



Own Your Media Channel™

Co-Sponsored by:



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# Executive Summary

The results of this study confirm the trend of companies creating their own content to communicate directly with customers and prospects. This is in contrast to decades of standard advertising practice, which relied on traditional media to provide the context and audience for all messaging. Today, audiences are diffuse and fickle with a variety of media and platforms making it harder than ever to reach them. Marketers have their work cut out for them.

Yet the very same technological advances that have lessened the influence of traditional advertising have also empowered marketers. Where once they were dependent on existing media, now they can create content-rich media channels in a controlled environment to foster interactive dialog with customers and prospects.

The vast majority of marketers now understand that brands and companies can create content that's just as engaging and informational as that provided by media brands.

**Nearly two-thirds believe that content from a brand or company is perceived as having the same or more value than content from a media brand. More importantly, they feel that having their own original content will produce a better return on marketing dollars than traditional advertising, and they have reallocated their budgets to invest more in original content development.**

Marketers are moving dollars and emphasis away from advertising vehicles such as print and broadcast and toward direct-touch platforms such as company Web sites, social media, custom media and events (face-to-face and interactive). This shift is supported by a recent report by TNS Media Intelligence showing that US ad spending has declined for the fifth consecutive quarter. The first six months of 2009 vs. 2008 showed broad declines in ad spending for **TV (-10%)**, **B2B Magazines (-27%)**, **Consumer Magazines (-20%)**, **Newspapers (-24%)** and **Radio (-26%)**. The only space to see a rise was **Internet display ads**, which were **up 6.5%**.

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# Executive Summary

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**Where are those ad dollars going?** Companies are creating original content for a wide variety of platforms (Web sites, social media, custom magazines, events, and lead generation) that allow them to communicate directly with customers and prospects. Companies are using similar tactics to connect with customers and prospects, with the exception that e-mail marketing is more frequently used to reach customers while advertising is strong for new prospects.

Among the advantages of content's direct connection to customers is the improved ability to measure return on investment. Nearly three-quarters of the respondents have measurement guidelines in place to gauge the success of a marketing program. But only 50% say that having a built-in measurement tool is needed to get funding or approval. **The most common benchmarks for success are numbers of new customers and new leads, and the subsequent related increase in overall sales.** Roughly two-thirds are guided by metrics on customer retention and sales from existing customers. Almost half rely on perceptual measures such as awareness or purchase intent.

When it comes to the allocation of marketing dollars, new customer acquisition gets nearly double the attention of customer retention efforts. However, that trend is shifting as 44% say they will be increasing their allocation toward customer retention over the next 12 months.

Although the US economy is poised for a recovery, it is doubtful that advertising expenditures will return to pre-recession levels for print and most broadcast media. **Structural and cultural changes are leading companies and brands increasingly toward original content in the form of their own media channels and in custom media and social media networks.** These company-owned and managed media channels give them direct interactive access to customers and prospects, allowing for more measurable return on investment.

# Custom Content Creation Is Prevalent

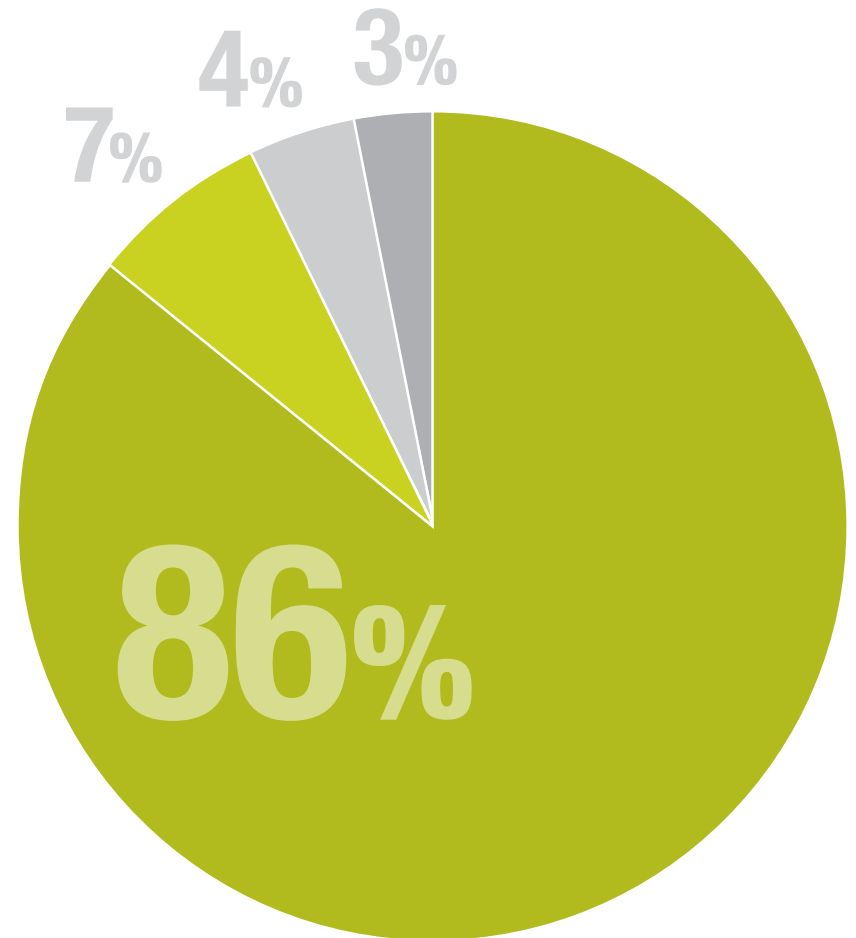
Virtually all respondents' companies are either currently creating original content or planning to within the next year.

Q

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Does your company create or plan to create original content for your customers and prospects?

- 86% YES
- 7% PLAN TO IN THE NEXT 12 MONTHS
- 4% NO
- 3% DON'T KNOW

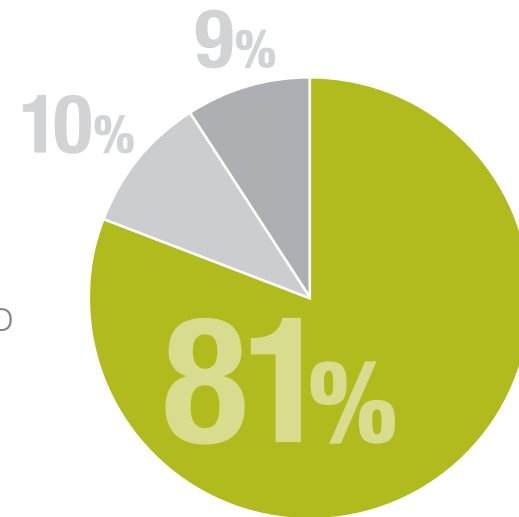


# Custom Content: Engaging, Informative and Trusted

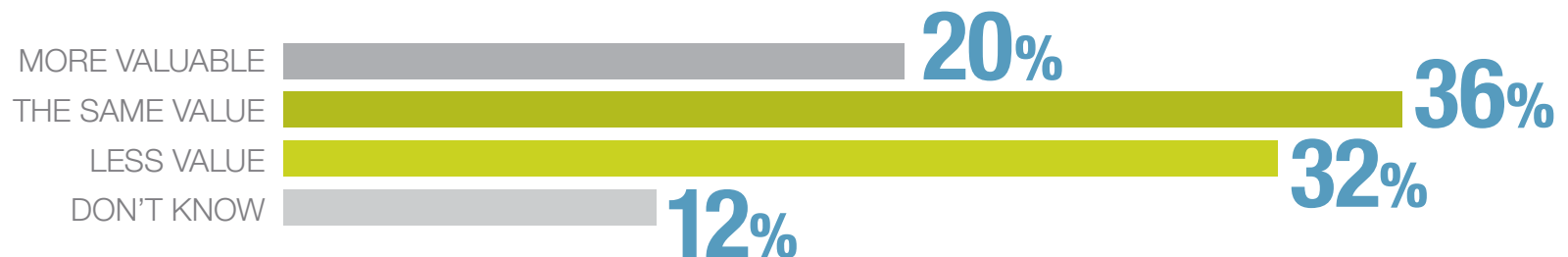
The vast majority feel that the content brands and companies create themselves is as engaging and informative as the content produced by media companies. In fact, nearly 20% feel that information from a corporate-sponsored source is more valuable than media company content, while 36% say it has the same value and a third feel it has less value.

**3** Do you think brands and companies can create content that is as engaging and informative as content created by media companies?

**81%** YES    **10%** NO    **9%** UNDECIDED



**4** How do you think information from a corporate-sponsored source is perceived compared to information from traditional media sources?

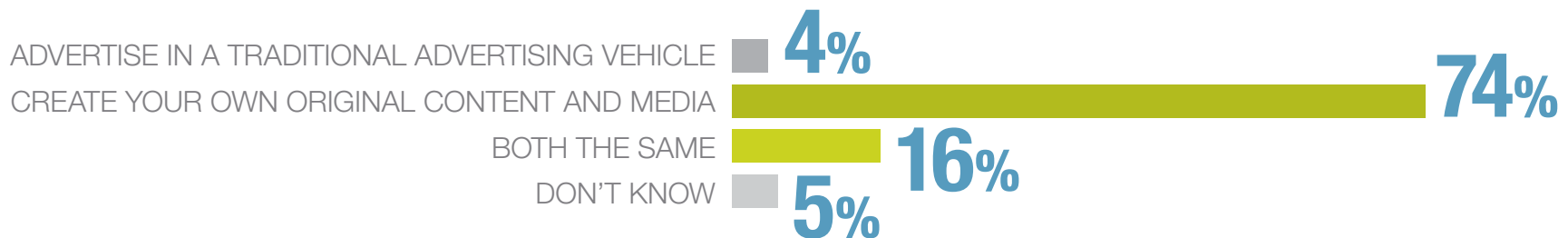


# Content Drives Marketing ROI

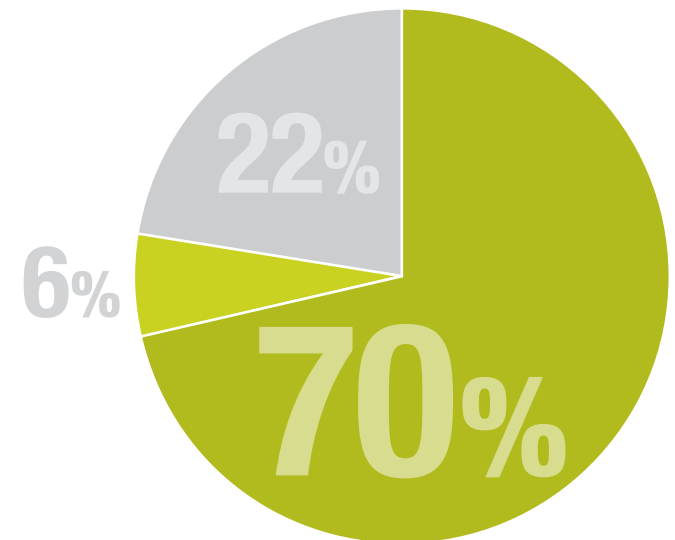
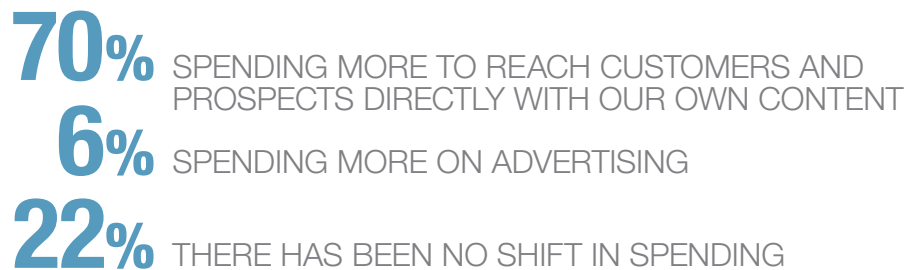
Based on their current experiences, nearly three-quarters feel that their own targeted original content produces a better marketing return on investment than traditional advertising. As a result, it is not surprising that 70% of respondents have allocated more of their marketing budget towards reaching customers and prospects directly and away from traditional media ad spending.

Q

**5** Based on your current experiences, which type of marketing communications is more effective for generating marketing ROI?



**6** Please characterize how the allocation of your marketing/media budget has shifted in the last 3 years.



# Custom and Social Media Lead Generation and Customer Retention

When it comes to marketing communication platforms and tactics, it is clear that marketers have different approaches for generating new leads and speaking with current customers. Traditional advertising is still a tool for reaching prospects but not used very often to talk to customers. Custom content and media are used by over 70% of marketers to communicate with current customers, and 70% use custom media to attract prospects. Social Media is heavily used for both modes of communications.



7

What, in your opinion, is the most effective way to communicate with customers and prospects?

## FOR CURRENT CUSTOMERS

- 78% E-MAIL MARKETING
- 77% CUSTOM CONTENT AND MEDIA
- 72% SOCIAL MEDIA
- 70% CORPORATE WEB SITE
- 62% FACE-TO-FACE EVENTS
- 52% WHITE PAPERS/E-BOOKS
- 51% WEBCASTS AND VIRTUAL TRADE SHOWS
- 34% DIRECT MAIL PROMOTIONS
- 17% PRINT ADVERTISING
- 13% ONLINE ADVERTISING
- 11% BROADCAST ADVERTISING

## FOR PROSPECTS/LEADS

- 75% CORPORATE WEB SITE
- 73% SOCIAL MEDIA
- 70% CUSTOM CONTENT AND MEDIA
- 69% FACE-TO-FACE EVENTS
- 67% WHITE PAPERS/E-BOOKS
- 64% WEBCASTS AND VIRTUAL TRADE SHOWS
- 58% E-MAIL MARKETING
- 42% ONLINE ADVERTISING
- 33% DIRECT MAIL PROMOTIONS
- 33% PRINT ADVERTISING
- 10% BROADCAST ADVERTISING

# Print Ads Down: Custom and Social Media on the Rise

Over the past two years there has been a shift in the allocation of marketing expenditures. Nearly half of poll respondents have decreased their spending in print advertising, while only 7% will be increasing investment in print and broadcast advertising. Online advertising, more accountable than print and broadcast, is only slated for an increase by 26% of the respondents. The three areas that will see the biggest increase are social media, custom media and corporate Web sites—all of which allow companies to speak directly to customers and prospects.

**Q8** Thinking about your marketing budget, which of the following have you increased, decreased or kept the same in spending from 2007 to 2009?

	INCREASE	DECREASE	SAME	N/A
SOCIAL MEDIA	<b>78%</b>	<b>.5%</b>	<b>5%</b>	<b>16%</b>
CORPORATE WEB SITE	<b>71%</b>	<b>3%</b>	<b>21%</b>	<b>5%</b>
CUSTOM CONTENT/MEDIA	<b>70%</b>	<b>6%</b>	<b>12%</b>	<b>12%</b>
LEAD GENERATION	<b>60%</b>	<b>5%</b>	<b>21%</b>	<b>14%</b>
ONLINE VIDEO/PODCAST	<b>50%</b>	<b>1%</b>	<b>13%</b>	<b>36%</b>
WHITE PAPERS/E-BOOK	<b>50%</b>	<b>2%</b>	<b>19%</b>	<b>28%</b>
WEBCAST/VIRTUAL SHOW	<b>42%</b>	<b>3%</b>	<b>12%</b>	<b>43%</b>
FACE-TO-FACE EVENTS	<b>39%</b>	<b>18%</b>	<b>30%</b>	<b>13%</b>
ONLINE ADVERTISING	<b>26%</b>	<b>19%</b>	<b>19%</b>	<b>36%</b>
BROADCAST ADVERTISING	<b>7%</b>	<b>21%</b>	<b>7%</b>	<b>65%</b>
PRINT ADVERTISING	<b>7%</b>	<b>44%</b>	<b>15%</b>	<b>34%</b>

# Companies Create New Original Content Channels

Custom content is finding a home in corporate Web sites, custom magazines and Web sites, social media, face-to-face events and lead generation products. The two platforms getting the most attention as vehicles of custom content are online videos and podcasts and e-books. Almost half of the companies created the content in-house while half used a combination of outside and in-house resources.

Q9

For which of the following has your company created content-based products within the past 12 months? Which do you plan to do in the next 12 months?

	LAST 12 MONTHS	NEXT 12 MONTHS	NONE
CORPORATE WEB SITE	69%	26%	5%
CUSTOM CONTENT/MEDIA	59%	32%	9%
SOCIAL MEDIA	54%	36%	10%
LEAD GENERATION	53%	32%	15%
FACE-TO-FACE EVENTS	53%	32%	15%
WHITE PAPERS/E-BOOKS	41%	38%	21%
ONLINE ADVERTISING	37%	23%	40%
ONLINE VIDEOS/PODCASTS	33%	51%	16%
PRINT ADVERTISING	33%	12%	55%
WEBCASTING/VIRTUAL SHOWS	30%	33%	37%
BROADCAST ADVERTISING	12%	8%	80%

10 For these content projects, did you produce this content in-house or hire an outside company/resource?

48% IN-HOUSE  
 5% OUTSIDE COMPANY RESOURCE  
 45% BOTH

# Most Companies Have Measurement Guidelines in Place: Only Half Say It Is a Requirement

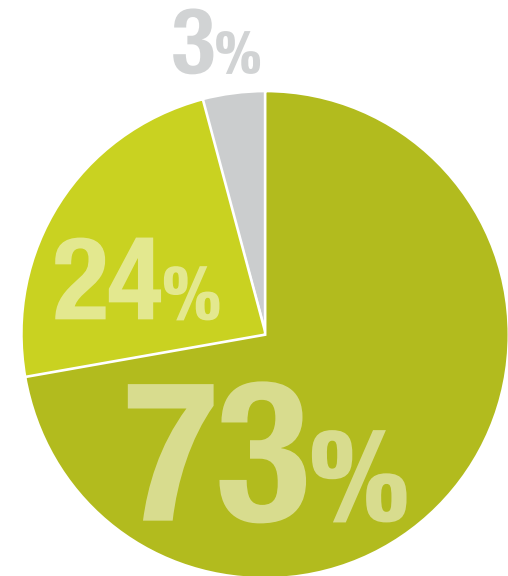
Three-quarters of respondents say their companies have guidelines in place to measure the effectiveness of marketing programs, but only half say that measurement metrics must be in place to get corporate funding.

Q

11

Does your company have guidelines in place for measuring the success of a marketing program?

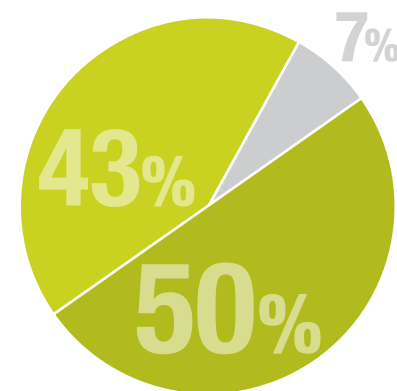
73% YES    24% NO    3% DON'T KNOW



12

Do you need to build in measurement metrics to a marketing program to get funding/approval?

50% YES    43% NO    7% DON'T KNOW



# New Customers and Sales Dominate Metrics

Companies measure the success of marketing programs with multiple and wide-ranging metrics. Overall, the most popular are numbers of new customers acquired and number of leads generated followed by an overall net increase in sales. Less common measures are generating sales from current customers/custom retention and measured increases in perception and awareness.

**Q13** In which of the following ways does your company measure the success of a marketing program?

- 77%** NUMBER OF NEW CUSTOMERS ACQUIRED
- 73%** NUMBER OF LEADS GENERATED
- 67%** OVERALL NET INCREASE IN SALES
- 42%** NET SALES FROM CURRENT CUSTOMERS
- 40%** QUANTIFIED INCREASE IN AWARENESS
- 39%** INCREASE IN CUSTOMER RETENTION
- 29%** SALES FROM LAPSED CUSTOMERS
- 26%** QUANTIFIED INCREASE IN PURCHASE INTENT
- 21%** QUANTIFIED INCREASE IN PERCEPTUAL ATTRIBUTES

**NET: ANY QUANTIFIED INCREASE IN AWARENESS/ PERCEPTION/INTENT 54%**

**NET: NEW CUSTOMERS ACQUIRED/LEADS GENERATED 91%**

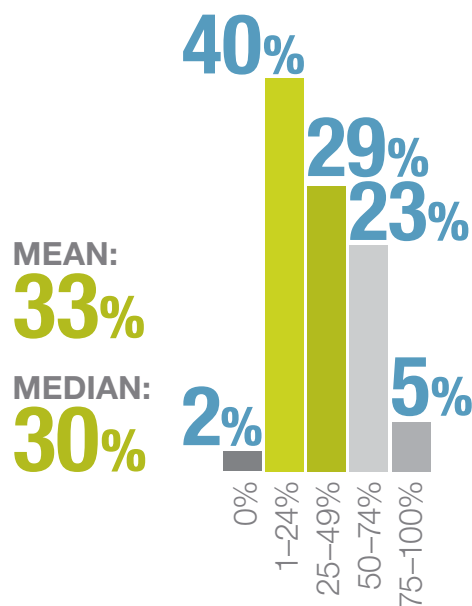
**NET: CUSTOMER RETENTION/SALES FROM CURRENT CUSTOMERS/ LAPSED CUSTOMERS 63%**

# Customer Acquisition Commands Majority of Marketing Budget

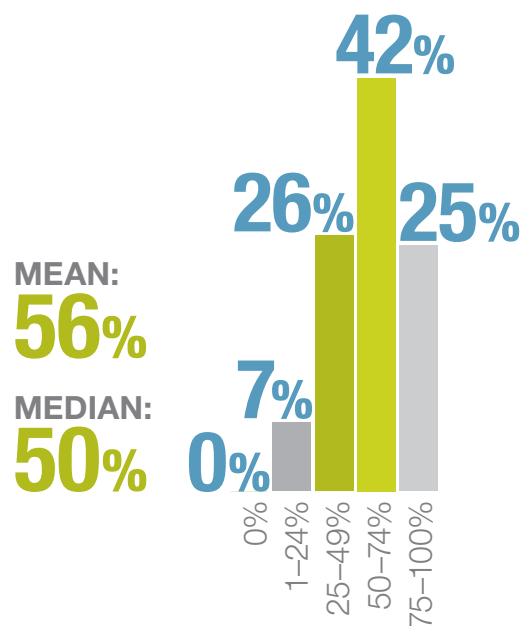
Although the US economy is poised for a recovery, it is doubtful that advertising expenditures will return to pre-recession levels. Structural and cultural changes are leading companies and brands increasingly toward original content in the form of their own media channels on the Web and in custom media and social media networks. These company-owned media channels give them direct interactive access to customers for a more measurable return on investment.

**14** Please estimate the percentage of your marketing budget that is spent on customer retention vs. lead/new customer acquisition.

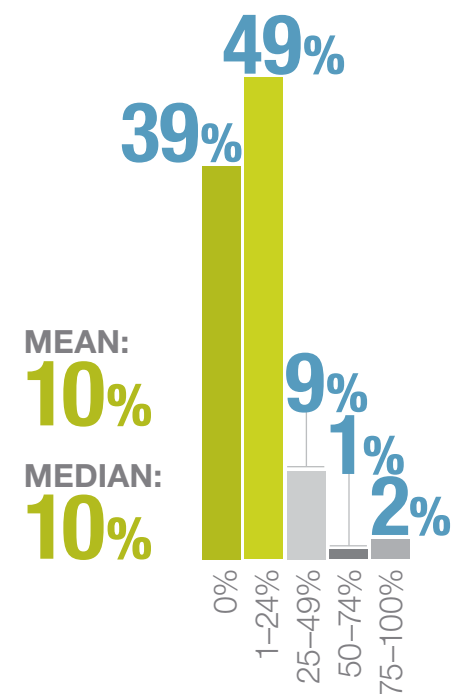
## CUSTOMER RETENTION



## NEW LEADS



## OTHER



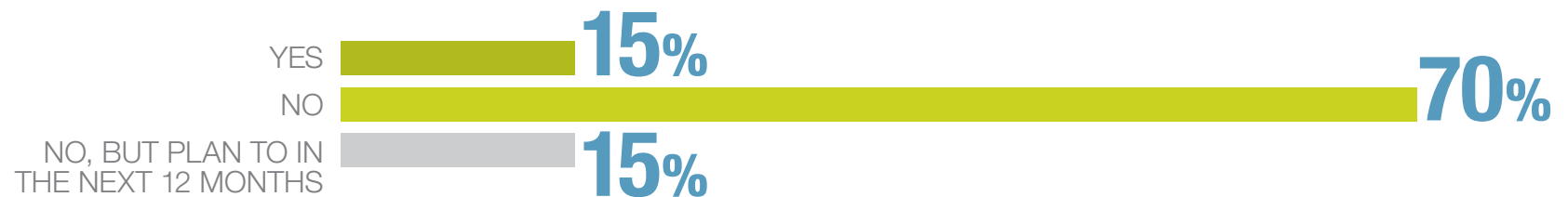
# Customer Retention Programs:

Less than 20% of respondents have a formal customer loyalty program in place and another 15% will add one in the next 12 months. Almost half plan to increase the percentage of their budget allocated to customer retention over the next 12 months, while the balance of the budgets will remain the same.

Q

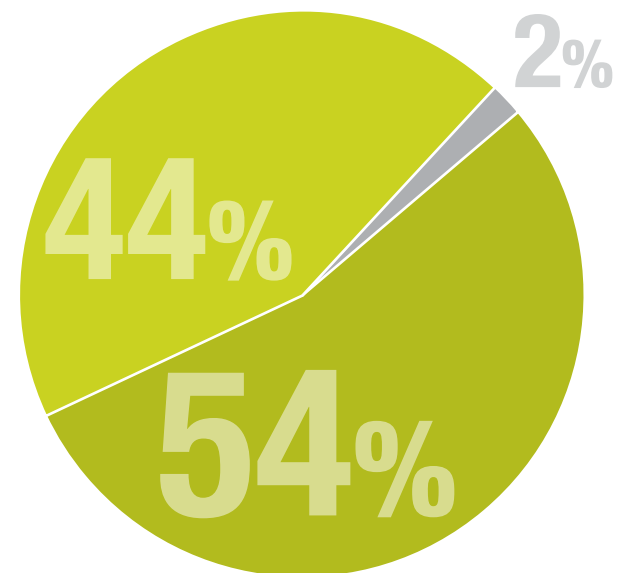
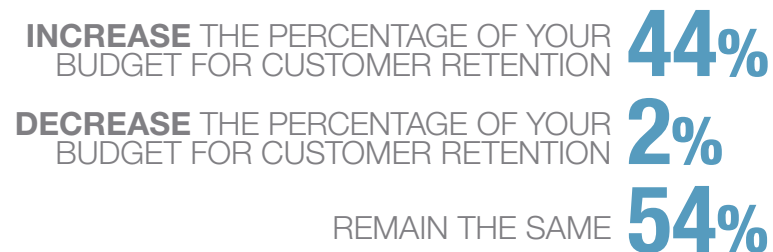
15

Does your company have a customer loyalty/frequent purchaser program?



16

Thinking about your customer retention efforts over the next 12 months, do you plan to...



# Classification Questions

Q17

Please describe the nature of your company's customers.



# Classification Questions

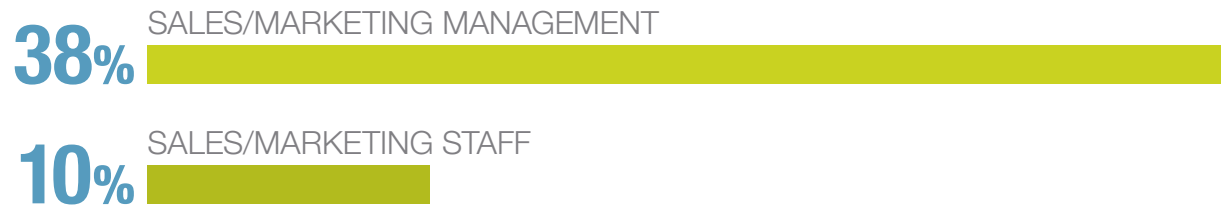
# Q18

Please indicate which of the following best describes your job title/function.

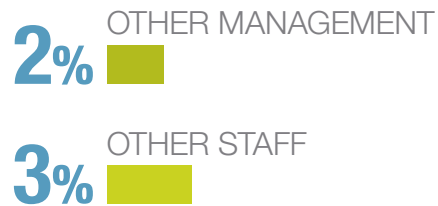
NET:  
CORPORATE  
MANAGEMENT  
**46%**



NET:  
SALES/  
MANAGEMENT  
MARKETING/  
STAFF  
**48%**



OTHER:  
**5%**



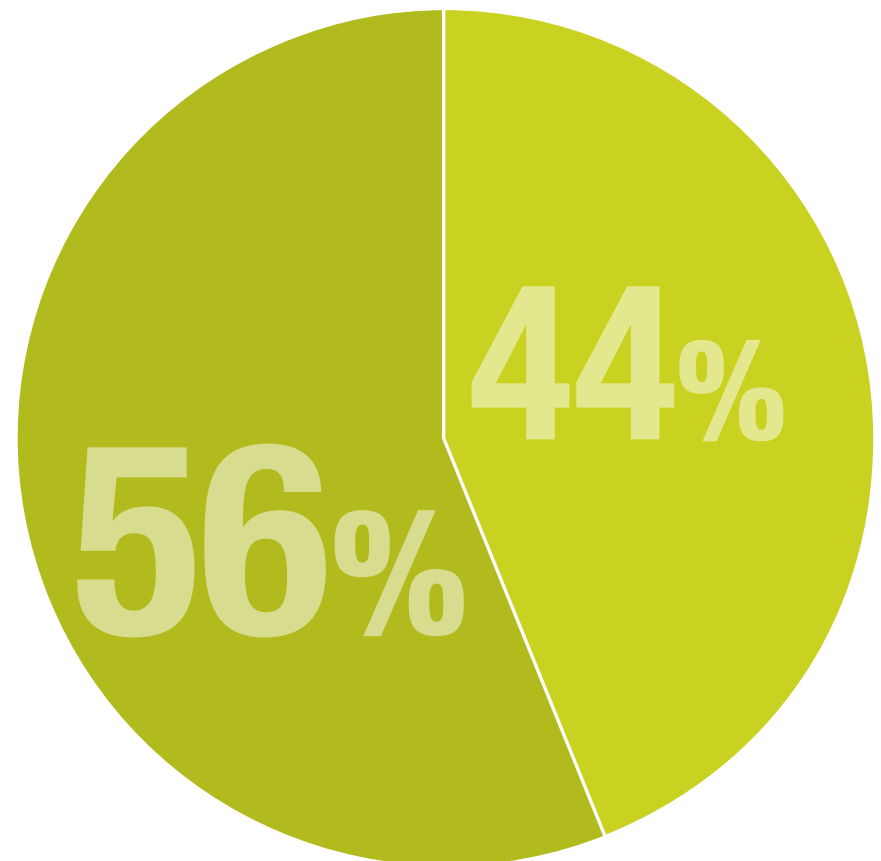
# Classification Questions

Q

**19** Please indicate which of the following best describes your organization's primary industry.

**44%** PUBLISHING/MEDIA/ADVERTISING/MARKETING

**56%** NET ALL OTHERS  
(NO SPECIFIC INDUSTRY MORE THAN 5%)

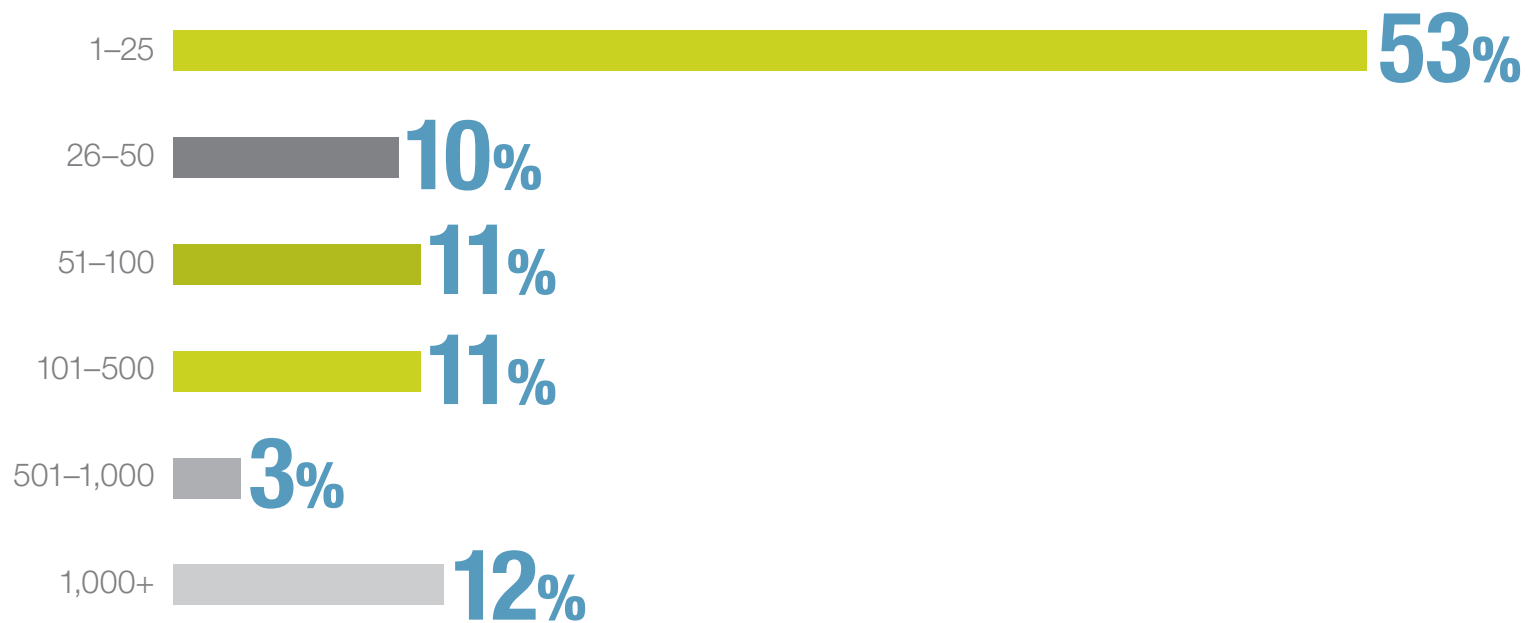


# Classification Questions

Q

20

Please indicate the total number of employees in your organization. *(including all locations)*



MEAN:  
**189**

# Methodology

The survey was created by King Fish Media and hosted online by [surveymonkey.com](http://surveymonkey.com) from June 15, 2009, to August 25, 2009. E-mail invitations were sent out directing respondents to the survey by King Fish Media and the three survey co-sponsors HubSpot, Junta42 and the Upshot Institute. In addition the link was sent out via social networking sites Facebook, Twitter and LinkedIn.

The survey was completed by 230 respondents primarily split between corporate management and marketing/sales management.

The data was compiled and tabulated by Datastar of Waltham, MA.

**For any questions concerning the study, please contact:**

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# About King Fish Media

King Fish Media® is the leading Private Media™ solutions company with services ranging from custom media (print, interactive, video), to webcasts, face-to-face events and market research. Our solutions deliver custom marketing programs designed to enhance relationship marketing and customer retention, and drive qualified leads. King Fish has been named to *Entrepreneur Magazine's* Hot 500 List and *Inc. Magazine's* 5000 list. King Fish has won several awards, including MIN's Integrated Marketing Award and the CPC's Pearl Award. The King Fish Think Tank blog ([www.kingfishmedia.com/thinktank/](http://www.kingfishmedia.com/thinktank/)) has been named one of the leaders in content marketing by Junta42. King Fish has created custom media solutions for companies such as Affinion, Aramark, Bank of America, Compass Bank, IBM, Michigan State University, Nuance, Source Media, Stop and Shop, Verizon and Zappos.



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# About the Co-Sponsors



HubSpot is an Internet marketing startup founded in 2006, whose software helps businesses get found online, generate more inbound leads and convert a higher percentage of those leads into paying customers. HubSpot's software platform is a comprehensive inbound marketing system including tools that allow professional marketers and small-business owners to easily update and optimize their Web sites and manage search engine optimization, blogging and social media, as well as landing pages, lead intelligence and marketing analytics. Based in Cambridge, MA, HubSpot can be found at [www.hubspot.com](http://www.hubspot.com). HubSpot offers free marketing tools at [www.grader.com](http://www.grader.com) and hosts a marketing community at [www.inboundmarketing.com](http://www.inboundmarketing.com).



Junta42, the independent authority on content marketing, brings clients and vendors together through its Content Vendor Matching Service, replacing the lengthy RFP process. Project posting is free and clients receive vendor information in less than 24 hours. Content projects include custom magazines, content microsites, blogs, white papers, e-newsletters and over 20 other content marketing project categories. Junta42 is a free service for marketing professionals. You can find them at [www.junta42.com](http://www.junta42.com).



Upshot Institute ([upshotinstitute.com](http://upshotinstitute.com)) is an information, analysis, education and consulting services firm. Our focus is on marketing technology and the ways in which it may be applied in marketing organizations. Over decades of navigating the choices, applying technologies to marketing operations, hoping the right decisions were made and then working to stay current on new marketing technologies, it was clear there had to be a better way. After hundreds of conversations with colleagues, vendors and clients, it became clear that there was a strong need for resources that would help marketers understand what's out there and to make better marketing technology decisions. Upshot Institute was created with both marketers and vendors in mind. We deliver a range of useful resources and opportunities for both groups. At Upshot Institute, you will find resources such as free on-demand summits, workshops, vendor reports, podcasts and the insanely popular Upshot50 Awards, just to name a few.