

The Branded Content Project

THE BUSINESS OF STORYTELLING

WHITE PAPER

Branded content: a win-win for local media organizations and local advertisers

*How this emerging advertising strategy is giving
local media organizations a new opportunity
to define their brand, increase revenue, and
improve advertiser satisfaction*

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Branded content: a win-win for local media organizations and local advertisers

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BRANDED CONTENT HAS THE POTENTIAL TO PLAY A VITAL ROLE IN ADVERTISING STRATEGY FOR LOCAL ADVERTISERS.

This briefing will identify and examine drivers, obstacles, and opportunities for local media organizations to support advertisers with branded content offerings — and what it means for the future of local advertising.

BACKGROUND

The Branded Content Project is part of a \$1 million investment from the Facebook Journalism Project to help more than 3,300 local newsrooms across both the Local Media Association (LMA) and Local Media Consortium (LMC) membership better understand, develop and implement revenue streams through branded content both on and off Facebook.

The project kicked off with an application process earlier this spring to identify a small group of local media publishers and form an alpha group that would engage in testing, research and planning to ultimately share results industry-wide.

Magid was selected to lead early efforts to define, explore and expand on the concept of branded content in local markets. This included conducting qualitative research comprised of 10 focus groups and eight executive interviews with the seven alpha partners.

PARTICIPANTS

The alpha partners approached and selected respondents for research. All respondents were either current or prospective advertisers, many of whom were using or had used branded content previously.

ALPHA PARTNERS

Executive interviews with current and prospective advertisers – ABC Television Stations / Localish (Los Angeles)

Focus groups with current and prospective advertisers – WRAL (Raleigh), Creative Lab @McClatchy (Kansas City), Shaw Media (Chicago), Graham Media Group (Detroit), The Texas Tribune (Austin), and Dallas Morning News (Dallas)

OBJECTIVES

- 1 Determine needs of local advertisers** currently using branded content and prospective branded content advertisers
- 2 Identify opportunities for local advertisers** to leverage branded content as part of their overall advertising strategy, and determine interest levels

Examples included inside this definition of branded content:

- Native advertising articles
 - Social videos with a sponsor tag or element
 - Product placement
 - Sponsored live events
 - Sponsored collections of stories
 - Paid video segments
-

DEFINING BRANDED CONTENT

Through our executive interviews and focus groups, we found that the definition of branded content is largely unclear to advertisers. Branded content was most often referred to as consistency of colors, themes, logos that reflect the brand. In other words, advertisers tend to focus more on branding rather than content when asked for the definition.

The LMA and LMC define branded content as any sales initiative that uses content to engage the user and is paid for by a client who participates as part of the content, helps supply the content, or sponsors the content that is distributed across any platform.

TOP DRIVERS AND OBSTACLES OF BRANDED CONTENT IN THE LOCAL SPACE

DRIVERS



Stealth of advertising » Branded content is less traditionally intrusive, focusing more on natural consumption patterns of media and information.

Value and perception » Branded content is also able to provide more value to consumers than traditional advertising because it allows for tips and how-to pieces, which leads to a perception of being a market leader in a particular industry, further driving brand awareness.

Time with target market, engagement with consumers » Because branded content can also be featured as article-like content, consumers are likely to spend more time with a piece, and the more time they spend, the more (and likely better) their engagement with a brand.

OBSTACLES



Budget and ROI measurability » Budget is a constant concern for local advertisers, especially in regard to ROI. They consistently reported that management prefers to invest in marketing efforts that can be tracked and justified – and ROI measurability can be challenging to determine with branded content.

Uniqueness, time and creative control » Advertisers report uniqueness of branded content being desirable – but also time-consuming to create. They want varying levels of control over their creative, based on how their organizations are set up. Some have dedicated marketing staff who want more control over the creative, while other organizations such as government entities don't have the time or resources to devote to creative content.

OPPORTUNITIES



OPPORTUNITIES AND RECOMMENDATIONS FOR USING BRANDED CONTENT

There are several opportunities for local media organizations to use branded content to define their local brand and increase revenue through flexibility, authenticity, budget and measurability.

Flexibility » With branded content, local media organizations can meet an advertiser where they are with ideas for content creation or simply placement availability, ensuring they're happy with the service. This gives the client control, and access to more and better information to make informed choices.

Authenticity » Branded content gives local media organizations the ability to connect fundamentally with advertisers about their business. This involves treating advertisers like real people and building a real connection – as opposed to a transactional approach. Advertisers want relationships, not one-offs.

Budget » Advertisers have a desire for risk-share, and proof of performance. Take a look at the current market landscape, and consider – are there opportunities for scaling branded content based on available budgets of local advertisers? If many of a market's largest advertisers are already spending, what other products or opportunities are available for advertisers with smaller budgets (who might also have the ability to scale in the future)?

Measurement » Where are the opportunities to report more intuitively? Most advertisers count on metrics like impressions, clicks, and length of time on a page to prove marketing success. If ads are relevant and delivered in context, they're considered helpful to consumers. Advertisers are open to using AI (artificial intelligence) if it means delivering on relevance to their target – leading to more valuable engagement with likely consumers, in turn contributing to an increased ROI.

These options for deeper attribution and the evolving role AI could play in how ads and branded content pieces are served are both opportunities for local media organizations to differentiate themselves in the local advertising space. What data partners can bridge the gap to measure advertising and branded content?

RECOMMENDATIONS



Motivation » How is branded content being marketed to local advertisers by local partners? Local media organizations need to entice advertisers. Why should they want to include branded content as part of their advertising strategy? What's the value, and how can the top five drivers relate to the goals of other local advertisers?

Example: Consider branded content packages (not one-off, transactional relationships) that include various platforms – television, social, digital, influencers—to gain coverage across audiences and to make it worth the advertiser's efforts. Blend a campaign to focus on traditional direct response while at the same time positioning a local advertiser as an industry expert and local business engaged with and connected to the community. In other words, blend brand and promotion.

Training » Branded content isn't plug and play – how are you training AEs, producers and advertisers? We need to demonstrate leadership in this space rather than simply reacting to the market.

CONCLUSION

Through our research with the alpha group in the Branded Content Project, we found examples of powerful initiatives designed for revenue success, creative content and profitability. Branded content could prove to be a valuable offering for advertisers and local media organizations alike, as it has the potential to improve audience engagement while increasing revenue.

We are honored to work with the LMA and LMC on this important work and will continue to work together to vet, test and execute business models related to branded content.

WHAT'S NEXT FOR THE BRANDED CONTENT PROJECT

After examining the research and learning from local focus groups, the Branded Content Project team has identified several areas that need attention and areas of great opportunity for local media organizations. The biggest obstacle facing local media teams is educating sales teams, advertisers and audiences on the benefits of branded content.

What did our alpha team learn from the focus groups and final research readout? We have five insights from our alphas and action plans to combat challenges and take advantage of opportunities:

ALPHA INSIGHTS

Pillars of success » Identifying and reinforcing the three pillars of successful branded content: authenticity, emotional connectivity, and consumer focus (“what’s in it for me”).

Sales team education » Sales teams need more education. Branded content is unclear to our advertisers, and often our own account executives. We need to fix the latter to address the former.

Advertiser education » Advertisers are eager to be steered and informed. This presents a big client education opportunity.

Defining branded content » Branded content needs to be defined so we know what everyone is selling and producing.

Demonstrating ROI » Clients need to be informed on the overall key benefits of branded content, what it is in general, and how we measure it against their KPIs. We are concerned about the extent to which clients said they value ROI, compared to sales teams’ difficulty explaining and demonstrating it in the clients’ eyes.

**ALPHA
ACTION PLANS:**

1

Education events

2

Video explainers

3

Better reporting

4

Audience engagement

ALPHA ACTION PLANS

What will the seven alpha teams do now that the advertisers have offered feedback through focus groups? They are creating action plans and diving into testing that will help educate advertisers and audiences while growing revenue for their local initiatives.

Education events » Creative Lab @McClatchy and ABC's Localish are both hosting events that will help educate local advertisers and re-engage sales teams. Both events include plans for a panel to discuss the benefits of branded content and the unique advertising options available to local businesses.

Celebrating what Localish has accomplished and what's to come is the perfect way to "educate internal teams and potential advertisers about our brand and sponsorship opportunities," according to Rachel Schwartz, director of content operations at ABC Owned Television Stations. Their event will include a panel discussion with Localish leadership and opportunities for conversation between clients, sellers and content creators. "We want to educate our sellers and advertisers about the value of Localish by bringing them into the Localish family, at least for one day," she said.

The Creative Lab @McClatchy team has created an event series named "The Urgency of Branded Content" and is focusing on three events that will help educate clients and their sales staff. Eric Brandner, general manager, Creative Lab @McClatchy, explains that they will "simultaneously educate current and potential clients on why they need branded content while also reinforcing concepts to local McClatchy sales teams." Part of the plans for their events include a workshop featuring a presentation and panel discussion, a takeaway informational and strategy package, a meet-and-greet happy hour with post-event video, written stories, and social posts for marketing.

Video explainers » After the focus groups concluded and the alpha team heard the research results, they realized that confusion exists for advertisers on the difference between traditional advertising and branded content or content marketing campaigns. Video explainers can be a fantastic way to combat those issues. WRAL and Creative Lab@ McClatchy are both creating educational and marketing videos to help advertisers understand the value of branded content advertising.

Creative Lab has released its first video from Creative Director Carolina Esbaile, titled "Advertising vs. content marketing: What's the difference?" She explains, "Whatever you do, do not apply anything you've learned about advertising into your content campaign."

WRAL has taken a similar approach to educate clients through video by creating three sizzle reels for their branded products and one educational explainer video to help with the sales process. After the research phase, WRAL realized that “there’s a lot of value in our branded content products and we want to ensure the materials used to sell them and their quality match up,” said Katie Fulp, manager of client services and operations at Capitol Broadcasting Company/WRAL.

Better reporting » Another area of concern for local media organizations involved in branded content initiatives is showing ROI for advertisers and meeting the clients’ KPIs. Finding a better path for reporting and explaining value to clients participating in branded campaigns will help retention and improve the client’s perception of their advertising plans. One of our alphas began testing a new reporting system after our research concluded. The goal of their test will be to improve the quality and the frequency of their reporting. The first outcomes for Shaw Media’s new reporting system, NinjaCat, are, as Evie Kevish, project manager at Shaw Media puts it, amazing. “After years of searching for a vendor that can help me with a super manual, somewhat complex reporting process, I am relieved to find developers that are able to help me,” she said.

Audience engagement » The alpha group also has tests in place to focus on user experiences, content categories of interest to the audience and better engagement for branded stories.

Graham Media Group’s Taking Off campaign features regional destinations as well as content categories determined by the company’s data-driven approach to high-value sponsored content.

The initial goal for The Dallas Morning News FWD>DFW project is increasing awareness and conversion for FWD>DFW’s volunteer program, thus elevating the social and economic impact of service hours in the community.

The Texas Tribune is diving into development including new design and UX work to create branded content styles and templates for their main site and associated media. There is work being done to better inform the audience of the sponsorship of each content piece to continue educating the reader and the advertisers of the paid opportunity.

BRANDED CONTENT PROJECT

NEXT STEPS:

1

Branded content guide

2

Workshop

3

Beta round

4

Industry education

LESSONS LEARNED

One of the biggest lessons the alphas learned from the research conducted is we need to work together to educate our sales teams, our advertisers and our industry. There is an enormous opportunity for revenue growth and audience engagement if we work with our teams to maximize the drivers of branded content, overcome any obstacles and take advantage of opportunities. Through the partnership between the LMA, LMC and the Facebook Journalism Project, The Branded Content Project plans to launch the following action plans:

BRANDED CONTENT PROJECT NEXT STEPS

Branded content guide » We are creating a branded content guide covering best practices, sales strategy, pricing recommendations, content creation suggestions and advice on incorporating promotions, events and social media into local media initiatives. This guide will contain sales tools and strategies designed specifically for street-level sellers, sales managers and executives building new initiatives. This guide will also include checklists to simplify the build-out for new initiatives or help improve branded content strategies for organizations currently selling branded content.

Workshop » We will be conducting a branded content workshop at the Elevate! conference in September. We'll create hands-on experiences for the attendees, sending everyone back to their local markets with a success plan for growing revenue, improving engagement and ensuring sustainability for branded content initiatives.

Beta round » We have learned so much from the initial seven organizations that we are thrilled to open up the project to another 20 organizations this fall! The beta application period opens on September 18, and the beta group will be announced in November.

Industry education » Everything we learn along the way, including this research project, will be released to the public and will always include actionable items for media organizations. For continued updates and details on the project and what we have learned, visit sellbranded.com.

A NOTE FROM THE BRANDED CONTENT PROJECT

The Branded Content Project would like to thank the team at Magid, the Facebook Journalism Project and the leadership from the LMA and LMC for helping our teams clearly see the opportunity in front of them and defining pathways toward increased revenue with branded content.