

Narrator: This is AdLab Performance marketing. Dissected, decoded and delivered.

Gavin: What's happening? Listeners, thanks for joining me in the AdLab. I'm your host, Gavin Flynn. And if you've got marketing questions, we've got marketing answers. Before we jump in. Head over to AdLab podcast.com for a free marketing review from the team at LP. Potentially me, plus a special listener discount if you decide that we're the right fit for your marketing project.

Gavin: Now we're officially back for season three, and we're kicking things off with a special live episode recorded at LP Connect, where we brought ecommerce leaders and industry experts together to talk strategy, share ideas, and prep for the holidays. Prep for Q4. I was lucky enough to be the hosts slash MC of the event, which was a ton of fun, and we finished off the day with a fireside chat with Marcus Harvey, founder of Portland Gear.

Gavin: A lot of Oregonians are familiar, but the brand is spreading and the brand started with hats and t shirts inspired by his hometown, Portland. But they've grown into a nationally recognized travel brand now, and they do awesome suitcases, bags, apparel. But they're still balancing that with a connection to Portland. Marcus brought the energy to the building at the event.

Gavin: We played an awesome game of rock, paper, scissors. We were out in the crowd and yeah, we had a great time reliving some of those early days of the brand and I think, more importantly, dove into what's next and how his marketing strategies have evolved over the years with the times and changing technology, and how he keeps that rooted in the Portland Gear brand.

Gavin: So yeah, super stoked to have Marcus on to kick off season three. Let's head into the lab.

Gavin: I was trying to think of an intro question that you hadn't been asked before, and I think that this is a good way to start, especially for the folks in the building who are from Portland. Heck, even the people who aren't from Portland. What do you think Portland gets wrong about itself? You've been representing Portland as a brand now since 2014.

Gavin: Not only has. How is your relationship with the city changed, but how do you think about Portland as a city differently now than you did when you start?

Marcus: Yeah, we just think too small. We think too small now. We try to preserve the past as opposed.

Marcus: To going forward. It's too much of don't knock down this building because it was this 40 years ago, so we're not going to be progressive and go forward. And so that part drives me nuts. And I think we're dealing with a little bit of that right now, a little bit of our mud that we've been stuck in a little bit is that we're just not we don't think big enough.

Marcus: We don't have the system that allows us to think big enough. We don't embrace change. We don't welcome it. We're pretty anti different you know anti new anti change. And I think that's hurting us right now. So I think I get frustrated with that.

Gavin: Yeah.

Gavin: Do you try. Anyone else get frustrated with that.

Gavin: I feel a little bit I mean.

Marcus: Not alone.

Gavin: Did you see the dynamite that they, that they set off? Yeah. Northwest. Interesting. Yeah. That was.

Marcus: People are saying that was an arson attack because recently that building was purchased. So now they're saying it's an insurance claim. So a lot of conspiracies going around with the Centennial Mills building.

Gavin: Yeah. Well, have you tried to embrace that version of Portland in the brand, and how have you tried to do that?

Marcus: Yeah, I mean, I started this almost 12 years ago now, and before that I'd been doing this and living downtown. My big Instagram is at Portland, so I've got 460,000 followers on that. And it basically kind of been the voice and seeing the city for pretty intimately for 12 to 14 years now. So I've seen, you know, the iterations of it through especially the last six years, you know, in particular the post Covid times and stuff.

Marcus: And yeah, it's been really interesting to see kind of the national narrative change on us and even our regional narrative change on us. And you still have people who are incredibly proud, and then you have people who just think, Portland, is this on fire? Apocalypse of a city still four years later, you know, and we don't always do things to help ourselves in the news either.

Gavin: So yeah, I mean, I think I've, I've always tried to remain a constant of just positivity. And I can control what I can control. And I don't talk a lot about politics in our pages. And I don't post controversial stuff because I just try to say there's always at least some good story going on. There's always something great happening.

Marcus: So we're going to focus on that rather than all the other things. And I think that's kind of been the goal I've taken from the Portland page and from the brand for the last 12 years.

Gavin: When did you start feeling that responsibility? Because the brand obviously started, I mean, doing a little bit of research. You lost a job at a screen printing company down in Eugene. Can I say fired? Is that a pain?

Marcus: I was fired from my first job, and yeah, I was being disruptive. Who thinks disruptive is a bad word?

Gavin: No hands should come up here.

Marcus: So it was a screen printing shop. It was a bunch of old people. Sorry to the old people, but it was a bunch of old people that worked there. And I was trying to make screen printing interesting. I was bringing in athletes and I was trying to make photo shoots and do all this stuff, and they viewed it as disruptive.

Marcus: And I remember the owner walking over to the printer on a Tuesday at 430 and printed off a check and handed to me and said, we're going to let you go. And I, I survived. Don't worry.

Gavin: How old were you at the time? This was.

Marcus: 22. Right at first job, out of college. You know, I'd always love screen printing and all that stuff. And so I remember driving back to my back to here. After getting fired, crying, pouring down rain, you know, in my tears. And for Mitsubishi Lancer with a really cool, like, wing on it, you know, and I just remember telling myself I'll never work for anyone else again.

Marcus: And that was kind of the moment where I just said, I don't want anyone to put my ideas in a box. I don't want anyone to think I'm being disruptive when I'm trying to be different. And I haven't had to work with anyone since.

Gavin: Did you already have the idea for Portland that early? When did the idea or I guess maybe first, did the logo come first, or did the idea for the brand come first?

Marcus: Nope, neither.

Gavin: Yeah.

Marcus: So in moving back to Portland, you know, Instagram was getting big at the time, 2013 or so, and I kind of I was at my parents house one night, I was on Instagram and I saw that there was an at Seattle, and it was just kind of things going on in Seattle. I was like, that's kind of cool.

Marcus: What's the Portland version? And there wasn't one. So I got at Portland on Instagram and just started posting pictures of the city events, things that I was going to go to like 40, 50, 60,000 followers pretty quickly. And then my background was in screen printing, graphic design, which University of Oregon always loved, Nike and logos and shoes and clothes and stuff.

Marcus: And so I had that big Portland page. I had people that loved Portland at the time. I'm just flipping, screen printing, trying to make ends work, living in low income housing with buddies, just making it work. And that was kind of when all those worlds collided, where I had this big following of people that love Portland. I'd always wanted to own my own brand.

Marcus: I liked graphic design and screen printing, and I wanted to wear my Portland Pride. So I came up with the P logo and then started selling it through the Portland page under the brand of Portland Gear.

Gavin: Now, you've talked a little bit on not putting the cart before the horse, but making sure that you aren't getting over your feet. I like I'm combining two analogies here.

Marcus: Yeah, that one.

Gavin: I was going to say I connect this to a question here. The scaling of the brand. How is the team scaled in terms of team size, and when did you know it was the right moment to bring in somebody? Because that's a big leap going from solo entrepreneur screen printing to actually saying, hey, we're bringing in our first business partner or team member when.

Marcus: It started with friends because they were cheap. So Eli's been with me for 12 years. Employee number one worked the store with me every single day, and we brought on another friend because he was cheap. And then so it started with cheap people because we didn't couldn't afford much. Yeah. Now we're at about 23 people in the office, 24 in the stores, 15 in the warehouse for about 60 people total.

Marcus: Now, I'd say a year ago we were 30 people. Two years ago we were 15. So it's just grown exponentially over the last two years. So, yeah, 60 people on payroll now is a little different. And but that's to support the growth and what we're trying to do.

Gavin: You ever felt imposter syndrome during the growth of the brand? Because it's pretty visible again.

Marcus: I still don't even know what I'm doing. So I can't feel imposter syndrome if I don't really realize, if I don't know.

Gavin: To acknowledge it first. Yeah. Were there any moments where you did feel maybe in and over your head? I know you.

Gavin: Did a, I don't know, like.

Gavin: This isn't.

Marcus: The cash flow meeting this morning. I don't know, because I've really staged it incrementally with growth of people and growth of product and growth of inventory and growth of stores. Only when I felt like we could support it and pay for it and do it ourselves. And so this is the first time now

with our product line being primarily bags and luggage, which is made overseas, ordering six months in advance.

Marcus: So I'm placing POS now for December or for February of next year. So you're trying to project growth when you haven't even realized that growth yet. So this is kind of the first time where it's like, oh yeah, we're we're 12 to 18 months out on a product roadmap. We're 6 to 8 months out on ordering, you know, and so these, these Pos that we placed four months ago are these now these Pos that are landing and now you have to pay for them, which I was like, what?

Marcus: You actually have to pay for these things. I thought you could just get them.

Gavin: I want to put a pin in the bag. Pivot. But I first wanted to hear the story about the Winterhawks. I know that you've done collaborations with a lot of the primary sports teams here in town, but the Winterhawks rebrand was a pretty big deal. Tell me that story around the Winterhawks.

Marcus: Yeah, I got a LinkedIn message this was 2021 or something from one of their GM's or something, and they had said, hey, we've seen you do collabs with thorns, Blazers, everyone. We'd love to do something with Winterhawks. And this was kind of mid like BLM protests, like everyone very sensitive with the world and their logo was just a Native American head.

Marcus: Like they had the Blackhawks logo. And I was just like, we'd love to collab, but I'm probably not going to just put that on a bunch of t shirts right now. And so I was like, but if you guys should probably rebrand and you should probably consider changing and making your own identity and, you know, letting the Chicago Blackhawks have their own logo and just being more sensitive to our region and where we are.

Marcus: And so if you want to do a rebrand, I would love to do that. And they were like, yeah, we're actually getting a lot of pressure from the community to do that, so we should probably do that. So I kind of just had pitched that to them. And yeah, we ended up doing a I hired a really amazing sports designer.

Marcus: We rebranded the entire Team Jerseys team. We ran their team shop for three years, turned them into a couple of million dollar a year retail business partnerships with product and stuff. And so that all came from a LinkedIn message.

Gavin: That was all LinkedIn. Incredible. How often do you say no to opportunities these days? Are you getting pitched collaboration ideas that you have to kind of brush aside, how selective are you and how do you select the.

Marcus: Well, I would say this I went through my LinkedIn. I haven't been on in a week and, you know, 60 messages and it's probably hopefully not a lot of people in here like you guys trying to sell service.

Gavin: That was me trying to actually hit you up, dude. Like.

Marcus: But I literally like, literally was just thinking this an hour ago. It's like I open a LinkedIn message and if it's two paragraphs, I'm just not even reading it because it's going to be something trying to pitch me on. We could do this. We've done this. Have you thought about this? You know, and it's like, so when you're reaching out, like try to create a conversation first before you're trying to sell someone something, you know?

Marcus: And so it's like, send one sentence, you know, send a picture of your son with a backpack. You know, that's I'll respond to those versus just trying to be like, we saw your incrementally what is this? And we think we could do this. And we're an agency that has done this for your five peers. And that's just like next, next.

Marcus: So just trying to find that commonality with a brand or with a person or with something first and then getting to the pitch or something is more beneficial. But I mean, I get a lot of that type of stuff.

Gavin: Yeah. With and on the collaboration side, are you viewing it differently now that you have the line of bags that's taking you past Portland? Yeah, yeah. Have and again don't share anything that's maybe in the hopper.

Marcus: I'm an open book if you haven't yet to tell so.

Gavin: Well I will and I was going to ask when you're observing those opportunities, how do you balance keeping the core brand identity present, especially because Portland is such a key part of that identity with the product expansion line, how do you try to balance those in your mind?

Marcus: Yeah. So only 13% of our sales now are to Oregon, our online.

Gavin: Sales team.

Marcus: Yeah. So most of them now we're shipping bags. You know we spend 20 to \$25,000 an A on Facebook ads and Google ads. So the algorithms taking them wherever it is and it's finding people who travel that identify with our persona. So our brands just trained dramatically. So when I think through partnerships now or collabs, I'm trying to think of what can still like ground us here, but what has a bigger reach.

Marcus: So the biggest one for us a couple months ago was doing a WNBA partnership. So tied it up where the Portland Fire was announced. I'd been working with the WNBA on a full league license. So when the fire came out, we had Portland fire bags. But then we also had all the other 13 teams, so it was a way for me to test what a licensing program looks like, but grounding it in like a Portland story to start.

Marcus: And it's been really successful so far. So you can go to portland.com/wnba and you can get a purple Valkyrie's bag and you can get a yellow sparks bag and you can get a red fire bag. And so that was a way of kind of beginning to test like what it looks like to do things bigger. Because then if that works then we could do like full college licensing and we could do league licensing and we could do all that type of stuff.

Gavin: Yeah. What timing. It seems like you've been in the right place at the right time for a few. I mean, with the WNBA really expanding its reach, like you're in the right spot for that one. One thing I wanted to briefly circle back to was you mentioned engagement with Facebook marketing and Google Marketing. Are you like in the accounts like how hands on are you with the marketing side?

Marcus: Yeah, like I'm pretty blind when I'm walking through those accounts. You know, I'm looking at certain things and trying to kind of understand them. But we have a digital marketing team and an agency partner that helps with that. But I feel like I need to know them better so that when I'm in these decision conversations on scaling or pushing or throwing back or throttling or these things, it's, you know, I'm always just like, just try it.

Marcus: Just go spend more, spend twice as much, just go.

Gavin: I mean, that's.

Marcus: What agents okay.

Gavin: Here, by the way, I was going to say you're that's music to the ears of a lot of marketers and.

Marcus: Yeah.

Gavin: That hands on model of leadership. I wanted to hear a little bit about the expansion into bags and how you were hands on, not only in the pivot of the brand, but also the product development, because once you get into the luggage space, we're talking materials, we're talking dimensions. It's a little bit different. I mean, not that there's not nuance to shirts and hats, but if we're building out high quality luggage, are you how engaged are you in, like the sourcing of the materials?

Gavin: What's it.

Marcus: Look like? I'd say four years ago we were primarily a t shirt and hat brand. You'd see lots of t shirts. I see one over here. Shout out, you know, lots of shirts.

Gavin: Is anybody.

Marcus: Wearing one? Yeah, he's got it right there. There we go. There we go. You look good. Looks great. Yeah. So early years. It was a lot of that. Shirts, hats, fleece stuff. Fill the store, sell online, sell Portland to Portland. And then, you know, we had this backpack, which was something we had sourced on Alibaba years ago.

Marcus: We kind of rebranded it. Maybe we ordered 200 of them. We had done that several times just to have like accessories in the store. It was kind of a nothing product for us. And then I hired a digital marketing guy, like probably like a lot of you. And, you know, he was he was I didn't really even know what digital marketing meant, but I hired this guy because I was like, we had never spent a dollar on advertising until like four years ago.

Marcus: You know, we had grown to six, seven, five, three, four, 5 million bucks without spending on ads and just through social and word of mouth and hustle and eventing and all that type of stuff. So he was like, I think we could put some paid ads behind the backpack. I was like, cool, don't know what that means. Just do it.

Marcus: And he got my video kid who was there, and they made a couple ads and it started selling, and then they did some more, and then I was and then and then it pretty quickly, you know, this was only three years ago. It started working pretty well then. Then it was like, okay, now we need to think of supply chain.

Marcus: Like now we need more of these bags and oh, these bags take longer. And oh, now we need more colors. And so now I have a full product team brought on a VP from Herschel Bags, who does all of our supply chain and logistics and future roadmap and design work. And we have a product design team. And yeah, I'm looking and reviewing products now for 12 months out and 18 months out and trying to get ahead of that stuff.

Marcus: We've got great factories overseas now, some of the top ones that produce for some of the bigger bag brands as our volume is increased. And so, yeah, it was kind of the two, the two humps of that growth for hiring the digital marketing guy who came in and really kind of built that, and then getting our product guy who then could expedite the growth of that and actually make sure we had inventory for it.

Gavin: Yeah. As we're talking about scaling the brand, let's pretend it's just you and me on stage and we don't have any of these AI just in the crowd here, because I have a feeling. And you can you can correct me if I'm wrong here. Looking at your guys's social presence, there's such a connection to the reality of the city of Portland, right?

Gavin: Where we're taking real videos in store, pop up shops. We're like, there's a real connection to the nitty gritty nature of the city itself. What are your. And again, pretend nobody else is here. What are your sentiments on AI? And I want to I want to get your thoughts specifically on AI creative, not

necessarily automation tools for like paid marketing spend, but are you trying to stay away from that?

Gavin: Are you thinking about engaging in AI creative? When you're thinking about bags, it's totally fine if the answer's no, by the way, because the Portland no we are brand is, but I wanted.

Marcus: Yeah. I mean, I think, you know, when I listen to a lot of the AI stuff and we're tapped in, we're on Triple Whale, we're on Klaviyo, we're on all these, you know, and we're using Moby and I'm in all those things. So I, I think you're the most important sentence is what that last one ended on which these are tools.

Marcus: They're tools. I actually am incredibly bullish that I think the best industry to be in right now is like hard goods, like durable, hard, because we have actual inventory that people need to buy and use, and all these things are tools to help us sell it. But we're not in the information age, right? Like, we're not trying to sell information.

Marcus: We're not trying to sell data. We're not trying to sell like that. Seems so crazy to me now to be a tech company here. Sorry to all the tech companies that are here, but I'm biased because I'm a product guy and you're biased because you're tech people. That's fine. But I think there's something about having a 35,000 square foot warehouse full of inventory that is a differentiator in this world right now, and being able to sell that and speak to it and having different stories and colors and all those things, I think is really important.

Marcus: And using all these is incredibly important to, you know, it's like, I'd be dumb if we weren't. We have AI assistants. When you shop, a lot of our customers, we've automated 85% of our customer service tickets, like our pop up is you can chat 24 hours a day with an AI person. And I would say even 3 or 4 months ago, customers were very anti like, give me to a human.

Marcus: And we're like, oh, okay. You know, and now it's like, I think every day that's becoming less as people are becoming more used to it. It's like as long as it solves this problem, as long as it solves the customer's problem, they're like, I actually don't need to talk to a human. You know, if I can put the chat up and it says, where's my package?

Marcus: And within one second I get all the information, hey, I need to change my address. And it does it like I'd rather not talk to a human. So I think there's yes, there's bringing the humanness into AI. And then there's also like the humans accepting the AI and being like, oh, okay, yeah, I'm not going to fight this.

Marcus: I'm not going to be an anti AI person. I'm not going to I'm not going to say I need to call someone to get customer service. It's like when you're calling someone, you're just trying to get your problem solved. So any of these things, it can be tools that can help solve the customer's problems are highly additive and great.

Marcus: And I would rather use these tools in hire three more customer service people or outsource that overseas. I'd rather pay a CS company a thousand bucks a month, and they're automating 85% of my tickets, and the customers are getting response times of 1.3 seconds is a lot better. So those are great tools. And again, I think that's all additive in us.

Marcus: Being a durable, hard, good brand is like we can use all those things as tools, and if a better one comes along, we can embrace that better one. And we can continue to evolve. But we're still selling the same things and still trying to like create a business around selling product.

Gavin: Yeah, you kind of dodge the question on the creative side for.

Marcus: No, no. Yeah. I think we're we're using it highly.

Gavin: For no.

Marcus: I think we're using it highly for research and, and doing stuff. I'm not in the actual like creative side of it, but we're definitely embracing it. I don't think we're at the point where it's like, make me a photo of a traveler in an airport with this backpack and make them like, I don't think we're there yet. It's probably not far away.

Marcus: But yeah, I come on my trip to Hawaii, still filming everyone on my phone and trying to get as many clips as I can and stuff into things. And I think that's still important too. So but the same thing right now, you know, you as a customer might see an AI ad and be like, man, if this, this, they're not even trying.

Marcus: I don't this ai slop. I don't want this. In three months from now, you might be like, oh, that's kind of cool. It's me in the ad, like they got, they made me and put it into an ad and served it to me with their product. That's kind of cool, you know? So it's like we might all be loving it in three months from now.

Marcus: Who knows? Yeah, I think that's where we're going. And who am I to predict. But like we're we're on Shopify. We're on the big ones. I love them all. I just I think we're not far away from everybody, goes to every website and has a completely different experience. And the website is built in real time to everything. You come to the website.

Marcus: And we know you're a handsome man that likes to be active, and you traveled once a quarter, and we know all this about you, and we're going to serve you the black backpack and the luggage and it's going to it's already going to know your size on the website, and we're going to have the suggested products right for you.

Marcus: And then you're going to come and you're a lovely lady, and you like to go on girls trips with your friends, and you like this, that and the other. And the website's going to look completely different to you. And we didn't have to do anything for that. So we could get 10,000 impressions a day. And the website's going to make 10,000 unique websites a day.

Marcus: I just think we're very close to that, and I think people will hate it at first, and then they're going to be like, yeah, this, this is great. I go to nike.com and here's all the it already knows my style. It already knows I'm ten and a half. It already knows my buying history. It knows where I what I do.

Marcus: And it's suggesting these things and it's me and the pictures like I think we're going to embrace that and love that.

Gavin: How are you going to keep the brand identity strong with that shift? Have you thought about how you're going to strategically keep that core brand identity?

Marcus: I mean, I think all of this grounds, like we're all still human. So it's like we still crave human connection and our products hopefully are part of your life as you're still being a human, you know? So whether you're going to work, you still need a bag. Whether you're traveling with your family, you need bags, whether you're, you know, going to a blazer game and you want a hat, you know, it's like we're still trying to just be complimentary to you living your life while still just embracing that all the technology can just help us.

Gavin: Yeah, I'm going to actually open it up for questions. And clearly, Marcus does not have a hard time talking about and very transparently about his journey and the different tools he's using. I was going to say, does anybody have anything top of mind that maybe they're curious to ask market about Marcus, about whether it's pivot to a new product category?

Gavin: Go ahead.

Audience member: I was just going to ask, you built your brand 12 years ago when was becoming a thing, the mommy blogger was rising. If you had to start over today, what's something different in your strategy that you would do?

Marcus: Well, you'd have to be TikTok first. And I hate TikTok, so you'd have to go TikTok first. You'd have to be, you know, there's this weird thing where it's like there's this shift to like long form video because it's hard to make now. And so it's like people that it's always the thing that's hard to do is the thing that's kind of pushing it.

Marcus: So in the early days of Instagram, I don't know if you guys remember, but it was like the photographer that would get to the top of the mountain with his DSLR at sunrise and take the picture and edit it, and he'd get 10,000 likes because you're like, holy shit, you know? And then it's like the iPhone got so good that it like, then anyone could be the mountaintop photographer.

Marcus: Okay, now that kind of democratized that. And then it was like, oh, the person that could make a video. Like, then everyone blew up with videos and now it's like, not everyone can make a video, you know? And so now it's like, the thing that's hard to do is like long form DSLR video that's engaging for four minutes, you know?

Marcus: And so it's like, that's the hard thing to do now. But what my problem with that is people aren't consuming like people don't necessarily consume that. Your average watch time is still six seconds. So it's this interesting thing where I can go invest a ton of time and money and make a long form piece, and it's going to get a 21 second watch time on a 92nd video.

Marcus: Like, I just wasted all that money in time on that. So it's this weird world right now where it's like the TikTok vacation of 3 to 6 seconds scroll. You'll watch a hundred videos and under a minute mix with like to stand out. As a brand, you have to do really hard things is kind of this weird dichotomy.

Marcus: So I just I generally just try to be like, right where the people are right now. So if most people are seven seconds, like, I'm just going to make more ten second clips. And if a year from now everyone's watching three minutes, I can pivot enough fast enough and make three minute content. But like, like I just heard a great thing from my peers on call coming over here.

Marcus: It's like everyone's going all in on live shopping, live shopping, TikTok live, meta live, Amazon Live. All these things are going to be live shopping, and they're going to start figuring out a way through either stores or people to go live for like ten hours a day building studios in their offices. Now hiring, like, I'm actually going to hire a TikTok host.

Marcus: If anyone knows anyone that wants to be a TikTok host in a live host, like, like that's actually a role we're hiring for now. Like, we're going to pay someone 5060 grand to sit in a studio in our office, go live for three hours a day, cut, make TikToks, reels, seed people, go live on meta, go live, pass the phone and have someone in the office go live for an hour.

Marcus: Like that's where this is going is like an always on strategy. And that's kind of a different version of like deploying capital into those things now.

Gavin: Good question. Any other questions from the audience? Going once, going twice.

Marcus: Don't make me pick people.

Gavin: Ryan Garrow at the buzzer. Ryan who.

Ryan: Got in? All right. You're very clear about your desire to hit 100 million and the goal to 100 million in sales, which is cool. Where do you anticipate some of the speed bumps could be in the next 2 or 3 years as you push for that?

Gavin: Yeah.

Marcus: You know, we're a, we're a hero product focused brand. So our Cascade backpack is our hero product. We'll sell tens of millions of dollars in that product. It's what's your next hero product. You know, that's like, can we get to 100 million on just that? Very few brands have done that. You look at like Stan Lee got it, you know, did it.

Marcus: The bog bag. You know, there's probably, you know, the Ridge wallet. You know, there's kind of a handful of these darlings that we're able to scale a single product skew to 100 million bucks, but most of them you have to start getting a little bit wider. So for me, it's like, yeah, how do we. And you can't predict it, but like how do you start to design into like what is that next hero product that can help be less reliant on the backpack, you know, and then acquisition costs, you know, I can I can I can get inventory to be \$1 billion.

Marcus: You know I can get customer service now to be \$1 billion. It's it's it's like if I can maintain cats at 60 bucks, I could scale this thing to the moon every day that they're over. And I'm seeing 70 or 70 5 or 60 2 or 65, then it's like, all right, what do we got to do? And adjust.

Marcus: And cats are always going to go up. So I think we're ripe for that. Last panel is right there. Like I think we're ripe for just we just need a net new channel. You know, it's like we've deployed so much money into Google and Meta. Every single person has for the last 15 years that these LLMs now are just like ripe for some disruption.

Marcus: So if we can get some clod for \$20 acquisition costs or some chats for \$15 acquisition costs, I think it'll start to deploy some of that money back. And maybe we all get more efficient on Meta and Google again. But yeah, I think everyone's just like continuing to see the increase. And if you don't have a high enough a over your LTV, like you just become out of the game.

Gavin: And so we're needing kind of this disruption of something new to deploy money into. So those are the things product innovation and just acquisition costs are the limiters.

Gavin: A huge.

Gavin: Thank you to Marcus for joining us at LP Connect and sharing the story of the brand and the lessons behind building Portland Gear. We're just getting started with season three, and we've got plenty more marketing, content and information coming your way. Don't forget to visit [AdLab podcast.com](https://adlabpodcast.com) for your free marketing review and special listener discount. Subscribe, leave us a review and we'll see you next week in the lab.