



Stanford eCorner

The Advantage of Not Marketing

Tom Conrad, *Pandora*

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Video URL: <http://ecorner.stanford.edu/videos/2444/The-Advantage-of-Not-Marketing>

Pandora CTO Tom Conrad invites start-ups to "be genuine". Rather than investing in marketing, Pandora simply asks its users to a coffee. In lieu of a form letter, new users - all 50,000 of them daily - receive an automated email with the founder's true email address, and their feedback is requested. This personal touch, rather than mass PR blitzes and glitzy launch parties, says Conrad, has been instrumental in the company's word-of-mouth growth.



Transcript

This one is really kind of about going to market. And it's really born principally out of my experience at Pandora. People ask a lot how we were able to grow Pandora to its current listenership. And the truth is, I don't really know. We don't have a marketing budget. We tried to build the best product that we could. We tried to be really focused. We tried to be good at just one thing and put all of our energy behind that. But I don't know what made it resonate with people. But I can tell you that Pandora spreads by word-of-mouth.

And I literally mean that. I don't mean viral marketing. I mean words and mouths. People sit around the Thanksgiving dinner table and say, "Hey, I found this thing that I love called Pandora. You should really check it out." And we noticed this phenomenon very, very early. And we decided to really embrace it and to try to have the tools that we would use in that process be words and mouths. So we've really tried to foster a direct and genuine relationship with the people who love Pandora. Early on, this meant, instead of a launch party -- and having been through the dot-com era myself, when somebody said, "Should we have a launch party?" my first thought was, 'Oh my God, no' because that seemed like such a symbol of the excess of that era. But as we talked about it, we came to this idea that we would have just a little get-together, kind of an informal gathering of folks in San Francisco who had discovered the product. And so we put a post up on the company blog, which was a very in thing to do then.

We said, "Come meet us for a few beers at this bar in downtown San Francisco and talk to us about the music you're discovering on Pandora." And so we did that and about 30 people showed up. And it was just this magical night for us. We probably spent 50 bucks on pitchers of beer, but we met these remarkable people. And we came back the next day and said, "Wow, that was really kind of magic. How can we do more of this?" And somebody said, "Well, we all travel a fair bit and go and meet with potential partners or whatever, and maybe what we should do is like when I'm in Boston next, we'll put another little message on the website that says, 'We're going to be in Boston. If you want to come out and meet us for a coffee, we're going to be at this coffee shop.'" And so we started doing that. In particular our founder, Tim Westergren, really embraced this role, and pretty soon he was purposely making trips so that he can invite people to have coffee with him. And those grew. The first one in New York, I think, was five or six people literally in a Starbucks. I think the last one we did in New York City was almost 800 people in a big auditorium.

But the format is basically the same. Tim sits down on a stool in front of whoever shows up and they talk about Pandora. He tells a little bit of his own personal story. And Tim has unbelievable stories about what it took to start this company and to get it to where it is today. And then he takes questions from the audience, and people stand up and say the most remarkable things about their love of music and what they're discovering on Pandora. And they're kind of magic nights, and they come from

this desire for us to get out there and just genuinely interact. They're not scripted. They're not talking points. There is not an agenda behind what we do other than just this desire to genuinely connect with our listeners. Another dimension that's born out of similar thinking is that when you sign up for Pandora, like most companies, we send an automated email to you that says, "Welcome to Pandora.

Here's three things you probably want to know about this service." But we have a couple of things that are somewhat unique in my experience. One is, the email comes from Tim, our founder's email address. It's really his email address. We send 50,000 or so of these a day. Not only does it come from his email address, the email actually says, "Please write me back and let me know what you think of the service." And so every day, for the last five years, hundreds, some days thousands of people, write to Tim. And he tries to respond to all of them. And when he can't, he has a handful of people who help him. But they don't respond pretending to be him. They say, "Hey, I'm Lucia. I picked up Tim's email.

I just wanted to write you back." And he has these unbelievable exchanges with people.