

VACATION

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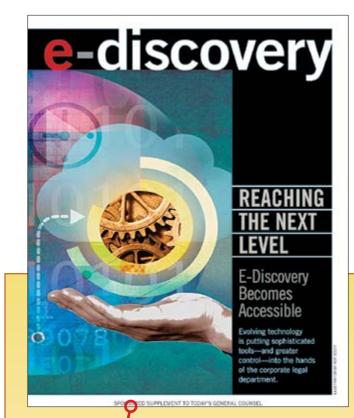


The branded content revolution is in full swing. Tapping into this powerful revenue stream means challenging assumptions — and thinking strategically.

By Michael Winkleman

hen it comes to taking part in what could be called the branded content revolution, publishers these days range from cautious to curious to controlling. Associations, for example, often view even the most welltested types of branded content — such as print-based advertorials — warily, worrying about member resistance and fearing a slippery slope. On the other hand, many publishing behemoths, such as *The New York Times* and Condé Nast, have, with some fanfare, established branded-content beachheads, using either existing or newly hired, dedicated staff to create all types of inventive content marketing vehicles for advertisers — employing print, digital, mobile, video, and even virtual reality formats. And it's not just the big guns; smaller publishers such as *Mental Floss* have gotten into the game, seeing not just opportunity but necessity.

And it is necessity that is proving to be the mother of branded-content invention. As standard display-style print advertising has faltered and studies have shown digital



TECHNOLOGY IS CREATING NEW DISCOVERY CHALLENGES, BUT IT IS ALSO PROVIDING SOLUTIONS

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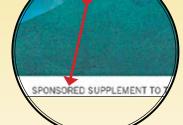
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Case Example: Today's General Counsel

While *Today's General Counsel* began its first test of the advertorial waters with two sections in 2015, the publishers believe so firmly that the program will be successful that they've scheduled a full complement of six sections in 2016. They're also exploring ways to adapt the print sections into digital native ads and to include proprietary research in the mix. The advertorial template was designed to complement the look of the magazine, while also establishing its own look and feel, using the same layout and cover artist each time.



banner ads to be generally ineffective, most publishers have come to realize that they need to explore alternative and considerably more creative revenue streams if they're to stay alive.

The question is how. How do you convince advertisers to take a chance on placing branded content with you? How do you determine what type of branded content is most appropriate? How do you find a place for it among your various content offerings? How do you convince your editorial team that branded content can coexist with conventional content? How does that branded content even get created?

There are no simple answers. It depends on who your advertisers are, how they need to address your readers, how accepting your readers are likely to be of branded content, what sort of relationship you have with your editorial team, and whether you've got the bandwidth to move into branded content creation yourself. What is true for all publishers, however, regardless of size, focus, and corporate culture, is the urgency of taking on this challenge — and, most critically, figuring out how to do so strategically, rather than simply testing the waters with a few individual tactics. by and for brands — is proliferating. And according to Pearl Award judges, who use a scoring system based heavily on an entry's return on investment, these owned media vehicles have been tremendously successful.

What has been helping brands succeed with owned media is an increasing acceptance among consumers of content brought to them directly by brands. Despite handwringing by some consumer advocates who have asked the Federal Trade Commission to regulate branded content (the FTC issued guidelines in December that largely correspond with what most publishers are already doing), consumers by and large understand the concept of branded content and have taken to it. A study by The Content Council showed that threequarters of respondents understood that the brands providing them with content were also trying to sell them something, but these respondents felt this was fine as long as the content was informative. Two-thirds of respondents said that receiving this content from brands made them more likely to be loyal customers. Perhaps even more encouraging for go-italone brands was a recent survey of millennials that showed them more likely to trust content provided by brands than content provided by independent news sources, because, the millennials said, they knew what the brands' motives were.

For many brands, what this says is that they don't need the imprimatur of a conventional publication to get their

> message across. Readers, they've found, are primed to receive the message, as long as it's well presented. Plus, they'll tell you, producing and distributing the content themselves gives them complete control over the content, the timing, and the distribution. Custom print magazines created for car companies, such as Cadillac, or food chains, such as Whole Foods, can make sure the articles, graphics, and overall presentation complement each brand's image and provide readers with content that will not only inform, but also

BRANDS AREN'T WAITING FOR YOU

As they've watched the branded content fires ignite, brands themselves have taken up the charge, often bypassing conventional publishers entirely (spending their marketing dollars on their own products, rather than with publishers). A look at this year's crop of The Content Council Pearl Award winners indicates that very high quality "owned media" — that is, content developed, controlled, and distributed



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Case Example: Leader's Edge

This multi-page advertorial was developed in response to an advertiser who was looking for an innovative way to reach the Council of Insurance Agents & Brokers' audience. The *Leader's Edge* team felt the best way to allay potential member concerns about the branded product was to keep tight control over it, writing and designing it in-house and incorporating it as part of the edit well, albeit with both labeling and display ads. During its first year, the advertorial program brought in *an additional \$100,000 in revenue.* get across their intended message. And by targeting specific readers through carefully controlled circulation, there's little wasted distribution and lots of ensured response.

That's just as true for digital vehicles. General Electric, for example, produces *gereports.com*, a well-written, beautifully designed microsite on which new stories appear every day on topics related to GE's core competencies — technology, innovation, life sciences (see sidebar, page 24). Each of these stories has a GE tie-in, but, from the perspective of a reader interested in those topics, each story can, and does, stand on its own.

BUT PUBLISHERS MAY STILL HAVE THE UPPER HAND

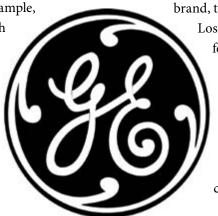
Does this mean the jig is up for publishers looking to turn owned media into paid media? Hardly. There are some compelling arguments to be made for diverting branded content

dollars to publishers' coffers. Consider, for example, distribution. On its own, few brands can reach the sort of audience in terms of both size and influence that an established conventional publication can. There's the ride-along phenomenon: One reason, for example, that so-called native advertising is thriving is that by appearing "native" to its environment, its presence is enhanced by its direct connection to other non-branded content. There's a financial consideration:

Launching an owned media-based branded content program is expensive for a brand, requiring investment in everything from staff to digital coding. Most important, perhaps, is flexibility: These days, most publications offer a wide range of content vehicles, from print magazines and websites to blogs, apps, and social media outlets — wider and more accepting of content than the in-house vehicles available to brands. The trick, then, is not only making the case to brands that your publications offer them better distribution, credibility, range, and even cost-effectiveness, but developing a branded content strategy that will prove all of that. Not just a tactic, or even a collection of tactics, but a strategic approach that maximizes return on investment for both you and your advertisers. Here are a few approaches that, used in concert, can help you forge ahead.

ADVERTORIALS: BETTER THAN EVER

Many publishers have long had teams charged with both selling and producing advertorial sections. A recent issue of *Fortune* sported 20 advertorials, ranging from a one-page company profile opposite that company's display ad, to a single-sponsored feature article, spanning several pages and with no accompanying ad, that only tangentially invoked the



brand, to a multisponsored look at business in Los Angeles that ran for a dozen pages and featured more than a half-dozen display advertisers — who were also mentioned in the copy. The advertorials were, almost without exception, well written and well designed, and though they were clearly marked as sponsored content, they were often as compelling as the non-sponsored content that surrounded them.

But it's not just big players like Time Inc. that are in the advertorial game. *Today's General Counsel*, for example, a bimonthly legal journal with a print circulation of 15,000 and online circulation of 100,000, recently launched an advertorial program built around thematic feature pieces on such topics as e-discovery and cybersecurity, guaranteeing advertisers display ad placement within the section as well as coverage in the advertorial itself — coverage that advances the discussion of the topic at hand, rather than overtly selling the advertiser's service (see sidebar, page 18).



Mental Floss provides what it calls "native integration," through which the magazine's editors and designers create print, online, and video content for advertisers that, while clearly labeled, often plays off standard *Mental Floss* treatments, such as twists on the number 15 ("15 Very Specific Colors...," "15 Antiquated Words...," "15 Things You Might Not Know..."), features like "Life Hacks," and themed editorial days.

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And, while many associations have shied away from advertorials entirely, a few have embraced them, albeit on their own terms. The Council of Insurance Agents & Brokers, for example, which publishes the magazine *Leader's Edge*, has had tremendous success with a series of single-sponsored advertorials that are produced in-house, using the association's editorial and design staff and adhering to the overall editorial and graphic style of the magazine, while still labeling the copy as sponsored content (see sidebar, page 20).

NATIVE ADVERTISING: NOTHING TO FEAR

Buzzfeed and Yahoo have made their names — and much of their revenue — through native advertising, a form of digital branded content that is usually integrated into a website's flow of content, looking and feeling like standard editorial content. But a scroll through the home pages of *The New York Times*, *The Wall Street Journal, The Washington Post, Newsweek*, and *Bloomberg* reveals that these publishers are reaping rewards as well.

Some FTC followers — especially those in the business of selling native advertising space on their publications' websites — worry that the agency's new guidelines will have

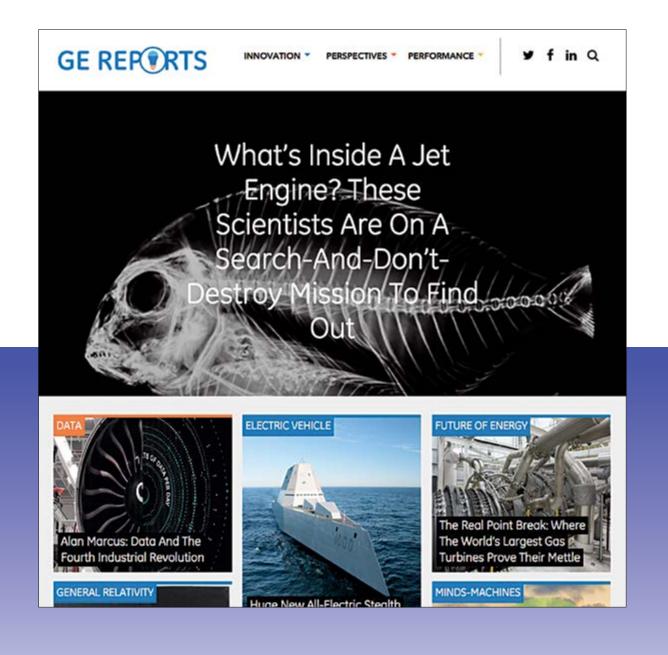


a detrimental effect on native advertising. However, given that both brands and publishers have indicated that they see value in clear labeling (publishers maintain integrity; brands remind consumers who's providing them with useful content), it seems unlikely that publishers, brands, and content creators will find themselves in violation.

BRAND NEWSROOMS: THE "NEW JOURNALISM"

General Electric's branded content microsite, *gereports.com*, is produced in-house by a team of journalists. The team functions as a "brand newsroom," gathering story ideas and developing stories the same way a traditional newsroom would — but with a brand orientation: While the stories might play off the news, each story has some tie-in to the work GE is doing in that area.

As they've moved more directly into content creation, many brands have adopted the newsroom approach as a means by which to find, report on, and develop that content. Often, as with GE, brands have done this in-house, hiring journalists and subject matter experts to staff the newsroom. Frequently, however, they've turned to outside providers, such as PR and content marketing firms, for this service. Sometimes the content the brand newsroom produces is housed on a site like gereports.com. Sometimes it becomes a print publication as in the case of a new quarterly magazine Edelman's brand newsroom launched for a technology company wanting to reach executives attending the World Economic Forum in Davos, Switzerland. For publishers, however, an advertiser's brand newsroom offers a perfect opportunity to mine paid-media content that can then find life — in the form of native advertising, advertorials, and even video on any of the publisher's media channels.



Case Example: GE Reports

Built on a Tumblr platform, GE's brand newsroomproduced microsite has developed its own following. But its impact reaches far beyond those who think to visit the site, thanks to both SEO and social media sharing.

CONTENT STUDIOS: TAKING CONTROL

An increasing number of publishers have taken the brand newsroom approach one step further by creating a team, composed of writers, editors, designers, and account managers, that works with advertisers to identify content solutions and then create that content.

Perhaps the best known of the content teams is *The New York Times*' T Brand Studio. While the group's original efforts primarily took the form of native advertising (most famously, a piece on women inmates promoting the TV series "Orange Is the New Black"), T Brand Studio productions now include print, video, and, recently, virtual reality.

At *The Times*, and at most other prominent content studios, pains have been taken to maintain the traditional separation of church and state, using creative teams that have neither history with nor connection to those staff members who develop non-branded content. Not so at Condé Nast, which announced that its studio will draw on staff editors and writers at Condé Nast magazines for all its branded content, on the theory that no one knows the content, the readers, and the publications better those who work on the actual magazines day in and day out.

Will Pearson, president of *Mental Floss*, a magazine and website that bills itself as "an intelligent read, but not too intelligent," supports this approach, saying that "we don't want a 'B team'" creating the increasing amount of paid branded content that will be consumed by the print magazine's 160,000 readers and the website's 1 million monthly viewers (see sidebar, page 22).

CONSULTING SERVICES: PULLING IT ALL TOGETHER

For some publishers, creating a full-service brand newsroom or content studio is neither necessary nor feasible. What is critical is being able to demonstrate to advertisers that a strategic approach to branded content, realized through the vehicles you offer, can provide them with a return on investment unachievable any other way, regardless of whether that content has been created by the brand or the publisher. For example, while *Forbes* BrandVoice will occasionally step in and create content for its advertisers, its primary function is as a consulting service, working with advertisers to guide them through the various content platforms *Forbes* offers and help them understand how they can tailor their offerings to fit a range of specific platforms.

RULES OF THE ROAD: MOVING FORWARD

With the branded content revolution in full swing, it seems to behoove all publishers — small, medium, and large; consumer, business, and association - to take a close and strategic look at the options it offers. And not just the current options, but those that may emerge down the road as new technologies and reader habits come along. The key is not only being open to these changes - and not being tied too tightly to the past — but being willing to experiment, to adapt what others are doing so that it works for your own environment, your own readers, your own advertisers, in the context of your carefully constructed strategic approach. And you need to be willing to fail, to try an approach the advertisers won't buy or the readers won't accept, just to test the limits and see what might work the next time. Because, if you can find a way to make the branded content revolution work for you, there will be a next time.

Mike Winkleman is co-founder, president, and chief creative officer of Leverage Media, a Hastings-on-Hudson-based content marketing firm. He's a former chairman of The Content Council, a board member of Association Media & Publishing, and was the 2013 recipient of The Content Council's John Caldwell Lifetime Achievement Award. He writes and speaks frequently on topics related to content marketing. Connect at tinyurl.com/linkedin-winkleman.