

Future of Content

November 2010



Executive Summary

Social media has changed the marketing landscape almost beyond recognition. Businesses are now able to connect with audiences in ways that were unimaginable just a few years ago. Content is the currency of marketing communications, and effectively creating and distributing compelling information online has never been more important for marketers.

Meltwater Group, a global leader in delivering business information and insight, are at the forefront of thinking around the changing nature of content and how new technologies are revolutionising marketing departments across the world. To better understand current priorities and progress amongst marketers, Meltwater Group commissioned Loudhouse, an independent market research company, to conduct global industry research into how companies are tackling content marketing and social media, and how this needs to evolve to meet future business imperatives.

The results of the Meltwater Future of Content Survey are based on telephone interviews with marketing and social media decision makers from 450 companies across the world, all employing more than 250 employees. These included 100 interviews in each of the UK and the US, and 50 interviews in each of Germany, Norway, Sweden, Australia and Singapore. Interviews were conducted during October 2010. Figures A and B show the broad coverage of the survey in terms of industry sector and customer focus.

The Meltwater Future of Content Survey finds interesting and exciting times for marketers as we near the end of 2010. As social media becomes more mainstream and less “early adopter” territory, so marketers are beginning to refocus and reorganise themselves to harness its potential. Enthusiasm levels around social media are generally high although actual activity and perceived business value vary widely. The social media “honeymoon”, however, is tempered with very real challenges for companies. The survey highlights something of a content competency gap whereby companies are some way off where they need to be or indeed want to be in their social media strategies and tactics. Competency gaps emerge in a range of different areas, most notably though in the creation of engaging, new and different content as well as in the measurement of the impact of social media.

Figure A: Sample breakdown – Industry sector

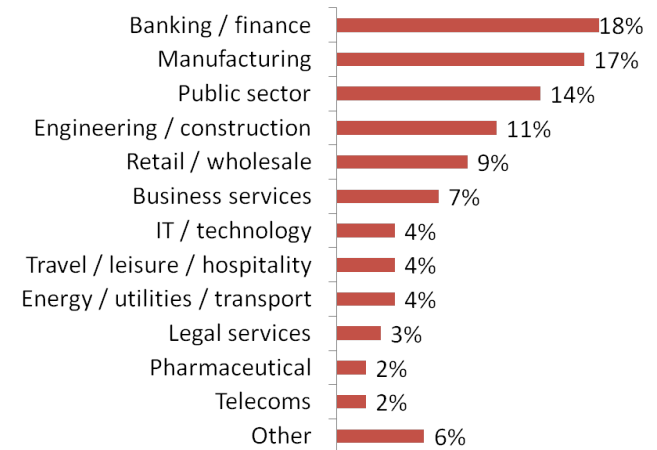


Figure B: Sample breakdown - Customer focus

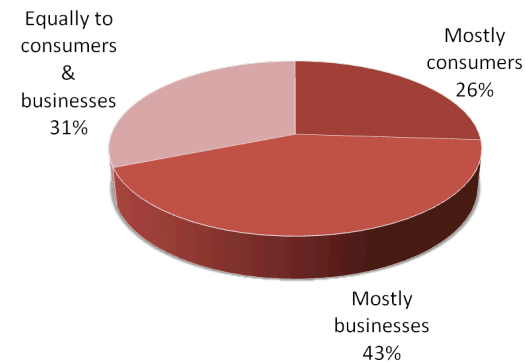


Figure C: Use and engagement effectiveness of content marketing

With investment in social media set to increase over the next 12 months, this lack of competency in some critical areas poses a risk to companies wanting to effectively progress with social media. The risk is that as investment increases so does the cost of failure, and the need to justify that investment becomes all the more critical. The Meltwater Future of Content survey explores these issues in detail and offers recommendations for companies looking to close the competency gap, to mitigate these risks and to maximise the value that social media can offer businesses.

The Meltwater Future of Content Survey finds that digital is currently dominating marketing activity and focus, although there are varying levels of sophistication in attitudes and usage of social media.

Content is king

- 78% consider content marketing to be important to their organisation
- The three most popular content marketing channels are e-newsletters (62%), print magazines (61%) and social media (49%) although in terms of engagement effectiveness in person events (61%) and print magazines (56%) score highest with social media much lower (37%). Figure C compares the use and engagement of different content channels highlighting the need for social media to mature to become an area of competence.
- 52% see social media as integral to their marketing efforts and 59% see it as an opportunity for marketing departments, rather than a threat

Social media digital divide

- Companies range between visionaries (16%), followers (26%), catching up (23%), reluctant (14%) and averse (21%). Figure D shows that the US boasts the most visionaries (27%) whilst Sweden has the most averse (44%)

Businesses are Facebook fans

- At a corporate level, companies are most likely to be using Facebook (68%), followed by Twitter (55%), LinkedIn (43%) and YouTube (42%)

As companies become more accustomed to using social media for corporate purposes, so they begin to experience “growing pains” and various competency gaps are exposed.

Content marketing discontent

channels

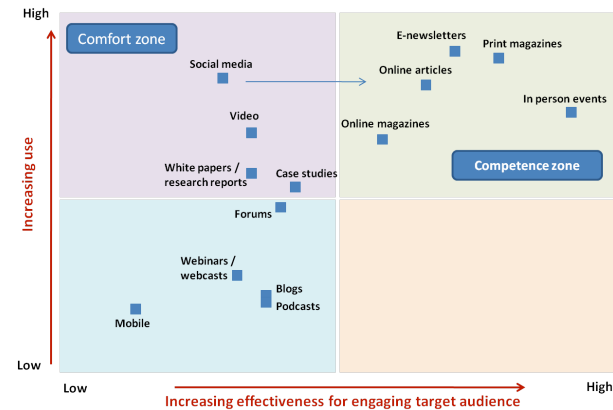


Figure D: Company attitude to social media (by region)

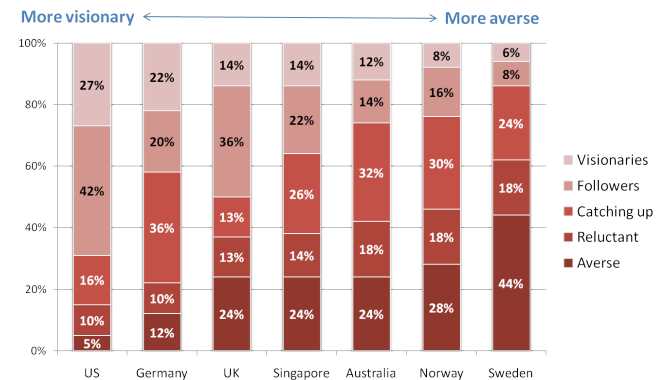


Figure E: Challenges in using social media for corporate purposes

- The biggest content marketing challenges are producing interesting (23%) or new / different (21%) content – budget is only an issue for 18%
- After a lack of resource / time (38%) to invest in social media, the most significant challenges relate to an inability to measure social media's impact on goals (30%) and a lack of adequate tracking / monitoring (27%) (Figure E)

Increased investment = increased risk

- 40% of organisations expect their marketing budgets to go up in 2011 with an average increase of 1.4% forecast
- In the last 12 months, marketing budgets are most likely to have increased for social media (35%), email marketing (34%) and online advertising (34%)
- 52% think it is difficult to measure the true ROI of social media activities. Only 1 in 6 companies is fully satisfied that they can properly measure ROI.

The research also explores how companies are set up to take advantage of the opportunities that social media presents, whilst mitigating any risks.

Marketing power

- 79% of respondents consider that social media is “owned” by the marketing department – with an average of six people having some social media responsibility
- Social media responsibility is typically given to those with enthusiasm / appetite for new technology (52%) rather than specific social media skills (32%)

Bringing order to chaos

- 46% of companies currently have a formalised social media policy, whilst 27% have informal guidelines
- 84% of companies think it is important to monitor what is said online about their brand, but only 1 in 5 have invested in tools to do this, with a further 29% planning to do so in the coming year

The Meltwater Future of Content Survey finds companies excited, yet challenged by the changing nature of content. Many of the findings reflect an industry still in its infancy, with companies learning as they go and areas such as social media ROI and impact measurement very much the preserve of the sophisticated minority.

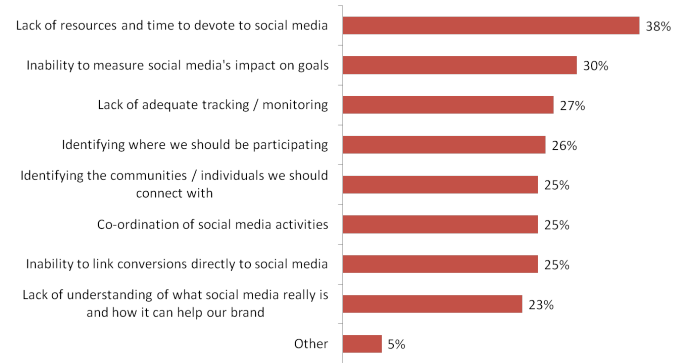
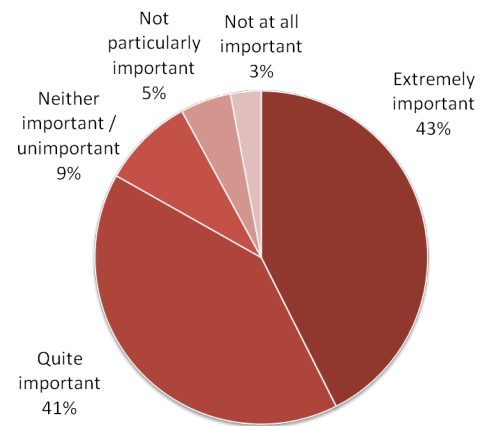


Figure F: Importance of monitoring online noise about company / brand



With investment set to increase, however, companies now need to re-evaluate how and why they are using social media to ensure this investment is justified. These new technologies are revolutionising marketing departments and bring with them a need for a whole new marketing mentality. People, policies, processes and technology need to be harnessed in a common direction and progress towards clear goals effectively measured if companies are to make social media a sustainable success story.