

11th Annual Industry Characteristics Study

A Look at the Volume and Type of
Content Marketing in America for 2011

ContentWise

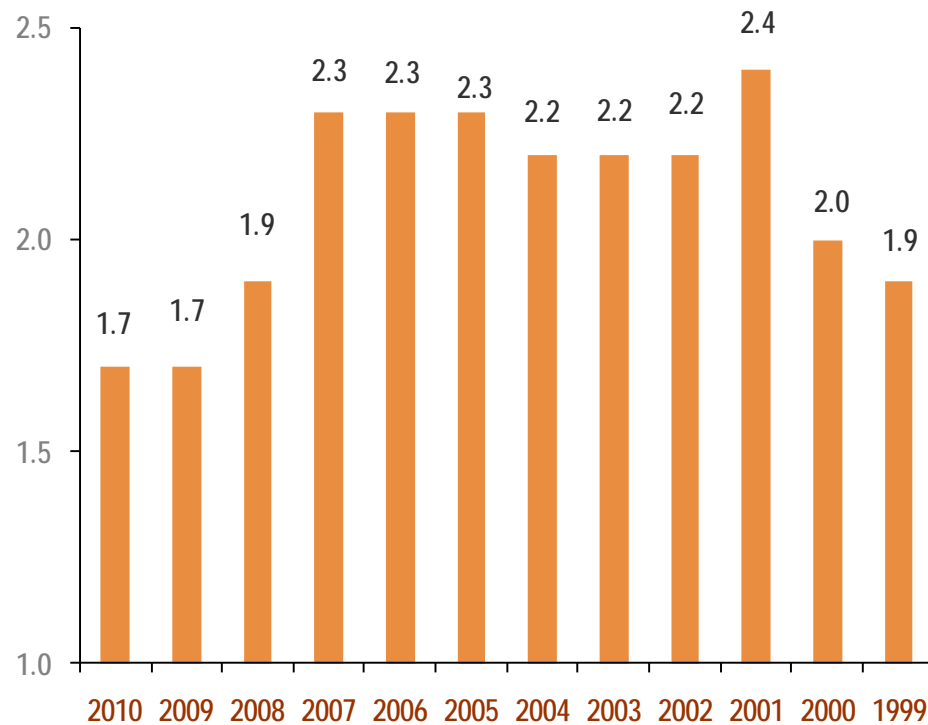


Executive Summary

- ▶ The expansion of content marketing beyond the printed custom publication continued. Marketers spent an all-time high of \$12.5 billion on video, mobile, virtual event, and educational content en route to a \$40.1 billion total spend on all forms of content marketing, the second highest spend recorded.
- ▶ The average company distributes content 403.8 times per year — more than daily. This stat combines the frequency of all forms of content marketing, and appears to be an indication that brands are increasingly playing a media role as they share more and more information, news and education.
- ▶ As other forms of content marketing evolve, it appears that printed custom publications (which were the original form of content marketing decades ago) are evolving as well, toward a more substantial, richer magazine format with greater page counts and circulation, and lower frequency.

Characteristics of Printed Custom Publications

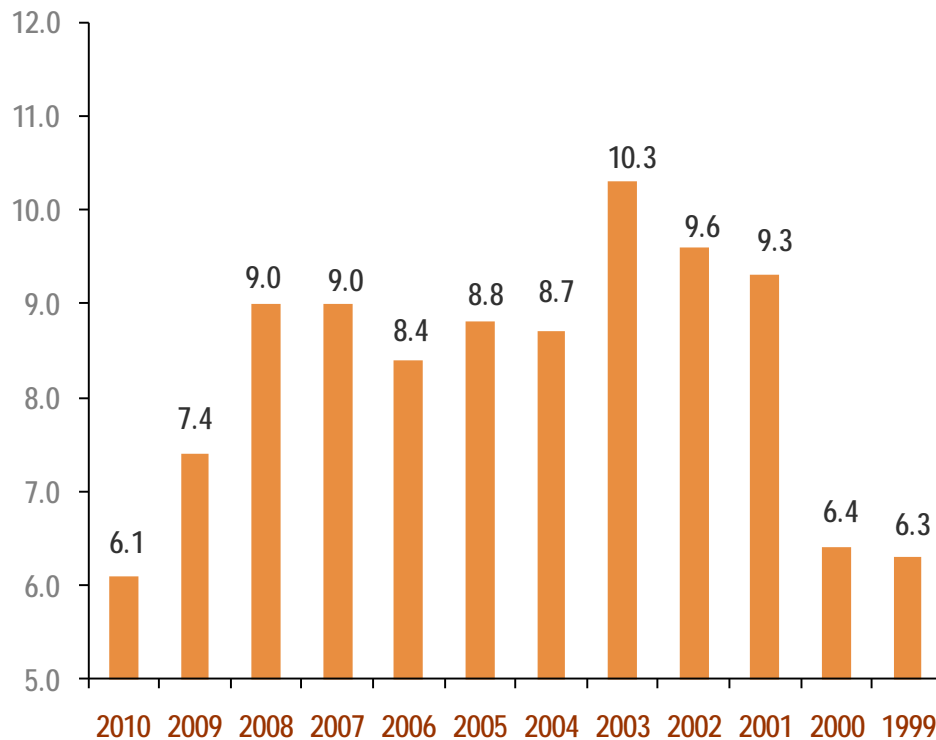
UNIQUE TITLES PER COMPANY



Summary

- ▶ After a two year decline believed to be largely the result of general economic conditions, the number of unique printed custom publication titles produced per company settled at 1.7.

FREQUENCY PER TITLE



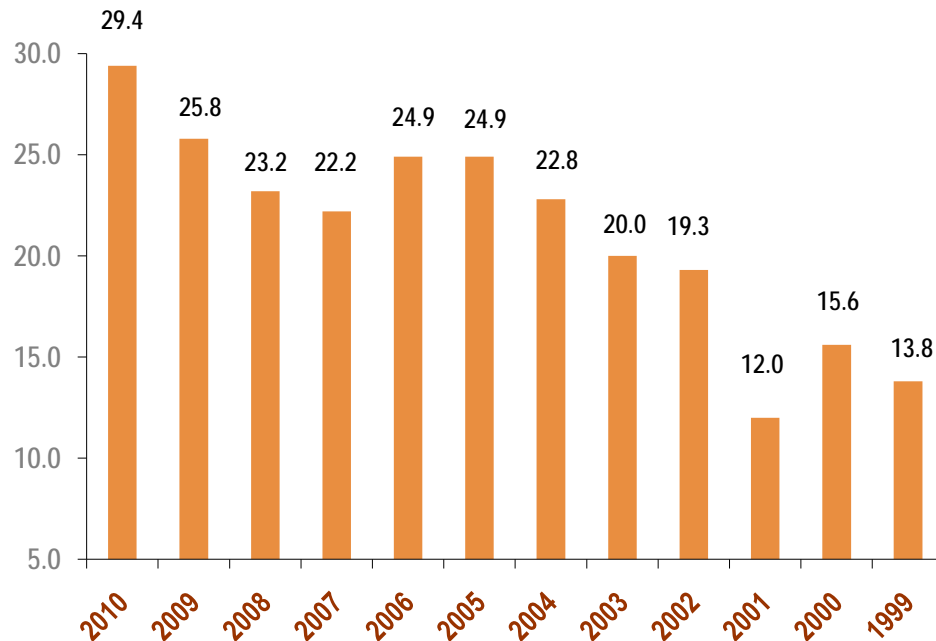
Summary

- ▶ The average annual frequency of printed custom publications declined for the second consecutive period to 6.1 times per year.
- ▶ This trend seems aligned with the gradual rise in the use of the magazine format (typically a less frequent, higher page count medium) versus the newsletter format (typically a more frequent, lower page count medium).

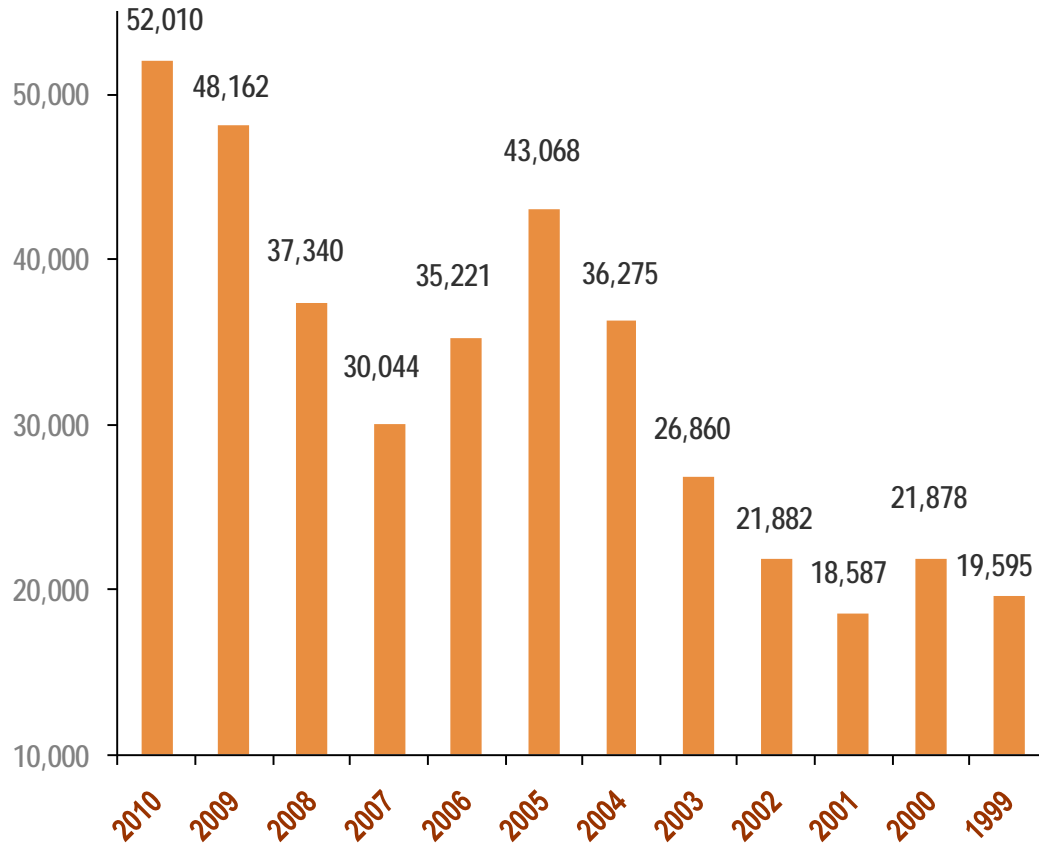
PAGES PER ISSUE

Summary

- ▶ The average page count per issue for printed custom publications reached an all-time high for the second straight year.
- ▶ The average page count per issue was 29.4 pages, a 145% increase in the last decade.
- ▶ Printed custom publications are expanding in page count at an increasing average annual rate of 1.4 pages per year.



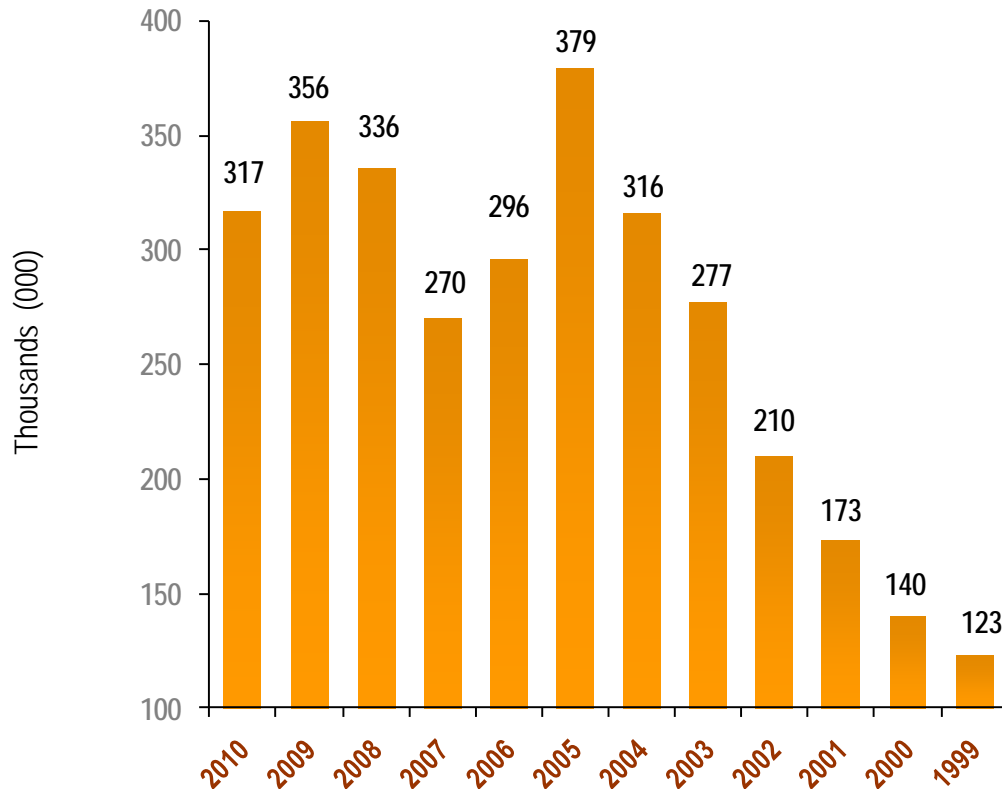
CIRCULATION PER ISSUE



Summary

- ▶ The average circulation per issue for printed custom publications climbed to an all-time high of 52,010 copies per issue.
- ▶ Over the last ten years (2001-2010), average circulation per title nearly tripled, increasing by a remarkable 180%.

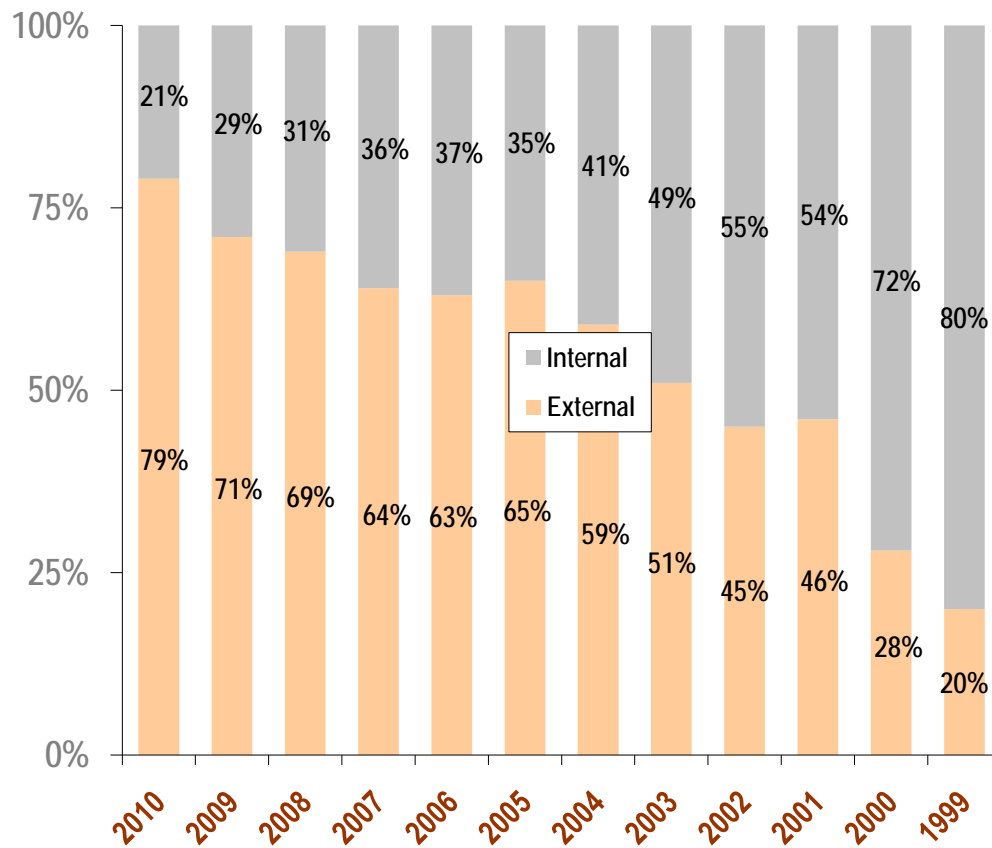
ANNUAL CIRCULATION PER TITLE



Summary

- ▶ The average annual circulation per printed custom publication title combines average annual frequency per title with average circulation per issue.
- ▶ For 2010, the average annual circulation per title was 317,261 copies (6.1 frequency x 52,010 circulation).
- ▶ Since the outset of the survey, annual circulation per title has grown 157%, from 123,448 copies to 317,261 copies.

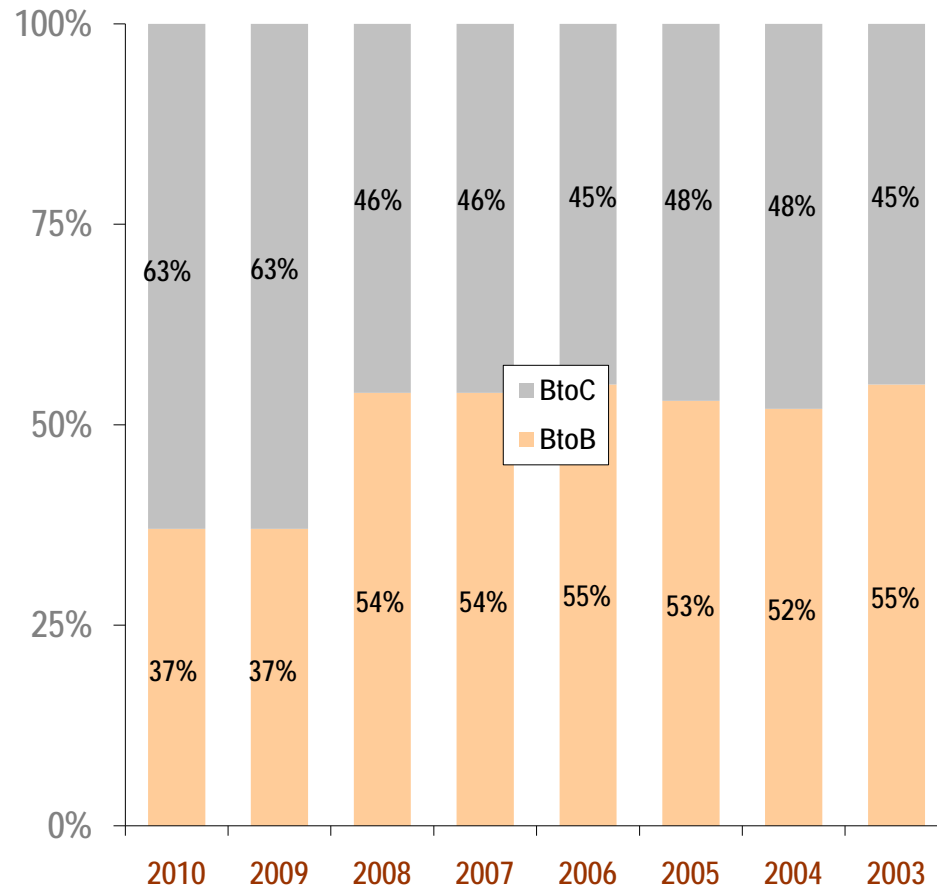
PRIMARY AUDIENCE



Summary

- ▶ For the eighth year running, titles targeting external audiences exceeded those targeting internal audiences (79% versus 21%) and the gap continues to grow.
- ▶ Though the study did not ascertain the reason for this very consistent pattern, the trend is likely a result of the effectiveness of printed custom publications as external marketing vehicles, and the use of electronic solutions such as intranets to convey information from companies to their employees.

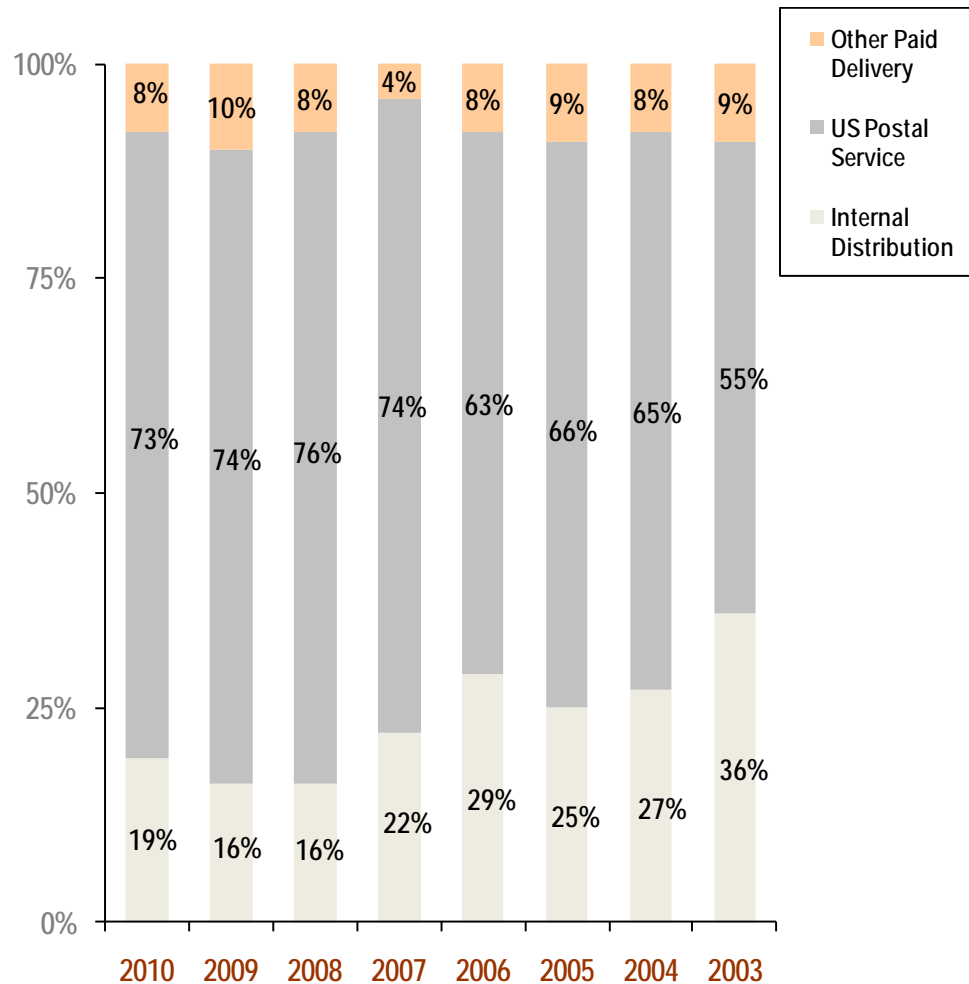
EXTERNAL AUDIENCE



Summary

- ▶ As seen on the prior slide, 79% of printed custom publications are targeting external audiences, a group that is comprised of businesses (BtoB) and consumers (BtoC).
- ▶ As with last year, of those printed custom publications targeting external audiences, the majority of them are BtoC versus BtoB. This is a new trend but appears to have staying power.

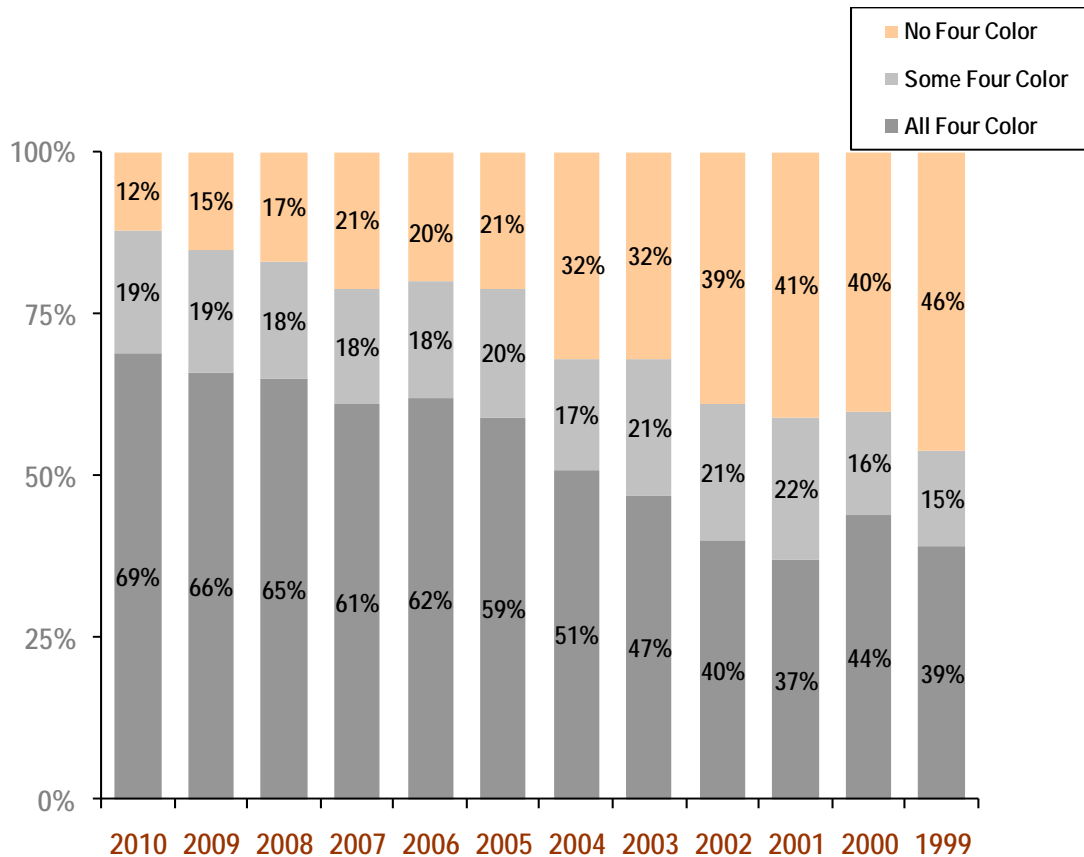
DISTRIBUTION METHOD



Summary

- ▶ As circulation trends toward external audiences (and away from internal audiences), the preferred distribution method, not surprisingly, trends increasingly toward use of the USPS – this year’s numbers represent a relatively stable continuation of that trend.

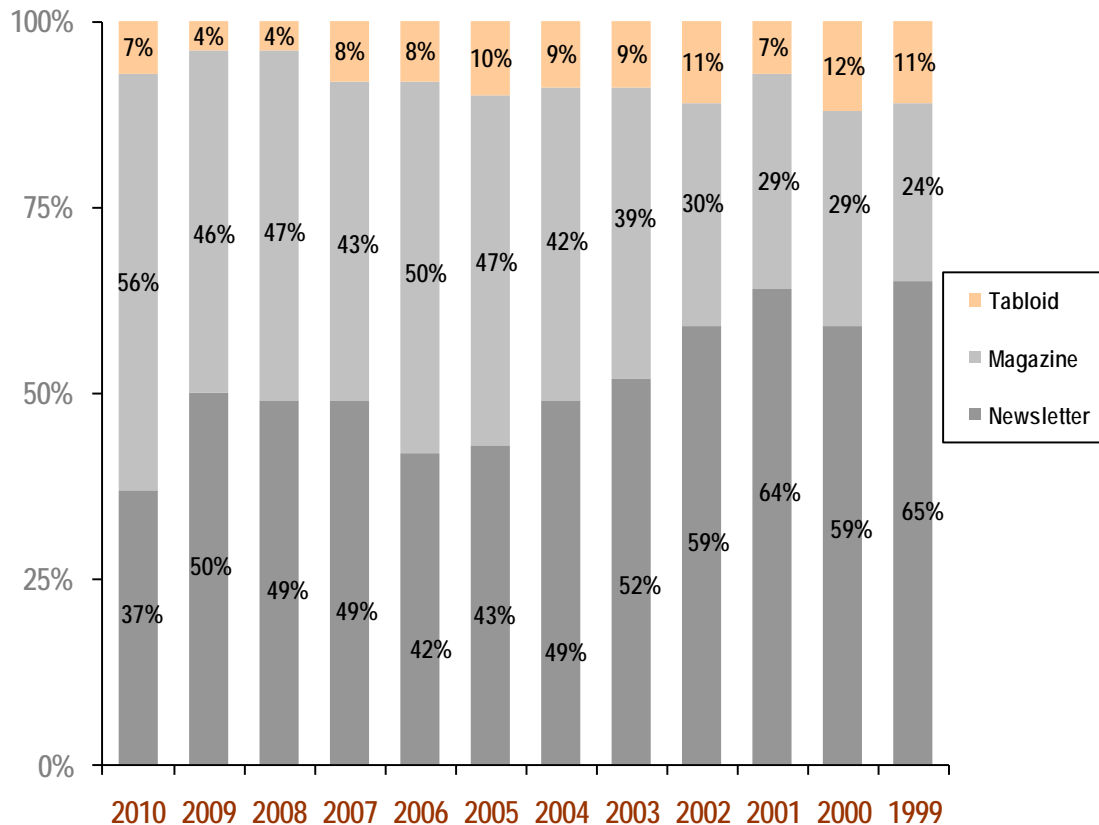
USE FOUR COLOR



Summary

- ▶ Last year, we suggested that the days of “no four color” printing would come to an end or close to an end in the next decade, and 2010 continued to indicate the same trending.
- ▶ This year an all-time high of 88% of companies used some or all four color in the production of their printed custom publications.

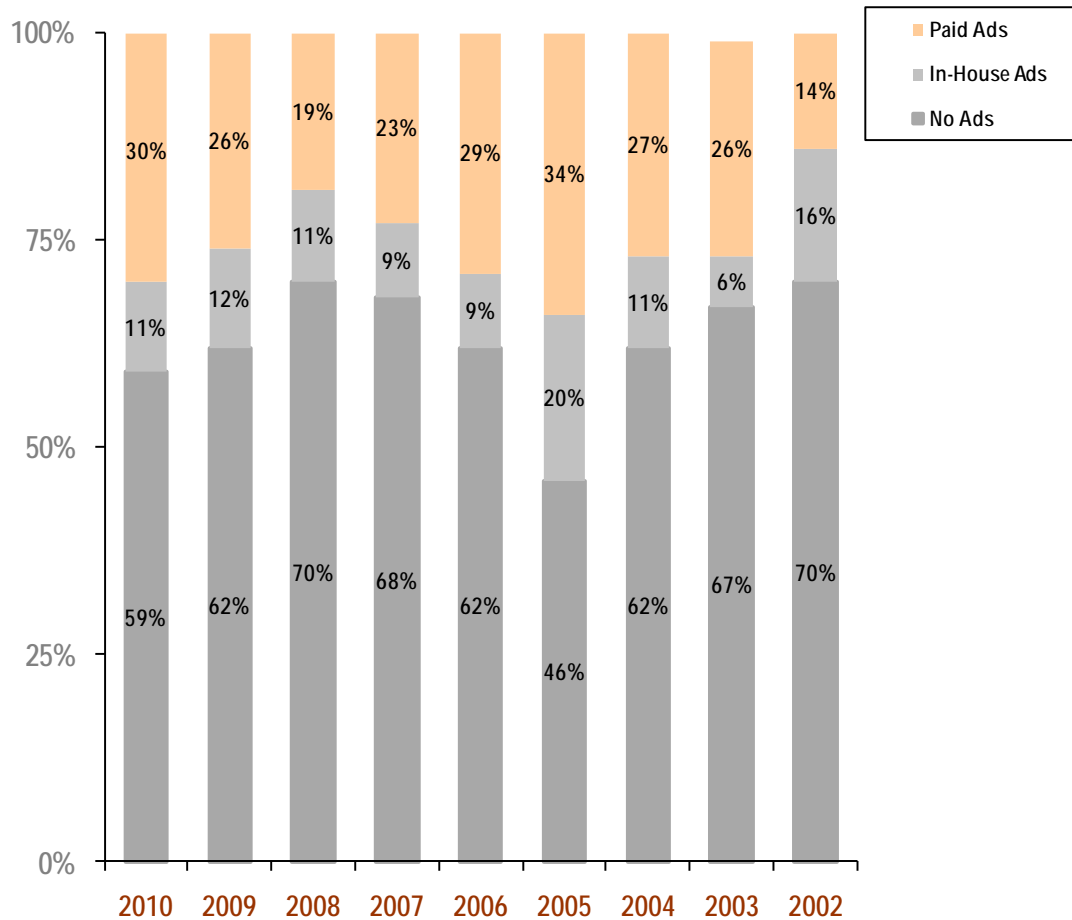
PUBLICATION FORMAT



Summary

- ▶ Following a three year comeback for newsletters – likely driven by challenging economic times – magazines have resumed their trend of dominance.
- ▶ 56% of the printed custom publications are categorized by responders as magazines (an all-time high), a data point further backed by the continued growth of page counts per issue.

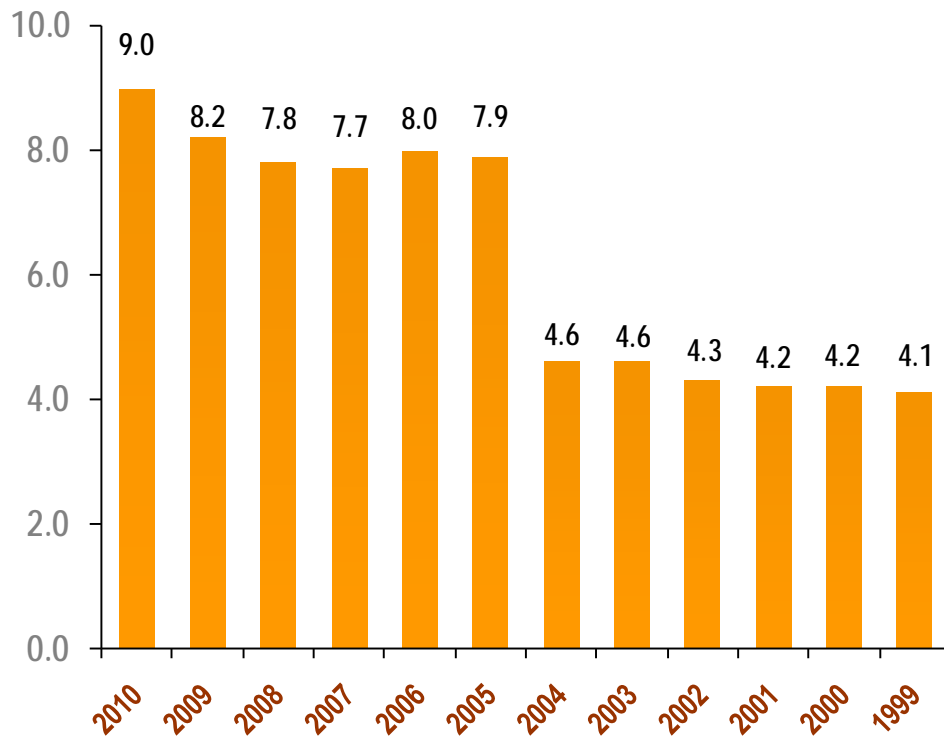
PRESENCE OF ADVERTISEMENTS



Summary

- ▶ The presence of paid advertising seems to expand and retract periodically, perhaps as brands explore the value of participation from advertisers and advertisers explore the effectiveness of using branded mediums to carry forth their message.
- ▶ For the last two years the presence of paid advertising has expanded following three years of decline. This year the 30% of printed custom publications that carried paid advertisements was the second highest factor ever.

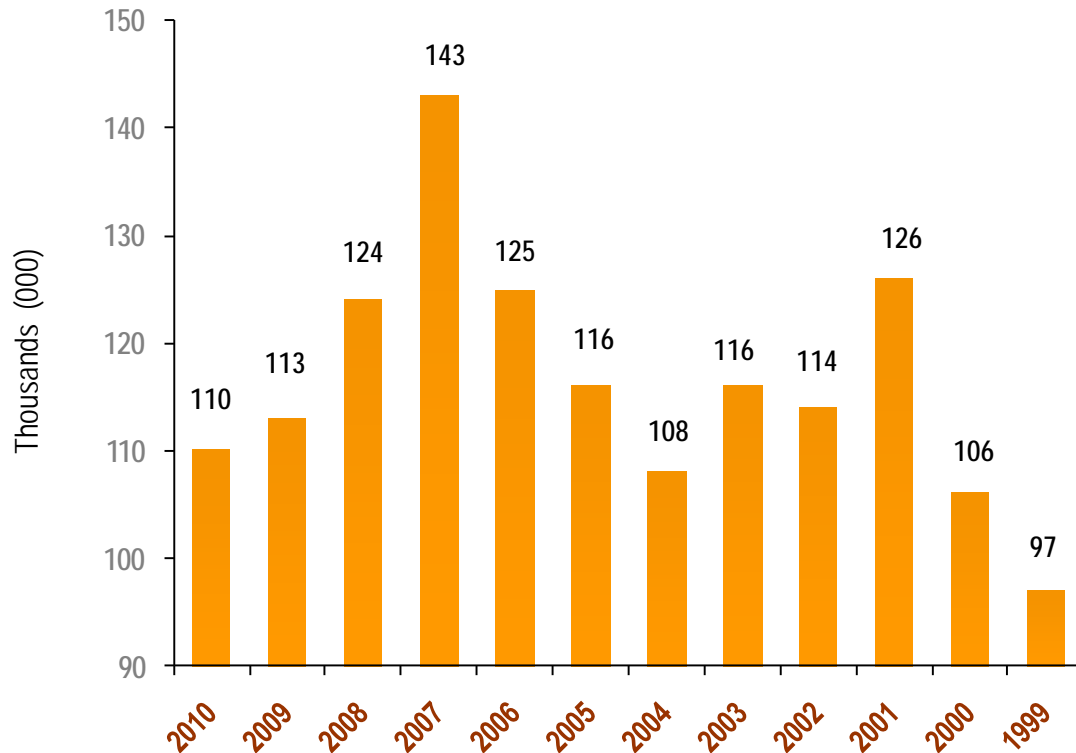
AVERAGE AGE PER TITLE



Summary

- ▶ Six years ago, we introduced more options for survey responders in answering questions related to the age of their printed custom publications.
- ▶ Average age jumped from 8.2 years to 9 years, indicating the staying power of the printed custom publications.

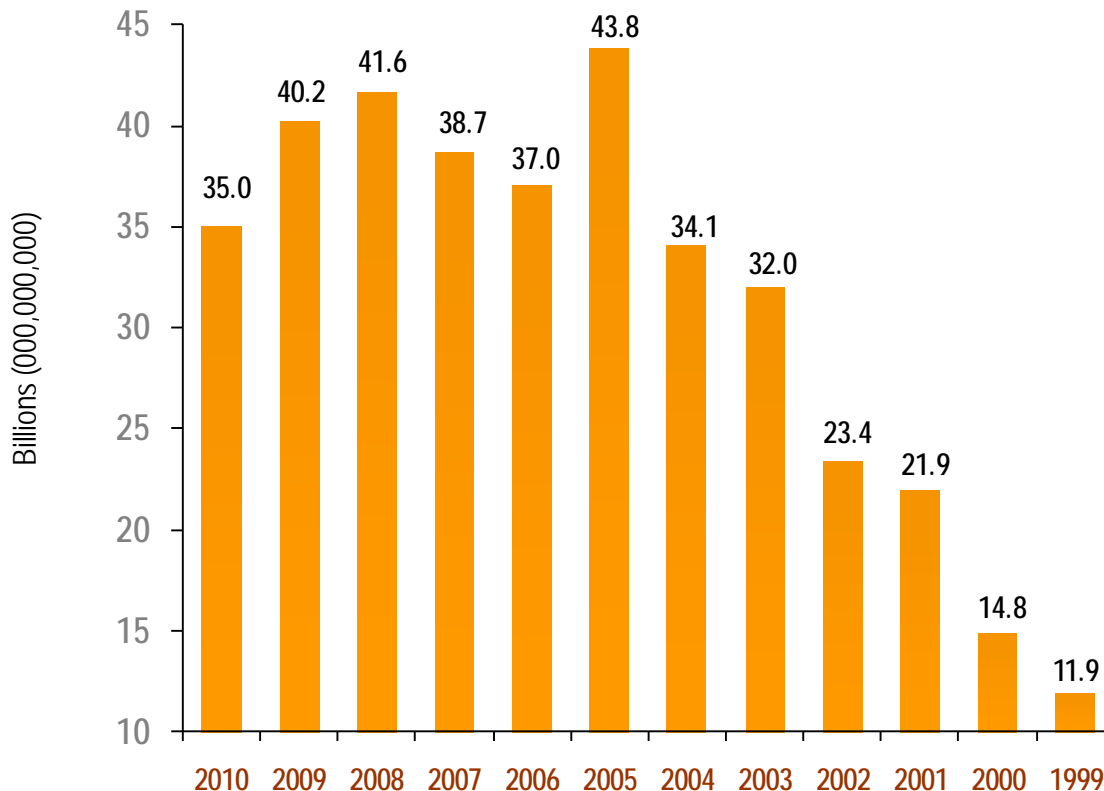
TITLES IN THE MARKET



Summary

- ▶ The number of unique printed custom publication titles published in America decreased for the third straight year to 110,174, as marketers broaden the array of content marketing mediums beyond print.
- ▶ Despite the third straight decrease from the peak reached in 2007, the rate of decline seems to have stabilized.
- ▶ Though there are fewer titles, each title is packing more punch in terms of greater per issue circulation and page count, more color, and the magazine format.

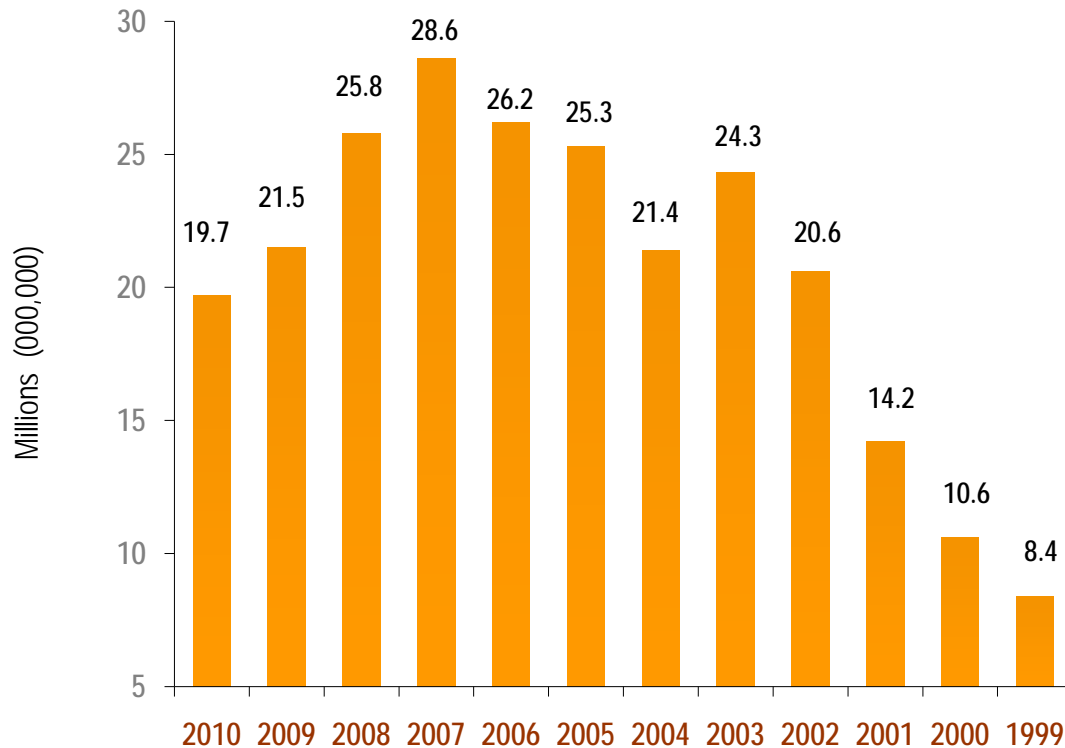
CIRCULATION IN THE MARKET



Summary

- ▶ The total number of printed custom publication copies distributed (titles x average frequency x average circulation) decreased 12.9% to 35.0 billion units.
- ▶ Since the survey was first conducted in 1999, total circulation volume has nearly tripled from 11.9 billion units to 35.0 billion units.
- ▶ The main driver of this year's decline in total copies is not circulation per title – which is actually rising – but issue frequency and the gravitation to the magazine format.

UNIQUE PAGES IN THE MARKET

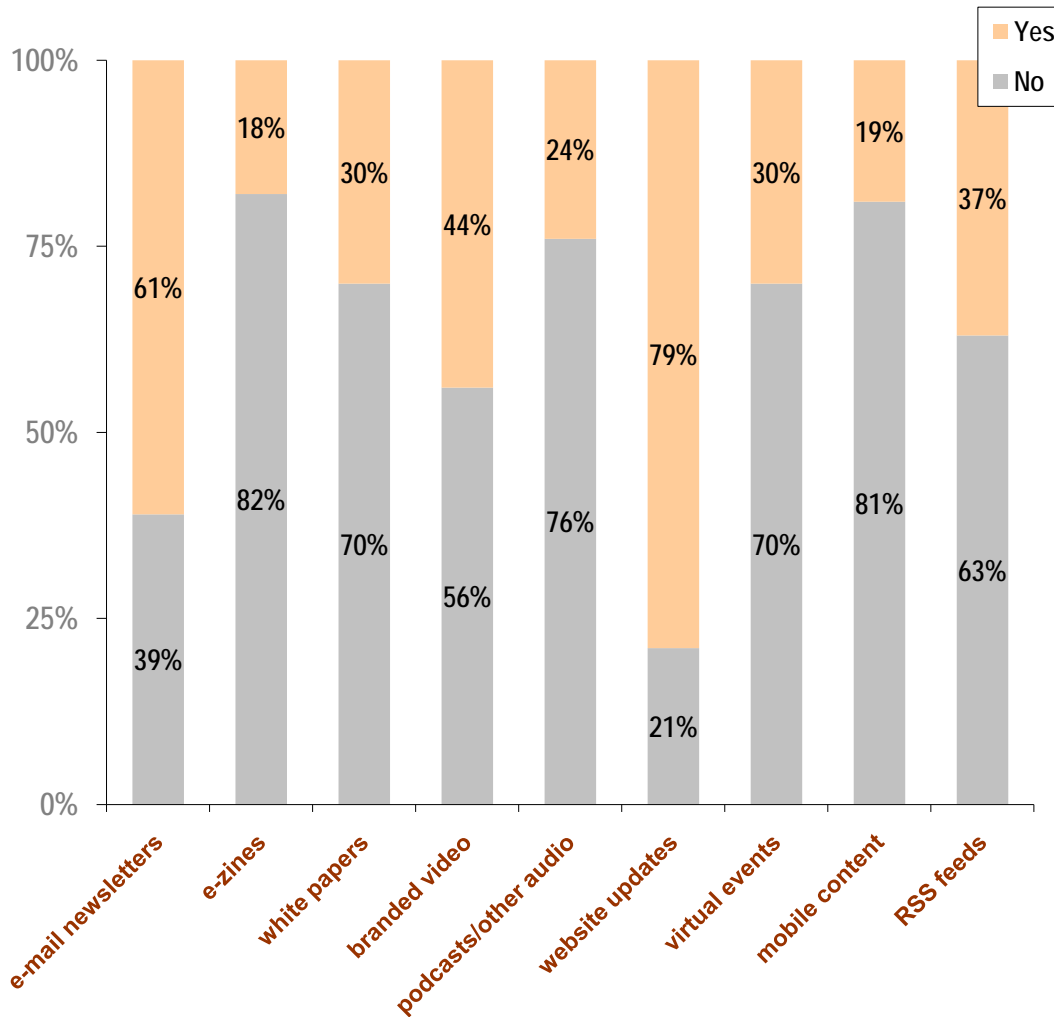


Summary

- ▶ The total number of unique printed pages (titles x average pages per issue x frequency) produced in America was 19.8 million, down 8.2% versus 2009 (21.5 million). Again, frequency – not page count per issue – is the driver of this aggregate decline.
- ▶ Since the outset of the study in 1999, the unique printed page volume has expanded with an average annual growth rate of 9.8% and an overall growth rate of 134.9%.

Characteristics of Other Forms of Content Marketing

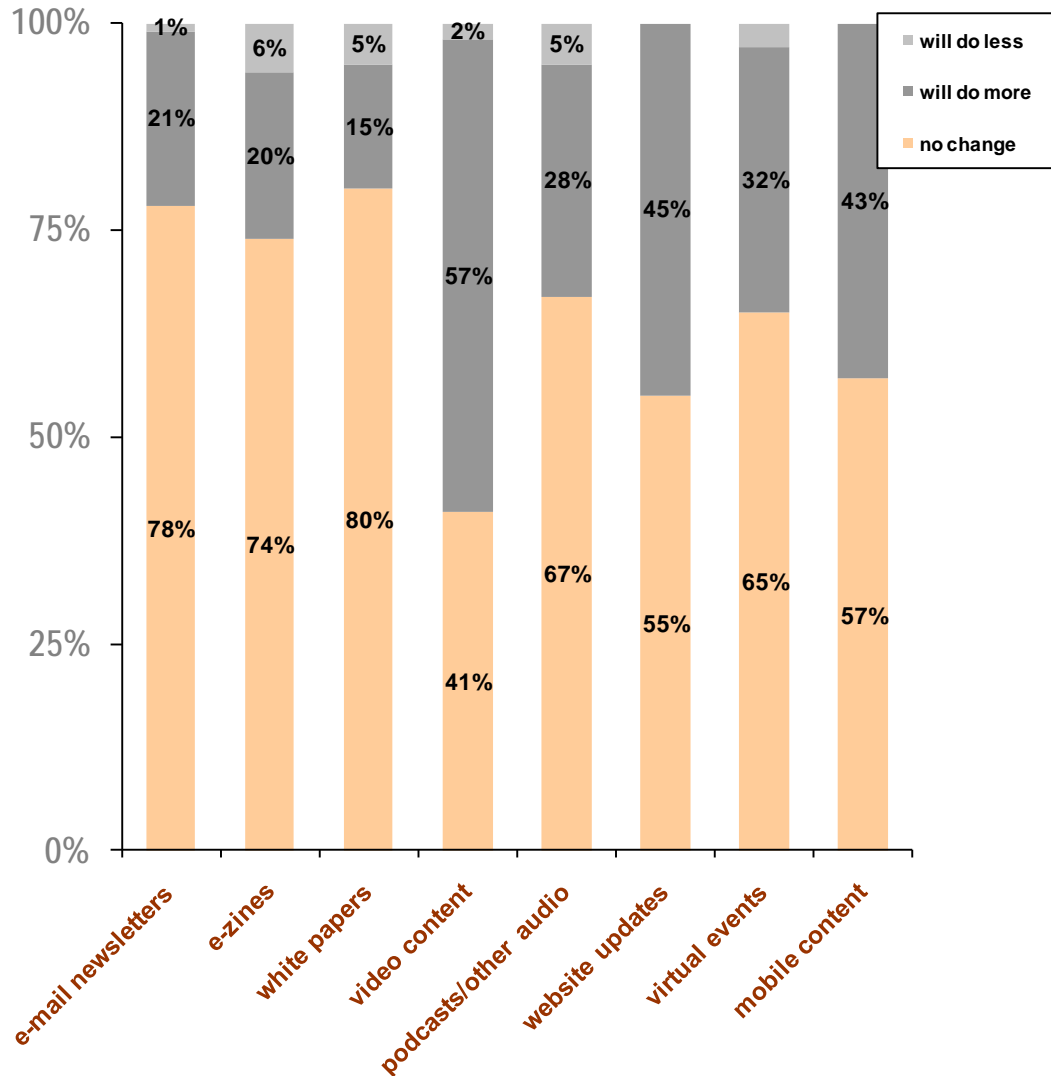
OTHER FORMS OF BRANDED CONTENT



Summary

- ▶ For the second year, we explored the use of other forms of media for content marketing initiatives. This section details 2010 results.
- ▶ By a large margin, the most common other form being used is website updates of articles, blog posts and other content (79%). Video is among the fastest growing forms, gaining popularity by an additional 7% of responders in 2010.
- ▶ Usage increased in all but three of the forms, with the increases ranging from two to seven percentage points. The decliners were e-newsletters, podcasts, and RSS feeds – all of which may be declining due to social media initiatives that replicate some of the benefits of these forms.

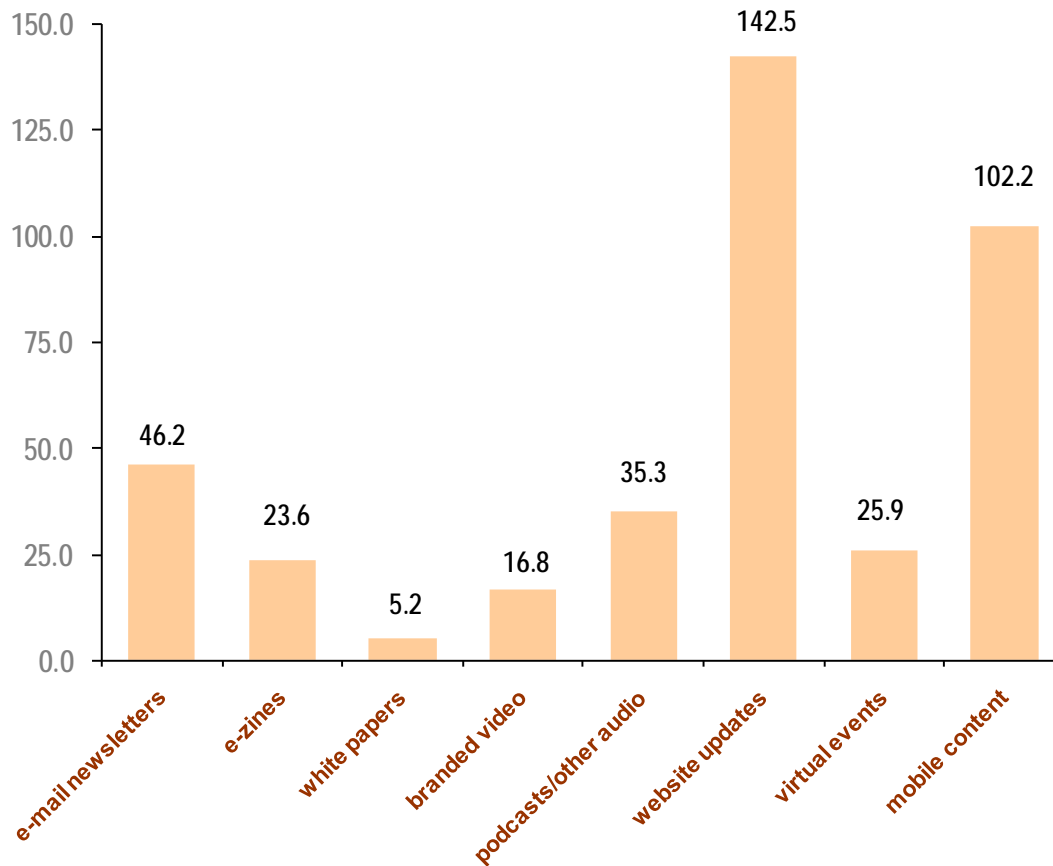
FORECASTED USE OF OTHER FORMS



Summary

- ▶ Other formats continue to be white hot with very few responders saying they “will do less” in the coming year. In fact, for web site updates and mobile content, no respondents said they “will do less.”
- ▶ The format that responders were more bullish on this year versus last year was video content – 57% of marketers are now saying they’ll do even more video compared to 54% last year – and this is on the heels of a 7% increase in the popularity of the format over the past year. The appetite for video continues to grow aggressively.

FREQUENCY OF OTHER FORMS

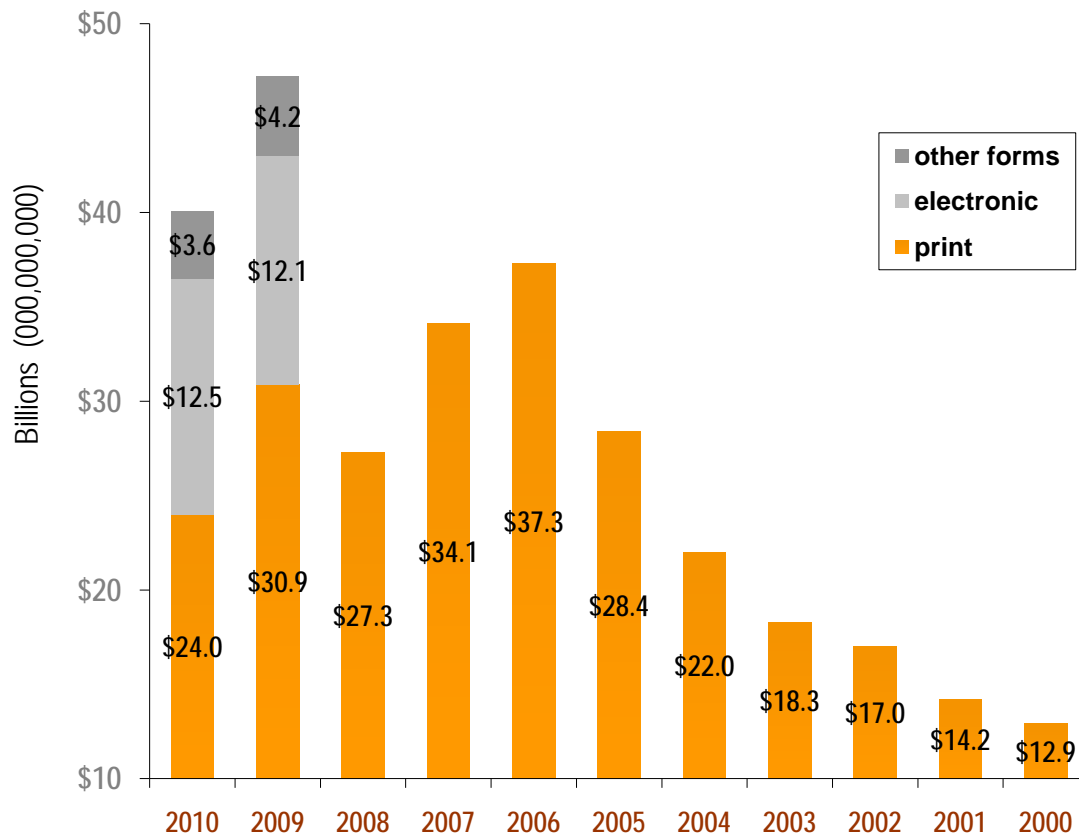


Summary

- ▶ Once again, web site updates are both the most commonly used other form (in use by 79% of all marketers), and the form of branded content that has the greatest frequency. The average marketer updated its web site(s) 142x – nearly three times per week – with articles/posts and other content.
- ▶ Combining the frequency of all forms, the average marketer is distributing content an impressive 403.8 times per year or about 1.1 times per day.

Market Spend

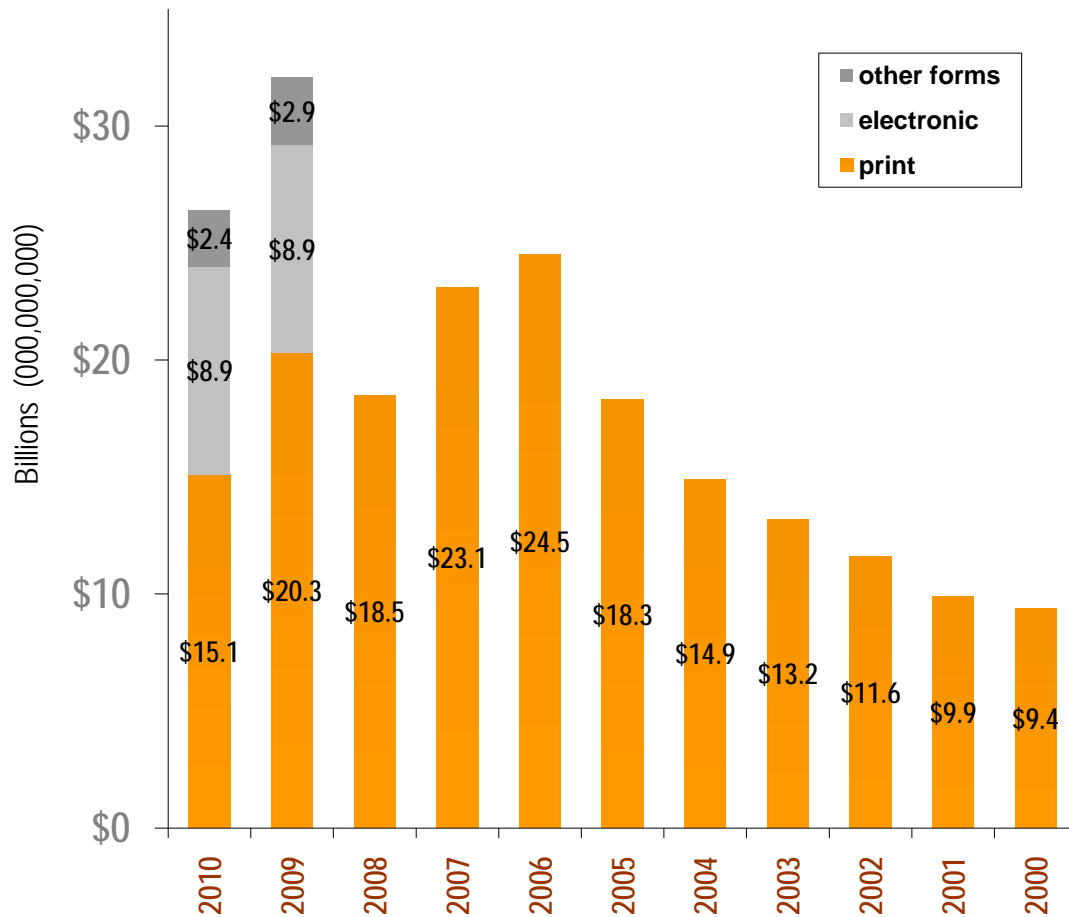
OVERALL MONEY SPENT (Production and Distribution Only)



Summary

- ▶ Spending on production and distribution, which might reflect Corporate America's "budget" for content marketing, has dropped to \$40.1 billion.
- ▶ For the second year in a row, we've added electronic and other forms of content marketing to the survey. Electronic was the only form that grew year over year.
- ▶ Print remains the biggest piece of the content marketing pie.
- ▶ The total market spend data relies on data gathered from a period that was partially during the recession, a fact that may be depressing figures.

OVERALL MONEY SPENT (Production Only)



Summary

- ▶ Excluding costs related to distribution and personnel assigned to content marketing projects, Corporate America spent \$26.4 billion on the production of content marketing.
- ▶ To de-emphasize the impact of spikes in spending in past years, for the first time this year, the 2010 numbers utilize a 5 year rolling average for marketer spend (for print, electronic, and other formats).

SPENDING AS PART OF THE MIX



Summary

- ▶ Of the average overall marketing, advertising and communications budget, 29% of the funds were dedicated to content marketing.
- ▶ The slight dip from last year is difficult to explain, although it could be reflective of the cost efficiencies marketers realize as they reduce their print frequencies and focus increasingly on electronic media.
- ▶ Nevertheless, 29% is a very high percentage of marketing funds to be devoted to content marketing, and reflects a general trend of increasing marketing share since this survey's inception.

ContentWise

Sponsors

The Custom Content Council (CCC) is the lead trade organization representing custom publishers in North America. The research herein was conducted by the monthly subscription newsletter *ContentWise* (www.becontentwise.com), which is a leading source of news, information and research on the content marketing industry.

Methodology

The research was conducted via an emailed survey targeting a random sample of companies across all industries. Eight thousand survey invitations were emailed and approximately 197 were completed and returned, producing a +/- 6% degree of accuracy at a 90% confidence level. Among the responding companies were: AARP, Allstate Insurance, ASPCA, Boston Scientific, GE Healthcare, Hoosier Energy, MassMutual, Nationwide, TCF National Bank, University of North Carolina.

More Information

For more information on custom publishing go to www.custompublishingcouncil.com or call the CCC in New York by dialing 1-212-989-4631. To subscribe to *ContentWise* call 1-888-626-8779 or visit the website noted above.