

VICE: TARGETING MILLENNIALS WITH HIP, VIDEO CONTENT

ONE OF THE FASTEST GROWING and most profitable digital media organisations in the world that focuses on the Millennial generation is VICE Media. Based in New York and with 35 overseas offices and 1,100 employees, VICE is a for-profit news business, making US\$175 million in revenue in 2012, according to Forbes.

Rupert Murdoch's Twentieth Century Fox invested 5 percent, or \$70 million, in VICE in 2013, which places the value of the company at \$1.4 billion. Murdoch praised VICE as a "wild, interesting effort to reach Millennials who don't read or watch established media."

VICE CEO and co-founder Shane Smith knows he has a gold mine on his hands, telling Forbes in Aug. 2013:

"At some point, Google and Facebook or somebody is going to wake up to face that we're the world's largest producer of premium video content on the web, that we have the world's biggest brands in our pocket, so we can monetise, we have long time on site, we're great at engagement, we do experiential, we do everything they don't do. So if Facebook, for example, would wake up and say, oh, we're going to go public and we can tick off monetization, content, engagement, all these things....and the reason why I would do that is if we became the network for Facebook or the network of Google, we'd achieve that dream of mine overnight of being the next CNN, the next ESPN or the next MTV with the largest audience in the world. And it would be hard to say no to that, not because of the money but because of the f----- cultural impact you would have. At this point I don't give a s--- about money. I'm worth more money than I can ever spend."

Indeed, VICE is at the bleeding edge of advertising innovation. The company forged a multi-million dollar native advertising deal with Intel in 2013 to create a content marketing package for the microchip giant on its vice.com website. Together the companies launched the Creators Project, creatorsproject.com, to "celebrate visionary artists across multiple disciplines who are using technology in innovative ways to push the boundaries of creative expression." The paid-for content marketing package includes video, a blog, global events and visuals.

Intel challenged VICE to create a content marketing package that would be engaging for Millennials globally. The package has "transformed perception of the Intel brand and put Intel at the [centre] of the cultural conversation," a presentation at the Digital Innovators Summit in Berlin in March 2014 explained. The content has drawn 50 million visitors, 375 video viewers and has a \$1 billion media value, according to VICE.

VICE MEDIA

vice.com

Founded: 1994 in Montreal, as a punk magazine

Headquarters: New York City

Content: News and entertainment targeting Millennials, emulating television content and magazine media styles

Wall Street valuation: US\$1.4 billion in 2013

VICE reports that it has the formula right when it comes to reaching Millennials. It does so by listening carefully to the published trends of media consumptions and their well-established track record in media and specific content consumption. These trends have driven the three pillars of VICE's marketing approach:

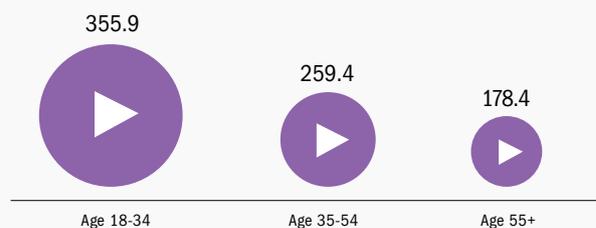
- Immersive experiences: Drive relevance by creating immersive experiences for your audience, which turns users into brand evangelists
- Authentic content: Be content first. This is the digital currency
- Social currency: Realise the value of your audience and provide them with mechanisms to turn them into brand advocates

VICE takes advantage of the overarching trend that Millennials are by far the largest group to consume videos on digital devices.

Millennials watch twice as many online videos as Baby Boomers in the United States, according to the 2013 comScore study. Those ages 18 to 34 watched an average of 355.9 videos per month online, compared to 259.4 videos for 35-to 54-year-olds and 178.4 videos for the 55 and over age group.

U.S. Millennials: Monthly online videos per viewer

Average number of videos viewed per month, by age



Source: comScore Video Metrix, 2013
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