



# Raymond A. Mason School of Business

WILLIAM & MARY

LEADERSHIP & BUSINESS PODCAST

---

## EPISODE 50: ANDREW SMITH – THE EVOLUTION OF ADVERTISING

---

Ken White

From the College of William & Mary in Williamsburg, Virginia. This is Leadership & Business. The weekly podcast that brings you the latest and best thinking from today's business leaders from across the world. We share the strategies, tactics, and information that can make you a more effective leader, communicator, and professional. I'm your host Ken White. Thanks for listening. Well, the number of people of all ages using social media continues to rise. In fact, the numbers are staggering. According to Brandwatch, over 1 billion people use YouTube, LinkedIn, and Twitter, each have over 300 million subscribers. Pinterest and Snapchat each have one hundred million subscribers, and almost 60 percent of American adults have a Facebook account. Well, while the digital world has transformed the way we interact with one another, it's also changed the way businesses build their brands and connect with customers. Today thanks to social media, even the smallest business can effectively target and reach customers in a cost-effective way. And that's had a considerable effect on the advertising landscape in America. Some advertising agencies are taking a digital-first approach to ad campaigns. One such agency is Initiate-It in Richmond, Virginia. We spoke with the CEO of Initiate-It, Andrew Smith, about the impact social media is having on the way businesses advertise.

Ken White

Well, Andrew, thank you for taking the time and thanks for inviting us to your new facility.

Andrew Smith

Sure.

Ken White

This is really a cool layout and a great office. People look really happy to be working here.

Andrew Smith

They do. That's one of our objectives here is to have good culture.

Ken White

Yeah. No doubt.

Andrew Smith

And so having it right above a production facility doesn't hurt either, you know, so we've got rock bands down there doing television commercials, and so it's got a creative vibe for sure.

Ken White

No doubt, the vibe is the first word that hit me as I walked in. You've been in advertising, marketing for a long time. Say, 15 years ago, what did the ad agency look like back then?

Andrew Smith

You know, it was a lot simpler. I wish we could go back to those days because the media planning process was a lot simpler. You know, it was like, okay, we have television, we have radio, we have print, we have outdoor, you know, that was pretty much it.

Ken White

Yeah.

Andrew Smith

And you go into media planning meetings, it would be like okay, 60 percent is going to go on television, 30 percent print, and 5 percent is going to go to radio, and we walk out of the meeting. And historically, too creative was always on the penthouse because it was always the creative would come and say hey, media planner, we're going to run television, you know, so don't recommend to the client that we're gonna run print because we want to do TV ads.

Ken White

Right.

Andrew Smith

And as media planning became more complicated, the media planners and buyers went from the basement to the penthouse because the media planners and buyers were now leading the conversation with clients. Instead of being about the creative message, it was about, hey, what's our strategy? And so I think you've seen a flip in the agency world because it's about strategy now and not so much about, hey, we want to produce, you know, great television commercials.

Ken White

Right. What was how did you prove your worth, your results back in the day?

### Andrew Smith

It was hard. You know, if you think about it, it took us months and months and months to figure out if a campaign was successful and that was typically or historically done by either research or, obviously, sales revenue. So we wouldn't be able to tell. We'd run a campaign in first quarter, and we wouldn't know until the middle of the second quarter if it was actually efficient or not or if it was successful. In today's day and age, we can run campaigns and within hours know if they're working, you know, because of the digital opportunities that are out there. We can run a campaign, and we can optimize it, and we can A-B test creative to see what creative is actually pulling more. So it's in today's age, the results are quick and fast whereas historically, you know, we'd have to do unaided or aided research studies. It was expensive for clients. We can throw something in the marketplace tomorrow and then within hours or days if it's successful or not.

### Ken White

And when you talk about that, you're talking the digital space online and social media. Tell us about Initiate-It. What is it you do for your clients?

### Andrew Smith

We are a digital-first ad agency, you know because the conversations I've seen or I've had with clients over the past five years no longer shifts to, hey, we want to do a television campaign. Hey, we want to do a print campaign. Hey, we need to do some new print creative. The conversations always digital first. It's how can we utilize digital to either give us more leads, sell more product, you know, grow our brand, and you know, that's why our roots are in traditional advertising, but the conversation the past ten years has obviously shifted to more of the digital environment whether it's you know website was once created you know as an online brochure, right.

### Ken White

Yeah, sure.

### Andrew Smith

You have five-six pages. We have a home page, we're gonna have about us page, we're going to have a contact page, and now the website has become a generator for actual leads or product sales through e-commerce and through analytics, we can tell who's coming to our websites, when how long they're staying on our websites, which pages are relevant for them or not. We know how many leads are being generated through social media. We know how many customer acquisitions we are we are getting or how many leads if your business to business, so it's evolved so much, and it's made it a lot harder. And I think on top that, I'm sorry, I'm talking so much. But the marketing, the typical marketing director or marketing executive in an organization is probably 45 to 60 years old, and it's hard for them to grasp the whole digital, you know, digital idea because one,

they don't understand it, two they very you know they might have a Facebook account you know but so they don't even understand the successes that they can have or how they can use digital to actually grow their business.

Ken White

Right.

Andrew Smith

So you see a lot of them. I've actually sat in meetings before where the marketing director has been afraid to suggest digital because they just don't know it.

Ken White

Sure.

Andrew Smith

And they don't want to look bad in front of the upper management of the company.

Ken White

I can remember when blogs first started, I was fascinated by them, and I thought, but I don't get it. I need to start one. And I just try one. And it was about the outdoors. It had nothing to do with career or anything, but I figured it out, and then you realize it's not so frightening out there. This is actually kind of fun, and you can connect.

Andrew Smith

Sure.

Ken White

You say digital first. Do the vast majority of businesses and executives you meet are they putting digital first?

Andrew Smith

We are having conversations. The conversation always transitions to digital because, you know, let's face it, the client come in here with a specific problem or an issue. For the most part, you know, hey, we're trying to increase our sales, or we are trying to do this. We're trying to do this, and lots of our clients have specific target demographics that they're after, you know. So we're able to use digital to kind of pinpoint, and you know, for example, LinkedIn, you know, I think, is a prime example. You know, we've had a IT consulting firm that has roughly 500 employees nationally came in saying we need to target a specific type of engineer, software engineer. And we knew that this position had to be in DC. We were able to target specifically on LinkedIn, the type of software engineer

within a three zip code radius. You know, and obviously, that in the old days of direct mail. I mean, that's taken direct mail to the tenth degree.

Ken White  
Right.

Andrew Smith

Because we can run the ad, we can run it. We can drive candidates to a landing page where they can apply, and within 48 hours, I think they had seven interviews lined up.

Ken White  
Wow.

Andrew Smith

Yeah. So I mean, it's the client didn't know they could do that.

Ken White  
Yeah.

Andrew Smith

I mean, they didn't. We walked in, and they were like we need help in recruiting employees in DC. The conversation quickly shifted in the old days. It would be, hey, we got run a classified ad.

Ken White  
Absolutely.

Andrew Smith

We need to run an ad and maybe some industry-specific publications, but we need to go some job fairs in DC. Now that would have costed how much? We'll say 20,000.

Ken White  
No doubt.

Andrew Smith

Because if by the time you make the investment in staff and all that kind of stuff and we were able to do an ad campaign for roughly 200 dollars in 48 hours and have seven candidates that were viable.

Ken White

Yeah, and if not, you're able to pull it much quicker than in the past.

Andrew Smith

Right.

Ken White

Where you may have bought for a quarter or so on and so forth.

Andrew Smith

So let's assume we ran an ad in an industry publication. Well, if we wanted to be in the August issue, we would have had to have gotten the materials to them by July 1st.

Ken White

Right.

Andrew Smith

And then the ad would have had to run for August, and then we would have to field candidates, you know, in September. So that's a three-month process, you know when we were able to go and run an ad in 48 hours. But that's the type of targeting but see, clients don't even understand that. So a lot of it will start with the problem, and then the conversation shifts to how we can, you know, best solve their problem and for the small to midsize business who doesn't have a lot of money. It is a digital-first strategy. There is no way around it.

Ken White

Starting with the problem that seems to be the answer. Because you and I were talking before we started to record, so many people don't get it but say I need to be there. I need to be on Facebook. We need to be here. They don't really know why but that start with the problem is an interesting strategy, isn't it?

Andrew Smith

It is. I mean, it's, you know, as we're having the conversation, you know, people, okay, we need to be on Facebook. Okay, we need to be on Instagram. Okay, we need to be on Snapchat. And it's kind of like starting with the problem. What are you trying to achieve? You know what's your goals there, and you know it's a long-term effort. We were having the conversation we were meeting with a new business client who's a who sells product online, and developing content is such a necessary evil for a lot of companies. I mean and content is hard to generate, but content is a long-term or long-tail type of strategy for SEO optimization. You know, for you know, the growth of your website and being that

authoritative brand who knows, you know, whatever industry they are in to be the expert and so you know content development companies, the most successful companies I've seen who are pretty successful around social and digital had been at it for years, and they've invested in it. They've invested in blog writing. They've invested in Twitter because you know you've got to develop content to be active there. If you're not going to be active, why do it?

Ken White

And relevant content, right?

Andrew Smith

Yeah, relevant content, you know, and so it's and some of the best, you know. You and I, we were having a conversation about, you know, Oreo, the social campaign around Oreo when the lights went out at the Super Bowl, you know, and it's they. That wasn't a mistake. They had a team in New York that was sitting around waiting to see how they could leverage a live sporting event to their benefit. And they hit it out of the park.

Ken White

Yeah.

Andrew Smith

So you know, that's an investment that companies didn't have to pay for, you know, 15 years ago.

Ken White

We'll continue our discussion with Andrew Smith in just a minute. Our podcast is brought to you by the Center for Corporate Education at the College of William & Mary's Raymond A. Mason School of Business. The Center for Corporate Education can help you get to the next level with its certificate in business management program coming up in late October. It's a five-day program for the professional who lacks an MBA or wants to improve on critical business and leadership skills. Each day is devoted to a topic, including communication, leadership, strategy, managerial accounting, and organizational effectiveness. For more information on the certificate in business management program, visit our website at [wmleadership.com](http://wmleadership.com). Now back to our conversation with Andrew Smith and the role social media is playing in advertising.

Ken White

You mentioned SEO search engine optimization. Some people listening have no idea what that means.

Andrew Smith

Right.

Ken White

How do you explain that to them? The strategy behind having a solid SEO strategy.

Andrew Smith

Yeah, well, it used to be SEO is obviously how your search ranks for organic search, and it's controlled heavily by Google, and back in the early days, there was a lot of black hat type of tips and tricks that people would do to try to increase or search engine optimization and their rankings. But it's extremely important, and the strategy is really several different things. One, it's kind of how your website is built and designed and set up because there's gonna be certain specifications that Google you were going to make sure that you have the keywords that you need to have and the site is built the correct way. Secondly is producing content. Content around industry-specific or whatever your topic is, whether it's cancer awareness, whether it's leadership training, whether it's executive coaching, and that type of thing, but you have to develop content. Knowing that your content has to be shared because you become irrelevant. So let's say, for example, in your blog, if somebody referenced if you're referenced on the Wall Street Journal for your blog and somebody you know that that's a linking strategy. So there's several strategies that you have to execute from an SEO standpoint to keep keep your rankings relevant, and it's amazing. We had a client we really started to focus on SEO for a client roughly four years ago, and they had rough. It was a national company with 250 offices around the country. They went from roughly six to nine thousand visits a month to we just did the analytics report this month. They have over 60,000 visitors a month because we developed what we're doing. We started doing 26 blog articles for them year around specific content to share of their industry, and we doubled that to 52. So we're doing one blog entry a week.

Ken White

Right.

Andrew Smith

And their traffic, what's that percentage is huge.

Ken White

Yes, that's absolutely amazing.

Andrew Smith

Yeah, like 60 over 60,000.



Ken White

So again, it's relevant content that's posted on a regular basis. And when you're talking about the rankings for those who aren't too familiar, it means when you go to search something. You are on that front page right up top because people don't tend to scroll, and let me see page 4 in my search results. What about in terms of money? What kind of percentage are you seeing organizations spend on digital versus the old days? I mean, I remember when it first came right, maybe 10 percent. Everything else was traditional. What do you see now?

Andrew Smith

If you look at the digital spending, I mean if you look at a lot of stats and a lot of different reports, I mean it's going to be roughly, well, it's going to overtake TV within the next several years. And if you think about print, you know print, we've all seen the downfall of newspapers, you know, and we've seen the mergers and cutting circulation, and you know now you pick up a newspaper, and it's thin. Remember the days? I mean, it was just that was your only opportunity, but I would contend that clients are shifting large portions of their budget to the digital environment. I think you're going to see that trend and that shift continue.

Ken White

Right.

Andrew Smith

I mean, it's going to. I mean, even if you look at like original content now, I mean the advertising opportunities from Netflix to Hulu to YouTube channels, you know people are creating their own content, even original programming.

Ken White

Yeah.

Andrew Smith

You know, if you look at how the cable networks are being formed now, you know it's you control your own media environment now. It used to be okay. We're either going to be on ABC, CBS, or NBC, and now the viewing options, and you know that on-demand options, it's just phenomenal.

Ken White

Yeah, it's turned TV upside down.

Andrew Smith

Oh gosh, yes.

Ken White

Yeah, yeah.

Andrew Smith

I think that's going to be the next media that is really going to struggle is you're going to see the local affiliates, I think, struggle the most because and they're trying to beef up their digital. You know, share their website's digital presence because now they're not. You used to go out and buy a TV. You wouldn't even talk about digital, but now advertisers or, excuse me, media outlets like television stations are coming in packaging the buy. To where it's okay, we're going to give you this many spots on television. We get this many GRPs which are gross rating points, and also, we're going to give you this many digital impressions and you're going to be able to sponsor our website in these different ways. So they're willing to come to the table and negotiate and barter a little better than they were historically because they used to have an attitude, hey, I'm the top-rated station in this market. You know, if you want to reach this many people, you know this is what our rate is.

Ken White

Take it or leave it, right?

Andrew Smith

Now it's like a dogfight. I mean, they're coming in, they're losing share, they're losing advertising spend to digital, and now they're going to have to come to the tables as more of a player or a partner.

Ken White

It seems social media has gotten very visual. YouTube, of course, and we hear it's all about video. It's what it's going to be soon. Facebook will be all video, video, video. What are you seeing in that respect?

Andrew Smith

Yeah, video content is king, you know. We have seen clients who have entered into the YouTube market with video content early on have a lot of success as far as impressions, you know because we can pull analytics specifically on your corporate YouTube channel now, and so I know how many millions of people are coming and watching and how long they're watching on average I know what they're doing because now we can put in your videos clicks at the end of the video for an action whether it's download a free report, get

a free book, sign up for a free lesson, and we're seeing that people are willing or less willing to read you know they I'd rather watch a video for three to four minutes get what I need to know and then get out. So a lot of clients are coming to us, and it's funny because they're trying to figure out how to do it or to implement a content strategy. A video content strategy and that's a costly. You know it's a production crew, it's coming up with the content, it's the interviews, it's the cutting, it's the editing, and then what do you do with it once you create that video content? How do you distribute it? Where do you put it? Where do you place it? You know, so that is growing, you know, I think that you're going to see that continue to grow, and the people in companies who are not embracing digital at this point, you know, I can't imagine sitting in some of the meetings if you're not embracing what you're going to do digitally for your company. It's going to be a hard road ahead of you, you know.

Ken White

And if you're in one of those organizations and you've got some influence, and you're just not there, you won't be around very long. What kind of advice do you give to somebody like? Say there's six of us at the table. We don't get it. We just don't know it.

Andrew Smith

Right.

Ken White

What do we do?

Andrew Smith

Well, that's we have a very our mindset at Initiate-It is really a test strategy. So, for example, one of the e-commerce retailers that we're working with now it's, let's do a three-month test, and this is what we're going to, you know, we're going to put together a plan. Let's allocate this amount of dollars and budget towards it, and then we're going to go back, and we are going to compare to your traditional, and then we're going to also, you know, we're going compare it from a cost per acquisition cost. You know, we'll look at the analytical data, and we should be able to show after the three-month test that, you know, if the test cost 30 or 40 or 50 thousand dollars that the revenue generated was X, then obviously there's gonna have to be a positive return. So our sales strategy in the clients is give us that window, and once we give you that window, you're gonna have to buckle up. You're going to have to trust us. But once you open up that gate, you know, telling the clients like if you go to an ATM machine and you put in a dollar, and you get five dollars back, wouldn't you go back to that ATM? Yeah, that's not a bad return.

Ken White

Right.

Andrew Smith

So if we can prove that out to you, which you know we're going to tell you that we can, and we're going to execute, and you have to execute, and if you're willing to say I'm willing to commit for three months we're going to show you the results. The proof is in the pudding, and that's why I love this industry so much more than I did 15 years ago. Cause have to walk into meetings, and I really have to sell to CEOs or buy them. I think you got that question what's the return on investment, and so we run television advertising three months would go by, six months would go by, and then you know we were like, well, we think this kind of happened. I mean, we saw a spike in sales, but now we can walk in, and paper it's on the paper. Here it is. So you're either going to think we're a rock star, or you can say it didn't work. You know, so if you're willing to go in and have a test budget, and it could be for one client we were talking about, just give us three thousand dollars a month, and we'll start small, and we'll prove it to you. And for a company to say, hey, we're going invest nine thousand dollars or fourteen thousand dollars, whatever, that is a pretty minimal, it's a minimal commitment.

Ken White

Right.

Andrew Smith

You know, from a financial standpoint, so they feel at ease that I don't, you know, we need to start talking about doing a television campaign right. The first thing is the average television spot in United States is not on the local level but on the national level is 150 to 250 thousand dollars. That's a huge chunk of money. And so clients would be hesitant to actually have to cause you're committing a half million dollars.

Ken White

Right.

Andrew Smith

Right there, you know, we can go in and commit twenty thousand dollars, and if it's working, then we can expand it out. So our intent would be to show you that it's going to work by proof of concept, and then let's keep on going and pushing it and see how far we go. There will be, you know, we'll level out, you know, in regards to you're going to have spikes, you know. But you know you're going to see it flatten. But at the end of the day, we're gonna be able to know, hey, our average cost per click was ten dollars, our average cost per acquisition was four, and we generated X number of dollars of sales.

## Ken White

That's our conversation with Andrew Smith, and that's our podcast for this week. Leadership & Business is brought to you by the Center for Corporate Education at the College of William & Mary's Raymond A. Mason School of Business. The Center for Corporate Education can help you, and your organization get to the next level with business and leadership development programs that specifically fit your needs. If you're interested in learning more about the opportunities at the Center for Corporate Education for you or your organization, visit our website at [wmleadership.com](http://wmleadership.com). Thanks to our guest this week, Andrew Smith, and thanks to you for joining us. I'm Ken White. Until next time have a safe, happy, and productive week.