

## Carolyn Lowe of ROI Swift

**Speaker1:** [00:00:04] This is the Investor Connect podcast program. I'm Hall T. Martin and the host of the show in which we interview angel investors, venture capital, family offices, private equity. Many other investors for early stage and growth companies. Hope you enjoy this episode. Need help in finding investors for your startup fund or Angel group think capital provides funding as a service helping you find accredited investors contacting capital gain access to investors for angel and venture capital funds, family office rounds and syndication raises. To learn more, go to Tin Capital Dot Group. Hello, this is hallmarking with investor connect. Today we're here with Carolyn Lowe, CEO and founder of ROI Swift. ROI Swift is an agency made up of fun and approachable digital marketing experts who are passionate about growing small and medium businesses. You offer expert management and Google AdWords. Google shopping, remarketing, Facebook, Instagram, Amazon, Pinterest, pretty much every digital platform and take pride in their results. Carolyn, thank you for joining us.

**Speaker2:** [00:01:09] Thanks for having me.

**Speaker1:** [00:01:10] All right. Can you talk a little bit about your background? What did you do before cofounding Arawa Swift?

**Speaker2:** [00:01:17] Sure, I will go back just a mere 20 years. I came to Austin in 1990, Adell, when people were buying their first computer, believe it or not, for their homes. So I was in the consumer marketing division and we were mailing out hundreds of millions of catalogs to get people to buy their first computer. So I did that for a while and then went over to the Dell dot com e commerce side, which was really exciting. And so I guess you could say I've been in E Commerce probably about 20 years now. I did that for a bunch of years and really enjoyed it and then had two kids and went to go work in 2014 for a mom and baby brand, a small, you know, a few million dollar mom and baby brand and really love that. I ran all of their Amazon and their e-commerce and their website team of one. And after a year, I decided I want to do this for a lot of brands. So in 2015, founded along with Dan Graham of Not Lee, founded our Swift. And for the last six years, we've really been helping these emerging brands grow both in Austin and nationwide.

**Speaker1:** [00:02:24] Great. So whether you start work in the e-commerce space, why did you choose that one over others?

**Speaker2:** [00:02:31] That's where I found that I could have the most impact. What is every 18 months, Dell would move you from one division to another, one role to another. And I had a rotation where I worked on these projects that took a year to do. And I realized that drove me crazy. I loved, you know, being able to see real time what was happening on the website, how actions we would take would have an impact. So I love the whole cause and effect and a little bit of that real time gratification.

**Speaker1:** [00:03:02] Right. So let's talk about E Commerce, what's your advice for people investing in the e-commerce space? What do you tell them to do before they write that check?

**Speaker2:** [00:03:11] Yes, I've had a lot of experience, both as a mentor with Skew, the CPG incubator, as well as with the Beam Angel Network, and what I've always found is the brands that are able to scale and create a repeatable, scalable customer acquisition model are usually the ones worth investing in. So, you know, if it's not taak if it's not, you know, an Uber or if it's not after pay or a firm or some technology company, CPG brands or Adidas, the brands that I have seen do a really good job at ones that have a repeatable customer acquisition model. It's always hard to make money online with products that are fifteen dollars or less. I think I probably have three or four conversations a week of people that come to us wanting us to help them with their website or their Amazon. And they've got these really small average order values. And it's it's really hard to make money on those. You know, that's a much better retail play. So there's a couple of metrics we'll look at when someone comes to us to make sure that before we take someone on that they could actually be profitable and get profitable growth through digital advertising for their brand.

**Speaker1:** [00:04:19] Right. Well, let's talk about the state of investing in e-commerce. How do you see the industry evolving from here?

**Speaker2:** [00:04:26] Yeah, I think that there are some great brands that are coming through that are that are ecommerce brands, both on the technology and on the consumer brand side. You know, there's the founder of Bonobo's Brians Bailey. He's a he's a great example of a started

out as a digitally native brands. So I think in terms of investing, a couple of things that I've seen is that looking at a couple of those key metrics is really good. I feel like the investing is very strong. We're seeing a lot more women founders. And it was interesting. I heard Warren Buffett a few years back trying to figure out what the most what the difference was between his most profitable companies and not. And a lot of that was that they were women led. So his women led companies were outperforming his is male led companies. So I'm seeing a lot more women entrepreneurs, women, ecommerce brands. You know, right here in Austin, we've got amazing folks like Julia Cheak with with Everleigh Health. And so that's an exciting time right now in Ekom investing.

**Speaker1:** [00:05:35] But overall, what kind of growth rate are you seeing on the e-commerce front?

**Speaker2:** [00:05:39] In terms of brands, we see, gosh, you know, 100 percent to 100 percent year on year growth. And more importantly is profitability. So a lot of folks and they come to us, they might be spending a lot, but they're not spending a lot profitably. So we'll we'll look at some marketing efficiency ratios. You know, Dell, we used to have a saying, if you if you can't measure it, you can't management. So we're a little bit we're a little maniacal about measuring things to be able to manage them well. So we really look at profitable growth and not just, you know, there's a lot of brands that are out there not making any money. So we like to see those brands, not just acquiring customers, but making that 15 to 20 percent EBITA.

**Speaker1:** [00:06:23] Right. So how many companies are engaged in e-commerce these days?

**Speaker2:** [00:06:28] Oh, millions and millions and millions. There's no shortage of brands and e-commerce companies out there. I think that from an investing standpoint, you know, the the big thing is a couple of things that we look at and I look at as a personal investor when I invest as an angel is obviously the founder. Right. What does the founders track record? There are some great brands out there that have not so great founders, and they might be the zero to one million person, but they're not the one to 50 million dollar person. So I always look at the founder, especially in ecommerce brands. How passionate are they? What is their track record look like? Those types of things. And then I look at a few of those key metrics. Right. What's their average order value? What's their lifetime value? What's their customer acquisition costs?

What's their repeat purchase rate? And so are they able to to scale up what's their TAM was their total addressable market. So, you know, one of my favorite things is looking at those pitch Jackson and helping women founders especially and male founders, but really put together their solid pitch decks and know their numbers. You know, there's nothing worse than the founder who doesn't know their numbers.

**Speaker1:** [00:07:44] That's great. So let's talk about the challenges in the e-commerce space or millions of companies out there doing it is the future. So what do you think is the main challenge e-commerce companies face today?

**Speaker2:** [00:07:56] Great point. I think the biggest thing that companies face is just the amount of noise and competition and the privacy issues. So iOS 14 has really put a put a wrench in a lot of the social advertising and stuff that relies on those pixels and third party data. So, you know, brands like Amazon that have all that first party data are doing great. People have traditionally relied on pixels, you know. Apple is no longer passing those. And you're losing a lot of that data, especially for mobile brands. So, for example, mom and baby brands tend to be 80 percent mobile. Most of those people are on iPhones and that iPhone data is tough to track. I mean, there's ways around it. And there's a guy. But I think signals in first party data versus third party data and second party data is a big issue right now in E Commerce. And so a lot of people are turning to sort of old school, almost like partnerships, ambassadors, really focusing on that organic growth because there's so much signal loss and paid. So that is definitely a threat to the digital marketing agency space. But we've we found some ways around it. And then the other thing is, everybody can be out there. So, you know, Instagram just opened up as a platform in in 2015 for advertising. And now it's you know, it's very saturated. So we're seeing some good stuff on Tic-Tac. We're seeing some some decent stuff on Snapchat. So just continuing to follow those emerging trends

**Speaker1:** [00:09:31] You need to drive to privacy will continue to impact the space or do you think it's going to level out here soon?

**Speaker2:** [00:09:39] Great question. You know, it's looks like it's a big battle between Tim Cook and Zakin. You know, my money is on Zork not quitting. So I don't think he's just going to throw in the towel. I know that they're already working on some ways around that. But I feel like, you

know, owning that customer, having that relationship and and really sort of building your advocacy. I've seen a lot of new technology companies coming out that are all about finding platforms for brand ambassadors or partnerships in the old days of catalogs. We had this thing called Abacus and everybody would share their lists. So out L.L. Bean and Land's End and everybody would share their list. And if you were in this co-op, you could mail your catalogs to similar types of people. Well, I just had a conversation this week with someone who's doing that in the digital space where brands are working together and cross promoting each other on their websites and thank you pages. And so I feel like there's you know, there's there's definitely some threat to the big advertising platforms as people are looking for ways to do this a little cheaper and do it a little better. So that's what I've been seeing a lot more of, is brand advocacy focused on organic. I mean, plenty of brands are still spending plenty of money on Facebook and Instagram, but smaller brands, I'm advising them to actually go and focus on their organic and building partnerships and old school PR versus just spending a lot of money on advertising platforms.

**Speaker1:** [00:11:14] Great. So tell us more about Roy Swift. How do you fit into the overall landscape there?

**Speaker2:** [00:11:20] Yeah, so we really work with brands emerging like three to 50 million. If Nike wanted to work with us, we would say, no, I've I've done big corporate. It's fine, but it's not as fun as is growing these smaller emerging brands. And we feel like customers should have choice. So that's really who we like to work with, these great, you know, brands, whether they're apparel or Pat or mom and baby or better for you. We work with so many better for you brands, natural brands. And and we feel like they deserve the expertise that the big guys can afford.

**Speaker1:** [00:11:52] Great. And where do you see the company going in the next few years?

**Speaker2:** [00:11:56] So our goal is to help a thousand emerging brands by 20, 30. And we've helped about two hundred. So I've got 800 more to go to retirement. So I think, you know, what we're looking to do is help as many brands as possible. I have a book coming out September 14th, so hopefully we can help a few more brands a little more quickly than one at a time. But really, you know, we're on a mission to give those emerging brands a fighting chance. I think I

can't even tell you where we'll be next year. I know we'll be growing, but I can't tell you where the industry is going to be. And that's one of the great things about this industry, is it's always changing and there's always something new to learn.

**Speaker1:** [00:12:37] Right. Well, tell me more about the book that you have coming out. What's it called?

**Speaker2:** [00:12:42] It's called Business Dos and Absolute Don'ts. It's 20 years of experience from my work with Dell, Costco, Amazon and a bunch of startups. And what I'm trying to do is help as many people as I can. So I have a lot of conversations every week and everyone says to me, you should you should write this down, you should write a book. And so finally I did. So, yeah, hopefully I can I can help people either through podcasts or the book, help them avoid all the mistakes that I've seen made over the last 20 years.

**Speaker1:** [00:13:13] Well, great. Well, it sounds like we have the content for our next interview, but finish this one. What else should we cover that we haven't?

**Speaker2:** [00:13:21] Yeah, I think from an investing standpoint, you know, really some of these some of these trends are extremely interesting, but other ones are just a little bit more smoke and mirrors. So, you know, especially in the SAS with eCommerce SAS, and there's some great new stuff coming with folks like Capcom and some of these partnerships. You know, really from an investing standpoint, I look at what is their monthly recurring revenue, the retainer based models. You know, I, I came from a technology background, so I love SAS so much more than services. You know, if I had to do over, I probably wouldn't start a services business. I'd start a SAS business. But. But, yeah, I'm just excited to see the landscape unfold both here in Austin and throughout the you know, throughout the country as more and more of that business moves online.

**Speaker1:** [00:14:18] That's great. Well, I appreciate you joining us today. How should best for listeners get back in touch with you?

**Speaker2:** [00:14:25] Sure, so where are the cobbler with no shoes? If you would like to check us out online, we're at Roy Swift dot com. We don't spend too much time on our website. We

spend all our time growing our clients businesses where you can definitely email us directly or just jump on the website and fill out a form. We are right here in Austin.

**Speaker1:** [00:14:45] Right? We'll put those in the show notes. One, and thank you for joining us today, and I'll have you back for a follow up soon.

**Speaker2:** [00:14:50] Thanks, Paul. I appreciate it.

**Speaker1:** [00:14:56] Vestre Canek helps investors interested in startup funding. In this podcast series Experience, investors share their experience and advice. You can learn more at Investor Canaccord. Alti Martin is the director of Investor Kinect, which is a 501 C three nonprofit dedicated to the education of investors for early stage funding. All opinions expressed by hall and podcast guests are solely their own opinions and do not reflect the opinion of investor Kinect. This podcast is for informational purposes only and should not be relied upon as a basis for investment decisions.