

INSANELY EFFECTIVE MARKETING

Episode #457

Extremely personalised online marketing helps a 24 year-old vintage watch geek turn-over \$2.3M per annum



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Christian Zeron Interview Transcription

Tim

My big watch question right up front Christian why when you see a watch presented in marketing are the hands always at ten past ten?

Christian

You know what it's become such an industry standard at this point. It's like standard of care like in medicine it's what you do. If you don't do it you get grilled for it.

Tim

No other reason it's just industry standard?

Christian

That's it. Frankly I think that certain watches actually look better if it's not 10 10. It just comes down to what is most appealing on the eye. I'm certainly not an authority on that but I definitely appeal to the authorities or to the powers that have decreed.

Tim

I love the passion you have for vintage watches what's your favorite and why?

Christian

I'm super sentimental in my personal collection. My Rolex from 1977. It was a watch that I never thought I would have own that watch I was encouraged to buy by my mother. And that watch I would say is probably if there's a material item that is the sole reason I am who I am it's that watch. So I look at it and yeah it's beautiful. I don't even see the beauty. I just see like wow you know this thing change the trajectory of my life. So that's what watches can mean to me. And that's what that one does.

Tim

Yeah that's beautiful. I get it. You know it's beyond just it being a timepiece it's something that tell a story and sort of captures memories I guess.

Christian

One hundred percent. I can't tell you that the business decisions the terrible dates I've had in that watch. It's like your friend that's sitting there with you laughing at all the things it's your buddy.

Tim

I get it. And I think I know which watch you're talking about I watched one of your videos it's a beautiful it's got a blue face. Is the Apple Watch Satan incarnate to you?

Christian

You know what. It's a watch. I have no interest in because I really do like even the aesthetic of vintage watches. Because I like things that last a long time. Whether that's a jacket or shoes or a watch and technology just happens to be replaced more often. It doesn't appeal to me but it doesn't offend me by any means if someone finds it to be a utility in their life I'm not one of those maniacs that's going to crucify you for it.

Tim

He's an open minded vintage watch guy. That's what we love about you. So buddy it's 2013 2014. You're in your college dorm room. You're studying law as you do and you decide to get into the watch business the vintage watch business why?

Christian

You know it was a little bit before that. I never really had a job. A couple of months before my mom looked at me I was 19 and all my friends had been working for for several years. My mom started working when she was like eleven. My dad the same. So they were like you know we had kind of tough childhoods and we started working and yet our kid who grew up much more privileged than we did hasn't worked really a day in his life. This is bad. So my mom was like listen you got to get a job. I don't care what it is but you got to get a job. So I went out and I got a job at a clothing department store which I thought that would work out well because I was passionate about clothing. I was fired after like two days. My check was like 31 dollars. I got another job at a shoe store same situation got fired after like two days. And the reality was it wasn't stealing. My heart wasn't in it. I was kind of dozing off. I really was not passionate about what I was doing and I almost couldn't justify being there. So I looked at my mom after she thought that I was the biggest moron in the world that couldn't even keep those two jobs. And I said listen I think that this is not a matter of me being an idiot or not. I think that this could come down to just passion. I need to love what I'm doing. And if I do love what I'm doing I think I'll kill it. I want to buy watches and I want to sell them. And she thought I was crazy but a couple weeks later it happened.

Tim

And that was your passion you had that passion prior to deciding to take it into a business.

Christian

I had been reading about watches for about 18 months prior. Not every day or not every minute but more and more and more by the time that I started the company I knew about as much as a hobbyist could certainly not as much as a professional. But I knew a lot for a hobbyist.

Tim

So how do you start in a vintage watch business from scratch?

Christian

I basically looked at a couple of players in the market that already existed and I said what they are doing and can I do it. It's very simple. You buy inventory that could be at the time it was basically off of eBay. You develop a brand. My company was called Theo and Harris

totally made up name it just sounded like the kind of company I wanted to own something respectable and kind of original an old world. And then you start to figure out ways that you can sell these watches. You list them online they're not going to do anything. But if you promote them on Instagram they might. If you promote them on YouTube they might even quicker. So that's basically the principle on which the business was founded. Nothing super fancy just marketing.

Tim

Dont you love the modern world of business creation. You literally bought some inventory did you create a web page where you could list the watches or?

Christian

It started a little Web site a little you know baloney Website nothing fancy. Hosting fees were God what a hundred dollars a year. Like nothing.

Tim

Love a baloney website. Such a new yorker phrase.

Christian

Yeah I remember like saying this a couple of years ago I said if my dad wanted to start this same company 20 years ago he would have had to one quit school because you need to actually be at the store and two have enough money to have a store to build something out to pay rent and for a hundred dollars a year I have a Website. I mean this is insane.

Tim

Tell us about your first sale.

Christian

It was two or three weeks into the business. I was super underwhelmed. One of the things I talk about all time was particularly people my age people find it very very enticing and very impressive to own a fake business a business that hasn't started yet that is a billion dollar business. It's a super cool idea. It sounds great to say oh I'm building a business that sells vintage watches. It's uncool to say yeah I have a business that hasn't sold a watch yet. Right.

Tim

Yeah yeah.

Christian

So in two weeks into the business I hadn't sold a watch and I was like wow maybe this was a bad idea. But then one day it was pretty late at night like eleven o'clock twelve o'clock and someone just bought a 200 dollar watch. And I said boom that's one person. Now I just have to find another.

Tim

Good feeling that come through on the pipe and a little ding.

Christian

It's a great feeling. I mean I made basically no money. But the point was OK someone out there gets this. I just have to find someone else and build this community. But at least someone I mean that first person does mean a lot for affirmation.

Tim

Totally totally. You say you aim to shake the vintage watch industry. And I've interviewed a couple of business owners previously who are sort of shaking industries. There's a crowd out of Australia who is shaking up the wine industry they call themselves vino mofo and they've sort of challenged the way the current one category talks about wine and it's up its own arse. And you know all these weird language and they've just brought it back to normal language. Are you doing the same with the vintage watch industry and if you are you pissing anyone off?

Christian

It's the same thing basically pissing a ton of people off. I'm certainly not as as like nasty in a reverent as I was a couple of years ago. But we never hold back an opinion and I used curse words on my channel. I say things that are maybe off color but ultimately that is what made us in many ways so successful. It's that total culture shock. Our industry super farty it's super old world it's very old school.

Tim

Yeah.

Christian

When we came on the scene and started saying like you know hey Rolex. That was dumb. And using a curse word. People were like wait this is terrible. You know in the beginning. But then once we reach more younger people everyone was like wait finally someone that I can relate to that's talking about watches. This is who I want to know. This is who I want to buy from.

Tim

Did you just try and do an English accent? Just go with the Brooklyn accent or the Jersey accent. Tell me about nasty and why you changed what what what did that look or sound like and did you just think it was totally wasn't right for the business?

Christian

I remember I was a little bit younger my dad's company had hired a goalkeeper hockey goalkeeper. Guy's name is Jim Craig. He was the goalkeeper for 1980 United States hockey team. I remember that guy my dad coming home from that from the talk. And Jim had told the entire room that this was his quote. And it said that every great team needed an enemy. Imaginary or real it didn't matter. You'd need an enemy you need to kind of be angry to fuel you. Of course different people different philosophies. That was his. And I really took to that to this day. I'll make up an enemy. I'll make an enemy where there really is none. And

I'll definitely get nasty or not publicly but in my own head like OK we're going to ruin these people we're gonna beat them. I don't envision all me and all my competitors having a fun dinner together like I envisioned like that's it. You're going to be embarrassed that the 19 year old kicked your butt like that's what drove me at the time. And as I got a little bit older I'm only 23 but as I've gone a little older I'm like OK wait that was a little bit childish. You can relax a little bit. Life doesn't need to be perpetually kind of you know super competitive and nasty. That being said a lot of that same kind of being is there inside of me. It's just a little bit more mellow out.

Tim

Yeah. That's nice and I think as you start a business you get tonally you get a sense of how you want people to describe that business and the personality that you attach to the brand in this case the Theo and Harris brand. Clearly obviously when you started it was maybe a little bit over the top and you've pulled it back and you found that sweet spot.

Christian

Exactly right. When we did find the sweet spot I was relieved. I said Oh jeez finally I'm not just being nasty for the sake of being nasty. We're super complimentary when compliments are you know earned and we're definitely aggressive when something that we see is ridiculous. When something is going on in this business in this industry is being lied about by major publications when it's being overlooked when people's trust in publications is being kind of taken advantage of. I'll say it right like the brands aren't paying me not to. Swatch Group isn't cutting me a million dollar check a year to not criticize. So I can so thats a beautiful thing about it

Tim

You sell one watch you sell another watch you started to sell a few watches the website starts to get built out it's no longer a baloney type website. What is baloney is like a salami?

Christian

Yeah absolutely.

Tim

And so what I'm interested in is then you're now selling watches online with thousands if not tens of thousands of dollars. How do you get someone to cross that line of trust to hand over that kind of money without necessarily I'm guessing they're not feeling the watch they're not seeing the watch face to face?

Christian

Super long journey. You started the business with ten thousand dollars and was buying cheap watches and selling them for something more than we bought them for. So that's a far cry from investing 15000 dollars in an autumn RPA. And finding someone to trust you with that. That's a totally different image totally different level of trust. And the answer for me is that the secret recipe to this company which is so obvious to all of our competitors I don't know why they don't take advantage of it is creating an online presence that is

extremely personal. It's not just about the watches anymore. It's about fostering a community being associated with family and values being associated with passion. That's what has made our clients feel so comfortable with our company. People who have never met me we hosted our first event a couple of weeks ago and it was awesome success so many people came out and the vibe of our event was so different than our competitors events because people genuinely feel like they're my friend. Like they know my dad like they know my mom. Like they feel like we're all buddies and that's how it should be.

Tim

Let's break that all down. Extremely personal online presence you say is the secret recipe. I've looked through your channel to those listening. One I look through the channel how do you create that extremely personal online presence?

Christian

Very simple the most easiest way is to not be restrained of course be calculated but to be able to make fun of yourself to be able to give an anecdote about your life or to be able to relate something back to yourself investing time and money into actually and engaging with people. I handle all of our emails we get dozens of sales emails a day and hundreds of I call them community emails. E-mails that aren't gonna make me a dollar today. They're not about my products. They have nothing to do with making me money today. But they're people that are basically reaching out to me and begging to be a part of the community. It's just a question about a watch. And we take the time out of our day to make sure those emails are one encouraged and two answered. It costs a lot of time cost a lot of money. But in the long term it's what's made this company a person in this business it has a personality has a face that people can adore.

Tim

I'll add to that because one of the great things and maybe being a little bit humble Hey Christian but you have a great ability to tell a story about a past guest of this show. Another American fellow Dave Munson from a company called Saddleback leather is also a great storyteller around his product. He makes leather bags and he talks about the idea of making a leather bag that Indiana Jones would love.

Christian

That's awesome.

Tim

It is awesome. It is awesome. You I'm guessing are also a great storyteller. I know you are I've watched some of your videos. Tell us about how does a business owner who's selling I don't know pool chemicals or pot plants or an accounting firm go and find anecdotes or stories to create a personal connection with their prospects?

Christian

It's like asking a fish how do they swim. I mean it's one of the only things that I'm really good at. And I just practice since I'm a little kid. I grew up in a really big Italian family and

really the only thing that I ever knew growing up was the tradition it was storytelling. So for me I make almost a game out of it. How would I market that brand. How would I storytell. Of course if you dive in and really understand what you're doing. But there's a way for everyone if you're going to sell chemicals. I don't know. I don't know the answer. But there has to be something that's more than material. I don't know it's a good question.

Tim

Might be unfair question because as you say you've grown up with it. It's just part of your DNA. If I may add to that answer my own question maybe what you need to do is for every point you want to make around a product there is probably a story. Behind it somewhere there's some. You just need to sort of sit and look for it. It might not come immediately but there'll be an interaction you had with a past customer who bought it and told you a story about it or there's a thought about that product.

Christian

Matter of listening. Listen the people what about your product is catching people maybe it's not what you thought it was going to be. My rolex is I thought I was going to sell them on the basis of idea of the objective qualities maybe I thought going into this business that I would sell the submariner on my wrist because of its case condition. Ultimately it's a variable but really is that the big trigger puller or are people begging me to talk about James Bond. Are people waiting for me to talk about Magnum P.I. when it comes to a Rolex GMT. Do they want to hear about Pushy Galore like those were the things that kind of created the culture the Rolex GMT if you look at it from just a watch it's a cool watch. It's red it's blue it's a classic Rolex oyster it's a nice bracelet whatever everyone likes it it's a Rolex. But if you actually dive into it. It's a watch that was invented to suit the jet set. This was a watch in 1954 that the entire creation of it was Hey America's luckiest richest most successful most important people who in 1954 were actually flying regularly. Here's a luxury tool for your wrist. You don't need it but it's really really cool. That's a great commentary. That's what people want to own right now. That's why I want a GMT.

Tim

I don't know what you just said then Christian but the passion in which you said it is awesome.

Christian

Exactly. It's a good call here. Saw the movie Catch Me If You Can. One of the great quotes was one of the Yankees always win because other teams can't stop staring at their pinstripes. You know it's not what you're doing it's how you're saying it.

Tim

Totally be passionate and I think the other part of your extremely personal online presence is the way you work YouTube over. So let's talk about YouTube marketing.

Christian

We record videos two to three weeks ahead of time so what's the content in three weeks. We say well what's been released in the last month by competitors. What has been working and how do we improve upon it. So instead of saying Here are four reasons why the submariners is an interesting watch. We'll make a little bit of a twist of that assuming this is a hot topic right now which it basically always is and we'll say let's say we're trying to target younger people. People that are looking for more budget watches for Rolex under four thousand dollars. That's a YouTube title. It's very easy it's not it's not rocket science what we're doing is fairly simple. But now developing a piece of content that is equally informational as it is informative. Obviously doing some paid ads. If we can. And sharing it or distributing that content all over whether that's LinkedIn or Instagram etc.

Tim

What's the production look like? I mean I talk about you can use your iPhone to shoot a YouTube video. Many do. Are you taking a crew with you or you got a professional studio setup? What's that look like?

Christian

I have a room in a relative's home that used to be a computer room that we have painted and put up decorations in the back. We do everything ghetto like we do everything pretty ghetto. I don't need an office in Manhattan. I don't need to commute there. In a computer room in suburbia. We're able to put this on. So it looks pretty high production value but really I'm obviously more focused on achieving the quality and obviously maintaining a level of profitability actually having the best setup not in my interest.

Tim

You do everything ghetto or baloney I've figured it out but I think that's great. I mean a company selling a premium type product and yet behind the scenes you're doing things on a budget that should be

Christian

Absolutely yeah. I was never one of those people that was gonna take pride in their office. If my office is a tool that generates greater revenue and more profit. That's great. But I know so many people all of our competitors that took such pride in their offices even though their offices were liabilities that I was like I'd rather just have a nicer apartment if I'm going to waste money.

Tim

Correct.

Christian

I would rather have a nicer car.

Tim

Many of you videos don't have calls to action why?

Christian

It's a good question. I really like to balance it. One of the things that we do get a bad rep for is exactly is having too much call to action. It's definitely hard to maintain direction without being called a pusher or snake oil salesman. I do talk quickly I do talk passionately. So I'd like to produce content as often as I can that is just value to our consumer. It's obviously branded. And tomorrow I'll ask you to do something. Tomorrow I'll ask you to check out the shop or tomorrow or I'll make the ask. But right now let me just give you something. And so it's really to mitigate criticism or to keep kind of a friendly trusting relationship. But I'm sure that we're not doing it perfectly. But but that's the thought process behind it.

Tim

Christian you talk about how increasing your price can help you do better in business I like this. How does that work?

Christian

Increasing our price on our retail?

Tim

Yeah.

Christian

Obviously the bigger margin the better and if we can justify that margin through other ways then that's great. I mean we just started offering one year warranty on everything. That is something that will at some point you know cost us money. But if the return on every watch is greater if we're able to demand a premium that is greater than the expense then that's a great way. It's just every day trying to think of a way to deliver a better product that costs a little bit more to the consumer than it cost us. I've never been interested in offering the cheapest product. I don't play race to the bottom. I have just never done it before. I won't do it now.

Tim

Does that weird kind of consumer behavior happen in your industry where the higher the price the better the watch must be?

Christian

People assume that. It's not always true. But a big thing especially when you go up the chain to more expensive watches people are willing to spend more. Or maybe you can even quantify the difference but they're willing to spend more if they're comfortable with the transaction. Let's say the market price for a watch is fifteen thousand dollars. I would rather pay 16.5 with someone I know and trust than 14. I don't want to lose fourteen thousand dollars. That's very scary and very dangerous thing. It's a scary industry. There are a lot of variables you can very easily be stolen from. So it's a matter of building that trust and then cashing in on it.

Tim

Is it easy to sell a fifteen thousand dollar watch than it is to sell a 300 dollar watch?

Christian

Very good question. It's easier to sell 300 dollar watch in the sense that who's not going to buy it if it's cool it's cool just buy it. But as far as a 15000 dollar watch. Everyone loves it. Everyone is passionate about it. I mean it's assuming it's a great watch that we would acure it. Everyone can get behind it. There's no one that looks at that and says Geez I don't wish to own that but it's a matter of finding someone that's 15000 on a watch. I mean that's hard. So building a demographic of people that are in that range of ability is difficult but it's something that we're working on.

Tim

Yeah. Got it. Now website traffic you are doing pretty well. From what I'm told one point three million page views per month. That's good.

Christian

We had a one point seven this month. Yeah. I got my stats yesterday we had one point seven last month and that's pretty good I mean that's good.

Tim

It is really good.

Christian

I really have no point of reference isn't that funny I just say that I think that's good.

Tim

Yeah let's take it as being good. And you're not paying for a lot of that traffic from what I understand so what are you top free traffic strategies for a little watch website?

Christian

It's purely social. I mean we pay almost nothing for ads. We just did youtube ad yesterday. I don't even think it was approved yet. We've done some Instagram ads before but really nothing. I would love to take on counsel from someone that is an expert in that because I have no knowledge about it. Everything that we've built is from YouTube from Instagram a little bit from LinkedIn a little bit from Facebook and SEO. We have a webmaster on staff.

Tim

What are you doing? It's coming from social. You're doing some great videos you've got hundreds of videos on YouTube channel. But what else are you doing to you know say on Facebook Google or Twitter?

Christian

Yeah the truth is I've been such a believer for so long that that you don't take on another social medium if you can't handle it. I won't take on Facebook seriously until I feel like I'm incredible on Instagram. So we have a presence on Facebook. We were active but it's not

something that I've said let me divert a ton of attention to. And I'm sure I'm missing an opportunity there but I really like to have very solid grasps on fewer mediums. That's why our YouTube and our Instagram are so similar in size. It's very well balanced which is pretty rare. A lot of our competitors are either big on Instagram or big on YouTube or big on their Web site. Very few people or very few companies in our space are balanced throughout those mediums. So when we do venture off into Facebook which is definitely in the future in the next couple of months or whenever we feel ready then that will be our goal. Let's level it out. Let's get our Facebook where it should be.

Tim

From what I can tell you're a bit of a raving fan of Gary Vaynerchuk. In fact I've seen a video in which you met him. How did that come about? What did you learn from him?

Christian

I grew up 15 minutes from Gary's wine shop. I grew up in Gary Vaynerchuk shadow. His sister was a schoolteacher in my school. I have been hearing about him since I was nine. When he was just selling wine that said he wasn't even like Gary V. He was just that's Liz's brother who sells wine he does really well for their family. That was it. So when Gary left wine library went on to pursue a vaynermedia and then became Gary Vaynerchuk on YouTube not just all the wine shows. I was like wow wait Gary's relevant to me again. He's not just the guy that used to sell wine at my wine store. He's huge. Let me see his message and then at the time I was a freshman and sophomore in college his message couldn't possibly been more relevant. I was considering going to law school. He was super against it. He was super focused on empowering young entrepreneurs. He was super invested in making profitability important again as opposed to just raising money. He talked about things that I related to. I don't come from a family in which anyone ever owned a business. That didn't make much money but was worth a fortune. A lot of my friends now they have these tech companies that aren't profitable but they have 10 million dollars in the bank and they spend it but they're worth 80 million. I don't know that. I don't know that world.

Tim

Explain how that works.

Christian

Someone cut you a check for 40 million and you're worth 2 billion but you don't make any money. I don't get it. But Gary was all about that. Gary was constantly saying Yes those are called their baloney or they're anomalies. Either way you're probably not that so focused on being profitable which is what I related to so much as a kid all of my family members were entrepreneurs. You know they were they were in restaurants or they were in club or they were dry cleaner all these different businesses. So I understood bringing in more money than you spent. That's it. Like very simple mechanics of business. So Gary was nothing short of an idol to me.

Tim

Christian are you much of a planner or do you operate more from the heart when you're making decisions around the business?

Christian

I'm always thinking about it. I don't think I have ever really made or make a lot of unthought just gut decisions that being said everything does come from my heart there's nothing I mean I love my family. My family is all I care about the most. I mean I'm a super big family guy but my businesses. This is my thing everyone says it's my baby but no one knows it but I mean no one ever will. When we sell this business will sell it to someone who does know it as well as we do. Even though they just paid X amount of dollars for it you know what I mean. So I can make decisions about my business kind of in my sleep that even if they're wrong I hope they end up being a net positive and they usually are. We make plenty of bad decisions. You just need to be positive.

Tim

What's the worst decision you've made?

Christian

I resisted video for months. I resisted going on YouTube because I was afraid of being a YouTube personality. I wasted three or four months that way.

Tim

What's wrong with being a YouTube personality?

Christian

At the time I just figured that no one would care to hear my opinion so I just wasn't empowered. And then one day I was in my kitchen with my dad who is not an entrepreneur and he just looked at me. He's like You know you're crazy for not having a YouTube channel. And I was like Dad you don't even watch YouTube. And he was like Yeah but you always talking about Gary and his success with video. And I was like oh wait yeah you're right. Yeah I know. That's the most obvious thing I've ever heard. Yet I wasn't doing it.

Tim

You thought of podcasting?

Christian

It's actually something that we started doing a couple of weeks ago but we haven't released them yet. Anna and I are recording a podcast. Kind of documenting just the Theo and Harris journey. No gas. Just she and I talking about building a company and what it's been for us and so it's more of a passion project something that will probably come in handy in the future but I don't think it's at least for me right now a big business opportunity.

Tim

So really just a podcast to help other young entrepreneurs kind of start something right?

Christian

Yeah I think I would release it like Netflix like just drop 15 episodes like documenting 2019 like on one day and then tell them when to go watch it. That's what I'll do. And everyone hopefully just says Holy crap. Thank you so much for recording these. You know that was so insightful. You just took me through a year of what it was like that's kind of what I hope. I don't think of much else.

Tim

What do you see Theo and Harris Christian in two years time?

Christian

Two years time we'll still on the company. I have no doubt it'll be much more wide range. Well I won't cop out around 15000. We'll probably expand into the 20s and 30s as far as watches. Our advertising model will be a significant portion of our revenue. I hope that it retail and I think that it has the potential to. Those are the two big things.

Tim

No bricks and mortar in the future?

Christian

No brick and mortar in the future I've been offered like some space and there's definitely value there. But I don't think that I would do well having to report to an office every day. I think that I work really well from the computer in my living room.

Tim

What's the one watch Christian that you would love to get your hands on?

Christian

I'd like to buy Rolex day date and platinum. It's a watch that people think is like the most luxurious watch there is. But I want to use it as a sports watch. I want vintage watches so they're fairly delicate that I can't go swimming with my Rolex. So I would love to own a watch that is the watch I will take on vacation for the rest of my life or the watch I won't care if I ever have children that my son throws up on. That's kind of a cool thing that I don't have that I really love to.

Tim

Right. Well if anyone out there has got to watch that you'd love Christian son to throw up on please contact him through TheoandHarris.com Christian great story buddy love your passion. Love your storytelling. Go and keep creating and producing. Thank you siting.

Christian

Thank you so much for having me I really really appreciate it.