

CONTENT MARKETING: ADVERTISERS NAVIGATE

THE PLUGGED-IN GENERATION

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Abstract

This thesis examines how the current generation's transformative use of social media has influenced the medium, the marketplace and the methods the advertising industry uses to reach consumers. Historically, technology has always played a major role in the evolution and power of advertising, from the printing press to digital and mobile technology. As a result of such advances, advertisers have developed creative and innovative strategies to reach their audiences. This thesis considers the current use of content marketing to reach the marketplace and its various target audiences. The methodology used to study this subject consists of:

- Several secondary resources, combining journals, trade publications, other publications and published resources.
- Primary research: results from a survey of 100 respondents assessing common uses of social media, and
- Analysis of several examples of content marketing.

Through these methods, this thesis reveals how content marketing is addressing the advertising industry's adaptation to the habits of today's media consumers who have viewed advertising as a distraction and have attempted to bypass it for preferred web and social media content.

Foreword

The advertising industry is constantly changing and finding new ways to compete for audience in a very crowded marketplace. As a major in this field and as a millennial immersed in it, I am continually amazed how the industry finds creative ways to break through the numbing abundance of media in order to reach this audience.

This thesis dissects how the advertising industry has strategically adapted to an audience that has significantly tuned out traditional advertisements and, in some instances, used clever means to avoid ads altogether. Instead of trying to become the most-noticed ad in a sea of advertisements, advertisers have done their best to become as inconspicuous as possible in order to fit seamlessly into the lives of viewers.

With most businesses operating in some way online and on social media, it is important for them to understand how to reach this audience in order to remain, or become, successful.

The Creation of Advertising

The work of advertising had its early beginnings thousands of years ago. One of the first written advertisements ever discovered was a reward offer for a runaway slave that was found on papyrus dated from 3000 B.C. in the ruins of Thebes in Egypt (Mogul). Further, the ruins of Pompeii have many advertisements painted on walls for shops and restaurants (Tungate). As long as individuals and merchants have offered property or objects for profit and have had access to a medium to promote them, there has been both motive and the method to solicit consumers.

The art of advertising, then, has learned to adapt, expand and flourish with the development of new methods of communication to reach potential consumers. From cave drawings (billboards) to papyrus (fliers), new inventions have paved the way to reach mass audiences. With the invention of the printing press, advertisers have had a new, effective medium to mass produce messages. The industrial era gave advertising the ability to reach even more massive audiences, and it is during this time period that the ad industry began to make mass market leaps (Tungate). Because of the boom in technology, companies had the ability to mass produce their products. With massive production, companies saw the potential to reach even larger audience, allowing them to create more demand to an equally exploding supply of goods. The rotary press became the next technology for print media — newspapers and magazines — to produce in bulk. Print ruled as media to advertising products and services (Mogul).

As technology is introduced for communication in general, the advertising industry has used its creative and strategic energies, sensibilities and instincts to meet the needs of consumers and the ever-expanding markets. Today, people throughout the world

access such messages on mobile devices. They connect with advertising while sitting with family members at the dinner table, walking across the streets and driving cars. They are distracted, wired. Such is the power of today's new media

Traditional Advertising

The common definition of traditional advertisements encompasses mass produced print, radio and television ads, as well as direct mail and coupon ads, which are sent to each person via mail as the name suggests, billboards and a wide range of collateral materials. Additionally, there are more stunt-like ad placements, from blimps and other aircraft and messaging on public transit, shopping carts and taxi cabs, to corporate naming opportunities and product placements in both television programs and film, not to mention a wide range of sponsorship opportunities that overlap with public relations activities (Janoschka).

For at least a couple of decades, consumers have moved from traditional advertising to placements using digital media. Professor and author Sammy Danna writes how the decline of traditional media has been appearing since the early 1990s. "It is true that TV, newspapers and even magazines have experienced some notable problems in circulation, target marketing and profitmaking as the 1990s began," she states.

"Television has been affected significantly by audience fragmentation, Instead of the networks realizing over 90 percent share of the average minute of TV viewers, as was the case of audiences in prime-time during the 1970s, their share is down to about 60 percent in the early 1990s," (Danna).

This decline was merely the beginning signs of waning audiences of traditional media. They moved to the internet, where they could direct and control, at least choose,

what they read and view. As years passed, the Internet continued to influence audience fragmentation away from traditional media, notably print. Even newspapers and magazines chased their audiences to their sites online. In addition to metropolitan newspapers, the decline in print readership resulted in such popular news magazines as Newsweek to move online completely, thus eliminating its print version altogether. Dominant ads on the printed page became banner ads, pop-up ads, online couponing and discount codes (QR Codes) scanned from mobile devices.

MarketingCharts.com, a reputable resource for data among marketing professionals, released a study recently that predicted that online advertising will surpass the previously dominant TV advertisement in market size by the year 2019. (Refer to Figure 1 on the next page for the chart released with their study.) Nearly every market share increases, with Internet advertising producing the largest increase of \$28.5 billion in market share. Also shown is the increase in digital market shares in nearly every media platform. With the rise in equivalent digital media platforms, the use for traditional media platforms as an advertising medium is decreasing. Newspapers and magazines are moving online either exclusively or to complement print versions. Also, radio and television streaming are finding homes online and generating impressive ad revenues accordingly. Advertisers are beginning to turn to these platforms, and traditional media that fail to expand to digital are fighting for survival. Media opportunities in both new and traditional media are evident with niche or segmented publications, but the same multi-platform strategy remains the strategy of choice for attracting audience and advertisers.

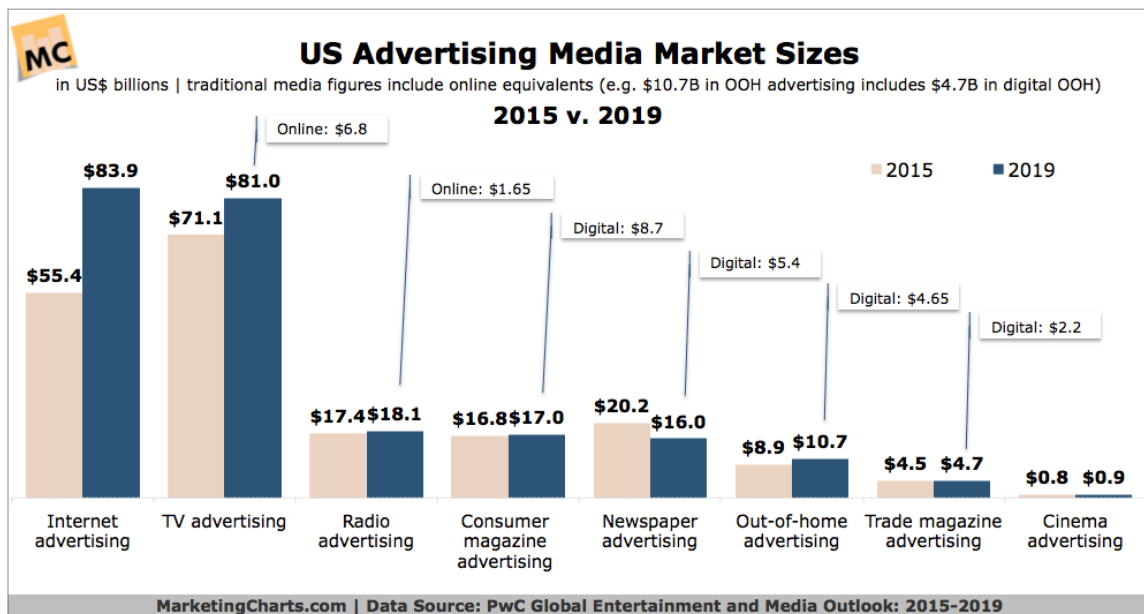


Figure 1—US Advertising Media Market Sizes (Marketing Charts)

The Rise of Digital Media

As previously discussed, many advertisers are opting to use a broad mix of media dominated by the multiple platforms presented with digital media, including social media. It's highly common for audiences to be connected by icons, or widgets, from websites to social media platforms. These devices also are now fixtures on traditional media. As linked logos, they are instantly recognizable and are also becoming part of a company's brand.

In a 2014 study released by Media Dynamics Inc., an established resource and guide for advertising and marketing professionals, it was found that the average adult is exposed to over 5,000 brands every day. This can range from simply seeing a logo on a t-shirt, to hearing about a brand in a news story, to driving by business displays — store fronts, signage — on the street. Of this exposure, an average of 362 messages are meant as an advertisement. Of these messages, the average adult notices less than half and

engages with only 12 per day (Johnson). As it turns out, the average adult has learned how to effectively tune out these messages, but it goes deeper than simply disregarding them.

In a study conducted by the University of Pennsylvania, researchers found that not only do Internet users look at less than 50 percent of the ads they are exposed to, users will actually go out of their way to avoid seeing them. This detail was uncovered using eye-detection methods. When users opened a web-page containing a banner or side-panel advertisement, their eye-movement avoided these areas (Drèze). Internet users not only recognize an ad when they see one, but they are also able to predict and avoid placement of advertisements due to their over-exposure. To combat this, advertisers have had to tap into the crafty nature of advertising and new technologies to bypass ads.

In the television industry, this invention was TiVo. The television recording device made it easy for viewers to simply fast-forward through commercial advertisements, and in response some advertisers decided to get creative. Although many argued that viewers were still watching commercials, many advertisers wanted to hide their message in plain sight, without running the risk of getting skipped. Thus began a rise in sponsored television content. This meant that a brand would be featured during the show—their logo, name and product to be mentioned in a style that is subtle, yet clearly conveyed (Carter).

Television sponsorship wasn't a new concept, but previously the product would be featured in a way that was blatantly obvious as advertising. Now, advertisers wanted to stealthily incorporate their product into television programs to avoid any indication that the placement was actually advertised content. A great example of seamless

integration of a sponsored product on television can be seen in one of TV's most popular shows, *Seinfeld*. To incorporate their sponsorship with Junior Mints the writers crafted a plot where Kramer and Jerry fought over a box of the mints, and a dropped mint led to the leading conflict within the episode (Gutnik). In this case, and many others, the shows' viewers had no idea they were being subjected to advertisements.

Advertisers have adopted a similar tactic regarding advertising in digital media. They've introduced "ad blockers," a plug-in for Internet browsers that hide advertisements on the Internet. This innovation allows users to avoid ad placements. As a result, the ad industry has decided to do what works—hide in plain sight. Thus, the rise in content marketing as a form of Internet advertising.

What is Content Marketing?

The Content Marketing Institute defines the concept of content marketing as "a strategic marketing approach focused on creating and distributing valuable, relevant and consistent content to attract and retain a clearly-defined audience — and, ultimately, to drive profitable customer action" (CMI). It is the process of finding and developing content that will spark engagement and interaction with your audience. Self-proclaimed as the present and future of marketing, content marketing has emerged as crucial to advertisers in recent years. It works closely with social media to encourage users to interact, generate and devour the content that is being delivered to them on these platforms.

According to a study that analyzed content marketing on Facebook, when respondents were asked to choose between two buying scenarios—getting information about an item before purchasing it, or getting information about a brand before

purchasing their item—the respondents said that they preferred to get to know more information about the brand, its intentions and their goods before they were suggested to purchase a product (Forouzandeh). This complements the perspective that Sergio Zyman, a leader in the advertising industry and founder of his own advertising firm, shares about brand marketing. In his book “The End of Advertising as We Know It,” he suggests that while having a quality product is important, consumers are more likely to purchase products from a brand that has had a positive impact on them. He uses a personal example in explaining that “by the time you’re done with this book, the Sergio Zyman brand will be made up of my name plus the feelings that I elicited from you and your perception of what I’ve done to help you out—or piss you off.”

With consumers finding new ways to avoid advertising, and having proof that a brand’s persona correlates with purchasing habits, agencies have developed a new way of advertising to their target audience — content marketing. The idea behind the concept is that if a brand produces content that is helpful to the consumer in a way that is non-intrusive, it is likely to receive a positive perception of the brand by that consumer, and in turn will lead to that consumer being more likely to purchase that brand’s products in the future. As advertising legend David Ogilvy has said, “The brand image is 90 per cent of what the [company] has to sell,” (Ogilvy). In summary, how a brand interacts with a consumer will result in the consumer’s feelings—and purchasing habits—toward a brand.

Consumer Survey

To better grasp at how users are interacting with brands on social media, I devised a small survey of 100 respondents between the ages of 18-74 that have at least 1 social media account and asked them about their habits on social media. It is important to note that 66 of these respondents were between the ages of 18-24, the golden-age for advertisers. In this survey I found several important notes on social media behavior. The sites evaluated included: Instagram, a picture a video sharing platform; Facebook, a platform that allows users to post status updates, videos and pictures that appear on a newsfeed; Google+, similar to Facebook in which users create social circles; Pinterest, a platform that primarily serves to share links to outside websites that users can ‘pin’ to their personal boards; Snapchat, a photo-sharing application that lets viewers post short up to 10 second pictures or videos that are erased after viewing; LinkedIn, similar to Facebook and Google+, but is used among professionals and users share their résumés; Twitter, where users can post statuses up to 140 characters and may include links and pictures; Tumblr, a personal blog-type site, where users can reblog others’ posts; and Vine, a platform for sharing short 6 second videos. Out of the respondents surveyed, everyone had at least 1 social media account. Almost all, or 99 percent, hold a Facebook account; 75 use Instagram, 72 use Snapchat, and 65 use Twitter. More than half of the respondents said they actively use social media more than 11 hours a week, and 10 admitted they use social media more than 31 hours a week.

When asked to select all the reasons they choose to follow or like a brand on social media, 53 said because they enjoy the content the brand posts. This answer outranked the second most popular answer, because I like their brand and products. For a

majority of the respondents, liking a brands content is equally, if not more important than actually liking their products or services.

It is important to note that both young and older demographics are responding positively to content marketing strategies. In fact, most of the time they do not realize the content they are being exposed to is meant as an advertisement. They choose to follow a brand because they know that the content they post is enjoyable, either for its relevance or humor, and therefore this brand's exposure is greater in this demographic. Another interesting piece of information I found is that 64 percent believe they read advertised content posted by a brand only one to five times per day.

The 2014 Social Media Marketing Industry Report showed that 92 percent of businesses use social media to reach their audience, yet respondents surveyed in this study reported seeing content provided by businesses in a low frequency, even though they admitted to following brands that post enjoyable content and using social media several hours a week (Stelzner). This result may be caused by the advertising industry's success at devising a method of reaching a target audience that disguises itself as regular content.

Examples of Effective Content Marketing

Figure 2 (see below) is an example of a content marketing post by Ziploc brand.

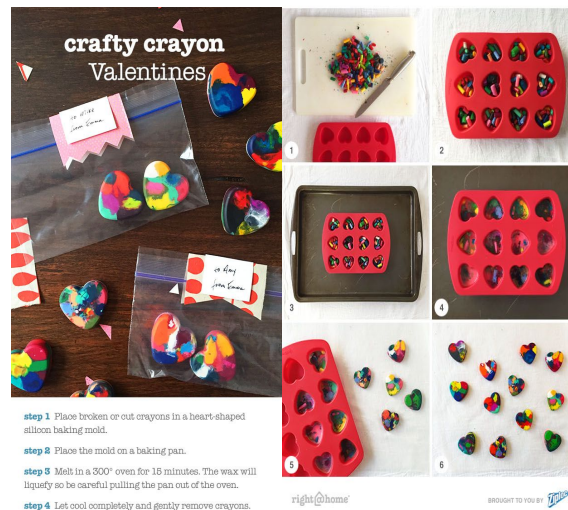


Figure 2—Ziploc Content Post (Ziploc)

The post appeared on Rightathome.com, a website that acts as a blog for the Johnson Company, which owns the Ziploc brand. Ziploc has then saved this image to its Pinterest board to share with followers. The post does not appear to be an advertisement, and is only recognized as such once the reader gets to the bottom of the picture where it states, “brought to you by Ziploc.” The content, although not directly related to Ziploc’s product, is meant to appeal to Ziploc’s current consumer, which tends to be within the ages of 35-54 with children (MRI). The advertising aspect of the content appears nearly invisible to the consumer, and it is unlikely that this will appear as an ad to the viewer. In actuality, this post is the result of several methods of research that better identifies a target market, and produces useful and appealing content.

Another great example of content marketing is Anthropologie’s DIY site (Anthropologie). Although the brand is a well-known, high-end clothing and accessory store, the brand has created a blog dedicated to do-it-yourself items that it shares with

followers. The blog's content ranges from food to origami, to alcoholic beverages and more. Although the content does not explicitly sell any of Anthropologie's products, it appeals to its demographic.

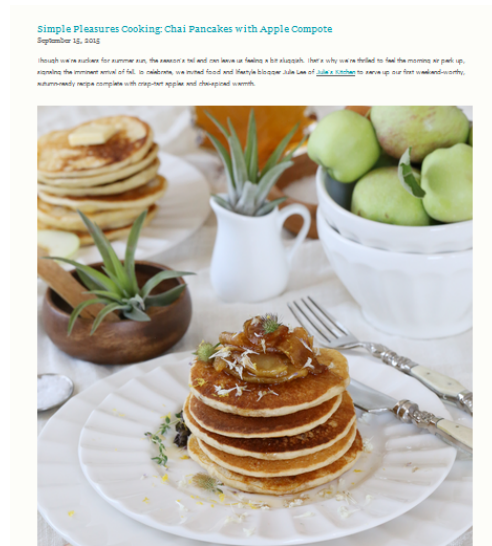


Figure 3—Anthropologie's DIY Chai Pancakes with Apple Capote (Anthropologie).

This approach has worked well for the company, by coupling their development of relative content with effective social media use on Instagram, the company has seen a 40 percent increase in users engaging with posts and an 85 percent increase in followers on Instagram (PR Daily). This strategy's has been recognized by several different media outlets in the industry, and has won a number of awards.

Conclusion

As one of the oldest professions on the planet, advertising has had to learn to be crafty in order to continue to find new ways to reach their audience. They have done this in the past when technology has driven them to break boundaries, and with the recent advances in technology, they are having to rethink their strategies all over again.

The golden market—audiences aged 18 to 24—are overexposed to advertisements. They have become a constant in their lives, much like clouds in the sky, and have learned to ignore them. By utilizing a method of advertising that appears as fresh, entertaining content that is appealing to the viewer, advertisers are learning to reach this otherwise inaccessible audience. This information is vital to many who are currently using social media to market their business ineffectively.

The Content Marketing Institute released a survey this year showing that only 37 percent of professionals that utilize marketing and advertising believe they can identify as sophisticated or mature in their knowledge of content marketing. This means that a majority of professionals A) do not understand its importance and effectiveness and B) do not know how to employ this tactic in their social media strategy. The purpose of this thesis is to provide as a resource to those that fall under the 63 percent that want to build their brand's presence on social media.

The leading companies have already figured it out: content marketing is an effective and non-invasive way to reach an audience that has become numb to advertising.

Goals and Limitations

This thesis set out to show how advertising brands are meshing with the dynamics and habits of Internet users in the digital age, particularly in the face of mobile devices such as smartphones. The evolution of advertising has proven that what once passed for advertorials or free media that resulted from the placement of news releases is now blended in with the common flow of Internet content, particularly on globally viewed social media platforms. Sponsored content is very useful to a company, but posting

relevant content to a qualified audience that is identified as interested in a subject or a brand, will find its target. Even though some content may is not directly related to your product, there is enough indirect interest that will likely connect with a potential audience. For its subtleties, some brands may not wish to dedicate time to post content that does not directly promote their business may be resistant to this method of advertising. With new social media analytics developing, however, accepting this strategy will be easier for a brand to realize the power and potential of content marketing.

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