USING CONTENT MARKETING TO GENERATE DEMAND, CREATE NEW AUDIENCES

Successful marketers use content marketing to generate demand from new and unknown audiences—not just to locate demand that already exists.

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TIME FOR A SHIFT

Whether building thought leadership pieces or drafting an email nurture, creating the right mix of content to achieve company objectives is a long-time industry theme. But what if the content mix has hit the ceiling of value? Have we recycled demand generation efforts to simply locate the leads instead of new audiences? Are we at risk of exhausting our existing audiences? How do we shift our content marketing efforts from differential to exponential?

For content marketers, this report highlights some of the good intentions we know we need to institute to move beyond average; however, it also signals the broader but constant issue: our audiences are demanding *more*, and that demand starts the moment they convert with a single piece of content.

The customer journey funnel has long been pulled apart and reconstructed, with feedback loops tossed in and paths leading us outward. Despite these shifts, this report calls for content marketers to shift the focus from a single acquisition to one that encompasses the audience's potential *beyond* their classification as a new lead, returning buyer, or existing customer.

Another overarching theme content marketers need to embrace is *experimentation*, in and around the customer journey. It's not a new approach to content marketing, but a subtle push to go beyond moderate efforts, moderate targeting, moderate demand generation.

Marketers that report moderate success also have common challenges. As this report suggests, if these challenges are common, why aren't more marketers seeking to move the needle on success? Marketers need to move beyond moderate efforts in *locating* the demand, toward generating the creativity to attract the new—an idea coined "Making Markets." It's an interesting combination point covered within this brief.

A final, but important note: This report urges marketers to measure content performance as it exists within a larger ecosystem, an important key to establishing the *value* of demand generation efforts. And as we understand the value of the demand we create, it comes back full circle to the content we create, leading to longer and more meaningful relationships with our audiences.

INTRODUCTION

Content—and how brands use it to interact with buyers at all stages of the engagement journey—has fundamentally reshaped every business' go-to-market strategy.

This shift has been particularly challenging for "top-of-the-funnel" demand generation marketers, most of who are under tremendous pressure to produce results. One study found that 70% of marketers surveyed expect their demand generation budgets to increase in 2018, with one-third expecting them to increase by more than 20%.[1]

Of course, generating demand is the job of marketing writ large. *Marketers make markets*. They work to create groups of viable buyers where none existed before. But their jobs are getting harder. It's getting increasingly difficult just to get a message in front of an audience, let alone generate demand. Costs per lead continue to rise. Most organizations now spend $150 to $350 on every lead—with larger enterprises paying the highest costs.[2]

The need for content that engages, enriches, and creates value for audiences **before they become interested buyers** has never been clearer.

In their endeavors to generate interest and convert visitors into audiences, marketers are experimenting with content formats, channels, and engagement strategies. The need for content that engages, enriches, and creates value for audiences *before they become interested buyers* has never been clearer.

We know this, right? This is one of the reasons content marketing has become so important in the broader practice of marketing and communications. Well maybe we do and maybe we don't. While content marketing is recognized as valuable, there is still little patience for the effort to generate demand among new audiences. In other words, marketers are encouraged to go make markets—if they can be delivered in less time than it takes to order a pizza.

DEMAND GENERATION, OR DEMAND IDENTIFICATION?

Reaching prospective customers these days feels overwhelming. Measuring our efforts to use content marketing to generate demand seems tougher than ever. The growing complexity of the buyer's journey, coupled with the highly competitive and loud marketplace of ideas, makes it arduous to differentiate our solutions, much less educate prospects on what we offer.

Demand generation is perhaps the most critical need for today's modern business. Marketers must continue to create more and more demand to support their companies' growth strategies. Is it any wonder then that many marketers are doubling down on finding people who are already asking for their products, services, or solutions?

Most demand generation strategies are ultimately just demand identification programs. Marketing teams exert tremendous effort to optimize content experiences for search terms and questions, and to be ever more different, persuasive, and faster for anyone who raises their hand to say, "I'm interested."

While this strategy is important, the results will inevitably flatten; within time, the total addressable market (TAM) that is currently aware of the challenge will be exhausted. It would lead us to conclude that any content marketing effort here would inevitably go from extraordinary, to average, to poor.

How do we go from average to extraordinary? How can we begin to view content marketing as something that can differentiate our approach to demand generation and produce more demonstrable results for our marketing efforts?

These questions inspired us to study demand generation specifically **from the content marketer's perspective.**
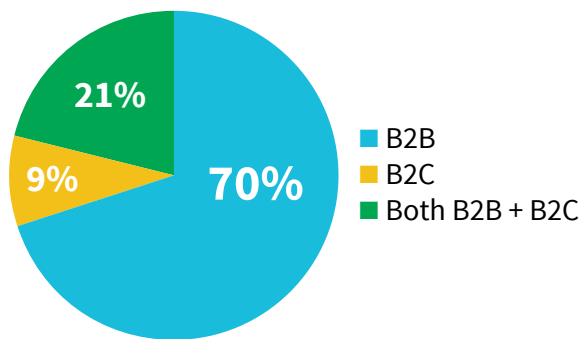
METHODOLOGY

In April 2018, Content Marketing Institute (CMI) conducted a survey to learn how marketers are using content marketing for demand generation purposes.

CMI sent email invitations to a random slice of its total opt-in subscriber list. A total of 192 global responses (representing 25 countries) were qualified for analysis. Qualified respondents were those who indicated their company uses content marketing to generate demand from buyers (create and/or nurture leads or potential customers) at the top, middle, and/or bottom of the buying funnel.
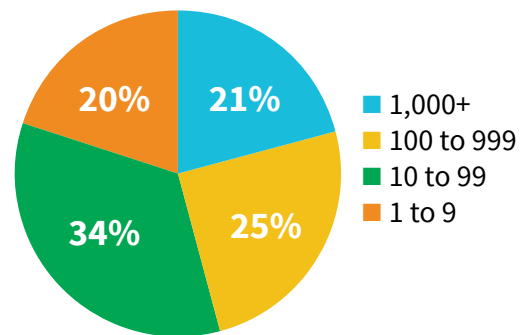
Qualified respondents represented a full range of industries, functional areas, and company sizes. Most were B2B marketers in the U.S.

Nature of Organization

- 70% B2B
- 9% B2C
- 21% Both B2B + B2C

Company Size
(By Employees)

- 21% 1,000+
- 25% 100 to 999
- 34% 10 to 99
- 20% 1 to 9

Industry

- 25% Technology/IT/ Software/Hardware
- 22% Agency (Advertising, Digital, Content Marketing, PR)
- 9% Consulting
- 8% Financial Services
- 6% Manufacturing
- 6% Healthcare/Medical/ Pharmaceuticals
- 24% Other

Locations

- 77% U.S.
- 6% U.K.
- 3% India
- 14% Other
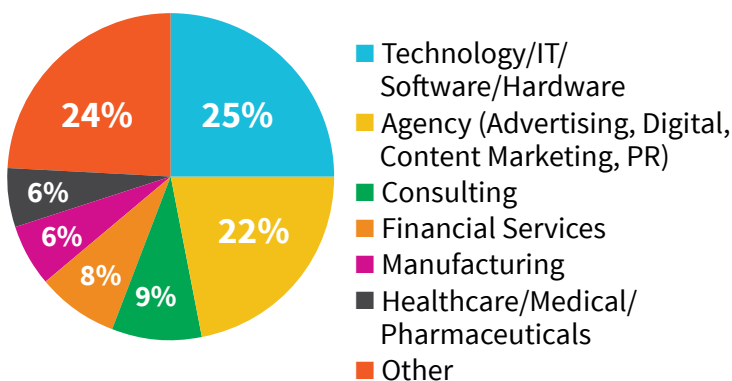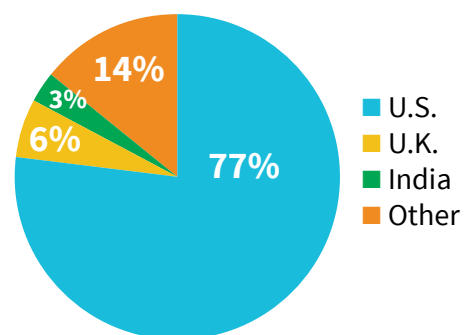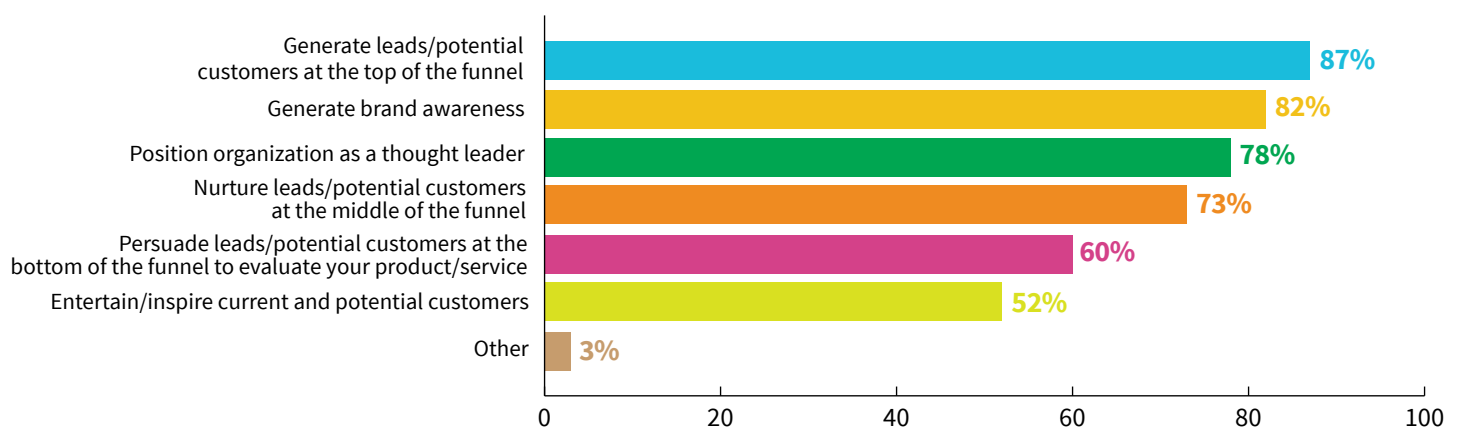
FINDINGS

A MOVE TO GOOD, BUT NOT GREAT

Overall, the findings from our demand generation survey indicate that while marketers are seeing some success, many lack an aligned strategy, measurement plan, and technology that could help them achieve more expansive goals. (These findings mirror those from our annual content marketing research among a broader B2B audience, the results of which are released in CMI's annual *B2B Content Marketing Benchmarks, Budgets, and Trends—North America* reports.)

Nearly all (90%) of the marketers we surveyed said they use content marketing to **generate demand** from buyers (create and/or nurture leads or potential customers) at the top, middle, and/or bottom of the buying funnel.

Their **top reasons for using** content marketing for demand generation purposes are to generate leads at the top of the funnel (87%) and create brand awareness (82%). This confirmed our hypothesis that marketers are placing more emphasis on using content marketing at the top of the funnel versus other areas of the buyer's journey. The remaining answers were spread out across other areas of the funnel, generally trending lower as we got deeper into the funnel.

Reasons Organizations are Using Content Marketing for Demand Generation in 2018

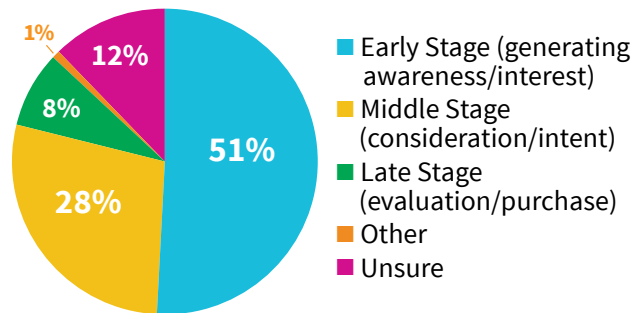| Reason	Percentage
Generate leads/potential customers at the top of the funnel	87%
Generate brand awareness	82%
Position organization as a thought leader	78%
Nurture leads/potential customers at the middle of the funnel	73%
Persuade leads/potential customers at the bottom of the funnel to evaluate your product/service	60%
Entertain/inspire current and potential customers	52%
Other	3%

Base: All for-profit respondents whose organizations use content marketing to generate demand from buyers. Aided list; multiple responses permitted.

Respondents also reported they **get the most value** from their demand generation-focused content marketing at the uppermost parts of the funnel.

However, when we asked respondents to estimate where their **2018 content creation efforts** are being directed, the answers were not as aligned.
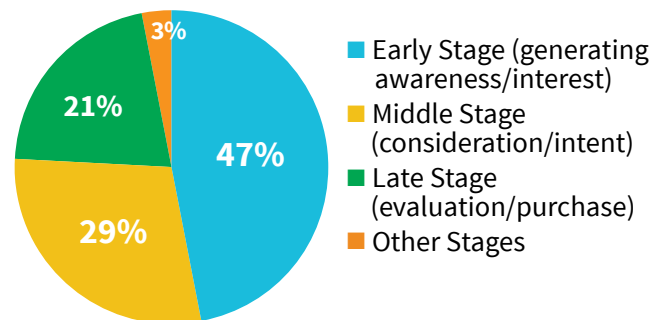
Forty-seven percent said they are creating content for the top of the funnel, yet another 50% reported they are creating content for the middle and late stages as well (29% and 21%, respectively). This indicates that marketers may be feeling pressure to locate more immediate value through deeper parts of the funnel.

Stage in Buyer's Journey Where Organization Receives Most Value from Content Marketing Used for Demand Generation

- Early Stage (generating awareness/interest)
- Middle Stage (consideration/intent)
- Late Stage (evaluation/purchase)
- Other
- Unsure

1%
12%
8%
51%
28%

Base: All for-profit respondents whose organizations use content marketing to generate demand from buyers; aided list.

Estimated Percentage of Total 2018 Content that Organization Will Create for Each Stage of Buyer's Journey

- Early Stage (generating awareness/interest)
- Middle Stage (consideration/intent)
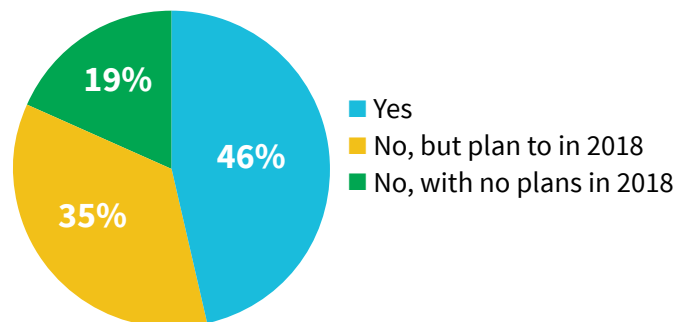- Late Stage (evaluation/purchase)
- Other Stages

3%
21%
47%
29%

Base: All for-profit respondents whose organizations use content marketing to generate demand from buyers; aided list. Responses were required to equal 100%.

Next, we asked respondents if they segment their demand generation activities by **personas**. Less than half (46%) said yes. However, 35% said they plan to do so in 2018.

As we mentioned earlier, content marketers are experimenting with diverse types of content formats and channels. We asked respondents where they believe each type is most effective for demand generation across the buyer's journey.

Do You Segment Demand Generation Activities by Personas?

- Yes
- No, but plan to in 2018
- No, with no plans in 2018

19%
46%
35%

Base: All for-profit respondents whose organizations use content marketing to generate demand from buyers.

Respondents said blog posts/articles are the most effective type of content used in the early stage, white papers in the middle stage, and case studies in the late stage. In-person events are the only type rated equally effective at all stages.

(Note: Keep in mind that some types of content get pigeonholed as being most effective in certain phases of the customer journey. There is no reason why marketers can't experiment here. For example, case studies can be crafted to draw attention in the early stage, or videos can be used to secure buying decisions.)

In Which Stage of the Buyer's Journey Is Each Content Type Most Effective* When Used for Demand Generation Purposes?

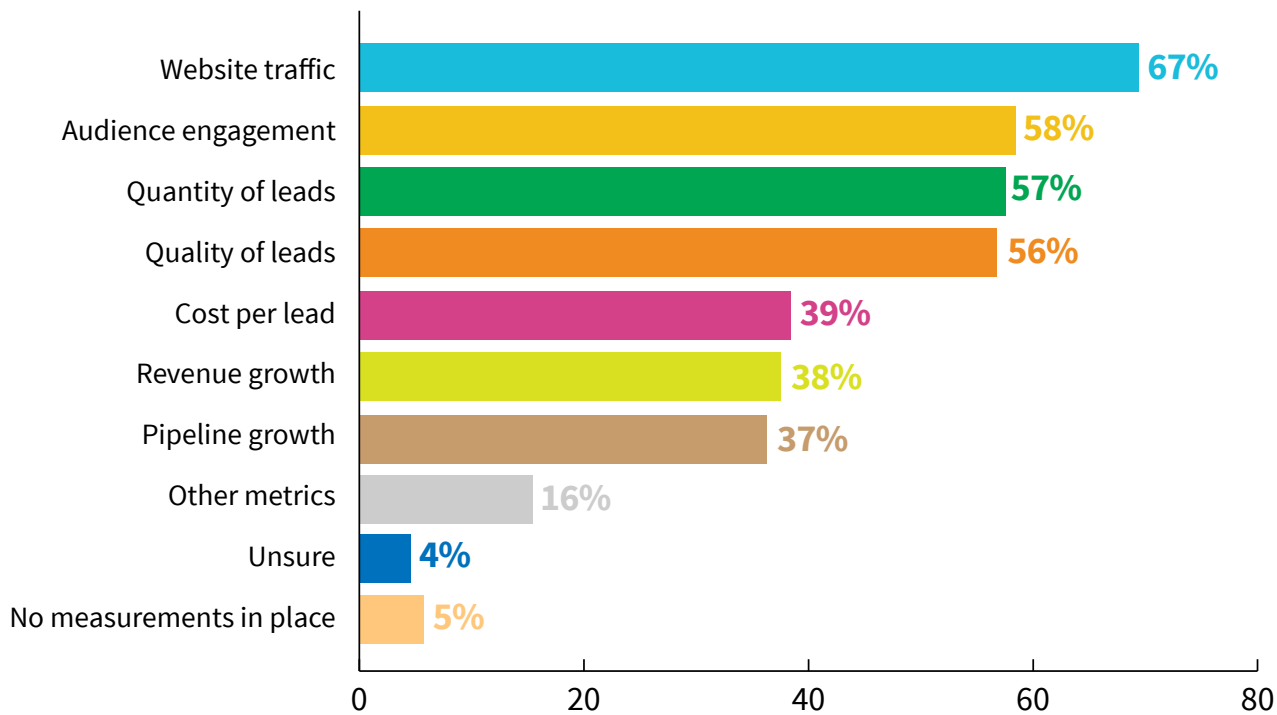|	Early Stage (Awareness/Interest)	Middle Stage (Consideration/Intent)	Late Stage (Evaluation/Purchase)
Blog posts/articles	73%	21%	6%
Case studies	18%	42%	40%
Ebooks	56%	39%	6%
In-person events	35%	33%	32%
Interactive content	46%	46%	8%
Podcasts	57%	35%	7%
Videos	54%	40%	6%
Webinars	36%	47%	17%
White papers	34%	53%	14%
Other types of content	36%	37%	27%

Base: All for-profit respondents whose organizations use content marketing to generate demand from buyers; aided list.

*Effective was defined as succeeding at moving leads/potential customers to the next stage (e.g., generating an initial inquiry, nurturing a lead through the buying process, or convincing/persuading someone to make a purchase) based on your organization's specific objectives.

MEANINGFUL MEASUREMENT CAN BE TRYING

Perhaps not surprisingly, the **top three metrics** marketers use to measure the impact their content marketing has on demand generation are vanity metrics associated with upper levels of the funnel (website traffic, audience engagement, and quantity of leads at 67%, 58%, and 57%, respectively). It's worth noting, however, that quality of leads came in a close fourth (56%). It was encouraging to see that only 5% reported "no measurements in place."

Metrics Organizations Use to Measure the Impact of Content Marketing on Demand Generation

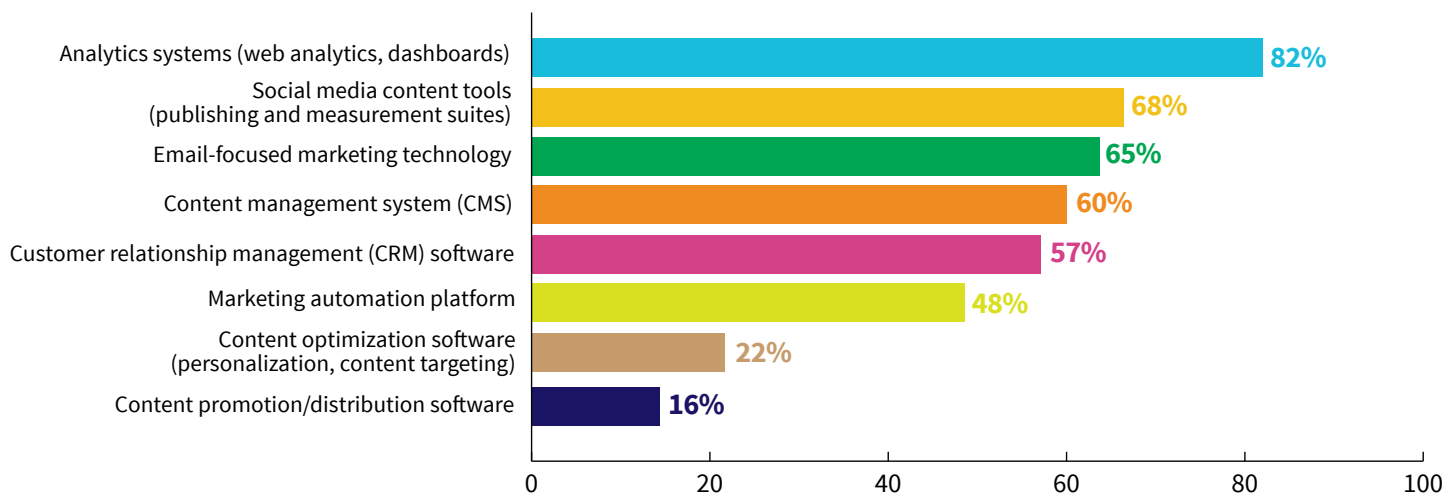| Metric	Percentage
Website traffic	67%
Audience engagement	58%
Quantity of leads	57%
Quality of leads	56%
Cost per lead	39%
Revenue growth	38%
Pipeline growth	37%
Other metrics	16%
Unsure	4%
No measurements in place	5%

Base: All for-profit respondents whose organizations use content marketing to generate demand from buyers. Aided list; multiple responses permitted.

FOUNDATIONAL TECHNOLOGY STACK IS THERE FOR MOST

When we asked respondents about the **technologies** they use to assist with content marketing for demand generation, their answers were similar to those we've seen in other CMI research studies. However, this was the first time we asked about social media content tools; their frequent reported use here probably reflects the use of social media content promotion at higher levels of the funnel.

Technologies Organizations Use to Aid Content Marketing Efforts to Create Leads and Nurture Potential Customers
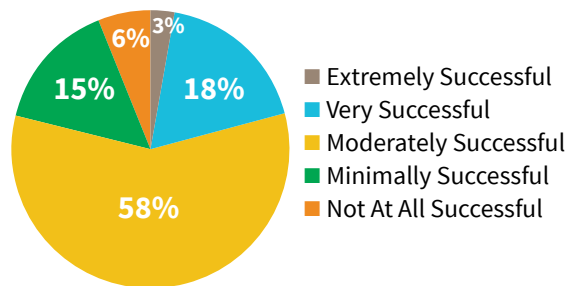
Technology	%
Analytics systems (web analytics, dashboards)	82%
Social media content tools (publishing and measurement suites)	68%
Email-focused marketing technology	65%
Content management system (CMS)	60%
Customer relationship management (CRM) software	57%
Marketing automation platform	48%
Content optimization software (personalization, content targeting)	22%
Content promotion/distribution software	16%

Additional technologies used: Chatbots (8%), Customer data platform (6%), Artificial intelligence (4%), Other (7%), and None of the above (4%).

Base: All for-profit respondents whose organizations use content marketing to generate demand from buyers. Aided list; multiple responses permitted.

MODERATE SUCCESS COUPLED WITH COMMON CHALLENGES

The majority (58%) reported moderate success with using content marketing for demand generation purposes. That mirrors the findings of CMI's 2018 annual content marketing study, where 52% of B2B marketers reported moderate success.[3]

Success of Organization's Current Overall Content Marketing Approach for Demand Generation

- Extremely Successful — 3%
- Very Successful — 18%
- Moderately Successful — 58%
- Minimally Successful — 15%
- Not At All Successful — 6%

Base: All for-profit respondents whose organizations use content marketing to generate demand from buyers; aided list.

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In terms of challenges, respondents were asked a fill-in question: "What is your biggest content marketing challenge specifically when it comes to lead generation/lead management?"

Many responses had to do with creating quality content, audiences, and lack of resources. Some of the responses are shown below.

CREATING QUALITY CONTENT

Of the 136 respondents who offered an answer, 25 (18%) mentioned quality content:

▶ *"Creating content that resonates with our target audiences"*
▶ *"Creating quality content that clients find useful"*
▶ *"Creating great content in-house with minimal budgets"*
▶ *"Writing quality content"*

AUDIENCES

Nineteen respondents (14%) discussed audiences:

▶ *"Building and managing accurate personas to better target our audience"*
▶ *"Finding the audience"*
▶ *"No clearly defined audience"*
▶ *"Targeting the right audience at the right time"*

RESOURCES

Fourteen respondents (10%) mentioned a lack of time, resources, or budget:

▶ *"No real budget"*
▶ *"Finding the time"*
▶ *"Insufficient resources to research, create, and implement top-of-funnel content"*
▶ *"Bad data and a lack of resources"*

When we look at the moderate levels of success and the challenges, these findings reflect the broader issues facing marketers that we discussed at the beginning of this report.

CONCLUSION

MOVING BEYOND DEMAND LOCATION TO DEMAND GENERATION

Content marketers focused on demand generation are seeing results from their efforts. They have successfully squeezed out the value of their initial efforts at presenting strategic content to audiences at the top of the funnel.

> These content marketers have either hit a ceiling of value from which they cannot develop a case for more investment, or they have not been able to scale beyond a certain level of value at the top of the funnel.

Yet, we could sense frustration among the survey respondents. These content marketers have either hit a ceiling of value from which they cannot develop a case for more investment, or they have not been able to scale beyond a certain level of value at the top of the funnel.

The easy payoff at the top of the funnel has been extracted. One of two possibilities may exist:

▶ These content marketers have not yet been able to make the business case to dig deeper for unexplored opportunities—to use content to not only persuade the already interested, but to educate the unaware, or

▶ They know these opportunities exist, but have been encouraged (pressured) to dig for other, more immediate, value in other places.

In both situations, demand has been or will be located and mined, not generated or created.

CONTENT MARKETING + DEMAND GENERATION = MAKING MARKETS

In theory, the only thing that should be a ceiling to demand generation efforts is the size of the potential total addressable market (TAM).

Here are two examples of companies we've worked with recently. In one, the content marketing team at a financial services company was addressing certified financial advisors. Of the 300,000 financial planners in the U.S., approximately 60,000 are certified. This gave the company a TAM of approximately 60,000. They had 1,200 in their audience database, meaning they had an awareness level of 2%.

The second example is a company that is targeting commercial farmers making more than $100,000 per year. The company estimates that approximately 400,000 farms meet those criteria in their TAM. They currently have a subscription across both their print and digital publications of 418,000.

Assuming the level of quality in each audience is the same, these examples present stark differences. In the first example, there is plenty of room to generate demand. In fact, one could argue that the company hasn't even located the demand that is already there.

In the second example, the company has not only created but has located its entire market. The only question that remains is will it shrink or expand from there?

CREATE AUDIENCES, NOT LEADS

Marketers looking to improve their success with using content marketing for demand generation should make **audience acquisition** a core focus for creating value for the business. This approach requires marketers to look beyond vanity metrics such as website visits, engagement, and even quantity of leads, and be willing to experiment with different types of content and how they use it.

Marketers looking to improve their success with using content marketing for demand generation should make **audience acquisition** a core focus for creating value for the business.

If marketers believe content marketing is valuable for the business, it stands to reason that loyal audiences that coalesce around a topic and become more passionate about the topic over time are an asset to be monetized in different ways.

For example, if you were to look at content marketing for demand generation through the classic lens of "lead scoring" or "direct marketing" you might say:

"We had a target audience we wanted to reach called 'buyers.' But after the campaign, we only persuaded a few of them to 'take the next step.' A few others perhaps showed interest."

That approach might yield some initial success—but it will level off. It's too simplistic for a content marketing, audience-building framework. Audiences can bring more value than "leads" or "buyers." Some of them will become leads, opportunities, and buyers; however, most of them won't. But that doesn't mean they're without merit. For example, they may:

▶ Share your content, amplify your reach, and attract hard-to-obtain quality buyers
▶ Provide you with invaluable insight into where you should market
▶ Increase awareness of your brand and convince more people to become interested in your solution.

Audiences are not just potential buyers, they are assets that can provide numerous benefits to the business—and demand generation programs fueled by content marketing can be just the thing to create these assets.

In short, audiences are not just potential buyers, they are assets that can provide numerous benefits to the business—and demand generation programs fueled by content marketing can be just the thing to create these assets.

Marketers are expected to show the results of content marketing. If they view their content marketing efforts as a replacement for advertising or lead generation and measure results under that model, they might not fail. Then again, they'll never move beyond mediocre.

Marketers make markets. They not only identify demand, they generate it, too. Content marketing that builds an audience can do exactly that.

END NOTES

1) 2018 Demand Generation Benchmark Survey Report. Tapping Multichannel Marketing & Data as Key Engines for Growth. DemandGen Report.
https://bit.ly/2tTOvA3

2) Demand Generation Marketing Survey, 2017 Report. HubSpot.
https://bit.ly/2KBdDGd

3) B2B Content Marketing 2018: Benchmarks, Budgets, and Trends—North America. Content Marketing Institute/MarketingProfs.
https://contentmarketinginstitute.com/2017/09/research-habits-content-marketers/

ABOUT CONTENT MARKETING INSTITUTE

Content Marketing Institute is the leading global content marketing education and training organization, teaching enterprise brands how to attract and retain customers through compelling, multichannel storytelling. CMI's Content Marketing World event, the largest content marketing-focused event, is held every September in Cleveland, Ohio, USA, and ContentTECH Summit event is held every spring. CMI publishes the quarterly magazine *Chief Content Officer*, and provides strategic consulting and content marketing research for some of the best-known brands in the world. Watch this video to learn more about CMI. Content Marketing Institute is organized by UBM, which in June 2018 combined with Informa PLC to become a leading B2B information services group and the largest B2B events organizer in the world. To learn more and for the latest news and information, visit www.ubm.com and www.informa.com.

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