Are we all facing the Netflix syndrome?

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HIGHLIGHTS

- Today's consumer-first, on-demand world is redefining retail marketing
- Targeting proxies for people – cookies, devices, apps – misses the mark
- Omnichannel is not the point – convenience and multisensory experiences rule

AS WE REACH THE LIMITS OF THE ATTENTION ECONOMY, WE MUST RETURN TO CONNECTED MARKETING

Netflix rocked the media world earlier this month when it missed new subscriber projections by half, and reported a drop in U.S subscriptions. Commentators deemed it an inevitable result of the proliferation of streaming services, coupled with consumers being overloaded with content choices as we move from the broadcast to the streaming era.

There are lessons here for the marketing world.

The explosion of media channels, apps and marketing content seems like a bonanza for marketers. It provides more ways to reach consumers and, presumedly, less expensively than using traditional media. Marketers jumped to add new channels to campaigns and give consumers more touchpoints across devices.

> *"Eventually, revenue growth bumps up against the natural limitations of population and waking hours."*
> *- Derek Thompson[1]*

Even with this proliferation of touchpoints and new tactics, though, there are limits. "Eventually, revenue growth bumps up against the natural limitations of population and waking hours," observed economic journalist Derek Thompson[1].

Media's transition from broadcast to digital and streaming is analogous to retail's transition from an "appointment-based" shopping era (stores and malls in fixed locations, open for fixed hours), to an "always-on" era (always open, one-click away).

Both streaming media and always-on retail are two of the many examples of a consumer-first, on-demand society.

The impact on traditional retailers' marketing strategy and survivability has been dramatic. Even native, always-on retailers such as the emerging direct-to-consumer (DTC) segment, have plateaued, or even failed, after initial, rapid growth. The founder of a now defunct luxury watch rental DTC, Eleven James, told the Wall Street Journal earlier this year that rising digital ad costs meant companies in this segment were going to have to get more creative about finding customers.[2]

All retailers need a different marketing paradigm to achieve sustainable growth.

Meet the new boss, same as the old boss

Yes, there are multiple new channels. And yes, power has shifted to consumers, who control what, when and where they consume information. But by and large marketers still think of themselves as creating and presenting content to categories (customers, prospects, lapsed) via channels. This is a paradigm that's outlived its usefulness as a growth engine.

For sustainable success, marketers need to go back to the original connected model of local stores where the owners (i.e., marketers) knew their customers, how and when to reach them and the value of what they were selling. This means getting back to:

1. People rather than categories
2. Touchpoints rather than channels, and
3. Delivering value rather than content, which more often than not means convenience and positive experiences

People – At the heart of connected marketing is this basic principle: market to people not proxies for people such as cookies (i.e., data stored by browsers), devices or apps. Consumers can only spend so much time on social media and search, even in today's smartphone-addicted world. Plus, everyone uses multiple devices during the day. Paying for clicks can get expensive. Are you really talking to different people?

Touchpoints – Then there's another basic principle – people connect via multiple senses. How we hear, see and feel things matters. Multisensory touchpoints resonate in a way that digital-only can't. A channel mentality often overlooks that.

The key difference with today's consumers is that they aren't simply "tuning in" to channels. With multiple devices in hand, they re-market, own, create, broadcast and, yes, consume content they like. The distinctions between paid, owned, earned, shared media have evaporated. We engage with multiple, concurrent touchpoints throughout the day.

Convenience/ Experiences – Focusing on what consumers value is essential to differentiation and sustainability for a business. Convenience trumps content. Making it easy and simple to use a service or to shop for a product is the primary barrier to entry for a new brand. And, fundamentally, how I feel about shopping for the product or service – my experience -- will determine whether I continue to come back.

So what does that mean for marketers?

First, don't feel compelled to be in every channel. In practice, "omnichannel" marketing is impossible; even if it were possible, it would be outrageously expensive. Just find the right touchpoints that are easily accessible and consumers can connect to in an intuitive way.

Then rather than starting with content, start with something that consumers value: convenience, which will produce conversions according to the experiences marketers offer. Price, promotion and place play second fiddle to convenience and experience. And value and relevance (i.e., personalization) are table stakes. The opportunities to build relationships with customers are almost endless. With so many options, embrace the genius of "and" to create connected experiences.

[1]The Attention Economy is a Malthusian Trap, The Atlantic, Jan. 16, 2019
[2]https://.wsj/com/articles/dtc-marketing-is-disruptive-and-popular-but-it-isn't-easy-11548706306