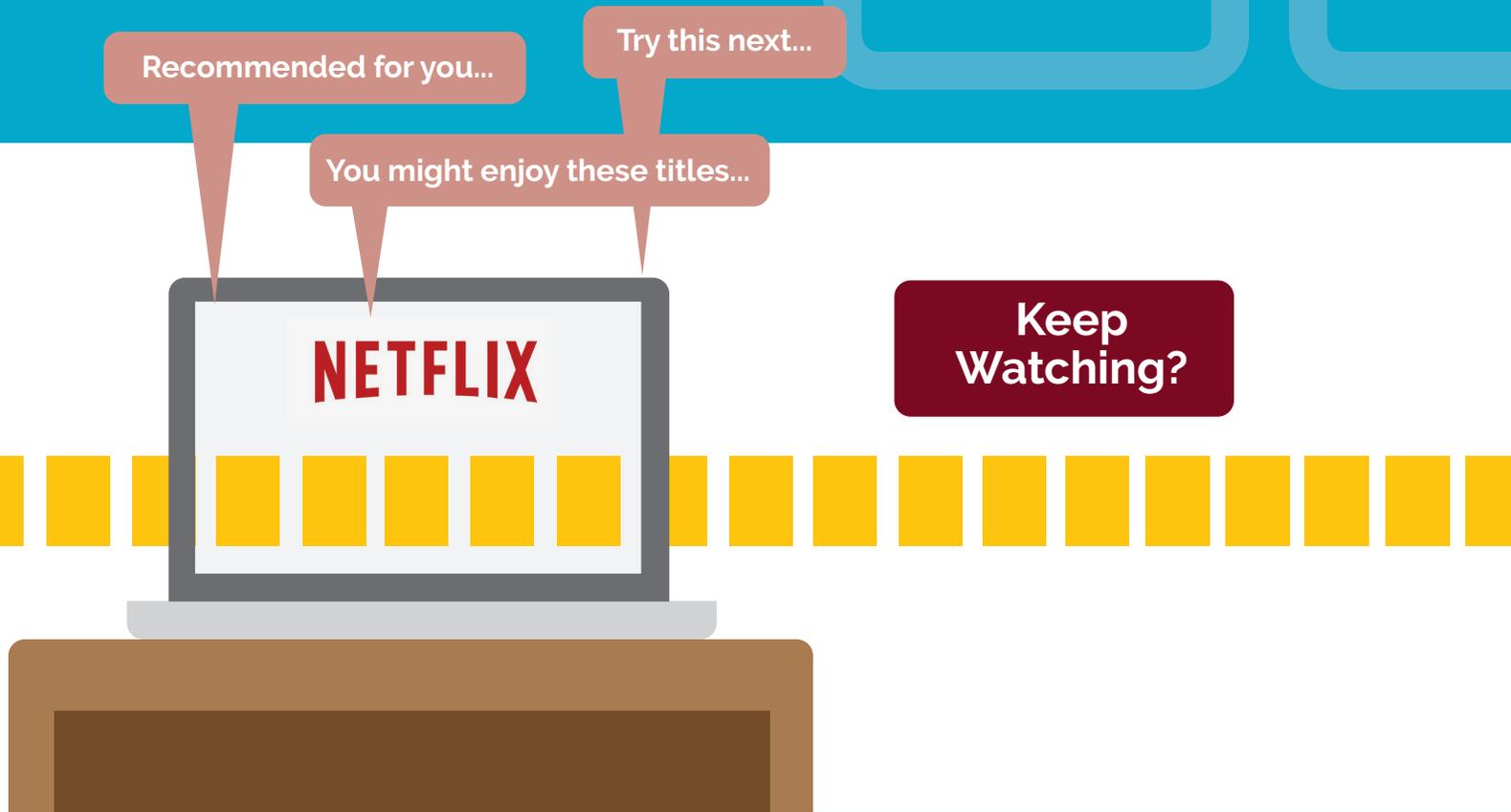


Engagement Marketing **in** **the Netflix Era**

7 Things You Need to Know

Insight Guide for B2B Marketers
Brought to you by LookBookHQ





Welcome to the Netflix era

In 2007, Netflix rolled out a new service: Subscribers could stream movies without having to wait for the red envelope with the DVDs to come in the mail. Since then, Netflix has transformed the entertainment industry. Today, Netflix delivers over two billion hours of content per month to 57.4 million subscribers. B2B marketers can take a lesson (or 7) from the rise of Netflix. **In the on-demand era, the audience is in control and your tactics need to change to keep prospects tuned in.**

CONTINUE READING ►

...Welcome to the Netflix era

The way your audience consumes content has changed.

As a marketer, you spend an enormous amount of time, effort and money trying to get attention by creating content and getting busy people to click on something. But then what? What do you do with the clicks you generate? How do you hold on to that attention and turn it into real engagement with your content? And what does any of this have to do with Netflix?

The average Netflix subscriber will stream 46.5 hours of content a month. In 2015, the company plans to produce 320 hours of original content – in addition to the third-party content it licenses from other providers. **Like you, Netflix is in the attention business – getting it and holding on to it – and no one does it better.**

From its extensive use of personalization to its intensive analysis of engagement metrics, the rise of Netflix has enormous implications for B2B marketing. Netflix goes to great lengths to keep your attention by delivering the right content at the right time – and it tracks what content you are engaging with and for how long so it can continuously improve the content experience.

As a B2B marketer, you understand the power of engagement in accelerating the buying journey and forming genuine relationships with customers and prospects. But even the savviest marketers find it a never-ending challenge to reach audiences with their content and turn attention into engagement – the kind that translates into qualified leads and sales.

This insight guide looks at how the on-demand era is changing the game for marketers and lists seven lessons you can learn from Netflix.



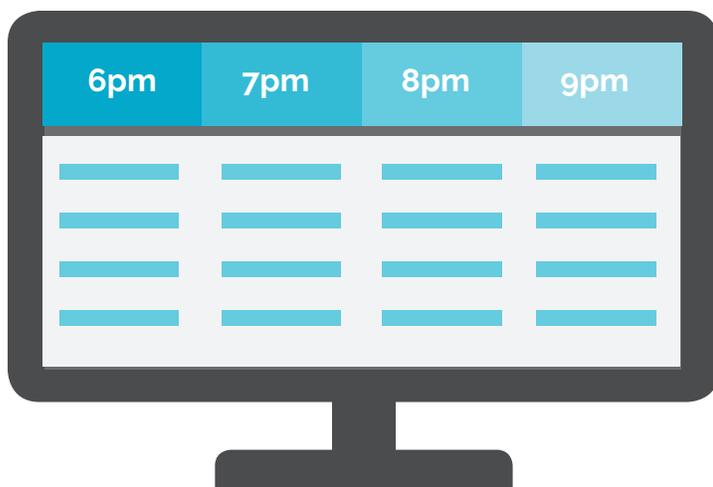
“Clearly the success of the Netflix model – releasing the entire season of *House Of Cards* at once – has proved one thing: the audience wants control. They want freedom. If they want to binge – as they’ve been doing on *House Of Cards* – then we should let them binge.”

Kevin Spacey

James MacTaggart Memorial Lecture,
The Edinburgh Television Festival

1.

It's always primetime



If there's one thing you know about your audience, it's that they're busy, really busy. And yet, with tons of things competing for their attention at home and at work, people still find time to binge on the right content. Just as nobody watches one episode of *House of Cards* in a sitting, your audience – if they're engaged – doesn't want to consume just one piece of content per week.

So why do marketers continue to nurture like old-school “you'll watch when we say you'll watch” television? To feed the craving for content, you need to nurture now.

Houston, we have a problem.

Remember when the week's “must-see” TV shows were all on Thursday night between 8 and 11 pm, and you made a point of tuning in so you could discuss it with your coworkers around the water cooler the next morning? If you're a millennial, maybe not – but it happened! Today, the idea of primetime seems as dated and quaint as an episode of *Leave It to Beaver*.

PVRs, time shifting and the growth of on-demand streaming services like Netflix have given people complete control over when, where and how they consume content – no more waiting a week to find out how things turned out after that cliffhanger ending. And yet B2B marketers have been slow to act on the profound implications of on-demand.

Simply put: marketers have a Netflix problem.

The Netflix problem is really a scheduling problem. With traditional one-size-fits-all lead nurture programs, the idea is to drip feed your audience single pieces of content weekly (e.g. 6 emails over 6 weeks with 6 different content offers). We call this "one and done" marketing.

Because clickthrough rates are so low (clicks are hard to get), these types of nurture programs are doomed to underperform. Why? Because you're trying to impose a slow "primetime" rhythm of content consumption on an audience that is really busy and doesn't want to wait.

To nurture in the on-demand era, your programs need to change. Your audience has embraced the Netflix model of anytime/anywhere consumption – and you can no longer dictate the cadence of their buying journey. **As you'll see in the next section, your audience wants to binge, but you're only giving them drips.**



"Audiences are becoming more demanding, pickier and more impatient – hence the decision by many TV conglomerates to "dump" entire series of certain shows online at a time, rather than drip-feeding us episode by episode."

Sarah Rainey

"How binge-watching has changed TV forever,"
The Telegraph, 22 Jan 2015.



"It's not just about what we say but how, when, where we say it, and what the cadence is. Today we still think about weekly lead nurturing campaigns, but in fact some people may want a lot of communication, or a combination of email and push mobile messages; some don't want an email that often."

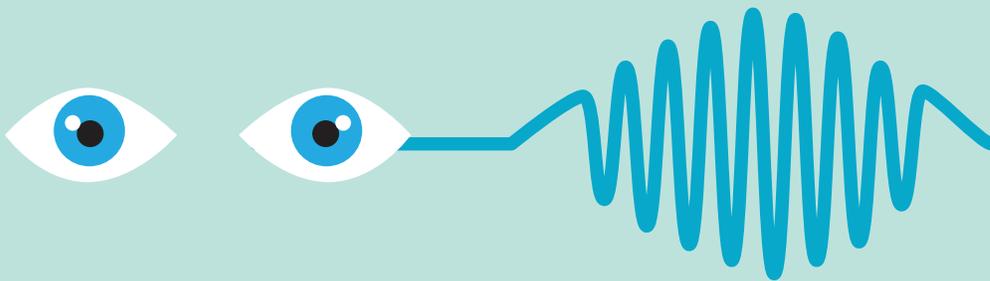
Phil Fernandez

Chairman and CEO, Marketo
Opening keynote, Marketing Nation 2015

2. Attention comes in bursts not drips

Think about it: When you are interested in a topic or considering a purchase, you don't stop at just one piece of content. Engaged prospects "burst" their engagement – consuming a large volume of relevant content in a short amount of time. It's the marketing equivalent of binge-watching episodes on Netflix. The trick for B2B marketers is how to accommodate this "bursty" behavior, so you can hold on to your audience's attention while you've got it.

Your audience wants to binge, so let them.



Engaged prospects want to binge. Bursts of high activity result in lead scores being generated in minutes.

Let them binge.

Netflix calls it the autoplay blocker – that message that comes up when you've been binge-watching a series for three hours straight. If you hit "continue," that sends a strong signal that you're still engaged. Marketers are always listening for similar signals that their audience is still paying attention.

The problem is that marketers aren't doing enough with that precious attention while they have it. Traditional lead nurture programs with a weekly cadence simply don't accommodate the desire to binge – that bursty consumption behavior that signals real engagement with your content.

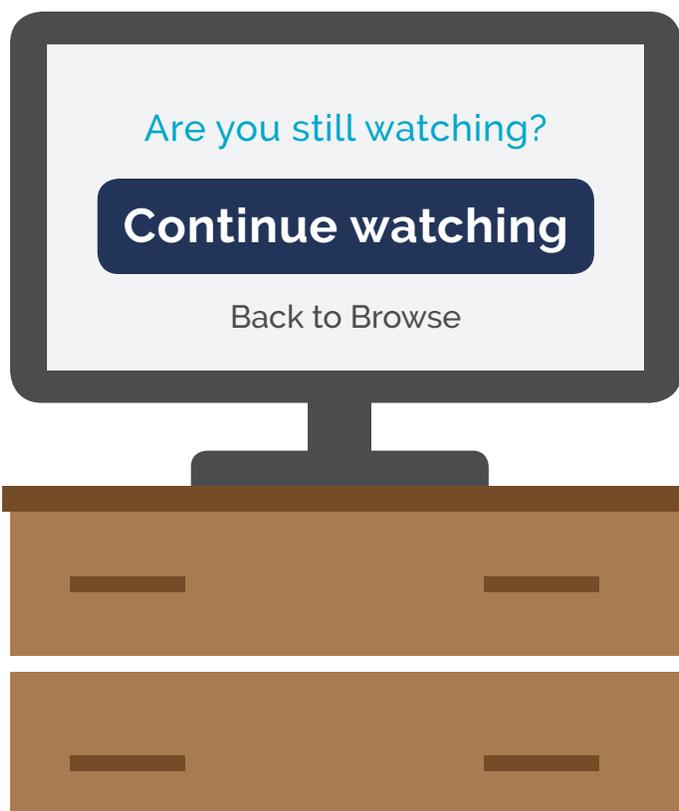
...Attention comes in **bursts not drips**

If your prospects want to binge and you're feeding them a slow drip of content, then you're playing "catch and release" with your audience's attention – you have to regain their interest over and over. You had their precious attention, but you let it go...



Everything Netflix does – from its personalized homepage and navigation to its recommendations and ratings system to its model of releasing whole seasons of a series at once – is geared toward keeping its audience tuned in longer.

B2B marketers can emulate Netflix's success by designing personalized content experiences that prospects can easily follow on their buying journey. It's about packaging related content together based on what you know about your audience and making it easier for them to binge.



"...if you run into that blocker and you say, 'I'm still here' and you watch another two episodes, then clearly it was a very motivating thing that kept you engaged."

Neil Hunt

Chief Product Officer, Netflix

3 Your audience is in control

The buyer's journey has changed – and you're no longer in control. Like primetime television, the traditional sales funnel now seems hopelessly linear and outdated. In the Netflix era, individuals come in and out of your funnel throughout their buying journey. Your role as a marketer is to help them navigate by delivering useful content experiences, whenever and wherever they're ready to engage.

The marketer as trusted guide.

Your prospects don't engage on your schedule. They have a strong desire to control their own time and the Internet empowers them to do just that, so where does that leave you as a marketer?

While you can no longer control how your audience engages, you can serve as an expert guide who is there to assist your prospects on their buying journey.

Of course, you first have to provide content that's useful – product spec sheets and endless feature lists likely won't cut it. But with mountains of information available online, it helps to put your prospects on the right path. It's about blazing a trail through the content you really need your prospects to read or watch.

To do this, marketers have to design and orchestrate a personalized content journey based on what they know about their prospects – a good guide doesn't take a novice climber on the most difficult trail up the mountain. (Not if you want them to come back.)



Being a content guide is also about listening.

An expert guide knows when the content "terrain" is becoming too challenging and when you need a motivational push or nudge. As marketers, we listen to our prospects by listening to the data (more on this later).

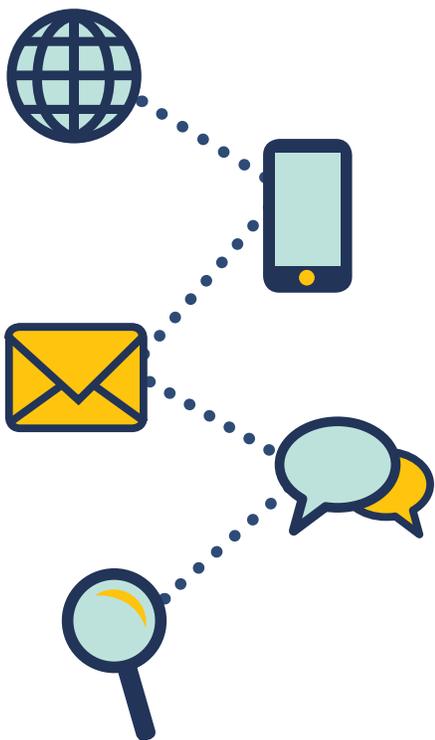
So what might that personalized content journey look like? It might take many forms, including:

Multiple pieces of content on a particular topic.

A carefully thought-out sequence of content that only gets promoted if the reader engages with an asset for more than 45 seconds, for example.

A primary content asset supported by 3 secondary content offers.

A mix of your own content and third-party validation – because audiences value third-party content more than your own.



If you do this right, your prospects will “self-accelerate” through the buying journey. But you’ve got to be there when they’re ready to engage. That’s why omni-channel nurturing is so important. There’s a reason Netflix delivers the same consistent experience across set-top boxes, desktops and mobile devices.

In recent report* the *Economist* Intelligence Unit found that: “The consumer is at the centre. Marketing has to be able to inspire the consumer’s behavior everywhere in the consumer’s world.”

**The rise of the marketer: Driving engagement, experience and revenue, an Economist Intelligence Unit report 2015*

4 Your audience craves content – lots of it

The average prospect engages with 10 pieces of content before they buy. As a marketer, if you're only delivering a single content asset per hard-won click, this means you've got to get your prospect's attention 10 times – and that's really hard. Your audience craves content and they've shown that they will binge on it given the opportunity. **In the on-demand era, how you package and present your content is as important as what you say in it.**

Satisfy the craving.

Content is still king. According to the 2015 Content Preferences Survey* conducted by Demand Gen Report, 67% more of the respondents rely on content to research and make purchasing decisions than they did a year ago. Research done by Google** shows that there's little chance someone is going to buy your product or service without first engaging with 10 pieces of content.

This means you need a lot of content per persona to satisfy your audience's craving. More importantly, if you're delivering your content piecemeal as part of a "one and done" lead nurturing program, that's a lot of clicks you need to generate – and you know how hard and expensive those clicks are to come by.

* Demand Gen Report 2015 Content Preferences Survey

** Google Zero Moment of Truth Study

...Your audience craves content - lots of it

But here's the real rub.

Despite the insatiable demand for content, 60-70% of the content*** B2B marketing organizations produce goes unused. It's sitting on sales portals and website shelves. This indicates that B2B marketers have a content packaging problem.

You need to get the right volume and sequence of content in front of your prospects, and timing is everything. According to Demand Gen Report, "Buyers are consuming a wider variety of content types depending on where they are in the decision-making process. While a webinar may draw in a prospect during the early stages of their research, they want more detailed and industry-specific information as they make their way through the sales funnel."

When asked how vendors could improve the quality of their content, 97 percent recommended that marketers package related content together.

Here again, marketers have an opportunity to learn from Netflix. The company is masterful at packaging content and recommending related content based on what their data tells them about the behavior and preferences of their customers (because you watched *Breaking Bad*...). It's all about designing and delivering those personalized content experiences and making it easier for prospects to engage with your content in a more meaningful way.



Prospective buyer's decision-making timeline

Customer behavior

Content type

Initial interest/
research



Webinar

Interest is piqued,
looking for some
more info



White paper

Final stages,
looking for
industry-specific
information



Third-party
report

Purchase/Success

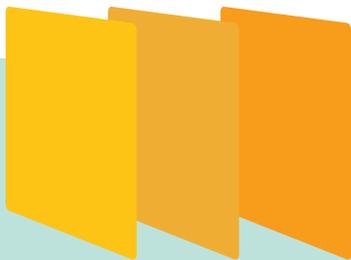
"When a whole season is released, you are giving the audience a chance to bond to the characters and the story MORE than if it was just one or two hours."

Julie Deneen

*"How Netflix Has Changed the Television Industry,"
MxCC Center for New Media Blog, January 22, 2015*

5. Personalization is powerful

Personalization in B2B marketing doesn't mean simply throwing a custom hero banner up on a homepage or starting your email with "Hi Sarah!" Just because you know an individual's name doesn't mean you know who they are. The real power of personalization comes when you deliver personalized content experiences over the entire customer lifecycle – from before the initial purchase to expansion and renewals. **Netflix uses engagement data to take personalization to a whole new level – and you can too.**



Based on these...



We think you'll enjoy these...

What's in a name?

We all get them: those emails that begin, "Hi [First Name], I just wanted to follow up..." Maybe you filled out a form to download a PDF or someone scanned your badge at a tradeshow, but you really can't recall.

Personalization done right is about making an authentic connection with each and every one of your prospects and customers. To do this, you need to move

beyond thinking about personalization as a tool to generate a click and start thinking about it as a way to build loyalty and trust.

If anyone has mastered the art and science of personalization, it's Netflix – 75% of its views come from some kind of recommendation or personalized ranking. Netflix mines its enormous volume of usage data to gain insights into its subscriber's individual behavior patterns.

...Personalization is powerful

This data guides decisions on what third-party content to license, what original content to green light for production and how best to market that content. As GigaOM* points out, "We are talking not just simply audience size levels, but very fine-grained data, down to the engagement level with each individual piece of content, as well as the mix of content each subscriber is watching."

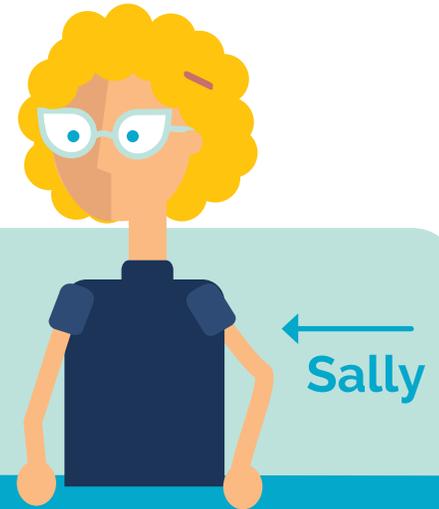
Netflix uses engagement data to take personalization to the next level. Here's one example: Before a new film or TV series airs, the producers typically create one or a small handful of teasers and trailers to promote interest and build hype. For *House of Cards*, Netflix created 10 different trailers, each geared toward a different audience.

Zach Bulygo** of KISSmetrics explains: "The trailer you saw was based on your previous viewing behavior. If you watched a lot of Kevin Spacey films, you saw a trailer featuring him. Those who watched a lot of movies starring females saw a trailer featuring the women in the show. And David Fincher fans saw a trailer featuring his touch."

For marketers, this is a powerful example of how personalization should work. It's all about listening to the data to deliver the kind of personalized content experiences your audience wants. The challenge is most marketers don't have the engagement data they need to personalize like a pro. In the next section, we look at how your data points and metrics need to evolve.

* Janko Roettgers, "For *House of Cards* and *Arrested Development*, Netflix favors big data over big ratings," *GigaOM*, Feb 12, 2013

**Zach Bulygo, "How Netflix Uses Analytics To Select Movies, Create Content, and Make Multimillion Dollar Decisions," *KISSmetrics Blog*



Things Netflix knows about Sally:

(And uses to keep her engaged)

Watches a lot of movies with a female lead.

Says she likes documentaries, but really watches comedies the most.

Likes horror movies mostly on weekends.

Watches on average for 3+ hours in a sitting.

Doesn't respond to action movie recommendations.

"We wanted to highlight our personalization because we pride ourselves on putting the right title in front of the right person at the right time."

Todd Yellin
VP of Product, Netflix

6.

Better content experiences start with **better data**



The single biggest conceit in marketing is that clicking means the same thing as reading or watching. At best, a click only signals a prospect's *intent* to read or watch. Most marketers measure proxies for engagement – visits, clicks, form completes and social media shares. To identify who is really engaged and what content is actually working, you need real and actionable engagement metrics – the kind of granular engagement data that Netflix relies on every day to hold on to attention.

Measure what matters.

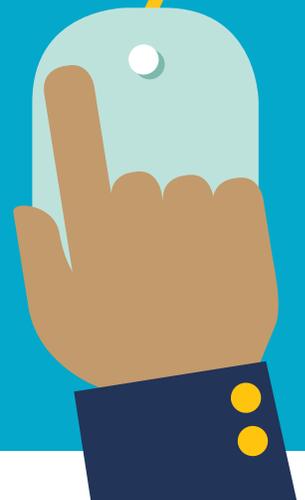
Most marketers have been measuring the wrong things – but it's not their fault. According to Tony Haile*, CEO of Chartbeat, things started to go wrong in 1994 when a former direct mail marketer called Ken McCarthy came up with the clickthrough as the measure of ad performance on the web. "However," Haile writes, "the click had some unfortunate side effects. It flooded the web with spam, linkbait, painful design and tricks that treated users like lab rats. Where TV asked for your undivided attention, the web didn't care as long as you went click, click, click."

* Tony Haile, "What You Think You Know About the Web Is Wrong," *Time.com*, March 9, 2014

What's wrong with using proxies for engagement?

- Chartbeat looked at 2 billion page views generated by 580,000 articles on 2,000 sites and reported very little correlation between the number of clicks and the time spent consuming the material.
- Chartbeat also looked at 10,000 socially-shared articles and found that there is no relationship whatsoever between the amount a piece of content is shared and the amount of attention an average reader will give that content.
- LookBookHQ's customer data shows that, for every form complete, there were at least 5x more people that spend real time with company materials but never fill out a form. If you're only looking at form fills, you're leaving behind those prospects that fall awkwardly between a click and a form complete.

Clicks are fine – marketers need clicks – but they don't tell you if someone actually read or watched something or what types of content are really working. You need to measure what happens after someone clicks. That's why digital publishers like the New York Times and companies like Medium are increasingly focused on real engagement data.



“We pay more attention to time spent reading than number of visitors at Medium because, in a world of infinite content – where there are a million shiny attention-grabbing objects a touch away and notifications coming in constantly – it's meaningful when someone is actually spending time.”

Ev Williams
CEO of Medium

*“Metrics 101: Lifetime Exposure”
Chartbeat Blog, January 13, 2015*

7 ■ Respect your audience & they'll stick around

So what is this engagement stuff really about? As marketers, we talk a lot about listening to our prospects and customers. In digital marketing, this means listening to the data – and then acting on it to give your audience exactly what they want when they want it. If you produce inspiring content and then deliver it to your audience in the right way at the right time, their engagement will increase – and **engagement has been shown to translate into more qualified leads, sales and greater customer loyalty.**



**SEND FEWER EMAILS!
IRRITATE CUSTOMERS LESS!
BE SMARTER NOT LOUDER!**

Show some respect.

As a marketer, you walk a fine line between inspiring your audience and irritating them: you know your prospects are really busy, but you still need to reach them and get them to engage with your content – if they don't, they'll never buy, let alone become the kind of loyal customers who rebuy, extend their investments and advocate for you.

Engagement data opens up a new line of communication between marketers and their prospects and customers, proving new insights into how they

consume content. When you measure and track engagement, you can improve – and accelerate – the content journey and make your interactions with your prospects more productive.

Netflix's success is a testament to the power of engagement. They were the only network that was able to green light \$100M for *House of Cards* without first making a pilot because they had the rich engagement data on what their viewers actually watch that told them the show would be a hit. And it doesn't stop there.

...Respect your audience & **they'll stick around**

Netflix customers watch about 7 billion hours of video every quarter. As Neil Hunt, chief product officer at Netflix*, explains: "If you could make just a portion of those, say 10 percent, 15 million viewing events a day, more productive... you could quickly influence the retention behavior of a large number of customers and generate hundreds of millions of dollars of increase in lifetime value from our existing members and not having to replace them at some cost with new members."

Think about how you could use engagement data to make your relationships with your audience more productive and respectful. Engagement data lets you get to know who your prospects really are, what they like and what they don't. If you could harness this insight to improve how you nurture, score and trigger follow-ups, chances are you could send fewer emails (stop spamming your prospects) – which would make everyone happy!

Engagement by the numbers.



If you can hold a visitor's attention** for
3 MINUTES

they are **TWICE AS LIKELY** to return

than if you only hold them for
1 MINUTE

63%

of marketers polled*** say that

ENGAGEMENT
is manifested in:

**CUSTOMER RENEWALS,
RETENTION & REPEAT
PURCHASES.**



"Consumers have grown weary of old-style marketing campaigns, which bombard them with emails and offers. As Kevin Akeroyd, Senior Vice President and General Manager of Oracle Marketing Cloud, put it 'We hammer our customers and prospects with more, more, more.'"

Alexander Wolfe

"6 Key Steps To Customer-Centric Modern Marketing," Forbes, May 5, 2014

* "Why technology and content are inseparable at Netflix," GigaOM, November 22, 2014.

** Tony Haile, "What You Think You Know About the Web Is Wrong," Time.com, March 9, 2014

*** The rise of the marketer: Driving engagement, experience and revenue, an Economist Intelligence Unit report 2015

The **Happy** Ending

Attention is the most precious asset you have as a marketer – without it, you've got nothing. The mantra that B2B marketers can learn from Netflix is simple: Getting attention is hard, so once you've got it, hold on to it. If you do this right, you'll triumph over adversity – declining clickthrough rates, 94% of marketing qualified leads never close* – and your story will have the kind of happy Hollywood ending we all want.



Episode Recap.

Netflix accounts for more than a third of peak Internet traffic in the US**. That's a lot of engagement and it results in a vast amount of engagement data that Netflix is able to harness to better understand its customers. Let's recap what this means for you as a marketer:

- 1. It's always primetime** – Traditional nurture programs impose a slow cadence on a busy and impatient audience that doesn't want to wait.
- 2. Attention comes in bursts not drips** – Your audience wants to binge on your content, so let them.
- 3. Your audience is control** – Stop trying to force them to engage on your timeline.
- 4. Your audience craves content** – How you package your content and when you deliver it is as important as what you say in it.
- 5. Personalization is powerful** – Think about what personalization really means. For Netflix's Chief Product Officer***, it's about building "a different channel for everyone."
- 6. Better content experiences start with better data** – Stop relying on proxies for engagement (clickthroughs, form completes, social shares) and start using real engagement metrics.
- 7. Respect your audience & they'll stick around** – Respecting your audience means really getting to know them, who they are, what they like and what they don't.

* SiriusDecisions 2013

** The Netflix Tech Blog, June, 2014

*** TechCrunch, May 19, 2014

Product Placement.

In the movie or TV show, this is the part where the director ever so artfully pans to the billboard advertising Amazing Product X or goes in for the close-up on the label of that thirst-quenching bottle of soda...



LookBooks help you hold on to attention like Netflix by delivering the perfect personalized content journey for your audience, no matter where you've generated the click. LookBooks allow you to "nurture now" by feeding your audience's craving for multiple pieces of content while you have their attention. And because LookBooks' rich, time-based engagement data feeds directly into your marketing automation platform (MAP), you can better segment and score your audience and accelerate engaged prospects through your funnel. That's the power of always-on nurturing.

"LookBooks have helped us increase the volume, quantity and speed at which we are able to deliver qualified leads to our sales team. The feedback we've received from our sales leadership since we started using LookBooks is extremely positive, leading to more closed deals with an increase in revenue."

Eric Hansen
*Director of Demand Generation
Cetera Financial Group, Inc.
Global Markie Award Winner, 2014 & 2015*

Roll Credits

By now, you probably want to go watch something on Netflix instead of reading more about it, so we'll wrap it up. But guess what? Netflix knows when the credits roll (or if you stopped watching before the end). Why do they care? Because they need to see what their audience does next. Do they leave the Netflix app or do they go back for more binging?



We'd love to know how you'd rate the usefulness of this Insight Guide and what you're going to do with what you've learned.

Please get in touch at: info@lookbookhq.com.

We are **LookBookHQ.**

LookBookHQ is the world's first always-on nurture platform that helps marketers turn a single click into engagement with multiple pieces of content. Wherever and whenever your prospects click, LookBooks deliver personalized content journeys that you can track to tell who is reading or watching what for how long.

Why make your audience wait? Nurture now with LookBookHQ.

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