

Q&A with Paul Caldera, Partner & Co-Founder, Katie Karatzas, Customer Research & Design Strategist and Drake Pusey, Strategist, Brand & Product Development of Saltworks Enthusiast Branding – a leading brand experience design firm with a specialized focus on companies that serve enthusiast markets



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CEOCFO: *Mr. Caldera, according to the Saltworks site, you are a branding and design firm where enthusiast brands find their following. How so? What is the focus at Saltworks today?*

Mr. Caldera: Our focus is on helping folks build enthusiast customer relationships for their experiences, products, and services. Along the way, we unpack what enthusiast brands are. They typically offer products and services that have a high emotional component and a high consideration component.

CEOCFO: *Do most companies understand the need for enthusiasts or are people still learning that it makes sense to have this following?*

Mr. Caldera: I think that people are still learning. Across the board, most organizations have what we call an “inside looking out” perspective. That means that they have some deep-seeded thoughts, not unfounded, about what their value is to the world, to the marketplace – Why does the world need another “fill-in-the-blank”? – and they have reasons for why their product or service stands out. We take a look at that and find out what is really valid, then bring what we call an “outside looking in” perspective to that process. Combining the “inside looking out” and “outside looking in” perspectives helps brands understand what they are doing and address the gap between what they think about themselves and what the outside market is thinking about them.

CEOCFO: *Would you give us an example of what an assumption was that a company had and what you did to unearth what was really going on?*

Mr. Caldera: We did a project for TomTom. These are the folks that do the GPS devices. TomTom had a dominant market share in the EU and they were a market challenger in the United States. We were hired to help them gain market share in the US. Their “inside looking out” assumption was that their value proposition to the marketplace was based off of their ease of use. In fact, all of their messaging, all of their taglines, and everything about the way the product was named and positioned was based on that notion. What we did first was look at secondary research to find out which brands were

actually perceived as being easy to use. In fact, we found out that the ease-of-use factor was owned by Garmin, and domestically that was not attributed to the TomTom brand. We then went out and started doing some primary research and found out that, in fact, TomTom filled a specific niche in the marketplace where their product and service delivered an expertise in terms of realtime reporting on traffic. That type of thing was really only valuable for a much narrower section of the marketplace, so instead of having a tagline and a position based on ease of use, we transformed that to be a position around higher performance. That changed the way they differentiated against the competition and changed the way they were being sold at the B2B level. This went from B2B to B2B2C, all the way to individual customers.

CEOCFO: *Would you give us an idea of the range of services Saltworks might provide for any given company?*

Mr. Caldera: The framework that we use to describe it anecdotally is we diagnose the problem, prescribe a cure, go through a treatment process, and then there is kind of a loyalty kicker at the end of that. However, we predominantly do a series of activities and deliverables. Let me unpack that:"

- Diagnosis is really going in and taking an assessment of the current state, what is happening right now, how they are currently positioned, what the need is in the marketplace – establishing a high level view of the competitive landscape and that type of thing.
- The prescription is going out and doing some primary research that identifies that gap that we talked about earlier and then coming to some strategic insights that help to address what the opportunities are to close that gap.
- Now that we know who we are, what we need to say, and what our differentiation is, the treatment process starts to figure out what the delivery systems are to reach the audiences that we are trying to reach and what the messaging is. From there, we'll develop an integrated marketing campaign that then goes out and solves that problem for them.
- Then ultimately, the lowest hanging fruit for folks is this kind of rinse and repeat process of making sure that the customers that are currently enthralled with their products and services stay enthralled. That is the whole loyalty component.

Mr. Pusey: I would add that one of the best things about this process is that it can be consistently applied throughout the brand strategy, the customer experience design, and the product development. We think of these three things – the brand, experience, and product – as one ecosystem that should be addressed with one strategy. Our process helps us vertically integrate those three components.

CEOCFO: *How do you help a company understand? How do you work with a client so they know you get it and that they will let you take them where they need to go?*

Mr. Pusey: The most important thing is having a client who understands or can be convinced that they need to be proactive. I think this applies to VCs and startups as much as it does to challenger brands and even leaders who are not content to rest on their laurels, although that is where we see some of the biggest problems. Reactivity on the part of a brand would usually be seen at a company that is just settling on defending its market share. Big brands like Microsoft have fallen into that trap before, GE and brands like that, whereas the challenger brands know that they need to fight to get ahead. They are not just in defense mode. They know that parity is the enemy. You do not want to just get as good as the competitor. You want to beat them. Therefore, we generally work best with clients who are aiming to accomplish that.

Ms. Karatzas: Another thing that we do to try to help clients see what is happening is to bring the voice of the customer. There is nothing more powerful than when you go out and sit with a customer and understand the context in which the product or service is being used and understand how they feel after going through that experience. Then, being able to go back to the client and share that with them is really helpful.

Mr. Caldera: What Katie was just talking about happens and is important on both a B2B and a B2C level.

CEOCFO: *When you are developing a strategy what might you look at that less experienced, maybe less creative people, do not recognize as important to include in the mix?*

Ms. Karatzas: One thing that is really important is having a multi-disciplinary approach or having people that come from different perspectives looking at the problem together. That is because it is in talking through what each person sees and brings to the table, and bringing those points of view together, where much of the richness comes from.

Mr. Pusey: Many people at our clients' companies are focused on what the company does or what it makes. That "inside looking out" perspective leads to very transactional thinking, a bias towards something working or being efficient or being cost effective, and they tend to overlook the emotional factor that the client is going through. Therefore, to Katie's point, in bringing the voice of the customer, one of the most important parts is bringing the emotional side of that voice, so that the company can start to show some empathy and begin to design experiences that don't just work, but make the customer feel good about the results.

Mr. Caldera: Having that present takes the argument away from the differentiation – allowing brands to differentiate away from comparisons based solely on price, for example.

Mr. Pusey: Yes. And it helps the company define itself, not by what it makes, but by what it helps the customer accomplish. The purpose of the brand becomes tied to the purpose of the customer. Therefore, it is not just “we make shoes,” it is “we help you be active or be healthy or just find a free space when you are running to let your brain think about the stuff it cannot think about all day.”

CEOCFO: *How would you translate that? Would an ad say “we make you feel better?” Would you give us an example of how you translate once you have figured out the concept and the strategy?*

Mr. Caldera: We did some work for a very high-end guitar manufacturer called Parker Guitars. Parker Guitars identified that the existing electric guitars, by and large, were still operating with 1950s technology. They took the electric guitar and rebuilt it from the ground up with modern materials, modern insights, modern construction techniques – that whole thing. They were going out and listing all the things that the guitar could do from a functional perspective. That got them one level of understanding. They talked on the level of features, but they did not tie those features to either incremental benefits or really tie it to an overall benefit. What we found out was that those features, added up together, related to the high-end electric guitar customer who was looking for an instrument that would help them have the fullest range of expression for their creative experience. That is an example of where, if you look at it incrementally it addresses the situation on one level, but when you zoom back out and you understand the emotional component in terms of what they are trying to address, it completely recharacterizes the story.

“Combining the “inside looking out” and “outside looking in” perspectives helps brands understand what they are doing and address the gap between what they think about themselves and what the outside market is thinking about them.”- Paul Caldera

CEOCFO: *How are you reaching out to potential clients? Do companies turn to Saltworks because they understand the depth and range of what you provide or are they sometimes surprised?*

Mr. Caldera: It is a two way street. We will sometimes get calls from folks that say, “We saw your work for XYZ company and we have a similar kind of issue at play.” Maybe it is a different industry. The short story is that we went from a deep expertise in the outdoor industry and thought that was it, that we were going to be a company that did work for the outdoor industry. We got a call from a company that did boating and we realized very quickly that the same factors were at play in the outdoor industry that were at play in boating. Therefore, outdoor took us to boating and boating to adventure travel, adventure travel to music, music to higher education. We are now doing a lot of work in the financial services industry. Any product or service that has these high consideration, high emotion components, or is important to the customer’s personal identity, is at play. Therefore, to answer your question, we get calls from people that identify with that narrative. We also see opportunities in the marketplace where a brand could be playing at that level and we will actually proactively knock on their door and introduce ourselves with our case studies and our client roster and start a conversation that way.

CEOCFO: *Where does personal preference and gut feeling come into play when you are putting together an approach for a client?*

Mr. Caldera: I think personal preference and gut level feeling only come into play as a potential working hypothesis that you then either validate or knock off the course after you do the in-depth research.

CEOCFO: *How is business at Saltworks these days?*

Mr. Caldera: It is great!

Mr. Pusey: I think what is interesting is that we have recently been exploring new business models, new types of businesses to work on. Challenger brands have always been kind of our bread and butter, but we have been working with, in some cases, startups. We also get a lot of inspiration from our work as instructors and advisors in college entrepreneur and marketing courses. Watching and helping students do the work inspires us to look at new clients in new ways. Right now, it is exploratory, a new and experimental time, not just cranking out the same thing over and over.

CEOCFO: *What does next year look like for Saltworks?*

Mr. Caldera: Next year we are going to put more mileage on what Drake just talked about, expand and build upon the markets that we are currently playing in and expand to new markets. That is our agenda for 2018.

CEOCFO: *Why choose Saltworks to enhance your brand?*

Mr. Caldera: Most people are coming to us for our deep expertise. That is what separates us from other choices.

Mr. Pusey: If a brand wants to become proactive, break out of a reactive loop of chasing competitors and get ahead of the situation, get ahead of customer expectations, get ahead of competition, get ahead of the market itself – whether it is to disrupt the market or create a whole new market – that is done when you look at the brand, the customer experience and the product as one vertically-integrated ecosystem. That is how we work, from the ground up.

We are also a sweet spot in terms of size, between a big over-bloated agency with a lot of overhead – because we have practically none – and a team of individual freelancers or employees. It takes time and effort to build that team – to recruit the right people for skillset and chemistry, then foster them into a team. That has already been done here. Here, you get the leanness with the well-oiled machine. As a result, we are comparatively fast and nimble. We have the perfect amount of overlap and specialization between the principal players so that we can cover a lot of capabilities in a very focused group of people. That would be especially valuable for companies that want to work fast or companies that might have a very focused project that they want to break off in a more skunkworks kind of approach.

