

Custom Media Guide '08



WHY EXPLORE CUSTOM? AS TODAY'S MARKETERS ARE DISCOVERING, IT GIVES BRANDS THE OPPORTUNITY TO BREAK OUT OF THE CLUTTER TO TELL THEIR OWN STORIES—AND BECOME THEIR OWN MEDIA CHANNELS

By Nancy Giges

Custom publishing used to be the default medium: When marketers couldn't meet their objectives through traditional advertising methods, they were encouraged to consider custom publishing.

Today, the tables have turned. "[We] are in a position to help lead the post-advertising age," says Simon Kelly, chief operating officer of Story Worldwide. "The ways brands are going to succeed in the future is by telling the best stories and becoming media channels [themselves]. That's only going to work if they create the most compelling, most relevant, most entertaining stories, and the people who have been doing that for years have been custom publishers."

Says Kristen Bohn, VP-custom publishing, D Custom, "Custom publishers today are becoming general-marketing solutions providers."

In fact, custom publishing has been one of the fastest-growing media segments in the past five years, with an estimated \$4.47 billion in spending in 2006, for a compound annual growth rate of 15.8% from 2001, according to Veronis Suhler Stevenson, a private equity fund that publishes reports and projections on the media and communications industry. That growth is forecast to continue, with a compound annual growth rate of 11.1%, to hit \$7.57 billion in 2011.

A lot of custom's growth is due to its unique position to fulfill marketers' expectations. All of the buzz in the marketplace now about brand experience and brand engagement is exactly what custom media do very well, says Matt Petersen, senior VP, Meredith Integrated Marketing. Custom media can put brands in a contextually relevant position that resonates with consumers. "It's not about selling. It's about offering the brand to the consumer as a solution. You can't pick a better way to have a conversation with a potential customer or existing customer to help them with the information that's going to allow them to make a decision."

Says Andrew Seibert, VP-general manager and editorial director, SmartMoney Custom Solutions, for T. Rowe Price, "We try to be an extension of their marketing team." The SmartMoney-T. Rowe Price relationship started more than seven years ago with a quarterly magazine that remains the core of the work. Now, in addition to several versions of the magazine targeted at different demographics, SmartMoney Custom also handles a number of other custom projects that strengthen

the brand by providing information in various formats.

Another benefit that marketers are finding in custom is the ability to break through the tremendous amount of media clutter surrounding consumers today. "That's a big reason branded content has exploded," says Jim Offel, general manager, DCP. "I'm not one of those people who believes that television advertising is dead and that other channels are going away, but their impact has been so diluted by the sheer bulk of advertising content."

Mr. Offel says while any organization can be a candidate for custom publishing, he believes it has its greatest impact in the middle and latter stages of the life cycle of customers as they move from "suspect to prospect to customer to loyal customer to brand evangelist."

Custom publishing can be particularly powerful in trying to convert a casual customer into a brand loyalist or a brand loyalist into an evangelist, he says. "You already have their attention and, if you give them relevant content that reflects an understanding of their interests,

A lot of custom's growth is due to its unique position to fulfill marketers' expectations. All of the buzz in the marketplace now about brand experience and brand engagement is exactly what custom media do very well.

you can make a friend out of them." He cites Patagonia as an example of a brand that has developed an evangelistic customer base. While marketing experts say that every square inch of space in a catalog is gold and must promote product purchases, Patagonia for years has incorporated content that speaks to the company's commitment to environmental causes in its catalog.

"The concept of telling a brand story through editorial content is moving from what traditionally was the periphery and a nice-to-have thing to [front and center]," says Jeremy Morris, exec VP-director of digital and publishing, Campbell-Ewald Publishing. "Realistically, the only way a brand can convincingly tell its story today is communicating editorially driven content to targeted audiences."

Custom publishers do agree that certain situations and conditions make custom publishing more appropriate. Marcie Avram, associate

publisher-director of marketing and business development, Rodale Custom Publishing, says one of those is if a client has embraced loyalty marketing and has a database and business metrics that identify best customers and prospects. Another is if the marketer needs to communicate a brand experience or to encourage product compliance, she says.

Georgia Galanoudis, custom solutions group director, Meredith Parenthood Group, adds to those a marketer selling a product that requires some education, such as a pharmaceutical, and a marketer trying to create a connection with its clients at a moment in time that's not as intuitive. "For instance," she says, "you may have a product that a woman may not actually need until a baby arrives, like diapers." She's not likely to be buying diapers until her baby is born, but "if you want to predispose her to your brand, you probably want to start that relationship the moment she finds out she's pregnant."

Some of the earliest brands to use custom publishing were high-ticket goods that involved research and had a longer purchase consid-

eration stage, such as autos. But today the thinking has changed. Most brands can take advantage of custom media to create a brand experience that is of value to the consumer and that can bond the consumer to the brand emotionally, says Eric Schneider, CEO, Redwood Custom Communications.

The key issue, he says, is value to the consumer—providing solutions, entertainment or some form of information. It can be aligned with helping to clarify a purchase decision, particularly of a complex product, or helping consumers achieve their aspirations, which is often difficult to do in a television spot.

In addition to preparing a potential customer for the purchase of a large item, it works equally well for companies that need to communicate regularly with ongoing customers, Mr. Petersen says. "There can be tremendous payback with custom media." ●

What's in a Name?

COMPANIES MAY NOT AGREE ON THE CUSTOM MONIKER, BUT ONE THING IS CLEAR: CONTENT IS KEY

Video, audio and online services are so much a part of custom communications these days that some companies that started out in custom publishing aren't even calling themselves custom publishers anymore.

They prefer terms such as content marketers, custom media providers, branded content providers or even just content providers.

Regardless of how companies describe themselves, content is the key, not the media that carry the content, says Eric Schneider, CEO, Redwood Custom Communications. Being able to execute in various media is almost table stakes these days, he says.

"A strong custom publisher focuses on the strength of the content and has the resources and access to deliver it in the appropriate mix of media," he says. "Much more important is the ability of the agency to guide the strategy, which includes development of consumer insights and things that will determine ultimately which media to use."

For some custom companies, print already is less than half of their business, and most programs are delivered via more than a single medium. "I cannot think of any initiative we execute these days that does not have at least interactive as a dimension of the program," Mr. Schneider says.

But even for those who say print is still a cornerstone for their clients, the integration of delivering custom messages in other ways is growing.

For Westin Hotels & Resorts, a Rodale Custom Publishing pro-

gram took the form of pocket-size laminated running maps for Westin hotels in 150 cities. These maps, part of a broader communications program, offer guests two running routes that begin and end at the hotel so that runners can feel comfortable in an unfamiliar city. Each map gives specific turn-by-turn directions and points out areas of interest along the run.

"What's great about working with several media is you can reach more people because some people will read online but not read [on] paper," says Kristen Bohn, VP-custom publishing, D Custom. "It's

These companies accept the idea of additional distribution methods as a natural growth path. Where they are beginning to differentiate themselves is in their growing competence in functions that enhance their value as strategic partners.

figuring out how to capture the right audience and get your message to more people. It all depends on the objectives of your program."

These companies accept the idea of additional distribution methods as a natural growth path. Where they are beginning to differentiate themselves is in their growing competence in functions that enhance their value as strategic partners.

For Andrew Seibert, VP-general manager and editorial director, SmartMoney Custom Solutions, one rapidly growing area that requires special capabilities is on-demand communications. The

content is personalized based on information submitted and sent out quickly on demand—for instance, when someone enrolls as a customer. According to research, such relevance works. It builds loyalty, and personalized communications are three times more likely to cause action, such as a purchase, Mr. Seibert says.

Custom publishers emphasize the importance of having analytics capabilities even if a client doesn't request it. And it's a component that should be included in every program, they say.

For some, growing expertise in custom content has led to broader

branding projects. "The illumination for us was when we realized you can apply what we do when we are creating a magazine to a brand, and it's a powerful way of looking at the power of brand," says Simon Kelly, chief operating officer, Story Worldwide. It involves creating a story platform for a brand and looking at the way a brand resonates through the stories that are told about that brand, he adds.

Many believe that we have only seen the tip of the iceberg so far. Says Ms. Bohn, "We are going to be shocked about what the future brings." ●

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Picking a Partner

INTERESTED IN CUSTOM MEDIA BUT DON'T KNOW WHAT TO DO? HERE ARE THE STEPS YOU NEED TO TAKE FOR A SUCCESSFUL EXPERIENCE

So you've decided you want to hire a custom publishing firm to create branded content. What's next?

Whether you have never ventured into custom publishing before, have handled projects in-house or are looking for a new partner, a good starting point is the Web site of the Custom Publishing Council, the trade organization representing custom publishers. At www.custompublishingcouncil.com, you'll find a list of members and links to their Web sites that will give you an appreciation of each publisher's depth of service, portfolio, category experience and other capabilities. The publishers differ in size, services offered and expertise, now that custom publishing is moving quickly from the printed page to encompass audio, video and every kind of distribution channel imaginable.

Typically, the next step is to send out a request for proposal to between five and 10 publishers. Based on their written submissions, invite three to five publishers to make presentations. Often, the process ends there. But publishers say a final "getting-to-know-you" step is critical in selecting the best partner.

Eric Schneider, CEO, Redwood Custom Communications, says the most successful pitch process his company has been through was with Royal Bank of Canada, which included a final step that focused on what he believes is the most important of all criteria: that intangible called chemistry.

The bank visited the publishers and conducted a Q&A session with key staff to understand the environment, the depth of the organization's talent and its relationships with other clients before choosing its partner.

Lori Rosen, executive director of the Custom Publishing Council, says this is a key step. "You've got to feel comfortable and really like the people you are going to be working with. It sounds a bit light to say that's the most important thing, but collaboration is so much a

It's key that the selection process be given enough time. ... This step is often rushed because the marketer is so eager to get started. The client should have candid communications about philosophies, working styles, flexibility and the like. 'It's not like you're ordering widgets and won't see these people again. You will be dealing with them on a regular basis, possibly daily.'

part of it. There is a lot of subjectivity and creativity, and an emotional aspect to an editorial product."

As part of the getting-to-know-you stage, marketer and publisher need to make sure that they can find a smooth day-to-day working style. Says Georgia Galanoudis, custom solutions group director, Meredith Parenthood Group, "We work very hard to be flexible and try to figure out quickly what is appropriate for each project. We ask how involved does the client want to be. A lot of clients enter into a custom relationship not having thought about it."

It's key that the selection process be given enough time, says Kristen Bohn, VP-custom publishing, D Custom. This step is often rushed because the marketer is so eager to get started. The client should have candid communications about philosophies, working styles, flexibility and the like, she says. "It's not like you're ordering widgets and won't see these people again. You will be dealing with them on a regular basis, possibly daily."

Ms. Bohn also recommends that both the ultimate decision-maker and the key people managing the project on the client side be involved in the partner selection process. "So many times I see a disconnect" when all the key people aren't involved at the beginning, she says.

Matt Petersen, senior VP, Meredith Integrated Marketing, agrees, adding, "A marketer should also have some pretty good buy-in throughout the organization that this is an effort they are committed to. ... It can be a sizable investment. It needs to be clearly bought into throughout the company."

Andrew Seibert, VP-general manager and editorial director, SmartMoney Custom Solutions, says the marketer also needs to have done some homework, something he likens to what smart investors do before they choose their personal investments. They do a self-assessment to get to know themselves, their goals and their risk tolerance, he says.

"It's a lot along those lines. Know what your objectives are, your own tolerance for risk—'How much do I want to be forging new ground or playing it safe?' Then you'll know better about who you are looking for and how to evaluate," he says.

When evaluating creative, the experts recommend that the assessment be based on a publisher's historical portfolio, not on the work they prepare for a pitch because at that point publishers don't have enough in-depth knowledge of the brand or of the audience. "What you are looking for is an appreciation of the agency's ability to innovate and provide you with competitive insulation," says Mr. Schneider, not simply today but in the future as the market shifts. "You want to know that you are aligning with an organization that can keep moving the goal posts, and you learn that by understanding the work they have done for other companies."

That doesn't mean a custom publisher shouldn't do homework, too. A marketer should expect a custom agency to have some knowledge about its business, its challenges and its competitors, says Marcie Avram, associate publisher-director of marketing and business development, Rodale Custom Publishing.

On the other hand, a marketer should have some sense of the voids it needs to fill, what its business objectives are and how a program is going to fit into that. "The marketer should have an understanding of what custom can and can't do for its business, and be committed to giving the program time to work," says Jim Offel, general manager, DCP. "Custom publishing can do a lot of things, especially strengthening the relationship between customer and audience, but it's not going to close the sale."

Regarding the RFP itself, Jeremy Morris, exec VP-director of digital and publishing, Campbell-Ewald Publishing, recommends that it not be too confining. "Don't force respondents into a box," he says. Some RFPs suggest that a publisher will be excluded if a question is not answered in a specific way. "That penalizes anyone who wants to step out of the box and come up with something innovative," he says.

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RED FLAGS

A custom publisher giving very specific advice at a first meeting. A custom publisher first should be in listening mode to gain an understanding of the marketing objectives and the audience, information that comes from a discussion with the client. That's not to say a custom publisher can't come in with some ideas and concepts to toss around.

Publishers promising that a project can be funded through ad sales or other means.

Publishers reducing their initial fee proposals to win the business and not explaining where cuts will be made. If a fee is reduced after pricing has been presented, it's likely that something other than a publisher's profit margin is being cut, such as labor (the number of hours spent on each page), the art and edit budget, paper budget, etc. Have a candid conversation about what is being cut and whether the publisher believes it will affect the outcome of the project. Good custom publishers can advise on how to make cuts and achieve a goal without affecting the quality of the product.

Publishers presenting the names of a complete team that will work on your project. Publishers tend to build teams around each new initiative and often don't have the people on staff yet. That's why it's important to assess whether a prospective partner can attract and keep the best talent.

Publishers that prefer you not visit their company and whose editors seem to work on all the major clients' businesses.

Lack of client references.

FIVE QUESTIONS TO ASK WHEN CHOOSING A CUSTOM PUBLISHING PARTNER

- 1 What is the history of the company (its size, resources, clients, depth of experience, track record of success)?
- 2 Does the company have the expertise to meet my needs? (What is its expertise beyond traditional publishing? Does it have keen marketers and communicators? Can they service me as my program grows?)
- 3 How is this publisher different from its competitors, and does that benefit my program? (Does it have Web, design and personalization expertise?)
- 4 Can the publisher establish objectives and help measure results?
- 5 Who is on the team working on the account? (Are they smart? Are they fun to work with?)

Source: SmartMoney Custom Solutions

WITH ALL DUE RESPECT, WE LIVE IN THE INFORMATION AGE – NOT THE ADVERTISING AGE

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Breaking Through Clutter

THE NEED FOR INFORMATION HASN'T CHANGED—BUT HOW IT IS DELIVERED HAS. AND THAT'S THE OPPORTUNITY. **By Wendy Riches and Matt Petersen**

Today there is constant change in our clients' marketplaces, often driven by new technologies that disrupt the status quo. As their partner, we have to be able to anticipate the likely impact of such change to effectively service their needs. Often this means doing the same thing that we have always done for them—but in fresh, innovative ways.

For there are some things that stay the same in this world of continuous change:

- A new mom who has just brought her baby home from the hospital still needs to know how to swaddle the infant and what products to use.
- A busy mom who juggles work and the pressures of home needs to be able to get a family meal on the table within 30 minutes of coming in the door—and to know that she is using the right mix of healthy, hearty ingredients.
- A baby boomer approaching retirement needs a helping hand to understand the maze of 401(k) and pension options available—and to know how much money to put aside each month.

Meredith Integrated Marketing has been helping our clients provide consumers with answers to these kinds of questions—and delivering the brands and products that best answer their needs—for more than 40 years.

Our mission is, and always will be, to deliver information and content to people who stand to benefit from them. What is new, however, is the tremendous evolution of delivery mechanisms and channels at our disposal, which goes along with increased consumer expectations and client needs.

Today, timely access to information has arguably become as important to the consumer as the information itself. The consumer/reader has a growing desire to be part of a conversation and a need for their views to be recognized, respected and acted upon.

Another equally important aspect of marketing today is ensuring that consumers can access clients' brand messages when they want, online and in print. But it isn't enough to post content in both places; rather, it is important to understand what messages work best in which forms and in which media, and how to integrate brand messaging to make the whole reflect more than the sum of the individual parts.

Clients have a growing need for new metrics to expand their ability to measure return on marketing investment in areas such as increased brand engagement and interaction (sometimes in order to make a business case to an internal audience).

To deliver against these evolving consumer and client needs, Meredith has, within the past 20 months, acquired four state-of-the-art agencies: New Media Strategies, which specializes in word-of-mouth; Directive, which specializes



Wendy P. Riches
Exec VP, Meredith Publishing Group



Matt Petersen
Senior VP, Meredith Integrated Marketing

in data analytics and database marketing; and Genex and O'Grady Meyers, two interactive marketing specialists.

Each has the potential to significantly affect what we deliver to our clients—either individually or in powerful combination.

New Media Strategies trawls the Web to understand in real time what our clients' target audiences are thinking, feeling and saying about their brands and campaigns. These insights can be added to the extensive customer knowledge available from Meredith's Database of 85 million consumers and combined with the expertise of the editorial teams behind our 26 subscription publications, 13 TV stations and 50 Web sites to create truly rich consumer insights.

Furthermore, we can use this knowledge on our clients' behalf to create innovative campaigns that will actually shape conversations on the Internet to drive sales and brand loyalty. Directive, Meredith's new database marketing and analytics company, is an expert at leveraging client data at critical points in the purchasing cycle to improve marketing performance. It can build comprehensive models that look at site performance and creative in tandem to identify and predict behavior. Directive also creates metrics for understanding the power of consumer engagement and interaction with brands in addition to traditional brand awareness.

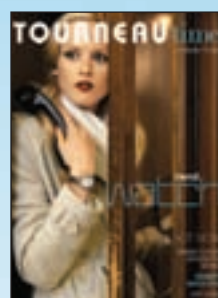
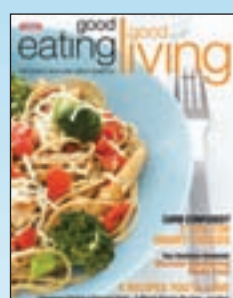
Another equally important aspect of marketing today is ensuring that consumers can access clients' brand messages when they want, online and in print. But it isn't enough to post content in both places; rather, it is important to understand what messages work best in which forms and in which media, and how to integrate brand messaging to make the whole reflect more than the sum of the individual parts. This is where the digital expertise and experience of the specialists at O'Grady Meyers and Genex come into play, working in conjunction with content specialists at Meredith.

By combining our new digital partners' expertise with our editorial reach, we are able to build on our traditional custom publishing skills to deliver truly innovative multimedia communications programs.

Our strategy is to make sure that Meredith Integrated Marketing delivers relevant, reliable, engaging content to consumers on behalf of our clients, but in ways that map and anticipate changing consumer and client expectations and needs. This is—and always will be—the linchpin of our business. ●

Share of market is temporary. Share of heart is forever.

True brand preference is truly an affair of the heart. And creating multi-platform custom communications programs that connect with your customers, heart to heart, is what Rodale Custom Publishing is uniquely equipped to do. For more than 60 years, Rodale has been the leader in providing information and inspiration that enable consumers to lead fuller, more active lives. Today, Rodale leverages this proven ability to create custom branded content that reflects consumers' innermost needs and most passionate pursuits. From high-impact magazines to highly targeted e-newsletters, Rodale Custom Publishing brings your brand to life. To win share of market, start by winning share of heart. With Rodale Custom Publishing.



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Share of Heart

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Redefining ROI

THE NEW RULES OF ENGAGEMENT: ATTRACTING CONSUMERS, HEART TO HEART

By Valerie P. Valente

In today's hyperfragmented, hyperkinetic media world, the notion of "consumer as king" is more relevant than ever before. Consumers are choosing from an almost unimaginable assortment of media and content. More than that, they are prolific content creators and distributors in their own right.

It is precisely for these reasons that branded custom content offers marketers ever-greater relevance and impact in terms of brands' ability to deepen and sustain their attraction to consumers.



Valerie P. Valente
VP-Publishing Director
Rodale Custom Publishing

Kevin Roberts, CEO-worldwide at Saatchi & Saatchi and author of "The Lovemarks Effect: Winning in the Consumer Revolution" (Powerhouse Books, 2006), wrote: "This year will see the emergence of the attraction economy. Driven by the fundamental shift in control from manufacturers and retailers to consumers, the future belongs to those who make emotional connections with them."

Mr. Roberts added, "Enough selling by yelling. We need to...do what it takes to be welcomed by consumers as valuable, useful friends. That means involving them, exciting them, celebrating and sharing with them, and always caring about them."

Given these prevailing consumer and media dynamics, marketers have different imperatives than they did even a few years ago. To the mantra of return on investment, they are adding a new ROI—one that Mr. Roberts refers to as "return on involvement."

Mike Raymond, president of Curves International, the phenomenally successful women's fitness brand, says, "It's critical to develop multiple connection points between a brand and consumers today. The days when we could just think about a brand in terms of a 30-second TV spot are gone. We need to constantly find new ways to invite consumers to learn about and understand our brands—and hopefully to do so with some depth."

Frank Berman, operations VP-marketing at Bloomingdale's, agrees: "It's not about talking to 50 million people and trying [to] get as many consumers as possible to shop with us."

What it is about, in Mr. Berman's view, is getting greater share of wallet from people who are loyal to the Bloomingdale's brand—and engaging with these core customers in a real value exchange.

24 Hour Fitness, the nation's largest and fastest-growing chain of health/fitness clubs, also believes this value exchange is well-engendered by branded custom content. In fact, branded content has been part of 24 Hour Fitness' mix for several years, based in large part on the brand's imperative to build relationships with members that extend beyond the time they spend in the club.

For more and more brands, customized content-driven, 360-degree communications programs are delivering deep, rich brand experiences in ways other marketing forms simply cannot. The depth of communication that can be put into a custom magazine or Web site, the frequency of com-

munication and the two-way nature of that communication enable brands to articulate their value more fully.

For Mr. Berman and Bloomingdale's, there was a realization that a gap existed in their marketing and communications mix. "We felt it was important to have a communications vehicle that spoke to our highest-value customers in a voice that recognized them as being special."

Mr. Berman believed that branded custom media was the most effective way to address this gap. "Custom media builds a dedicated network of brand advocates, engaging core sets of customers and becoming an engine for word-of-mouth. It can have a major impact on retention, relationship-building and loyalty."

Mr. Raymond says, "We're in the business of selling a pretty expensive product. It's a relatively complex product to explain to our target audience. To top it off, the fitness industry has traditionally alienated the target, speaking to it insensitively or with overpromises.

"Working with Rodale," he says, "we developed a deeper

Given these prevailing consumer and media dynamics, marketers have different imperatives than they did even a few years ago. To the mantra of return on investment, they are adding a new ROI—"return on involvement."

understanding of Curves' member segmentation, along with customer motivations, hopes, dreams and aspirations. Rodale and Curves were able to create our signature brand communication—diane—which is having a profound impact on franchisees and members."

Currently, Curves' North American franchisees purchase copies of diane on a quarterly basis, then distribute it to members. Through Rodale, Curves also sells advertising in diane to help offset the cost to franchisees.

"Our franchisees are independent businesspeople," Mr. Raymond says. "They're not forced to buy the magazine. Yet, they do because they know it provides real added value to a membership and it works hard on their behalf."

Program metrics for diane are being tracked on an ongoing basis.

To date, reader surveys show that the majority of members who pick up the magazine read all of it. Curves has effectively established a connection point that's several hours in duration—as opposed to a 15-second blip on network television. ●

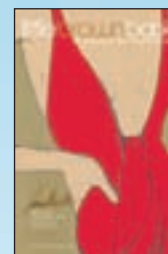
When you win share of heart, there are many rewards.

At Rodale Custom Publishing, our integrated custom media programs are designed with a singular focus: to enable you to win more share of heart (and market) from your customers. Along the way, you'll win something else, too: recognition for marketing excellence in the industry's most rigorous and prestigious awards competition.

Rodale 2007 CPC Pearl Awards

Strategy, Design and Editorial

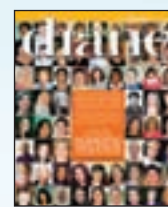
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Of course some leaps are more satisfying than others.

Who's in Control?

AS USER-GENERATED CONTENT GIVES CONSUMERS MORE INFLUENCE, MARKETING IN THIS SPACE MEANS THROWING AT LEAST SOME CAUTION TO THE WIND

User-generated content, at its most entertaining, is a carefree romp through the fields of expression. It's a free-for-all—brought to life on Web sites such as Flickr, YouTube and the like, where users post their photos, videos, musings and opinions for all to enjoy. These sites are pure ID—log on, be yourself, express. Upload video of your cat attacking a houseplant.

But it's not all fun and games. User-generated content, also known as consumer-controlled media, is serious business to marketers. Consumers value the opinions of other consumers. Popular new Web sites let users comment on and rate products, services, even the content itself. These create instant experts—regular Joes and Janes who can wield tremendous influence. It's the natural evolution of consumer control, and will have a far-reaching impact on the role of traditional media—including custom and branded content solutions.



Eric Schneider
CEO, Redwood Custom Communications

FROM T-SHIRTS TO WEB

User-generated content is not particularly new. Looking back to the bumper stickers and customized T-shirt slogans of the early 1970s to the epic answering machine messages of the 1980s, people have gravitated to media that lets them tell it like it is. The 'zine revolution, made possible by cheap photocopying, turned personal hobbies into mini-publishing empires. And now, personal Web sites, blogs and virtual

communities have democratized communication even further, especially as new software has made programming skills moot.

Here's the challenge: How do we, as marketers, create a venue entertaining and/or useful enough that consumers will eagerly fill it with content? This is a two-way street with no traffic signals but a definite guiding protocol. The content must be sincere, the process transparent and easy to navigate.

Which brings us to an example of what not to do: In July, a major U.S. retailer launched a site that invited teens to express their individuality. Nice sentiment, to be sure. But user-generated content is based on freedom of expression, which the company stymied by filtering its online forums, notifying parents of their children's participation and banning users from e-mailing each other. The site closed in October, having drawn 91,000 unique visitors in August, compared to 55.8 million unique visitors to MySpace.com that same month, according to published reports.

ENTERTAINMENT VALUE

"My view is there has to be value to consumers, and it has to be related to the brand's service or products," says Redwood CEO Eric Schneider. This "utility" can take many forms, from the purely informative to the purely entertaining. Engage a satisfied customer in a dialog about a product—and give them a forum to express their creative aspirations for that product—and you will have a brand advocate who speaks from the heart.

For example, one marketer's Web site invites users to vote for the best of everything. Users can upload photos, video or any personal material they think qualifies. They can even add to the master list. It's a brilliant campaign, playing on people's desire to recommend, rank and discuss. It also plays

nicely on the company's long-running ad campaigns.

One of the Web's most popular sites takes this notion even further. It lets consumers rate and filter what appears on the site to create what it calls "user-powered content." Users vote on everything, from articles to opinions to product reviews. It's peer review at its most democratic. And what it tells us, as marketers, is that content has to be good. Or it will be panned.

SURRENDER CONTROL

Up to now, the marketing successes in the user-generated realm have relied more on luck than strategy. Is any of this nebulous "popularity" measurable? It seems the "power of transparency" is a good guide. Brands that choose to play in this realm must trust that their products or marketing efforts can stand up to deep public scrutiny. That's good for consumers and for brands that can navigate the terrain. Measurement mechanisms are starting to be developed that can


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help marketers find their way.

As marketers begin to find sustainable, measurable models for user-generated content, expect to see a more concerted effort to market in this arena in 2008 and beyond. The successes and the failures will be equally compelling.

"Redwood is in a unique position to help marketers navigate this new and evolving frontier for branded content," Mr. Schneider says. "We believe that the power of content, branded content, can be leveraged to facilitate and drive consumers to new heights of engagement with brands. With over 20 years experience, we have nurtured a fundamental understanding of the consumer mind-set and how they want to interact with brands, no matter the platform, media or technology." ●





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Family Fortune

IN A TRICKY MARKETPLACE, TURN TO MOM. **By Georgia Galanoudis**

In the past, marketers found that consumers fit into neat demographic categories based on measurable data such as income, age, education and marital status. What's more, they followed a fairly predictable progression through life's milestones. The "typical" consumer went to college, found a job, dated, got engaged, got married, bought a home, had a baby.

In turn, marketers could rely on this logical sequence, track the expected trajectory of life stages and seize the moment when people were likely to make certain purchasing decisions. For instance, it's no surprise that some advertisers initiated programs to reach newlyweds through the county clerk's offices, pinpointing the precise time when customers were starting households and particularly receptive to a whole new array of product categories.

Now, in every corner of the marketplace, it seems those rules no longer apply. It's a lot trickier to rely on the old standards as change points that allow for new brand choices. The latest census data show that in stunning clarity: Today, consumers are building their lives—and creating their households—in many different, nontraditional, out-of-sequence ways.

A new Centers for Disease Control and Prevention report—"Births: Preliminary Data for 2006"—points out a burgeoning nonmarital birth rate. The percentage of all U.S. births to unmarried mothers reached a record high of 38.5% in 2006, according to the report. Not only does this new figure represent an 8% increase over the number for 2005, it's up a full 20% over 2002, the year the current uptick began in earnest.

But for marketers, the good news is that although the circumstances surrounding births are different, the number of births is growing: More women in their 20s, 30s and early 40s had babies in 2006, accounting for a 3% rise in births overall. In fact, according to the U.S. Census Bureau, 80% of all U.S. women will become a mother.

If there is one experience that will always create new needs within a household, it's the birth of a child. When a new baby arrives (whether it's the first, second or even the third), that's

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a moment when people are reconsidering everything—from the car they drive to the work they do to the products they use. Marketers are finding that parenthood, a most traditional category, not only persists but is now demonstrating unprecedented strength. Talking to moms is one of the best strategies for getting your message to a vital, receptive consumer audience.

New parents are poised to embrace the usual child-related products: every kind of gear, food and plaything. But they're also weighing new options all across the board. Sports car aficionados may suddenly be looking at family-friendly SUVs. Foodies might be swapping restaurant-hopping for home



Georgia Galanoudis
Custom Solutions Group Director
Meredith Parenthood Group

cooking. New moms are likely to be revamping their fashion and beauty choices, redoing some home decor or rethinking all kinds of organizational techniques to manage a busy lifestyle with ease.

So for marketers in both endemic and nonendemic categories, talking to moms is an ideal way to connect with women who are receptive to the possibility of forming powerful new brand loyalties. Quite literally, it's the moment you've been waiting for.

New mothers are an audience on the lookout for information, short on time, with needs that are intense and immediate.

Entering the ranks of motherhood is a key emotional moment in a woman's life, a time of intense bonding, of making connections. In the first few months after giving birth, most new moms are asking the same questions and in search of the same types of products. That's why customized, branded content directed to this life stage has always been particularly effective. At the same time, new moms are ready (likely more than ready) to embrace products in those same categories traditionally targeted to women—health and beauty, fashion, home decor.

The parenthood category offers more key advantages. First, editorial integrity: Parenthood magazines have a very relevant, legitimate conversation with their readers, and offer content that is credible, well-researched and expertly presented. Branded content crafted with that same credibility is well-situated to earn customer trust. And this audience is in it for the long term. Brands that can connect with this consumer in a relevant way—not only as a mom but as a woman—will likely gain a happy customer for life. ●

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Custom Solutions

Marketer's Perspective

FIVE EXECUTIVES DISCUSS WHY THEY TURNED TO BRANDED MEDIA TO GET THEIR MESSAGES ACROSS. HERE'S WHAT THEY'RE DOING—AND WHY IT'S WORKING SO WELL **Interviews by Christine Bunish**



BOB GARTLAND

President
AVAD
Publication: Gear Head
Frequency: Quarterly
Audience: Dealers of custom home audio/video products
Circulation: Approximately 14,000
Publisher: Marketing Matters

Gear Head is a new publication; our first issue was dated September 2007. Over the last couple of years we've realized that our dealers, like us, are bombarded by information in tidbit form: dozens of HTMLs a day, sound bites in advertisements and trade publications. Because we sell sophisticated products to people who will put them in sophisticated installations, we felt we needed a vehicle to communicate more conceptual kinds of things to customers in a form that didn't appear to be a pitch. A magazine is a way to drive issues, solutions and concepts home to customers in a format they might find more interesting and which has a greater shelf life.

The comments we've so far gotten on Gear Head have been very positive. We've created a "letters to the editor" section, which we hope will become a robust forum about what people read and would like to see in the book.

We went to three publishing companies to get their ideas about Gear Head and chose Marketing Matters, with which we do other business. We had some basic ideas as to what we wanted the magazine to look like: It's a different physical size—a square—and has an edgy look to appeal to our younger customers. Like most anything, Gear Head will evolve; but it's already pretty striking.

There aren't many drawbacks to custom publishing, but marketers should be aware that it's expensive, it's time-consuming and there's no immediate measurement of its value.

You need to have a reasonable definition of what you're trying to accomplish before you launch a custom publication or it will be hard to get the project moving. We didn't know everything, but we had a good idea of what we wanted Gear Head to be, and Marketing Matters is really committed to helping us.



JOE FLANNERY

VP-Marketing
The North Face
Publication: ExploreEpic.com
Frequency: Updated on a major basis monthly
Audience: People who participate in outdoor sports or appreciate the outdoor lifestyle
Circulation: Tens of thousands of page views monthly
Publisher: Pace Communications

The North Face, a brand that's part of VF Corp., the largest apparel company in the world, launched ExploreEpic.com about 18 months ago. An online publication appealed to us for a number of reasons. Our customers spend a tremendous amount of time outdoors participating in sports, but when they consume media they consume online at a much higher rate than TV or print.

An online magazine is also easier to update, far more measurable with Web analytic tools and interactive. The cost-to-impression ratio is a lot less as well, and not having a print edition is a very important "green" issue.

One of our largest assets internally is the photos and videos generated by our Expedition Council, which was formed when the brand began 40 years ago. We currently invest in more athletic and expeditionary trips around the world than all our competition combined; we've partnered with the National Geographic Society and Outside magazine on some expeditions. These trips produce stories, blogs and video, and an online publication is a rich way to bring those assets to life.

ExploreEpic.com is wonderfully successful in terms of what I call deep impressions. The number of people visiting the site is relatively small compared to the readership of traditional media properties within the outdoor sports space, but the amount of time they spend on the site and their interactions with it are insanely rich.

The downside of online publishing is that you have no captive audience. People have infinite choices of ways to consume media so we have to break through the clutter and let them know we're here.



JULIA GAJCAK

VP-Marketing & Communications
The Ritz-Carlton Hotel Co.
Publication: The Ritz-Carlton
Frequency: Quarterly
Audience: Guests in 70 Ritz-Carlton hotels worldwide and subscribers
Circulation: 1 million
Publisher: McMurry Inc.

We did a major relaunch of The Ritz-Carlton magazine in 2004. McMurry Inc. has been our publishing partner for more than 10 years and, prior to that, we produced another version of the magazine with a different publisher. The goal we had when I came on board four years ago was to create a luxury lifestyle magazine that would appeal to a global audience. Previously, the publication was very specific to our hotels and all they have to offer. We felt guests were more interested in reading a magazine that was experiential with editorial content that was timely, thought-provoking, contemporary and relevant.

As we went to a lifestyle focus, we also looked at all the imagery, typography and a color palette to make the magazine more modern, fresh and clean. We really wanted to enhance the quality editorially and visually. Now the magazine is broken out into different sections—Enjoy, Explore, Adorn, Inspire, Experience and Fascinate—and we weave in products you have to have, travel stories and what's happening on the fashion front. Our hotels often are woven into a piece, too.

After every issue we debrief on the content. Our entire team is very vocal about what they like and don't like. Every other year McMurry does a reader poll, and we use that information to set up our editorial calendar and consider changes.

Many publications that have been extremely successful in print are looking to grow their business from print to online to broadcast. Our magazine is so successful that I have visions about how to make it come alive in broadcast. I'll be formulating a plan this year that will enable us, working with McMurry, to launch something relevant to our global audience and take the magazine to a whole new level.



TRESA MAKOWSKI

Director, Trade Communications
The Sherwin-Williams Co., Stores Group
Publication: STIR
Frequency: Three times a year
Audience: Residential and commercial designers and architects
Circulation: Undisclosed
Publisher: Hanley Wood Marketing

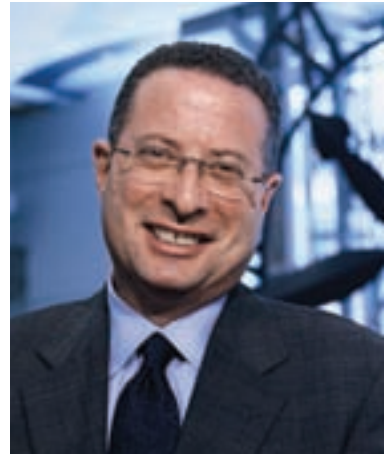
STIR, which was launched in the fourth quarter of 2004, is Sherwin-Williams' third custom publication. Our business is market segment-driven, and we create our communications according to the needs of the target audience. We understand the power of custom magazines to break through clutter, strengthen customer loyalty and increase brand awareness.

STIR's audience of designers and architects is very interested in continual learning. What sets custom magazines apart from product brochures is the opportunity to provide the audience with value-added information. STIR offers insightful articles on color and other information that is beneficial to designers in their work. That raises our brand's relevance with them. As a partner with designers, we want to help them be successful in their business.

Between issues, we publish STIR e-Extra, an e-newsletter that reaches a portion of the audience who have opted to receive it. And we refresh STIR's Web site, www.swstir.com, after each issue, archiving all articles to provide a great research tool for designers. Hanley Wood Marketing executes this total program to give STIR an integrated look and tone whether in print or online.

Because custom publishing is a significant investment, you need to be committed and vigilant about maintaining a quality circulation. It's not about sending STIR to as many people as we can but rather penetrating the market to the point where we've really optimized the reach.

STIR has had an impact on our business, but it's really an integrated effort that includes our sales team and other communication initiatives. The magazine by itself won't do the job. It's there, like advertising, to support the efforts of our sales force. These all work hand in hand for a total program.



ANDREW BLOCK

Exec VP
Tourneau
Publication: Tourneau Times
Frequency: Annual
Audience: Tourneau's VIP customers and watch enthusiasts
Circulation: 100,000
Publisher: Rodale Custom Publishing

We do a tremendous amount of direct mail, publishing seven different versions of our catalogs during the year. We advertise heavily in The New York Times and other major newspapers and magazines throughout the country, as well as on radio and outdoors. Tourneau is in the luxury lifestyle business; we manufacture our own brand, Tourneau Timepieces, and retail about 100 different brands, including Patek Philippe, Cartier and Tag Heuer—we're the world's largest watch store.

But as advertisers we're somewhat limited in the story we can tell. Generic watch advertising is just that: a watch, the price and brand name. We've been espousing the concept of "watch wardrobing" to convey to the consumer that you can accessorize your wrist and make a statement with what you wear on your wrist. That's not easy to do in an ad or in 60 seconds on the radio. Custom publishing enables us to break through any constraints about how we show the product and communicate our messages.

This is our fourth year publishing Tourneau Times and our first year with Rodale. The magazine helps us further embrace our customer base with the message that we appreciate their business, and we're cementing the relationship. You can have a lot of fun with this category: A timepiece is the only thing that combines artistry, craftsmanship and technology in a functional item you can wear every day.

Since we moved to Rodale, a lifestyle publishing company, the quality of our editorial has changed. We work together to come up with cool editorial based around lifestyle, and Rodale makes it fun for us.

Our staff loves the fact we publish Tourneau Times—it's a great PR piece for the company internally. And consumers love it as well.

Continued from page C3

Mr. Offel suggests that when marketers look at a custom publisher's work, they should consider whether the designs and editorial content have a similar look. Ask yourself whether this is a custom publisher that is going to impose its sensibilities on you or whether it is going to listen and understand your marketing objectives and tailor a design and content strategy to your specific needs, he says.

Do the size of the custom publishing company and whether it has expertise in a particular industry segment matter? These are two considerations that divide the experts.

For a smaller project, a boutique company may be the best fit, says Ms. Avram. If the project is more substantial, a partner with capabilities in terms of strategy, editorial and design resources, database marketing, production, printing, programming and analytics may be better. "For larger programs, economies of scale and the value of a partner with broad and deep capabilities can make a difference," she adds.

But it's not uncommon for a relatively small publishing company to handle the custom publishing requirements of huge multinationals.

As for specific industry expertise, Ms. Bohn says she doesn't think it's essential, especially if a marketer finds a publishing company it really likes. "When you talk about quality content, it's about understanding how to put together a magazine that is relevant and objective and doing the dance between the marketing and journalism. You can hire the right subject matter experts for a project."

Others say it's essential, particularly in some categories. Ms. Galanoudis says that understanding the audience and how best to communicate with that audience are critical. "When you're talking to the same types of people, everyone gets the additive benefit of that."

During the final phase of the selection process, in addition to having discussions with references, which should be current clients, marketers should ask probing questions about specific case studies, says Simon Kelly, chief operating officer, Story Worldwide. That can help determine how deep and wide a custom publisher's capabilities are, he says.

"Ask who did the design, the back-end development, the animation, the Flash. How many Flash developers are on staff? Web developers? You can very quickly tell whether a developer comes in on Saturday or whether there are truly deep and broad capabilities," he says.

"It's similar to any agency search," says Craig Waller, chief marketing and sales officer, Pace Communications. "Once you have a short list, it comes down to fit and business terms. If you want strategic thinking, multiplatform execution and award-winning talent on your account, you should gravitate toward companies with those attributes and resources. 'Hot' agencies are hot for a reason—the only thing you need to make sure is that the hot agency has not overstretched itself and can devote the time and talent to your project, and that's simple due diligence."

Once a choice is made, it pays off in the long run to put in time upfront to develop a detailed work plan. The more information the client is willing to share about the brand, the greater the results, Ms. Galanoudis said. "We may come in as experts on the category, but they are the experts on their brand. They are steeped in history and knowledge. The sooner and more deeply they can share that insight with us, that's what can really fuel a project and make it so successful."

"What makes a great partnership are those clients that are truly collaborative and that allow the custom publisher to become a true extension of their marketing

'Once you have a short list, it comes down to fit and business terms. If you want strategic thinking, multiplatform execution and award-winning talent on your account, you should gravitate toward companies with those attributes and resources.'

team," says Mr. Petersen. "[When] we understand the overall strategy of the brand, [we can better] adapt and evolve our recommendations and programs to meet the changing needs of the client and the consumer. The marketplace is changing so quickly. The more insights we can get from the client about consumer behavior, the better off we're going to be and the better off they're going to be. It's definitely a two-way street."

Custom programs also need to be given some time to prove themselves. Ms. Rosen said the CPC recommends that custom programs be given at least a year. With each engagement, there is greater value, but no one knows upfront exactly when the tipping point is, she says. "If you want instant gratification, custom is not good for you." ●

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