

A Forrester Consulting Thought Leadership Paper Commissioned By OpenText

The Rise Of Content Marketing: Invest In Content Development And Management For Success

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FORRESTER

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Marketers Must Improve Their Management And Measurement Of Content

Content marketing — such as the copy that marketers post on their websites or send via short message service (SMS), the images they deliver through email or on Twitter, and the videos they post on Facebook and YouTube — has grown to become one of the most important components of an interactive marketing strategy. But most marketers still struggle to effectively develop and manage marketing content, and that's limiting their success in crucial digital marketing channels.

Eighty-six percent of marketers surveyed say that content is important to interactive marketing.

In August 2012, OpenText commissioned Forrester Consulting to evaluate content's role in interactive marketing. In conducting in-depth surveys with 159 interactive marketers, Forrester found that nearly all marketers see content as a vital part of their interactive marketing success, but almost one-half fail to effectively develop and manage marketing content. The biggest key to content marketing success is resources: Marketers who put more than 10% of the interactive marketing budget into content, and who invest in enterprise-ready content management tools, report significantly greater success than those who don't.

Key Findings

Forrester's study yielded three key findings:

- **Content is vital to all marketers.** The marketers we surveyed — regardless of which interactive channels they use or the size of their company — consider developing and managing content more important to their success than almost any other factor, including choosing the right agency or even securing budget.
- **Despite its value, marketers struggle to develop and manage content.** More than 95% of the marketers surveyed report problems in creating and managing content — including difficulty measuring the impact of marketing content and challenges in managing a large volume of content across multiple channels. The result? Barely one-half of marketers are satisfied with how they handle marketing content today.
- **Investment is the key to content marketing success.** The ability to develop, manage, and measure marketing content doesn't come for free. The common thread among companies that succeed with content marketing is investment: Marketers who dedicate more than 10% of their interactive budget to content, and who work with purpose-built content management tools, are more likely to succeed.

Content Has Become A Vital Part Of Marketing Success

Content has always been an important part of marketing. Regardless of whether you've traditionally promoted your business through TV spots or trade magazines, you couldn't get (and keep) people's attention if you didn't tell them something interesting and useful. And the growth of digital media — where endless engaging content is just a click away — has made it more important than ever for marketers to effectively create and manage high-quality content.

Fifty-eight percent of marketers consider their websites to be the most important channel when developing marketing content.

- **Managing content is the second most important factor in interactive marketing success.** More than 85% of the marketers surveyed said that developing and managing content is an important factor in creating a successful interactive marketing program — placing content behind only measurement in this regard (see Figure 1). Marketers now consider content more important to their success than integrating online and offline channels, finding skilled staff, choosing the right agencies and vendors, and even securing budget.
- **All types of marketers have embraced the value of content.** The rise of content marketing has often been associated with the growing importance of social media, as marketers seek out interesting and engaging material for their Facebook promotions and tweets. Likewise, content is often seen as a tool for marketers who can't afford big-budget advertising programs. But all marketers consider marketing copy and imagery vital to their success — no matter what channels they focus on or how large their budget. In fact, more than 85% of online display advertisers, mobile marketers, email marketers, and search marketers also said that content was important to their success. And marketers working at companies with \$1 billion or more in annual revenues considered content to be a more important success factor than marketers working at companies with less than \$1 billion in annual revenues.
- **Most marketers focus on website content first — but social is growing in importance.** The marketers we surveyed said that customers were more likely to engage with content on their website than in any other interactive marketing channel.¹ So it comes as no surprise that the website is the focus of most content marketing strategies: 58% say that they consider their site to be the most important channel when creating interactive marketing content (see Figure 2). But as marketers work harder to leverage social channels, they're starting to see social media as the most important channel for distributing content: 15% of those surveyed reported social as the most important channel for marketing content.²

Figure 1

More Than 85% Of Marketers Say That Content Is Important To Interactive Marketing Success

“How important do you consider each factor to creating a successful interactive marketing program?”



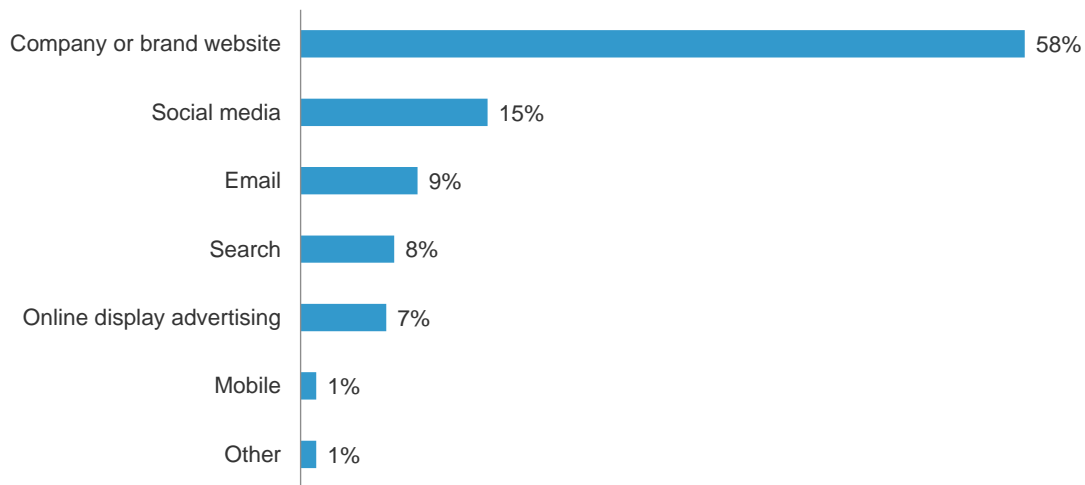
Base: 159 US marketers who are management level or above at companies with annual revenues of \$500 million or more

Source: A commissioned study conducted by Forrester Consulting on behalf of OpenText, August, 2012

Figure 2

Marketers Focus On Websites First And Social Second When Creating Marketing Content

“Which channel do you consider most important when you’re creating interactive marketing content?”



Base: 159 US marketers who are management level or above at companies with annual revenues of \$500 million or more (percentages do not total 100 because of rounding)

Source: A commissioned study conducted by Forrester Consulting on behalf of OpenText, August, 2012

Despite Its Value, Marketers Struggle To Develop And Manage Content

Marketers understand that content is vital to their success — but that doesn’t mean they’re doing a good job of developing and managing marketing content. In fact, more than 95% of marketers report problems with their content marketing programs, and almost one-half say that they’re simply not satisfied with their handling of marketing content.

Only 52% of marketers are satisfied with their ability to develop and manage content.

- Barely one-half of marketers are satisfied with how they develop and manage content.** When we asked marketers how satisfied they were with their ability to develop and manage interactive marketing content, just 52% answered 7 or higher on our 10-point scale (see Figure 3). Not a single marketer surveyed scored themselves 10 out of 10 for satisfaction with content marketing. And these struggles cut across all channels: Regardless of whether marketers used online display ads, mobile marketing, search, or any other digital channel, no more than 56% said that they were satisfied with their ability to develop and manage content.
- Measurement and budget are the biggest content marketing challenges.** Just 5% of marketers surveyed said that they had no problems creating and managing marketing content (see Figure 5). So what’s the problem? Almost 70% of marketers have trouble measuring the impact of their content strategy on their overall marketing success — not a surprise given the difficulty marketers have running brand impact surveys in key channels like

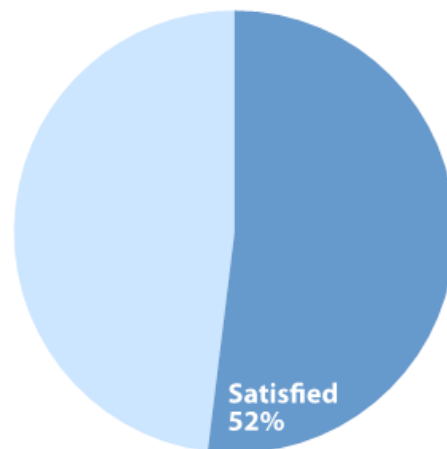
social media and the limited uptake of attribution tools that can connect brand- and loyalty-focused marketing programs to sales. Likewise more than one-half say that they have trouble securing budget for marketing content. Various technical challenges also trouble marketers — including managing a high volume of marketing content as well as and formatting and distributing content into different marketing channels.

- **This is causing marketers to fail in channels that rely heavily on content.** It's hard to imagine two channels more important to interactive marketers than websites and social media: The website is the centerpiece of most digital marketing efforts, and social media now dominates most audiences' online time. Unfortunately, marketers' struggles developing and managing content come through in these channels. Just 36% of marketers focused on social media are satisfied with the performance of their programs, and just 40% of marketers focused on websites are — far lower satisfaction levels than marketers focused on any other digital channels (see Figure 4).³

Figure 3

Only One-Half Of Marketers Are Satisfied With How They Develop And Manage Marketing Content

**On a scale from 1 (not at all satisfied) to 10 (completely satisfied), how satisfied are you with how you develop and manage CONTENT for your interactive marketing programs?
[Respondents selected 7 and above]**

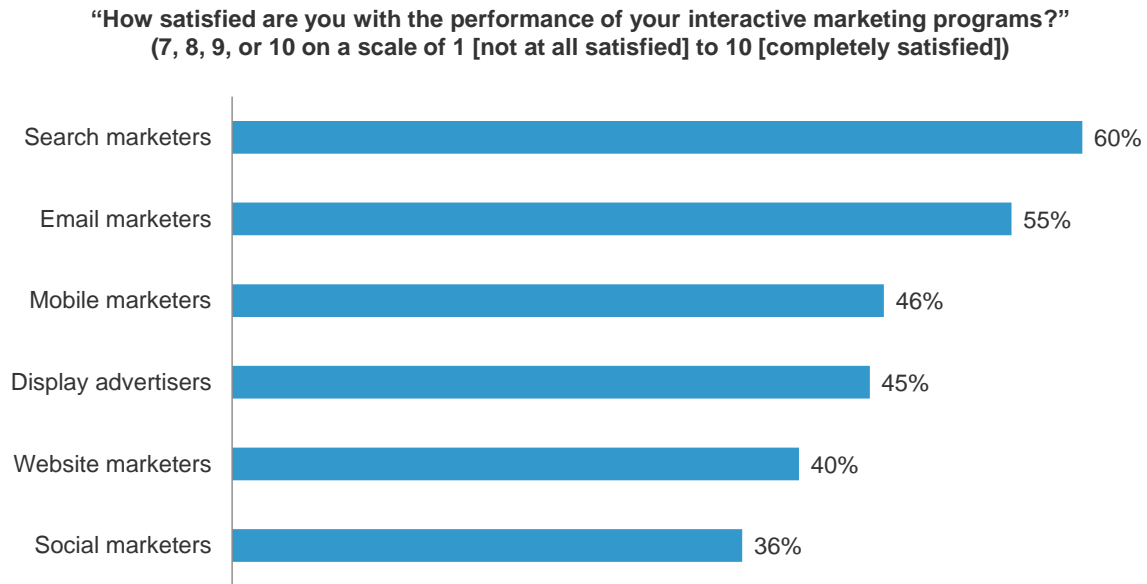


Base: 159 US marketers who are management level or above at companies with annual revenues of \$500 million or more

Source: A commissioned study conducted by Forrester Consulting on behalf of OpenText, August, 2012

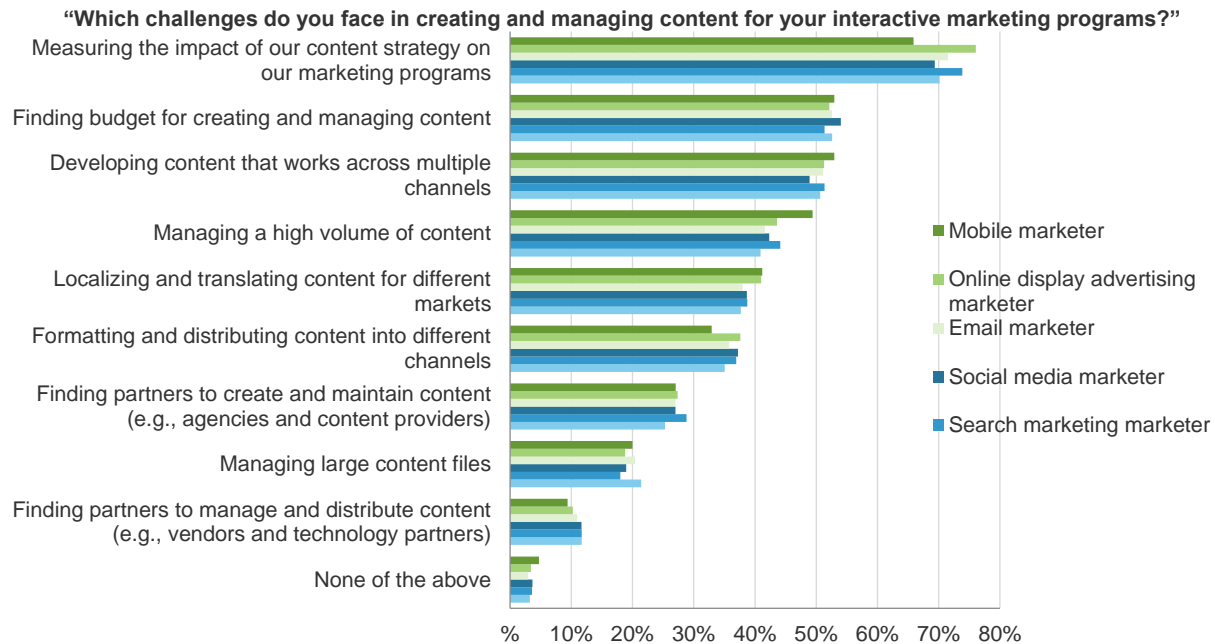
Figure 4

Difficulty Developing Content Causes Marketers To Fail In Content-Reliant Channels



Base: 159 US marketers who are management level or above at companies with annual revenues of \$500 million or more

Source: A commissioned study conducted by Forrester Consulting on behalf of OpenText, August, 2012

Figure 5**Measurement And Budget Are The Biggest Challenges In Content Marketing**

Source: A commissioned study conducted by Forrester Consulting on behalf of OpenText, August, 2012

Investment Is The Key To Content Marketing Success

The best things in life may be free, but the best things in digital marketing rarely are. In fact, investment levels — both raw spending levels and willingness to invest in content management technology — directly correlate to content marketing success.

Sixty-three percent of marketers who put more than 10% of their interactive budget into content are satisfied with their digital marketing programs.

- Marketers must dedicate more than 10% of their interactive budget to content.** If you don't invest in content, you're much less likely to reach your objectives: Just 49% of the marketers surveyed said that they spend more than 10% of their digital marketing budgets on creating and managing content. But spending 10% or less is a mistake: Put simply, most marketers who spend 10% or less on content are *dissatisfied* with their digital marketing campaigns, and most marketers who spend more than 10% on content are *satisfied* with their digital marketing campaigns (see Figure 6).
- Professional content management tools increase your likelihood of success.** Surprising numbers of marketers still rely on basic homegrown content management solutions. Only about one-half of marketers use third-party

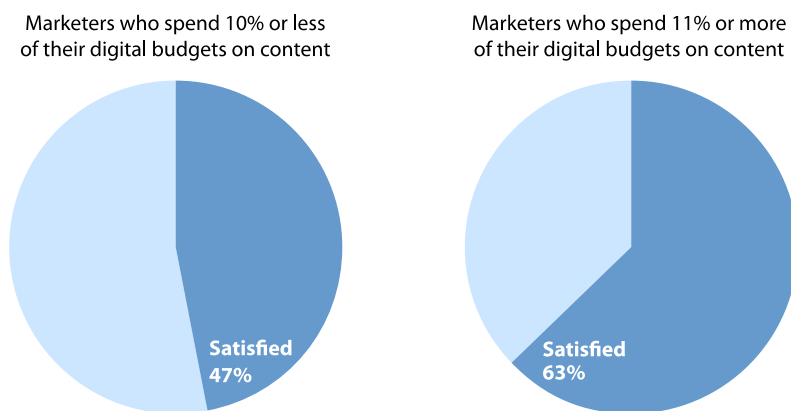
web content management tools to manage their marketing content. By comparison, almost 40% use content management tools they've built themselves, and more than one-third use simply inadequate solutions like spreadsheets and file sharing tools to manage and share content. Remarkably, 10% of marketers surveyed said that they have no processes in place for managing content. But professional, purpose-built content management tools make a difference: Marketers who invest in enterprise-ready content management tools report much greater success than those using homegrown solutions (see Figure 7).

- **Marketers must invest in better measurement as well.** It's no surprise that marketers struggle to measure the impact of content on their digital marketing, because most marketers tell us that they struggle to measure nearly every aspect of digital marketing. In one recent survey where interactive marketers rated their measurement ability, they scored themselves less than 3 out of 5 in channels like display advertising and paid search — and gave themselves only 2.3 out of 5 for the ability to measure social media.⁴ At the very least, marketers need to spend more time analyzing the digital metrics of their content marketing programs, like click rates and time spent on the site. But the most effective way to measure the impact of content marketing would be to invest in brand impact surveys and digital attribution tools.⁵

Figure 6

Dedicating More Than 10% Of Your Digital Budget To Content Increases Your Chances Of Success

On a scale from 1 (not at all satisfied) to 10 (completely satisfied), how satisfied are you with the performance of your interactive marketing programs?
[Respondents selected 7 and above]

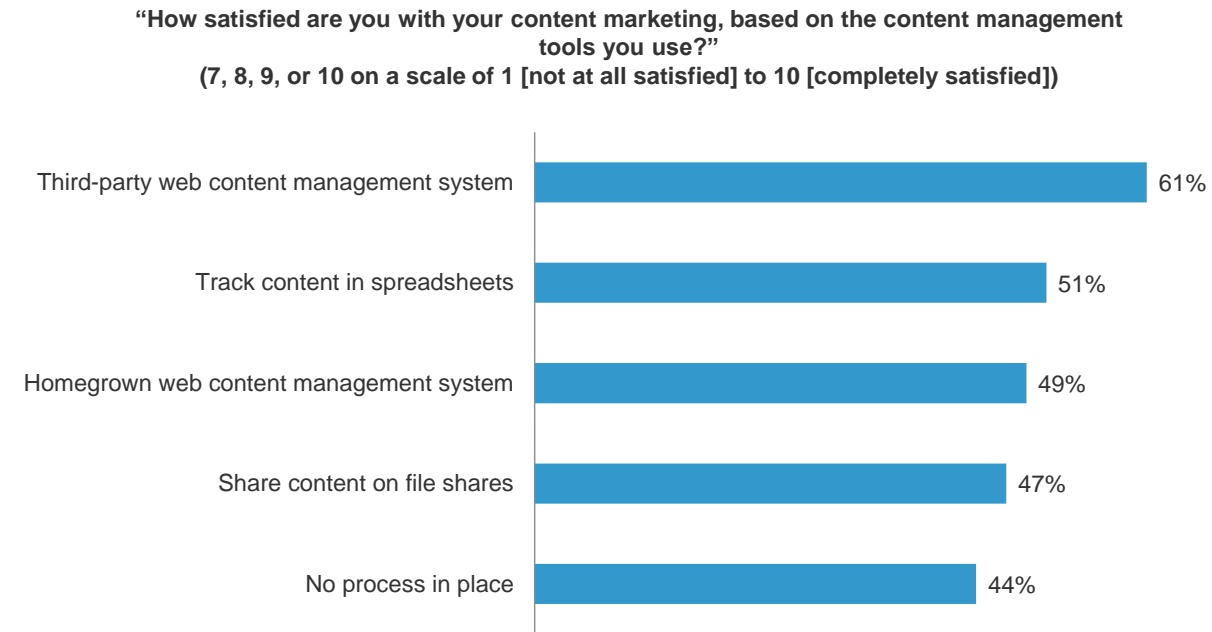


Base: 159 US marketers who are management level or above at companies with annual revenues of \$500 million or more

Source: A commissioned study conducted by Forrester Consulting on behalf of OpenText, August, 2012

Figure 7

Purpose-Built Content Management Tools Improve Interactive Marketing Success



Base: 159 US marketers who are management level or above at companies with annual revenues of \$500 million or more

Source: A commissioned study conducted by Forrester Consulting on behalf of OpenText, August, 2012

KEY RECOMMENDATIONS

It's time for marketers to get better at creating and managing marketing content. To avoid the problems other marketers face, you should:

- **Measure what types of content drive results.** More than two-thirds of marketers have trouble measuring the impact of content marketing. So how can you avoid this problem? Get more granular. Rather than measuring the overall impact of marketing content, measure which *types* of content drive the results you're looking for. Do text posts, videos, or images get liked and shared more by your Facebook fans? What topics generate the most clicks in email or the most time spent on your site? If you can discover which types of content create success, you'll be able to avoid unfocused conversations about whether it's worth spending money on content — and be able to offer focused data on how optimizing content improved campaign performance.
- **Use search data to guide your content strategy.** Search isn't just a channel for directing people to your marketing content — it's also a channel that can inform your content strategy. Study the keywords and topics people are searching on your own site, as well as the keywords you see searched alongside your brand name on Google, to get a sense for which types of content your customers are looking for. If you can develop marketing content that directly meets your customers' needs, that content will be more likely to drive marketing success.
- **Don't try to do it all yourself.** We've already seen that turning to third parties for management technology is a good idea: Marketers who use purpose-built third-party content management tools are more satisfied with their interactive marketing programs than those who use homegrown solutions. And getting help with content creation is a good idea, too. Fewer than half of marketers who create digital marketing programs mostly or completely in-house are happy with their content marketing. But most of those who lean on agencies for interactive marketing are satisfied with their marketing content.

Appendix A: Endnotes

¹ This point is also supported by Forrester’s previous research. In a December 2010 survey, 83% of US marketers said that they reached more customers on their website than through any other interactive channel, and 70% of US marketers said that their website had a greater brand impact than any other interactive channel. Source: “The Interactive Brand Ecosystem,” Forrester Research, Inc., April 20, 2011.

² It should be no surprise that marketers are spending more time thinking about social marketing content — because they’re spending more money on social content. Forrester forecasts that social marketing spending across all marketer categories will increase at a compound annual growth rate of 26% between 2011 and 2016. Source: “US Interactive Marketing Forecast By Industry, 2011 To 2016,” Forrester Research, Inc., November 15, 2011.

³ And failing at social marketing is a big deal: Marketers tell us that they have higher hopes for social marketing over the next three years than for any other online or offline marketing channel. Source: “US Interactive Marketing Forecast, 2011 To 2016,” Forrester Research, Inc., August 24, 2011.

⁴ Marketers think that they’re best at measuring the brand impact of display ads — but even there they score themselves poorly. Source: “Use Surveys To Measure The Brand Impact Of Interactive Marketing Campaigns,” Forrester Research, Inc., June 15, 2011.

⁵ Unfortunately, relatively few marketers use either surveys or attribution tools today. Source: “Making The Case For Interactive Attribution In Your Organization,” Forrester Research, Inc., May 24, 2012.