



Channel Mastery Podcast, Episode #59: Kristin Carpenter-Ogden Interviews  
Ben Carcio of Promoboxx

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Kristin:	00:00	Welcome, everybody, to another episode of the Channel Mastery Podcast. Kristin Carpenter-Ogden here. I'm so excited to introduce today's guest, Ben Carcio, the co-founder and CEO of Promoboxx. Welcome, Ben. It's so great to have you on the show here today.
Ben Carcio:	00:16	Thanks, Kristin. It's great to be here.
Kristin:	00:18	Can you tell my audience about your background and how you decided to start this innovative solution for our industries?
Ben Carcio:	00:25	<p>Yeah, I always like to start with my family story, so growing up my parents had a package store. So if you know what a package store is and you know the state of Massachusetts and some other towns, we call our liquor stores package stores. So I was popular in high school and college. I had keys to a liquor store. But I think what was more exciting was the fact that I got to see brands every day come into my parents' store, and ask to support them in ways that were really and truly meaningful to my parents' business.</p> <p>So that's really the origins for me and how we built our business around that philosophy of large national brands supporting independent mom-and-mom, main street businesses, whatever you wanna call them, like my parents' store.</p>
Kristin:	01:12	Did you work in their store, just out of curiosity? Like after you became 16, or ...

Ben Carcio: 01:16 Yeah, no. Actually I was under 16 when I got to work there because it was a family business, and I ended up, most of the time when I was a kid, in the cooler stocking beer. So that was my favorite part of the day. And in college ... I went to college about an hour away from the store, so I'd work there every Sunday, which had other benefits that you can imagine, being in college and going to a package store every week.

Kristin: 01:42 I bet. I'm also just curious, did they have you working on any of the marketing as you got older?

Ben Carcio: 01:49 Oh, absolutely. Yeah. No, the store was founded when I was 15 or so, and I was always interested in business. And I actually named the store. So the store is called Cold River Package. It's a mountain town and there's a river there called the Cold River, and I thought the name Cold was a great attribute to have for a package store that primarily sold beer and craft beer. So that was my first branding exercise way back in the day. Truly, it was like the ultimate lemonade stand for a kid.

Kristin: 02:21 Oh, that's so cool.

Ben Carcio: 02:21 I was involved in every aspect of the business.

Kristin: 02:25 So obviously your parents were entrepreneurs, and that reared you to kinda go down the same path, and I love that you were already kinda looking around and watching kinda the environment with ingredient brands, if you will, to your parents' package store. So that's what we're here to talk about today is you came up with a ... I think, a very well-timed ... co-founded a very well-timed, awesome digital solution for brands in the outdoor active lifestyle markets and other markets ... we're gonna talk about all your markets today ... to essentially, I think, bring a local dialect to the retail experience and the on the ground experience that consumers have in different parts of the country, from the "mothership".

Ben Carcio: 03:14 Yeah, actually it sorta flowed a little bit clunky after my parents' store. Like most small independent businesses it becomes really challenging to sorta hand it off to the next generation, so me and my two brothers really didn't want any part of the package store after we graduated from college. We wanted to sorta go and do our own thing.

So in a way, I turned my back on my parents' business and got into digital. I graduated college in '99. It was the height of the digital movement. And like a lot of people, I believed that everyone was gonna buy their products through the internet, that we didn't need stores anymore, that we didn't need folks like my parents' package store or they would just be sorta quaint little operations like my parents'.

And in diving deep into digital, working at American Online, if you can remember when American Online was the internet, I thought that that was everything. And I actually tried my hand at another startup, which we won't get into for this call, but that startup ultimately couldn't raise capital and I had to get a real job. I was newly married, I had a baby, and my wife told me to get a real job.

And I got the realest of real jobs, and that is I worked at a carpet company. Talk about something that I didn't ever think I would work at, but it was a very innovative, cooperative of 3,600 independent carpet and flooring stores, called Carpet One, Flooring America, the ultimate of sorta independent stores trying to fend off Home Depot and Lowes from the flooring world. And they put me as the internet guy to come in and change the way the company did digital marketing.

And when I got there I saw ... I kinda came in thinking that everybody would be buying carpet online, we didn't need these stores, and I would be helping them to sort of move around the store. But after I saw the product database, which was 70,000 different carpet skus, all of which were primarily different variations of beige carpeting wall-to-wall, I realized quickly that the internet is not a great way to sell certain things. And as it turns out, the internet is not a great way to sell a lot of things. And I quickly turned and said, okay, how can I support the 3,600 independent carpet and flooring stores with digital marketing. 'Cause at the time they weren't doing anything. It was very traditional.

And I really [inaudible 00:05:37] platform like Promoboxx. I said, I need a platform that would allow me, on the national brand level, to activate and engage the retailer with digital marketing, just like sales reps would walk into my parents' store and say, "You have an empty window. Can we give you a neon sign?" I wanted a platform that allowed me to do that for my 3,600 independent carpet and flooring stores, and as it turned out, I couldn't find anything. It was like radio silence. There were some tools, but they really weren't specialized at what I needed to do ... was to get my stores to participate. And I sort of stored that away.

And then after 2008 hit, the economic downturn happened, which affected a lot of people, but it really affected the carpet and flooring industries. So me and my co-founders all worked at the carpet and flooring cooperative, and through a number of different changes in the organization, we were off on our own. And that's why we created Promoboxx.

So it's a really interesting long story that starts when I was about a kid, and took me all the way through. And we've been doing this for about 10 years now, and work with just pinch me type brands. So it's been a great run.

- Kristin: 06:52 So 10 years in, that ... first of all, congratulations. And I understand that were are part of Techstars, so you had a little bit of an incubation [crosstalk 00:06:59] period, and then obviously went and tried to get capital and whatnot from there, correct?
- Ben Carcio: 07:04 Yeah, absolutely. I mean, part of what was great about Techstars is we thought they were excited about our business model, but as it turns out they were excited about us as founders. And they came in and they really forced us to focus our business. And at the time we were sort of a general marketing platform. And that was the call that I made. I wouldn't call it a pivot, but we really focused the business in on this challenge. And it's just been a fun ride ever since, but what's really interesting is the concept of what we do, there's very few people outside of yourself and our customers who understand the difficulty of what we're trying to do. So it was a real challenge to raise capital against this business model. I've had people say interesting things to me like, "You're Hospice care for these stores, like you're keeping them alive and happy while they're eventually gonna just die off."
- Kristin: 07:57 Oh.
- Ben Carcio: 07:58 Yeah, it's amazing. Amazing. It happens every day. People just go, "Is this really a problem? Is there really a need for this?" But shockingly, it's a massive need. It's a billion dollar market ... multi-billion dollar market. That we're excited to sorta be the lone wolf in.
- Kristin: 08:14 Oh, and the fact that you've taken it from where it was, which is analog, incredibly work intensive. You've enabled companies to essentially take the headcount and any investment that they were putting toward this, that really wasn't well organized, it didn't do a good job with creating a consistent brand experience and presence, and it most certainly did not make it turnkey to bring a local dialect, if you will, to a brand's national marketing

campaigns, or international marketing campaigns. So I think it's fantastic.

But what I wanna do today is talk about how important this is for the consumer online decision journey today. And obviously one of the things I love about your founding story is you've known since you were 15 or 16 years old that actual in-person retail, even though there was a period of time in your life when you doubted that, but the in-person retail experience is actually a really important part of some online consumer decision journeys. Sure, there ... for the right consumer, they absolutely wanna go down to the store. They absolutely wanna understand how those brands and products work in their own backyard, or against their own backdrop. And I feel like it's ... if I can see myself doing it, I'm more apt to buy the product and become a passionate user of the product. But I feel like what brands have been missing, and unable to kind of fight their way through until they have this solution, is actually making their national campaign relevant to a local consumer. And that, I think, is really raising the level of the ocean for all of those right now.

Ben Carcio: 09:45

Yeah, yeah, absolutely. And I think what's really important and impactful about what you said is that when you buy, you buy emotionally. Everybody knows the story of, and everybody has an example of, you walk in store with some level of budget or some thought, and you walk out spending a whole bunch more than you ever expected. That's because the emotional part of our purchase journey involves all the different things that we do. We see, taste, touch, smell. All the different things that we do, that when those are invading our senses, our logical centers turn off, and we end up falling in love with things and overspending in a really great way. And oftentimes that'll fall into buyer's remorse and things of that nature.

But the internet is really, really bad at turning on those emotional centers in a consumer's brain. And we call that the experiential shopping world that we live in today. The internet is all about logic. I had a blog post that Amazon's great for my toilet paper 'cause I don't really wanna think about toilet paper. But at the end of the day, when I'm buying a new ski jacket, I don't wanna just buy something that's amazing and gonna keep me warm. I wanna buy into the aesthetic that that jacket is sort of conveying to everyone that I'm a serious skier and I take it really seriously. And that's why I will, in many ways, overpay. And that's what's critical for retailers and brands, that we get people to not think about products as a commodity, but think about it as something more. And that's why connecting the amazing content and experiential conversations that the national brand have with the local store, creates the best possible shopping experience.

So the whole world is going multi-channel, just most people don't believe that that's ever gonna happen. But if you look at Amazon buying Whole Foods, Amazon wanted to create experiential shopping for their customers. Because I certainly, when I go into Whole Foods, I walk out spending way more than I should.

Kristin:

11:49

Yep. And I just was reading something this morning about one of the mattress ... startup millennial mattress brands going from direct burst to having pop-ups to having retail. It really does seem like even the direct burst brands are realizing that this ... I think that you really hit on something for my audience here today, and that is the emotional connection.

So let's say that we're ... we have both brands and retailers that tune into this show, but let's talk about the brands for awhile. I think the retailers and many guests on my show have always looked to the brands as like that's where the cash comes from. They can make the investment, and historically the brands have always thought of it as I have to create a theater for my brand. And looking back through the years of trade shows, that's exactly what the trade show booth is. It's for a retailer to see the theater of the brand, and then in the past the retailer had that in their mind, they went home and tried to create it in their store, and six months later the process would start all over again. And what Promoboxx is doing is essentially creating a newness and a sense of discovery around that brand with every campaign that's sent.

So what I wanna talk about too, 'cause obviously a lot of the people that are listing here today, watching here today, are interested in looking at understanding conversion and carrying that emotional connection through channels that lead to conversion. So let's talk about the channels that Promoboxx incorporates in basically how it runs campaigns for brands. So can you talk about some of the ways that you've created kind of a turnkey solution, whether it's email or social, and why you chose the channels that you did in terms of delivering that emotional theater of the brand or experience to a regional or local audience?

Ben Carcio:

13:29

I think how we position the channels that we provide on Promoboxx is that we don't wanna say ... and there's a lot of different tools out there that the small business can sign up for where they say, "We will try to spread you on all the different channels." We focus on the channels that matter: Facebook, Instagram, email. I mean, email is still an incredibly effective marketing channel. It's arguably the most effective marketing channel ever developed. So we certainly support email. And we also wanna support the dealer's website.

They still invest in their website. It's still important to them. It still has their name, their logo, and who they are. So, we want to support those three primary channels.

Whether it's social with twitter, Instagram, Facebook. Also support them through email, and then support them through their website. The other channels that exist out there all interesting, but the audience sizes for a small business or a relatively low. So, we really want to keep it focused for everybody and that's what we do as a company.

We're very wary of adding, for example Snap or any of the sort of new channels that are coming out, because as you see what's happening with Snap right now. It's sort of fading in its effectiveness, so we really want to focus on the channels that are most important.

Not only for the dealer, but also for the brand to stay focused. It's critical that we're not omnichannel, which sort of means every channel. We're multichannel, which is the state of focus on the ones that are most important.

The platform is built in a way that the retailer gets to inherit all of the great content and formatting from the brand, and then we merge their local information, their branding, their information to create a co-marketing effort, which in the mind of the consumer is really important.

Again, it's sort of this strength in numbers quotient. If I see the brand and the local store together I'll feel more confident walking in the store, knowing that they're in alignment. It drives me crazy when I see national advertisement that says at the bottom or at the end of the advertisement, "Prices and participation may vary."

That's because they don't have alignment. Our platform, when a retailer opts into Promoboxx we know that they understand the promotion, they understand the campaign, and the two are working in concert across those channels that matter.

Kristin:

15:55

That's really critical just to carry forward that trust that the retailer has built with the end consumer. Also, that end consumer, even if they are really into going to their local store and supporting that store they're doing online research, because that's how they're being nurtured. That's how they're engaging with their brand, and having that experience, and being part of that tribe.

But, if that looks different or chopped in some way in their local store it actually causes a trust rift and that's another thing that I think is really important, because that consistency and continuity is what I think carries people into the purchase and the conversion point with confidence. I have a couple of questions. Knowing just kind of how retail is evolving right now and looking at some of the recent stories that I've been reading.

There was one in the New York Times in early September that basically said between now and the end of the year it's looking very favorable for brick and mortar retailers to be able to end the year well, due to the fact that there are fewer doors and the retailers that are doing the best job in terms of the experiential retailer. The high end retail, and then discount are gonna be the ones that really do the best between now and the end of the year.

Is there anything that you could maybe share in terms of advice? In terms of using branded content and a brand experience to try and drive traffic into a storefront? Are there brands that you're seeing do a better job with that, with Promoboxx than others and can you share any insights that you have there?

Ben Carcio: 17:20

Yeah. To me, the most important thing that ... I think what brands and these dealers can do when they work together is they can create urgency in the mind of the consumer. Urgency is a marketer's best friend and anytime they can work together on things that create urgency, I think creates more foot traffic.

My parents store, every October we had an October Fest and we aligned that with brands ... All different draft brew brands to come and give us free products, and incentives, and things like that. It was a really easy way for all of us to work together.

For a lot of our industries there's some amazing seasonality that's happening today. If you're in the footwear business, it's back to school. If you're in the snow storage business, it's back to ski or back to mountain.

You create these events and that's an amazing opportunity for folks to work together. Could be brand, could be sales rep, could be the retailer all aligned and in concert. Any time that happens, I believe that really, really highlights and emphasizes what the retailer does well.

For example, the place where I go to buy my ski gear at. They have bouncy houses and things for kids. Popcorn and all kinds of really interesting incentives to get me to take time off from my



weekend to walk in the store to buy stuff that maybe if I didn't care I might buy online.

I think if they can work together on events, using events and dates to create urgency, to me that's the ultimate sort of state of the art of what we can do as an industry.

Kristin: 18:58

That's fantastic. Thank you for that. And then, the other thing I wanted to ask and over the years that I know has been troublesome for brands and retailers is actually getting the shop sales floor people who are actually being attentive to the customer to tell the right story.

We've all been in those stores that have kind of the laminated, huge thing. Like, "Oh. You're buying this product." They're flipping through stuff and reading it. Ultimately, I believe Promoboxx enables the customer to come in primed for that purchase and to have, I think an experience with a shop sales floor person that might be a much different level than the old days.

Is there anything that you want to maybe offer in terms of whose managing Promoboxx in the store and how can you make sure that all of your sales floor people are actually getting the best out of the solution that it offers, in terms of caretaking that end consumer?

Ben Carcio: 19:49

Yeah. I would say that the sales floor associate is part of the community. They're almost sort of a consumer in a way. A lot of folks that work at outdoor shops and these shops are choosing it, because they love the lifestyle and they want to be part of the product set as well.

They are part of the communication flow or they should be part of the communication flow. I know there are plenty of opportunities to provide training and there's other platforms that provide training, and incentivize training, and things of that nature. But, I believe that good marketing creates training.

Back to ski. For example, if there's a back to ski event going on then the sales associate will know that, that's happening and they will continue to promote ... They'll promote the brands that help them.

For example, my parents promoted Budweiser products all the time and we made very little on Budweiser. It was truly a loss leader for us, but we would do really anything Budweiser asked us, because they were so helpful to us. So helpful.

I think that ultimately the way a brand can create alignment with the sales associate is by truly supporting the store. In terms of who uses the platform within the store, it could be really anyone. We built the platform to be as easy as possible for any user on the internet.

That's key for us. It needs to be ... Turnkey is a great word that you used before. It needs to be super easy for them to use. A lot of store managers use it, store owners use it, and sometimes there'll be a sales associate that uses it.

Sometimes it could be like me, the 15-year-old son of the store owner that's interested in business. We've built the platform to be able to handle that, we also have built the platform to be able to identify when those folks leave. Like they do.

Two thirds of all these jobs turnover every year. You need to stay on top of it not only from a retail perspective to let the brands know who to send the Promoboxx invitations to, but also from a brand perspective to keep that connection fresh.

That's part of what the platform does as a starting effect of working with the retailer in concert with the retailer.

Kristin: 21:59

I love that you're keeping it focused on the profile of an independent specialty retailer. That's fantastic.

Are you seeing brands allocate their historically titled, co-op dollars to this or is this kind of a new line item that brands are considering, in terms of supporting their wholesale business?

Ben Carcio: 22:19

Yeah. Well, it runs the gamut. There's some brands that exist with traditional co-op. Co-op as a strategy has been around for over a hundred years, sort of since the dawn of the industrial revolution. It's been around for a while.

I wrote a blog post about co-op. I said co-op is walking dead, in terms of a strategy. It's here, it's not gonna go away, but it's a little bit awkward and sort of zombie-ing around on us.

Overtime, I think the vision that I have ... There are a lot of brands, especially in outdoor that sort of abandon co-op, because it is ineffective in terms of making sure the retailer uses the funds.

Over half of the co-op funds go unused every year and the funds that are used are primarily through traditional TV, radio, print and they're not being used effectively for digital.

We, as a company will integrate with existing co-op systems, but we also provide a co-op like process for folks that don't have co-op. My goal would be ... Or the vision or what I encourage brands is don't use co-op to provide [inaudible 00:23:30]. Co-op is intended for offline verification of things like billboards and television/radio ads that a really hard to verify.

Most of the coop processors are people intensive large warehouses of sort of press clippings coming in. That's really valuable, but with digital the verification steps and all those other things are really irrelevant.

Co-op as an industry sort of needs to embrace the fact that digital doesn't need the same level of compliance that the other channels needed.

We are sort of agnostic when it comes to co-op and brands are becoming smarter every day, but co-op has been a practice that's been around for hundreds of years and it does have certain requirements.

State and local governments watch co-op. It is sort of owned by the retailer, so there is a sort of a latency in terms of that converting and becoming more digital.

But, Promoboxx is gonna be around for a while and we will continue to try and innovate and move the market there.

Kristin:

24:35

That's fantastic. I think that ties nicely into my next question, which is, how have you brought the sales rep, the retailer, and then brand together?

I do want to talk about your upcoming conference in October of 2018 and we'll get there, but that's basically the moniker that really kind of intrigued me to reach out to you guys to be on the show.

Because, I think a large number of the interviews that I've done was some digital solutions with Last Mile specifically. I always ask the rep question, because to me the rep is a local influencer, an ambassador.

A lot of the reps are evolving to be that and I'm wondering how they're also benefiting from encouraging their brand and retail relationships through Promoboxx.

Ben Carcio:

25:15

Yeah. I think just to go back to my parents' story, I was a young kid. The sales reps were like the cool older brother that came into the store with the cool swag. Right? I mean, these were

truly the people that I looked up to in business. In fact, my parents went to the wedding from one of our reps. They're like family members for these stores. They're highly influential, they're incredibly important, they're willing to roll up their sleeves and help with events, and help with stocking and blocking, and ensuring that the retailer doesn't over buy.

But, keeping all that in mind they need sell in and sell through. If Promoboxx can help them do that, then they're an incredibly important part of this equation. It's certainly not a part of the equation that we would ever think would be something that our platform would try to go around.

We view the rep as the best sales advocate for Promoboxx with the retailer and we're continuing to invest in double and triple down into feature functionality that makes it easy for them to get insight into what their accounts are doing.

Kristin: 26:30 That's awesome. You're actually bolting this onto what they're doing from a business partnership standpoint with sell through et cetera. You're enabling them to maybe talk about what's working, what isn't with local brand campaigns back to their brands?

Ben Carcio: 26:47 Yeah. Absolutely. Yeah. I think back to the event concept or any of the campaigns, when a retailer ops into a campaign that's a sales opportunity for the sales rep to give a call to the retailer and say, "Look, you're about to run a marketing campaign against this product line. I'm just checking to make sure you have the inventory to back it up. Can I be helpful?"

Anytime you give a sales rep an opportunity to call from a position of trying to help, it's really valuable to the sales rep. We have sales reps on staff here at Promoboxx, folks who came from that world. So, we really understand the sales rep and would love to continue to support them, because at the end of the day they really haven't been given marketing tools. Anything that they've ever been able to use has just sort of been a round peg in a square hole type system, versus Promoboxx, we believe that we can build something for them. It feels right and doesn't feel like homework.

It's something that they'd be excited to log into and it doesn't take a lot of time. It really enlivens their ability to work with the retailers.

Kristin: 27:53 Do you have rep agencies on as clients, in addition to retailers and brands?

Ben Carcio: 27:58 Yeah. No. We haven't opened that channel up. We've had conversations with folks on the rep agency side. We are increasingly building out the intermediary partner side of our strategy. So we're talking with buy groups. And again, we don't view them as profit centers. All we view them is advocates. So we'd love to give our platform away to buy groups, to anyone that's fighting the same battle that we're fighting. So from a sales rep perspective today, we primarily work with the company employed sales rep that the brands are providing us, but the independent rep agencies would certainly be a group that would be a nice expansion group for us to talk to.

Kristin: 28:39 That's awesome. Okay. And on that same note, one of the things that a lot of my clients have been talking with me about as they're going through the budget planning process for 2019 is just an inordinate amount of retail events. Reps are bringing requests back to brands asking for large monetary support for these retail experiences, and I think you highlighted earlier in our conversation why that's important. It may be what gets somebody to take a Saturday afternoon with their family, go down to a store, have an experience of some kind. But because this is becoming something that people are seeing as very effective in terms of driving traffic and creating brand advocacy in the retail store, there's a little bit of an overpowering request I think right now for these. Can you talk about how Promobox has created a solution around I think creating I guess it's more efficient events or a way to really run events from the brand to the retailer that won't require a huge ask, and I think it's gonna be something that people are gonna be very grateful for when they hear what you're doing.

Ben Carcio: 29:47 Yeah, no. I think this goes to the proactive way that Promobox works. If you don't provide proactive support at any level for the retailer, they will ask for it. Like my parents' Oktoberfest story. We came up with that. If somebody had said "We have a national Oktoberfest campaign. Would you like to opt into it," that would be a proactive approach. And we would likely fall into that. So I think what brands can really do is they can be more proactive, and in doing so, they won't need to pull off as many one-off type events.

For example, a lot of our Trek Bicycles is really strong with Tour de France. Tour de France is a great event. It coincides with the springtime of year when people are thinking about getting back on their bikes and getting back out. They're on their bikes, and Tour de France becomes a great opportunity. So instead of the bike shop saying "Hey, I'd love to do a Tour de France thing" and going to their rep and asking for money and cobbling everything together, they can just say "Oh, great. Trek has done all the work for me. I can just opt into it."

So I think what we allow the brand to do is to get ahead of the retailer requests, while at the same time, and I don't want to give away too much into our road map, we are gonna allow a super easy turnkey way for an individual store to say "Hey, look. I wanna run a local event." And we can help them do that in a way that is not gonna cost 1000s of dollars. It could be small dollars put into a little bit of marketing. On our platform, 'cause it's fully programmatic, it's very efficient in spending money. And look, \$100 bought against local audience on Facebook can go along way. The problem is that to get an agency to even try to do that, they couldn't do it for \$100, right? To get anyone to help you.

So we would love a really easy, turnkey way to not only support the national campaigns like Tour de France but allow a store like my parents' to say "Hey, look, I wanna do my own thing. And can you help me?" And Promobox can help pull that together. So I'm very excited to hear your feedback that brands are thinking about events, because we're thinking about events and wanna continue to put more investment and R&D into our platform [inaudible 00:32:09] for 2019.

Kristin: 32:10

Okay. My question is when, because so many of my on the brand side, it's a big pain point right now. Especially as they're reallocating that legacy way that they've set budgets in the past. And I think it's actually really important. What you talked about with co-op, because it explains I think to my audience that it's important to consider budgeting in a different way. I hate the phrase slush fund, but I do think it's important to keep some dollars aside so you can be nimble. If something does pop up, and you wanna ... We call it newsjacking in my profession, but newsjack a retail event around a national or international story or event that's happening, that's a great way I think to be able to have the dollars to do that.

And let's talk about return on investment. Do you guys have a data dashboard? Are you able to connect the dots for brands or retailers when they're looking at investment in Promobox or carrying a brand? Are they able to see traffic? Are they able to see statistics in terms of the success of the campaigns that are running on your platform?

Ben Carcio: 33:14

Yeah. That was fundamental into when we launched this. I was a brand executive, and I wouldn't know how effective things were being used. I wouldn't know if I did anything physical or POP or anything. It just went out into the ether, and it felt like I was burning money in a way. So the [inaudible 00:33:37] can return back to the retailer on effectiveness and also to aggregate it all back up to the brand. So our platform has a

really cool, commanding control overview of all the different active stores and everything that's happening in rolling it back.

And from an ROI perspective, it's really a buy one get one free. Sorry. I'm a retailer at heart. It's a buy one get one free where you get the ROI of the happy dealer, feeling like "Oh, you're supporting me. I love you. I'll buy anything from you." That's one ROI. The second ROI is the consumer engagement. And we've proven, and this is something that continues to blow my mind, we've proven, 'cause in theory it should be more inefficient to work through the retailer, right? It should be like "Well, I have \$100 million to spend on an Olympics campaign or a footwear brand, and I'm gonna do it without my stores." It's difficult to work with them. But we've proven if you flow it through the retailer, it's actually more efficient, and you get the halo effect of the retailer being like "Wow, this brand is really supporting me," so the next time the sales rep walks in and says "I have some new, crazy product line for you. Are you interested?" they'll pay attention.

So it's a double ROI. But marketing tech is very crowded, and the ROI challenge is still there. Especially when we don't have point of sale integration. It's not to the point yet across any of our stores where they have a consistent way of communicating back sales. So we've creating something what we call the intent to purchase tracking. Things that look strong. Could be [inaudible 00:35:23], appointment. Anything that the consumer's doing that feels like they're getting closer to a buy. And obviously we would love to get as close to a sale as possible, so ROI is a constant thing that we're focusing on, but we have a really good story to tell.

And for most people that buy our platform, they just get it. They just understand that if they invest in their retailers, that will mean more sales from better margin customers.

Kristin:

35:51

Right. And I like also what you pointed out in terms of the caretaking on the ground in the region around a brand campaign and the rep making sure that there's enough product, and the assortment is ready for the demand and the traffic that will come. So that makes sense.

So as we're looking to wrap up here, I wanted to make sure that we talk about the fact that one of Verde's clients, the Conservation Alliance, is one of our founding clients. I know that they're a customer of yours. And I think that that's a really interesting point to bring up, because obviously consumers are voting for their dollars today, and I think that it's interesting that the Conservation Alliance has been smart enough to tap into this. Because it's obviously equipping brands and retailers

to a line with consumers' values. So can you talk a little bit about how that's gone, and do you have plans to maybe fold more non-profits into your platform?

Ben Carcio: 36:41 Yeah, I think what's exciting about the Conservation Alliance is that they are a connector, right? So they're connecting brands together. They're creating industry commonalities that also consumers buy into. So if we can play a part in stitching these stories together and make a stronger story to the consumer, cause ultimately conservation, I'm an outdoorsman, Promoboxx covers amazing verticals: jewelry, musical instruments, appliances, but I personally love outdoors. So anything we can do to support that industry is something we will continue to support. And if it turns out that that allows other brands to be able to see how we operate, that's definitely beneficial to us.

But really it's about alignment, right? And that's the name of our conference in October, as you mentioned. Not to plug it. But it's about creating alignment. And I think what's really powerful about the Conservation Alliance is that that group has created alignment at the brand level. Which is really, really magical. And that's helpful to customers. That's helpful to brands. It's helpful to the industry. So yeah. We would love to continue to work with more non-profits. And I'll say it as CEO, we will give the platform away to anybody like that who wants to try to stitch either brands and retailers together through a buy group or associations. Anybody that's battling the same battle that we're fighting, we are happy to support.

Kristin: 38:12 That's awesome. Well, we'll definitely get the word out on that. So be prepared. And let's wrap up with you talking about alignment. And that's your event that's happening in Boston this October, 2018.

Ben Carcio: 38:25 Yeah, it's an event that we started six years ago when we were way too small to try to pull an event off. What was really neat in my experiences in the carpet and flooring days is that the carpet conventions in town, it was really events are so important to create connections with people. And also we were trying to identify ways in which we could talk about Promoboxx, And yes, there were great trade shows like Outdoor Retailer or InterBike, or any of the different verticals that we focus on, they have great trade shows. But there wasn't an event that allowed anyone who was practicing the art of supporting independent specialty stores with marketing, there was no event that brought them together.

So the original event was about getting brands at the same table. And it was really cool to see outdoor brands talk to auto brands or appliance brands, and they realized that things are



very similar. There was a big knowledge sharing that happened. And then what happened over time is we started to bring sales reps in. And then we started to bring in all the stores to just talk to us. And we realized that they brought a whole different vibe. That they came at it from a totally different angle. So with Align this year, I think we have over 100 stores coming to the event, and it's gonna be really interesting to have brands, reps, stores all together talking about marketing, talking about using digital to support in-store sales. So yeah. It's October 3rd-5th. There's still a few tickets left if anyone would love to participate.

- Kristin: 39:58 That's fantastic. And this show will be dropping the week of InterBike, and obviously I'll be doing a panel there. And I know that we're gonna try and create some sort of an opportunity there. So if you are planning on going to InterBike, make sure you hit my panel. And all of the information will be in the show notes and under the YouTube video here. But we'll definitely try and make Promoboxx actionable to the bicycle industry and the retailers fighting the good fight. And the reps in that space. And the brands. They need alignment too.
- Ben Carcio: 40:28 There'll be some Promoboxx reps there at the event. There'll be some Promoboxx folks walking around. And we actually don't have a booth, because we believe that we support the brands and the stores, and it's their event. And we're happy to connect folks together. But we have a lot of great brands in that industry. It's an amazing industry. And the IBBs are crucial to our economy and our society as I see it.
- Kristin: 40:50 And I agree with you there, so that's awesome. We're so fortunate to have an entrepreneur like you that has a huge identity and heart for the specialty retailer bend, so thank you so much for co-founding and running and growing this amazing solution that you have. And I look forward to having you back on the show. This has been a fantastic interview, and thanks so much for your time.
- Ben Carcio: 41:09 Yeah. Thanks for having me. It was great.