Chapter 9

BRANDED UTILITY

What's the Trend?

Brands use a combination of content marketing and greater integration between marketing and operations to augment promotions with real ways to add value to customers' lives..

If there is one brand engineered to profit from every question you ask online, it is Google. In September of 2015, the brand published a blog post on "micro-moments"—proposing four common moments of need when consumers seek information via its search engine. The key to successful marketing for any brand, according to Google, is to find a way to provide relevant useful information in any of these moments.

The moments were described through a matching set of simple phrases: I want to go; I want to do; I want to know; and I want to buy. Each described a different trigger based on what the consumer was looking for, but Google's advice for reaching them in each micro-moment came down to one fundamental principle—be useful.

This quest to provide value through usefulness is at the heart of the rise in interest among brands over the past several years in content marketing. To describe this trend, *Branded Utility* was the phrase I first used two years ago in the 2014 Non-Obvious Trend Report. In that year, a series of bestselling books from well-known marketing authors like Jay Baer (*Youtility*), Mitch Joel (*Ctrl Alt Delete*), and Ann Handley (*Everybody Writes*) also offered insights into how to create content that consistently provides value and utility.

In the two years since, this ambition to create valuable marketing has exploded in importance as empowered consumers continually get savvier and the technology to filter out traditional interruptive forms of advertising gets better and more predictive.

My original description of this trend included the stories of several brands like Charmin and KLM creating smart but short-lived promotions to offer instant value to consumers in exchange for fleeting brand engagement. Over time, this focus on quick and flashy promotional campaigns has shifted to something deeper.

In industries from consumer electronics to financial services, the idea of creating "brand channels" for content to be delivered on a longer timeframe and a corresponding focus on integration versus sponsorships is transforming what *Branded Utility* means for the future of marketing.

Brand Magazines

Intel is a brand that has spent the past decade rethinking the role of content in its overall marketing strategy. For years the brand has been a pioneer with social media, enticing employees to start well-read internal and public blogs, and routinely investing in bigger content initiatives. The iQ by Intel web magazine, for example, is a tech culture hub with the mission of "bringing you deeper into the lives of people and the technologies they are using to change the world." The magazine has a team of internal content creators focused on building top-quality stories and continually updating it with new articles on fashion, sports, gaming, lifestyles, and many other diverse topics.

Another high-profile example that has become the gold standard on producing valuable, business-oriented content for a professional audience is American Express' long-standing Open Forum online magazine dedicated to offering advice for entrepreneurs and small-business owners. While Intel and American Express' examples are multiyear efforts focused on the web, there are also several brands investing in producing content and creating engagement through print magazines as well.

One such effort with the longest tenure is *The Furrow*—a 120-year-old magazine focused on the farming industry and published by John Deere. Most airlines also produce monthly branded magazines, including mainstream publications that are placed into every seat-back pocket and more exclusive efforts like United Airlines' first-class–only publication, *Rhapsody*.

Even mobile-first brands launched for the sharing economy are finding strategic uses for magazines. Airbnb created its 100+-page glossy magazine, called *Pineapple,* specifically for insiders who host or stay at Airbnb properties. Uber has a far less professional 15-page printed magazine/newsletter for its drivers, called *Momentum,* which inspired viral online ridicule for its lack of quality and its promotional nature.

Whether mocked or appreciated, the past year brought many such new efforts from brands to make a bigger commitment to long-term content initiatives like branded magazines as opposed to attention-grabbing content schemes focused on short-lived social media posts.

The "Appquisition" Spree

If you were the creator of a popular app in the fitness, financial, or productivity space, 2015 might have been a very good year.

Under Armour spent $560 million in 2015 to buy MyFitnessPal and Endomondo, after spending $150 million in 2013 to acquire the MapMyFitness app. Matching these moves, Adidas spent an estimated $240 million to acquire Austrian fitness app Runtastic. The presumed intent of this acquisition frenzy among sports clothing makers was to add a layer of utility to each brand's clothing and footwear in an industry where consumer expectations are rapidly evolving beyond fashion or fit and more into performance and integrated technology.

In the financial services industry, the past year has also seen a similar string of "appquisitions" as plenty of long-standing bank and credit card brands aim to augment the basic functionality of their own apps, which offer necessary features, like balance reviews and check scanning, with more visual dashboard tools and advice to help customers better manage their money.

Early in 2015, for example, Capital One acquired startup Level Money, which included its smart spending and financial literary tools. The past year also saw plenty of controversy and debate in the financial services industry over the growing role of "robo-advisors" and how automated financial advice based on dispassionate assessments of algorithms and financial trends might pose a threat to the livelihood of traditional (human) financial advisors.

Apps have always been used for productivity tools as well, and Microsoft was among the technology brands investing in effectively buying more utility by acquiring calendar app Sunrise to add more valuable functionality to the Outlook app.

In 2016 these appquisitions will add more functionality, get integrated, and start to factor into the overall experience for customers.

Teaching the World to Grill

Before content marketing was en vogue, outdoor grill maker Weber was quietly implementing a masterful book-publishing strategy to own the market by being the brand that helps educate consumers on how to grill.

To accomplish this vision, for more than a decade, Weber has been producing a string of cookbooks under its own brand or in partnership with celebrity chefs, all designed to inform and educate home cooks and grill masters on how to marinate, cook, and serve amazing grilled food for any occasion.

Today, the brand's content marketing reach extends far beyond printed books and into useful recipe apps, video tutorials, online tools, and even a robust online community known as Weber Nation. All of these content features allow the dialogue about grilling to extend far outside of books alone. All of this learning material combined offers the best value in the world to anyone trying to cook a great meal. It is also a perfect example of the potential *Branded Utility* has when it is done right.

If you can answer consumer questions and continually create valuable content, it is possible to own an entire educational category and promote your brand in the process.

Why It Matters

The underlying reason why consumers respond so well to content is because much of it provides value in the form of utility. While there will always be a place for great branded entertainment like a sponsored film or an entertaining, 30-second spot that tugs at the heartstrings, Branded Utility is where the most powerful opportunity for using content to connect with consumers exists. The brands that find ways to create more of this utility—either with smart branded investments into online or print magazines, or through appquisitions to build a foundation for offering mobile utility—will be the biggest winners in 2016.

Who Should Use This Trend?

The companies that can benefit most directly from branded utility are the same ones that offer products and services where significant education has value. Learning how to use a grill or manage your finances, for example, are categories where educational content has a high value for customers. Anytime a brand can take this role of educator or help solve a problem through functionality that is immediately useful, they can eventually stand out.

How to Use This Trend

✓ **Address Bigger Issues** – It is often said that the best products solve a problem for consumers. The only downside of this assumption is that it can lead many brands and teams to become so focused on finding and solving one specific problem that they forget to think more broadly about their customers' world outside that problem. Sometimes the most valuable content and utility you can provide focuses on being helpful rather than just solving a problem simply because you want to sell the solution.

✓ **Answer Unexpected Questions** – One of the most important elements of utility is providing an answer to customers' questions, particularly those they don't expect you to answer. One brand that uses this principle to its benefit is Hilton, which has spent the last few years building the Twitter handle @HiltonSuggests to answer travel-related questions from anyone, regardless of whether they happen to be staying in a Hilton property or not. The brand has used the handle to tweet nearly 40,000 times already, with the vast majority being direct tweets to individuals. Imagine the response from potential consumers and word-of-mouth from surprised people if you could offer a similar level of unexpected utility.