



**GE 242: How Founder Bettina Hein Has
Grown Video Advertising Platform
Pixability 100% per Year for the Last 5
Years [podcast]**

Growth Everywhere Podcast Transcript

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Bettina Hein: We help large brands and their agencies with three things. We help them with planning their video advertising, then executing their video advertising buys, and then reporting on it.

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Okay everyone, today we have Bettina Hein, who's the Founder and CEO of Pixability, which is a video advertising platform, that's gonna help you grow your business. Bettina, how's it going?

Bettina Hein: Going well, thank you very much for having me Eric.

Eric Siu: Yeah, thanks for being here, so yeah, why don't you give us a little bit more context and kinda who you are and what you do?

Bettina Hein: Yes, so my name's Bettina Hein, I'm the Founder and CEO of Pixability. I am a lifelong entrepreneur. I have never had a real job. I like to brag about that. So I started my first software company right out of graduate school, and that was a speech technology software company. Before speech interfaces were all the rage, we created text-to-speech software, and that software today lives on and is, for example in all Android phones worldwide, and a lot of car navigation systems, and other devices. So that company I founded out of this was Federal Institute of Technology in Zurich, Switzerland, and after I brought that company to profitability, we raised eight million dollars. We then sold it for \$125 million. I was fortunate enough to become a Sloan Fellow at MIT, and out of MIT I founded Pixability because I was passionate about video and how video can really influence what we think, what we feel.

Eric Siu: Great, and what is a Sloan Fellow?

Bettina Hein: A Sloan Fellow, it is a program for people that are looking to advance their knowledge in business and technology. It's been around for 100 years, I think over 100 years, and it is a mid-career program, so for people who have between 10 to 20 years of professional experience that want to take a whole year off to get a Master's Degree, and I got a Master's of Science in Management of Technology.

Eric Siu: Got it, that's awesome. So, I mean, it sounds like, a couple of successful businesses, right? How do you go about I guess transitioning from each one, where you have to

kinda relearn the industry, right so video, and then the other businesses, I'm just wondering how you jump around like that and make it happen?

Bettina Hein: Well, I am very curious. An insatiable curiosity is something that entrepreneurs should have, so that's one component of it. Novelty seeking behavior you could also call it. It's fun to try something new and to hone your skills with something you've never tried before. That said, I would not recommend that to all entrepreneurs because it is very hard and if you can build on something that you've learned before, you should definitely do that. You know, changing too many variables at once makes it harder and I think I probably lost a few years in building Pixability because not only did I change the continent that I was working on but I also changed the industry completely, so that made it much harder to get on my feet because there's so many things I had to learn.

Eric Siu: Got it. And I think, I mean, to be able to do all these things, I think it all starts with the habits right? So what kind of habits allowed you to kind of learn these new industries? I'm just wondering like, what did your day to day look like when you're starting these new companies and maybe if there's any learnings people can kind of copy or emulate?

Bettina Hein: For me it's a lot about analysis. I really try to learn as much as I can by reading a lot, by speaking to experts in the field, by just asking them also, trusted advisors and friends, about different aspects of what I'm trying to learn about. And then once you've done a lot of that, you can get into this analysis paralysis, and you have to launch some experiments to see if what you're thinking as an idea, if that actually has legs. And you have to find experiments that can prove out whether this is going to work or not, relatively quickly, and that's easier said than done. There's no, there's really no good recipe to make sure that you get either, you get that right. There can be false positives and false negatives so you have to look at that data that you get out from these experiments and then sometimes make a judgment call, and sometimes you're gonna be right, sometimes you're gonna be wrong.

Eric Siu: Great, okay so I wanna talk a little more about the business, I mean how does it, there's a lot of video advertising platforms out there. How is Pixability different, how does it work?

Bettina Hein: We help large brands and their agencies with three things. We help them with planning their video advertising, then actually the buy in, so executing their video advertising buys, and then reporting on it. And we do that specifically on walled garden platforms, which is industry jargon for YouTube, Facebook, Instagram, Twitter, Snapchat. We also have newly Spotify, and those are channels that are, they're called walled gardens for a reason, they are closed and it's really complex to execute campaigns in them, but then across them is even harder because everyone has their own ad formats, everyone has their own conventions, their own reporting, so we help you plan across that, then execute across, then report across it, and that allows big brands that we work for like CVS, or Puma, or Reebok, or Gucci, and Rolex, really big brands, helps them find their right audience, and that is something that they need to do right now because they're losing audiences. Less

people are watching television. Every quarter the ratings drop so they can't find their audience anymore on television. They have to look at digital and 97 cents of every new digital dollar is spent on these walled garden platforms.

Eric Siu: Got it, okay, and I like that you just talked about, you just revealed a number and I think with something like this, there's a lot of numbers that you can speak to that you're seeing through Pixability, so I guess what are some other interesting video statistics that you can talk to, or any case studies?

Bettina Hein: So if you are asking about the market, the market is relatively, not relatively, it is very large. There are 260 billion dollars spent on television advertising worldwide every year, so about 70 billion of that is in the United States, and as you know, younger demographics do not watch television very much anymore. Specifically not live linear. They may watch on-demand streaming, so that's a big statistic. The other statistics are that if you look at the open web, oftentimes only 40 to 50 percent of what you're getting as an advertiser as impressions are actually valid and seen. So there's a lot of things happening that are not kosher if you want to say it like that. So advertisers, they obviously do not like paying for things that are not real, because they want real people to see their advertising, that's what they're paying for. So there's this flight to the closed platforms, which know exactly who you are, you can target them better, and you can get results that really work.

So the interesting thing is that this whole sector of online marketing is pioneered more by e-commerce companies, but now big brand advertisers are also getting into the game, and newer ways of correlating what happens when you invest allow these brands to really see the impact of their spending. For example, we did, last summer we did a campaign with a sunscreen brand, and what they did is they ran our advertising and didn't change anything else. They ran our advertising in one zip code, where they had stores or several zip codes, and then they didn't run our advertising in very similar zip codes. And they saw that they got a 600 percent return on their investment because store sales went up where they put that YouTube advertising. YouTube in this case and some Facebook.

So you can really see these days also with mobile location data, you can see if someone who has seen your ad actually visits your store, and then you can correlate that with your point of sale data to see if you actually sold more things. So it's an exciting time for marketers. They can really see better how their money is working for them, but it's also a super confusing time for marketers because digital is so much more complex than just buying a newspaper ad or a television spot, so there's this huge excitement but then also this confusion, and sometimes this deer in the headlights where like they don't know which way to turn because they're so many possibilities and so many people saying different things. And we at Pixability try to provide clarity to those brand advertisers.

Eric Siu: Got it, so at a high level I think Pixability, from what it sounds like, and if you can correct, it makes it a lot easier, better transparency, it's easier to buy ads, and you can buy it on different platforms. Is that kind of the high level?

Bettina Hein: Yes.

Eric Siu: Okay, great so let's say I have an agency, right? And you know I want to run this for a client, and we say, "We want to do video ads for you guys," basically I'm just, how would it work, so when you say plan, buy, and report across, when you say, how does the planning section work? I'm assuming buying's just, you're figuring out the targeting, all that kind of stuff, you're agreeing on a certain amount, and then you just push it across. How does it work?

Bettina Hein: We look at, in the planning phase we look very carefully at who you're trying to target, and we use our data that we have on almost eight million different YouTube channels for example, to see who is actually watching videos around the product that you're trying to sell. We look at that, we also look at what inventory is available. We look at where, let's say you have stores, if you're a retailer, we look at times of day. We look at which platforms actually work for the KPIs that you want to achieve, so do you want engagement, do you want click-throughs, do you want views to completing of your ad. There's all different types of things that we plan around and then we find the right audiences, in that planning process, though our software, it recommends those.

So once we've done that, we've found the audience and the placements that you need, then you can press go with our software and then we will run those placements with the budget that you need, and the geography that you need, the demographic that you need, and what we do then is our software breaks out your campaigns into hundreds of sub campaigns, sometimes, over a thousand sub campaigns, so that we can test every single variable that you have specified. Then over the course of the campaign, we help you, the software helps you A/B test, which things are working well, and which ones aren't, and we help you achieve optimal performance according to the key performance indicators, the KPIs that you have. And then we take that information and we report it back to you, but then we also feed it right back, or close the loop and feed it right back into the planning process.

Eric Siu: I love it, I love it so much that I muted myself and I signed up as a lead on your site under the [crosstalk 00:14:25].

Bettina Hein: Well thank you for that.

Eric Siu: First time I done it, yeah you're very welcome. I'm excited to try it out. So how does Pixability make money?

Bettina Hein: We charge our customers a percentage of the ad spend that they execute.

Eric Siu: Got it, okay. And what kind of numbers can you reveal around the business today, whether it's around revenue, growth rates, customers, anything like that?

Bettina Hein: We have grown immensely, we've grown over 100 percent a year for the last five years in a row. We are just over 80 people, and we're in five locations, so we are

headquartered here in Boston, and we have offices in New York and Chicago, San Francisco, and also in Europe, in London.

Eric Siu: Nice, cool. And so what, I guess in terms of customer acquisition right now, what's working the best for you at the moment? What's the most effective thing?

Bettina Hein: We really start with thought leadership. That has been a recipe that is tried and proven for us. We take the data that we collect anyway and we package that into thought leadership that we distribute via studies, specifically industry verticles that we focus on via PR efforts, via op eds, bylines, you know as background for industry analysts, and we then take those insights and break them down for our individual customers, so if we have a lead signing up through our website, let's say we have signing up General Motors, signing up right? Then we will look at the data we have in our studies that we have around the automotive industry and show them our expertise. So it goes all the way from awareness to consideration and then hopefully to buying. We use our data to close the deal.

Eric Siu: Got it, and so for the though leadership piece, how are you getting the word out, how are you promoting it I guess?

Bettina Hein: So we do that via, I would say the standard channels of these days, so we obviously have all of our social media channels where we put the word out. We've collected a large email list over the course of the years, and then we also just send it directly to our prospects. We ... our salespeople reach out, you know this is not such a huge industry, right? There are not millions of people that will buy our software, it's relatively small set of maybe 10 to 15,000 people worldwide that really are in the business of executing brand advertising spend and so we target those. We also pitch out every time we complete a new study, we pitch it to the press for background, for actual stories, for bylines, so we do that, and then we also recycle that data to events. We sponsor events, we pitch the data to present them at industry forums, whether that is paid speaking engagements, or we are paid to talk but then also things where we just show that we have this expertise and get invited on those merits.

Eric Siu: Oh that's interesting. Can I cut in on that part? So when you're paid to speak somewhere, what are some examples of some nice conferences that you are paid to speak at? 'Cause I've heard about it a couple times but this is the first time we've had someone on the podcast actually talk about that, so I'm curious.

Bettina Hein: Yeah, you know there are a lot of industry conferences that make their money by selling sponsorships, and one of the things that you get as a sponsor is oftentimes a speaking spot. Obviously they have to vet you and make sure that the content that you are presenting is something that interests that audience, but that's obviously what you want as a sponsor as well. You don't just want to be there, to have an empty sales pitch. So where we focus our specific conferences that are focused on advertising but also that are focused on the industries that we work in, for example we have had really great results with speaking that we've done for in the beauty sector, beauty and fashion sector, for Women's Wear daily, for example, or Glassy,

and those are events where we can show, not just our video expertise, but our expertise in a specific vertical.

Eric Siu: Got it, makes perfect sense. And so when you, let's say you know it's one of these conferences out there, how much are you, usually the cost to sponsor and also get a speaking slot, just so people get some context?

Bettina Hein: Oh, it varies. Oh my goodness, it varies, I would say it's anywhere between 5 and 50,000 dollars. And there are more expensive ones than that but we haven't gotten there, to sponsor-

Eric Siu: That's what I thought.

Bettina Hein: ... Anything bigger than that.

Eric Siu: And when you're doing it, I imagine you're probably getting a good amount of leads from it too, right? So it probably pays for itself more than a couple times over?

Bettina Hein: Yeah, otherwise we wouldn't do it, but you never know in advance right, sometimes if you've never done that event before, or if you don't know who's coming this year versus last year, so there's always a little bit of a gamble there.

Eric Siu: Right, gotta gamble to win. So I mean, of the couple businesses that you started, it doesn't have to be related just to Pixability, what is the biggest trouble that you've ever faced while growing the business?

Bettina Hein: Well the key thing for being successful in a business or keeping growing it is, to not run out of cash. And that is sort of the continual struggle that an entrepreneur has to go through. You have to really, really be very strategic in how you use the money that you've raised, how much you invest versus how much you get in from actual customer revenues. I have been on the brink many times over, where we you know, it gets really close, so if I think a situation is getting close, I start fundraising six months ahead of any situation that I think could be dangerous. The most wonderful thing after going through that, and it takes years and years if you're founding a software company, there's lots of struggle there to get angel investors, and then get angel groups, and then get early stage VCs, and then get growth stage VCs, all of that is always a tough thing to go through, that the most wonderful thing is when you're then profitable, and so I reached that with the first company and we were, that was really great because we could then use that cash to do acquisitions, and other great things, and now we've reached that here at Pixability as well. So that's an awesome feeling after many years of struggle.

Eric Siu: Congratulations on that.

Bettina Hein: Thank you.

Eric Siu: So a couple more questions on our end before as we work towards wrapping up, so for you, how do you structure your day currently, how does it look?

Bettina Hein: I have two kids, they are three and six, so I start my day with them, getting them breakfast, getting them dressed, and getting them to school, and I love that part of it. Then I head to the office. I always eat my breakfast here in the office, and then I start my meetings, whether that's customer meetings or internal, groups, or my one on ones with my direct reports, and you know that's essentially my day, is really made up of meetings, and I try in between to catch up on my emails and other things, and luckily I have a great assistant who helps me keep everything on track and then in the evening, there are sometimes events that I have to go speak at, but I try as much as I can to be home around sevenish so that I can have dinner with my kids and then tuck them in for the night.

So this describes my day, let's say in maybe 30% of the cases, the other part is that there's typically very crazy phases during the year, and that's usually between March and June, July, and then between September and Thanksgiving, where I am just on the road constantly and you know, I'm just going to conferences where I'm speaking. I'm doing those sponsorships, I'm meeting with customers, I'm checking in on our different locations that we have worldwide. I go to have top to top meetings at Google and Facebook and so on, so that is then utter craziness and then that is harder for me and also for the family, because my kids are still small and they need attention. So I try to balance that and not go too crazy but it's, you can't really have the work life balance if you're the CEO of a start up.

Eric Siu: Yeah, you know, I read something recently, I don't know who it's from but I think it's more about, I think it's from Jeff Bezos, about work life harmony instead of balance where you know, you have so much fun at work where you can take that good attitude and bring it home and vice versa. What do you think about that?

Bettina Hein: I'm extremely fortunate, if you can form your world, your daily world to your liking, that is just a huge privilege and entrepreneurs get to do that. So I think that the work life balance is something that applies maybe a bit more to people who have their work lives defined for them, because they are working in larger companies or you know, in the public sector, and they just have a definition of what is to be done there and they can't change it much. What I can do is so different from that. I have huge leeway in who we hire, what we do, how we do that, what the culture is, that for me it's hard. You know being an entrepreneur is not an easy path, but I get to form it in a way that I like and that is fun and fulfilling for me. So I think that, that is where, I guess what Jeff Bezos called harmony, comes from is that where you can be in sync with how you want your work life to be.

Eric Siu: Love it. Alright, final question from my side. What is one must read book that you'd recommend to the audience?

Bettina Hein: Oh, ha! There are two that I'd actually like to recommend.

Eric Siu: Sure.

Bettina Hein: I think that one that I read a few years ago but that's still in my mind is "Thinking

Fast and Slow" by Daniel Kahneman. I really like that book and it helps you realize your own biases in every day, and how people are driven. It's kind of a behavioral economics book. So that one is one that I really love. And the next one is called "Behave". It's by Robert Sapolsky, and it is all about, he's a primatologist at Stanford, and it's all about how our brain works and how ourselves and our synapsis, our everything works together to form the species that we are, the people that we are, and it's very fascinating. Both of these are really thick books so if you dive into them, that is, yeah it's an undertaking but it's totally worth it. And maybe a bonus one, a fiction one that I just read that I really liked, it's called "The Sympathizer" and it's by Viet Thanh Nguyen, and it's about the Vietnam War written from the perspective of a Vietnamese double agent.

Eric Siu: Interesting.

Bettina Hein: Very nicely written.

Eric Siu: Cool, we'll drop all three of these in the show notes for sure, so all three of those sound really good. Hopefully they're available on audio book too, 'cause they sound really long. But you know this has been great. What's the best way for our people to find you online?

Bettina Hein: You can find me via pixability@pixability.com or you can follow me on Twitter or connect with me on LinkedIn if we've met in person, so on Twitter I'm @BettinaHein, and yeah, you can drop me a line or email me if you want to reference this podcast at hein@pixability.com.

Eric Siu: Alright, Bettina, thanks so much for doing this.

Bettina Hein: Thank you for having me Eric.

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