

Dustin: Hey, welcome to 2018 Automated. Super stoked everybody. Registerers taking time to learn about ecommerce marketing automation here with us. My name is Dustin. I get to work with marketing sales and customer success here at Drip. But I'm gonna start off telling you about the past 15, 20 years of my life, that was actually on the other side of the fence doing ecommerce marketing and building ecommerce brands.

So we're gonna start off in the '90s, when I went to school. So I picked my college based on its proximity to skiing. This led me to Utah, the University of Utah, specifically, as that is 27 miles from Alta, Utah. Was an amazing experience and something I would recommend to everybody. If you're not going to go to a top tier school, it's gonna dramatically change your life trajectory.

Pick something that's gonna align to your passions. Do something that's gonna be fun. So for me, I got a PhD in powder skiing, and a business degree in marketing. Which, they've both worked out quite well. But back in 1994, I was in school. I was working at Snowbird and I met somebody named John Bresee, and we were in the Snowbird room service, and we had just received out avalanche beacons. Back in 1994, to get an avalanche beacon was quite an ordeal, and the only way to get them was really to place you order with ski patrol when they had ordered their bulk beacons for the season.

So we were checking out our avalanche beacons. They were quite awesome. They had just come over from Europe. And John drops on me, in 1994, we should sell avalanche beacons on the internet. In 1994, the internet was something I got on at school. I had an email address. I was surfing the web, checking out bands. But I for sure, had never done any shopping on the internet.

This was not gonna be a first time, or the last time that John was a gonna blow my mind with [inaudible 00:01:49] thought. What really happened there is he sent me on a path of grokking, building brands, and building digital businesses, that I'm still passionate about today.

We did a lot of work at Backcountry, and it was about 13 years I was there. And we ended with about 350 million dollars with zero funding. And at that point, I wanted to try something else. And so I went into the online travel space. The reason I was interested in online travel was very early on, almost 90% of all transaction and online travel moved onto the internet. I think it was about 2005, they had had massive penetration of all of their business going online.

What that resulted in was, all the people competing in digital marketing in online travel, were so advanced. They were upwards of 5-10 years ahead of the rest of the conversion and marketing tactics that the rest of us were using. And so I wanted to learn what was going on there, and I joined vegas.com, to deep dive and see what it's like to compete against Expedia.

What I learned really quickly is that Expedia had strategies and a tech stack for marketing that the rest of us didn't even know existed. After a couple years of competing against them and figuring out what they were doing, I realized that the environment we have today of unlimited compute power and unlimited data storage enables everybody to have the type of data and tech stack that Expedia has when they're competing against each other.

Another interesting thing about online travel is from a conversion perspective, go check out Expedia or Booking.com at least once a month, to see what new scarcity, FOMO messaging, anything they're doing to get you to move to the next step. A lot of the messaging they put on their site is not gonna be complementary to your brand, but it's worth noticing what they're doing. And anything you can apply will increase your conversion. But a common theme for all ecommerce, whether it was travel or specialty retail, is we all leverage this amazing power of pull demand marketing, which the internet brought to us in a way we had never had before.

So before the internet, there was really one way you advertised. It was push marketing. Seth Godin called it interruption marketing. And it was how we did it. You ran ads on radio, print, TV, whatever you could do to get your message in front of people. And if you had big enough budget, and you annoyed enough people, sometimes you got traction.

Before Google though, the only method for pull demand marketing was really the Yellow Pages. I'm thinking now, some of you don't know what the Yellow Pages are. So it was this book we had at our house, and if we wanted to order a pizza, you'd go to the pizza section and find a pizza place, and call them. If you needed a plumber, you went to the plumber section and you called the plumber. That was the pull demand platform before the internet.

Now that we have the internet, it's really made interruption advertising, a.k.a. push marketing, look stupid. And everything is customer complementary. And the customer is in complete control.

Push marketing is beaten by pull marketing, almost every time. These are some amazing ways that it's better. Customer complementary. The customer goes first, they raise their hand. How awesome is it when your customer says I want this, and you can come and say, "Great. We have this. Let's talk." It's measurable. Everything on the internet is measurable, but the fact that the customer goes first creates a interaction and a path that you can measure, regardless of the platform you're on.

One of the more powerful and impactful things to our society today is the fact that small works with pull demand marketing. If you find an audience and you have a supply to meet that audience, then that's the size that you can go after. You can go small, you can go big, but you don't have to risk millions of dollars building out infrastructure,

launching stores, and hoping that the customers come. You can find out if they're there by a small amount of inventory to meet that need, and then expand from there.

One area that push wins over pull, is in scale. So if you have the money, and you want to get your message out and have market share instantly, then you can spend a ton of money pushing your message out, annoying enough people, and at some point it resonates, and you have a business. That's about the only way that it beats, and it requires massive budgets, and at the end of the day, probably not a positive ROI.

So Google came along and was quick to realize that push demand was gonna get beat by pull, all day long. And they have built a massive 800 billion dollar market cap business, based 100% on pull demand marketing.

The powers of pull demand marketing and the Google platform have changed how we do advertising completely. The fact that we have a known quantity of demand out there, we know how much of that demand we can acquire, and we know at what rate it's gonna cost us to acquire it. It completely changed how we do marketing and how we budget forecast, and build businesses.

But before Google, the internet did have advertising. So a little bit of the history, I've been around on the internet for all of this. Sadly the internet, the first bit of advertising was push marketing. We started off with the banner ad. And it's crazy to think we started off with push marketing, we started off with the banner ad, and the banner ads are still with us today. So the mistakes we made on day one are still with us today.

So it was AT&T did the first banner ad campaign. And looking back at it now, it's pretty funny to notice they were using clickbait tactics from day one. Man how some things don't change.

Luckily search became the main way we navigate the internet, and everybody very quickly went to the search engines that were available back then, Lycos, AltaVista was kind of the Google of the day, but yet nobody could buy a keyword or a line advertising to the consumer's demand. So all websites and all focus was on indexing organically, so that you showed up in the AltaVista search ranking for the customer's demand that they were searching for. 'Cause there was not way to tie your ad to that.

Until, GoTo.com launched. GoTo.com was the first place you could buy a keyword, and pick which position you showed up in the search rank results. It was pretty fascinating. It wasn't a ton of volume, but we were on it very early on at Backcountry, and it was driving our business.

Very quickly after GoTo.com came about, the first SaaS software ever bought, I think this is 2000 at this point, was GoToast. So I know Benioff says he invented SaaS software, but here it is, GoToast. I was buying it in 2000. And what it did, was it managed your bids on GoTo.com.

Back then the algorithms were no quite as sophisticated as Google had, and you could do something called bid jacking your competitors, which was a feature of the GoToast platform. So you could be in position number two, and you only had to pay one penny above what the person in position number three was willing to pay for your position. Well GoToast had a feature that would figure out the person above you, so if I was in two, I could make the person in position one pay their max bid to stay there. It was a pretty fun game and showed how competitive things were back in the day, especially if you were on the bleeding edge and putting the pain on other people.

But that pretty quickly went away, and Google came on. And Google first was just organic search results. So everything was all about ranking organically. The results were so good, all traffic went to Google. Regardless if there's paid ads or not, the consumers went to Google because the experience was so much better.

So for a couple of years, we had to focus on just ranking organically 'cause we could not buy ads. But the second Google launched paid ads, it changed our business completely. We all of a sudden could predict our revenue growth, we could predict our return, and we could invest heavily. That's the main reason we were able to grow our business with zero funding, to a gigantic number one category leader.

After Google though, we didn't have much innovation. We were all surviving off of that, until their banner ad came back into our lives. This time it was slightly smarter than the clickbait ad that AT&T had ran initially. However, retargeting is still not that smart. It's still a banner ad. And it doesn't really make you feel very sophisticated when your customer comes to your site, throws something in their cart, and then 60 second later, you're on another site, and you're filling multiple spots on that site with the same banner, with the same things I just had in my cart 60 seconds ago. Definitely not instilling confidence that the marketing department at the brands is really dialed. But it has an ROI, so we all do it.

Finally, we did have some real innovation in our marketing, and this time, the internet has now proven it's not just a pull demand platform, it can be a push platform. Facebook came out with audience targeting. The audience targeting is so good, you can get a positive ROI pushing your message to people who have never seen it before. And this also works on small scale. If you have a supplement company and you want to sell organic supplements, you can find the people that are interested in seeing and learning about your message, and get a positive ROI selling supplements. It's a pretty incredible change that we've seen in the internet. And it's obviously in the news today, as how powerful it can be besides just marketing.

Digital marketing is prime for its next disruption, and this time, the customer is gonna be in complete control. The customers had a bit of control here, but we've mainly dictated what happens to them. In the next phase, the people that win are gonna be 100% customer focused.

One thing that customers have told us is they are super interested in shopping on the internet. In 2017, we had 2.3 trillion dollars transacted online. And ecommerce growth is gonna continue. So by 2020, they're talking about 4 trillion. I bet you it will be even higher.

So with all this passionate excitement from customers for ecommerce shopping, why are our metrics woefully underperforming, and indicating that we don't have trust with our customers? There are examples of ecommerce stores completely crushing it and owning the customer experience. And unfortunately, that's Amazon. Amazon has conversion rates that are dramatically higher than the average conversion rates out there. And a lot of it has to do with the fact that they have trust with their customers, and they have an experience that is aligned to their needs.

What we're looking for in this next disruption in marketing is a platform that's gonna enable us to have the experience with our customers where we're communicating with them, when they want to be talked to, about what they want to be talked to, in a way that enhances the experience with them.

One of the challenges in achieving this nirvana of personalization and right message at the right time is the vendors have been selling us this message and this promise, since the start of the internet. Since at least 2003, I've had vendors tell me they're gonna send the right message at the right time to my customers, and I've never seen it come to fruition. The reason vendors have failed to deliver on the right message at the right time promise has been a data issue. Ecommerce data was siloed, and there has never been a platform that combines the rich data of the order management system from the marketing analytics system at the customer level. The best case scenario is to run SQL queries and order management data with marketing analytics data. The end result was informative, but not actionable.

This has led us to all just kind of revert back to what works. We run ads on Google, and we email our customers. In fact, email has been with us since the beginning of the internet. It has been this tool that has gone up and down in its popularity, but has been consistent and has always had one of the highest ROI methods that we've had out there. And what's happened now, is the email address, even if you don't send any emails, is enhancing all of our marketing. Google and Facebook are launching features everyday, where if they can identify the visitor, you can change the message, you can increase your bid, 'cause you know it's gonna convert higher. Email addresses are the center of the universe for digital marketing, today.

So we've had ESPs to manage our email relationship with our customer since the beginning of time, and ESPs served a really good purpose early on. They were super efficient at sending millions of emails really quickly, and making sure they got into the inbox. This is pretty critical, and still today, has a huge impact on our business when we send millions of emails into our customer's inbox, even if the message is the same to

everybody. Again if you have some relationship with your customer, that's a viable way to communicate with them.

But as we move forward and we have all this data, and we can connect our order management system and our marketing analytics system at the email address level, we can be way smarter in how we send the emails. And we can still send millions of emails, but they don't need to be sent all at once. And they for sure, don't all need to be the same.

But the ESPs we have today can't really handle this type of data structure i just described. But it sounds like what I described is a customer relationship management system, a CRM. The challenge though is CRMs have never penetrated B2C marketing because CRMs were built for B2B sales. CRM platform is about pushing prospects through the pipeline, and ending in a close lost status. And they're not really about managing a customer relationship, and consuming millions of data point about millions of customers, and nurturing that relationship. It's really just about close winning the deal. And that's not what we want to do with our customers.

So the CRM Salesforce didn't build is the ecommerce CRM, an ECRM. That's what you're gonna need to connect your order management system with your marketing analytics system, at the customer level, and it's gonna go out into the marketing universe and execute your marketing for you.

Once you have this ECRM environment built, you've kind of taken the best of everything that's been built on the internet, as far as a marketing platform goes. You're gonna be able to leverage all the great things about push marketing, you're gonna leverage all the great things about pull marketing, and you're gonna be able to personalize it in a way that your customer's gonna be able to appreciate. And it's kind of gonna bring you to the prize in the middle. And if you think about it, that's where you're gonna earn trust, and you're gonna have a real relationship with your customers, and you're gonna win.

So what you need to do is you need to find a solution that does this. So, we call it an ECRM. Other people might call it something else. But really what it needs to do, is it needs to integrate across all your media channels. It needs to be multichannel. It needs to provide personalization at scale. It needs to do it on the fly, in your ads, on your site, in your emails. It needs to be measurable. It needs to be easy to implement. This shouldn't be a six month integration with massive data and tons of engineering resources. This should really be JavaScript, plug and play, hook up some APIs, and start seeing what works. And this gonna be all powered by the email address, something you already own. You mix that concoction together, you're gonna rapidly grow and be sure you're part of this next revolution in getting your share of the 4 trillion dollars done online.

All right, so that's essentially it at the highest level. That is the ECRM category. We're super excited to be part of it. It's gonna be a big category. It's gonna be growing. And it's gonna change how we call do marketing.

Really appreciate everyone listening to me today, and that you're gonna stick around and hear all the other great speakers we have from Privy, Zapier, Twilio. And if you want to engage, we're gonna be on Twitter all day. You can ask questions. You guys can also find me @dustinrobertson on twitter. Be happy to talk about any of this.