Creating Your First Marketing Channels   Guest was Gabriel Weinberg

Creating Your First Marketing Channels

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Transcription of Interview

Joe Dager: *Welcome everyone. This is Joe Dager, the host of the Business901 Podcast. With me today is Gabriel Weinberg. Gabriel is currently the CEO and founder of DuckDuckGo, an alternative search engine he started in 2008 that receive over a billion searches in 2013 and is growing rapidly. In 2006, he sold his last company, Opobox, if I say that correctly, for 10 million. Gabriel is also an active angel investor, having invested in over 10 early stage ventures with a remarkable 2 successful exits already. Gabriel, thanks for joining me. I want to congratulate you on your book, Traction. But, tell me about how the publishing of the book is working, I have the original yellow copy of Traction in Kindle but your actual book launch is a different color, and it's upcoming, so?*

Gabriel Weinberg: Yeah, so okay. So, it's confusing. We self-published Traction last year, after many years in the making, labor of love, filling a void that we thought in the business literature of how companies could actually get Traction and it was received very well. We sold over 35,000 copies and kind of sold out all of our 3 self-published printings. And then, we hooked up with a publisher, a big publisher, Penguin Random House, to put out a second version and kind of rewrite all the rough edges and put out a better quality version, add a new section. That version is coming out October 6. As a result, we pulled all the stuff in the first version, and that's why you can't figure out how to get it at the moment.

Joe: *Is there additional material in it? I mean you can always improve, but the one I have is pretty good.*

Gabriel: There are a few different changes. The one improvement, like you, said, we actually re-edited, took out 50 pages. So, that is like a crisper, just nicer. That's not really changing much though. The second piece is we rewrote the intro to focus on what we saw people essentially messing up or misinterpreting from our original language. There're non-intuitive aspects of getting traction, and we simplified that framework. We used the Bullseye framework from 5 to 3 steps of the result. And then, the third thing is we added 2 new sections. We added a Preface, which I talk about my experiences around getting traction and how I made these same mistakes, these same non-intuitive mistakes. And then, the last part is we added an addendum on testing. We have 19 different channels that you can use to get traction. One of the main kinds of questions we got was "Okay, I'm having trouble coming up with tests of how to tests these channels." Now, we have a section that give you suggestions of 1 to 3 ways to cheaply test each channel.

Joe: *You've had a very active website, I believe, on the book haven't you? There have been a lot of comments back and forth; I've been on it a couple of times if I remember correctly.*

Gabriel: Yes, that's right. That's exactly how we kind of got feedback initially and figured out what to focus on in this version. I mean we heard people, I mean the most common question we got was "Okay, I'm a consumer company or business company or bakery or small business, just tell me what channels to use." And, that was a very, that core question was the reason for rewriting the book a little bit because we wanted to explain to people

that it's often the most underutilized channels in your industry that get you traction. It's not the ones that the same bakery down the street is using. You want to do something that your competitors aren't doing, and we really wanted to drive that point home.

Joe: I've used the book time and time again, especially with a startup or someone looking for marketing assistance and they have this broad approach of what they want to do and they think there's like that magic mold out there. I told them, "You need to go read Traction and then come back and talk to me." Was that kind of the original concept behind the book?

Gabriel: Yeah, exactly. That's the void that we saw. People had a couple of fallacies. One, they thought that they build, and they will come type of fallacy. Hey, if we have a great product, customers will be at the path to our door. That doesn't happen. The second fallacy is, "Oh, I'm just going to try the things that I've heard about, which generally tends to be, I'm going to post some blogs, or I'm going to try some Facebook ads. Those are often the most competitive places to try and get customers. And so, what we really want to do is say, "Okay, no. What you really should do is have a structured approach to your marketing and getting traction and here's the framework you can use. And, here's all the different ways you can get traction. So, open your mind about all these ways that you probably didn't even know about or thought didn't apply to you.

Joe: I think it's so interesting about the book is that you challenge a developer and entrepreneur. I think saying that "You need to start getting traction and put as much effort and time into that as you do developing a product." They need to go hand in hand. Did I interpret that right?

Gabriel: Yeah, that is exactly right and in this version, we focus on that. Pretty much all these problems that people have been psychological. It's essentially getting out of your comfort zone, and this one is probably the most tricky. If you consider the product as a leaky bucket, so when you first start building your product, it's very leaky, and you pour customers at the top and they just fall out. What entrepreneurs take away from that I shouldn't do any marketing yet because I'm just going to waste that time and money. But, that's actually wrong because those fresh eyes, those fresh customers coming in are actually telling you where the leaks are. It's what you won't be able to get by just asking your beta customers because they're too close to you.

Additionally, by focusing on these kinds of traction or marketing effort, you're learning 3 things. You're learning what messaging is really resonating with new fresh eyes, what niche you should focus on and which of these 19 channels you should use. When you actually launch, you can just hit the ground running versus what normally happens is people just launch hoping that they'll get customers. That doesn't happen. Then, they start doing this scatter gun approach. Then, they realize that their product is actually, still leaky. And so, all of this could have been solved if they started it right from the beginning.

Joe: The other part of the new book that you mentioned a little more there and I'm intrigued by it because of one of my questions I had for you. If there is any shortcoming of the book and I'm going to put the praise about the book here after this, is that I didn't think you spent enough time really developing and talking about the Bullseye Framework and getting that startedin the thought process, I thought maybe for an entrepreneur, you could've been a little more specific about it, maybe a few more pictures or graphs. Does the new book focus more on that framework or do I need to go to the website to find out about it?

Gabriel: No, I think that's fair. The new book focuses a little more, tightens it up, simplifies it a bit. But, it doesn't do what most business folks do which is really, which maybe I really should have done which really hits you over the head with it. And, that mainly comes out of 2 things. One is I really wanted to write a chapter on each of the 19 channels, and that makes the book longer. We shortened it. We tightened it up in this one. But still, it was pretty long when you do that. And, two, me personally, I just, probably the thing I don't like about business books is they spend the first 20 pages telling you the real meat of it and then the next 200 just like repeating themselves 50 times, and I think maybe I was once doing and twice shy and was like "I'm not doing any of that repeating in the first version." In this version we did a little more but still maybe not as much as we would like.

Joe: Being specific and picking which channels you're going to use in that framework at the beginning is really, I think, important to an entrepreneur's start. I think you even undersell the book a little bit. From the fact that I don't think it's just for start-ups and it kind of comes across that way because I see a lot of people scaling that really don't understand marketing channels per se and how to use them effectively and try different ones because as you're scaling, I don't think the same marketing channels may not get you the same results.

Gabriel: Yeah, I mean that's happened for us at DuckDuckGo. As we've grown, you know we started out like 10,000 searches a month. Now, we're at like 300 million. And so, each of these scaling thresholds, like when we got to 100,000, a million, ten million, a hundred million searches a month, we really did, which is like we're saying have to change marketing channels and we used the same framework. In the rewrite, we did, I did go

through the whole book and tried to make it more clear that this works when you scale. This works for small businesses. It's not just tech startups or anything. It's a general framework. So, it was that the publisher still wanted to put start-up in the title. They thought that was better marketing for it; I don't know.

Joe: *I think it's great marketing for it. But, to me it undersells the book because I truly think that it's got more value. You touch upon 19 different channels and how to use them. It's simple, straightforward, concise and very practical, very sound advice.*

Gabriel: Yes, thank you. I appreciate that coming from a very practical person myself.

Joe: *One of the other things that struck me, when I look at it from a salesperson perspective, sales is just one of 19 areas there and sales used to be the primary source of lead generation. If you had any product, you picked up the phone, and you just start calling, okay.*

Gabriel: Yup.

Joe: *Has it fallen that much? It's one of 19 or just the terminology changed, and we broke it up into more parts or how do you look at sales in today's world?*

Gabriel: I think it has fallen with the rise of the internet essentially, I mean I kind of not relegated, I think it's still very important and it's a channel that it's often the core channel for still a lot of businesses, right? That interpersonal interaction which I think is the key to sales, whether it's generally not field sales anymore. You're not always traveling, but you're still talking to someone on the phone of some kind. I just think there are other ways

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to get people in now without having actually to communicate with them on a synchronous level, and that didn't exist 20 years ago. So, I think it has gone down, but I still think it is important.

Joe: When I think of table stakes, for sure having a website is pretty much table stakes anymore that's your business card. When, I'm sitting back and I'm looking at the Bullseye Framework, how do I get started? I read your book. I agree with it. There're 19 different ideas, and now I have my website up. I'm getting a few hits, but I'm not getting the traffic I need and does traction help me take that next step? Does the book lead me down of how to start or do I just throw a dart and start?

Gabriel: It definitely does. I mean the framework for people who aren't familiar is a Bullseye in the sense that it's a target and the 19 are around the edges and you're really trying to hit that middle Bullseye which is the core channel that's going to take you to the next level. And, to get that, I mean the first step is really a creative one. It is, okay, looking at these 19 channels and brainstorming marketing tests that you could run and the test and this is the key part of what you want to do is they should be cheap and fast. So, we're talking no more than a month, not more than a thousand dollars, and they should be designed to answer 3 questions. How many customers do you think this channel could bring in? How much does it cost to acquire them through the channel? Are they the right customers, are they the actually converting? And then, you look at, you try to actually not be biased against the channels and come up with tasks that might get you to your goal.

Another important point is you define your goal. But then, you get that kind of quantitatively, and you say, "Okay, well, these 3 tasks seem like the most promising and then you go run them." That's really the first and the second step is you brainstorm all 19,

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you pick the top 3 and then you run those tests.

Joe: *And so, it is really still a systematic way of doing it?*

Gabriel: Yeah, that is the key is we were trying to move from more of a scattershot, almost random approach to a very systematic way of going to the universe of marketing things you could do and zeroing down as quickly as possible on the one that would reach your goal. Unfortunately, what happened to a lot of people in the past is they weren't considering all the channels and often times since it's the underutilized channels that often make your growth the most, they were just overlooking them. For example, a lot of companies starting out when they're just trying to get those first few customers as their goal, it's often the case that you can go speak somewhere in front of an audience at a conference or a local group or something that'll actually get you those first customers, almost like a form of sales in the sense that you're actually communicating. Most people never even think about doing that or actually actively don't like doing that which I understand. But, that could be the one technique that gets you early traction and that kind of thing not overlooking that kind of a channel is what we're trying to get across.

Joe: *The one that struck me in the book is it was phrased differently probably than what I was used to more so than anything was the and I may have said wrong here again but the engineering as marketing or marketing as engineering and…*

Gabriel: Yeah, we had to name it. I mean it doesn't have a name so whatever name you want to give it is cool with me. Yeah, we call it as 'engineering as marketing', yeah and to be clear that's using some of your technical resources, your engineering resources are outsourcing to develop kind of a complimentary website that's a free tool for your

customer's use, for the whole public to use really, that some of those people would convert into customers. It's so underutilized because people think they have to spend all of their engineering resources or technical resources in developing their products. Whereas, they spend a little bit of those same resources on marketing, they might be able to accomplish a lot.

Joe: *HubSpot was such a great example in the book because starting out blogging 5 years ago or whenever I did, 10 years ago maybe, I went on HubSpot grader 500 times or something to check it out.*

Gabriel: Yeah, so did I. Exactly. I was totally a user of that site. It's so useful, you know.

Joe: *You know it was awesome, and you think of a tool like that of how simple it really was in hindsight now but really how effective it was for marketing.*

Gabriel: Yeah, that was such a good example. I mean you type in your domain name and then it would create your marketing efforts and literally millions of businesses have gone through that. That's kind of key because their customer base is only tens of thousands, and most of the people who went through there were not target customers but some were and they basically created their whole sales funnel out of that tool. That was not very hard to build. I mean because it's really amazing.

Joe: *You had 19 channels in there, in the let's say the original book, did you debate having a 20th or anything when you updated the book?*

Gabriel: We did, but we ultimately decided that we didn't need to add or change them. We

changed the names of a few, but they're relatively catch all in the sense that we have one that's called existing platform that's essentially riding on other people's user basis. You go to the app store, or you go to Craig's list or Amazon and that encompasses a lot of kind of these newer social platforms that come up, you know, like Pinterest or Snapchat or something. We didn't feel like we needed to add any other. We did change the order around because we had viral marketing come right after. As the first channel, we kind of went through in depth, and I think that was scaring some people off. We replaced that with targeting blogs which are more universal. They kind of understood right off the bat.

Joe: *How did you start DuckDuckGo? I mean what channel did you use there?*

Gabriel: I initially made one of the mistakes that were warning again, and I basically made all the mistakes warning again. I definitely made this one which was we started using search engine optimization so ranking highly in search engine to try to get people to come to our search engine which sounds kind of ridiculous. We actually ranked highly for the term 'new search engine'. If you went to Google, you typed in 'new search engine', you'd get DuckDuckGo come up first and the reason why I investigated, worked on SEO is because I did SEO on my last business. I knew about and as part of it I got in search to begin with and I was like "Okay, I know how SEO work. I know how search works. I'm going to try to use SEO." The problem was it was never going to yield enough customers through that link to reach our goal. Like, it ended up, only with 10,000 searches a month as opposed to a hundred thousand more what we were going for at that time. And, if I had considered the goal and really thought about running a task to assess whether it was possible to get to the goal, I wouldn't have wasted months working on it too.

Joe: *What's been the most pushback on any of the channels that people were confused*

about from the book that maybe helped them or I mean was there a certain channel that you debated dropping and making it 18?

Gabriel: Not really. I mean we really wanted to be comprehensive. I think the main pushback has been these channels are not for me. I saw the businesses so I don't do Twitter ads or something, or the opposite, you know, I'm a consumer company, so I don't go to conferences. When we found time again, and we tried to illustrate that with examples, is that every one of these channels have been used for all sorts of companies on a different basis, and you really shouldn't dismiss them because probably some creative solution is out there. That's been the main challenge is people just not willing to take them all seriously.

Joe: I think you did a great job because I've actually made a mind map of the 19 different ones and connected them together with different things that you're doing and how this one play off of this one and play off of that one because one of my, you know, premises of marketing is not, you know, it's not the event. It's not the single event. It's the connections between the events that make the glue to the marketing that makes it work.

Gabriel: That's a good point. I mean like if there's one thing that we did leave out or didn't touch on enough, it's that. That's a definitely advanced point. I ended up adding a few paragraphs about it. But, people are definitely confused about that. They're like, "Well, you say to use one channel but isn't the strategy a number of channels?" There's a distinction there between really pursuing strategies across different channels which we advise again versus pursuing a core channel strategy where other ones feed into it in a complementary like synergistic way, which is what you want to end up doing when you focus on a channel. You almost want to do another brainstorming set. Like, if you're doing content marketing

on your blog, you then want to think "Well, how can I use all the other channels to like explode my blog? Like, maybe I should put some paid Twitter ads behind my blog posts or maybe I should go speak, tell people about my blog, etc." I definitely think you're onto something there.

Joe: I think your book lends itself so well because I reference your book. I say, "Here's where you need to go. I can sit there and try to explain to you about business development or viral marketing or 'engineering as marketing'. I can try to explain all of it to you but really just sit down and look at it because what you want to do is you want to focus on 3 or 4, you want to make, I call standard work because I'm a Lean guy. You want to make standard work out of that particular marketing channel and try to develop another one that supports that and build your marketing in a process that way. Rather just this 'hit and miss' event type things and expecting this what I call the Big Bang Theory.

Gabriel: Yeah, exactly. As long as you're taking a structured approach, I mean you're already winning versus everyone else, right?

Joe: Right, right. I think that ends well. What advice do you give the companies you've been investing in? I mean have you said "Here's your marketing. Here's a nice layout plan. Use the Bullseye framework." Is that the advice you give them when you walk in there?

Gabriel: Yeah, I do. And then, I spend a lot of time, a lot of this is creative and coming up with ideas for how to test things than when you're focusing on something like you're saying, how to work the other channels into really and keep testing that core channel. I say the bulk of my time after kind of trying out the framework is just helping people think about and come up with interesting tests to run versus scatter marketing.

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Joe: *The testing is a huge thing for all these different channels then, correct?*

Gabriel: Yeah, I mean you reference Lean, I mean all of these, I think all of these modern frameworks are built around testing. I mean you're coming up with hypotheses around how many customers you need and how much do they cost and then you're running tests in these marketing channels. So, with Bullseye, I'm running 2 sets of tests. Initially you're running tests across different channels to figure out which on to focus on and then once you decide to focus on it, now you're running tests in it, both to uncover the underutilized kind of cutting edge tactics within that channel as well as what other channel that you were saying earlier could feed into it and you're testing different kind of side strategies there.

Joe: *I think it's an awesome book. I look forward to the new one. Reading that one because if you've added the testing sid and I will take a look at it. I can hardly think that you made it that much better.*

Gabriel: I hope so. I just spent a lot of time revising it, so.

Joe: *You hope that. Okay, you can buy the book on Amazon but where else can I found out more about the book and mention the book website where someone can find it because I have been on the website a couple of times, and I think you have a good group and nice conversation going on there.*

Gabriel: Thank you. You can find the book at Tractionbook.com and yes, still on Amazon, as well as in release a bunch of other retailers even offline. You can actually download the first 3 chapters for free at the website.

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Joe: *What is on the horizon for you? What's next?*

Gabriel: I am focused on the DuckDuckGo. So, like you were saying about scaling marketing, we're doing the same thing. We're literally running the same, exact same what we're talking about now trying to figure out how to kind of get that next channel growth.

Joe: *I think that's huge about DuckDuckGo because it seems like everybody's worried about their own privacy, and everybody's worried about as big data grows, I think to me it seems kind of a nice fuel source for DuckDuckGo.*

Gabriel: Yeah and we have a very nice, we call a first world problem of a large percentage of people are interested in what we have to offer but most of those people have no idea we exist. Our marketing challenge at the moment is really just getting the word out about our existence in some kind of cost effective manner.

Joe: *I think that's interesting because when you're talking about the number of hits and then the volume, it baffles most of us, okay, to have that type of volume than in the same, then you sit there and say "Most people don't know about us."*

Gabriel: I know it's testament to the fact that search, really everyone in the world is an internet user. The market is so vast. Wile we've come so far, we're still very small in the search market. We have a large road ahead of us essentially.

Joe: *Then, playing with the search engines since I got Traction, I said, I remember DuckDuckGo but I've never been on it, and I went back and played around with it. Traction*

sold me on that I need to take a look at what you're doing, so. I recommend people to go take a look at it. It used to be we were afraid to change browsers. Now, all of us have 2, 3, 4 browsers on our computer and it used to be "Oh, wow, I don't know if I'm going to change and use something besides Internet Explorer, right?

Gabriel: Exactly. Yeah and that was kind of, it was an initial analogy, you're exactly right. That analogy is what I perceive with search engines too. It's come to the point where you can switch search engines just as easily.

Joe: *I appreciate very much. I look forward posting this and putting it out there, and I wish you the best of success with your rewrite and the best of success with DuckDuckGo, Gabriel. So, thank you very much.*

Gabriel: Thank you. It's been my pleasure really. Thanks for having me on.

Joe: *Okay. This podcast will be available in the Business901 iTunes store and the Business901 blogsite, everyone. So, thanks for listening.*
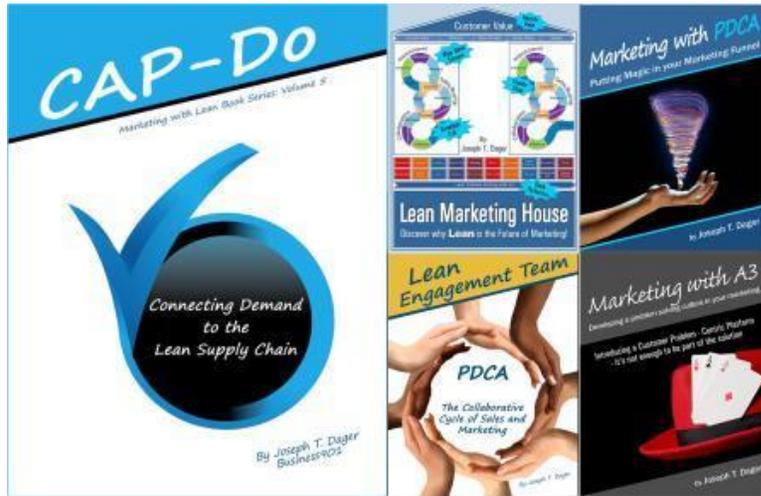
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