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By Bjoern Asmussen, Andrew Canter, Andrew Butler and Dr. Nicolette Michels

RESEARCH

Towards the future of branded content

'Defining Branded Content for the Digital Age', Findings of the Research Project, Phase One

Overview

Little research has been conducted to date in the area of branded content, in spite of the rising use of this key marketing concept, and the estimated US $4bn value of the branded content market.

As part of the Branded Content Marketing Association's (BCMA's) strategy to establish academic understanding as well as champion best practice and share learning, it has commissioned a study entitled 'Defining Branded Content for the Digital Age'.

Conducted by Oxford Brookes University and the BCMA's global research partner Ipsos MORI, this study has two main purposes:

1.   Identify and understand the different conceptualisations people use when talking about branded content

2.   Develop a definition that helps to clarify the concept for a broad range of stakeholders and therefore supports the progress of branded content marketing practice

RESEARCH TEAM

Bjoern Asmussen,

Senior Lecturer in Marketing, Oxford Brookes University Business School

Bjoern leads the Branded Content Research Team at Oxford Brookes University, which includes **Andrew Butler** and **Dr. Nicolette Michels**.

Sarah Gale,

Senior Director, **Ipsos MORI, Media, Content and Technology Division**

"We're delighted with the first phase of the results. One of the other elements of the study is that we've developed a new methodology for brands to plan effectively for branded content, using it as a core part of their marketing strategy."

Andrew Canter,

CEO, BCMA

The first phase of the study – a literature review of practitioner and academic publications – has resulted in the development of a new definition of branded content and the uncovering of emerging themes that will help organisations to harness the power of branded content. These initial findings are presented in this chapter.

Why does branded content matter?

Organisations creating branded content is nothing new, however the advancement of technology, particularly the evolution of social media, has made the process of content creation and dissemination much easier – even for end-consumers.

Likewise, the consumption of branded content has changed dramatically and continues to do so. Today, consumers have an unprecedented freedom of choice when it comes to what they want to read, watch, or listen to.

The best way for an organisation to get through to its target audience and receive positive attention in this challenging environment is therefore by creating great content. How? The study revealed four key strategies that organisations use to produce successful branded content: the content is either entertaining, informative, educational, or something that serves a function (e.g. the branded content could be an app that the target audience can

"Content, in all its shapes and forms, is core to everything we do as marketers."

Econsultancy, 2013

"The future of the marketing department is half marketing and half publishing."

Joe Palazzo,

Founder, Content Marketing Institute, 2012

download to make their life easier). The research also showed that these content strategies can be combined.

The initial findings of the study indicate so far that organisations are using branded content mainly to meet two objectives: to create a positive brand meaning or image, and to engage with certain stakeholders. So it's not predominantly about a quick win with a campaign or promotion – it's more about developing deeper engagement and long-term relationships.

The BCMA and Ipsos MORI have noticed an increasing emphasis on the use of branded content among marketers, with many major organisations integrating it now as a core element in their marketing strategies. This observation is supported by a survey conducted by Econsultancy in which 39% of digital marketing professionals nominated content marketing as one of their top priorities in 2013.

We now live in a world in which virtually every digitally literate individual can become a branded content creator and distributor on an unprecedented scale, and this is a considerable paradigm shift, not only for marketers and their organisations but also for media companies.

How are people talking about and using branded content?

"The term 'content' seems a bit of a broad stroke owing to its multi-dimensional nature."

Amar Trivedi, Social Media Strategist, 2012

"The concept of branded content is fundamentally flawed."

David Martin, Forbes, 2011

"There is a significant amount of confusion and controversy out there around what content is, what it does and how to use it."

Robin Thornton, Shaman Marketing, 2013

"'Content' is such a broad and fuzzy term that it tends to make any discussion of it broad and fuzzy as well."

Cindy Gallop, If We Ran The World, 2013

Branded content comes in numerous different forms, such as native advertising, branded entertainment, advertiser funded programming, viral videos, and many more. It is therefore no surprise that the term 'branded content' means different things to different people, leading to misunderstandings and confusion.

The first phase of the study has concluded so far that people talk about branded content in five different ways. These are categorised as:

1) The Traditional Trademark Owner (TMO) Perspective

This perspective was originally developed in the pre-digital age when branded content was usually controlled by the trademark owner of the brand, who financed the production of the content.

Since it was the pre-digital age, the content was most likely to be communicated via traditional media channels, such as TV, radio and print. For example, in the 1950s and 1960s, companies such as Procter & Gamble not only sponsored soap operas, but also paid for the entire production of TV shows, aiming to create some positive brand associations in the target audience's mind.

This perspective, where the trademark owner of the brand is in control of the created content, is still used nowadays. Some organisations produce and distribute branded content without the help of sophisticated digital media technologies. For example, in 2013 McDonald's produced millions of books in the UK to replace the toys that accompanied its Happy Meals for children. In terms of volume, McDonald's has subsequently become one of the UK's leading book publishers and distributors, while the branded content activity aims to add educational values to its brand image.

2) The Digital TMO Perspective

This second perspective refers to branded content initiated by the trademark owner of the brand and distributed on digital channels. The trademark owning organisation behind the brand is initially in control of the digital channel and the content they choose to publish or broadcast, however it is not in control of what happens to the content after release – for example, the amount of views online, or viewer comments that are made about a branded content video and published on the YouTube website.

One business-to-business example of this kind of digital branded content is from Corning, a US industrial glass manufacturer. The company produced a corporate communications video that has fired the imaginations of people from all walks of life, well outside their core target audience, generating over 23 million views of the original version alone. This is just one example that shows that branded content can be useful not only for business-to-consumer lifestyle marketing, but also in bringing seemingly dull information to life.

3) The Integrated TMO Perspective

According to the first stage of the study findings, the most popular perspective when it comes to branded content among practitioners in the marketing industry appears to be the integrative use of traditional, non-digital channels with digital channels for the dissemination of branded content.

This content is usually initiated (and funded) by the brand's trademark owner, however the owner's level of control over the content varies. If you pay for the production of a TV show, for example, you can assume that you will basically be in control of everything within it. But if you send a tweet, you have hardly any control over how people will retweet that content – they can put a new spin on it, place it in a different context and even sabotage your message completely.

4) The Stakeholder Perspective

This new branded content perspective that has emerged in the digital age is one that many marketers and organisations have ignored so far.

It describes branded content that is initiated (and in some cases even funded) by someone who doesn't work for or with the trademark owner of the brand – it doesn't have to be a consumer, it could

be a competitor, a pressure group, or any other external stakeholder.

An example of this kind of branded content is the memorial video 'A BMW Motorcycle Story' by Bill Costello. It tells the story of Bill painstakingly restoring his dead father's classic motorcycle. Bill posted his video onto YouTube and it has generated over half a million views. BMW had no control over and nothing to do with this content, but it still created positive brand associations and has become a cult video among many motorcycle fans.

Of course, any stakeholder can also create content that generates negative perceptions of a brand. Greenpeace, for example, is renowned for creating

content that doesn't portray brands in a positive light.

Another example of consumer-generated, negative branded content is the 2009 music video and song by Dave Carroll in protest at United Airlines' customer service. 'United breaks guitars' generated about 3 million views on YouTube within one week, United Airlines' share value dipped reportedly about 10% (equating to US$180million) and there was substantial reputational damage to the brand after the story was reported across US news channels.

Even experienced crisis communications professionals can do little to control negative branded content in the digital age, as BP found out. After the explosion and oil spill in the Gulf of Mexico in 2010, somebody created a fake BP PR Twitter account that attracted three times as many followers as the official BP America account.

This loss of control over branded content is an aspect of social media that organisations have to learn to live with. It supports the need for organisations to instil good practices, good customer service and communications across their entire business.

5) The All-Encompassing Perspective

The study's literature review points to the idea that concentrating on what an organisation can control in terms of branded content is not good enough any more in the digital and social media age.

The findings therefore expound a fifth perspective on branded content that aims to enable people to understand it in its entirety: the all-encompassing viewpoint that combines both the TMO-controlled traditional and TMO-initiated digital aspects, as well as external stakeholders contributing to the creation and dissemination of branded content.

Forming a single, comprehensive definition of branded content

Phase One of the study has encapsulated the initial findings about how people talk about branded content, resulting in the development of a preliminary, all-encompassing definition of branded content:

Branded content is any content that can be associated with a brand in the eye of the beholder.

Note the intentionally subjective element of this definition. You might see a video on YouTube and think, "This has nothing to do with my brand". But if, for instance, a few thousand people associate it, for whatever reason, with your company then you have some stakeholder content affecting your organisation's brand, positively or negatively, whether or not you realise it. Hence branded content is 'any content that can be associated with a brand in the eye of the beholder'.

During the next phase of the study, which involves expert interviews, this holistic definition will be further examined and, depending on the outcome, changed or refined with the aim to determine how branded content should be conceptualised in the digital age.

Additional insight into emerging branded content trends

Besides the study's findings of how people talk about branded content and the proposal of a new definition of branded content, five key insights about emerging trends in branded content have been revealed:

1. Branded content can build sustainable brand differentiation

The creation of great branded content can be difficult and challenging, but it's worthwhile because it enables organisations to differentiate themselves for a longer-term effect, not just for a short-term campaign. If you have, for example, some product innovation advantage, your competitors can often copy it very quickly. However, if you create powerful content and meanings that are very close to your brand, you have the opportunity to drive sustainable brand differentiation.

2. There are many more controllers of branded content in the digital age

New technologies and media have opened up widely the creation and dissemination of branded content to all-comers – consumers, competitors, pressure groups, and many others – not just to the trademark owner of the brand.

3. Consumer power over branded content is growing

Interruptive marketing with no perceived value is increasingly ignored or avoided by consumers.

4. Organisations need to transform the way they communicate

There is an art to creating a sustainable brand narrative and connecting it with the right audience(s) in the right place at the right time.

5. Organisations need to be better organised and coordinated

To be able to implement your branded content strategy successfully, you need resources, processes, structures and coherence across all channels, which is particularly challenging in an international or even global context.

These insights can be used to develop branded content strategies as part of a methodology to harness the power of branded content.

Phase Two of the study is under way and its findings will be published in late 2014. **Further details of the study as it progresses can be found here.**