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Interview with Jonathan Shapiro from MediaWhiz

Adrian Bye: Today I am with Jonathan Shapiro, who is the CEO of MediaWhiz. Jonathan, thanks for joining us.

Jonathan Shapiro: Howdy, Adrian, a pleasure to be here.

Adrian Bye: So, before we start talking about MediaWhiz, maybe you can tell us a little about yourself.

Jonathan Shapiro: Sure. I grew up in Miami, Florida. I'm a diehard Dolphins fan, despite the fact that I have been living in New York for now the last 22 years, but for a short stint out in California at business school at Stanford. It was at business school that I figured out that media and technology were colliding, and it would be fun to be in the middle of it, to be honest. At that time, I thought collision was going to take place in the high definition cable world or interactive cable, but saw it coming. Once I got out of business school, left California, came back to New York and rejoined MacKenzie and Company, and there got to spend a fair bit of time in our media practice out of the New York office, and figured out that in fact where media and technology were going to come together would be in the internet space.

Adrian Bye: Where now in New York do you live?

Jonathan Shapiro: I live in the Upper West Side. I've lived on the East Side, I've lived on Central Park South, and now I'm an Upper West Sider, and I got to say, of all he neighbourhoods in Manhattan, when you've got Fairway and Citarola, and Zbars, the Upper West Side has got the best places to feed yourself. So, it's a good place to be in…

Adrian Bye: Would you ever leave Manhattan or are you a New Yorker for life now?

Jonathan Shapiro: No, I think I'm a committed New Yorker. It's a kind of place where you either love it or hate it, and after 22 years , I love it.

Adrian Bye: So, you live with your family in the Upper West Side.

Jonathan Shapiro: Yep, with my wife and three sons.

Adrian Bye: So, you live in an apartment with your family. You don't have like the big back yard and the children running around a lot…

Jonathan Shapiro: No big backyard. I had a big backyard in Miami, there's a lot to be said for, especially with three boys because I had two brothers, so I know this well, but you know Manhattan has a lot to offer so it's trade off but it's a trade off of what we have what we make.

Adrian Bye: Yeah, right, cool.

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Jonathan Shapiro: Have you been to the Upper West Side, Adrian?

Adrian Bye: I don't really know, I think so.

Jonathan Shapiro: Well, when you come to New York, you'll have to come and visit, it's a great place.

Adrian Bye: I'll look you up for that. Now, you came to MediaWhiz in something like 2007, is that right?

Jonathan Shapiro: That is correct. April 2007 I joined MediaWhiz.

Adrian Bye: So, MediaWhiz was originally found by Jason Cohen.

Jonathan Shapiro: It was. Jason founded MediaWhiz in 2001.

Adrian Bye: Did you replace him? I mean I know Jason. Do you two work together? How did all that work?

Jonathan Shapiro: Well, so MediaWhiz was founded by Jason in 2001, and was invested in 2005 in by Lake Capital, a private equity firm out of Chicago, with deep roots in services, especially marketing services organization. The Lake Capital guys invested in MediaWhiz in 2005, and put together GRS, monetized it, and text link ads, to form the current MediaWhiz Holdings Inc. The idea was they wanted to create an organization with a broad suite of online marketing services so that they could do a better job at online performance marketing. At that time, there were essentially along with Jason three other founding groups, it wasn't even just three other founders, so they thought it would be a good idea to bring in a guy like me, that had some experience in the internet space as I've been a digital publisher, merchant and advertising services exec with DoubleClick for five years, and so they thought it would be good to bring in a guy like me, and help bring the organization together and take us forward.

Adrian Bye: Was that something that everybody was happy about?

Jonathan Shapiro: You know, I think you'd have to ask those guys. I think it's an interesting thing. Entrepreneurs are often brilliant at taking organizations from zero to $20 million, and they when they're put together with other entrepreneurs, it gets a little tougher to move the organization in a cohesive manner forward, and I think they'd all say the same thing. The challenge is that you've got, especially with four organizations put together, four very capable, very talented, very strong minded, again, founding groups, not just founders, and sometimes the direction, the choices about what direction they will take can be disagreed upon, and it's hard without somebody in charge to make those decisions and wrestle the best ideas from the crowd, and move the organization forward.

Adrian Bye: I guess like it's interesting the model that you guys…with this investment that came in. Are you able to talk about those investments that Lake Capital made, like how big it was, and some of the terms of it?

Jonathan Shapiro: So, we're a private company, so we really don't talk about the specific numbers.

Adrian Bye: Okay. So, they made the investment, I guess that gave them more influence. Was that something done to grow or was it done to stabilize the business? Can you talk about that side of it?

Jonathan Shapiro: Sure. Well, the business was doing fine, and the idea was to really invest in MediaWhiz proper and then build it as a platform. I think we've done a decent job with that. The original thesis that Kevin Rowe and Tony Broglio from Lake Capital had, I think, is coming to bear, and it's pretty straightforward. The notion is simple. Internet advertising is where the audience is, so it's where the marketing dollars is going to flow. If you look at the marketing pie, the most rapidly growing sections of it are what are the performance marketing aspects. So, into performance, we include search, affiliate marketing, data acquisition, our name for co-reg, and really, any form of media that can be bought on a per action basis, action defined liberally, and the reason for this is the internet's promise is to be a more targetable, more measurable media as CMOs are struggling especially in these economic times for funding for their marketing program. The idea that you can actually provide the other C-level executive a demonstrable return on your marketing investment is very attractive. The advantage of online performance marketing has is that you can provide not only a historic ROI but it's fairly predictable so that you know that if you're targeting a similar audience, the responsiveness of that audience should be about the same so that your marketing efforts should yield a similar ROI to what's happened in the past, and that's very potent.

Adrian Bye: What I'm interested to understand from the acquisitions and the investment side…it's interesting because it's not something that I've noticed in the space very much. Do you think, for a guy like Jason who founded the company, will he make more money because of the mergers and investments and all that sort of stuff, overall than if he kept independent and built up a network like most guys tend to do?

Jonathan Shapiro: Well, that's certainly the goal. The idea is to create value by putting together a suite of services that can provide more value to the customers, so if you build the business that's creating more value, and you should be able to extract more profit. It's basically 1+1=3 is the idea, that's my goal.

Adrian Bye: It's a very New York approach to what isn't normally done in this space. Would you agree with that?

Jonathan Shapiro: No, I wouldn't. I think the foundation in the internet space has happened in a couple of waves, but it definitely continues to spin, and I've got a theory, and I think that the Lake guys share it. This is going to continue to happen, and it is going to continue to happen for a pretty simple reason. The skills that we bring to bear, the performance marketing skills are not traditionally held in existing agencies, and yet the marketing community is going to increasingly want them. So, we're going to provide them, as we do today. We provide them successfully, and the agencies are going to want them, so they are going to have the choice to either build or buy. Whenever you have that choice, some people get bought and consolidated, and some people build, but there will definitely be more consolidations down the road, along these lines. It will be so the big holding companies can add these critical capabilities.

Adrian Bye: So, one of the things that you guys are doing now…you're in New York which is obviously expensive in terms of salary and real estate and that sort of stuff, whereas most networks are in fairly cheap locations in Florida, and other places were salaries are fairly inexpensive, and the same with rent. How do you guys compete then? I would imagine you have a higher cost structure with your team being where you're based.

Jonathan Shapiro: Well, it's certainly more expensive to do business in New York. The good news for us is we also have an office in Plantation, Florida, right outside Fort Lauderdale, and our team is roughly split half-and-half, right now, and we are in the process of building up additional space in our Florida location, so we will have room to grow there. But you also got to look at the flip side. Where is the marketing community? The marketing community has a huge presence in New York, so it's good to be next to those folks.

Adrian Bye: That's what I'm extremely interested in. It would seem to me like you guys could in fact gain a ton of leverage by having a core team that sources and manages deals based in Manhattan, and then get a lot of delivery and execution done by the guys in Florida.

Jonathan Shapiro: So that, in part, is our model. Our search execution team is in Florida, our email execution team is in Florida. Our tech team is largely in Florida, and in New York, we simply have our sales and marketing capability and some corporate function like HR and finance.

Adrian Bye: One of the most extreme examples I found with that with one of the interviews I did was with PV Kannan from 24/7 Customer. Have you ever heard of him?

Jonathan Shapiro: I have not.

Adrian Bye: When I interviewed him, I think he has something like 6,000 seats worldwide. He does a lot of big call centre business, funded by Mike Moritz from Sequoia. So, they have a core office of something like 20 people in Silicon Valley and then 6,000 seats scattered all over the world. So, it sounds like you're adapting a somewhat similar model but not quite.

Jonathan Shapiro: We won't be quite as virtualized but to the extent that we can put resource in efficient places, and still serve the customer well, we'll do it. Part of that is we do have a small outsourcing strategy where we do outsource some of our technology currently overseas to India, so we've taken that step as well.

Adrian Bye: I looked at your bio, one of the things that struck me in your bio is that you've for a fair amount of experience with mergers and acquisitions. I am interested on your comments on that, and is that a big part of on-going strategy for MediaWhiz.

Jonathan Shapiro: So, we've done a fair number of acquisitions that I've described. The core of MediaWhiz is a combination of four companies, and we've done some tuck-ins since that formation which was completed in late 2006. Right now, our focus is really on execution. We've got the company put together, we are finishing up the integration of our back office and our technology platform, and now, it's really about deal execution. Again, our thesis is simple. Marketing organizations want to do more performance marketing because the return on that investment is demonstrable and predictable. We stand ready to help them build the program that could get them the ROI that they want.

Adrian Bye: So, the guys reading this…the company is doing well, they want to take a break, they may want to make an exit, should they come knock on your door, or is the time that you are not doing any acquisitions?

Jonathan Shapiro: I would say we are really not in the market right now, and it would have to be a capability that we think is critical, that we don't have a presence in, which I would tell you would be hard to muster right now, and/or it would have to be a market presence in one of the verticals that we serve that is going to give us a leg up. So, in the education vertical and the research vertical, the online dating vertical, and the online finance vertical, if there was an existing content property, that might be interesting to look at. Other than those, I think right now we are in pretty good shape.

Adrian Bye: Okay. So, you have your five markets – lead gen, e-mail, affiliate marketing, display advertising and search. So, where do you spend most of your time? What's the part of the space you care about the most?

Jonathan Shapiro: So, our idea at MediaWhiz, we're agnostic to the specific media. We are in our revenues…again, we're a private company so I'm not going to share the specifics…but our revenues split out across the channels pretty evenly. Generally, we are equally apportioned across the search and email and the affiliate world, and a smaller part of the business is our display business but it's growing quite fast, and again we are media agnostic. If you are Grand Canyon University, and you are trying to find forward leaning in-market potential students, we want to find those people for you in whatever online media may be effective, and by effective, I mean very simply, can we find them, have them raise their hand, and find some action, whether it's a search click, whether it's filling out a form and requesting information, whether it's opting in to a data acquisition path, some action that the user take to indicate that they are forward leaning and interested in Grand Canyon online education for free. If we could get the consumer to that, and we can do it in a way that allows Grand Canyon to convert them into an enrollment with an acceptable ROI, we've done our job, and we are really less interested in which media that we were able to do that in than the fact that we are able to do it.

Adrian Bye: How do you avoid being arbitraged out or getting your margins squeezed so that it's no longer profitable?

Jonathan Shapiro: In certain media, it's easier than others. We are a fairly large email marketer, and so we have relationships with hundreds of publishers where we represent them, and so we have essentially a control of that media, and we are able to marry up hundreds of different offers from our affiliate network with the millions of email names that could potentially receive these and do the targeting. So by adding the targeting, we are able to avoid getting commoditized in the email space. In the search space, we have the largest marketplace, TechLink Ads, for static link building, which have what we call the duel benefit. They're not only display ads but they also help with your SEO ranking. So, it's the largest marketplace really around for that SEO type of advertising. So, we are able to command premiums there, so that's a fairly well protected market place. In the rest of the businesses, we just have to do a really good job. So, it's our infrastructure that allows us to capture, qualify and convert what we call customer information, commonly called lead data. It's the infrastructure that allows us to help our advertisers to convert that better. That allows us to create more value and capture more value.

Adrian Bye: What do you think about what's happening in the legal environment. Obama has cracked down on providing more resources…for example, the FTC, there's an article on the Wall Street Journal a month or two ago, talking about the expanded powers of the FTC…you're in one of the more aggressive Attorney General in the state where you're in, in New York. Where do you see the direction of the space taking off in the next 6-12 months?

Jonathan Shapiro: The regulatory environment is an interesting thing. For us, I think we can be very official. Here's why. The lead generation space has its roots in what I would kindly refer to as some very very aggressive direct marketing tactics, and in that world, the best advertisers, you know, the Grand Canyon University, the University of Phoenix, or the Nielsen's of the world, or the American Laser Center, or even little companies but good companies like Dr Diabetics supplying diabetics supplies, these kinds of advertisers can get pushed out of the marketplace by some of the more notorious advertisers. That's the big one. Because that hurts the media providers, agencies like MediaWhiz, and that ultimately hurts the legitimate advertisers because they are having a tough time competing for the time and attention of what could be potential customers. So, to the extent that the regulatory environment sets the rules and everyone understands the rules and can play by the rules, I think that's a very good thing for the industry.

Adrian Bye: In the meantime though, there's potentially a lot of companies that would have a bit of a smack down from the FTC, you don't think so?

Jonathan Shapiro: Well, some will. I think if I look at our portfolio of advertisers, I'm pretty comfortable that we are working with the right folks so our revenues will be protected. If someone is out there being more aggressive, we can, between the two of us, certainly conjure some folks that might be, of the clients that we have now, but if they're having to play by the rules that we already play by, that will be good for us.

Adrian Bye: Yes, some players may go away too.

Jonathan Shapiro: That wouldn't be terrible either especially if they are really not providing value to the consumer or the right kind of advertiser having him out of the marketplace competing for attention that could appropriately be paid for and directed at a legitimate advertiser is a good thing.

Adrian Bye: Yes, absolutely. I read the ShoeMoney blog. Are you familiar with that blog?

Jonathan Shapiro: We know Mr. ShoeMoney.

Adrian Bye: He always talks about the acquisition. I guess you sold a company to guys, AuctionNet. Can you talk about that, like how big it was, what are you doing about it now, that kind of stuff?

Jonathan Shapiro: So, it was a small piece of technology that allows us to place search term targeted affiliate link mostly for eBay and eBayshopping.com on our network publicly. Unfortunately, what happened with that product is that despite the affiliate links being keyword targeted, they essentially had trouble keeping up with the eCPMs that Google could provide our advertisers. So in the open and free market place for ad dollars, our publishers were getting a better return with Google link and so while we had some early success with the product, eBay started to rationalize the pricing, and the quality of the links is high, as in fact with the search term, what Google search could provide, so we got pushed out. The product right now is essentially on hiatus, and we've got it linked to some other technology that we think could bring it back, but frankly, it's a lower priority for us right now, so it's on the shelf.

Adrian Bye: Because it's an interesting story. He builds it and then turns around and sold it after a couple of months. So, it's one that I guess didn't get to work out as well for you guys. It's the dream of a lot of entrepreneurs to be able to do something like that, build it and sell it fairly quickly.

Jonathan Shapiro: It worked out okay for us, we made a little money on the deal, but we certainly had high hopes and thought we were going to make huge returns, and we didn't make huge returns.

Adrian Bye: Sorry to hear that.

Jonathan Shapiro: Yeah, me too.

Adrian Bye: Fair enough.

Jonathan Shapiro: It's a process. None of us is perfect. I was having this debate over thanksgiving dinner with my father-in-law, you can make decisions that have bad outcomes, and you can make bad decisions that have good outcome, the nature of the world.

Adrian Bye: You've got to be it to win it. So, I was looking at your list of clients, and I noticed one of the clients you have is actually Wall Street Journal.

Jonathan Shapiro: Wall Street Journal has been a recipient of some of our text link ads in the past, so we have sent some money their way.

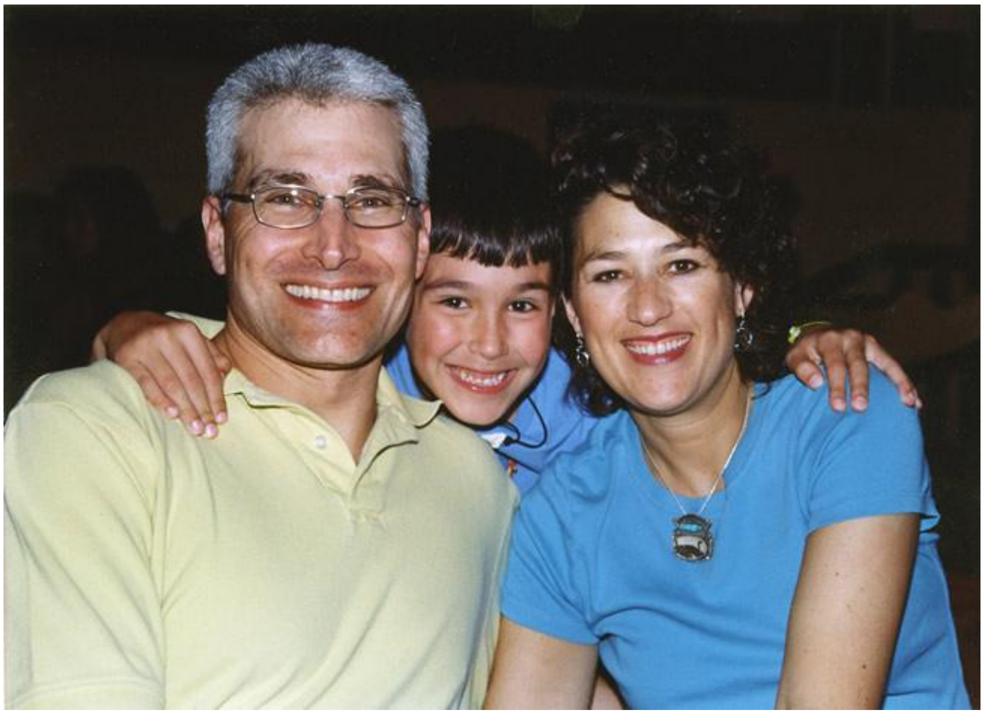
Adrian Bye: What kind of stuff are you doing with them?

Jonathan Shapiro: Well, actually, at this point, pretty minimal. Our text link ads and search have got about 40,000 publishers in it. The way the market works is that advertisers can come to the market place, request links on a variety of site, and our sales team help them figure out which sites are going to be contextually right for them, and then place those links, the publisher then receives a revenue share for all the revenue created. That was the program the Wall Street Journal is participating in.

Adrian Bye: So, who would be a typical client? I guess you have all your different areas, but who would be a typical client for you now?

Jonathan Shapiro: So, a typical client today would be American Laser Center, and these guys provide laser cosmetic treatment, so things like laser hair removal. If you're a guy and you have too much hair on your back, they'll be happy to laser it off, and it won't come back, if you get the right treatment. So, we work with them. What we have been able to do for them is over the last year and a half, build out a media portfolio that includes search, it includes affiliate work, it includes some co-registration effort, but build up that portfolio and optimize it over time, so that we have been able to maintain…the metrics that they use is a return on marketing invested, and a return as measured by sales. So, they're shooting for an X multiple over their marketing spend. If they spend a $1 they want to get $2-3 back of sure revenue. What we've been able to do is while maintaining the return on marketing spend metrics, we've been able to increase the amount of marketing investment they make effectively by over five times. So they have a 50% increase in sales directed to our marketing effort, while maintaining their profitability, and at this point they are pretty happy with that.

Adrian Bye: I can imagine. One of the things that I constantly like that comes up in the space is some of the ethics and some of the problems that come up. I'm interested to know from your opinion, what would you change in the overall space to make it better?



Jonathan Shapiro: This touches on what we were speaking to earlier with respect to the regulatory environment. The challenge in what we commonly refer to as the Lead Gen space is that you can have some very, very aggressive marketing tactics and unfortunately, there are folks that make quick money, I don't think it's sustainable, but they can make quick money being very aggressive marketers, and not serving the consumer, or really the media publishers well. So, if I have one wish for the industry, it would be that we all played by the same ethical rules, if you will, the ethical rulebook. If we follow those rules, then the offer will stand on its own merits. If that were the case, we have a level playing field, and you have a much more sustainable because all of the big marketers because we serve direct marketers who want to move online very effectively. It's those folks, the big guys, that the guys go to the world, the comcats of the world, they're in the online space. If everyone is playing by the same rule book, their offers which are pretty cloaked will get their fair share of attention. But today, I'm not sure they're getting all the media that they should because there are too many opportunities for some of our publishing partners, or some of our advertising partners out there, to make a quick buck rather than a strong and steady buck.

Adrian Bye: The problem is people define ethics differently. So, how do you do that? Who defines that? Is it the FTC, is it Obama, should it be an industry coalition?

Jonathan Shapiro: Well, it would be great if we can get the industry to do it because I think the regulators are unfortunately well intended but not as often as well informed as the industry participants. But I fear if the industry can't get it together, and form the standards, they will be formed for us by the regulators, and that may be a bit too restrictive. It may be okay but it might be a bit too restrictive. So, in a perfect world, the industry player would get together and set down the right kind of standards. You know, it's like, in economic class, we all took the world without taxes, they don't exist. So, if I was a bad man, I would say that we are likely to see some combination of industry self-regulation and regulator intervention, trying to get everyone on this same playbook that I'm talking about.

Adrian Bye: Right. I wondered if it really does need to be the FTC, needs to come in and just clean stuff up. That seems like that's going to happen.

Jonathan Shapiro: Well, they will certainly take a stab at it. I hope they are well informed again. This is an interesting marketplace because it's so rapidly evolving. We didn't talk about social media even a year and a half ago with respect to lead generation, it just wasn't part of the scene, now it's a huge part of the scene. How do you manage that and how do you regulate it, it's still growing up; it's in its infancy. Despite that challenge, the regulators will step forward…

Adrian Bye: Have you seen the post on TechCrunch? Michael Arrington has been getting stuck in a lot of the social media stuff.

Jonathan Shapiro: I ran a little of the interplay there, and you know, this gets back to the question…I think it boils down to the consumer being fully informed. If the consumer is fully informed, then they are making an informed choice, then God bless, make your choice. But it really comes down to, are they fully informed? Do they understand that whether it's their cell phone is going to be billed every month, and what kind of content they are going to be billed for, or someone signing up online at Netflix, and the realization that you are going to be charged every month whether you sign up for the movies or not…by the way that's personal experience, we were all excited in my household because we signed up for Netflix. We've seemed to have forgotten to add movies to our cue, so we are without movies right now. So, that's the choice I made, and so I live with that. But that's really what it boils down to; it's making sure that the consumers are informed so that the choices that they make are well-reasoned. They may not be the choices I would make, but they are well thought through because they have the information to think it through.

Adrian Bye: I've wondered whether there needs to be something like disclosures on food, whether there should be some standardized disclosures for internet marketing as well.

Jonathan Shapiro: You know, to me that is a really interesting idea. I'm not sure the existing food labels, there are the perfect incarnations. I think someone recently proposed a similar kind of thing for financial disclosures, mortgage disclosures, you know, clarity of information is an important thing, and in a way that the user can understand it is part of giving them the information, so to the extent we can find a way to do that, that would be great. When I was at DoubleClick in early 2000, we were in the thick of the privacy debate, we felt like we really couldn't win for trying. The privacy policy was complete, it was too long, and if it was the summary version, it didn't disclose everything, so it's a tough balance there, having lived through it. So, if there was some standard like the FDA label, and they were sufficient to inform the user, that might really be a good thing. Do you have one? Can you forward a recommendation?

Adrian Bye: No, it's just one of the ideas that I thought about a while ago. I don't have anything else. We both know that a lot of stuff get hidden in privacy policies, and in terms and conditions. So if there was something like calories that were for offers, it might make things a bit clearer.

Jonathan Shapiro: The best privacy policy I have ever read was for an online photo service, and it said very simply, we're going to collect your personal information so that we can send you your photos and we will be sharing this information with our marketing partners so that we can bring you offers in the future and marketing…I just forget the name of the photoshop…and there was a bunch to it than that, and it went on, but that was a pretty clear disclosure. My experience is that if you're straightforward with users, and they make informed choices, they're better off.

Adrian Bye: Okay. Are there other things that we haven't talked about that you'd like to?

Jonathan Shapiro: Sure. I left Lillian Vernon in 2006 after we've sold that company. I was the President. The private equity guy who had bought it had hired a new CEO, so I took my little bonus there and went my merry way, and decided I want to get back to internet pure. Lillian Vernon, I helped to grow their internet business, we took it from $15 million to $80 million, which we thought was a pretty successful endeavour. But what that experience said to me is that I really liked the internet space pure. Why is that? This is where innovation is happening. Think about it.

Adrian Bye: No, come on. Don't give us that. You're a geek.

Jonathan Shapiro: Well, I am. By the way, I am proud to admit that at my first job, the nickname that was given to me was the Super Hi-Tech Weany Giznoid. Giz, for short. Yes, I am a geek, and I am a proud member of the geek nation. But come on man, this is where all the innovation is happening.

Adrian Bye: I'm on you with that.

Jonathan Shapiro: Either in biotech, energy or the internet. In internet, you're sort of in digital media. You can write that a little bit larger. This is where the new things are going to pop up, and this is where the action is. I came to MediaWhiz, because what I saw was the opportunity to once again dive headlong into that innovation, into that evolution, and really create things, and create new ways of doing things that we're going to be revolutionary at that time or evolutionary at that time but live for many, many years. That's kind of where we sit even today.

Adrian Bye: So, where is MediaWhiz go with its innovation in the future? Are you guys going to IPO? Are you going to be acquired by someone? What do you look like in 5 years?

Jonathan Shapiro: In five years, hopefully, we are a billion dollar company, and our vision at MediaWhiz is to be considered the online marketing whizs, we want to be the experts. We want to be the folks that when people say, we want to do performance marketing online, they think, well I have got to call Media Whiz, and maybe I call someone else, so MediaWhiz is going to be on the RFP. Our mission is to drive results. We want to drive our marketing results with proven demonstrable ROI for advertising, so if we could do those two things, we will become that billion dollar company. Whether we then go public or we're part of another organization that recognizes they need these kind of capabilities, that is less consequential to us than building a great organization that really can drive better results by marketing clients.

Adrian Bye: This is a question I'm dying to ask you.

Jonathan Shapiro: Dive in.

Adrian Bye: How do you see you guys fitting in compared to the advertising agencies like Ogilvy & Mather and Grey and all of the others. Is MediaWhiz going to replace those kinds of companies? What happens there? Where do those guys look versus you in 10 years?

Jonathan Shapiro: We're going to be partners. That's how it's going to shape up. Here's why. We like to think of ourselves as an organization as exclusive performance partner. In providing that role, serving our customer that way, which I'll describe in a sec, we can be aligned with their agency, or we can work directly with the client. We're agnostic. We're not really great at developing one's brand. I'll use GEICO as an example, they're not yet a customer, but I've got my eyes on them. You know, GEICO has done a fabulous job building their brand. The agency that created that, and created all the advertising around it, will have a role for many, many years helping them build and maintain that brand. But when GEICO wants to sign up new insurance customers, and they want to leverage the online channel, we can work in tandem with their existing agency, and really help them to find the pockets of forward leaning in market for insurance customers that are making a buying decision, and help them capture that information. So, we build the marketing portfolio that helps them find the right customers. We help them tweak their creative. We can build it or we can work with their existing agency to build it. But we tweak the creative so that it's highly responsive because beautiful and funny may not get the response that they want, but we'll add the responsive components where we are experts. We'll then have the tools, the data infrastructure and the technology to help them capture, qualify and convert this customer information into actual sales. Then here's the lynchpin, we'll help them optimize the whole thing. We're good direct marketers. Almost everyone in MediaWhiz has come out of a direct marketing role in the past. What that says is that we're well versed in applying the maths and science to marketing, and say, hey, it's these parts of the media portfolio, it's these creatives, it's this portion of the sales process that are working really well, driving the return on investment that you need to get on your marketing spend, and so we want you to spend twice what you're spending on these. All this other stuff, we're going to pull away, we're going to stop doing. It's that strategy of continuous improvement as opposed to destination, and then the ability to make good on that strategy, that MediaWhiz brings to the party. But frankly, the Ogilvy's of the world don't know yet how to do.

Adrian Bye: So, in fact, you'll work alongside guys like Ogilvy's and Grey, and maybe get acquired by Martin Sorell at WPP.

Jonathan Shapiro: Potentially, absolutely. I had a sales team a week before last in talking to one of the brand names in online marketing, one of the big agencies. There was lots that we discussed that we could do together. Because again, we provide a set of skills and capabilities that they just don't have in them.

Adrian Bye: Cool. In closing, anything you want to add that we haven't talked about.

Jonathan Shapiro: No, thanks for the opportunity. If anyone listens through this whole thing, I would encourage them to do two things. If you haven't already, really try and get to understand the performance marketing space, the advantage of it is that I've penned an article that I will publish in a couple of weeks called The Death of the Marketing Budget. In a world where you've got predictable and demonstrable return on your marketing investment, there should be no marketing budget. You should spend as much as you can as long as you're getting a positive ROI. So, if anyone out there is listening, I'd like you to start thinking in those terms. Because it's going to be important for your future success in marketing, period. If you're thinking about that, obviously I'd like you to think of MediaWhiz as your potential partner there because we think we do a pretty good job of it.

Adrian Bye: Cool. Okay, so thanks very much for your time.

Jonathan Shapiro: Alright Adrian, thanks for the opportunity. When you get to New York, I'll treat you to a meal on the Upper West Side and I'll show you what it's all about.

Adrian Bye: Sounds good.