Branding First
SmartUp Foundations Course - Lecture 2
Given April 14, 2024 by Yonatan Stern

All right, so this is the second lecture in the foundations course and we're going to talk about the most, in my mind, interesting thing, which is the notion of branding first. But before that, I would like to remind everybody, what are we doing here? So this is the founding team and the Smartup Academy is a program to teach entrepreneurs the profession of building companies. And when I talk about profitable companies, I have a very clear definition. It had to be profitable, fast growing and with a modest investment, modest in the eye of the beholder can be a million dollars, $2 million, but definitely not $50 million. Okay.

And this is a work in progress, what we're doing here, which means we're building this academy and we learn more and more how to do it, how to convey the information, the message, the methodology, to the entrepreneurs, to the founders, to the CEO's of the companies. And it's really hard because there's tremendous amount of information we would like to convey. And usually when I'm not around, people go back to the way they always thought and they always think. So it's hard to change behavior. So what we do is we have several programs, the courses which we are now participating in. Then there are workshops where we take a subject like you will see branding first and work with a small number of companies in a roundtable figuring out how this methodology applies to their specific company.

And last but not least is a residency program, which, as you can see, takes four to five years. And it takes a long time to build the company from the beginning all the way up to where it's successful, which is profitable, fast growing. But first of all, I want to share with you, why do you need branding? If you build it, he will come. People will come, right? People will most definitely come. The rather Trudeau is innocent. As children pass over the micro, I have just created something totally illogical. Good baseball field, right? I'm pretty implemented, not completely nuts. Sometimes while you believe the impossible, incredible comes true. Field of dreams. If anybody didn't make the connection, they need another school. So company after company, entrepreneur after entrepreneur I meet. It's so obvious to them that if you build it, they will come.

It's so obvious, right? You just have to build it and somehow, mysteriously they will come and give you $20 bills like crazy. But the name of the movie is Field of dreams. So first, what I'm going to explain now is I'll give you a what I'm going to talk about in the whole presentation. So we'll go through it fast. First of all, what is a brand? And why do I use the word brand and not marketing? So what's the difference between branding and marketing? And why start branding and not with developing a prototype, a proof of concept, whatever it is, right? Literally every single entrepreneur I meet, they have something to show me, which they spend anywhere from $100,000 to sometimes a million dollars. But all their money goes to prove that they can write a piece of code, basically.

Okay, so what I'm trying to tell you is, no, maybe you should put your money somewhere else. Now, how do you create a brand? And how much does it cost to create and sustain a brand? And the benefits of the process of creating a brand? This is really important because a brand has many assets that it creates with it. First of all, clearly it helps with the sales process. If you have a brand, it allows you to figure out who are the customers that are most likely to buy from you, mainly because they raised their hand. So it's really simple. And you also figuring out the process for lead generation. So your customer acquisition cost is low. Remember, fast growing, modest investment, that's the main key for it.

Because if you figure out a way that people come to you instead of you trying to cold call them and they know about you, chances are that it's going to be a much easier sales process and it's going to cost you a lot less money. And I will show you at the presentation later that when you start the branding process, it kind of switches the way you think about your company. And many times it opens your head to opportunities you never thought about before. And that is really interesting because sometimes there are revenue streams that are really at your fingertips you just never thought about. Because one of the companies I work with told me, I tried to solve the biggest problem that I knew in the industry because I struggled with it for years and we spent millions of dollars solving it.

And now I realize there are easier things to do that customers need more. So that's why this is so important. And many times it pivots the company to the customers what they really want. So instead of doing the pivot like we all hear from startup companies that got funded, they spent $10 million and then they did a pivot. Well, that's $10 million down the drain. Can instead of do it at the beginning and don't spend $10 million before you decide

that your original idea was not the greatest idea. And a brand in its own is worth money. I know it sounds strange, but if you have a brand, it's worth money. And I will explain that in a moment. And I will also talk about the various ways of creating a brand.

So again, what I'm going to talk about is bring some examples from the industry and spend most of the presentation on smartup academy examples. So we will take four companies that we know very deeply and show you how they evolved and what they did with the brand creation. So how do you create a brand? I'm going to present three ideas in here. The SEO long tail. We'll talk about that. And I show that there are three companies that use it. Zoom, info, Opster and Tick Shack. In the next meeting we talk about, because this is not, we're not going to cover the entire subject in this meeting. I think if we do, that's great, but I don't think so. Free products can also create a brand for you and thought leadership as well.

So we're going to talk about only SEO long tail in this meeting with slight touches on the other things. So what is a brand? A brand is what your prospects know that their prospects know your name and kind of vaguely know what you're doing or where you're doing and not too much. They don't need to know your product, they don't need to know any of the features, nothing. They just need to know something about you and they need to have a positive feeling about what you know about your name. So you don't want your brand to be able. For the guy who stole, I don't know, $2 billion from investors or things like that's not a very good brand. What is marketing? It's different. Marketing is the process of lead generation. It's really the nuts and bolts on.

How do you start generating leads and from the leads, the sales and the revenues. So brand is above it and it is the bedrock and the foundation of the process. So let's look at it the old fashioned way. And just to show you some ideas about how people did branding. So all of you know, the tambour signs on hardware stores. Okay? So you can see them one after the other. Okay. And then what happened? Anybody can guess what happened afterwards. All right? So it turned from an advertising campaign into a noun. Okay? So they entrenched the word into a tambouria. And here it is. And I like the one the most. Because he has a split personality, he couldn't figure out which one he is, whether he's tambur or Nirlat. And Nirlat has a problem. So they tried to create a verb.

Le Narlet didn't really work for that. Okay. But you can see in here how successful they were with a really simple idea and how little it cost them to do it. You know, it's nothing. They just had to put signs on stories. Thought leadership. Remember, I said that there are three ways I understand how to do it. I hope that at the end of the meeting you will give me five more good ideas how to do it. So please start thinking about how do you create a brand? But the other one is thought leadership. So John Deere, that's the name of the guy. And he's also the tractors. He was in the business for, I don't know, 30 years, 40 years before doing plows. Was known for plows, but in, you see, that's from 1834.

But then he came up with the tractors and he wanted to start creating a brand for the tractors, which were new at the time. So what he did is he created a magazine, the Faro magazine. And it was so successful that it reached 4 million readers by 1912 and still in circulation. This is one of the recent. So you can start seeing the idea of a brand. What does a tractor company have to do with a magazine? So a brand has to do with the customers or the prospects you want. Always. Okay. So when you try to create a brand, the first thing you need to think about is, who do I want? People. Which people do I want them to know me. Okay, let's start with brands. Do you know what this brand is? What is it exactly? The brand is, I'm rich.

I can't afford to spend 20, $30,000 just to know what time it is, which, obviously, I can do for free. Right? So really Rolex stands for I can afford to spend $30,000 on something. And I want you guys to see, the reason I insist on it is you have to see the difference between. They don't talk about watches, they talk about positioning. What is that? You know, the brand. Louis Vuitton. Louis Vuitton, right. Look at it. We all know about it, right? What is this brand? IBM. Do you know what IBM does? Industrial distribution. What does IBM do today? Honestly, until 30, 40 years ago, they did mainframes. Right? That's what they were known for. But nobody wants mainframes anymore, so they kind of do things. Look at how many ideas you guys came up with.

So you start seeing the difference between a brand and generating leads. Okay? That's not the way you generate leads. You create a brand. Yeah. What do they do? Well, they started with the search engine, kind of. Okay. But very quickly, they realized that you can't do it manually. They did it manually with directories. And so they moved on. Now they are known for Yahoo mail and Yahoo. Finance and some other things. Rolodex is. Does anybody know what Rolodex is? Who doesn't know what Rolodex is? Now look at you. You are the young people. That's it. I know. See? So do you know who the Cardassians are? Yeah. Do you know what they do? So

you start seeing the elusive portion. You know who Elon Musk is? What does he do? Two things. And Tesla. Right. Okay, who is a Kyo Toyoda?

You know, guess that's not the founder. That's the third generation. But you're right, he is the circumental. Right. He is the CEO of Toyota. Okay, who is Jeff Bezos? You all know, right? Who is Andy Jassy? Look at the quiet in the room. Shame on you. He's the CEO of Amazon. Yes, he is the CEO of Amazon. Jeff Bezos is now the chairman. Oh, yeah. He built aws. So, yes, he's a very successful guy. He's a nice jew. Okay, I just start to show you how subtle this whole thing is. Okay, what is blue origin? SpaceX competitor. Good. I'm very impressed. SpaceX competitor. And who is David Limp? He doesn't limp. By the way, who is David Limp? The CEO of Blue. Okay, who is Mark Zuckerberg? You all know, right? And who is Zheng Yi Ming? Shame on you guys. Shame on you.

I put them in pairs. Nice. Who said TikTok? You are right. He's the founder and CEO of the parent company of TikTok. He invented TikTok. Okay, who is Jack Ma? You see the difference? I thought that I will put somebody. Zhang Kiming. Well, we don't know Chinese, but here's another Chinese, and all of you know who he is. Okay, what is schmonemattaim? Strong. Do you know who Albert Einstein is? Yep. Do you know who Niels Bohr is? Do you know who Niels Bohr is? Well, he's almost as known as Albert Einstein. He's the father of quantum mechanics. Had many, many arguments with Albert Einstein over 30 years, even though Albert Einstein was the initial discoverer of quantum mechanics. But I wanted to show you the difference. Okay. It's two scientists, very successful, tremendously smart.

One is a brand, and the other is just a very good scientist. Why did Albert Einstein became a brand? Why Jeff Bezos a brand? Why is Kardashians a brand? Why is Elon Musk a brand. If you can give me the answer, I would appreciate it because I have no idea. I don't know, guys. I don't know. What I'm trying to show you here is that's why I did this, is to show you the subtlety of this, okay? How difficult and kind of almost random it is to build a brand. It's not an easy task. So what I'm going to show you are ways of doing it. But a brand is a difficult thing to build. So I said branding first. But what about the marketing stuff? So here's a classic marketing funnel. This is what we just added, the branding thing.

It wasn't in the original picture that I put in here. So what they talk about the funnel is basically you take your non prospect somebody and you move them down the funnel, all the way down to buying and loyalty. Okay, and where do you start? In here is the first step is awareness. If you build it, you will come, right? Well, I built it and nobody came. So how do you make people aware of what you do? So the first step is awareness. And I thought I have demonstrated to you the difficulty of awareness. It's very difficult to get people to recognize you, to be aware of what you do. After awareness come engagement. Somehow the fact that they know about you doesn't bring you tremendous value. You need to engage them somehow. Okay.

Most of the things we're going to talk about, I will show you how the branding process that we're going to develop also touches this element, the engagement. And down from engagement you come to consideration, which is the prospect. Start thinking about, hey, maybe I should buy a Rolex watch. I want everybody to know I've just won the lottery. And then conversion means basically you see the line between sales and marketing. So from consideration you go to buying and then retention and loyalty and all of the other good things. Okay, so that's the difference between branding and marketing. Any questions? Until now? Okay, so what I'm saying is instead of building a product or a proof of concept, I'm going to say something really radical. Take your friends and family money and put it in branding.

It's the best investment you are ever going to do. I repeat, take your friends and family or your savings and put them in branding rather than in developing a prototype or a proof of concept of what you're going to do. Because the only reason you develop a proof of concept is you want to convince people to invest in you and you will create tangible value by doing so. First of all, you can start creating the marketing funnel I described to you gain deeper understanding of your market. You identify beachheads. What is a beachhead? Well, the most famous beachhead is D Day, World War two, right? The allies want to why a beachhead is, you say, if I'm going against a big enemy, there's no way I'm going to conquer the entire area.

I need to choose one very small area where the amount of forces or the amount of energy I'm going to put on that very small area will allow me to penetrate the lines of the enemy and then start spreading from there. So that's the concept of a beachhead. So you need to find an area that is easy for you to get in. Obviously, you're not going to start climbing the tallest wall or whatever. You want to find a place where you can sneak in with the little amount of resources that you have by doing branding and you see who responds to you. You are already far

ahead. Some people raise their hand and say, that's really cool, I want to talk to you. That's much better than cold calling.

Just a list of random potential customers and we are going to be surprised many times when you do. So who is raising their hand and why they talk to you? Invariably, the reason they talk to you is not what you thought. And remember, when you do a brand, you don't talk about your product. When they build the magazine deferral, you said, you know, they were talking about everything that has to do with agriculture. They didn't talk about plows or tractors. And it will be much easier to raise money. So if you come with the proof of concept of a piece of software, honestly, most of your investors, potential investors, know that you can write this software. It's not that complicated. Nowadays, it proves very little. But to show them that you found a way to talk to potential customers and they respond to you.

Anybody who has been in the business for a while knows that's the difficult part. Okay. And as I said before, sometimes just this process identifies or opens for you additional revenue streams that you didn't think about before, but the way it works sometimes, and I will show you examples of how it generates other revenue streams. Okay, so how to launch this before having a product, right? People say, wait a minute, I don't know anybody. Nobody knows me. I don't have a product. I don't have a proof of concept. What do you want me to do? I'm not even the Kardashians. I checked. I'm not. Okay, so how do I get a brand? So there are two things you can do. Number one is most entrepreneurs have an idea of the problem they try to solve.

Not all, but many entrepreneurs say, this is the problem I'm trying to solve. Now the question is the problem you are trying to solve known to your prospects? Now you think I'm joking, but many times people think they have a problem, but the customers never articulated the problem. There's a difference between having a problem and articulating the problem. Articulating means somebody at the company sat down and we say and says, you know what, guys? We take this stupid form and we move it through five different people to do virtually nothing about it, okay? Until it gets to me and I need to stamp on it. Why do we do that? That's articulating the problem.

If you come to them and you tell them that, it just doesn't resonate, because the reason they do this is because over time, everybody wanted to create a job for themselves, right? So until somebody came and said, this is ridiculous. You haven't articulated the problem. So if you try to focus on the problem you try to solve, and then think about how can you get people to respond to the articulation of the problem? If nobody responds, it's going to be extremely difficult for you to sell. Extremely difficult. Why? So there is no problem. There is a problem, but it's not articulated. No, no, there is a big difference. There are many problems. You can solve that people never, I said articulate. Not that they don't feel bad about it. They just never said, I feel bad because of this.

They just say, oh, it's horrible. I waste a lot of time. But they never sit down and articulate the specific issue that causes the problem to them. I'll give you a very simple example that saw at my daughter's car. There's a feature in the car that if you are in a light and the car in front of you starts to move, it beeps. I never knew I have a problem, right? But when I saw that, I said, well, that's genius. You know, I cannot work on my phone dream because it's going to beep when the car in front of me moves. That's, articulate the problem. There was a problem. It bothered me all the time that I needed to be aware of what's going on. And suddenly the beep, not in banana. That's the problem. They will wait. No.

Then he starts honking and you start saying, oh, my God. Second idea is, and that's like the Ferro magazine, okay, think about what else might be of great interest to your prospects. Okay, so these are the two lags that at least I was able to identify. And again, remember, I think that branding is one of the most difficult things to do. So if you have other ideas of what can be done, I'll be grateful to you if you come and I tell me and show me what to do. So these are the two ideas that we have. Either find a way to talk about the problem or find something else that your customers are interested in. And I'll show you both of these in the examples later on. Okay? And there are several methods for brand building. I talked about them before.

There's the SEO, there's the free products and the thought leadership. And the only reason I repeated it is the other. I beg you, if you have additional ideas, please come and show me or tell me. Okay, what is SEO? I'm going to talk a lot about it, so relax. It's the acronym for search engine Optimization and it's the concept. Basically, if you think about it, there is Google, right? Google is a search engine. You type in something and you expect to get a response. And the response, hopefully, is the answer to your question. And in many cases, at least until today, not talking about chat GPT yet. Okay. We expected Google to somehow figure out from the few words we typed in, what question do we want to get answered?

So the idea of SEO was we're going to build content that our prospects, our customers will type in something to

Google and up. My content is going to show up and that will create the brand. There's a little problem. There are lots of smart people like you. Lots. I mean, tens of thousands, not two, okay? And they all want to do the same thing, which is, let's write content that if you want this service or this product, my content will show up. Give you an example. You're a lawyer, you're a patent lawyer, okay? Say, oh, I need to put content. So let me write an article about how do you do a patent? Or what is a patent? Or how do you file a patent? I can assure you there are about 10,000 of those on the web.

Every patent lawyer wrote this or copied it or whatever. Another example is a CRM company wants to tell you why you need a CRM. Every other CRM company and every other CRM consultant and everybody else is doing the same thing. So what happens is a lot of noise in the market, okay? Now, how does Google deal with it? So it used to be years and years ago, there was the famous Google algorithm if you, those of you who are old enough, remember it, which is Google, looked at how many other sites link to your site, and that was to them a proof that your site is probably of high quality, because a lot of people are pointing to it. Well, we're dealing with money, right? Search engines are where a lot of our traffic to business is done.

So obviously a lot of people wanted to convince Google that their site is better. So what did they do? They built 10,000 fake sites that pointed to your content. And lo and behold, you have 10,000 sources that point to your content. And you would be surprised how much money Google spend on fighting spam. Every time Google develops a new algorithm, the smart people develop a new algorithm to spam Google and do something to it. So how does Google deal with that? So their philosophy is really simple. And when you build your content, we have a consultant that we work with, Aviran Milani used to work with us at. Yeah, we do. He used to work with us at Zoom info, and he really a specialist on this and very smart. So we use him.

Usually when we come up with an idea and we build something, we bring him in for two, 3 hours of analysis, sits with us and analyzes the content of the link and everything else, the structure, to make sure that we conform with what Google wants and does. It's only about conformity. It's only about making sure that we make the site as easy for Google to understand and to see. It's not about getting up in the grading, but their philosophy is really simple. Google wants their users to come back as simple as can be. And the way to make people come back is to give them what they wanted to want in the first time. So it's very important for them that when you run a query on Google, you will get the best possible content. Why?

Because if you start getting garbage, you will not return to Google. You'll go to bing or you'll do something else. Okay, so Google has number one priority, is delighted customers. That's their number one priority. And they're going to do anything possible in order to do that. But the whole world wants to spam them. So Google heavily relies on the users. Let me explain what they do. At the end of the day, Google has a huge advantage. 80% or 85% of web searches are done through Google. So they see virtually every one of us when we do a search. Moreover, many of use Chrome. So in Chrome, they see really everything we do, not just the search that gets to Google, they see everything we do. So anybody who thinks we have privacy, come and talk to me afterwards. I will tell you're wrong.

So Google, through Chrome, sees every single mouse click, every single movement of the mouse that you do. So what they do is the following. They see a new site that seems to have good content, they're very careful, so they put it on the second page, like, you know, place 13 1415, see if anybody gets to there. When they get to that and you click on it, they see how long you stay on that page. If you go in and come back within a second or 2 seconds, that means the content was just not interesting. So they let the users be the judges. If the user stays on that page for longer and doesn't come back to Google, or comes back to Google a few minutes later, that's a big plus.

And because they have so much traffic, it's very clear, you know, you can't really spam it. You need millions of clicks before Google makes a decision. So you really need to build high quality content that is unique and that fits what the customers want. And it takes, even then, it takes a long time for Google to gradually move you up the ladder from, you know, tens position to nines to eights to seven. And by the way, Google gives you full transparency. You can look at their Google Analytics and see exactly everything that happens, what queries brought to your page, what position you were, and everything else. Okay? So there's tremendous amount of information if you know how to use it. But the main thing I wanted to point out here is there is no magic.

I know that a lot of consultants say, if you do this, Google will like it and do it. It's all. Even if it's true, it's temporary. Because everybody, if he found it, everybody else found it and they're trying to spam. Okay? So every single advantage like that holds for about two weeks, not more. The real thing is, can you create content that is very unique, that people want, and when they see it, they stay with it. They don't go back to Google.

Okay? And if you do that, Google is your best friend. Because if you play by the rules, and their rule is, I want customers to be delighted, if you play by their rules, they will give your content. So my advice is always, don't try to be smart. Don't try to find some loopholes. Just think, how can you create good content?

What I know is that a lot of content publishers like New York Times and other places are suing them because basically Chedgpt took their content, churned it and spit it out as answers. Nice answer. But the content, the real data or information is in the New York Times or in other places. So there's a whole argument going on right now, but I can't answer your question. Come in three years, I hopefully will be smarter. Pardon? No, it's not free. The reality of it, a lot of the content is not free. This, I won't go, I don't want to go into it. If you're interested, I can send you to some sources. You will see there is tremendous amount of tension right now about the information that they consume. Okay, so the whole idea is a long tail.

And I explain what a long tail is. Okay. And I found this very nice picture. This is the tail, if anybody didn't see it, okay, it's getting thinner and thinner. And this is the head. Okay, so what are the head keywords? The head keywords are things that usually one words like necklace, CRM, something like that. Okay? Which means you want to know something about CRM, you type in CRM. What are the chances of you competing against Salesforce, against Wikipedia, against you? Name it. Zero. Literally zero. Right. So don't even go there because there is a high search volume, there's huge competition and nobody's going to convert. Convert means click on the link. Okay. The long tail is usually longer phrases, you know, so we have very specific phrases that there's much less competition for it. All good. And this. But what are they?

So I give you an example in here. Common terms like necklace, laptop, high search volume. What is the long tail? Much more specific? 18 inch silver necklace with a pendant. Okay, wow. That's as specific as can be. And obviously, if you have a jewelry store, you will have gazillion combinations like that. Right? The benefit of it is there's very low search volume, but there is less competition for this and you get higher conversion rates because anybody who types something like that is looking for an 18 inch silver, blah, blah. Right? So clearly you are answering their question. So this is what you find out. So the top 1000 keywords make up less than 20% of overall search. Why? Because people know already that when you type in CRM or PC or something like that, you're going to get garbage.

So people have learned that if they want to get answer to their question, they need to be far more specific in what they type in. And 70% comes from the long tailed keywords, which are usually terms four to six words more than that. Terms. And we will see in a moment how to use that and what Chris Anderson says the best way to dominate the web in the face of stiff competition is to optimize for long tail search. What's the problem? So each keyword has very few searches. So if you need a lot of searches, you need to publish thousands, if not millions of pages. So anybody who thinks about writing blogs, forget it. You just can't write blogs fast enough to create this. And also your ideas about what to write disappear very quickly.

So obviously, if you are in the long tail business, the usual stuff that every marketing consultant will tell you is useless. You can't write the content fast enough or good enough. So how do you create it? And the solution, not surprising, is you need to have some sort of a database. So a database is where you start generating your pages. And it should be a database of something that is relevant to your users or potential users, either because remember, we talked about the problem or you talk about something else that is of interest to this specific set of people. These are the two pillars on which you can start building a long tail content strategy. So who uses long tail? And you'll be surprised when I started showing you Amazon, you type in any product and you're going to get an Amazon line.

They opened all of their content for Google to read because you will get, you know, you type in any bizarre product you have on the earth and you're going to get in Amazon LinkedIn. You type in the name of a person or name of a company and LinkedIn will be up there in the list. Why? Because there are about, I don't know, 200 million people names in there. And so it's a very long tail and they didn't generate a single line in this. It's all user generated content. By the way, when I was a zoom info, we got access. I won't say how, okay? I will say the Indians, okay, they sell it. So we bought the LinkedIn data and obviously everybody else bought the LinkedIn data.

So LinkedIn was fighting everybody and we got a nasty letter, cease of deceased, you know, with lots of examples, blah, blah. And we took a good lawyer who already fought LinkedIn before. And as were progressing through the process, a company sued LinkedIn and they sued LinkedIn, claiming that LinkedIn has no right to prevent them from taking the content. Why? Because they claim on every page that the content is not theirs. You put a LinkedIn page, it's your content. You put a LinkedIn page, it's your content, and it's your content. So

LinkedIn cannot block you. Especially that people say, I want it to be public. So that means I want people to look at it. And LinkedIn lost. They appealed and they lost. And since then, you can buy the LinkedIn data for pennies.

Whatever the user put in is, you can take whatever is linked in content. For example, which groups do you belong to on LinkedIn? Because it's a LinkedIn content you can take, they will sue you. Okay, crunchbase again, a page per company. They expanded their content a few years ago and included every company on earth, mainly for long tail marketing. Facebook, obviously. Tripadvisor. Are you guys using TripAdvisor? I'm friends with the founder and he said it was an amazing trip of people creating content and he's making money, so he really liked it. And Zillow, my favorite example. Why? I'll show you why. So Zillow. Does anybody here know what Zillow is? Real estate. Exactly. They are a real estate agent in America. And when we came to America in 1989, yeah, 89, were staying on 46 Longwood Avenue in Brookline. Here's the address.

That's what you see in Google. And Zillow is the first answer that comes in. I put in an address, and Zillow has an address as their long tail phrase. Okay. So they. For every single address in the US, there is a page on Zillow. Think about it. If you think about long tail, this is real long tail. So I clicked on it and here is what I saw. Honestly, I checked. It is the apartment we used to stay in. Remember it? Maria. So this is the apartment. I didn't look that nice when I lived, but look at what they did. Okay. They put a rent estimate. They call it zestimate, just to create a stronger brand. They put the off the market for sales estimate, telling you that you can put it on the market. And this is the clincher.

Unlock owner dashboards so you can become the owner of this content and you can basically rent it through them or sell it through them. But you see the power of it. They basically took data that is publicly available and put it on the web. Okay, why a database? So each row in the table is about an entity. If you think about a database, I'm trying to simplify life, because then it's easy to think about how to use it. Each row in a database is about some entity, a person, a company, an address, a hotel, you name it. Okay. It's a line in it. Each column in the database is the content. Basically, what's the rent value? What's the price value? Pictures of it, you name it. So every column in this database is the content you're going to put on the page.

So every row becomes a page. The name of the row or why you chose this row is what you want Google to return for you. If I type in 46 Longwood Avenue, I want you to return to my page. So I put it as the age one, I put it as the title of the page. I make sure that Google knows anybody who types that string should come to this page, and that's how you build it. Okay, I just said it. The interesting thing about building a database is right now I described something static, but because it's a database, you can run queries and you can basically create endless amount of content. Every query will give you additional content.

The idea is you want to create those slices, those queries, in ways, and you will see later in ways that customers might type it, that customers will want to see that way. Okay, so if you want to see software companies in Boston, I need to create a page that Google will read and it will say software companies in Boston. And I can then start creating software companies in New York, software companies in Washington, software companies. So you can see how many pages I can create, and it takes minutes to create those pages. So you can create an endless amount of content using this long tail in a database. So let's start with Zoom info. And that's the home page, or used to be the homepage. So for those of you who don't know, I'm the founder of Zoominfo back in the year 2000.

And the company followed the rules. Small investment. We financed it from a loan, basically from my previous company, Cardscan. And it grew fairly rapidly and became profitable in 2010 and continued to grow. And were selling mainly to executive search firms. For those of you who don't know what Zoom info does, it is a very large database of information about people and companies. So clearly, you know, even in the nineties, it was clear what the Internet brings with it. It brings two major things with it. Number one is connectivity. Right. We now take it for granted that you can make a phone call from here to Wazoo and easy WhatsApp, all of that stuff. And the other element was, it's a huge publishing house. Everybody puts all their information on the web. It's available.

So these two assets were clear in the nineties, and there were tools to utilize them. One was all the communication software and hardware, and the other was search engines. So there were plethora of search engines. But all of the search engines were basically doing the same thing. You put in a few words and then the search engine was looking for a page that has these words. Let's say the search engine found 5000 pages with these words on it. And now the whole trick was to try to figure out what did you really mean when you wrote

these words. Words. And therefore, how do we rank the 5000 pages? What do we put on the first page, the ten result first page. That was the big fight. Everybody fought it.

I won't go into the details because it has nothing to do with branding, but when I looked at it, I said, there is a huge asset that is totally not available, which is if the information exists on the web, but you have to collect it one piece at a time. So, for example, the example I used to give is give me the list of all the software companies in Boston. You can do that on the web. You can find one company after the other in Boston and create a list. But there isn't a list, a page where the list exists. So you have to create that page. And that's what we came to do. So what we wanted to develop a technology is to search, read the entire Internet and extract information from each page and each website and create a database.

That's what we did. The technology was very difficult. The quality was crap. Sorry. And so our customers were recruiters. Why recruiters? Because they needed lists. They were looking for VP marketing at a software company in the Boston area. So there was no way for them to find any list like that. And we provided lists like that. Half of the list was wrong because the technology was. But the other half was good and that was good enough for them. Okay, so we sold to recruiters and the whole story. I'll later on explain why it is so critical to understand. Okay, so that's what we did. The revenues by 2004 were about $6 million. We were profitable and everything was good. But true to nature, fast growing company, you want to find additional markets because the executive search market was not that big.

So we wanted to go after salespeople. That was the logic. So how do you move from one set of customers where we already had a pretty good brand to another set of customers that is much bigger and much more diverse? We had a better solution. So we made a very bold decision. We decided to take all of our data and publish it. And just the other day I was talking to Jeremy Rothmanshaw, who was my co founder. He was the CTO. And when we wanted to do that he said to me, why would anybody do anything with it? I mean, why do you want me to now create a directory and put it on the web? This is a royal waste of time. And anyway, we're disclosing our information, the one we sell for so much money. Why do you want to do that?

And my answer to him was, let's try it. So we did it. And if you think about it, the logic is really simple, right? What do salespeople do if they want to find the vp marketing of a software company? They're going to build a list of software companies and run a query. You know, who is the VP marketing of XYZ company, right? That's what it's going to do. So clearly, if we can build it in a way that you can query it by name, by title, by company, we're going to get a lot of traffic and that's what would happen. Okay. Turns out that search by name is one of the most common searches on Google and Bing, with a caveat, which we didn't know. And it's funny.

So were talking to actually Microsoft to Bing, and they were very interested in what we do. And they told us this, that this is the highest search that they see. But they neglected to tell me that most of the names that people put into Google are celebrities. And were really bad at information about celebrities. Horrible. So we eliminated that. Anything. Also, 2004, there was no other directory. LinkedIn just started. They published their directory like two, three years after we did. So we had the whole market for ourselves. Of course, I didn't want to lose money. So we decided that we're going to publish not the real directory, but the directory of all the people with their previous jobs. So not the current job, but the previous job. So that has no risk for us. It's important, but not that important.

So one day I get a phone call from the business week reporter from Washington state, and he works there on Amazon and Microsoft, Washington state. And he says, you know, I really use your directory all the time. And I said, why? He said, because as a reporter, obviously no employee is going to talk to me, but ex employees do talk to me and I get a lot of information from there. But I have a question, since I found that in your directory you have Linus Torvald as an ex employee of Microsoft. For those of you who don't know who Linus Torvald is the guy who invented Unix and many other things, and clearly a genius in this and a big antagonist, let's say, of Microsoft. So obviously he wasn't working at Microsoft.

So I went to Germany, my CTO, and I said, look, how did that happen? He says, it can't happen. I said, why? He says, because he's a celebrity. The company is a celebrity. We don't match two celebrities because we know this is a problem. Look, it's right here. Says, let me check. He comes back half an hour later, and he says, you wouldn't believe what I found. Said, what? Says, there is a press release that was published everywhere, and it says, linus Torvalds joined Microsoft in a petition to something. So now you understand why language understanding is so complicated and why our data was. Okay, so here's what we did. So we created the directory. When you publish millions of pages, you need to let Google read millions of pages or tens of millions of pages.

So you have to create structure that allows Google to get to it. And the structure is called, usually a directory, and it's hierarchical. So you start in here with, as you can see, ABC or by cities or kinds of that. But as you go down one level, you see it goes to, you know, Koman or mundu, to Koman or Rao, and it goes down one level at a time. Okay? There are, I think, four or five levels until you get to this kind of a page. Okay? So that's the final page you're gonna see. So when you type in Kimberly Deng, you're going to find this kind of information on the web. So we started getting a lot of ping. People were interested in us, and were tremendously happy, except there was a little bit of problem.

So as you move from recruiters to salespeople, they wanted a very different product, because what the recruiters wanted was, you know, they spent a lot of time with candidates, so they wanted to get down very quickly to the needle in the haystack. They wanted to find ten or 20 potential candidates and show them to their client. Salespeople wanted the haystack. Why? Because they were cold calling 100 people a day. It was a machine, and therefore they wanted the entire haystack. And I said, cold calling. Right. So they wanted their email address, their phone number, and all of that stuff. Well, you guys looked at the web, right? So how do you get phone numbers and emails on the web? You don't. So that was kind of a scary moment when we realized, you know, were going very fast into the walk. Boom.

So one day, 2004, one of our salespeople comes to me and he says, jonathan, you have to see. I said, okay. He takes me to a product, and he starts typing in the name of a person. He typed my name and he says, here's your phone number, here's your email address. Said, wow, how do they do it? And he said, well, they have this application that allows you to do that. And I said, just like that. He says, no, they want you to also, you share your address book with them. I said, you did what? You shared your address book with this application. He says, why not? He said, you know, privacy. He looked at me like I'm out of my mind. Salespeople don't care about any of these things. They need lots of phone numbers. That's what they do.

So the guy who developed this application is Sean Parker. Do you guys know who Sean Parker is? So for those of you who don't know, he has some very famous history. So he invented Napster, which, even though was legal, was kind of in the gray area of sharing music illegally and was sued like hell. And then he used the same idea of people sharing their information and developed a product called Plaxo. So what I was demonstrated to was Plaxo. And then they sold Plexo to Comcast or something like that. So the guy, and then he joined. After that, he joined Facebook. Those of you who saw the movie about Facebook, he plays there. So once I saw that, I understood that, well, we need to develop the same idea.

I have a lot of contributors, salespeople who would gladly contribute their information to get free information as well. So that's where the idea of contributors started. So if you see the same page that I showed you before, now I want you to see, you see, there's a call to action everywhere. See that little call to action? And when you click on the call to action, here's what you get the swapper. For those of you who didn't notice, these are the Zoom info guys, okay? But they are the third generation or something. I'm talking like the elders. So it's a limited free product. So remember what I said before when I said, how do you do branding? Right? So I said, you can do long tail marketing, you can do free products, and you can position yourself as a thought leader.

So you start seeing how these ideas start to merge. I promised you that. So now I deliver. You start seeing how it happens. Okay, so in this case, we say, install. Zoom info is the free thing. And it says install and get info. And I think this page is really bad. We did a better one. This is the new incarnation anyway. It used mainly to sign up contributors and this is the most important thing. There was no way we could get the contributors without the directory. So you start seeing the full effect of having a branding philosophy and a branding process. So the same problem, or getting to the problem was also getting to the solution, because once you have millions of people on the page, you will get enough contributors to do that. By the way, this idea, nowadays, everybody is doing it.

Lucia and Apollo, and you name it, there are probably 20 competitors. They all do the same thing. They all basically do a contributor community of people contributing. They take LinkedIn data that I explained is now public domain and they add to it some information about companies and lo and behold, they compete with them and there are tons of competitors. So. But we have the right and the privilege that were first on many of these things, but nowadays it's a commodity. So what were the results? So I left in 2018, mainly because I was. We made Aliyah the family in 2004, the company was in Boston, was three weeks in Israel, two weeks in Boston, three weeks in Israel, two weeks in Boston. That's a five week cycle. Multiply it by ten is 50 weeks.

So around Rosh Hashanah I was more time in Israel, and around Pesach, I was more time in Israel, and that

cycled every year for 14 years. Enough is enough. And so I was looking to sell the company and I did that. By the time I left, there were about 50 million pages indexed by Google. So let's go back to the question of SEO. How do you build it? The fact that you put things on your website doesn't mean Google will read them, and even if they read them, doesn't mean they're going to index them. And if they index them, doesn't mean they're going to show them, because you have a torturous way to go through. And the number of pages indexed is correlated to the value Google sees in your content.

If your content is crap and nobody stays on the page more than a half a second, they will just not index you. So you need to build a reputation in order for Google to do that, because for Google, every page scanned, every page index is money, literally money. So they're very careful about, you know, just going after pages that have value. We get about 10 million visitors a month on our website. Okay. And it was the aggregation of many, many small searches. So once we eliminated the celebrities, I was kind of interested what names people search for. And is there any pattern to these searches? So we found that there is a pattern every few weeks. There was like a name that would go up to hundreds of searches every day and then they disappear.

So we took the name and we looked, and usually it was criminals. So people that were in the news for a short period of time and people wanted to know something about them, they typed in Zoom info, they clicked on it. So life is interesting. We got tens of thousands of new contributors every month, and that was very important, because bear in mind that after you get the initial set of contributors, you start getting repetition. So it's the same people you see again and again. So if you really want to expand your data, it's becoming harder and harder. Once you get to 20 million or 30 million people, it gets harder and harder to add new people to the list. It was very important for us to add this number, and we got about 20,000 inbound leads every month.

So the company revenues grew consistently by about 50% year over year, which was pretty amazing. And the customer acquisition cost was very low because that was the process. The leads came from the directory, which cost us money to maintain, but it was a very low cost compared, and the sales cycle was relatively low. It was two to four weeks. And the reason was the people who already put their name as a lead knew exactly what they want. They saw the product, they played with the product. So you see the value of the pending process. Now you start seeing the value across the board, okay. From getting people to your site, to turning them into contributors, to turning them into leads, and to shortening the sales cycle because they already experienced your product.

And you can compare that to cold calling and say something, oh, I have a list of people. Okay, great. And the company grew profits consistently because it was so inexpensive to do the entire sales process. It was very inexpensive. And we grew, not just grew the revenues, we grew the profit at the same pace, which was pretty amazing. We generated millions of dollars every month to the bank. So in 2019, like six months after I left the company, I was still on the board and had shares. The company was acquired by Discover, and the CEO of Discoverorg wanted to know the companies were about the same size. The question was, what is the name of the combined company?

So they hired a consultant to do brand analysis, and the consultant came up with very clear answer, which is that the Zoom info brand was nine times more recognized than discover. So the combined company is called Zoom Info. They're going to move right here to the big tower, and that's another value of the long tail branding. So I'm trying to show you how many steps along the way the branding concept brought value to us. Sometimes it was really the only way we can survive, which is with the contributors. And the other time it was for my ego that the company is called Zoom info, but ego is important as well. Let's talk about the next company that we built was built. I was a co founder, we built it here in smartup four years ago.

And I will tell you, it's tools for DevOps engineers to manage and optimize mission critical elastic search clusters. And I trust that all of you fully understood what I say, right? So obviously, how do you brand something that arcane like this stupid thing? So who are the prospects of? So if you look again on the first line, you will realize that elasticsearch DevOps engineer are the prospects and the customers for that. How do you get to that? It's virtually impossible to think about a branding strategy for that group of people. So were scratching our head, and because at the time I was already more experienced, I said, we need to start early in doing that way before we develop the product. Let's do it. So the solution was to focus on the problem instead of on the solution.

And in that case we even have no choice because we didn't have a solution. The founder was using elastic and he hated the problems that it gave him and he had an idea what to do. But there was no product and no technology yet. So we asked ourselves, when Devop engineer has a problem with elastic, what do they do? So I

asked them time and again, tell me, you know, you're an elasticsearch DevOps engineer, what do you do when you have a problem? And they say, well, you for it on the web? And usually what you get is you get to stack, overflow or sites like that already where you will find answer. But that's not good enough because that's like blogs, you need to write a lot of content. It's not. And one day they came up with this very simple observation.

They said, you know what, many times the elastic system produces an error log? And I said, okay, how many error logs there are? And they looked at it and they said about 800 error logs. And I said, then what do they mean? So let me show you what they mean. Could not lock, index writer is locked. And if you think that's very, here is another one, delaying allocation, blah, blah. Basically gb I asked them what does it mean? And they say, honestly, we don't know. I said, what do you do when you get this error? And he says, if I don't know what it is, how do I know what to do. Okay. But chances are that the devs of engineers see these errors and they try to find what they mean. So let's build content.

So we took these 800 pages because we didn't know what they mean. We put a very nice page that we took three lines of code before the error log and I three lines of code after the error log. We knew basically where the error log was in terms of the code. Was it in the indexing? What is in the search? What is. We can tell you the area where the error was and we published it and here's what happened. So when you put, this is the first error that I said. So stack overflow is here, elastic itself is here. Officer is number one. Why was it number one? Because we did a nice page, but there was zero, virtually zero competition on these long tail keywords. Because who is going to write these long tail keywords? Only DevOps engineer.

So you can see again that if with the names of people now there is huge competition around it because. Because everybody is doing it. This was so arcane and so unique. We had no competition. So Google chose us because there was nothing else to show. Okay. It was like a default option. It wasn't smarts. And here's what happened. The question was, how do we do thousands of those pages? So we extracted all of the information and there are about 3000 error codes. Later on, we realized there are more because it depends on the versions, it depends on the all kinds of things. So we had about 3000 pages and we put a website, we did them, and then we came to the following discovery. So what you have in here is that, lo and behold, the 80 20 rule works everywhere.

So about 60 error logs generated about 80% of the traffic. So we narrowed down the list from the 2000, 3000 that we had at the time to about 60. That that's what people were looking for. And so I told them, listen, we better know what these 60 mean and write some content that will be of good high quality. And that's what we did. So we researched those, we understood what they mean and we built very good content around it. And this is the results per quarter that grew out of that. You can see from here, we started in September of 2019. And this is, that's the last time I checked. But remember that I showed you the marketing funnel.

So when people arrive in here, we don't know who they are, so we needed to move them from people who are interested to people that we have an engagement with them. So how did we create the engagement? So we developed a free product. Sounds familiar, right? So you bring them on content, and now you start giving them a free product in order to create engagement so you you can see the next, the second time around. And what was this free product? What we did is the following. It turns out that in addition to the log, elastic keeps two or three files that at any moment in time are like a snapshot of its position, its performance, whatever it is. I don't even know. Don't ask me about elastic, but there is a lot of information in those two or three files.

And we told people, just copy paste them into our system, click, calculate, and we produced a pretty good report. At the beginning it was like so report, but fairly insightful in identifying issues. And it was free. The only hinge was if you wanted to see the full report, you had to sign up and put your name and email address. Okay, so this became our main source of leads, and again, very low customer acquisition cost, very similar to what you saw before. And this is the number of the users that we have. So these are the numbers per month, and this is the cumulative number. How did we create the content? Remember, I said we didn't know exactly what each error code meant and we needed to have better content.

So what we did is, since we didn't have it internally, look for people who can give us the answers and write the code. And to do that, went to stack overflow. So stack overflow, those of you who are engineers, is the place where engineers ask questions and get answers. And it is divided by technologies and all kinds of things. So went to the elastic section of it, and there were several guys that were just at the top. You know, if most people answered two, three questions, they answered 2000, 3000 questions. So they were like at the sky. So we called them literally, and we said, here's what we do, and maybe you can help us, we will pay you for it. And they said, okay, so why not, right? And literally they helped us. And we got like three or four people.

One of them, later on joined elastic because I joined the officer because he really liked us. His name is Validore. Val was the number one, by far, lives in Switzerland. And that's what he did in life. He was a consultant on elastic, and he answered stack overflow, and he enjoyed working in a company at the end. So he joined us. But he was the first one that started generating very specific, high quality content for RNN's. But then we expanded it, because what we developed in the marketing team is a process that I want to share with you, because it's kind of allowing you to write a lot of content relatively easily. So we started asking people, what are the main things you think we need to talk about?

So we got like a list of 50 or 100 how to's or common problems or whatever it is. So we got this list, which is relatively easy for people who understand the system to say, oh, yeah, this happens a lot, this is a problem, and so forth. And then we started to engage freelance writers and we said to them, take this list and choose whatever you want to write about and, you know, and sign, you know, which ones you take so that other people don't take it and do two or three of them. We'll pay you and we'll see the quality of what you do. And that's how we narrow down the list. And we had like five or six really good writers. They wrote it, which gave the results to Validated it and so forth and so on.

And there is a reason why I tell you all of that. Okay, so gradually we became a really good source of information about elasticsearch and also about an open source competitor, open search, promoted by Amazon. Sharon, you mentioned that having some controversy is good. So there is a controversy going on there. Amazon is fighting elastic, a whole big story about open source. Yes, no, and so forth. I won't go into the details, but were the UN, we worked with both of them and we created content for both of them, and it bothered both of them. So that was a good place to because the users really liked that. They get the answer.

And it got to the point because the quality of the content was so good that elasticsearch engineers elastic engineers tech support when customers asked for a question, they said, okay, go to this. I gave you a link to opster. You will find the answer there, how to, or whatever the answer is. And that made elastic really angry. So October of 2023, elastic decided enough is enough. An acquired officer acquired it for the tools. We developed the content and the brand, and they're currently integrating the product. But even more interesting, they liked the content so much that they took our marketing team, moved it to elastic, and basically gradually putting them responsible for all this technical content to be developed for elastics in general. So again, you can see the power of building a brand that goes way beyond just what you do.

It's not a lead generation. It is a much more powerful thing than lead generation. The product was basically like a monitoring system that set on your elasticsearch cluster and checked it all the time, every ten minutes, it checked all of the vital signs. And if there was a problem about to happen, remember, elasticsearch. Many times it's on mission critical systems. And so people were very keen that, you know, it won't shut down and customers will not get service. So were basically monitoring the system on an ongoing basis and notifying them when there was a problem. And actually, we built tools that fix the problems directly. Tickchuck. So that's the last example we're going to talk about. And we have two representatives here from TikTok. The officer representatives are not here because we sold the company. And what is Ticchuk?

It's basically a platform for selling event tickets. So if you have an event, you want to give a lecture like this, and I want to sell tickets, by the way, you're lucky we haven't yet sold tickets. Next time it's going to be sold. So there will be a page on TikTok, and you can put a page, and you can click a button and buy a ticket. Put your credit card, clears the credit card and gives you a. The ticket online. So it's a fast growing, profitable company. I like those very much. No marketing, all growing from word of mouth. But word of mouth is you need to be close, you know? So it grew in the circles where it started and got stuck there, and then they started talking to us. And I still remember if Moti is here, right?

So I asked Moti, why are you talking to me? And he says, we feel stuck in Shargai. I said, what does that mean, stuck in Chagai? He says, we're trying to get up and we just can't. You know, you kind of go in circles all the time, and we're looking for ways to break out and do something much bigger. So they wanted to capture the entire events market internationally, not just in Israel. Well, that's a little bit far cry from where they were, even though they were nice, fast growing israeli company. So we came up with a long tail idea, and the main idea was to collect very detailed information on all the events that are happening in Israel. So what we said, we need to build something. Remember, you need a database, it needs to be automatic.

You need to build a lot of content, all the good stuff. And even though we are not selling tickets to any of these events or to most of these events, but it's kind of close. We're talking to about the same people in a roundabout

way. You asked about B two C, right? So we said, okay, we need to aggregate it see, people will see it, right? The B two C. But we really want to sell to the bees, the people who sell the tickets. So what did we do? We built. And the guy who built it is sitting right here. We built a robot to extract event information from all the online ticket offices on a daily basis. So there are about 25 or so offices.

Every morning our robot wakes up, goes to the site, looks to see if there is any new event showing up there. The number of new events is not that big, so it's not a big problem. And we collect any piece of information we can collect on that. So what information we collect the name of the concert, the show, the lecture, the event. I mean, I was surprised at the diversity of what you can find that people sell tickets for, genre of it, name of the artist. Sometimes it's a single singer, sometimes it's a show with a lot of players. The venue, its location in what city it is, the producer, the agent, any information we can find, the date and time, obviously the price, so that we can do sort by prices.

And since we are not selling the tickets, we also had the link bringing back to the original ticket office, as you might guess already people starting saying, wait a minute, this is proprietary information. You're stealing our business. All of that good stuff, but that's down the stream a little bit. So let's start with the first problem. Okay, we do something. Where is the Google positioning of. So we put. I put a name, Avraham Freed. And here's the first link. Wikipedia. We can't really compete against Wikipedia. YouTube, same. Facebook, same. And we are number four. Not that bad. And remember, this is just on a name. That's it. Nothing else but the name. Now I'm kidding. I'm telling you because it works on the guy, because is working with TikTok. Otherwise we're much lower. But we will fix that over time. Let's take this lady.

She doesn't work with us, right? Sarit Hadad is not working with us. Okay, so I just played with it. Okay, so Sarit hadad, I put it there, but I put the word mufaim, which makes sense if you're looking for, you know, you want to buy a ticket for it. And we're number two, which drives us crazy because number one is a competitor called Mevalim. But that's okay. So we are number two on this. So here's the page on Sarit Haddad. That's our page. And as you can see, we have pictures of her. She has no upcoming events. So these are already old events. And we give you here more information. You can listen to her music, you can go to TikTok, you can facebook. All of that stuff is here, right there.

And actually the page continues, and that's a continuation of the same page. You can register for her, and we give you all the information that we found in Wikipedia about her. So we give you a full page on the artist I kind of mentioned as a side about, okay, you can register. So as we started doing all of that work, it pretty much became obvious that the huge value for us is to start collecting the fan club. Now start thinking, okay, were in one side of the business, selling tickets to some artists and singers. And suddenly we look at that and we say, wait a minute, there is an interesting asset in here that we can build.

Because every time you want to buy a ticket and you click on buy a ticket, we can pop up something like that, and we can capture your name and the contact information. And in general, we kind of ask you very politely from time to time, what are you interested in, what kind of genre where you live, things like that. And we collect this information. So we gradually build a very large and detailed database of end users about what they want to see and what tickets they buy. I don't have to tell you that this is an interesting asset. So remember that we have a database. And I told you that in databases, you can start slicing and dicing the database in very different ways.

What I showed you until now was one slice, which is just the artist, the singer, but we can show it to you by different things, like genre. Okay, so you have live concerts, shows, stand up lectures, children for women, say for women, whatever. We decided to start categorizing. We can start building additional content, additional pages. So if you are looking for children's shows for Passover, we can give you that easily. So by having a database again, we have the ability to give a lot of information sliced and diced in many different ways, and create new content all the time. The characterization is done manually every morning when we get a new. So we capture all the new shows or all the new events, and somebody physically looks at it, making sure we don't put garbage. Anything that you do automatically has garbage.

We can't afford to have garbage. But since it's just in the dozens or I don't know how many we see a day, dozens a day. So it takes no time, and we can really categorize them easily, so it's not a big problem. It doesn't take a long time, and that's what we do. The second thing we do is this. So over time, what we want is that when you go on tick truck, you see a very different page than you see. Or that I see. Why? Because I know what kind of music you like. If you live in, I won't show you anything in Haifa and so forth and so on. Right. So I can tailor the information that we have in the database to be exactly what might be interesting for you very easily. Okay.

So we do capture all the information, what you like, what you were looking at, what you want, and we start doing this personalization again. Think about it, how this idea of brand is evolving. That's the main thing I want you to think about. When I say branding first, you see, we're totally deviating from, okay, we need to sell tickets to say, wait a minute, if we're going to build this branding machine, what else can we do with this branding machine that will add value to everybody? So we also can categorize it by other things, like by date, obviously. Okay. By city and by venue. Now, okay, but why do you want to do it by venue? Well, it turns out that many venues don't have on their website any history of what they do.

And sometimes they're not even up to date on what's coming. So we can offer a product that they can integrate into their website that pretty much have good amount of information about their venue, and we're planning on doing some history about it. You know, here are the main shows that we had there last year. Here are the artists that came, blah, blah, you name it, because we have all the data. So everything else is just sitting with them and figuring out what they want and willing to pay for. Same goes for cities, just to tell you, because the guys live in Yerushalayim. So in Yerushalayim, there are, I think, four or five people in a department in Iriyat Yerushalayim whose job is to look at the newspapers and figure out all the events happening in Yerushalayim and typing them into the Urushalayim website.

And as we said before about, you have to articulate the problem. They don't see any problem with it. They're all related to someone. Right. You know exactly what's the problem. Now, I am the head of the department. I have five employees. I'm as happy as can be. Don't take them away from me. Okay? And if you think I'm joking, I'm not. All right? But you start seeing. So in other places they don't have a department like that and they would like it. Honestly, I don't really think that, you know, part of the branding issue is you have to go slowly. So having a lot of small customers is not bad at all. Okay. You don't have to go after the top ten because the top ten, everybody goes after them.

But having the bottom 5000 is much better because out of the bottom 5000 the next top ten will come from there. And they already work with you, they know you, they like you. Again, you find ways to do that, you know, cost effectively like this. Okay, we have like 5000 artists. So how many pages? We have about 5000 artists we have in our database. Believe me, most of them, you know, they don't show up in Khalatar booth but they do things. Okay. So new opportunities, what we want to do, you saw the for Sarit Haddad or any other one. So we want to give them a free homepage. Again, I assume that Sarit Haddad has their, her own homepage or website, but very few artists have it. Why? It's a lot of work.

They don't know what to don't have patience for it, you name it. So if I come to them and I say I give you a homepage, it will be saridha dot tikchak.com. That's your website, okay? And it has all the information about you, it has all the current shows and future shows, it has all your history, it has all the lyrics of your songs, everything is there and we take care of it all the time and it costing you zero. Wow. That starts to be. Why not? Why not? Why not? It's very interesting. Why not? Okay, what does it cost me? Nothing, because I already do it. That's it. You don't give me more time. Wow. It's tough with them. It depends. We'll get to it afterwards, okay. Personally because like anything else, this is the gray area.

What is public, what is not public, who owns the whatever. I'll talk to you. Okay, so listen here we have a free one and I have in here underscored, paid. So let's see what is free and what is paid. So there is the homepage, updated daily, you know, full history, all the stuff. And they also have a database. Remember I got all of their friends, all the people who are interested in them. And I have their contact information, whether it is their phone number and I can send them ESA, SM, WhatsApp or I have their email address or I have both whatever it is, I can communicate with them. So if I can communicate with them, I can give the artists the ability to communicate. And it doesn't cost them any money, except the cost of it.

So, for example, sending an SMS will cost them, let's say, two cent, $0.03. Okay, it's costing us $0.00.01. But you have to make a living somewhere, right? And so essentially, we only going to charge them. That's currently the idea. We haven't done it yet. So wait till my next lecture. We tell you were wrong, but until now, this is a good idea at least. Okay, so the idea is that we only charge them for what they want to do with it, not with it. And think about it, that you can send an SMS or what's up to everybody, and say, please tell me which song you want me to begin with. Wow, people suddenly feel great, you know, somebody asked me what they want to hear. Okay.

Or at the end of the show, sending an SMS or WhatsApp, and say, what do you think about my performance tonight? Did you like it? Didn't like it. You know, what do you have to tell me? So you start to give tools that

didn't exist before to every artist to communicate with their fan club. If that's not the value, I don't know what a value is. Can you start doing that? You can even be more creative. So, for example, I can go with my wife to a show. And before Sarit Haddad says the song. And she says the next song is dedicated to Ziva Stern by her husband for her birthday. Boom. My wife gives me a slap on the face if I embarrassed her in public. But she's so excited. Okay, so for 500 shekels, I'll do that. Okay, ideas.

Because when you have the tools, ideas come to you. We can do pre sales to fans. So the thing that every artist is scared of is to show up in front of a half empty theater. That sucks. That's why they sell, I don't know, about a third of theater to Valde of D, why they give it at 30% of the cost or 25% of the cost, just to make sure that theater is not empty when they begin the sales. But we can do it as a benefit, because you really follow Sarit Haddad. You can buy tickets today and choose the seat you like. You can sit at the front because you follow Sarit Haddad. And we like you, and we want to give you something for that. So suddenly you turn the dread into an opportunity. The opposite happens on the last day.

You look at the seat map and you see that you have 30% empty. This is going to be lost tomorrow evening. Right. So you want to go to all the people and say, last chance to get tickets. So, in Israel, there are several sites, Mevalim, that you saw before Muzi performances, and there are others. I don't know all of them. But the interesting story is this. So I was showing it to somebody, and he says, wait a minute, you have a competitor in the US? I said, what? He says, yeah, there's a company called Songkick said, never heard about them. So went to look. It was founded in 2007, almost 20 years ago. So that shows you how smart we are, right? It took us 20 years to figure out the same thing that people. And it was actually part of Y Combinator.

For those of you who don't know it, I'll tell you what Y combinator is later, but kind of, it is the pinnacle, the top of innovation. Okay? So in 2007 at Y Combinator, they started this, raised only, you know, $61 million. Tick shock raised zero. And they now have 30 employees. They didn't go anywhere. They were acquired. In 2017, there was a lawsuit between them and Warner Music Group. I don't know what for. But at the end, the compromise was that they were acquired and they don't do anything. And basically, this competitor is not very active. But it was just an interesting thing to see that in 2007 at Y Combinator, there was already a company doing exactly what we're doing now. Kind of amazing. I hope that our fate will be much better than that. Okay, so thank you for listening.

If anybody wants to talk to us, the best way is to talk to Libby, because I don't read my emails, but Libby does, and she will talk to you. Thank you.