

Mike Shields (2s):

Hey guys, this is Mike Shields. And this week in Next in Marketing, I got to talk to David Jones, Founder and CEO of You & Mr Jones, which is fresh off a big funding round as it looks to disrupt the traditional ad agency model. David and I talked about why he thinks the ad holding company is using COVID to paper over their ongoing performance declines. Why his company's brand tech alternative is better suited to help them navigate the huge shifts we're seeing in e-commerce and consumer privacy. Let's get started.

Intro (25s):

Everything we know about the media, marketing, and advertising business is being completely upended. Thanks to technology and data. We're talking with some of the top industry leaders as they steer their companies through constant change. Welcome to Next in Marketing, presented by AppsFlyer.

Mike Shields (44s):

Hi, everyone. Welcome to Next in Marketing. My guest this week is David Jones, who's the CEO and Founder of You & Mr Jones. Hey, David, how are you?

David Jones (51s):

I'm good. How are you?

Mike Shields (53s):

I'm alright. Thanks for joining us today.

David Jones (55s):

It's a pleasure to be here. Thanks for having me.

Mike Shields (58s):

So, a bunch of questions. You guys have been in the news recently. I feel like I always says, I feel like if you follow the advertising marketing landscape, you probably know your company. But I'm gonna guess that some people have some, perhaps vague notions about what you are. Because I think you get thrown into the, "Oh, they're like a newfangled holding company. They're sort of like the next to VPP. But then they also invest in stuff, so maybe they're like a VC." And I know you guys call yourself a brand tech company. Explain the idea behind You & Mr Jones. What you are? What you're trying to do?

David Jones (1m 30s):

Sure. So maybe and I can break it into two. I can sort of explain the problem we set out to solve, and I can explain how we're setting out to solve that. So the basic problem we set out to solve is that the mobile phone came along. It disrupted marketing beyond belief. It created literally hundreds of new channels with all the format's that go with them, that brands needed to create content for. It gave access to unprecedented levels of data. And it turned every single person on the planet into a content creator. And so if you were a Global CMO, you literally were sitting there, and you'd perfect it, you know, over the decades, the traditional

marketing playbook, and suddenly, you needed to perfect the technology marketing playbook.

David Jones (2m 13s):

And it was like, help. We need help. And what we what we were hearing from the Global CMOs was, you know, the problem is we go see the big agency groups. And whilst they get great at the brand and advertising piece, they don't get tech, we go through the technology companies, and they will never objectively recommend someone else's tech, what we really need is someone who is both expert, and brand, and tech. So, hence, we call ourselves the world's first brand tech group. Probably the really different thing about what we set out to do, and the reason why we initially raised the 300 million was, you know, none of what I've just told you is that, "Oh my God, I would never have thought of that. What a brilliant original idea." But I think, you know, people weren't setting out to do it globally.

David Jones (2m 56s):

And so if you could just work on a few brands, and you know, the US, the UK, France, whatever, we believed you are as much part of the problem as you were part of the solution. So we set out to build a company that could be a global partner. So our goal is to be the global leader in what we call enterprise level tech marketing solutions or brandtech. And we will achieve that by being the best company in the world that using technology and AI to connect data, media, and content. And then to optimize that content to deliver a better ROI. And so what we do is we acquire promising companies in technologies, we integrate them into our platform, and then we kind of develop, scale, and grow them globally.

David Jones (3m 44s):

And then on the other side, we also make strategic minority investments into super interesting tech companies. And they both adds strategic and financial value to what we're doing, sorry. And so, you know, we invested 20 million in Pinterest back in 2017. We were one of the very first external investors in Niantic, a year ahead of them launching Pokemon Go, when they spun out of Google. So we've done about 34 investments in 22 companies on the strategic minority side.

Mike Shields (4m 15s):

Okay, so if we take those two sides of your vision for the company apart a little bit. On the first one, you were talking about having a marketing services/technology company built for what marketers need, now with mobile phones and data. So does that mean if the Coke or Pepsi account comes up for review, and you know, group M is losing it or might keep it, are you in the mix for that? Are you competing for totally different sets of businesses?

David Jones (4m 41s):

No, I mean, where we fit in and what we specialize in sits between, you know, what an ad agency does on the one side and what the big group and media company does on the other side. So, you know, we will never buy traditional ad agencies, traditional media companies. We literally will only ever acquire or invest in

companies that are tech or tech enabled. And, you know, whilst we think that the big holding companies, you know, I would say that we think they have a limited future, which is why we launched our company 60 billion has come off the market cap in the last five years.

Mike Shields (5m 19s):

Right.

David Jones (5m 19s):

That's a lot that's already happened. But, you know, we think the smaller creative agencies, you know, the widens the Johannes Leonardo's have a huge future, because brilliant ideas are incredibly important. And you just don't need 100,000 people around the world and one. But what we do is when you the creative agency has nailed the big idea, we will then literally put together all of the always on digital content, social content, e-commerce assets, community management influencer. So everything that lives on mobile, everything where you know, you literally need hundreds of thousands of pieces of content, not you know, 160 second TV commercial.

Mike Shields (6m 2s):

You might be building a product or helping build an app or things like that. They're not just ads?

David Jones (6m 6s):

Yeah, But I mean, I think the reason we call the group of brandtech group, and you know, there's a really interesting book called Storynomics, which talks about the post advertising world. But, you know, we believe, when we launched back in 2015, and we believe that advertising will be a less and less relevant way of connecting brands and people. And that's why we call ourselves brandtech, not martech, or ad tech, and we're seeing that already just the enormous explosion in the Netflix, Peacock, Disney plus, Apple plus, and you know, people who are circumnavigating avatar.

Mike Shields (6m 46s):

Or things that make it much harder to reach people.

David Jones (6m 48s):

Exactly.

Mike Shields (6m 49s):

When you get, yeah.

David Jones (6m 50s):

Huge explosion in ad blockers, massive rise of influence of businesses. So what we literally do is we set out to disrupt and have a disruptive model. So one part of that is we own the largest business in the world that

builds in-house content studios, for brands, so they have the tech platform, the process, and the people to do that. We own what is probably now the world's largest influence the business. You know, obviously, influencer is a huge and massive growing sector. So we're very much focused on new disruptive models.

Mike Shields (7m 24s):

Which is interesting not to keep getting hung up on the -- are you holding company and all kind of thing? But I'm contrasting what you're doing, versus S4 Sir Martin Sorrell's kind of newfangled holding company. They're still buying their digital focus, but they're still buying ad agencies, or ad agency like companies, services companies, where you're really taking a totally different approach, <inaudible>.

David Jones (7m 43s):

Yeah, and look, I mean, I think it's one of those things where if at a superficial level, there's a lot more in common between us and S4, and there is between, you know, as S4 and state of the holding companies or the management consultants.

Mike Shields (7m 58s):

Yup.

David Jones (7m 58s):

There's quite, you know, there's some fairly major differences between ourselves and S4. You know, we're much more tech focused and tech enabled, as you say, they're buying some quite traditional assets. I saw one today, they've acquired a PR company, and we'd never buy a PR company. You know, we have a tech platform that runs all of this. We invest in leading, and cutting edge tech companies. You know, we have tech platforms within all of our different businesses. So you know, and I think the other big difference is that, obviously, they're much newer than we are. So we have some very large global enterprise level relationships.

David Jones (8m 38s):

And I think they are still on that journey of looking for their first major client. Look, you know, we think they are doing very well and will continue to do very well. And often I think people get too hung up on, "Oh, it's like, I suppose that's what I know." You know, we collectively have a <inaudible> amount of the overall size and scale of the market. And, you know, as I think we saw in 2020, just enormous acceleration in digital disruption, and the need for brands to accelerate their digital transformation. And I think that one final point on that. You know, last year, I think the holding companies were fairly disingenuous.

David Jones (9m 20s):

They said, "We had a terrible year because of COVID." It's not true. You know, if you were, as we always sort --

Mike Shields (9m 24s):

It was cover, you think?

David Jones (9m 26s):

Well, if you were a new model business, you had extraordinary growth. We grew 27%-28% at quarter three, and that's going to be pretty much where we finished for the year. So if you are a new model business, you have very strong organic growth, and if you're an old fashioned legacy business, and just digital, and tech in your press releases, and sadly, there's nowhere to hide.

Mike Shields (9m 50s):

Right. right. Yeah, and if there was no COVID you wouldn't, there's no telling that you'd have some amazing year that was just being tamped down. I did mention you had some news. And that you've just raised a lot of money and your valuations now, but correct me if I'm wrong at 1.3 6 billion. And this comes that the raise comes after raising a pretty big round December of 19, which is interesting. Because that seemed like, that's I'm sure that felt like really good timing once the pandemic get that go. And thank goodness, we did that, then. But then you were able to do that. Again now. So I guess a couple questions. What was it like rate? First, why raise the money now, after you've done it fairly recently?

Mike Shields (10m 33s):

And then what? How? What was that experience like trying to do that in the middle of what would seem to be a rough period of time to try and do that?

David Jones (10m 39s):

So I think, you know, firstly, we are setting out to build the best country in the world, a delivering for major global brands at an enterprise level, they're technology, marketing solutions. And so if we get this right, and it's going pretty well, so far, not only is it going to be invaluable for our client partners, but it will also be a very big and very valuable company. And I think when we started back in 2015, and when we were raising, we're like, "Hey, the holding companies are going to tank. Massive digital disruption, and structural change in industry. And I think a lot of people back then like, "Yeah, whatever, of course."

Mike Shields (11m 20s):

Right.

David Jones (11m 20s):

Not quite sure. I remember one conversation, we had they said, "David, I've just Googled, and WPP announced their record ever profit. So I'm not sure your thesis.

Mike Shields (11m 27s):

Right, good luck, buddy. Yeah.

David Jones (11m 29s):

Right. And then anyway, obviously, fast forward five years, and as I said, 60 billion off the market cap of them. And so I think we have a brilliant core of long term super smart investors who completely get and understand just how much marketing, not only has been disrupted, but is going to be disruptive moving forward. And so there's been two kind of core raises, we raised just over 300 million, the first time back in June 2015. And we've raised another 260. So it's actually twice rather than three times. And I think, honestly, and you've seen this in the public market valuations of a new model disruptive companies.

David Jones (12m 11s):

You know, I think the investors worked out a little while ago, what journalists still haven't fully figured out, which is there isn't one industry, it's not like there's this industry. There's two industry. There are the big traditional legacy businesses. And that is now an industry in structural decline. And there are the new model disruptive businesses that attack are tech enabled. And you've seen the IPOs on those companies and the valuations. And investors are just saying, "Look, we're super excited about this. And we get the future is almost a K shape where you've got one whole bunch you're doing brilliantly, and one whole bunch you're not doing brilliantly.

Mike Shields (12m 51s):

Yeah, it's like one end of the industry is linear television, and one end is TikTok and Facebook, and stuff like that. It's just, we do lump them together, I think often. So but what -- Okay, so the obvious question is, what do you... why raise? And what do you... Is it just simply, this is the time to put your foot in the gas, because there's so much disruption and so much opportunity, you can move faster with more capital, or what why do you this now?

David Jones (13m 16s):

Yeah, I know exactly. I mean, I think, you know, we are very considered in our acquisitions. So, you know, I think we've acquired six companies since we started in June 2015. So we're not, you know, you're never gonna see us buying 10 companies a quarter. There aren't any great companies out there. But obviously, we've built something where we become a very significant or in many cases, the largest global digital partner for some of the world's biggest advertisers. And we're very much focused that kind of in the first phase on North America and Europe.

David Jones (13m 57s):

We've owned a bunch of offices through Asia, and Latin America. But we're still, the bulk of what we do today is still North America and Europe. So, we will be looking to expand geographically. We're looking to scale core disciplines. Look, you know, so there's a bunch of things that we can spend the money on. We have over 300 million in cash. So, it's a decent war chest, but also you want to be able to capitalize on really interesting opportunities when they come along. You don't want to be sitting there going, "Oh my God, we've

got the most amazing company. We can go and buy. Oh, let's see if we can raise the money."

Mike Shields (14m 33s):

You've got it, you've got the powder in the chamber, so to speak right now.

David Jones (14m 37s):

Yeah, absolutely. And no look, and you know, whilst when sort of my founding partner and CFO John Mark, and I had a PowerPoint deck saying, "Right, if you give us lots of money, here's what we're gonna go and do." You know, there was quite a lot of risk potentially associated with it but you look at what we build today, you know, 3500 people around the world growing incredibly strongly. You know, had a great year 2020. Will have an even better a year 2021, strongly profitable, you know, 400 million of cash in the bank. It's quite a compelling story. When you compare that to what's going on in the traditional industry.

Mike Shields (15m 13s):

Right. Now, can you talk about, you mentioned you invest in Pinterest early and the Niantic and companies like Beeswax which just got acquired. What advantage does it give you versus an agency or just another marketing services company... to when you serve as brands, does it help you that you have an insider's knowledge of the companies you invest in to help them craft better marketing? Is it just something you're early on and get better rates with? Like, what's the advantage of being having a piece of those companies versus everyone does business with Pinterest? Or whoever?

David Jones (15m 45s):

Sure. So look, it's a number of things. I mean, you know, firstly, it's a really good way of ensuring -- because one of the key roles that we play for our brand partners is to keep them at the cutting edge of what's going on in tech.

Mike Shields (15m 58s):

Right.

David Jones (15m 58s):

So you know, just case in point, I mean, we invested in Niantic in the summer of 2015. No one thought AR was going to be a thing back then. You know, a year later, suddenly, you have Pokemon Go being the fastest technology in history to hit 50 million users. And you know, the fact that we've been able to share that with our clients to talk about it, to talk about what was coming, and even to connect some of them so that they could partner. They just get a ringside seat into what's going on, and what is the cutting edge of technology. The second thing is, and this is as much as anything from the perspective of the companies.

David Jones (16m 39s):

You know, a lot of these companies, they've got great investors, they've got super smart VCs, they've got

people on the board are experts at growth hacking, but they don't actually have that many people who understand the brand marketing world. And so that's the role we play, where we can help explain to them, "Okay, what is it the brands are looking for?" Actually, if you want to get an advertising dollar, you're going to need to show why someone should spend \$1 on your platform or not somewhere else, and therefore putting together the ROI, or even with some of them helping and advising on, how they should actually be pricing the product. So I think, we look at technology, and think it's moving so fast, that everyone ourselves included.

David Jones (17m 21s):

But you know, the world's major brands are finding it very hard to keep up, and they need a partner who's uniquely placed to advise them, and what's a very complex and fast moving world. So, you know, the investments that give us a big competitive advantage, because we see the latest and most interesting technology. We have an unmatched perspective on where that's going. We can connect our brand partners into those technologies before they necessarily become mass or --

Mike Shields (17m 47s):

Because they all have learning curves, right? And you get ahead of those.

David Jones (17m 52s):

Yeah, or even just give them privileged access to start, privileged conversations. And then we sit at the at the intersection of that. And obviously, we only invest in companies that we think are a great idea to invest in. So when we turn around and say, "Hey, by the way, we've just put a ton of money into eggs. We'd love to introduce you. They kind of go, "Well, obviously you wouldn't have invested in it if you thought it was a bad idea." So there's a huge credibility in those conversations. It's not like trying to convince somebody, they should do business with something that someone else bought 50 years ago.

Mike Shields (18m 28s):

Right.

David Jones (18m 28s):

So it just gives, it really keeps us incredibly current on tech. It helps us keep our brand partners incredibly current on tech. It is a win for the brand, our brand partners. It's a win for the companies we invest in, and we sit at the sort of intersection of that, and invariably do extremely well financially out of it. I mean --

Mike Shields (18m 48s):

Right.

David Jones (18m 48s):

-- well out of our Niantic investment. You know, Pinterest, reinvested in 2017. It was the number one performing social media stock in 2020. So it's kind of a win, win, win.



Mike Shields (19m 0s):

Let's talk about some of the companies you've invested in. Because I remember having a conversation with you. You probably remember this a couple years ago about Pinterest. And at the time, I felt like a lot of even the digital media buyer landscape did totally get Pinterest. They probably didn't use it as much as other platforms. And if they had a complaint it was that there wasn't enough to buy yet though. Pinterest is moving slowly on advertising. And I think that's all changed. But what did you see there early on potential wise? And then what maybe... what have you seen, that you mentioned that they've had a very strong year, almost quietly under the radar during the pandemic.

David Jones (19m 37s):

Yeah, look, I think... you know, firstly, I think we, human nature is to forget what other companies have been through and kind of and to judging versus where they are now. So, you know, best example of this, you know, I remember the very first ever Facebook client council meeting, probably back in 2011-2012, we were all asked what, you know, how are we doing? And we sort of, I think the collective view, we're sort of not that well. But you know, before you forget, and this is in terms of working with brands and advertising.

Mike Shields (20m 7s):

Yeah.

David Jones (20m 8s):

That's the exact journey Google went through, you know.

Mike Shields (20m 10s):

Yeah.

David Jones (20m 11s):

When you create a new company with something really powerful that people love using, and then you start wanting to work with brands there is like a trillion people in the marketing and advertising world. And the new tech company usually has a few 100. And it's like a complete imbalance. And so I think we look at it and go. If you have a platform on a product, which is just inherently really powerful and interesting, and Pinterest sits in a very different role in the funnel to many other. Firstly, it's kind of, it's not a social media, strictly, so it doesn't have a lot of the problems and the issues of the social media companies.

Mike Shields (20m 48s):

Yeah, you don't hear about like Trump abusing Pinterest or bad actors on Pinterest having problems.

David Jones (20m 56s):

Although, I did find when he was banned from Pinterest, as well. I was like, "So what's he even going on

there?"

Mike Shields (21m 2s):

Right. That was... yeah, showing a lot of bad tacky tastes for you to share.

David Jones (21m 6s):

Putting together a new kitchen from our logo. No, but so, you know, also, it's sort of, if someone's going to move house, if someone's looking at doing a bathroom, if someone's planning their wedding. There's a lot of kind of big life moments that people use Pinterest for, which are really clear longer-term sort of funnel signals. That the huge growth that we were seeing before, we invest in overseas back in 2017, but the numbers were dramatically more impressive than the outside world necessarily saw. And then in full Transparent.ly, Ben, the Founder, just incredibly thoughtful and impressive founder.

David Jones (21m 53s):

And so we just looked at it, and when, you know... we think is an amazing platform. We think visual search, and people are going to be searching, increasing visually in the future. You know, these guys have kind of nail that. It sits in a different place. It doesn't necessarily have a lot of the inherent problems that the other platforms have had with misuse. And they've just built a very impressive business over time. And so, we're like, "Okay, we're in." And I think if you look at it, so added almost 50 million new customers last year, after the pandemic, they grew in quarter three, like 58% of their revenue.

Mike Shields (22m 35s):

Right. Well, a lot of what people being stuck at home lent themselves to the things they were doing during that time lent themselves to more Pinterest and a lot of ways, right? Oh, my God, I'm doing the office. I'm going to the gym.

David Jones (22m 46s):

Yeah, <inaudible> You know, I mean, they've been steadily building out and growing their e-comm capabilities over the last few years. And, you know, all of a sudden, that became unbelievably relevant as e-commerce just hockey stick last year. They partnered with Shopify, so just some super exciting stuff. So I think at the end of the day, whenever, when any strategic investment we're making, we kind of asked ourselves, like, four questions. You know, number one, is it a great business in a vertical we want to invest in or be in? Number two, do we like the team? And do we think the founder is super smart, and knows exactly what they're doing?

David Jones (23m 28s):

Number three, do the financials make sense? And often we invest in businesses that are heavily laws making, but they're, quite quickly can become very profitable? And finally, and I would say, most importantly, I'm going back to the question you asked about their role for us. Is this a company in a technology that our

brand partners are going to be really excited about? And when it takes all of those boxes we invariably go in, and Pinterest is a great one of those.

Mike Shields (23m 57s):

Right. Speaking of all the different boxes, it'd be easy to say, "Oh, they saw this Pokemon Go Comm thing happening. Let me invest in Niantic, but you were in early on that. What are you seeing there? You know, like that was a phenomenon. It's cooled off in terms of the buzz in the landscape, but I feel like AR in general has had much more of a breakout. At least I'm seeing that personally. Like three or four of my kids, Christmas presents had some kind of AR element. And I'm seeing that a lot in the world, which is a whole lot more talking about that investment where you saw maybe where you see that technology taking marketing and media.

David Jones (24m 32s):

Yeah, no look. So I think we invested a year ahead of the launch of Pokemon Go. And I think, the guys in Niantic say, they weren't exactly expecting it to be as big of a success, as it ended up being. But I think we looked to that and we went, you know, we believe that the intersection of location, retail commerce, augmented reality, and just generally augmented experiences had an enormous future. And John Hanke, the Founder of Niantic was also the person who created Google Earth. He'd run Google Maps, Google Earth, and Google Streetview for seven years or so, and just had a very compelling vision on where AR will go.

David Jones (25m 21s):

And, you know, back when we invested, everybody was saying that VR was going to be the thing not AR.

Mike Shields (25m 28s):

Yeah.

David Jones (25m 28s):

You know, literally all those, you know, Facebook, were pouring all their money into VR.

Mike Shields (25m 32s):

Yeah, every brand had built a VR experience thing that nobody used and...

David Jones (25m 37s):

Magic Leap, otherwise known by, or name by someone whose Tragic Heap. You know, they will... And John just sort of said, "Look, you know, we think AR is going to be much bigger, because everyone has the device in their pocket."

Mike Shields (25m 49s):

Right.

David Jones (25m 49s):

And a billion users of Pokemon Go, one year later, he was unbelievably, right. And I think we just see enormous potential for a world where every single object building can be enhanced by technology. And you're... we're still at the start of this. And I think, you know, people kind of expect the entire world to change in five minutes. And it takes it's a little bit longer and slower than that. And I think we would view Pokemon Go was like the first big moment that everyone understood the technology. But you know, if you look at how Google Maps are starting to be able to use AR so that rather than doing that thing, we have to walk up and down the street, to work out which way you're walking.

David Jones (26m 34s):

You can actually just look at the building, and it shows you an arrow.

Mike Shields (26m 37s):

Right.

David Jones (26m 37s):

If you look at the ability... And as you're saying, you're seeing it. So winning is going to be really big. And then, you know, it may even go as far as that 10 years from now. None of us are carrying a phone, and we're all wearing glasses. And obviously, cynics will go.

Mike Shields (26m 52s):

Right.

David Jones (26m 52s):

Yeah, but Google Glass was terrible. But then if you look back to you know, how good was the Newton or the Palm Pilot, they were pretty terrible, too.

Mike Shields (26m 60s):

Right. The first mp3 players were pretty bad. And you know, the iPod came along.

David Jones (27m 4s):

And iPhones is not being bad.

Mike Shields (27m 5s):

Right.

David Jones (27m 5s):

And so I think that's entirely possible. But we're in a world where we kind of look back and think it was odd

that we had to give up one of our hands to hold the thing, because why wouldn't you just wander around? And you know, the LinkedIn equivalent version can be you walk into a room, if we're ever allowed to walk into rooms of people again.

Mike Shields (27m 25s):

Right.

David Jones (27m 25s):

You see somebody like, "Shit, I know them, but like, who is it?" And you know, LinkedIn pops up, Oh, I know exactly who they are, you know.

Mike Shields (27m 31s):

Right.

David Jones (27m 31s):

When you're walking down the street or driving along, instead of having to constantly get your phone, make sure it hasn't gone to sleep, and look where you going. You've got the view on your glasses. You know, I think we believe that what you need to do in everything is add value. So often, we saw this massively with ad tech. It's not because you can do something with technology, you should. So we're not completely bullish on, "Oh my God, we can run ads. That hope, that, you know, AI uses to play alongside our packaging." I'm not exactly what you called that.

Mike Shields (28m 2s):

What spring pop ups didn't run retargeting to AR right away?

David Jones (28m 5s):

But I think you can see things where it could be very helpful, you know, much more around the information and knowledge side of things.

Mike Shields (28m 15s):

Yeah, we were talking a lot about future leaning trends. Let's -- and you alluded to how things have accelerated so much this past year. Let's talk a little bit about how you see 2021 playing out in the marketing space because it is interesting. On the one hand, you've got legacy companies, agencies have lost market value, like you said, "You've got like the Warner media's have had big layoffs and cutting." Yet, overall, their predictions are for ad spending seem pretty bullish. And you know, it looks like we're gonna have a decent year. You just don't know how things are gonna play out in the world with vaccines and demand. How do you see this the state of things, right now?

Mike Shields (28m 57s):

And how do you navigate it with so many, like, almost tale of two cities kind of world?

David Jones (29m 3s):

Yeah, look, I think the short answer without any really, anyone knows, and anybody tells you to do is probably lying. But...

Mike Shields (29m 10s):

Yes.

David Jones (29m 10s):

No, I think, you know, so exactly how it plays out. I think is hard to predict. But what did you see in 2020? You know, big disruptions do not on the whole or if you look back in history, create new change. They just accelerate existing change. So what happened last year was just an acceleration of the world's digital transformation, like unbelievable growth in e-commerce, big audience, growth in all the social platforms. I mean, and I think, and actually interestingly on the purpose side, a lot of brands and that was tied both to COVID. And black lives matter a lot of brands starting to be very overt much more about overt in and around their brand purpose.

David Jones (29m 55s):

And I think, we're just gonna see that continued. It doesn't go back -- to actually you know, we had, we kind of the world's e-comm. I'm not sure that went from like 48%. Sorry, it's 14% of sales to 28%. But it's something in that range. It's not suddenly gonna drop back down to 14%.

Mike Shields (30m 11s):

Right.

David Jones (30m 11s):

So, you know, these are permanent accelerations of shifts and changes. And you are just going to see all of the companies sitting on the right side of the tech and mobile revolution doing better and better. And all of the companies on the wrong side doing worse and worse. Now, you may get a bit of what I call a dead cat bounce. Where, you know, if a holding company had a terrible quarter two let, you know, in 2020, then suddenly quarter two in 2021 doesn't look quite so crap.

Mike Shields (30m 45s):

Right.

David Jones (30m 45s):

If you compare it back to a couple of years ago, it will still be a long way down, and you have an industry that is in that in structural decline. And, you know, the norm now for that whole sector is it's either at very best

low growth. And in reality, it's more likely to be no growth versus decline.

Mike Shields (31m 12s):

Right. Now, on that note, if you're... you're right, and that this year has accelerated e-commerce and brands of you doing way more, they've been pushing for more accountability for their ad spending, and they're, you guys are -- everything you do is driven by software and data, which all makes sense, yet, the industry is kind of getting rocked quietly by all these huge changes or potential changes with cookies going away, Apple changing the way it lets you track users and a prop, perhaps more regulation. Like what do you see? Are you worried about that stuff with the given your mix of clients and your promise? Or what are you hearing in the market on that?

David Jones (31m 49s):

No look. You know, we're not worried at all. In fact, I think it's the opposite. You know, when you have and this is a calling a micro disruption might be a bit harsh, but comparing it to like the macro disruption, that was the mobile phone coming along with just changing the world. It's a smaller disruption clearly. But then what happens is brands need much more help. And super interesting, smart innovative companies grow up who can actually help solve this problem. So it's a massive opportunity to be investing in them, to be helping our clients.

David Jones (32m 30s):

You know, I think these things never play out exactly how we think the old thing about for every action, there's an equal and opposite reaction. Often we think, that's going to lead to that, and it doesn't. But I think, you know, all brands and media platforms are now kind of looking at what are their cookieless alternatives to be ready for January the 22nd, next year, when in <inaudible> Chrome stops supporting third party cookies. And there's a few things going on within that, you know, obviously a big focus on how to leverage consented first party data, particularly in that in emails.

David Jones (33m 13s):

I think a lot of brands are rethinking their data strategy, the value exchange. How'd you get more people to self enroll in marketing programs? And so that when you've got their email, and they've shared their email with you in the brand can match that in encrypted PII with the media platforms for targeting, and for look-alike modeling. So I think you've got it without third party cookies being involved. So you've got a whole area around that. You're reading everywhere, about data clean rooms, but there's reasons for that. So how do you leverage data clean rooms? And I think that again, the demise of cookies will push brands to investing much more into first party data rich inventories.

David Jones (33m 59s):

And I think in order to get better insights in a privacy safe way, that's going to create massive demand or high demand for data cleanroom analytics. You know, Google just got their version accredited by the MRC

for YouTube. You know, you've got stuff going on across the piece. And I think the final one is almost beefing up what was almost an old discipline, which is media mix modeling. So, you know, over and above the kind of demise of third party cookies, stuff like connected TV, or audio podcasts, etc. They can't be measured through traditional third party cookies anyway.

David Jones (34m 40s):

And so there's a growing need for a kind of hybrid media mix modeling. And obviously, you'll be increasingly able to use AI, and to make the media mix insights more granular. So I think you got a bunch of stuff going on. I think it will be fascinating to see how it all plays out. And even to the extent that some people are still not completely convinced that Google will do that on January the 22nd, next year.

Mike Shields (35m 12s):

Yeah.

David Jones (35m 12s):

We'll see. But it's, you know...

Mike Shields (35m 14s):

Yeah, like the cookie deniers, we've talked about.

David Jones (35m 17s):

Yeah, you know, we've seen businesses in one business we didn't invest in, but they had a model where historically they were doing stuff with people's data that when GDPR came along they were no longer allowed to do. And you could have looked to that business and gone, "Oh, my God, they are in so much trouble."

Mike Shields (35m 36s):

Right, goodbye.

David Jones (35m 36s):

And in actual fact, they just offer people the choice. Do you want to kind of basically be spammed with completely irrelevant ads nonstop? Or do you want to opt in, and we will make sure you get way fewer, and they'll be really targeted? And they literally, they got over 50% of people opting in, and actually, it made the quality and their effectiveness much higher. So I think sometimes these things don't actually play out exactly how we think they might. But what we know, we would say, we think this is a critical opportunity for us to help advise our client partners, and we have a terrific company 55 who do that. And also a terrific opportunity to be investing in, just really smart innovative companies.

David Jones (36m 20s):



And we've seen a few of those.

Mike Shields (36m 23s):

I want to wrap on this, because you kind of led us here, but you mentioned how you read every brand is trying to say, "Oh, let's be more upfront with consumers." Let's get them to give them their, give us their email address and be more direct. And same with media companies, they all want to be direct to consumer brands. Yet they're the industry is trying all these newfangled things with data clean rooms and trying to marry up hashed emails and all these like sophisticated tools. But consumers. So it's like they're saying they're very pro consumer want to be protected for privacy, but then they're also trying a lot of different things that consumers may or may not love. How are we doing on trying to respect consumer privacy as an industry?

Mike Shields (37m 3s):

Is it...? Are we genuine about that? Are we just trying to skirt the rules? I know, that's a really open ended question.

David Jones (37m 10s):

So we've been appalling. I'm not even joking to saying, "We." But look, you know...

Mike Shields (37m 14s):

We did. You and I didn't do it. But something...

David Jones (37m 17s):

You and I were fine. Everyone else would be well. No, but look, I think it's not rocket science. If you do bad annoying things with people's data, they are gonna get really, really pissed off with you and be angry, and that will lead to a bad place legally. If you add value to people's lives, they view that as great. So it's really not that complicated. At the end of the day, I can hide my location from Uber. Doesn't make that...

Mike Shields (37m 46s):

Right. Doesn't help, yeah.

David Jones (37m 47s):

It's so useful. You know, I can hide my location from Google Maps. And but even more extreme, I, you know, I love wine. I get three emails every day from like the wine places I buy from. And I actually enjoy reading them. I always like them, I have a quick look at the bargain. Since we raised our money, I don't know, I don't have, you know, where they're getting my email address from. But I am, I've literally got two thirds of my inbox now is either people who want to help me with property, people who want -- it's just, you know, software, it's like, it's crazy. And every single one of those annoys the hell out of me. And, you know, I have a probably a pretty decent idea where they got my email address from, and that's super annoying.

David Jones (38m 29s):

And I think what happens is, you just got to be obsessive about adding value into people's lives with that data. If you do that people are more than happy to let you have the data. And if you're going to annoy them, and what the problem with the whole ad tech industry is, it did a lot of things with technology that were possible.

Mike Shields (38m 48s):

Right.

David Jones (38m 48s):

But you know, following somebody around the internet with a pair of sneakers they've already bought is as dumb as it is annoying, because they're the last person that's gonna buy them again, and you showing them very clearly you're watching.

Mike Shields (39m 0s):

Yeah, and then people judge the whole advertising world on think on those kind of experiences. Not just that they don't think about what ads that can be good this to me? It just draws me nuts.

David Jones (39m 10s):

No, exactly. And you know, when my favorite old example of this was in the very early days of the internet, where into flora, flower delivery service, you know, like, couldn't have 100 flowers just asked you for your mom's birthday, your wedding anniversary, all the things quite private data. And then, literally nine months later, you get an email going, "David, it's your mom's birthday on Saturday." <inaudible> Yes, of course I do. You know, you send the flowers, your mum thinks you're a great son, you're really pleased, they've taken \$100 off you, and it's a win win win. And I think we just doing bad stuff with people's data will always lead to a very, very bad place. And adding value, you know, people will kind of go, "Hey, you look, you know, they've got some confidential data, but I'm getting real value out of giving it to."

Mike Shields (39m 56s):

Right. When you start getting those notes about the property investments, I just give them my social and they own that -- it usually takes care of itself. Just I think it's probably the best way to approach it.

David Jones (40m 6s):

No, this is actually... it's not a personal property, it's everyone wanting to help us with real estate, in New York, or you got an amazing lot space. And sort of... And it's not, it's hundreds of them over the last month.

Mike Shields (40m 21s):

Right, I can imagine. I'll take this. I'll take it offline though the app that I'm going to pitch you in a little bit. But

otherwise, David, thank you so much for a terrific conversation. Congratulations on their funding announcement, and looking forward to seeing how you guys shape up for the rest of the year. Thanks so much for taking the time out.

David Jones (40m 36s):

Thank you. You know, exciting times. Great to talk.

Mike Shields (40m 40s):

A big thanks to my guest this week, David Jones, Founder and CEO of You & Mr Jones, and of course my partners at AppsFlyer. If you liked this episode, please take a moment to rate and leave a review. We have lots more to bring you, so be sure to hit that subscribe button, and we'll see you next time for more on what's Next In Marketing.