

Content Marketing
amplifier[®]

music in marketing:

*Daring to
Communicate
Directly with
Music Lovers*



Music Touches Consumers Like Nothing Else

The relationship that music fans have with their favorite music is clearly one of the most powerful forms of social and cultural engagement today. Consumer marketers who successfully connect brands to consumers (what we call customers or buyers) through their passion for music enjoy a powerful emotional connection like none other. For this reason, many marketers today effectively leverage music (and the artists who make it) to connect brands to their targeted audience.

The history of leveraging music to market brands is both a long and illustrative one – but today’s changes in buyer behavior and technology have enabled customers to ignore many of these traditional music-marketing tactics. How can marketers most efficiently break through the clutter of today’s hyper-crowded media landscape, to not just reach, but to “engage” with music fans on a much higher level? This mini-report will analyze how we have landed at this point, and what marketers, who see great potential in leveraging music in and around their brands, can do to truly engage and connect with target buyers.

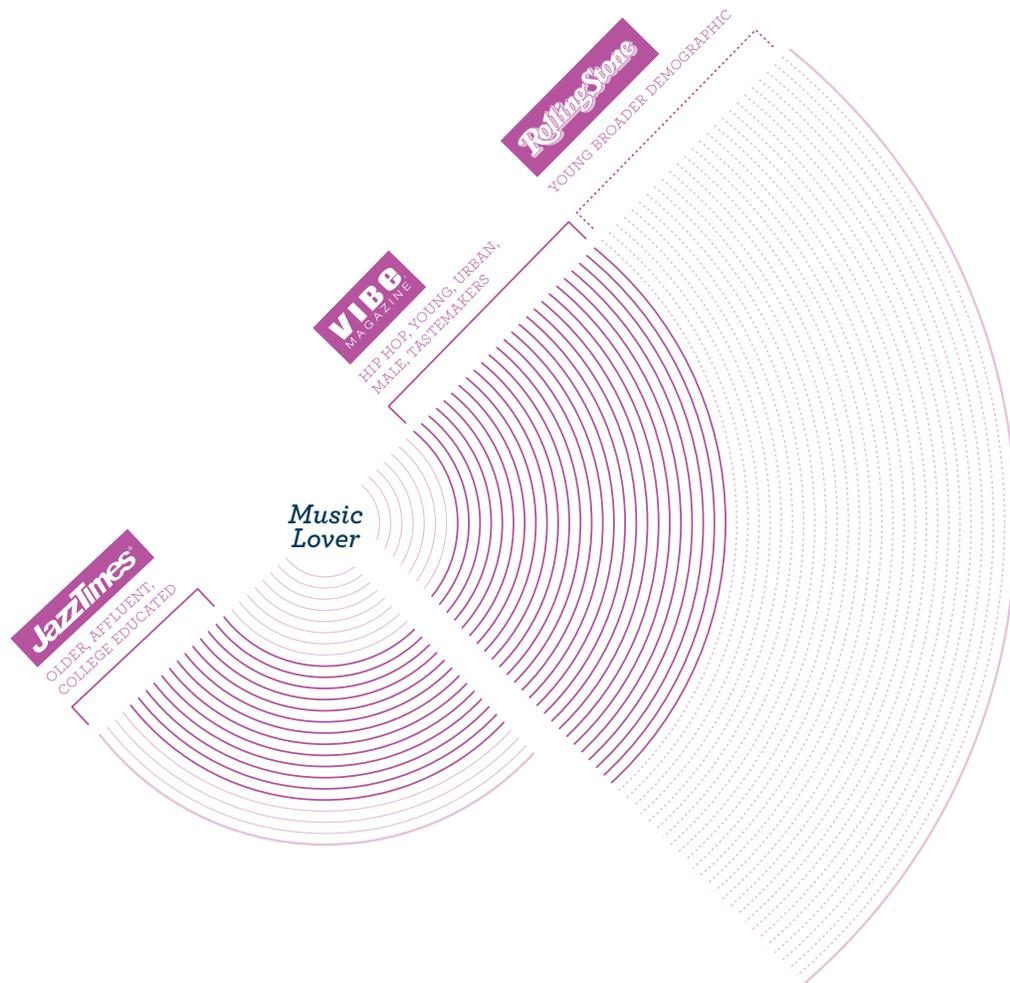
A Decade of Media Change: The Impact on Music Media

Marketers may realize that Vibe is a good match to reach young, urban, primarily male hip hop fanatics and tastemakers, or that Rolling Stone reaches a similarly young but broader demographic, or that a publication like JazzTimes reaches an older, affluent, highly educated audience. Passionate music fans read these magazines and each magazine reaches a different demographic, with some overlap. In theory, these music publications and others offer a terrific environment for marketers of various brands and services.

But here's the rub. Now, better than halfway through the first decade of the 21st century, the media landscape has been irrevocably altered by the Internet and broadband access. More and more traditional content providers (newspapers, magazines, TV) are providing their content free of charge on the Web, realizing the necessity to cannibalize their own content, and better position their brand for online revenues down the road. Traditional media companies realized long ago that today's leading Web sites, in almost every imaginable category, are not typically run by the same leading publishers who own the same space in traditional media.

Simply put, today's music fans get their music-oriented news reports, features, gossip and related lifestyle content from myriad sources, in multiple mediums, and almost always free of charge. This is why some major music publications now charge as little as \$5.00 for a year's subscription, a sum that is much less than the related cost of fulfillment and manufacturing, but adds paid names to subscriber files, which enables publishers to meet their rate bases – and to justify their ad rates. And this is why the bulk of paid content sites, those controlled by traditional media players, ala New York Times Select and the Wall Street Journal, have or will go the way of the 8-track tape. While some like the WSJ may ultimately make the paid model work, most won't – simply because there are too many free informational sources available for today's consumer.

The attention of music fanatics of all persuasions has been fractured, and continues to splinter as new content—of both the media- and consumer-generated variety—fight for the attention of a specific targeted group of buyers. A single ad page or spread within a 100-page plus folio no longer makes for a high level of reader engagement. And engagement is key. Unless the product you are marketing is endemic to the media outlet— e.g. CDs (or digital downloads) for music magazines, DVDs/posters for movie magazines—there is a large chance that customers, regardless of how catchy your creative effort is, will simply turn the page. With TV and cable efforts, it's more of the same problem or even worse, with customers having more control than ever to tune out ad messaging with TiVo and other DVRs, which are now used by over 20% of the U.S. households that subscribe to cable and satellite TV. And with more and more consumers signing up for Sirius XM Radio (mostly because terrestrial radio has gotten just plain awful for music and entertainment) or just plugging in their iPod, the customer, with endless paid and free content choices, is in the driver's seat.



Traditional media has become less effective because of the evolution of how content is distributed and absorbed.

Traditional media—while still very potent and the primary marketing vehicle today for most brands to connect with consumers—has never been more expensive. It has also become less effective because of the evolution of how content is distributed and absorbed. You'd have to be buried in the ground not to notice the downtrend in print advertising (magazines like Business 2.0 sure do). And now, even as online advertising budgets skyrocket, banner and button click-through effectiveness has begun a downturn (eMarketer, 2007). That means that marketers need to look for new ways to get the attention of their target customer.

Forward-thinking marketers aren't giving up on traditional media efforts, but rather are augmenting their marketing efforts by including custom content and experiential marketing efforts into the mix. In many cases, there is still a significant return for marketers who feature music-inspired creative for mass reach on TV and radio outlets. That said, more marketers are now including targeted vertical music publications and Web sites as an important part of their overall media mix (in such categories as automobiles, spirits, tobacco, financial services, consumer electronics and personal care). Adding content to music marketing may now be more important than ever.

Content Kings: Why Content Marketing?

80%

*of readers prefer
receiving information
on a company through
a custom publication*

The explosive growth of content marketing (also called custom publishing, branded content, or custom media) during the past five-to-ten years has helped put consumer marketers back in the driver's seat. More and more consumer marketers are allocating a larger portion of their budgets to custom efforts (27% according to Publications Management and the Custom Publishing Council). Brands of all sizes, including such mega-brands as Nike, P&G and J&J, have significantly decreased their percentage of spending on traditional advertising, while significantly growing their content marketing efforts. Simply put, marketers are becoming the new "kings of content".

According to a recent Roper Public Affairs Gfk - Custom Publishing Council Survey, 80% of readers prefer receiving information on a company through a custom publication; this group states that if they're going to get information from a company, they'd prefer to get it from an interesting collection of articles, rather than from an ad. In the UK, custom magazines have been one of the most dynamic mediums for marketers for years. According to research firm Millward Brown, eight in 10 actively read a custom magazine, which provided an average of 8% sales lift for companies who publish a customer magazine.

Consumers these days want quality content, regardless if it comes from Rupert Murdoch, a consumer-posted book review on Amazon, or a veteran blogger with no association with an established media outlet. This craving for valuable relevant information goes beyond the boundaries of traditional media brands and even traditional media channels. Music lovers are going to get the content they want somewhere, and they don't necessarily care where it comes from. John Carroll, Boston University professor, even makes the case that teens today trust brands like MTV, Nike and Apple more than the Wall Street Journal and NBC. If that is true, the opportunity for corporate brands to "be the content" rather than "surround the content" is plentiful!

Notwithstanding government-subsidized media, certain non-profits and paid programming or content outlets (e.g. HBO, Showtime), consumer marketers are helping media outlets survive. But consumer marketers are not in business to keep media outlets kicking; their core mission is to target their customer buying groups, position their products and/or services, and expand their market share in the most efficient, effective, and measurable ways possible. Troy Edwards, vice president of global brand and category management for Nike, recently said in a NYTimes interview that, "We're not in the business of keeping the media companies alive...We're in the business of connecting with consumers." This speaks directly to Nike's move out of traditional media outlets and into content-focused initiatives that engage customers (like their Nike+ website or their series of Nike-branded CDs and iTunes releases).

Through content marketing (being the content instead of placing the creative), consumer marketers are able to control the environment of its content (textually, graphically), determine its distribution with laser precision, choose the call to action that best matches the particular effort, and monitor engagement through reader study benchmarking and online content interaction. Those results are not as easily achieved with a typical traditional media outlet. If anything, traditional marketing is staying in business in order to promote the content marketing efforts of corporations.

Fictional But True: A Case Study in Marketing to Music Fans

What follows is a sample case study featuring a fictional liquor company we'll call "Remmessy," which is marketing a cognac. We will compare a traditional print ad buy with a custom content marketing initiative and illustrate the economic and strategic advantages of a customized content marketing initiative.

CURRENT MARKETING MISSION OF BRAND

- To stimulate demand among premium spirits drinkers in their 20's and 30's who are a decade, two (or more) younger than those who have traditionally bought cognac.
- To dispel the longtime association of cognac as only for after dinner, for cold weather, drawing room and smoking jackets.
- Position the brand as a mixable product, not just for sipping straight up.
- Show 20% buying increase over 18 months in target demographic.

CURRENT EXECUTIONS

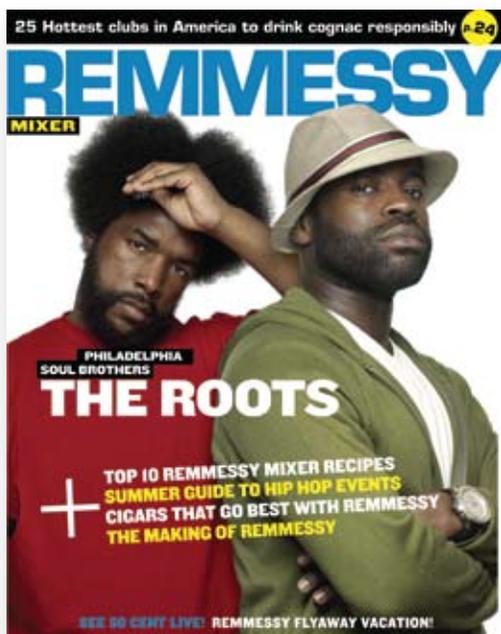
Samplings in bars, and print ad campaigns are mostly directed to younger, African-American males; however there are some ads targeting younger, African-American females. For both genders, Remmessy has been aiming their ads at the younger, African-American urban-professional. This is a change from past advertising, which was almost completely targeted at well-off, Caucasian males. The change came around the mid 2000's, and was stirred by the increase in popularity of Remmessy and other expensive cognacs and liquors amongst the hip-hop community. Rappers such as Jay-Z, Busta Rhymes, Snoop Dogg, and many others have rapped about cognac, leading to a new demographic for Remmessy, and its competitors. The current ads for Remmessy are placed on billboards and in magazines, promoting the elegance and uniqueness of Remmessy. Most ads feature musical artists or are set in a musical background, adding more emphasis on the music culture, which relates to the origin of cognac's original boost in urban U.S. market.

SAMPLE 1: A CONSUMER PRINT ADVERTISING BUY

Although Remmessy's print ads are published with continuity in several men's magazines, for the purpose of this exercise we will look at a six full-page, four-color buy in three different titles. (NOTE: all advertising pricing and circulation data based on Q4 2006 data from SRDS)

	*COST	CIRCULATION
VIBE	\$183,400	836,611
SPIN	\$106,040	540,901
BLENDER	\$142,300	693,230
TOTAL EFFORT	\$431,740	2,000,000+
	Ad pages = 6	
	Ownership of folio in which single ad page is placed in each book: less than 1% (based on folio of over 100 pages)	
	Ownership of surrounding content in which ad pages occupies: none	

*Based on two single pages, non-premium position



Cover with striking visual image and strong logo

Cover story on top Hip Hop artist
Story on another artist

Remmessy Mixer Recipes presented by various artists

Top 20 Clubs in America to drink cognac responsibly

Guide to upcoming hip hop events and concerts, featuring Remmessy sponsored events

Cigars that go best with Remmessy

Fashion

How cognac is made

Remmessy Flyaway

SAMPLE 2: A TARGETED CUSTOM MAGAZINE PROGRAM

Remmessy may decide to integrate a custom magazine project with their ad buy from above, or reallocate funds to the content effort.

PRODUCT SPECS

PUBLICATION NAME	Remmessy Mixer
FOLIO	36 pages (32 pages body; 4 page cover)
QUANTITY	1,000,000

THE NUMBERS

TOTAL DISTRIBUTION	1,000,000 pieces
TOTAL "CONTENT" PAGES	36
READERSHIP OVERLAP	N/A
"OWNERSHIP" OF FOLIO	100%
PRODUCTION STANDARDS	High quality graphic design, on par with the leading aforementioned consumer music publications outlined
COST TO CREATE, TURNKEY:	\$400,000
ADDITIONAL COSTS/OPTIONS	Related mailing/shipping costs (postage, freight) Bulk ship to events/bars/retail POP displays and positioning for retail Readership study Flyaway or other in-book promotion(s) Creation of Web micro-site as a repository of the content, promotion, etc. Assigned photo-sessions (above costs includes stock images only)

DISTRIBUTION

NIGHTCLUBS	Free at select clubs nationwide (heavy concentration on key markets)
RETAIL	Free at select liquor stores nationwide via POP counter display Via USPS to key lists; mailing list rental of active subscriber names from aforementioned, sample consumer music magazine titles; ability to choose names via geography. Available as free subscription from Remmessy content microsite, which creates a database of targeted end users.

CALL TO ACTION/READER STUDY

Online Reader Survey featuring grand prize Remmessy Flyaway: Win a chance to party backstage with Snoop Dog at his Vegas opener; includes luxury air and lodging for two people for five nights; dining; special merchandise, etc. Runner-up prizes features Remmessy swag.

Traditional Media vs. Content Marketing Who's the Winner?



The key to success is that the content is available in every media channel that target buyers engage.

In the example above, a traditional media print buy versus a custom magazine, you may or may not see a clear winner. Truth be told, there are advantages to the print buy: namely, significant impressions in three excellent magazines. It could do a partial job... although it might not. And there is really no way to measure it if it does do the job.

For virtually the same price, Remmessy can have a laser-targeted custom magazine featuring its own content, surrounded by its own ads and distributed in exactly the way they want. The ultimate goal of the program is to build a long-term relationship with key buyers, and create an ongoing conversation with them.

Blue pill or red pill? If we stopped there, we'd have to give the edge to the custom magazine, but the rabbit hole doesn't end there...it's just beginning. The true power of a custom magazine program is the additional ways the content and creative can be integrated and repurposed to activate an entire campaign. Here's just a few.

REMESSY "MIXERS":

Events held at demo-specific bars in targeted cities that provide an atmosphere where Remmessy customers can test the concoctions featured in the magazine. Magazines can also be distributed at each event. The events can be videotaped and highlights distributed on YouTube.

REMESSY MIXER MICRO-SITE

Features all Remmessy Mixer content plus exclusive content, such as additional Mixer recipes, cross-promoted through the Remmessy Mixer print publication, Remmessy Web site, and specific Remmessy consumer print advertising. Micro-site contains event video, YouTube-like videos of Remmessy use "in action", celebrity Q&A and outtakes from interviews, and a Remmessy Mixer game in which you can mix Remmessy with a variety of juices, colas, washes to determine your Mixology score.

REMESSY MIXER SOCIAL NETWORKING SITE

Where customers can share stories of their individual Remmessy Moments (which integrates with the Remmessy Facebook group and MySpace pages).

ONGOING NEWS RELEASE PROGRAM,

With individual releases focusing on each story in the magazine. This strategy not only drives traffic to the micro-site (the custom magazine content), but creates an unparalleled search engine optimization strategy.

E-NEWSLETTER

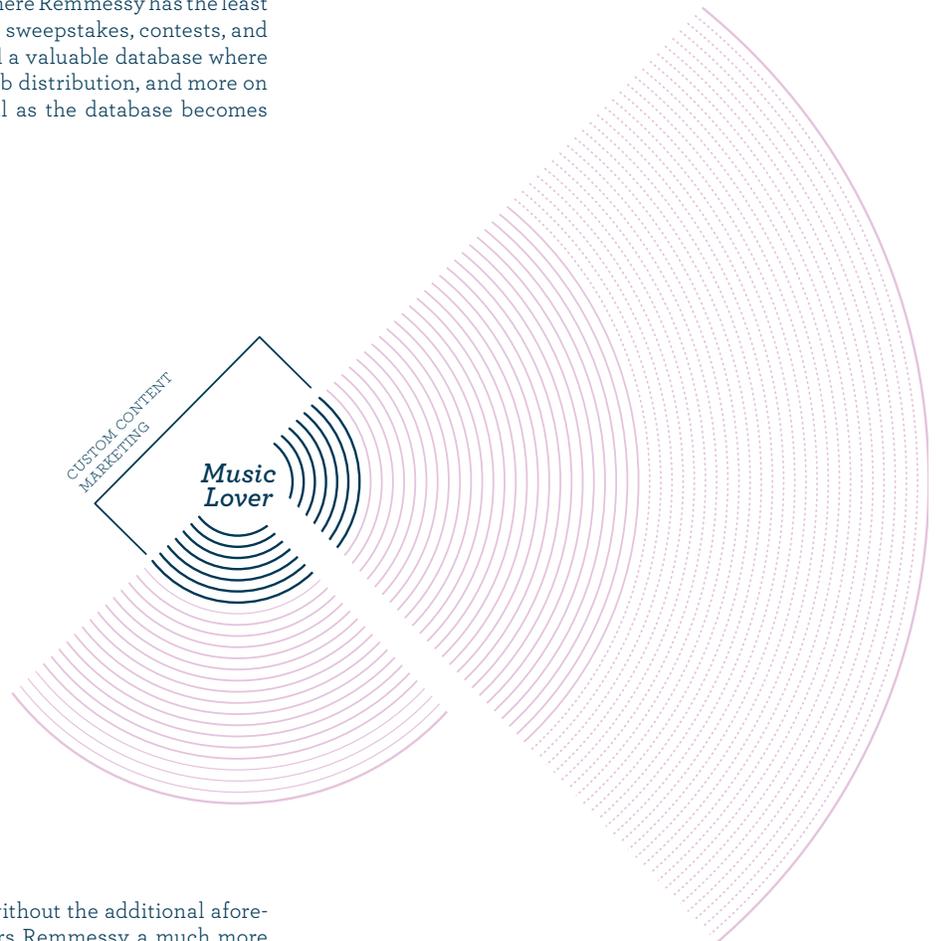
Updates to consumers that leverages magazine content, and promotes a contest where winners can host Remmessy "Mixers".

MOBILE PROGRAMS

At key Remmessy events, which updates the target audience about exclusive Remmessy parties and offers around the given event.

These are just a few examples of how an integrated custom program can touch customers directly without the need of a distributor to interrupt prospective music lovers with your message. The key to success is that the content is available in literally every media channel that the target buyers engage.

Obviously, the first program is the most difficult, where Remmessy has the least amount of direct contact information. Through the sweepstakes, contests, and valuable content offers, Remmessy is able to build a valuable database where they will ultimately rely less on retail and nightclub distribution, and more on direct distribution through postal mail and email as the database becomes more refined.



Advantages of a Custom Program

The custom magazine described above—with or without the additional aforementioned content activation opportunities—offers Remmessy a much more powerful way to connect with its targeted audience than a six page traditional consumer magazine buy, based on the following:

HIGHER LEVEL OF ENGAGEMENT

Readers are drawn into the high quality branded content, and will spend a significant amount more time with a high quality magazine than with a well-executed single page ad running twice in three books.

BRAND CONTENT

Remmessy, with full ownership of the content, will control the editorial environment and brand association within the entire folio. This means no worries about competitive separation; there will be no other ads in the folio – and control of other brands mentioned within the editorial package.

DISTRIBUTION

Remmessy has complete control over the distribution of its magazine, including options such as retail/POP, loyalty/retention (sent to current Remmessy drinkers who have opted in to receive messages from the brand), bars, media subscriber lists (including Vibe, Spin and Blender) rented through list brokers, events, etc.

For the same financial investment, Remmessy can have 6 ad pages or a targeted, integrated magazine.

TARGET MARKET DATABASE

At the end of the print ad buy, Remmessy has very little to show as “assets” (customer information). As part of the custom magazine strategy, Remmessy will grow a list of key buyers and target users – enabling them to communicate directly with brand loyalists.

CONNECTION LONGEVITY

Print magazine content will be repurposed to the micro-site, leveraging the power of search engine optimization. Print advertising lives once and dies, while the content of the magazine will live on through a variety of Remmessy branding efforts.

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Making Content Marketing Work for You

Now is the time for consumer marketers who are currently targeting their demo – or aspire to target their demo through music initiatives – to consider augmenting their marketing mix, by creating a smart content marketing strategy. The change in consumer behavior and the onslaught of technology have taken content marketing initiatives from experimental to proven “musts” for today’s brands. Whether it’s you or your competition, brands are starting to get in on the action by communicating directly to customers with music/entertainment-oriented content that meets or exceeds their expectations. With content initiatives, they are creating brand relationships stronger than possibly any other media channel today can create.

Doing anything other than traditional media used to be risky. Now, if you aren’t creating content specifically for your customers, you may be risking everything.

To learn more about how content marketing can work for you, contact Amplifier Content Marketing at 301-588-7171, ext. 517 or start@amplifiercontent.com.

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