CMOs Attitudes Toward Custom Content: Update 2011

A Survey for the Custom Content Council

By Roper Public Affairs and Corporate Communication

March 2011

GfK

Background

➢ This report presents the results of a study conducted by Roper Public Affairs and Corporate Communication for the Custom Content Council (CCC). The CCC, as the leading industry expert on custom content, is interested in furthering insight into how best to meet the needs of consumers through custom media.

➢ The objective of the research project was to investigate the attitudes of marketers toward custom content, and to update the results of a similar study conducted in 2006. Specifically, the study sought to:

  ➢ understand the ways marketing executives think about and use custom content in their marketing mix, and document how this use has shifted in the last five years;

  ➢ gauge marketers' views on the value and importance of custom content;

  ➢ explore the issues related to measuring the effectiveness of custom content as a tool to strengthen consumers' relationships with a product, brand or sponsoring organization.

GfK

Methodology

➢ The survey was conducted using a telephone interviewing methodology. Interviews were conducted by Roper's executive interviewers.

➢ Respondents were randomly selected from a list of senior marketing executives from medium and large companies across a range of 20 sectors that CCC members serve. A total of 100 interviews were conducted with chief marketing officers (CMOs) and other senior marketing executives.

➢ The interviewing period was from 1/28 to 2/18, 2011. The interviews were approximately 19 minutes in length.

➢ Exact question wording appears at the bottom of each chart/graph in the body of the report. A list of the types and size of industries represented in the sample appear in the appendix at the back of the report.

GfK

Highlights

➢ **CMOs Familiarity and Receptivity Toward Custom Content Increases Significantly Since 2006**:   Close to nine in ten CMOs are familiar with the term custom content. Close to half (47%) say they are very familiar, representing a 15 point increase in "very familiar" ratings since 2006. More than eight in ten (83%) say they are receptive toward using custom content in their marketing plans, representing a 16 point increase since last study. Close to four in ten (37%) say they are "very receptive," up from 28% in 2006.

GfK

Highlights

➢ **CMOs Increasingly Value Custom Content** : Close to nine in ten CMOs say that they see value in the service provided by custom content (87% say custom content is very or somewhat valuable). This represents a 15 point increase from 2006.

➢ **CMOs Continue to See Custom Content As Strengthening Bond With Consumers**: More than nine in ten CMOs believe that custom content has a positive effect on people's attitudes, strengthening the bond with consumers (up 7 points from 2006). CMOs increasingly recognize the usefulness of custom content: nine in ten say that they believe that a majority of consumers are finding useful information in custom media, up 12 points from 2006. More than eight in 10 CMOs (85%) in the current study believe that consumers who receive custom content will be more likely to buy from the sponsoring company again, up 6 points since 2006.

GfK

Highlights

> **CMOs Continue to See Custom Media Gaining Larger Share of Future Marketing Budgets**:   A majority of CMOs continue to believe that custom media will capture a larger proportion of marketing budgets over the next couple of years. Two-thirds hold this view (66%), up from 59% in 2006. A majority of CMOs (59%) now report having shifted marketing funds away from traditional advertising in the last year toward custom content, representing a 18 point increase from 2006.

Highlights

➢ **CMOs Concerns About Using Custom Content Have Lessened Since 2006:** CMOs continue to have some concerns about a few topics related to the use of custom content, but these levels are down from 2006. Return on investment (ROI) continues to be the biggest concern: more than eight in ten (83%, down from 89% in 2006) agree strongly/somewhat that they would use custom content more if there were a good way to measure ROI, Notably, however, the number who "agree strongly" has dropped 14 points.

➢ In 2006, two-thirds (65%) of CMOs were concerned about the costs of using custom content, saying they would use it more if it were less expensive; this concern about costs has dropped 11 points, with the "strongly agree" ratings down to 7% from 21%.

GfK

Highlights

➤ **CMOs Positive Views About Effectiveness of Custom Content Increases:** Close to half (47%) now strongly agree that custom content should be an integral part of the marketing mix for any business, up 17 points bringing the agree strongly/somewhat total to 91%. More than one-third (35%) strongly agree that custom content represents the future of marketing, up 16 points (84% agree strongly/somewhat). Eight in 10 CMOs now say that they are increasingly incorporating custom content into their marketing plans (up 14 points since 2006).

GfK

Highlights

➢ **CMOs Describe Achieving Results From An Effective Custom Content Campaign:** CMOs were asked to discuss, in an open-ended format, their reflections on how they knew whether a recent custom content campaign of theirs was successful. More than six in ten (62%) talked about some aspect of achieving real results from their custom content campaign, ranging from direct responses to increased sales/orders to increased hit ratios. More than half of CMOs (54%) say they have a methodology for measuring ROI.

Detailed Findings

GfK

CMOs Assess the Value of Custom Content

GfK

CMOs Increasingly Value Custom Content

➢ Close to nine in ten CMOs say that they see value in the service provided by custom content (87% say custom content is very or somewhat valuable). This represents a 15 point increase from 2006.

➢ Significantly, this year four in ten (40%) believe custom content is "very valuable," compared to just 11% who said this in 2006.

GfK

CMOs Perceived Value of Custom Content Increased Significantly

Legend:
- ☐ Very valuable
- ☐ Somewhat valuable
- ☐ Not too valuable
- ☐ Not at all valuable

2011: 40 | 47 | 9 | 4

2006: 11 | 61 | 18 | 10
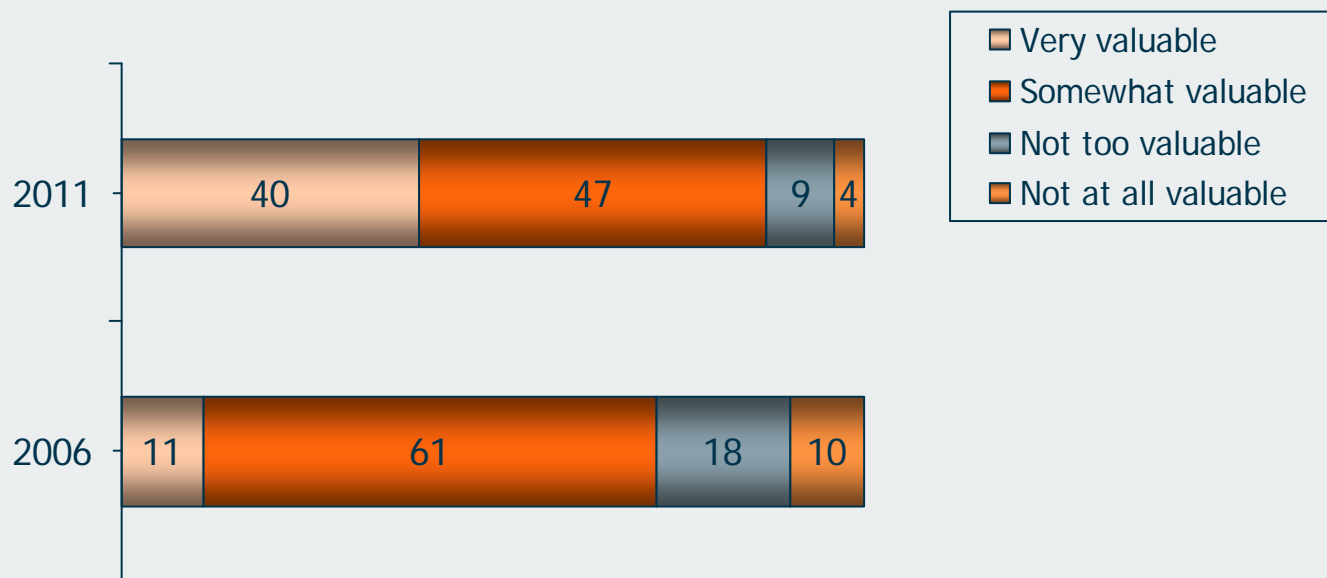
Q1. How valuable of a service do you consider providing this content to be – very valuable, somewhat valuable, not too valuable or not at all valuable?

GfK

CMOs Continue to See Custom Content As Strengthening Bond With Consumers

➢ More than nine in ten CMOs believe that custom content has a positive effect on people's attitudes, strengthening the bond with consumers (up 7 points from 2006) and leaving them feeling more favorable toward the sponsoring company.

➢ More than eight in 10 CMOs (85%) in the current study believe that consumers who receive custom content will be more likely to buy from the sponsoring company again, up 6 points since 2006.

➢ Nine in ten CMOs say that they believe that a majority of consumers are finding useful information in custom media. This represents a 12 point increase from 2006. More than eight in ten (86%) CMOs continue to believe that most consumers understand that custom content is a selling mechanism, but don't care as long as they are receiving useful information.

GfK

Custom Content Strengthens Company Image and Customer Loyalty

☐ True ☐ False

Statement	True	False
Custom content strengthens the relationship between recipients and sponsoring companies	94	4
Consumers who receive this custom content from a company end up feeling more positive toward that company	92	7
A majority of consumers report finding useful information in custom media	90	7
Most consumers are savvy enough to know that the underlying reason companies provide custom media is to sell more products, but they like getting them anyway	86	14
People who receive custom content say they are more likely to buy from that company again	85	12
If consumers are going to get information from a company, most would prefer to get it in a collection of articles, rather than in an ad	82	16
Most people say that they don't appreciate companies sending them custom content	25	72
Receiving custom media has no effect on consumers likelihood of recommending the sponsoring company to others or satisfaction with its products	18	81

Q3.   Please consider the following statements and tell me whether you think they are true or false.

GfK

CMOs Experience with Custom Media

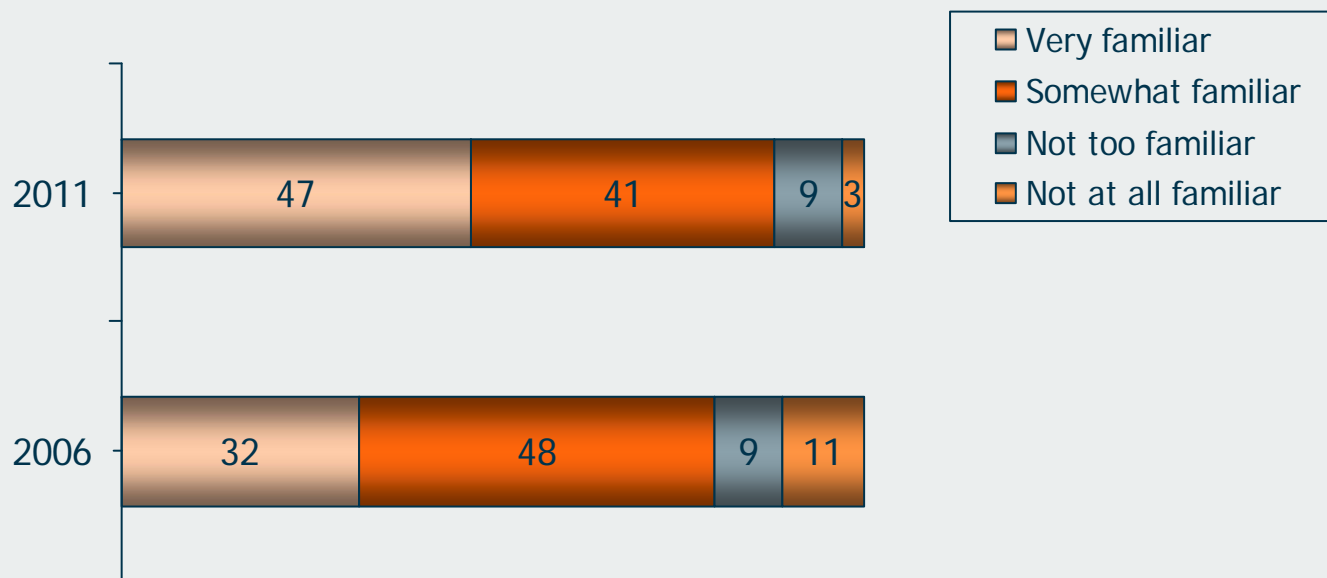# CMOs Familiarity and Receptivity Toward Custom Content Increases Significantly Since 2006

➢ Close to nine in ten CMOs are familiar with the term custom content, with close to half (47%) saying they are "very familiar" and the balance (41%) saying they are somewhat familiar. The number saying they are "very familiar" increased 15 points since 2006.

➢ More than eight in ten (83%) say they are receptive toward using custom content in their marketing plans, representing a 16 point increase since last study. Close to four in ten (37%) say they are "very receptive," up from 28% in 2006.

CMOs Familiar with Custom Content

Legend:
- ☐ Very familiar
- ■ Somewhat familiar
- ■ Not too familiar
- ■ Not at all familiar

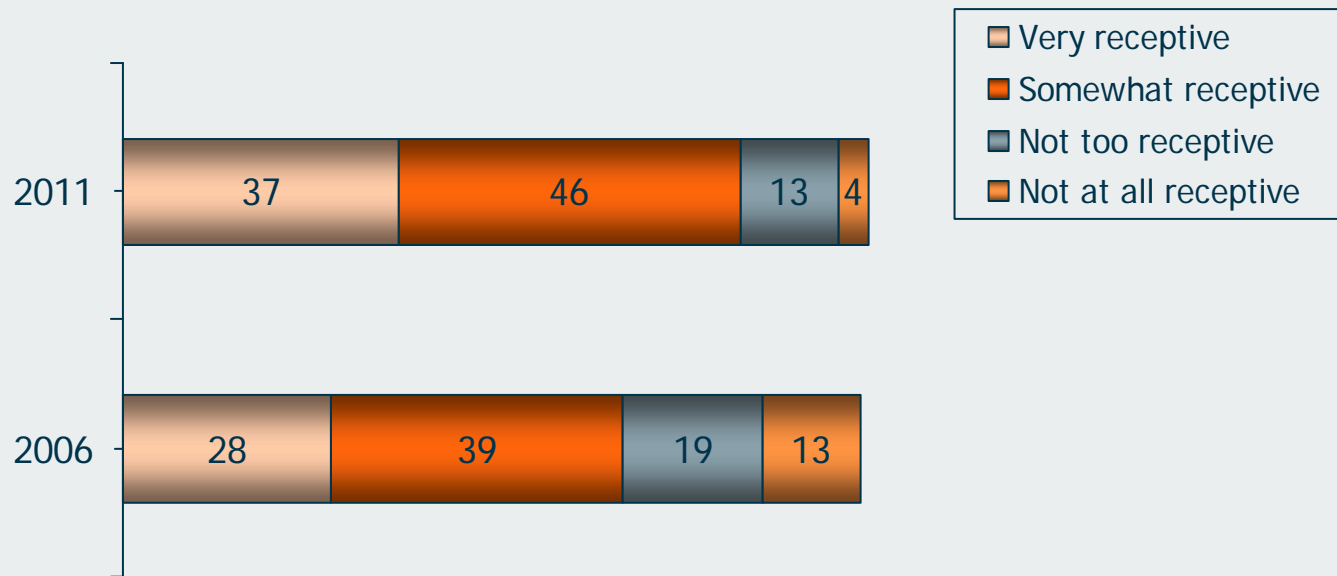| Year	Very familiar	Somewhat familiar	Not too familiar	Not at all familiar
2011	47	41	9	3
2006	32	48	9	11

Q2.   How familiar are you with the term custom content? Would you say you are ...?

GfK

CMOs Receptive Toward Including Custom Content in Marketing Plans

Legend:
- ☐ Very receptive
- ☐ Somewhat receptive
- ☐ Not too receptive
- ☐ Not at all receptive

2011: 37 | 46 | 13 | 4

2006: 28 | 39 | 19 | 13

Q4.   In general, how receptive are you to using custom content in your various marketing plans? Would you say you are...

GfK

# CMOs Continue to See Custom Media Gaining Larger Share of Future Marketing Budgets

➢ A majority of CMOs continue to believe that custom media will capture a larger proportion of marketing budgets over the next couple of years. Two-thirds hold this view (66%), up from 59% in 2006. A mere 2% see it capturing less of a proportion, while 3 in 10 CMOs (30%) see the proportion as staying about the same.

➢ CMOs report that, on average, 20% of their overall marketing budget is directed toward custom content.

GfK

CMOs See Custom Content Gaining Larger Share of Marketing Budget

2006

Don't know
1%

Staying
about the
same
39%

Greater
59%

Less
1%

2011

Don't know
2%

Staying
about the
same
30%
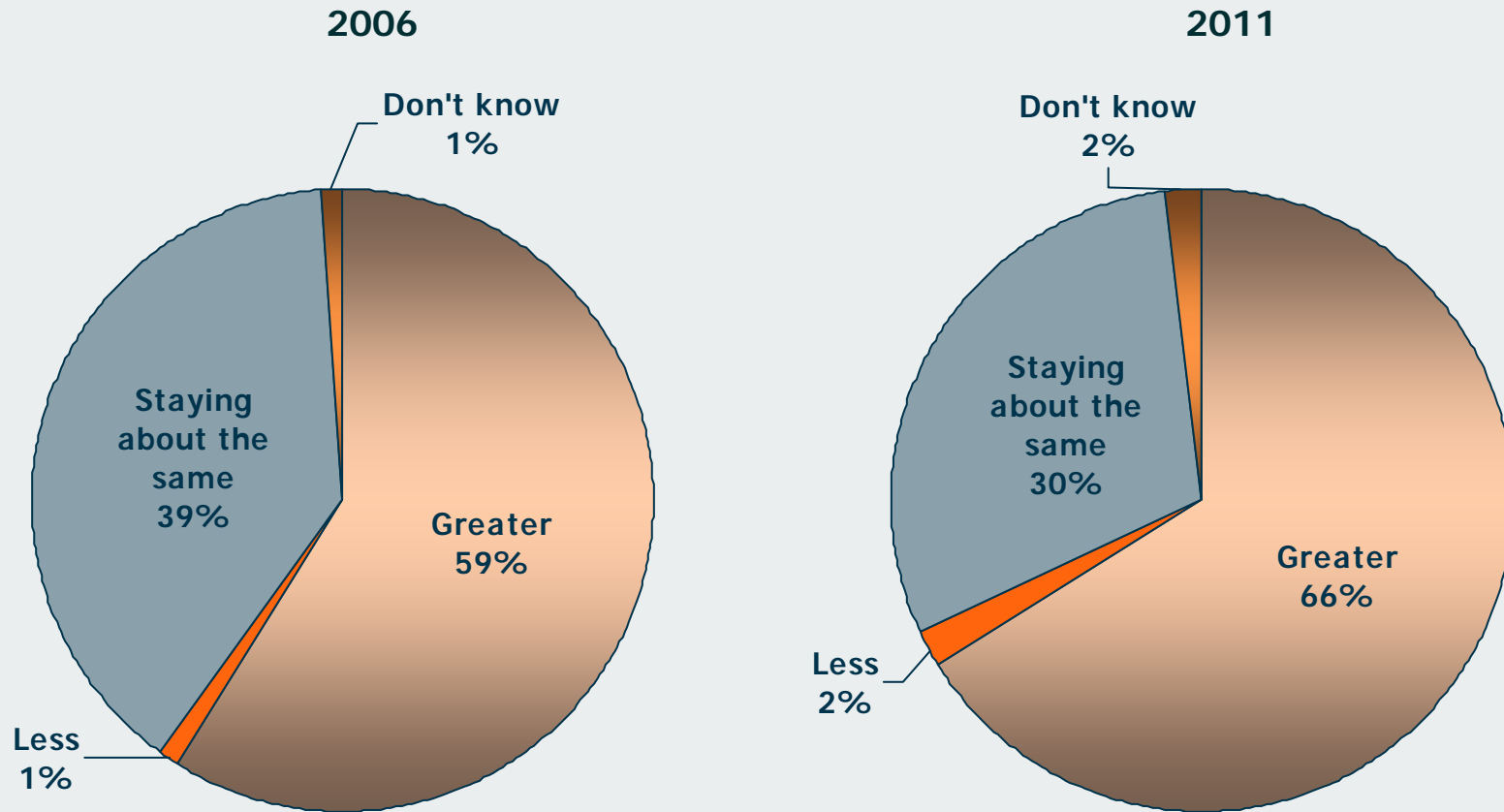
Greater
66%

Less
2%

Q8. In the next couple of years, do you see custom content commanding a greater proportion of marketing budgets, less of a proportion, or do you see it staying about the same?

GfK

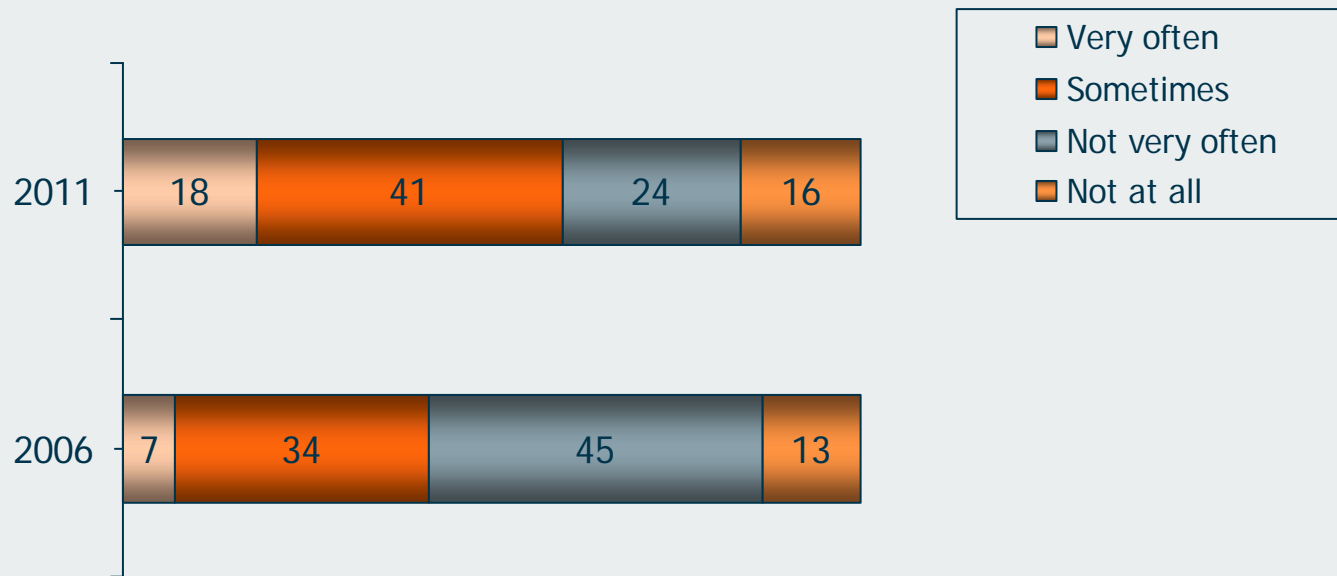# The Number of CMOs Shifting Funds Away from Traditional Ads Toward Custom Content Increases

➢ A majority of CMOs (59%) now report having shifted marketing funds away from traditional advertising in the last year toward custom content, representing a 18 point increase from 2006. Today, 18% report doing it very often and 41% doing it sometimes.

➢ A majority of CMOs say that custom content at their organization is managed or "owned" at the corporate (61%) rather than at the brand level (21%) or category level (9%). In a follow-up question, most (86%) said this is the same for digital content as it is for traditional print content.

GfK

More Funds Shifting Away from Traditional Advertising Toward Custom Content

Legend:
- Very often
- Sometimes
- Not very often
- Not at all

2011: 18 | 41 | 24 | 16

2006: 7 | 34 | 45 | 13

Q7. In the past year or so, to what extent have you ever shifted marketing funds AWAY from traditional forms of advertising TOWARD custom content? Would you say …

GfK

Most Custom Content Is Managed at the Corporate Level

Category	Value
Corporate level	61
Brand level	21
Or Category level	9
Don't know	9
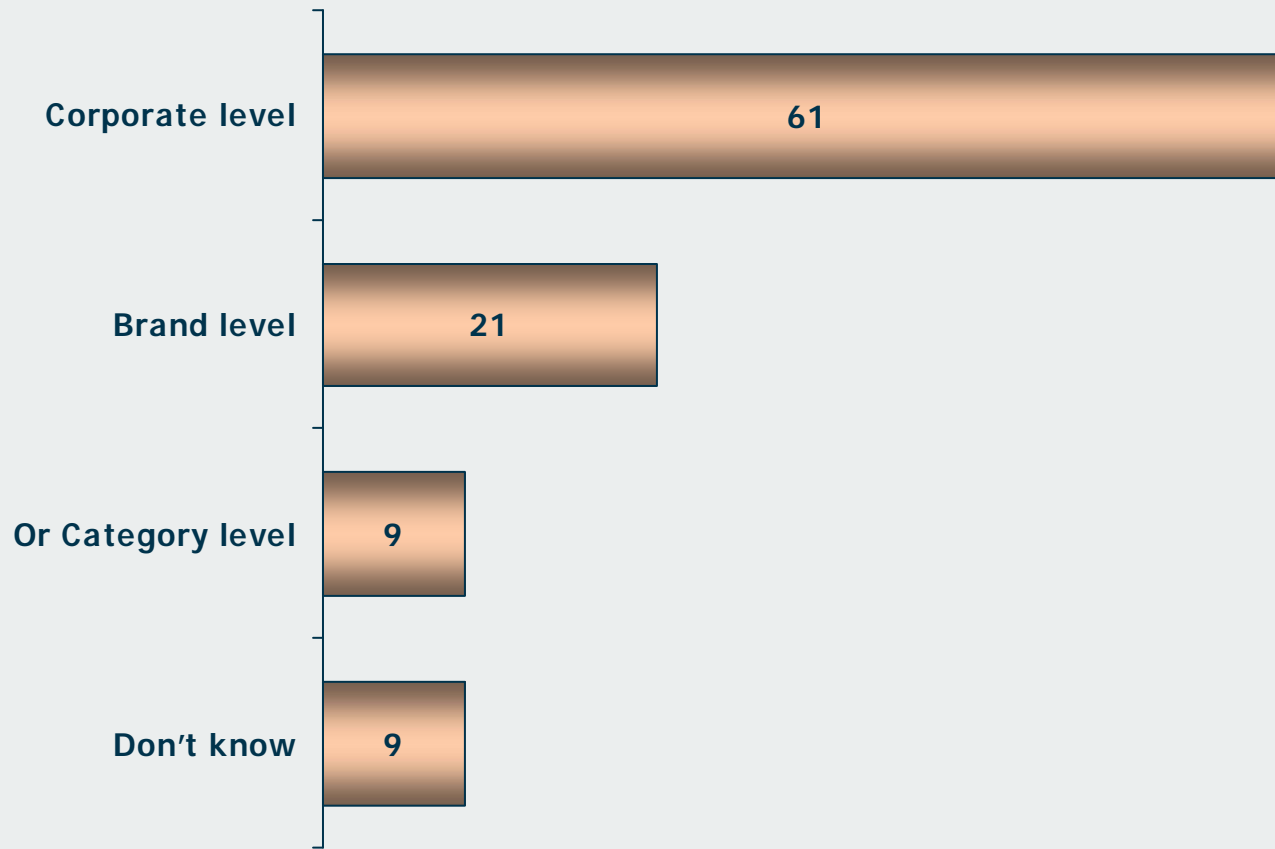
Q10. Who in your organization owns or manages your custom content? Is it at the

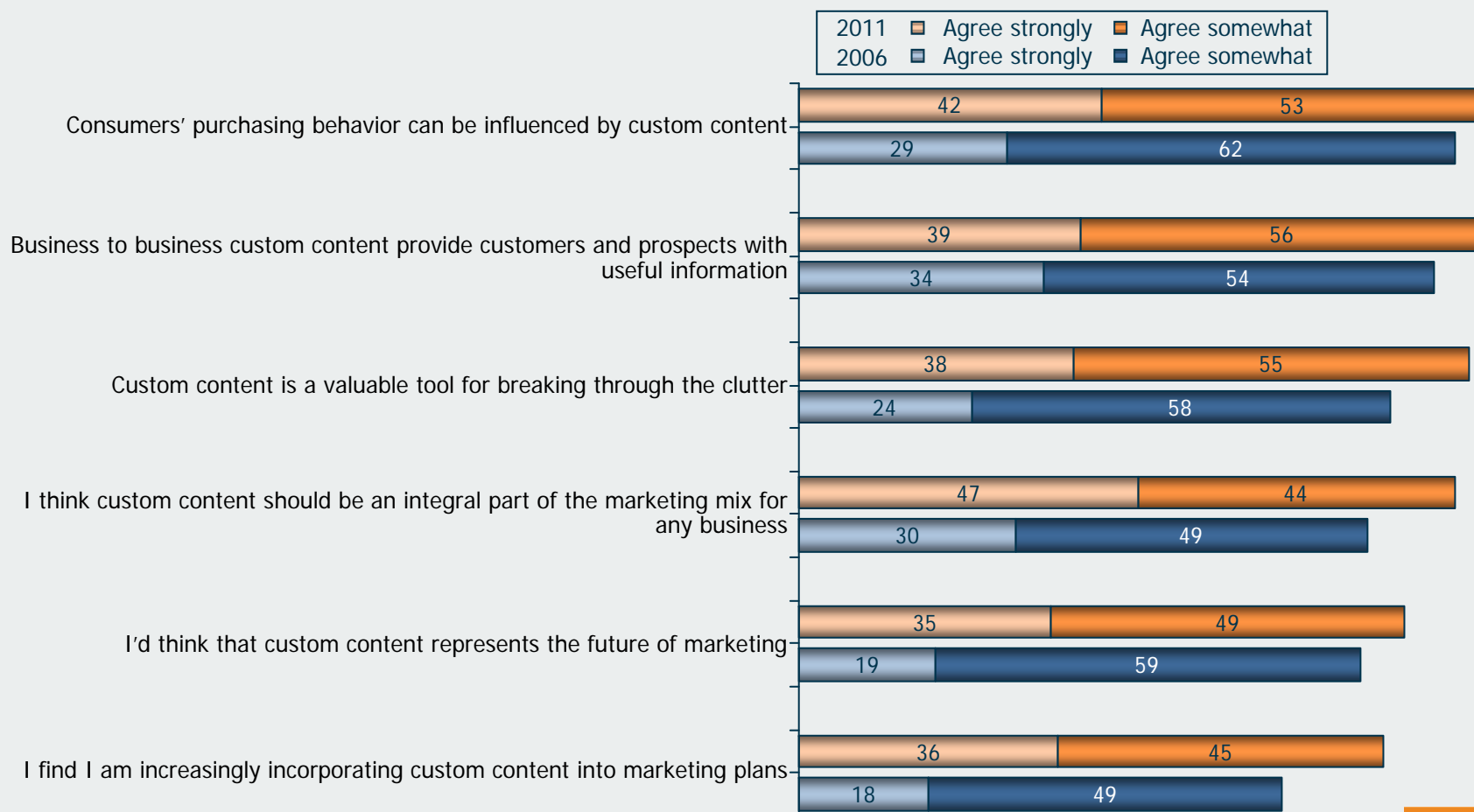# CMOs Positive Views About Effectiveness of Custom Content Increases

➢ Positive views toward custom content's effectiveness have risen significantly since 2006, with double-digit increases in "strongly agree" sentiments across nearly all dimensions of effectiveness asked about in the survey.

➢ While all six statements now garner agreement among at least eight in ten CMOs, several increases stand out:

  ➢ Up 17 points, close to half (47%) now "strongly agree" that custom content should be an integral part of the marketing mix for any business, bringing the total who agree strongly/ somewhat to 91%;

  ➢ More than one-third (35%) "strongly agree" that custom content represents the future of marketing, up 16 points (84% agree strongly/somewhat);

  ➢ With "strongly agree" ratings up 18 points, eight in 10 CMOs now say that they are increasingly incorporating custom content into their marketing plans (36% strongly/45% somewhat).

GfK

Positive Views About Effectiveness of Custom Content

	2011	□ Agree strongly	■ Agree somewhat
	2006	□ Agree strongly	■ Agree somewhat

Consumers' purchasing behavior can be influenced by custom content
- 2011: 42 | 53
- 2006: 29 | 62

Business to business custom content provide customers and prospects with useful information
- 2011: 39 | 56
- 2006: 34 | 54

Custom content is a valuable tool for breaking through the clutter
- 2011: 38 | 55
- 2006: 24 | 58

I think custom content should be an integral part of the marketing mix for any business
- 2011: 47 | 44
- 2006: 30 | 49

I'd think that custom content represents the future of marketing
- 2011: 35 | 49
- 2006: 19 | 59

I find I am increasingly incorporating custom content into marketing plans
- 2011: 36 | 45
- 2006: 18 | 49

Q12. The following are statements that some people in marketing have made about custom content. Please indicate if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with each of the following statements.
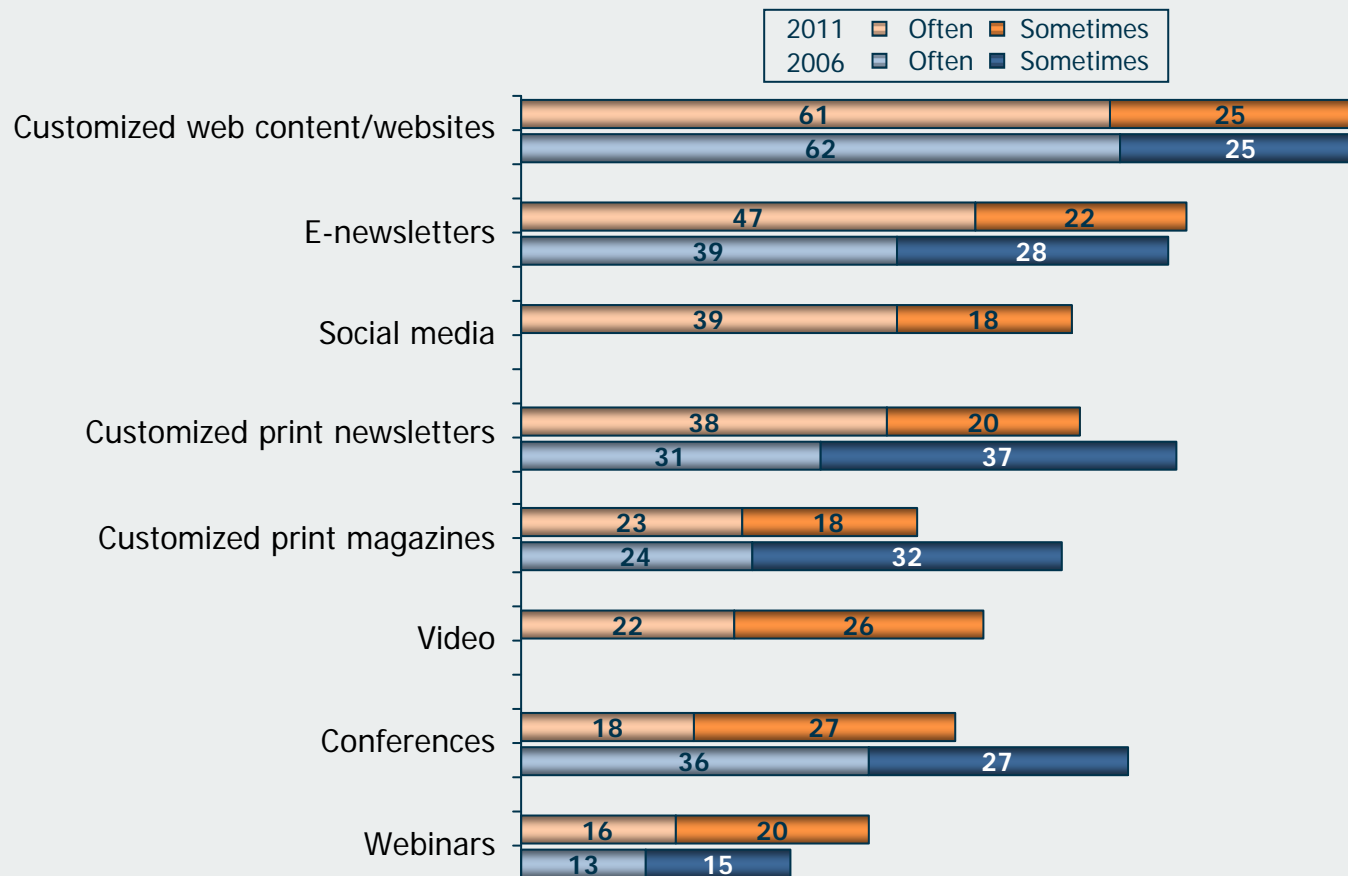
GfK

Types of Custom Media Most Frequently Used

➢ Customized web content and websites continue to be the most common type of custom content currently used, cited by 86% of CMOs as something they use often/sometimes in their marketing plans, nearly identical to levels recorded in 2006.

➢ Placing second, and also stable, is the proportion who cite e-newsletters (69%). Social media has emerged and now ranks third, cited by nearly six in ten (57%) as being often/sometimes part of CMOs' marketing plans.

➢ Customized print newsletters and print magazines both experienced a significant decline since 2006. Conferences are also down, while the use of webinars has increased.

➢ Not surprisingly the use of blogs has doubled since 2006 (now cited by one-third) and digital magazines have also increased significantly (used by one-quarter).

GfK

Types of Custom Content Most Frequently Used: Websites Remains Stable, Print Declines, Social Media Is Strong

Legend:
- 2011: Often, Sometimes
- 2006: Often, Sometimes

Customized web content/websites
- 2011: 61 / 25
- 2006: 62 / 25

E-newsletters
- 2011: 47 / 22
- 2006: 39 / 28

Social media
- 2011: 39 / 18

Customized print newsletters
- 2011: 38 / 20
- 2006: 31 / 37

Customized print magazines
- 2011: 23 / 18
- 2006: 24 / 32

Video
- 2011: 22 / 26

Conferences
- 2011: 18 / 27
- 2006: 36 / 27

Webinars
- 2011: 16 / 20
- 2006: 13 / 15

Q5. More specifically, how often have you used any of the following types of custom content in your marketing plans often, sometimes, rarely, or never?

Note: Some types of custom content were not asked about in 2006: social media, video, mobile media, white paper and syndicated content.

GfK

Types of Custom Content Most Frequently Used: Blogs, Digital Magazines Increase (cont.)

| | 2011 | □ Often | ■ Sometimes |
| | 2006 | □ Often | ■ Sometimes |

Blogs
- 2011: 15 | 17
- 2006: 4 | 10

Mobile media
- 2011: 14 | 17

White papers
- 2011: 13 | 26

Digital magazines
- 2011: 12 | 11
- 2006: 4 | 14

Advertorials
- 2011: 11 | 26
- 2006: 8 | 38

Web casts/pod casts
- 2011: 11 | 17
- 2006: 16 | 14

Syndicated content
- 2011: 8 | 13
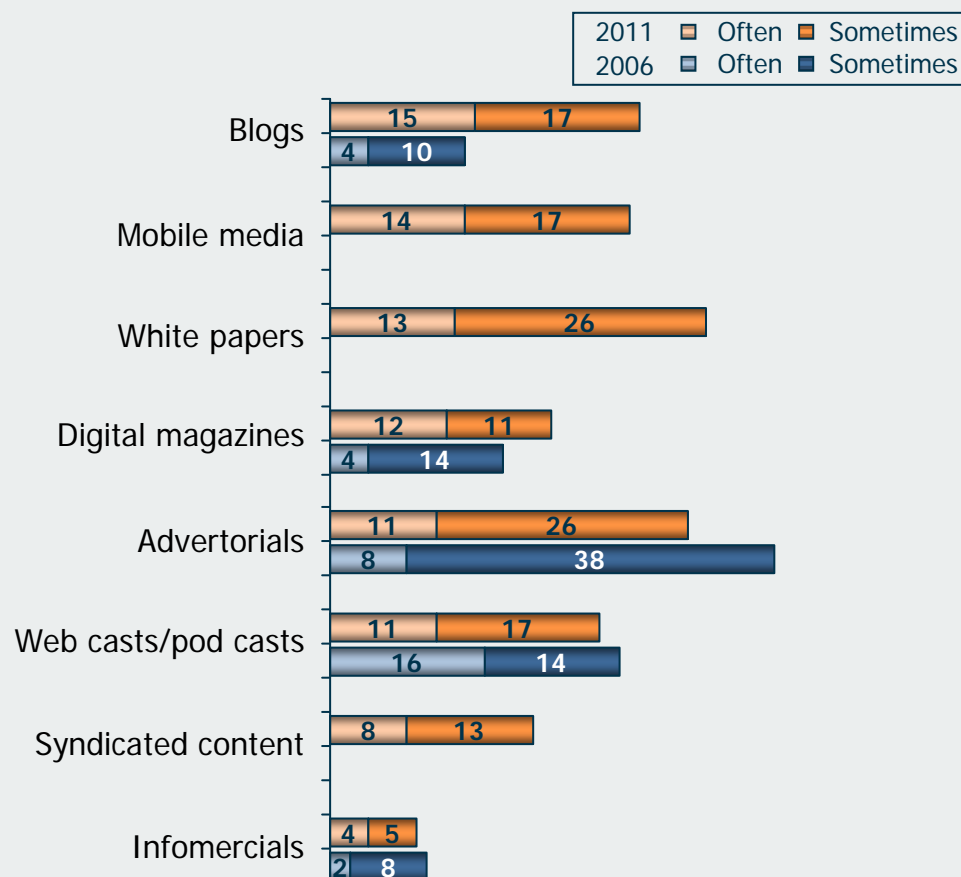
Infomercials
- 2011: 4 | 5
- 2006: 2 | 8

Q5. More specifically, how often have you used any of the following types of custom content in your marketing plans often, sometimes, rarely, or never?

Note: Some types of custom content were not asked about in 2006: social media, video, mobile media, white paper and syndicated content.
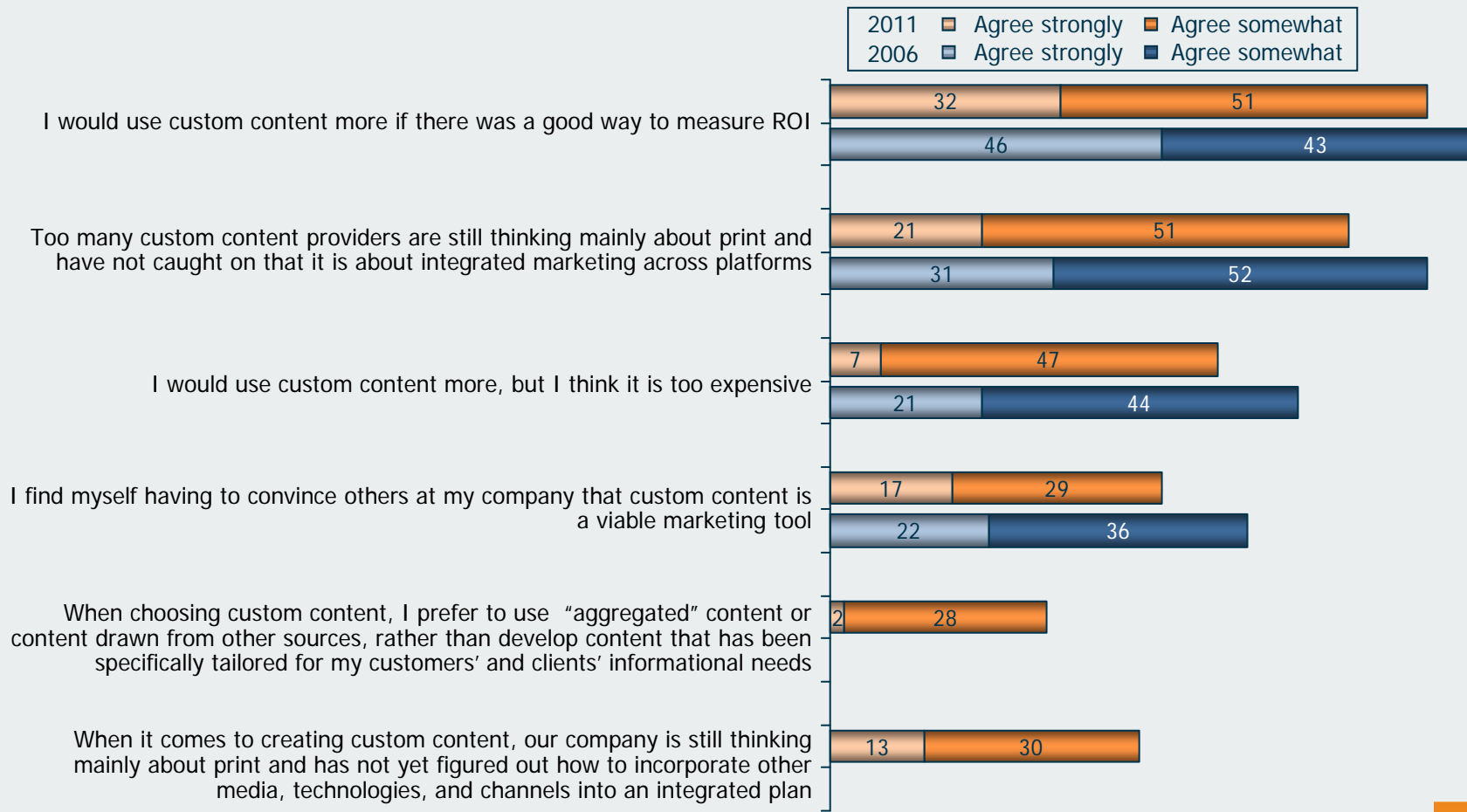
GfK

Measuring Custom Content's Effectiveness

CMOs Concerns About Using Custom Content Have Lessened Since 2006

➢ CMOs continue to have some concerns about a few topics related to the use of custom content, but these levels are down from 2006. Return on investment (ROI) continues to be the biggest concern: more than eight in ten (83%, down from 89% in 2006) agree strongly/somewhat that they would use custom content more if there were a good way to measure ROI, Notably, however, the number who "agree strongly" has dropped 14 points.

➢ In 2006, two-thirds (65%) of CMOs were concerned about the costs of using custom content, saying they would use it more if it were less expensive; this concern about costs has dropped 11 points, with the "strongly agree" ratings down to 7% from 21%.

➢ Decreases are seen in the number agreeing strongly/somewhat that they have to convince others at their company that custom content is a viable tool (down 12 points), or that too many custom publishing providers are still thinking mainly about print rather than recognizing the potential for integrated marketing across platforms (down 11).

➢ New this study are questions on aggregated content, which finds three in ten preferring it over specifically tailored custom content.

GfK

CMOs Concerns About Using Custom Content Have Lessened

	2011	☐ Agree strongly	☐ Agree somewhat
	2006	☐ Agree strongly	☐ Agree somewhat

I would use custom content more if there was a good way to measure ROI
- 2011: 32 | 51
- 2006: 46 | 43

Too many custom content providers are still thinking mainly about print and have not caught on that it is about integrated marketing across platforms
- 2011: 21 | 51
- 2006: 31 | 52

I would use custom content more, but I think it is too expensive
- 2011: 7 | 47
- 2006: 21 | 44

I find myself having to convince others at my company that custom content is a viable marketing tool
- 2011: 17 | 29
- 2006: 22 | 36

When choosing custom content, I prefer to use "aggregated" content or content drawn from other sources, rather than develop content that has been specifically tailored for my customers' and clients' informational needs
- 2011: 2 | 28

When it comes to creating custom content, our company is still thinking mainly about print and has not yet figured out how to incorporate other media, technologies, and channels into an integrated plan
- 2011: 13 | 30

Q12. The following are statements that some people in marketing have made about custom content. Please indicate if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with each of the following statements.

GfK

# Some Have Specific Concerns Related to ROI; Some Have Had Success

➢ More than half of CMOs (54%) say they have a methodology for measuring ROI.

➢ When asked to provide further thoughts on issues related to ROI when using custom content, CMOs provided a wealth of comments, both positive and negative.

➢ As the following table illustrates, the most common comment is that ROI is difficult to measure. Nevertheless, many said they had had success in measuring ROI.

Majority Say They Have Methodology for Measuring ROI

Don't know
2%

No
44%

Yes
54%
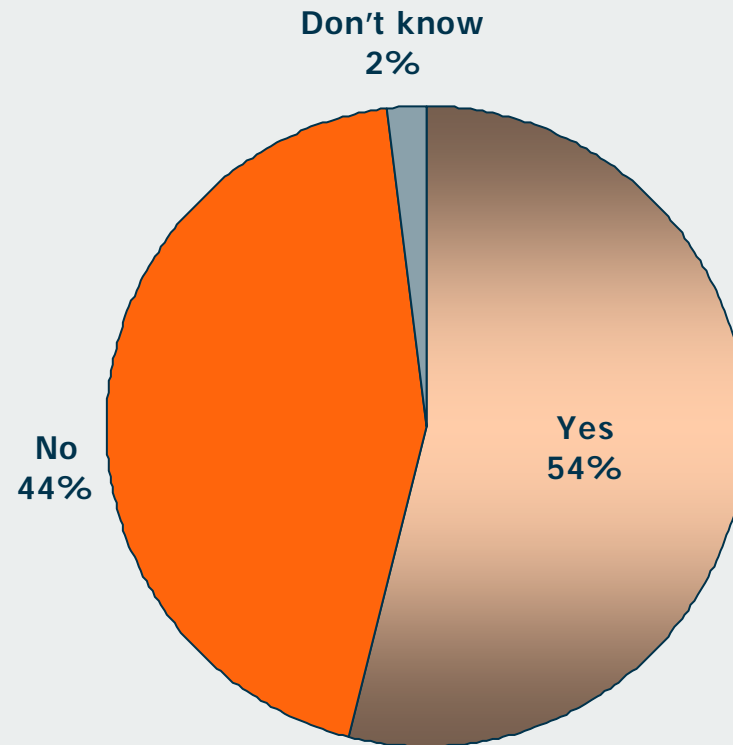
Q9. For the custom content programs you have in place, do you have a methodology for measuring results?

GfK

CMOs' Comments Related to ROI

Measurement is difficult	31%
We have had success with ROI	15
Lack tools/resources	7
Like the ability to measure	6
Essential/required for business	6
Good tool	6
Tracking it is difficult	6
Like the ability to track	4
Need more information on techniques in determining ROI	3
Customers don't like too much material sent to them via print/social media/online	3
Cost is high	3
Budgets are limited	2
Tracking it takes too long	2
It is difficult to get a direct response	2
Hard to measure in our industry	2
Unable to link custom content with new business	2
Difficult to customize	2
Like the ability to customize as per client needs	2

Q13. To the extent you have used custom content, we are interested in hearing, in your own words, about issues related to measuring its effectiveness or its ROI (or return on investment)?

GfK

CMOs Describe Achieving Results From An Effective Custom Content Campaign

➢ CMOs were asked to discuss, in an open-ended format, their reflections on how they knew whether a recent custom content campaign of theirs was successful.

➢ As the following table illustrates, more than six in ten (62%) talked about some aspect of achieving real results from their custom content campaign, ranging from direct responses to increased sales/orders to increased hit ratios.

➢ The next most frequently mentioned comments related to promotional methods (43%) used which indicated success, things such as webinars, surveys or other follow-up.

➢ Specific measurement tools were mentioned by 6%, things like Google Analytics, coupons codes, etc.

GfK

Indications of an Effective Custom Content Campaign

	Total %
Results (Net)	**62**
Based on direct response/feedbacks/remarks received	26
Based on leads/response generated	22
Based on business sales/product orders	6
Based on goals/results achieved	4
Based on attendance/visitation	4
Based on accounts opened	2
Based on hit ratio	2
Other results mentions	4
Promotional Methods (Net)	**43**
Web based/Conducted webinar	13
Sent emails	7
Used print publications/magazines/newsletters	5
Used call centre/phone	5
Conducted seminars/events	4
Used social media	3
Conducted follow up	3
Word of mouth	3

Q14. Finally, thinking about a recent custom content program of yours that was particularly effective, can you tell us a bit more about how you knew that it was successful? How do you know what does and doesn't work?

Indications of an Effective Custom Content Campaign

	Total %
Promotional Methods (Net) (Cont'd)	**43**
Conducted surveys	2
Used mail campaign	2
Used digital media	2
Used social networking sites	2
Other promotional method mentions	3
Tools of Measurement (Net)	**6**
Used Google Analytics	2
Used coupon codes/ redemption	2
Other tool of measurement mentions	3
Miscellaneous (Net)	**15**
Customized as per client needs	4
Introduced custom content recently	3
Ability to measure	3
Ability to track results	3
Offered an incentive	2
Other miscellaneous mentions	2

Q14. Finally, thinking about a recent custom content program of yours that was particularly effective, can you tell us a bit more about how you knew that it was successful? How do you know what does and doesn't work?

Contd...

GfK

Appendix

Sales Revenue of Industries Represented in Sample

	Total - 2006 %	Total – 2011 %
$50-150 Million	40	38
$150-500 Million	38	35
$500+ Million	22	27

Industry Categories Represented in Sample

	Total - 2006 %	Total – 2011 %
Healthcare/Pharmaceutical	14	16
Business Services	10	11
Finance/Insurance	24	33
Retail/Wholesale sales	20	14
Transportation/Communication/Utilities	32	26

GfK