Professional Content Consumption and Engagement

In this article, we explore consumption and engagement on platforms that offer purely professional content.

PROFESSIONAL CONTENT: BEYOND ACTIVITY FEED

Professional content can be offered on virtually any consumption surface — including but not limited to the search, recommendation, and activity feed functions of a social media app like Facebook. (For example, it is often served through a subscription service or via email.) But regardless of where it's served, professional content generally differs from user-generated content (UGC) in several important ways that can inform engagement. It is usually entertaining or informational rather than social and is often less affected by issues such as feedback, impermanence, social acceptability, and audience size.

Below, we will offer guidance on how to make a professional content product truly engaging — including suggested key metrics that will enhance your understanding of such a product's success. Note that while the guidance in this post is focused on video, it applies to other forms of professional content, as well, including text and audio.

PRODUCTION-CONSUMPTION SYSTEMS

To understand engagement in the context of professional content, it's helpful to first create a framework. As with activity feeds, products such as **Netflix**, **HBO**, and **Spotify** can be understood in terms of the production-consumption loop that drives engagement, as shown in figure below.
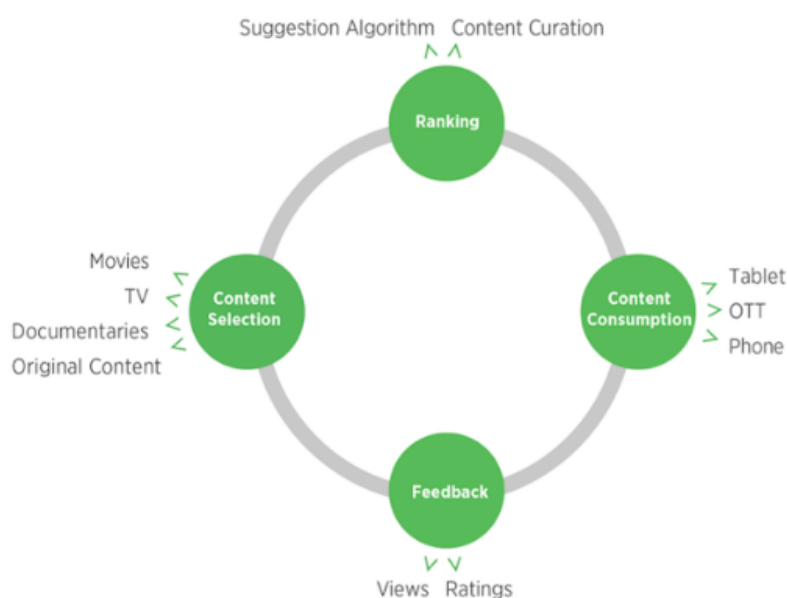
We explore engagement on platforms that offer purely professional content. In the first part, we described how production of evergreen professional content makes your product truly engaging. In part two of this series, we focused on how to make content

relevant by making the right recommendations. In the final part of this series, we focus on content consumption and feedback as well as providing guidance on product implications.

Professionals produce and deliver content, users consume it and produce explicit (ratings, comments, upvotes, reactions) and implicit (views, time spent) feedback, and that feedback drives further content production and delivery.

While a company such as Netflix constantly produces new content, and all of that inventory is available to every user, not all of it is relevant to every user. Thus, a selection and ordering algorithm is used to make suggestions. As users continue to consume and provide feedback, the product continues to learn about their preferences, thus encouraging increased engagement. Time spent is generally the top-line metric to move, but increased engagement will also manifest in users coming back more frequently (number of sessions) and consuming more content (number of views).

I will discuss each of the levers that can increase engagement on platforms that offer purely professional content, including Content Production (creating or purchasing different types of content), Recommendations (connecting and showing users content most relevant to them), Rankings (showing users the right content in the right order), Content Consumption (ensuring users can consume content easily on any device and under any network conditions), and Feedback (encouraging users to interact with content).

CONTENT PRODUCTION

The single most important factor influencing engagement with professional content is production — because if no content is produced, users will have nothing to consume. Just as with user-generated content, if new, relevant, and diverse content (whether licensed or original) is not offered to users, visitation will gradually decrease and your product will ultimately die. When developing a strategy for content production, consider the following:

Content diversity is key to retention.

Next, to acquiring new customers, content diversity is the largest driver of growth for professional platforms. To reduce churn and ensure users stick with your product, you must offer them a large and broad inventory. This is particularly important for audiences that span continents, languages, and cultures, as do Netflix's and Hulu's.

Content diversity also increases overall time spent, by ensuring users have "bingeable" options. Different types of content have different shelf lives and bingeability (for example, a serialized TV show versus movies, news, or sports content); thus, it is critical to understand each type and offer a good mix.

Exclusive content drives new user acquisition in existing markets.

While new content may be a relatively small share of overall time spent, since more "old"

content is available, it is an important lever for growth. In particular, offering content that cannot be found elsewhere will not only help you retain current users but attract new users (see figure below). Products need a healthy mix of old and new, which is why companies such as Netflix and Hulu are constantly vying to acquire and create the best new content.

Netflix Content Investment Vs. Subscriber Growth
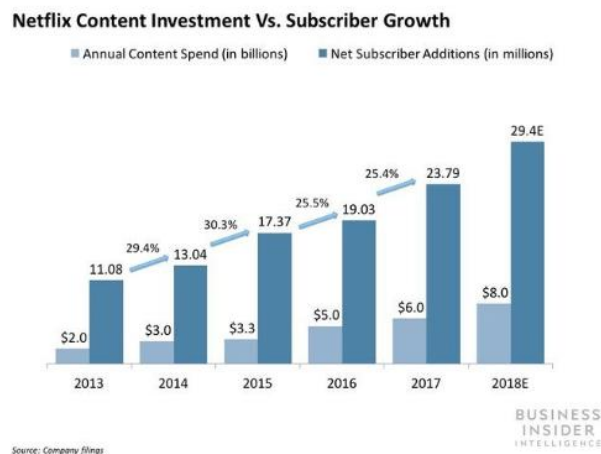
Licensing versus original content is a strategic choice.

What does a healthy mix of exclusive, original content and licensed content look like? The answer depends largely on your company's mission, strategy and long-term vision for the future. At Netflix, for example, licensed content drives 80 percent of domestic viewing, while Netflix Originals such as "House of Cards" and "Stranger Things" drive just 20 percent (according to recent analysis by 7Park Data). Yet Netflix Chief Content Officer Ted Sarandos says 85 percent of the company's $8 billion content investment in 2018 will go to original programming. Why? Likely because Netflix believes they may lose licensing deals as content creators develop their own direct-to-consumer services (as Disney is doing now). In other words, they believe that original, not licensed, content is the future.

Lifespan of content influences the ability to monetize.

As mentioned above, not every piece of content has the same lifespan. Users may watch movies, documentaries, and certain shows years after they were created, but the same is not true for sports. However, the time-sensitive nature of sports content also means it has a very high potential for monetization at the time of the event, primarily via advertising. Thus, companies such as Netflix, that do not have an ad-based strategy, rely on longer lifespan content, whereas Amazon, Facebook and HBO do purchase and monetize sports.

Behavior informs release schedules.

Do you prefer to "binge" a new show or podcast, or listen to new episodes each week or every couple of days? By releasing an entire season at once, you enable both behaviors, but make it more likely viewers or listeners will binge. This often increases the overall time spent, as well, because many users watch one show at a time. The faster they finish one show and move on to the next, the more total content they consume.

METRICS TO TRACK

Consider the metrics below when assessing the success of, and developing strategies for, a professional content platform. (Note, these metrics can be segmented by type, age, producer, time, ratings, etc.)

New content per week

The amount of fresh content available each week will ultimately determine whether users retain.

Total content available

The more overall inventory available to search and browse, the more likely it is users will find something they want.

Estimated life of content

Some content is evergreen; other content has a short shelf life. Tracking the lifetime of each piece offers valuable insights.

Estimated binge-ability of content

Know which pieces of content are bingeable and which are not.

Value of content

Because it costs money to create professional content, you must understand that amount relative to the revenue the content generates.

Quality of content

Higher-quality content is generally most costly, but also more likely to be consumed. Consider developing a method to assign a quality value to each piece of content.

Searches for unavailable content

Understand what users are looking for and whether they find it. This will help you determine what content you should acquire.

UNDERSTANDING CONTENT CONSUMPTION

A user's connectivity and device significantly influence their consumption experience for any product, including — if not especially — one that offers professional content. Thus, it's important to keep the following factors in mind:

Consumption device

How does your product appear on different devices (iPad vs. smartphone vs. TV, etc.)? How will appear to users on low-end devices?

Optimization function

What do you want to optimize your product toward? Depending on your vision, the

answer may be more <u>time spent, more valuable time spent, more original content</u>, or another factor. How do you make the tradeoffs between each?

<u>Low-end devices and lower connectivity</u>

What types of content should be recommended to users in regions where poor connectivity is common?

<u>Order of content served – Ranking and Recommendation</u>

The order of content served and the recommendations also have strong implications of what content gets viewed and watched.

<u>Search - Ranking</u>

Search is becoming an increasingly important tool for people to find relevant content. Having a great search engine that can recognize the intent of the people is very valuable.

METRICS TO TRACK

Time spent/DAU

Time spent is generally a strong indicator of whether your product is engaging. Market share of time spent is also a useful indicator.

Number of sessions/week

Do people keep coming back to the product? This is the earliest indicator of product-market fit, and a decrease in number of sessions is the earliest warning sign that things are going wrong.

Time spent/session

Like number of sessions, this metric will boost overall time spent. Determine which is the most powerful lever for your product.

Number of videos started, completed, added to watchlist

Total number of videos watched is a good indicator of whether a product is engaging.

Also, understanding the waterfall from videos started to completed are useful measures for engagement.

PRODUCT IMPLICATIONS

<u>Explore versus exploit</u>

Should you optimize for (exploit) what you already know about your users' behavior, or try to learn more (explore) what you don't know? That is, to what extent should you highlight the kinds of content they're likely to value, and to what extent should you highlight the kinds of videos they haven't tried? This is a fundamental question for all ranking algorithms, and there is no simple answer. How much of content should your product show that is popular versus personalized for the user?

Not enough data

No matter how meticulously you construct your algorithm, there will always be data you don't have. This is especially true when people have watched very few videos.

No optimization function is perfect

Prediction algorithms are designed to optimize toward a given metric or metrics. However, such metrics can never fully capture the spirit of a company's goals and mission — and predictions and relevancy scores will thus never be entirely sufficient. Ranking algorithms can help predict whether and how a user will interact with a piece of content, but not whether that interaction truly serves your mission.

Shared account implications

Because each account for a Netflix-like product is often shared by multiple people, it may not be clear exactly who watched a given piece of content. This means your product must strike a balance between personalized recommendations, and recommendations that reflect the entire account's viewing history.

Seasonality

Delivering the right content to the right users in the right order is in part a function of time, and will thus consumption will be affected by variations in user behavior based on the day of the week, the season of the year, summer, holidays, etc.

Signals used for ranking

The content type and diversity, binge-ability, recency, type of user and other signals all impact the order in which the content is served which in turn affects the consumption.

TAKEAWAYS

Consumption of content is strongly affected by device, connectivity, order of content served and search.

Type of content, Recommendation algorithms, Explore versus Exploit choices, Seasonality, Shared accounts, Optimization function etc. strongly influence the engagement of professional content.