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New Media wins Vodacom, adapts strategy for digital world

By Herman Manson: @marklives

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Firms such as New Media (formerly <u>New Media</u>) have always positioned themselves as the meeting point between content and marketing. Now they are moving away from pulp and ink (though it remains a large and profitable chunk of the business) towards multiple platforms including mobile, the web and tablets.

Andrew Nunneley, publishing director at South Africa's dominant content marketing firm New Media, says the phrase '<u>custom publisher</u>' as a descriptor of his business is out-dated, and following trends over the past several years in the UK and Europe, content marketing is both more descriptive and accurate. It also positions the sector to grab a bigger slice of the overall communications and marketing budgets, probably eating into spend currently flowing through ad agencies.

"We have always provided marketing solutions - we just never really put it out there," says Nunneley. Repositioning the sector in the competitive communications market is important as marketing spend moves to interactive content.

Expected to follow international trends

Already a R1 billion market, of which New Media holds around 30%, Nunneley and MD Bridget McCarney expects <u>content</u> <u>marketing</u> to follow international trends and keep on growing in SA.

It's a growth market Media24 recently expressed confidence in by upping its stake in New Media from 50% to 58% - buying out most of the shares belonging to one of the co-founders of New Media, Naomi Herselman. Irna van Zyl (content development director), John Psillos (business development director), McCarney and the NMP Share Incentive Trust hold the remaining shares.

It a brave move giving up the equilibrium of a 50-50 share split to a partner as dominant as Media24, which recently showed its <u>finite patience</u> with properties not meeting the expected returns. Remember <u>Touchline Media</u>, <u>Atoll Media</u>, <u>Uppercase Media</u> and <u>8lnk Media</u>? They have all been swallowed in a corporate reorganisation (one that seems to be continuing as staffers <u>FinMedia24</u> recently found out) that for all intents and purposes wrote them out of existence.

Nunneley, to his credit, doesn't miss a beat when asked if any of this makes the remaining partners nervous, saying as long as New Media performs, it has nothing to worry about. And performing it is - Vodacom just shifted its content marketing contract from <u>Interactive Africa</u> to New Media.

The business published six million magazines last year. It employs 170 people, serves 25 clients and its editorial teams face 300 deadlines a year. New Media also pulls in R75 million in advertising revenue pa.

Content marketing, as the name implies, brings together journalism and marketing in a bid to change consumer behaviour for the benefit of the marketing partner. On its own, journalism is only credible as long as the subject is not paying for the message. In the world of consumer magazines or newspaper media, the raison d'être of content marketing would be the kiss of infamy.

Consumer marketing products don't try and hide what they are, often putting the name of the brand that gets the final say on each product on the cover, as in the case of Woolworths Taste or Plascon Spaces.

The New Media team looks to find what content area its client would carry credibility in and create editorial products around that position of strength. For Mercedes that would be luxury travel, for Woolworths good food. It's a sensible strategy and one consumers can obviously live with, given the success of many of these magazines (both online and off).

Content hub being constructed

For recently signed client Vodacom, New Media is constructing a content hub that will feed material to the web, mobile phones, tablets, niched digimags and print. De-coupling the content marketing strategy from print will allow for numerous niched content hubs to be created, serving the numerous fields of interest in a client base as substantial and broad as that of Vodacom. Consumers will finally be able to pick out the content they want.

According to McCarney, 25% of the company's profit is already generated off digital platforms. It's here that content marketers can really take on or partner up with the agency world - somebody has to populate all those company websites that have been built and now sit (mostly) idle.

In a nod to the changing marketing and communication environment, agencies are already creating editorialised worlds (think of those Johnnie Walker mini-films), says McCarney, and New Media has been editorialising marketing environments for a long time, giving it a strong competitive edge.

Agencies with whom New Media has established good collaborative relationships includes The Jupiter Drawing Room (on Woolies) and 99cents (on Ackermans).

Content integrated with ecommerce

McCarney says the company is expanding its capacity to produce video (for the web and other digital platforms) and sees content integrating with ecommerce as a major next leap for her industry. eCommerce finally completes the content marketing circle, says Nunneley, taking consumers from the content product directly through to actioning a sale. The point at which CEOs sit up and take note.

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