



## Stanford eCorner

### Compelling Choices in Start-Up Marketing

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Marketing is not an event; it's a cumulative process, says Jay Coen Gilbert, one of the founders of non-profit B Labs. Building a brand happens first with the community you serve, giving your presence heft and volume more than the sum of its parts. For the start-up, the best PR efforts don't come from money, as larger market players will always outspend you. But compelling choices - such as a provocative TV ad or a magazine title - are potent tools toward owning both a message and a distribution channel.



#### Transcript

Marketing or branding is not an event. Marketing is a process. And it's actually a cumulative process. And so we are beginning the cumulative process of building this brand for good companies called B Corporations. And so the different layers of that most importantly it's fed by the community itself. And so if you've got \$650 million brand out there today that's just beginning to integrate those logos onto seven million bags of flour and half a million catalogues and 30 painting trucks, you know whatever. Three hundred fifty yard signs in suburban Philadelphia for Nolan painting. All those little things are the things that you see as you go about and live your life and you say, "Oh yes! I know I've heard of that." I might have heard about it at the bank. Or I might have seen it at this restaurant. Or I might have seen it on the hang tag of this clothing or apparel company.

All that together begins to build critical mass. That's the first thing and basically that's free. That's basically the community itself saying, "We are now more than some of our parts." Beyond that is PR. And one thing that we did incredibly successfully at AND 1. So Bart and I built this company together with a lot help from a ton of other people over a decade plus. And far and away the most successful stuff we did had nothing to do with the money we were spending. We knew the Nike could outspend us everyday. And so we were going to beat them through outspending them. But what we could do is we could create compelling stories that the press would pick up on. And so we got like I think \$25 or \$35 million dollars with the media coverage back at AND 1 when we signed Latrell Sprewell.

That's maybe like a way bad reference for this particular audience. But that being said, we ran an ad. We spent \$75,000 producing an ad. We ran at once during the NBA play-offs. Costs us \$400,000. So for under a \$500,000 investment, we got \$25 million dollars of media coverage, 60-minute story, New York Times magazine, etc. Because we figured a story that was topical and that would sort of get suck into a media story. The beauty of what's going on now in this space that Andrew is talking about and that Bart's talked about is we don't have to create media interest in things green or sustainable or responsible. Muhammad Yunus won the freaking Nobel Peace Prize for crying out loud. You know Bill Gates is being covered in the Wall Street Journal the day before he delivers his speech at Davos talking about creative capitalism.

Like the wind is at our back. Literally the last two or three years everything is changed. And so we are just providing a story that's ready-made to go into this current media hunger for. If I have to see another green issue of some magazine, I'm going to throw up. And all the editors and the reporters are saying the same thing which is well everything can't be green. And so once you asked that question or is it just about being green? What about people? And so once you asked those questions, we are a logical part of that story. And so we've got an inordinate and perhaps undeserved the nano press for where we are in our

business cycle development. But it's all free. And literally every bit of that press would just answer the phone, "Hello, B Lab". And they say, "Oh hi, it's Inc.

We'd like to talk to you about doing a story." And so there's the cold branding effort. There's the PR. Those are the two primary things. And then we had reasonable success building quarter billion dollar company creating an emotional transaction with consumers around a brand for good ball players. And now we're just using those same tools to create a brand for good business. And one of the most exciting things on the more traditional thing is a partnership with good magazine. It's a very cool young magazine that hopefully you guys will check out to create potentially new title called "Good Business". That becomes a voice sort of for business people who give a damn. And that's an example of another type of marketing that's really about creating a vehicle to own a message. Not just ran a print ad or run a TV ad or figure out how to do a cool video that gets upload unto YouTube and spit out.

But there's way how do we own a message and own a distribution channel for that message. It puts a megaphone up in front of all those tens of thousands of businesses and those \$2.5 trillion worth of investment capital. And we just create a frame around which to see them a little bit more clearly. And a way for them to be heard with a little bit more amplification to their message and they might have had if they all were doing it on their own.