



# Transcript

Episode #010

**“The one with Gary Vaynerchuk”**

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## ILM 010

Present: Joe Polish  
Dean Jackson  
Gary Vaynerchuk

- JP Hello everyone. This is Joe Polish and Dean you were going to say something, I heard you.
- DJ I was going to say hi everybody this is Dean Jackson and you got right on it.
- JP Welcome to I Love Marketing and we are about to do a new thing we've never done before, this is the premier guest ever on an I Love Marketing podcast and I'm also going to take what we are going to record here and it's going to be part of Genius Network and a bunch of different things but me and Dean Jackson have Mr Gary Vaynerchuk so Gary, what's happening?
- GV I wanted to jump in and be the third voice when you guys were doing the intro, I held back though.  
[overtalk]
- JP This is the first time we actually ask the guest to be part of the I Love Marketing pod cast and I just want to let everyone know, right from the very get go, we are going to transcribe everything that we talk about you can get it on the [ilovemarketing.com](http://ilovemarketing.com) website and for those of you on Itunes and I'm also going to put this out to my [geniusnetwork.com](http://geniusnetwork.com) subscribers and so we are going to cover a lot of cool stuff in the time we have available and Gary, you wrote two massive best sellers, one is Crush It and the newest one is the Thank You Economy, which we want to recommend everyone go out and buy the book, right now. It's awesome, it will give you incredible insight and perspective on how to just go out and bond with a tremendous amount of people and your whole future in your business and your life I think is really based on what you've written about in the Thank You Economy so before we get in and ask him some questions Dean, is there anything you want to say?
- DJ I think, no this is going to be very exciting. As we were talking to Gary earlier in saying how our first few episodes we went and tossed about the kind of origins of how we fell in love with marketing and I think Gary's got a great love for marketing that started really young and I would love to hear his story.
- JP Gary, who the heck are you and how did you get into this whole marketing business and that sort of stuff and we'll see where this unfolds?

- GV It's funny. Marketing is just a part of life I think for everybody. Everybody is selling something, usually themselves if nothing else in the World and so very early on, lemonade stand and baseball cards and pencils, I just would sell. I was a salesman and I think you start off as a salesperson and then as you grow up the ladder you start understanding. Right now I'm doing a lot of consulting for Fortune Five Hundred Companies with my brand and media company and there is a big difference between a marketer and a salesperson. I would like to think a marketer thinks long term and I think all three of us on the phone here have seen people use marketing in the wrong way and unfortunately that creates a scenario where the brand of marketing has been hurt. I got involved in my Dad's family liquor store business when I was 14 and that's where I think I really honed my chops in marketing. I definitely learned a lot about wine and wanted to be a salesperson and then started really launching websites, winelibrary.com in 1997 and built a 60 million dollar a year business, mainly through marketing. I wasn't building lists or [jb's] or anything like that nature it was more paper click very early on. I was buying wine for ten cents on Google because nobody knew it existed, built an email service.
- JP Those were the days.
- GV Yes it was a different era and now obviously I'm very focussed on social, and I would say this, starting from pulling people's flowers out of their yards and selling back to them to where I am today, I am dramatically more Mother Theresa than I ever thought I could be but it's not because I'm a great guy, it's just because the world is dramatically more transparent and the world's changed and from my stand point, small business and corporate America now, which is a little bit different, you know Joe I know a lot more about you and getting to know Dean, obviously internet marketing has, as you guys know, some real negative players in there and I think those people are going to be weeded out because word of mouth now has so much more power and it's kind of hard to quote unquote, get away with doing the wrong thing.
- JP Completely, before you could get away with a lot of stuff but now that people can talk about you, your reputation is everything.
- GV Social equity. I talk a lot about social equity in The Thank You Economy. I really think that corporate America has it wrong where they think they push market, it's billboards and radio and television and there is no emotional attachment. I think small entrepreneurs have it wrong because they think it's SEO or building lists and I think the only thing that's going to break through in this new world is really intent and caring and one on one marketing which is very hard and for a lot of people listening right now, it's no fun to think about, okay I like putting together lists and offerings and having my other 250 days to myself, I just think it's going to get more and more difficult. I'm not here to be Debbie Downer, I just think it's the reality of the market place and the social revolution is just changing the landscape and really there is no other choice. It's kind of like people that used to do print and then the internet came along and they didn't want to believe it and they got wiped out.

- JP Can I ask you to define a couple of things? First off, what do you mean by the Thank You Economy? The book is fantastic and again, I'm going to tell everyone read it. Go out and get it, if you don't like reading, get the audio version of it. It's an awesome book.
- GV Audio is coming in June Joe, I always do my audio much later because I like to do the re-mix.
- JP And you update it because that's exactly what you did with Crush It.
- GV Yeah I update it. In the book I talk about SEO being dead because I think that social will matter and all of a sudden, two weeks ago, Google comes out and changes their algorithm to incorporate social contacts so I've got to update that part, obviously I'll pat myself on the back while I read it and feel good about myself but The Thank You Economy means this: I'm obsessed with context. Hey Dean, have you ever heard of the quote content is king?
- DJ Yeah, absolutely.
- GV You and everybody else listening. It's one of the most common things said in the marketing and business world. If content is king, context is God to me and here's what I mean. Dean you and I have not interacted but now we have and now we have a different view and we have some context on each other. Tonnes of people listening right now have never heard of me. They're going to listen and have some sort of context, hopefully positive, but conceivably negative. I believe that every single person and every business has to create context with their user and I think that caring is now scalable. I think you can go to [search.twitter.com](https://search.twitter.com) and interact with people searching terms, searching your name, searching the concept of your business and at reply them and start a conversation. It's the skills of having a cocktail party skill instead of a presentation skill and I think this is going to be the equity in doing business. I think it is absolutely Green Mountain coffee's responsibility to go into the social web and talk to people about coffee but be a service, not a salesman. Instead of telling people, yeah try our coffee, they're telling people how to use the Keurig machine or what the right balance is, or how long do you let it seep if you want to do the tea. The Thank You Economy Joe is about thank you and you're welcome and what can I do for you and how can I help you. It's about answering all your emails, it's replying to all your tweets, it's engaging on Facebook fan pages instead of just pushing out and I firmly believe that 99 percent of the people listening to this call right now, absolutely 100 percent have been in the push business their whole careers, sending out offers, sending out, blasting emails, blasting direct mail, blasting radio, billboard, television, whatever it's been on siege, push, push, push, push, push and I think the world of marketing is going to pull. I think instead of the friend that calls you with all their headaches, it's going to be the friend that you call when you have a problem. Those are two very different people and I think that the friend that's been taken for granted, the one that you call, is about to start cashing in, in business, because the social equity is what's going to matter.
- DJ Define now that the smaller nimble business with a person that cares is an advantage over the bigger businesses that are trying to do social by committee?

- GV Yes and no Dean. I think it's shocking. I hate when I hear, oh Walmart and Costco and Nike, they don't get it. They're big, they don't get it. We get it and then I see little guys, one off guys, even two person teams not really care either. They do the lip service. They think because they are small that they out care their customer but they don't. So I would say whether it's big or small Dean, it comes down to the thesis and the DNA of the company. It really just comes down to the execution and so that can be middle, medium, small, big companies, one person, it could be Proctor & Gamble, if executed properly, if it comes from the right intent, I don't think it really matters. Obviously a big organisation takes a longer time to move because they need to see the ROI and a lot of people listening to this right now are entrepreneurs and they feel the vibrations of change so they are willing to go all in and shift. I think it just really comes down to the DNA of the organisation and/or people. I think it has nothing to do with size.
- JP I remember Gary, in the very beginning when I first met you, literally, I had never heard of what Twitter even was but your video on your email when you would send in auto responder that actually had a video and one of the very first videos I saw from you was like, follow me on Twitter, trust me, this is going to be huge and no-one that I knew, except you, knew what the hell Twitter was at that time and sure enough a lot of things that you've predicted have become mainstream stuff so what the hell are you tapped into where you have a real good intuition about this stuff because I think that's one of your greatest abilities, is that you really see trends.
- GV I appreciate that. You've heard me say this, I want to buy the New York Jets and it's going to come from that skill set, I don't think that I have that many skills, I think we are all limited to a certain amount of skills. It's kind of [LeBron] does this thing, Cobey, they do their thing but would they be great marketing people, would they be great truck drivers, would they be great teachers. You've got some skills and I've been lucky to figure out what mine was and is and that's where my career has gone. The better thing of saying Twitter was going to be big is that I invested in Twitter. Facebook and Tumblr. In Crush It I wrote in length about Tumblr, this was before I actually invested in it. After I was done writing about them, I was like you know what, I'm going to get involved in this and now I don't know if you've seen this, Joe, I don't know if you guys have any 16 or 17 year old nephews or nieces, I mean Tumblr is exploding. If you got to TechCrunch there is a video with David Carpenter, the founder, listen to this stat. They're growing by a quarter of a billion page views a week.
- JP Wow.
- DJ Wow.
- GV So Tumblr's going to be the thing in between blogging and Twitter, which I think a lot of people here who are listening and you guys will probably like, so nonetheless, I don't know. I think it's DNA. It's the same reason I sold all my baseball cards, I'm literally at a baseball card show in New Jersey looking around, tasting the vibrations of the market, I'm just so deeply into the

trenches and you know this about me Joe, comparison, I'm just engaging all the time. I'm always interacting. I don't vacation, I don't surf, I don't go on a cruise for a month, I work 24/7, 365 outside of the time that I spend with my family and it's in the trenches. It's really dirty work. I really am a hard hat kind of guy which I think gives me insight to things shifting earlier than it trickles up to the people that are a little bit higher up the castle and so then there's DNA of just having intuition. I sold all my baseball cards at a whim. That Friday night, couldn't wait to get done from school, get ready for the show, got all my cards priced, got to the mall and literally two hours in, had sold every card I had for 70 cents in the dollar and then took all those dollars and went to a comic book convention the next week and bought all comics and went all in and the comic market exploded and the baseball card market collapsed and that was just really intuition of just seeing what was going on and so I did the same with the family wine business. Everybody was all about Bordeaux and French and Italian and California wine and I went all in on Washington State and Spain and Australia and I was right again. I was not tacky in my entire life. I launched winelibrary.com in 1997. I didn't grow up in the silicone valley, I was a Jersey boy, I didn't have a computer but I knew, I could taste. I started by video blog in 2006, February so really 2005 I made the decision that was very early for video blogging, especially long form content. I was doing 30 minutes. Nobody was doing that and in late 2006 I was like, this Twitter thing is going to be huge and then in late 2007 I was like, this Tumblr thing is going to be huge and mobile and so I'm an innovator. I just stopped my famous wine library tv at south by southwest, I announced my retirement at episode 1000 and I started a new thing called dailygrape.com and it's a mobile app and it's a website, you can watch the show still on the web but it's now a mobile app because I think you have to be useful and so now you watch the show and if you like the wine, you add it to your wish list and it's in your pocket and you can walk into a wine shop or a wine bar and order it.

JP Have you shopped the shows or do a new show?

GV I do it under the dailygrape.com now and everybody is like what the hell, six years of equity and I just left, changed the name. I'm an innovator, I taste stuff early. Before AJ and I started VaynerMedia two years ago to do social media strategy, we were going to do a deal of the day site so that probably would have been the right idea, if that space had exploded and we might be sitting on 20 million dollars valuation of a 100 million dollars and that kind of stuff and that's fine, I'm not worried about it. This is a consistent skill set that I have to understand where markets go, I don't take really a lot of credit for it Joe, other than my DNA has good chess like skill set. I can see the move ahead. I'm very good at understanding what people say they're not going to do and they're going to do. Everybody said they wouldn't be on Twitter, but I knew they would and then I started figuring out what would the world look like if everybody was on Facebook and so that's how I was able to project and understand where things were going.

JP I think one of the best things that would be helpful to all of the people listening that are marketers and really want to connect and I really look at marketing is you can either be a transaction marketer or you can be a relationship marketer and basically even if you have scoundrel tendencies as you describe in the book, The Thank You Economy, it's idiotic to not

just be nice to people because in the long term it's going to serve them, it's going to serve you and the days of being a transaction marketer are getting more and more difficult.

GV Joe, can I interrupt you real quick, I'm sorry to interrupt, is that the word on the street because you know I'm a little bit removed from the exact kind of marketing you are doing? Are people talking about that? Did people in the marketing world realise what Google did two weeks ago with that blog post and what's going to happen in a year or two when you are not going to be able to SEO and then create a landing page that converts, do people realise what's happening?

JP I don't think so. I think some are and I think there are people like you, to a certain degree, that are on the fringes of all of this stuff but at the same time I think a lot of people are mired in the past as many corporations are and it takes a lot for them to change their mindset, their perspective and how the world is shifting on that. So talk about that. Talk about what Google just did as an example.

GV I'm aware of a lot of people trying to create conversion. You said transaction and that got me excited because I agree with you. I think transactional marketing, listen, it's never completely dead but it's kind of like an ocean right guys, if an ocean goes to a river, less people are drinking from it and that's kind of what I'm seeing happening. There will still be people that are successful and now everybody's listening to this podcast and be like yeah, that's going to be me but what they don't realise is .....

DJ I think you are on to something though in the way that people are reacting to it that a lot of marketers are reacting to what's happening with Google to try and fix it in an emergency mode, try and fix it in the marketing world, it's been called the Google slap where they change the algorithm and they don't like sometimes the things that convert the best on a transactional basis but they don't see that making a fix to this in the short term is not really addressing where the games going in the long term.

GV I think you're right Dean and I think the really scary part is I don't think people realise how deep this is going to get. Crush It three years ago I wrote that Facebook was Google's biggest competitor in search and I think that's a very valid point now and here's what's really interesting, I think Twitter now is sitting in a crazy place because there's three companies that want to buy it, Microsoft to put it into Bing, Facebook itself because if Facebook owns it then they own all the contacts search or Google who desperately need it. Let me explain to everybody what I'm talking about. If I was to Tweet out right now, just had a great pinot noir with a link, I enjoyed it and one of the 900,000 people that follow me go to Google and they are signed into G-mail and they search for a pinot noir, I'm going to show up now on the first page with my Tweet and so we are talking about social search and once Facebook roles this out, you know why Facebook wants you to click all those "like" buttons because when you search for Honda, they are going to show you that 13 of your friends like Honda and that matters more to you than somebody who SEO'd out a page and tried to convert you so that you click on a video link.

- DJ        What do you think about Mark Zuckerberg's approach to this. As he's getting a lot of heat for pushing the envelope of sharing personal information and I honestly, in my observation of him, I honestly think that he sees that done right, this is going to make our lives better.
- GV        I can tell you right now that I wish people would market to me talking about the New York Jets because that's the information I'm putting out there and I think people don't realise the benefits of it and listen, of course it can be taken too far but remember how scared everybody was about putting a credit card into a computer? Yes you are laughing because you remember those fears, I did too. When I told my dad we were going to put a wine shop on the internet and he goes, so what, they're going to come to the store and give us a cheque? People forget that people thought the internet was a fad. People forget that they thought Facebook and Twitter were going to be fads. People forget that they thought Facebook was the new MySpace. It's just people talking. Listen, I no longer talk about politics and health care and other things because I realised as I was becoming dramatically more knowledgeable in this sector that even smart people that weren't as deep as I were sounded silly and so even though I consider myself a smart guy and I will read a couple of articles, I can't talk about this stuff, I don't have the depth and that's what's kind of going on with this stuff. I think that people are very naïve to what's going on and I really do think Joe, that what my biggest hope was and why I really wanted to do this, of course I would be thrilled if people bought the book but the fact of the matter is you know this and we all know this, there is a lot more efficient ways to sell a book over the course of an hour than doing an interview like this. I think what's interesting to me is I want to be on the right side of history. I want every person who listens to this pod cast go back in three years and be like that Gary guy was the first, dam it, I knew I should have done it or I'm glad I did it because he was the first guy that kind of talked about it and put me in that direction. Listen Joe, you saying right now that I'm the first person that told you about Twitter and it was going to be big, that matters to me. That's the business I'm in, I'm in the being on the right side of history business and when these things go on to mean something, it really matters. You view me as a smarter guy than a dummer guy because there is a lot of people that said no, it won't be and these are the decisions we are making as who knows where things are going and who's not and I'm running a marathon and not a sprint. I want to be relevant for the next 40 years not just four minutes.
- DJ        You don't go where the puck is, you go where the puck's going.
- GV        That's a really good point Dean. That's a very famous hockey statement and it's true. I definitely live my business life in that manner.
- DJ        You know the Madonna thing was I spot a trend and then I get ahead of it, which is kind of funny. That's what I would like to ask you about because you have some very interesting perspectives on where's tv going to be, what's the future of television? Smart refrigerators, which I heard you talk about in the speech and that sort of stuff. Touch on that, scanning out a



few months, a few years from now, what are things that everyone listening would be very well served to pay attention to and start thinking about?

GV Obviously yes I definitely think that we are going to be living in something of a smart world. We have smart phones now, soon we are going to have smart refrigerators that re-order our products for us so you put in a Pepsi and it's going to understand that you drink Pepsi after the third time, it's going to become a Pandora like situation and the refrigerator itself is going to re-order your product for you and Walgreens and Whole Foods and Wegmans and all these players need to be very worried about this. It's going to completely disrupt retail. That's a world that people don't think about but you also didn't think about, 15 years ago, that you would no longer ever buy a camera because your phone would be your camera and I definitely think that people never thought that their phone would become their credit card but every person listening right now in five years will be swiping their phone when they buy stuff at the supermarket. That's real and that's coming. That's not me being a genius. That's me knowing that in South Korea and Japan that's what happens. It's just a matter of time and do you remember PBA's? Remember those things?

JP Yeah.

DJ Oh yeah.

GV They lasted five minutes. Remember BluRay and DVD's? I know DVD's aren't completely dead yet, but it's just another couple of minutes. How about when your Ipad becomes your remote control because you have an Apple television and what you are watching on your Ipad, you click one button and now it's on your tv and you don't have to wire anything. In a world like that, television does get disrupted so the world's changing. It's changing quickly and I think anybody listening right now, if they don't think this stuff is going to impact them, they are the audacity. I would say the audacity because this stuff is turning over governments in the Middle East and helping people survive Tsunami's in Japan because of information. If you don't think this stuff is going to expose, listen, this is fun for me because I would like to ask you guys questions because I am not as knee deep into your world, Joe. I'm sure there is some people through this social revolution on Twitter and Facebook who have been exposed and maybe blacklisted from the community because there was probably things that they got in trouble for that nobody would have ever known before but no longer can they be people that can convert marketing because their customers have left because when you Google their name, their negativity pops up first. Am I wrong?

JP No you're not wrong at all and it's one of the things where I actually am very proud to say, and I mean me and Dean, we both form that category. One of the reasons we have stayed such great friends and we resonate so much is we both follow the philosophy, be nice to the people you meet on the way up, they are the same people you meet on the way down. You don't go out and pitch stuff that you know is not going to be helpful and create value for people. Both of us have a stellar reputation. I tell people all the time, do an online search for me. Look at reviews,

we don't screw customers. We do great stuff, people love us and they don't love us because we are great guys, just like you said, we just treat people well and I have clients that have come to every one of my conferences for the last 15 years. People don't do that unless you continue to give people value and one of the reasons I've never gotten really knee deep in doing affiliate programs is I never wanted to owe favours to someone that would ask me to pitch my list as if these lists are just a bunch of data bases, a bunch of herds of people that you just try to extract money from. I remember the time when I was a dead broke carpet cleaner living off credit cards and I learned marketing, never thinking I would teach it to other people. I learned marketing because I needed to survive and I needed to learn how to convey what it is I was doing so that people would actually hire me and I remembered how hard it was for me to actually invest something with money I didn't have, except on a credit card and knowing I'd have to go out and earn that and these are the real human beings and I think a lot of the value of the relationships, not a lot, all of it, it's all about relationships. There are so many marketers that preach life time value of a customer but they don't even understand what the hell that means.

GV It's all hunting Joe. I don't want anybody to be upset with me because I know this. This is where I come from. I was the biggest hunter of them all. In 1999 if somebody walked into my wine shop and bought \$1000 worth of wine and I got their email, I felt like I had them. I'd felt like I would email them next week, the next day, the next year and they would buy a certain percentage of the offers and that was it. I don't think I'm a born again marketing guy but I definitely evolved. I have definitely matured. I very much look at it differently and by the way, not by choice because I was forced into this thing where things were going. I loved the idea of just hitting one button and sending out this chardonnay is delicious and just watching the orders come in.

DJ That was enough in 1999.

GV By the way, it's enough now. It is enough Dean. It doesn't convert the same way, open rates have collapsed. Conversion has collapsed but it's enough. There is a couple of things. I'm proud of the wines we sell. We have the best prices in the country and it's a wine. I always struggled when I first learned about people selling a thousand dollars worth of information because that was tough for me. I just couldn't wrap my head around the value when you could buy five or six books at 20 bucks a pop and get the same, if not more. So I think it is important to be proud of what you sell but even if you're 100 percent proud of what you sell, you have to understand the game's changing and like you said, you feel good about yourselves and there is good search results on your name and you've never screwed anybody but even for guys like you, if you quote unquote on the clean side of all of this you have to understand that it's going to get harder. Nobody likes to hear what I have to say by the way. Whether you are a marketer or whether you are a brand manager at a multi hundred million dollar consumer brand product because I'm talking about one on one marketing. Truly engaging and truly making phone calls, writing letters, answering their questions, like full pledged customer service 2.0 in a way that we never seen before and for the big companies, the people that are listening right now that

are brand managers and things of that nature, it's hard because they like buying commercials and billboards and radio and being done with it. For the little guys, they like building lists, sending an offer and watching it come in. I just have bad news. The world is going to look a lot different in five years and the conversions are going to collapse even more and you're going to look at what you are doing today, the same way you look at somebody right now who's buying full page ads in the yellow pages.

DJ It's still funny you are talking about changing complete industries, the way things are happening, have you been following the whole Kevin Smith situation Gary?

GV You mean with the South West Airlines?

DJ Not with South West Airlines but with his whole new movie, Red State?

GV I've seen some headlines I haven't followed but yeah, look at Carell. He got fired from a radio show he makes more money now direct consumer through his pod cast. Hey Dean I don't have to look very far. Relevant, the reason I sell lots of books and get paid lots of money to speak and consult for some of the biggest companies in the world and invest in things like Facebook and Twitter is strictly because I sat in front of a camera and started doing a wine show and became famous and I didn't have to move to LA and get an agent and be on television. So all the stuff Carell and Kevin Smith do and where the world's going, is things I've been screaming and yelling about since 2006.

DJ I think there's a big jump from getting somebody's email address in 1999, sending them out a promotional email and sharing Christmas dinner with thousands of people all across the country like we did with you with your mystery pack. Doing the Christmas Day show and you've got your friends around and here you are at the dining room table with the lap top right there watching you and creating this experience with you.

GV Listen, it's hard work. I will say it again, in 2002, 3, 4, I feel that I became lazy and stopped innovating. I could be bigger today if I didn't get comfortable with the fact that we had one of the biggest wine lists and I was proud of what I was selling so I wasn't hiding, I was just pounding and I didn't innovate and again, I think I would have been doing video blogging or at least written blogging three years earlier than when I started the video blogging. So I think you are on to it and you're right I am talking about revolutionising industries. Guys look what happened to the book industry and journalism because of the internet and now social is the next revolution and it's going to change a lot of businesses. If you are in real estate, how much smarter is your customer today than they were 15 years ago? Dramatically, they Google stuff, they know the numbers.

DJ Access to information isn't enough now. This is the thing.

GV Information has no value Dean. It's a commodity.

- DJ That's exactly it and what's valuable is interpretation and that's the thing is with somebody who has an opinion, the same thing with why I believe Wine Library was so successful is because you are a guy who has an opinion, you are willing to share it, you are not going down the party line just because your store stocks this type of wine that you are giving it a favourable review. We've got clients who I've been sharing the concept of creating daily videos for real estate. For all the new listings that have come on the market because everybody has access to all the data now. What they don't have access to is your, as a real estate professional, your interpretation of what's going on.
- GV And what you're talking about is the Tom Brokaw or Katie Couric, Oprah business. You are talking about DJ'ing. You are talking about chair rating. You're right the information is cheap but we still watch the news but CNN, all they are doing, the reason FOX is winning is because they are winning on personalities that curate not because of the actual news. I mean they are in the entertainment business. [Shaun Hennerly] and [Glen Beck] and these guys, O'Reilly, they are in the entertainment business and CNN and MSNBC has been silly enough to playing against them in the news business. The world's shifted. Nobody needs to watch FOX for the news they can get that on CNN.com or Fox.com or Twitter. Everything I learn about in the world is from Twitter. I look at my stream and news breaks to me on Twitter. I found out about Japan and Michael Jackson and every other darn thing in the world, because I follow my Twitter stream.
- JP This may have nothing to do with something six months from now, but it may, Charlie Sheen. The Charlie Sheen phenomena that we're right at the time of doing this pod cast.
- GV I think that's rubber necking. If you look at that carefully, I call that rubber necking. We just all watching and waiting for the other shoe to fall. I bet you, there's people just watching that to see if he is going to pass away, it's sad but it's kind of UFC it's kind of rubber necking. It's in our inherent DNA as human beings.
- JP It is. So for longevity purposes you made this interesting statement. You said the day Jeff Bezos bought Zappos, The Thank You Economy started. I'd like to get your thoughts on that because for one, I've met Jeff Bezos, I think he is a fantastic guy and I think he's brilliant and secondly [Tony Shay's] a real close friend of mine and I've interviewed him at Zappos and we carried video cameras around, the whole friggin' place and explaining how they do everything, he just tells everyone this is how we run our business. There is nothing to hide here.
- GV Because what Tony knows and what I know, and listen I'm going to say it again, ten years ago I would not have this interview and I would want nobody to know what I knew. What happens is you mature and you realise two things, one you can't have it all. The world's very big and two, I know that 99 percent of the people that are listening right now, they listen, they've already heard enough to know that I've got shops, they're going to spend 13 bucks because it doesn't cost all that much to read the book and everything I say in there they're not going to do. Do you know why? It's too hard and I'm not kidding.

- JP It's tough to emulate that level of commitment that you have.
- GV It's execution and so the reason Tony shows you that Joe and everybody, is he knows that it's really hard to do what they do. It's hard for a company of that size to truly have that kind of DNA. It's very difficult. A small shop can do it but the kind of size that Zappos was and the reason I said the day that Amazon bought Zappos was the day that The Thank You Economy was born was because Jeff Bezos, in my opinion, more so than [Steve Jobs] which is going to make people shocked right now, is going to be the entrepreneur of this generation. He has shown so much innovation through the Kindle, through the Amazon services, through Mechanical Turk, through Living Social, through Woot, through Zappos, the ability to be innovative in many different ways and I think what he bought Zappos for was not a bunch of shoes, he bought it for culture because he knows that that is a battle ground for business and I firmly believe, firmly that he is ahead of the curve and he knows that that's the kind of culture and DNA that Amazon is going to have. He's going to look at the data of what that kind of customer service means, it's worth a billion dollars for him and he's going to implement the things he believes in that came from Zappos and it's going to accentuate his business and so I believe that that was definitely the first shoe to drop on a big scale and I think that people are just going to be absolutely stunned on what kind of DNA it takes to run a Fortune Five Hundred and a big company. I will not be surprised that if in 20 years the majority of CEO's in the top thousand companies in America are people that come from the social charity world because it's going to take compassion, not raw number evaluation.
- JP Let me say something about that too because I have heard you say that [DYNO] companies or people donate things and support charities is to trick people into thinking they are good people so they should support their product and I love that too being a person that spends a lot of time. Yesterday me and Dean met with the CEO of Make a Wish Foundation in Canada, there's just doing awesome stuff and she is such an entrepreneurial thinker unlike most people in non profits and I mean up to this point for the last three years I've been the largest fundraiser in the world for Richard Branson's foundation, Virgin Unite and I've spent a lot of time in that world and most people literally do it is window dressing. It's just the halo effect that they want to get as a result of it and there's not a lot of authenticity in it and in one level there's all these do-gooders but then there are people that are good doers and good doers are the ones that I think really make a difference and at the same time I am a full blown capitalist. I absolutely believe capitalism is amazing. I think most people misinterpret it. Capitalism in its' purest form is a collaboration between people you know sharing products and services of value in exchange for money and trade and I just think it's what makes the world go around and the way to go out and just do well is just be nice to people, be referrable, be cool, don't screw people and the thing you say though is you talk about the intent behind it and I think a lot of people will hear marketing strategies are to read a book like The Thank You Economy and they'll start going out and communicating with everyone. Just wanting to go out and just talk but I mean do you really think of this as a tactic or a strategy. When you are spending 12 or 14 hours a day out there interacting with all these people, what is going through your head? What are you really doing?

- GV Strategy over tactic. This is where the business world is going, I'm thinking that I want to do business with every single person that I ever engage with 45 years from now and that's how I make every decision. Period, end of story. That's it and the only way I think that's going to happen is if I pay forward. If I care first, if I give first, if I do right first, then I can win and that's it. I don't know any other way. It's so funny, I'm a hyper excited guy and so everybody thinks I am a sprinter. I have very motivational DNA so I get the whole Tony Robbins stuff. I am a salesman's salesman so I get the Billy Mead stuff and I think that people are shocked when they start really getting to know me, how much of a marathon runner I am. Joe I think you'd probably be the best example. You've known me for a longer period of time. We have talked for a while now. I guarantee if you rewind your mind I've ended up being a little bit of a different character than I probably first appeared to you given the hyper excited level of my approach.
- JP Absolutely.
- GV And that's it and that's one person, Joe. Next and on and on and on. I'm an immigrant. I'm willing to grind, I love to work, I don't like vacations, I don't like boats, I don't like fancy dinners, I don't want to take pictures of famous people. I want to execute, I want to build long term businesses. I built a 60 million dollar bricks and mortar business. I'm not a blogger, I'm not an informationalist, I build actual business, I'm an executor but what I've found is through Wine Library tv and now through talking about this stuff, I didn't realise how much of a communicator I was and I've been able to take very difficult forward thinking thoughts and break them down to layman's terms and there's a huge value in that and that is a value to me long term because the more I'm right the more opportunities that open up for me and I became very good friends with Mark Zuckerberg. He is a dear friend of mine. He, unlike a Branson character, doesn't have a lot of friends, quote unquote and the reason I've been able to be a friend because I made a video talking about Twitters danger to Facebook in 2007. It was the content that mattered and so I've obviously seen value in that but I'll be honest with you, this book is going to wrap up pretty shortly and I'm thinking about putting my head down, building VaynerMedia into this 50 to 100 million dollar agency doing some start up. I want to get back to operating. I've been talking a lot over the last three or four years. I'm getting ready to operate again because the proof is in the pudding. If you are building real businesses, meaningful businesses, that really matters.
- DJ What have you learnt through VaynerMedia by getting out and being in the trenches with Fortune Five Hundred companies?
- GV By the way, every one of my smart friends made fun of me for starting a service business.
- DJ That's not scalable.

- GV That's right, not scalable and like you're smarter than that and why would you want to do that and that's for B and C players. What they didn't know was that I was obsessed with understanding corporate America because I'm going to do a start up one day for it. Right? One thing that I've learned is that the sampling business, you know how you go to a carnival and they are giving free samples of a new flavour of Snickers or whatever or you go to a sporting event and they are giving you the new pack of gum or you go to [Bonrue] and you are getting samples of the new soda flavour, multi billion dollar industry, no innovation. So if I wanted to I could start a group on like thing for new products tomorrow and I think I could build a five to 500 hundred million dollar company of that thesis. Learned it by being in the trenches and then I just learned about what makes them tick, very differently than small entrepreneurs. Small entrepreneurs, sole entrepreneurs, marketers, people listening now, they just want to make money. At the end of the day and that's okay, there's nothing wrong with that. They've got to pay bills, they've got college loans, they want to live a better life, they want to make money. Corporate America is about climbing the ladder Dean. They also want to make money but the way they make money is by playing the politics game. They are in the politics business not in the sales business and so I've just learned that's why things break down in a corporation because Stevie wants to become CMO and this is a conservative company so when we talk about social, that's too dangerous for Stevie so he won't support it. He will bottleneck it and that will be that. So I've learned the politics and understood how they work and it's been great for me and I've learned that consumer brand products have a lot of money. There's a lot of opportunity if you are smart. It's not super scalable but I notice scale people were already a 30 person company were doing community management were learning about other opportunities and I'm just enjoying it.
- JP Gary, for all the listeners, clearly the vast majority of our listeners are entrepreneurs or already in that world, some want to be but they're not quite there yet but most of our listeners are entrepreneurs. What do people moving forward, what do they really need to know that they have mastered in order to really be effective in the future?
- GV I think they need to audit their business Joe. I think you and Dean and I have to do that on a regular basis too. You have to think about what you're doing and is it the most valuable thing you could be doing. By the way, it really comes down to what you want. Some people might have a list and it's great and they make a million dollars a year or 500 hundred thousand dollars a year and they like it. They like the freedom and they want to spend time with their kids and their family and I get it. The only thing I'm scared about is they are going to wake up and it's going to be gone and then they are going to be in a tough pickle and that's kind of what I'm really talking about. Other than that, I think they need to audit. You can make sure that if you don't understand this Twitter and Facebook stuff and Tumblr and \*0:44:22 [name] and all these new sites that are popping up that you need to not hire a 22 year old kid to do it for you because they can leave. You need to know it for yourself. You need to cut out some of the dumb shit you are doing on a day to day basis and you need to learn this stuff because it's going to be the foundation of our world and so I would recommend people start reading and learning and understanding where things are going and take one step backwards to take two

steps forward and that's probably the most difficult thing for entrepreneurs to do. They don't like that. Still do what you are doing, I'm not asking you to abandon your list or stop doing JB's. If you feel proud of what you are doing, knock yourself out but if you don't innovate you're going to die. I mean the biggest dinosaur lost and so you just have to innovate. If innovation wasn't the key, IBM would be dominating the internet world. Microsoft would have never let Google get that big. Google would have never let Apple get that big. Apple would have never let Facebook get that big. Facebook would have never let Twitter get that big but that's just not controllable. Innovation is going to happen and I would say that people need to number one, I know some of the people listening to this right now, because I just know the way the world is, are doing business in a way that wouldn't be considered the most ethical of all time and that's something we just have to attack head on. You just have to. You have to look at that because you are just not going to get away with it. You're just not going to. People are going to talk. People are more connected than ever. They are going to paint pictures and those pictures are going to hurt you. You need to look at yourself like a politician because that's the kind of microscope we're all under now and if you're not doing the right things, and if there's not soul and meaning, if you're not actually providing value to your end user, if you're just trying to get value for yourself from your end user, you're going to wake up in 2013 and say what the heck just happened?

DJ Gary, you probably don't even know much about this part of one side of my business but I have a site called Ethical Services and it's got a few hundred professional carpet cleaners and restorers that all abide by a code of ethics that they 100 percent guarantee their work, they promise not to use any misleading advertising, they don't employ technicians in a manner that forces them to do high pressure selling and make a liveable wage, they carry proper insurance. It's just a better way to select a service business and they encourage people to review them and say hey, tell the world what you thought of the work we did and one of the goals I have is to transform the way that people hire and find service businesses in the US and maybe take it worldwide in multiple different industries and part of it is the number one question going through consumer's minds is who can I trust and that's what it's all about and people will trust what their friends are saying and what their neighbours are saying. Just like you talk about bring small town values back to the modern world and that's one of things with Ethical Services that I want to do is literally just give people a way for great service businesses that operate that way to locate consumers that actually don't want to get screwed and I think it is so much in align with what you are talking about. Now one thing I want to address and ask you is, because you talk about this, when people say well I'm not tacky, I'm not Gary Vaynerchuk, I can't be on Twitter all day long, I don't understand computers and I know you have a great response for that and I think it will be useful for all of our listeners to hear that. Like they don't understand it, they don't get this technology.

GV I didn't either. I did not grow up with a computer. I'm 35 and maybe you've heard me say this, you didn't know how to drive and you learned that too. Think about how many people are listening right now that five years ago said there's no way they would be on Facebook and they are now or how many people here text. We all know that. Remember the texting revolution



last five years, how many times you said to your kids or your grandkids or your nephews, you weren't going to text and now you do. Dean and Joe, I've got to be honest with you, there's just no option. I don't know what else to say. There's people that didn't want to use the internet either.

JP You can say it. You're screwed if you're not.

GV I don't know how to sugar coat it properly because I'm scared. Here's what I'm scared of. I'm scared that anything I said on this call today, on this pod cast, gave somebody an inch to wait longer because if you give somebody an inch that doesn't want to do it, they're going to take a mile and so I don't want anybody to be confused. My thought is this, if you do not understand this social web, Facebook and Twitter and Tumblr and by the way, not what it is but how to use properly, not push but pull, work hard not quick. If you don't understand that tactic and that skill set, I just don't see a way for you to be successful going forward long term which is five years from now. I think if you wake up five years from now and you're going to be in a really big pickle and again I'm worried that I just gave somebody an inch. Somebody said okay well then I'll figure it out in five years from now. It's not going to matter because all the equity that everybody is going to build up now, they're going to take your stuff and you're not going to be valid or valuable in five years. You're not going to be able to catch up. Joe, you already know this, I've started running this race five years ago so that's why I'm so far ahead, right? Other people are starting now and they are a little bit behind. If you start in five years, you're just never going to catch up. You're never going to catch up.

JP I know you are going to have to run in a couple of minutes but I've just got to ask you this. You talked about there is no such thing as a social media campaign. Social media is like a misnomer but I would love to get your thoughts on that.

GV All my corporate clients and a lot of small businesses are always like, what campaign should I run? Should I do a re-tweet contest or if I donate a dollar, for everybody who follows me, to Japan and all these tactics. There is no such thing as a campaign. There is a great key study in my book about Old Spice which was the big win in social media last year but they left all those communities abandon them. They didn't respond or interact with anybody on there so my whole thing on this is that social media is unlike any other media. It is a continuing conversation. Imagine if you sent an email to two million people, \*0:50:39 [name] a couple of years ago and then you had to respond to every person that responded to the email, that if your offer was what can I do for you or what do you want to know about it and then all of those people responded and then you had to respond to them, that's how I view it. It's an ongoing conversation. It's the difference between marrying somebody and having a one night stand. Too many people are treating social media as a tactic, as a one off. Let's do something on our Facebook fan page, great, we've got the data. All they're doing is taking email principles and push principles onto social media and it is not working and it's doing more damage than you think.

- JP Great way to think about it. So Dean anything else you would like to ask Gary before we wrap up?
- DJ I think this has been great. I think it's been an eye opener for a lot of people listening just to know that there's no time for them if they are going to wait. It's too late. You've got to start right now and you're got to do it in a way that is preparing you for going forward and you didn't pick the title of the book lightly, The Thank You Economy. It wasn't the Thank You Factor, it wasn't the Thank You Strategy it's the Thank You Economy and that's a big shift.
- GV I sat on that a while Dean. I was scared to use the word economy because you open up yourself to a big can of worms and I am talking about trillions of dollars, I believe it. I believe this is the maturity of the internet and I want everybody to know this is not just about Facebook and Twitter. There is Youstream, there is \*0:52:09 [name] which has a chance of being the next Wikipedia. There is so many things out there that are happening. This isn't just one thing and there's a site called Techmeme that Dean and Joe, you should be going every day, it's Techmeme. It aggregates all the news, it's a quick look, it's a very quick look, you can read the headlines and you can have a sense of where things are going because it aggregates all the tech news. I think it will be big help, I wanted to give something practical for everybody listening, I would definitely check it out and read it. It's a big help for me because I am very busy so I thought I would give that little nugget.
- JP That's fantastic. Well Gary, first off, thank you for all you share in your wisdom, you are an industry transformer, you really are, you are always on the cutting edge and people that really want to take their marketing to the new world, if they haven't already, and want to stay on top of things, definitely you are one of the best people to learn from and if anyone ever has an opportunity to see Gary speak, he is funny as hell and is crazy and knows a tonne of stuff and I would encourage that. Where is the best places for people to follow you that have never heard of you before until now.
- GV I would say the easiest thing, it's super easy to remember and more importantly just come and say hi so I can respond to you in there is Facebook.com/Gary. Super easy to remember so I would highly recommend that.
- JP Any famous last words from you?
- GV Just please, please, please don't be stubborn. Don't be this kid doesn't know our business. He doesn't get it. This doesn't impact my business. This impacts everything and I don't want to get an email from you in five years saying I should have listened because I'm starting to get those emails already from different people from years ago and so just don't put yourself in that position and don't go all in. Just hedge, crawl before you run but you've got to start the process.

JP        Thank you and to all of our I Love Marketing listeners, give us your comments on this, let us know what you thought and go and read Gary's books, The Thank You Economy and Crush It and follow him because he is a star and he knows what he is talking about. So thank you we appreciate it.

END OF TRANSCRIPT