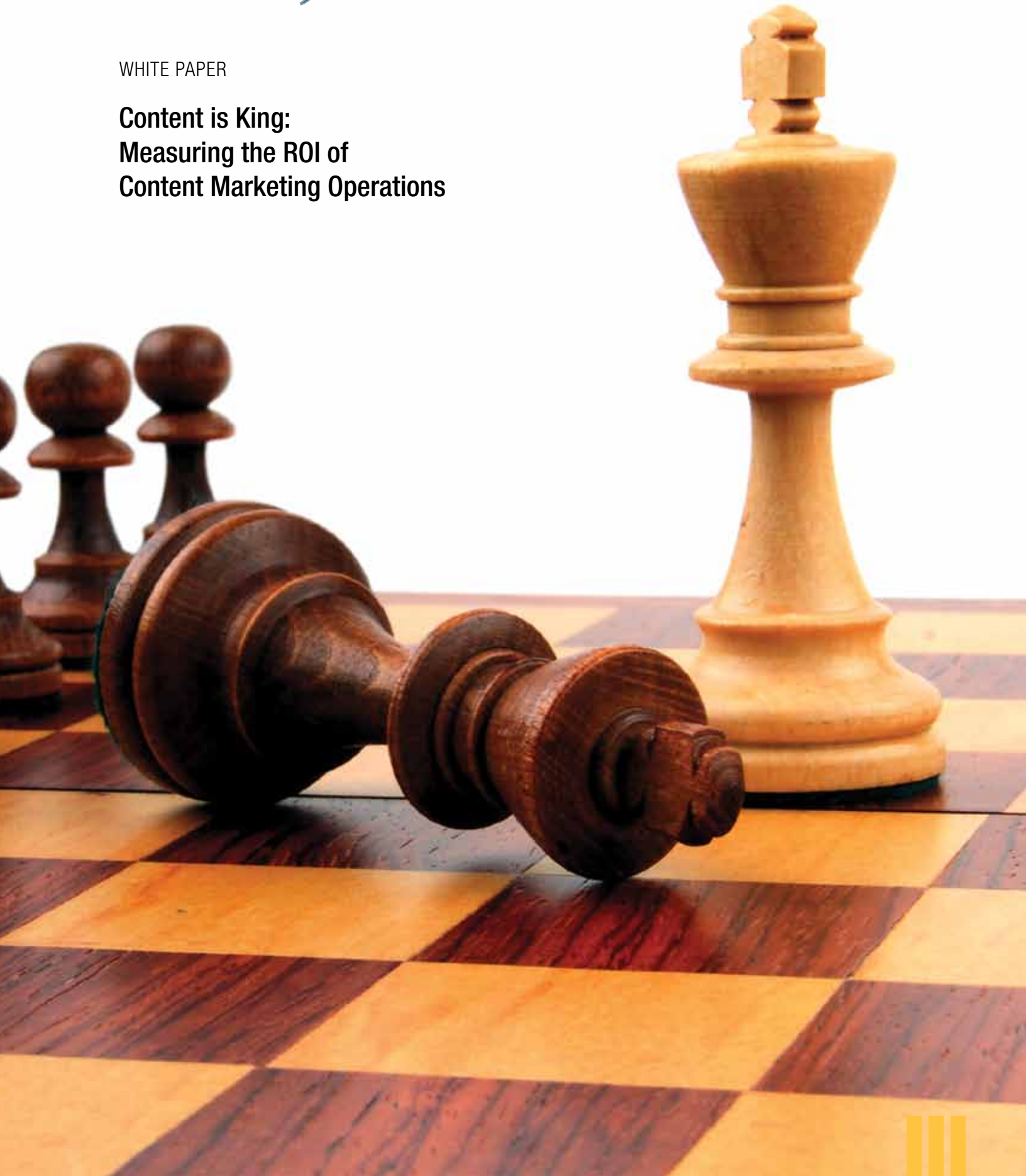




WHITE PAPER

## **Content is King: Measuring the ROI of Content Marketing Operations**



The world of marketing is evolving yet again as sellers shift from traditional product-centric pitches to sophisticated customer-centric content that appeals to the real interests and business needs of buyers. In this study of eight Kapost-enabled companies, we found that the move to content-based marketing paid off in significant ways — driving greater Web traffic and uptake of marketing assets.

At the same time, we found that many companies struggled to scale out content strategies across the enterprise. Kapost provided the content-centric collaboration processes, best practices, and platform integration needed to help companies drive sales with more leads, rein in staffing costs through efficient management, and boost program success by accelerating content production and publishing.

## THE NEW MARKETING BATTLEGROUND

The relationship between buyers and sellers is undergoing a major transformation. Social media and e-commerce have given buyers tremendous new power to research products, prices, reputations, and opinions — often before they even talk to the seller. To compete in this buyer-empowered market, business-to-business companies have been forced to rethink how they market and sell their products and services.

Yet companies have been slow to adapt to the changing landscape, and they are losing out in the battle for new customers. Too many organizations still market the old way, randomly bombarding customers and prospects with generic brochure-ware, product pitches, and banner ads. Increasingly this strategy is falling short. Marketing materials are routinely ignored, and companies continue to miss critical customer-growth and return-on-marketing targets. Marketers must move beyond traditional pay-per-click ad models or face tougher executive scrutiny of their digital marketing programs.

### Findings

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In this study of eight companies, content marketing operations using Kapost were found to drive:

- 133% increase in return visitors to their Website
  - 253% increase in online engagement (downloads, blog reads, etc.)
  - 200% increase in email open rates
  - 75% increase in Web traffic
  - 512% increase in marketing qualified leads
  - Six-fold revenue lift from content marketing activities
  - 30% reduction in asset production cycle time
  - 24% productivity improvement for content marketing resources
- 

**According to Forrester Research, 62% of senior-level business and IT decision-makers find much of the marketing materials they receive from vendors are useless; and 59% say they usually scan the materials and then “throw them in the trash.”<sup>1</sup>**

<sup>1</sup>Source: Q4 2013 North America And Europe Executive Buyer Insight Online Survey: Based on interviews with 319 senior-level business and IT decision-makers at companies with 1,000 or more employees.

The failure of traditional product-centric marketing has spawned a new approach called content marketing. The aim of content marketing is to create and distribute consistently valuable, relevant content to attract and acquire a clearly defined audience — with the objective of driving profitable customer action.<sup>2</sup> When done right, content marketing matches the company’s message with the buyer’s needs during each step of the selling process — or think of it as the “buyer’s journey” — from generating awareness to building qualified leads to closing sales.

Research shows that content marketing yields better results — more traffic, leads and customers — in today’s multi-channel, social-mobile world. More and more, buyers want to be informed, educated, and even entertained about topics that genuinely interest them. Less appealing are all the unsolicited product pitches and company ads that are devoid of relevant content. As the VP of marketing for a multi-billion dollar scientific equipment maker told us: “Content is king.”

### Quantifying Business Value

This paper explores how businesses and organizations across industries are embracing content marketing to achieve strategic business goals. We interviewed eight companies that had launched content marketing initiatives, enabled by the Kapost platform, within the past several years, including leading business-to-business enterprises in high technology, manufacturing, and biotech, as well as one business-oriented non-profit organization. These companies understood the value of creating relevant and informative content that would appeal to key customer segments and personas.

We paid special attention to how these companies are deploying Kapost’s content marketing platform to deliver the speed, agility, and scalability required to drive business success. From our research, we were able to capture a range of business impacts, including revenue enhancement, customer engagement, operating cost savings, and resource productivity.

We also report on what we call the “content marketing journey” — the learning curve that companies go through as they embrace content-based marketing and then build out these programs with targeted investments.

### DRIVING REVENUE WITH CONTENT MARKETING

The number one goal of every marketing program is to generate leads that drive revenue. Traditionally this job has been more of an art than a science, with marketers relying mainly on experience and intuition to capture the attention of prospects and turn them into sales.

Now that content is king, companies are shifting their focus to creating subject matter that will grab the buyer’s attention and serving it up in compelling formats at just the right time. To efficiently orchestrate this process, the companies we studied pointed to the criticality of implementing Kapost’s cloud-based enterprise content management solution.

The shift is paying off: Across the board these companies are reporting significant boosts in the key indicators of lead- and revenue-generating potential, including Web traffic, return visitors, content consumption, and email open rates. As shown in Figure 1, these improvements have helped companies increase the flow of prospects through each stage of the classic “marketing funnel.” Along the way, Kapost is helping to engage more of these prospects and more effectively convert them into marketing qualified leads (MQLs).

### 75% Increase in Web Traffic

Before adopting a content marketing platform, companies suffered from weak Web traffic — the result of poorly coordinated outreach and distribution strategies, and too much unfocused content “sprawl” replete with company-centric, one-size fits all assets. More often than not, these strategies failed to stimulate interest among customers and prospects.

### Get to Know Your Buyer Personas

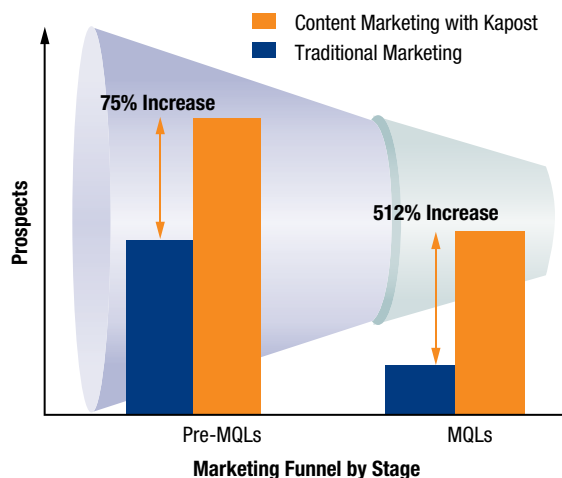
The best content marketing programs target a specific type of customer, or “persona.” Buyer personas are research-based archetypes of your customers, complete with descriptions of their personalities, how they think, and what drives their buying behavior.

**“At the end of the day, having a tool like Kapost in place had a multiplier effect on our ability to use content across channels faster. We’re hitting on all cylinders with content.”**

— VP of marketing, global scientific equipment manufacturer

<sup>2</sup>From the Content Marketing Institute. <http://contentmarketinginstitute.com/what-is-content-marketing/>

Figure 1. The Content Marketing Funnel



By setting up a Kapost-driven content marketing operation, companies efficiently mobilized company-wide resources around a content plan custom fitted to the needs and interests of specific buyer personas/segments—and then sustained this effort over time.

A large global tech manufacturer, for example, shifted from product-centric to industry-specific solution messaging that zeroed in on the customers' unique business and technical challenges. Within a year, the manufacturer saw an estimated 75% increase in Web traffic. Another major global tech-services company created a “thought leaders” campaign designed to attract buyers to in-person executive briefings, helping to shorten sales cycles and increase revenue. A non-profit organization using Kapost increased Web traffic by 360% by building a quickly deployable library of customer-focused content.

All of the content operations we studied consistently produced more relevant content and distributed it in a coordinated fashion through channels where prospects were most likely to consume it. On average companies saw a 75% uptick in the number of visitors to their Web properties, expanding the base of potential leads and future customers.

### 133% Increase in Customer Engagement

Not only did these Kapost-enabled content marketing programs help companies attract more “eyeballs” to their Web sites but marketers said these same visitors returned more often because content distribution was synchronized with customer buying cycles. Marketers at a large bio-tech company, for example, coordinated a global team of scientists and researchers to produce a series of easily “snackable” blogs and articles, driving a 2–3 times increase in customer engagement. A global technology manufacturer increased customer engagement 15–20% by creating and distributing highly “usable” content to prospects, including a “quick start” customer guide. On average, companies reported a 133% increase customer engagement as measured by return visitors.

### 253% Increase in Content Effectiveness

Companies that produced interesting and relevant digital marketing content spurred deeper visitor engagements at the sites and improved the effectiveness of their white papers, Webinars, and blogs. For example, a privately held online tech company increased its content effectiveness by 300% within two years of initiating its Kapost-enabled content marketing operation. The non-profit we studied increased blog reads by 268%, and a global manufacturer increased blog effectiveness by 92%. Overall, of the companies we studied, content marketers reported an average 253% boost in content effectiveness as measured by online actions such as downloads, blog reads, page views, and the like.

## Leveraging Scientists to Create Compelling Content

With pay-per-click banner ads failing to generate ROI, this Fortune 500 bio-pharma company wanted to enlist its global team of 2,500 scientists to help sell its high-margin, complex solutions. The Kapost content marketing platform helped the company mobilize scientists to create a steady flow of content for journals and other forums that resonated with buyers. The result: a three-fold increase in traffic vs. paid advertising. Meanwhile, integrating Kapost with systems like Salesforce.com allowed for accurate tracking of the content operation's impact on sales.



## 200% Increase in Open Rates

In addition to drawing heavier traffic to their Websites, content marketers reported dramatically improved open rates for email marketing campaigns, a key measure of customer conversion. At the companies studied, open rates surged an average of about 200%. For example, a global tech manufacturer increased open rates by 53% after leveraging Kapost to run an email campaign integrating buyer personas, journey phases, and custom-fitted marketing content. The non-profit organization in our study increased customer engagement by 450% in its first year and over 57 times over a two-year period.

## 512% Increase in Marketing Qualified Leads

By enabling better top-of-funnel performance—including more Web traffic, more repeat visitors, more downloads, and higher email open rates—companies generated more marketing qualified leads (MQLs), a valuable precursor to sales. As shown earlier, content marketing stimulated a 75% increase in prospects entering the marketing funnel. And thanks to more targeted and easily consumable content, this “wider net” also became “stickier,” converting 3.5 times more prospects than average. The net effect was a 512% increase in MQLs. For the average B2B company, the surge in marketing leads could translated into an annual revenue increase of nearly \$12M per year, as shown in Figure 2.

### TOTAL REVENUE IMPACT OF CONTENT MARKETING

What is the total revenue boost that companies can expect when they adopt leading content marketing operation capabilities? To find out, we created a business-to-business revenue model that analyzed the flow of customers through a typical marketing and sales funnel where prospects are converted into qualified marketing leads and finally into closed sales.

As shown in the table below, companies that had adopted Kapost-enabled content marketing programs gained a clear advantage at the top of the marketing funnel, drawing in more Website traffic and converting more of this traffic into qualified leads. This in turn led to more closed sales on average compared to traditional marketing approaches.

Specifically, our revenue model highlights that companies adopting content marketing operations, similar to the companies researched, can expect a nearly six-fold revenue lift in their content marketing efforts. For an average B2B company, this can equate to additional revenues of approximately \$11.9 million per year (see Figure 2.)

Figure 2. Measuring the Revenue Impact of Kapost

	Traditional Digital Marketing	Digital Marketing with Content Marketing
Web Visitors <sup>1</sup>	80K	139K
<i>Multiplied by Web conversion rate<sup>2</sup></i>	1%	3.5%
= Digital Prospects	800	4,865
<i>Multiplied by prospect-to-MQL conversion rate<sup>2</sup></i>	8.8%	8.8%
= Marketing Qualified Leads (MQLs) <sup>3</sup>	70	428
<i>Multiplied by MQL-to-closed-sales rate<sup>2</sup></i>	20%	20%
= Closed Sales	14	86
<i>Multiplied by average B2B sales transaction size<sup>4</sup></i>	\$166K	\$166K
<b>= Estimated Revenue per Year</b>	<b>\$2.3M</b>	<b>\$14.2M</b>

<sup>1</sup> Per Hubspot: Average Website traffic is 80K annually. Mainstay study showed 75% more visitors with Kapost, or 139K.

<sup>2</sup> Aberdeen study (“Crossing Chaos”) provided the following estimates: average Web conversion rate of 1% (versus Mainstay study showed 3.5% conversion rates with Kapost); average digital prospect-to-MQL conversion rate of 8.8%; average MQL-to-closed sales rate of 20%.

<sup>3</sup> Mainstay research found a MQL increase of 512%—358 increase in MQLs from content marketing with Kapost vs. 70 MQLs for traditional marketing.

<sup>4</sup> From Marketing Sherpa, 2011 – Average B2B deal size of \$166K

**“We really wanted to build a bigger content marketing operation but we repeatedly ran into a performance wall. We couldn’t get to the scale we needed without a tool like Kapost that organized the entire process.”**

Director of marketing, global high technology manufacturer

**OPERATING SAVINGS**

**The Content Marketing Performance Challenge**

The promise of a significant revenue boost provides tremendous incentive for companies to launch content marketing operations. However, we also found that companies faced some common pitfalls in the early stages of these operations. For example, lacking a central platform with collaboration and workflow capabilities, teams had to rely mainly on crisscrossing emails and spreadsheets to keep projects moving. Often team members forgot they were on point for a particular step in the process, such as writing, approving, or publishing. Handoffs between staff were dropped, and too many projects were lost in the distribution (See Figure 3).

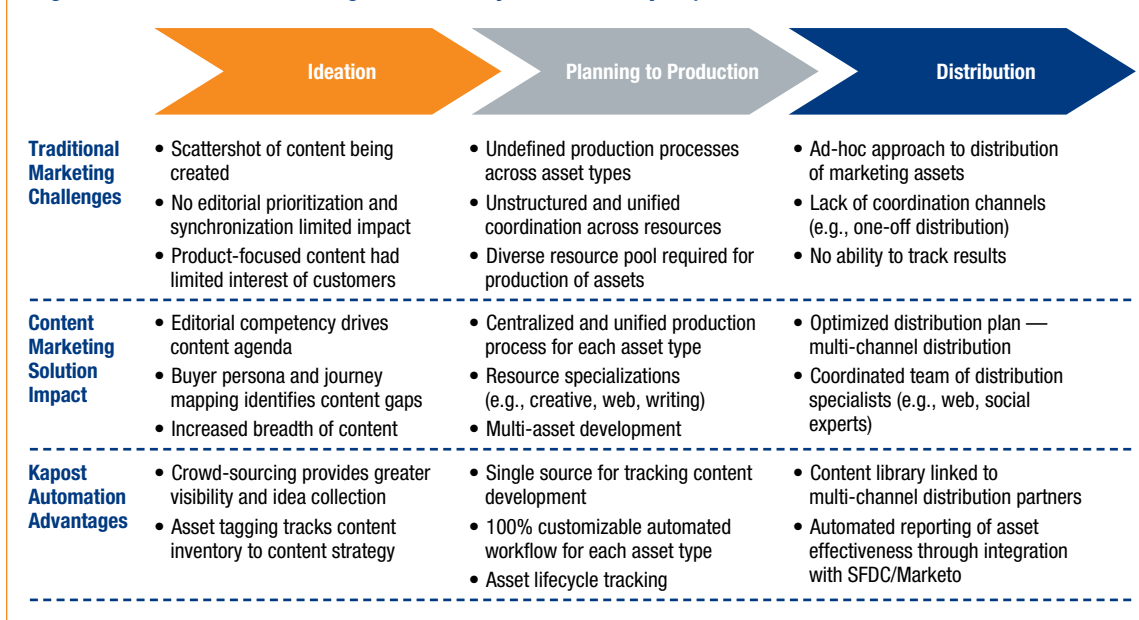
These marketers were able to break through their early performance walls by partnering with Kapost to implement a content-enablement solution that encompassed the full content marketing lifecycle from ideation and planning to production and distribution, as shown below.

For these marketing executives, Kapost offered a flexible and scalable online platform for cost-effectively managing the complexities of a global content marketing operation. For example, Kapost enabled teams to create individual workflows for each asset type, something that was nearly impossible to do before. Similar automation and collaboration tools allowed marketing teams to do more with less.

Inside a Content Marketing Operation

One technology services company we studied fields a nine-person content marketing team covering a global territory. The team is responsible for creating and managing: 15,000 pages of Web copy; 120 thought-leadership assets across 6 product areas; a 60-page trade magazine published three times per year; 100 customer success videos (produced every six months); 12 e-newsletters; and enough content to support a series of “town hall” marketing events.

Figure 3. The Content Marketing Production Cycle, Enabled by Kapost



### Operational Efficiency and Asset Visibility

Organizations adopting Kapost avoided early missteps and delays by putting everybody on a unified content collaboration platform. For example, a global technology manufacturer reduced asset production time from 3 months to 45 days; a biotech manufacturer reduced asset-production cycle time by 50%; and a major non-profit reduced review cycles from 1 week to 1.5 days. On average, companies reduced asset production cycle times by more than 30%.

Just as important, the Kapost platform opened up visibility into which content topics, types, and channels were working—and which were not—and allowed marketers to create more popular and successful campaigns over time. For example, it enabled a biotech manufacturer to increase field consumption of marketing assets five times, a global technology manufacturer to expand its audience five times, and another manufacturer to increase asset consumption by 50% in less than a year.

All told, companies reported an average labor productivity gain of 24% across their content marketing teams. Based on our conservative estimate of the fully load cost of a marketing manager, these organizations were saving approximately \$205,000 per year in staffing costs, as shown in the table below. Marketers categorized these as “hard cost savings” because they would have needed to hire additional resources to produce current content volumes.

### Resource Productivity

*Estimated annual labor cost savings for typical content marketing operation*

	Content Marketing Team*
Average # of resources	10
Average annual cost*	\$85,000
Time savings	24%
Annual Savings	\$205,000

\*Averages across 6 customers interviewed; Salaries.com marketing FTE estimate, 2014

**“We would have needed a team three times the size of our core content staff today if it were not for Kapost.”**

– Content and advertising manager, high technology software company

### DRIVING TEAM PRODUCTIVITY

Faced with an overload of projects and thinly stretched resources, companies adopted content marketing automation solutions to help teams collaborate and execute campaigns more efficiently.

- Leveraging Kapost, a global technology slashed administrative tasks by 50% and overall asset-production time by 50%.
- By mobilizing scientists on an automated platform, a global technology manufacturer doubled production of specialized industry messaging and shrank cycle times by 25%.
- A global biotech manufacturer streamlined administration on the automation platform, enabling marketers to produce 33% more content.
- A large non-profit cut marketing administrative work by 72% with Kapost.
- After reducing administrative tasks by half, marketers at a global technology manufacturer focused more time on content development.

**With Kapost, companies can track not only the overall performance of marketing campaigns but also the popularity of individual marketing assets.**

**One executive found that content marketing campaigns, dollar for dollar, delivered three times more leads than digital ads. Moreover, leads generated by content marketing cost 10 times less than conference event leads.**

Lastly, companies discussed the challenges of coordinating a diverse set of content authors, in some cases involving expert resources outside of the company. The need to build a more flexible resource pool was another driver for adopting Kapost. For example, a global technology manufacturer’s strategic content program focused on delivering highly specialized messaging for its federal and state customers. To accomplish this goal, the company hired outside government specialists and implemented the Kapost platform to streamline the planning-to-production process. Within a year, the company was able to scale up and double the production of the team while reducing publishing-cycle times by 25%.

**Digital Advertising Cost Savings**

Companies commonly use digital advertising, such as Google Adwords, to spread awareness and drive Web traffic. But with per-click fees on the rise, this approach can be expensive. Plus, how effective are banner ads really? Many of the business-to-business marketers we talked to doubted that digital ads were the best way to attract Web visitors and generate leads, especially for their most complex and strategic products and services.

In a direct comparison, one executive found that content marketing campaigns, dollar for dollar, delivered three-times more leads than digital ads. Moreover, leads generated by content marketing cost 10 times less than conference event leads. Based on these findings, we estimate that the average company could save approximately \$118,000 in ad fees by relying more broadly on content marketing to boost Website traffic, as shown in the table below.

**Marketing Ad Savings**

*Companies save on online ad fees by pulling in more leads via content marketing*

Web traffic without content marketing (visitors)	80,000
Web traffic with content marketing (visitors)	139,000
Increase in organic Web traffic (visitors)	59,000
Average cost per click (ad fees)	\$2
<b>Total annual ad savings</b>	<b>\$118,000</b>

**Other Impacts**

Many companies discussed the need to create better geographic connections for their content marketing programs, and they saw Kapost as a critical enabler by providing the structure, visibility and coordination required to operate in this environment. Content marketing has also provided a new communication channel to the executive and sales leadership suite, helping marketers demonstrate quantitatively how their programs are significantly impacting the business.

Hitting the Wall

After embracing content marketing, one global technology manufacturer hit a performance wall: There were just too many content projects spread across too many resources and regions to effectively manage with email, phone calls and spreadsheets. By adopting Kapost, the company reduced administrative tasks by 50% and overall production cycle time by 50%, allowing the company to efficiently scale its content marketing across a global footprint.



## THE CONTENT MARKETING JOURNEY

The journey to content marketing often starts with the simple recognition of the need for buyer-centric messaging and a more centralized, editorial-based program (although this team could span multiple lines of business). Content marketing is all about custom-fitting content, so companies on this journey were keen to create a set of buyer “personas” and then map these archetypes to existing marketing assets to identify content gaps. It’s not surprising that many of the companies researched had invested in resources with publishing backgrounds.

Not long after launching content marketing programs (from a few months to two years), all of the companies we studied realized that program complexities dictated a content marketing automation capability to drive performance and hit their business goals. As one marketer told us: “We really wanted to build a bigger content marketing operation but we kept running into a performance wall. We couldn’t get to the scale we needed without a tool like Kapost that organized and optimized the entire process.”

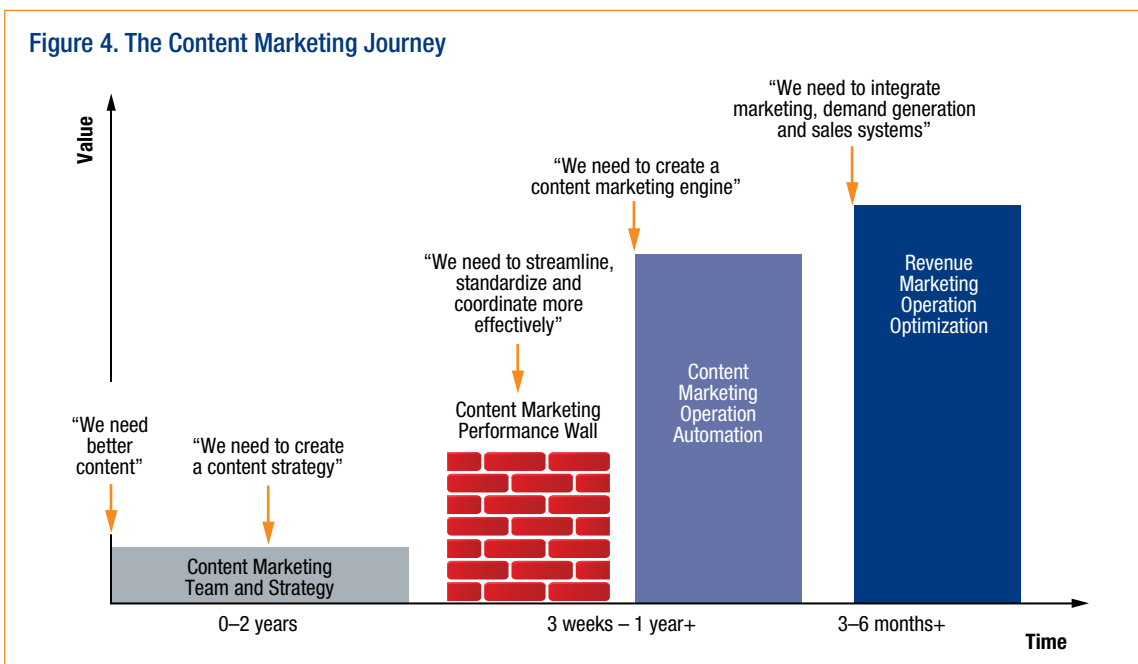
Key steps in the journey:

- **Step 1: Recognition.** Marketing leaders identified the potential impact of content marketing for their organization.
- **Step 2: Team Organization.** With senior executive support, a content management cross-functional team was created, enabling a company-wide content plan and coordination of production and distribution.
- **Step 3: Performance Wall.** Teams hit a performance wall due to complexities in management of content planning, production, approval and distribution.
- **Step 4: Automation.** By adopting Kapost, companies could scale the content marketing operation, improving staff productivity, asset production cycle time, and asset effectiveness.
- **Step 5: Revenue Marketing Capability.** Finally, companies linked Kapost to marketing automation platforms (such as Eloqua and Marketo), social publishing tools (such as Hootsuite), and Salesforce to enhance distribution, improve performance tracking, and provide full visibility into the revenue impact of their content marketing operations.

“By demonstrating the impact of our content, we’ve tripled our budget while the overall marketing budget has remained flat.”

– Manager, demand marketing, global pharmaceutical company

As depicted in Figure 4, the value of content marketing was unleashed with the adoption of an enterprise-scale content marketing solution.



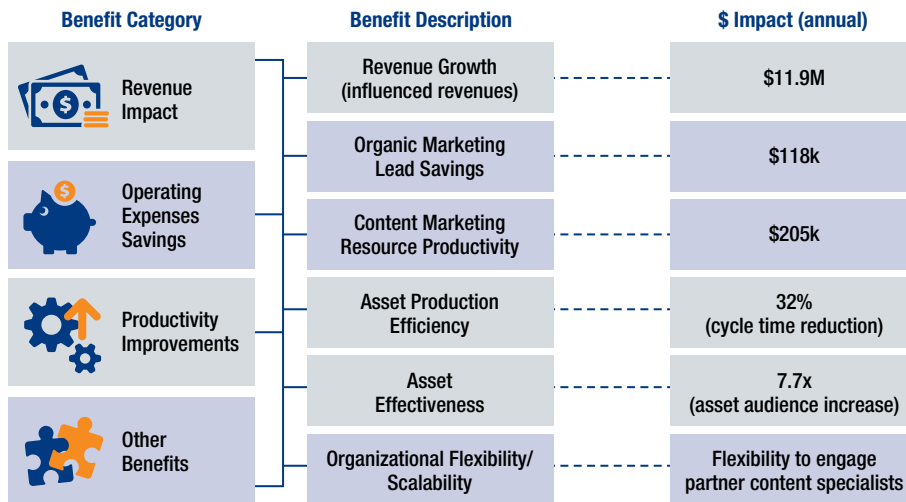
## BENEFIT SUMMARY

Figure 5 below totals the range of benefits that could be realized by companies implementing content marketing platforms. For a typical business-to-business company, we found that content marketing platforms like Kapost can help enhance revenues by as much as \$12 million annually—or even more depending on the size of the company (See Figure 2 in Measuring the Revenue Impact of Kapost). Furthermore, these platforms can significantly reduce operating expenses by helping marketing teams create content more efficiently and

avoid fees by relying less on digital advertising to draw Web traffic. Such efficiencies and resource savings can add up to more than \$300,000 for an average business-to-business enterprise.

Moreover, Kapost’s workflow automation and built-in feedback loops can give companies a competitive edge by helping teams accelerate asset production and steadily improve campaign performance over time. This was evidenced by the growing reach and popularity of content produced by Kapost-driven marketing operations.

**Figure 5. Content Marketing Operation ‘Value Tree’: Estimated \$12M revenue lift and about \$320K in operational expense savings annually**



### ABOUT KAPOST

Kapost™ helps enterprise brands grow revenue with content. Their content marketing software simplifies and centralizes the creation, distribution, and analysis of content across a range of channels. Marketing teams of all sizes can collaborate on content, manage assets in one platform, organize extensive campaigns, and establish an efficient, process-driven operation.

Hundreds of the world’s top brands—including Lenovo, AT&T, and VMware—use Kapost to create, publish and scale their content operation, so they can focus on serving their customers and growing their business.

### ABOUT MAINSTAY

Research and analysis for this study was conducted by Mainstay, an independent consulting firm that has performed over 500 studies for leading information technology providers including Cisco, IBM, Oracle, Microsoft, Salesforce, Lexmark, HP, EMC and NetApp.

This case study was based on interviews with companies currently using Kapost’s content marketing solution. Information contained in the publication has been obtained from sources considered reliable, but is not warranted by Mainstay.

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