.

02 Customer retention

Communities provide a level of support and transparency which is difficult to find elsewhere. They allow members to engage, learn from other members and provide feedback and reviews. Most importantly, they provide customers with a sense of belonging and co-creation. That amount of participation creates attachment and respect towards the company, resulting in higher levels of customer retention.

03 Sustained innovation

Collaborative participation integrates customers into different phases of the product life cycle. The result is a place for customers to co-create and shape the brand as well as the company's products and services. A well-designed community puts all of this data in one place, making it easier for companies to harvest insights such as idea generation and product feedback from customers.

04 Reduced costs

All of the above provides increased efficiency with the need for less resources. A community which is effective in building brand loyalty and encouraging customers to help each other lowers the need to invest as much in customer service. With an effective advocacy strategy, word-of-mouth becomes the new basis of growth at a fraction of the cost, reducing spending in PR and advertising. Finally, a community which effectively encourages participation and co-creation results in accelerated development and growth for the company.

Creating an engaged community

Globally, 63% of businesses have online communities, however 60% of these communities are failing[xx]. Creating the communities is not the problem: the challenge is to generate effective two-way engagement. There are five key rules to be aware of[xxi]:

1. MAKE THE COMMUNITY A PART OF THE LONG-TERM BUSINESS STRATEGY

Harley Davidson[xxii] created a strong community by redesigning their strategy and business model around a close-to-the-customer philosophy. They staffed their events with Harley-Davidson employees, thoroughly demonstrated their philosophy to new hires and ensured that company executives dedicated significant time to consumers. Harley Davidson employees became riders and riders were hired to be a part of the company.

A brand community can support and help reach business wide goals if businesses tie the entire organization into the creation and nurturing of it. Their creation begins with a buy-in from leaders and top executives of the company and succeeds with the implementation of goals pertaining to every department. Finally, organizations should mine the lessons they get from community member interactions and all departments should be involved in using them.

2. UNDERSTAND WHAT BRINGS VALUE TO THE CLIENT

When a European packaging company[xxiii] decided they needed a community, they jumped straight to choosing the platform they were going to use before even thinking about who they were creating the community for and what these people fundamentally needed. There ended up being no effective engagement and the community strategy collapsed.

Creating a community is about what an organization and a group of passionate people can do together. Trying to create motivation without engagement has little evidence of success. Companies should start by identifying key customers, who manifest motivation and strong interest in what the organization does. They should then understand what problems they face and how their community can solve these problems.

3. CREATE A CONNECTION WITH THE BRAND

Chinò San Pellegrino[xxiv] implemented gaming into their community, which is a good way to drive engagement. However, due to internal misunderstandings about the brand's purpose, there was insignificant brand presence within the community resulting in a platform that was inherently distant from the emotional connection consumers originally felt towards the product.

The most loyal customers are those that buy from a firm because they believe in what the firm stands for[xxv]. Similarly, communities are strongest when designed around an authentic brand purpose which community members believe in. Therefore, it is important for firms to consider what their purpose is and build the community based on that. The community must stay consistent with the brands' identity to ensure relevancy.

4. ENSURE EASILY ACCESSIBLE AND SUSTAINABLE VALUE

Cisco[xxvi] created a successful B2B community by implementing activities which could improve the professional status of members and provide them with recognition for their advocacy. There were also opportunities for members to learn through user groups, communities and customer advisory boards. All activities were sustainably valuable to members and kept them coming back. In turn, the value that members benefited from, led to value for the company.

According to Harvard Business Review[xxvii], members who first arrive into the community need[] to experience the value that they can get out of it immediately, to keep them coming back. Firms should establish an early expectation for customers to act, make the community intuitive and include value-adding activities that provide long-term benefits.

5. TRUST, DON'T CONTROL

In 2009, TED[xxviii] created TEDx, which was designed to empower volunteers to independently organize TED conferences in their own cities. Originally an invite-only, high-priced conference, this bold move allowed much larger numbers to participate in the conferences. The organization's willingness to trust an external community of people who were passionate about TED is what led to such worldwide success.

Communities exist to empower customers. Members need to feel some level of ownership of the community, through co-creation and active participation in shaping the community according to their evolving needs and expectations.

Summary

Given the widespread adoption of the ideas behind content marketing and the vast amount of electronic material that is published constantly by companies attempting to establish a worthwhile relationship with future customers, it is clear that the original expectations that were raised have not been fulfilled.

A decade of evidence makes it clear that pushing content out without establishing a means of effective engagement often amounts to little more than stuffing electronic leaflets into people's virtual mailboxes.

The strategic question to be addressed is not 'what do I want to say'?' but 'how will people engage with us?'.

Those companies who build working communities will win themselves a meaningful competitive advantage in their markets.

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