



**Interview with Bridget Russo,
Chief Marketing Officer of Shinola**

I'm delighted to have **Bridget Russo** with me. Bridgette is the CMO, Chief Marketing Officer, of Shinola, that Detroit brand we will hear a lot about.

JP: Thanks for coming Bridget.

BR: Thanks for having me.

[00:37]

JP: Excellent. Another makeshift studio, with a very noisy A/C. I hope we won't hear that that much on the podcast.

What we want to do today is talk about the logic, the marketing, and maybe the magic behind recasting an iconic shoe polish called Shinola from the New York/New Jersey area into the marker of kind of affordable luxury lifestyle from Detroit and what's all behind that.

Bridget, again, thanks for coming. Maybe just start us out. Tell us a little bit about yourself and how you got to Shinola.

BR: Sure. I have been working in the fashion industry my whole career. Always had the intention, I grew up in a factory actually. My mother had a factory in Queens and was very passionate about the industry. I thought at one point I would be a journalist. As many journalism degree students end up in PR. Started in PR, and really at a time when writing was an important piece of PR. I think that's changed a little bit now and slowly learned that the money was in marketing.

JP: All right, sounds good.

BR: I also felt my approach was a marketing approach. I was terrible really at pitching. I always kind of wanted to tell a story. I was very much so into events and the selling of a brand verses just pitching

independent stories or one off brand stories, product stories. I was very lucky once I went from the agency side in house, Diesel being my first in-house job, to start to work within presence marketing. At the time events were more so a function of PR so the idea of the words even “Presence Marketing” was new. It was through that experience that enabled me to make a shift from PR into marketing.

It was also good timing because all of a sudden the regular or traditional model of advertising wasn’t working any more. Social media started to hit. People were getting their information from every where, much more quickly than they were before so it wasn’t about dictating to the consumer, it was about a conversation. That really falls in line with the experience I had in PR. So with that experience I was able to transition.

Had a few other stints in other places. Then found my home, really at the time, with a company at the time called Eden. Eden was a brand started by Bono and his wife Ali Hewson and their intention was to build trade with Africa by manufacturing fashion goods there. That’s where I really started to get the passion about story telling of the supply chain. Which was something before in fashion that was behind closed doors. You didn’t tell anybody for proprietary reasons and also, it wasn’t sexy. This really flipped that story around and that’s how I got interested in the area.

[03:55]

JP: That seems to already explain what was appealing to you about Shinola I guess?

BR: Yes.

JP: Can you tell us a little bit, what in particular attracted you to that brand?

BR: As the time, I had my own consultancy called Passion Projects, where I was really focused on do good brands, social good brands. Continuing to do work with Eden, in fact tying Diesel and Eden together on a project.

I met Shinola somewhat by happenstance. I was helping somebody out on the agency side build the marketing arm of their PR business. I met

them; fell in love with the story. I had never been to Detroit but I just thought, “what an amazing brand.” What an amazing... They didn’t even have product at that point. They just had some cad drawings I believe and this concept.

JP: We are in New York, not Detroit, which you can easily hear. That’s being proven. Let’s wait a second. It’s going away. All right, this police car has passed.

Let’s do it again... It sounds like you already know what attracted you about Shinola. It’s not quite the classic fashion, neither fashion nor luxury brand. Can you tell us a little bit more about that?

BR: I think, you know, I am pretty lucky in my experience in that I was in fashion but I always worked for brands that worked on the fringe of fashion. Always sort of an edgy approach, if you think of Diesel in the early days of their marketing and what they did they really pushed the envelope. Other fashion brands were not doing that. The idea that you could even sell jeans for over 100 dollars in the United States, the home of Levis, was something completely unheard of at the time. I have been lucky to always have that experience.

Then being at Eden and being able to sell basically a product that necessarily you don’t need, but you want but to have a positive story behind it. That you’re actually creating jobs in a continent that needs it was really compelling to me. ***It was a natural when I heard the story of Shinola, to take that experience and then flip it to creating US jobs. For me, certainly the product, always with all of this, and I think anybody who wants a career in creating products that create social good, you have to start with great product.*** That was the one thing we learned at Eden, we put the focus on mission first and the product came second. It took a while to come out of that, whereas Shinola, we’re very clear with what the products were going to be. They were very clear on what they were going to look like, the design direction was very clear. By the nature of making those watches in Detroit, we were going to create jobs.

[06:48]

JP: So, before we go into the jobs because, like you say, there is almost a risk that that takes over the entire brand.

Tell me a little bit about what is special about the products that Shinola is making? What's the logic of the product extension? I think it started out, well obviously originally it started out with shoeshine, which I don't know whether you are doing. Second, the watches, then leather goods, bicycles. Is there a logic and what's special about these products?

BR: The original brand Shinola was a shoeshine brand. It was popular in the fifties. There is a saying, "you don't know.... from Shinola."

JP: Beep...

BR: Exactly.

In a moment of frustration, when the founders of the company were sitting around a table trying to figure out what to call this brand....

JP: Interesting.

BR: Various names came up and somebody said, "oh, you don't know.... from Shinola," and they said, "there's the name." So really it was a combination.

Number one, it was symbolic, in the sense that the fifties and sixties was when the U.S. was really known for making great products. Products that were built to last, it was like the heyday. It was also the heyday of Detroit. Also, it was something familiar certainly for an American audience. You heard your grandparents say it; it just had this warm sort of familiar feeling to it. For those reasons, we decided, you know, to call the company "Shinola." Some people say that's crazy because it is affiliated with the word that is the antithesis of luxury.

[08:23]

JP: Right, right, right. Other people will find it interesting and that makes a little bit of the myth I guess of the brand to know about this background story.

To come back to the products, what is special about a Shinola watch or a Shinola bike?

BR: We reimagined this shoeshine brand, first with watches. We actually do do shoeshine now produced in Chicago. So there is homage to the past. It's a leather care line, which is connected to the leather goods we make. I think there is a natural connection; you can kind of understand how small leather goods would fit with watches. Bicycles. Now we're going to be launching audio with turntables later on this fall. Some people might say, "I don't get it." But ***I think it was a differentiator for us in the market. It was categories that we were passionate about and also, if you think about the lifestyle of our consumer, it made perfect sense.*** If you see it maybe written, or even speaking about it, it sounds odd... Well, I don't get it, how does it all sit together? But if you go into our shop, straight away you completely get it and then you're like, "I love it."

I'll give you a good example, when we were talking to the department stores about buying the collection we started with the watch buyers. They said, "yeah, sure. We'll test out a couple styles and see how it goes." We said, "no, no. You have to come to Detroit, see what we're doing... and by the way, you aren't just buying watches." ***At first they thought we were crazy. They came to Detroit, saw what we were doing, met the people. Then all of a sudden you had stores like Neiman's, and Nordstrom, and Saks trying to figure out how they get a bike into their watch department. Not because they were going to sell a bike but because it was part of the story.***

JP: Right, right. It's like the motorbikes at Kiehl's.

BR: Yes.

JP: You talked about creating jobs in Detroit. Let's talk about that aspect now. The brand is much more than the product you said, the product is important but it's much more. What is it primarily, beyond the product?

[10:20]

BR: I think it's the story. We could go out there with the same products that we have today at the quality and the craftsmanship we have today, but if you don't have the story behind it. You don't need to be from Detroit, or even know someone who's from Detroit to be connected to that story. It's the comeback city. You want to root for the underdog and I think, you know, even for our business overseas you might say, "what do they care about creating jobs in Detroit?" *Everyone has a Detroit. There are Detroits around the U.S. There are Detroits in the U.K. Look at Manchester, look at Glasgow. So everyone can connect to that story and I think if you can make a purchase and there is a positive impact to that purchase, whether it's in your backyard or elsewhere I think people relate to that.*

[11:09]

JP: You touch on two points actually which I noted down. It almost feels like you read my notes. How does it translate abroad or how does it translate outside the U.S. in particular? But you say, "Everyone has their Detroit."

Then the other one about almost the archetype of the brand. Which is about this turnaround and about... what did you say? I forgot.

BR: The Comeback.

JP: The comeback, yeah, it's a comeback story.... the underdog coming back. It reminds me a little bit of Mini, which has also this underdog attitude about trying hard against Porsche even if they don't win.

BR: It's the champion brand.

JP: Yeah, it's the spirit that counts.

On that point about abroad, you say, they're underdog cities or respin cities that are celebrating a comeback or a dream about a comeback. How do you approach then an extension abroad? How do you translate that? I still...

BR: I think it was good timing with Detroit. We certainly didn't know what was going to happen. We had no idea that the bankruptcy, you

know, was going to happen or be announced. That really put Detroit on a global platform, such an iconic American city. Now, in that instance that was somewhat of a negative story but I was happy to see six months/a year later that the media started to turn around and say: well, hang on... yes, this happened but look at all this great stories. ***We're just one piece of what is happening in Detroit today.***

[12:52]

JP: You were one of the stories of hope, I guess.

BR: Exactly. And I think...

JP: And a lot of visitors. I remember Bill Clinton I think went there. There's like pilgrimage, right? A lot of people going?

BR: Definitely. There's a lot of people now, taking these "urban tourism," where they are going into cities to visit factories on their vacation.

JP: And I heard, I think from your CEO that the Detroit store has more footfall than the New York one which is quite amazing in that many people...

BR: And does double or triple the volume.

JP: Right, and people go there from New York to see it rather than go to the local New York store.

BR: Definitely. It is like a pilgrimage.

JP: So it's like... I guess you also want to contribute and you want to vote with your credit card. You want to invest into the revival of the city of a bigger idea of America as a manufacturing place, place where manufacturing happens?

BR: Definitely. I mean there's the consumer today started with food. Started with the question of: what's in my food? Where is this coming from? And then that continued into consumer goods. Well, hang, on where are my products being made? Who is making them? How are they being made? Those were questions that we never really asked ourselves in the 80's and 90's.

[14:15]

JP: Right, right. But how does this... I think you want to open a store in Tokyo? Is that right? I read something...

BR: I mean, certainly down the line, it is not in the short term.

JP: Or let's say, what is a store that has recently opened abroad?

BR: London.

JP: London.

BR: We opened London end of 2013.

JP: So, you opened a store in London, what's the story you use....

BR: Sorry, end of 2014. October 2014.

JP: Gotcha, so in October 2014. What's the story you tell in London? Do you tell the Detroit story? Do you try to link it to Manchester? How do you tell this story?

BR: I think, you know, again, back to the timing and also the people really thinking Detroit as this cool city because of its history in music. Certainly in London there was this cool factor, being from Detroit.

JP: Motor city.

BR: Exactly, Mo-town. There was this sort of respect that came straight away from that community around Detroit and what it represented and I think particularly in that market, and in other markets within Europe, the social aspect of doing good by making these products, by purchasing these products was something that resonated. You know, there is a connection there with Detroit. There is a connection when it comes to electronic music and Berlin. Music is something that is universal. There's a weird attachment to Detroit or least an affinity because of the music.

[15:49]

JP: So you play it slightly differently I guess in those places? Or you adapt the message?

BR: We didn't go, apart from not that we're getting into audio, heavy on the music thing; we felt that was really obvious. We stuck to our story, which is the people who are making our products. We put them in the ads. We didn't put models in the ads. We didn't put ourselves in the ads. ***We put the people who are making the products in our ads because the story starts there and they are the heart and soul of what we do.***

JP: Right and I heard interviews for example NPR; Kai Ryssdal was there and interviewed people on the shop floor.

BR: Yes.

JP: So a lot of people root for you, cheer Shinola on but I also read critics. They say for example: well it's all a marketing gig or trick. Here's the proof, the movements which make up 80% of the value and labor intense process of a watch is actually from Switzerland, so how is this creating skills?

BR: Basically, and unlike other companies that are assembling watches. The movement is also assembled in Detroit, so they don't come already assembled.

JP: Okay.

BR: We have Swiss partners, Ronda, who manufactures the movements. They helped us both build the factory and train the employees. So you have people who are now learning a new skill set in an area that cannot rely just on the automotive industry anymore to create jobs. That piece of it is very important. Yes, the components are coming from Switzerland for the movements and the case and the dials are coming from Asia. But we're also assembling from the movement, to the watch, and now also manufacturing our leather watchstraps right in Detroit.

We also worked with our Taiwanese partners to create a dial factory in our store in Detroit. So that opened the end of last year where we're printing some of our dials right there in Detroit. So we're always looking to build the capacity, but ***there is a reality today, and I think in this global environment of how you make things. That components come***

from whomever is making them best at the quantity and the quality that you need and that is not likely to be down the street.

[18:10]

JP: And at that, it almost seems like you make your life more complicated than it could be by bringing in the components rather than the fully assembled piece to bring your mission to life. Do I understand that right?

BR: Exactly. Just the...

JP: There is a price to pay for that I guess in terms of the cost of goods and so on.

BR: *There is an investment certainly in building the factory and bringing in machinery, but also in the training. The beautiful thing is the first individuals that started now have the ability to train new people that come in. Anyone who knows watches, it's an intricate process. I can tell you I can't do it.* I watch them and there's no way I could put together a movement.

You know, I think there's a lot of education that needs to happen with the consumer to understand, well, what exactly does that mean?

Assembly isn't a bad thing and it's not a monkey can do it. We get pretty defensive about that stuff because we're defensive about the people that are working there, who are pretty passionate about what they're doing and don't feel like just anybody can do it.

JP: When I listened to that NPR, I guess interview, on the shop floor, things that came to my mind are:

One, it almost seems like people move from, move to find motor skills almost from having assembled cars. There was one lady that was pretty straightforward and she said you know, it's much more comfortable, quieter, and clean work here than it used to be where I was working before.

BR: She used to leave and be full of soot.

JP: Yes, they are quite proud of their work.

So, you're very adamant that you're actually living your mission I guess?

[20:02]

BR: One hundred percent. Anyone who comes to that factory would see it. If this was all smoke and mirrors and it was all a marketing scheme, I didn't have to move to Detroit. I could have stayed very comfortably in my home in New York and done this from you know, the fifth floor of our store on Franklin Street. But that's not what it is. It is a huge level of investment. We just expanded to a second floor in the building we are in in Detroit

JP: Which is in itself a historic building that you redid. So it's almost a symbolic as well of the whole transformation.

BR: We didn't redo the whole building; we just redid the floor that we're on. But it's a beautiful building. It's called the Argonaut. It was an old GM design center so there's so much history just in the building. Today, it is the College of Creative Studies. A lot of design students come out of that school, particularly in product design and certainly automotive design.

JP: Right, and so, can you tell us things that you do around management, so beyond the shop floor? And maybe choosing what product categories come next, etc. that would show how this mission influences your choices and your processes, and maybe your hiring, and maybe your corporate culture.

BR: We look at two sides of products. One, are brand builders. So, bikes. It's never going to be a huge business, we probably sell about a thousand bikes a year but it's such an integral part of our story. People love them and they're gorgeous. Is everyone in the market for a three thousand dollar commuter bike, probably not. But, you know, they understand the quality and the craftsmanship; they can appreciate it. And for the consumer that is in the market for that it's certainly a differentiator for us.

Another one in that would be, of course now I am losing my train of thought. Pets, pet accessories would be another one.

JP: You already have pet accessories?

BR: Yes, we launched it last year with Bruce Webber, the photographer, who is well know for his love of dogs especially. He said, I've always wanted to do this. I think everyone at Shinola has a dog, or almost everyone. And, so we came out with a pet accessories line. Again, never going to be a huge business, but certainly in line with the lifestyle of our consumer and is complimentary to the brand.

On the other side of that, are the volume drivers. Watches. Leather goods have a huge opportunity to expand beyond what we're doing today. Audio, if you look at what Beats did to the headphone market, there's huge opportunity there.

So that's how we look at the brand, there are volume drivers and brand builders, and those brand builders they're really more than just window dressing. They're really an answer to the lifestyle consumer.

[22: 50]

JP: That makes sense, and it's very classic model. On the audio, I can't wrap my mind around yet. Is there something being done with the hands or manufacturer that would employ people in the audio product?

BR: Yes. With each category, and same goes for audio, we work with experts that are leaders within that category. In the case of bikes, it's Sky Yaeger who for decades is very well known in that industry. Same with audio, with audio it's a combination of working with partners that we've painstakingly identified. People like VPI, who are turntable manufacturers, a family owned and run business out of New Jersey, in fact, to help us, guide us through that process.

We always look to what part of the manufacturing can we do in Detroit. Assembly, of course, is something that's a no brainer. In the case of the turntables, they will all be assembled in Detroit and potentially assembling the cartridge, which is the needle portion, in

Detroit as well. I recently learned that there's a correlation between watch making and cartridge making. In fact, one of the top cartridge makers happens to be Swiss.

JP: All right, and you have one big factory there that does all these product categories or you distribute it over town?

BR: So we have on the fifth floor we have our watch assembly. We have our leather factory where we're producing over fifty percent of our leather watchstraps, and we're also doing some of our small leather goods. We are looking to expand that to do more of our leather products. We assemble all of our bikes in the Detroit store, and we're doing the dial printing which represents a percentage of our dials out of Detroit as well. So, assembly will happen there on the fifth floor as well.

[24: 43]

JP: What's the culture of Shinola as an organization?

BR: Oh, it's super fun. I mean it's such a, I suppose I am biased because I work there, but it is such a great place to work. No one has an office. It's great, open plan space. You go in the factory, there's R&B music playing. People have smiles on their faces. There is only one cafeteria, so everyone from the watch factory to e-com to graphic designers are all eating in one place. They know each other's names. We go out for drinks on Fridays around the corner to a local bar called Northern Lights. I think it's a rarity to have, certainly me on the marketing side, to know the names of the people making the products that I am promoting. It's really something special.

JP: How many people work in marketing by now in Shinola?

BR: Marketing we're a small group. Shinola, in totality, we employ over 500 people. That includes retail staff in our now thirteen stores. In manufacturing we have, I believe, three hundred. In marketing, gosh, we're about five.

JP: Any stories yet of people coming from the shop floor and taking up management positions or ...?

BR: It's funny that you mention that. I know there was a recent instance; I think somebody moved from the leather factory onto the other side. And certainly from retail moving up as well. That opportunity is there.

We have regular town hall meetings where everyone gets represented with the campaigns that we have coming up, the new product. I let them know after I've presented the campaign that if you have any ideas, come up to me. They make an appointment, they come by and we sit and chat, and they have ideas about new products, about events, about how to market the brand, and we listen. In some cases, we take them up on their ideas. For instance, and this is a small thing, but believe it or not, we didn't think of it. One of our head watchmakers came and said, you know for the daylight savings time that comes up in March I believe, why don't we do a video to change the time on their watch? It sounds really simple but some people don't understand how to do it. So, you know, it's that kind of dialogue that we have.

[27: 14]

JP: We've talk about the challenges of the digital analog gap with mechanicals. I am no longer surprised that people wouldn't know how to change the time on a mechanical watch.

Last thing I wanted to ask you about is you talked a lot about the lifestyle of your audience and that the product extensions would be logical etc. We talk a lot in our book about the balance between inclusivity and exclusivity as being a tool of modern prestige and modern premium brands. Where in the past, it was all about exclusivity based on price, prominence, precious material, VIPS, and exclusion. Today it is much more subtle and exclusivity might come more from knowledge or from subscribing to an ideology or even a certain political view, etc. Do you see this in your community? Do you have people who are part Shinola and those who are not? And those who want to be?

BR: No, what's great is that there's such a wide spectrum of consumers that are attracted to this brand. We are absolutely inclusive. That

doesn't mean that we're trying to be everything to everyone because we all know that's a recipe for disaster. But it appeals to such a wide variety of people and you see that when you go in our stores. ***Over the Christmas holiday, we all have to sign up, and work in the stores in Detroit. So we all have to do it, whether you are a designer working on the website, or if you're on the marketing team, or if you're graphic designer- you have to work in the store. What's great about that is you get to see the variety of the consumer.***

It's everything from a 65-year-old retiree who just believes in the story and wants to support the brand to a young Wayne State University student that's buying into the brand. Either buying the notebooks or having mom or dad buying them a watch, to the professional, who's maybe working at Quick and Loans, and is really passionate about the story. The styling, its pretty classic product. It's not trendy. It's product that's evergreen. You're not going to feel like, oooo maybe I won't wear that in a year or six months from now.

It really does have a broad appeal. But I think that the running theme, I would say, across all those types of individuals is this belief in the story and wanting to wear products that they feel good about and they can talk about.

[29: 51]

JP: So you don't have people who say, "these are all fools being fooled by marketing and I'm never going to buy a product like this?"

BR: There are definitely some nah-sayers, most of which have never been to the factory. Who just think this is, you know, carpet bagging, whatever words you want to use. Now everyone can give their opinion, which is the beauty of the internet, but also you know, not backed up by facts.

JP: Right. Right.

BR: Look, in the end, everyone has a right to their opinion. We know what we're doing. We feel good about what we're doing. We wouldn't continue to market and position ourselves as such if we didn't feel like

we were telling an authentic story. Like I said, all you have to do is walk into the factory. I don't need to tell you, you just need to go and see it and you'll go, "Okay. Got it."

JP: But obviously, this belief and this way of executing comes at a price so, these products will not be the cheapest in their categories to come around for what they do.

BR: Correct, this is not a fifty dollar watch.

JP: So at a minimum you need to be willing to pay for this belief.

BR: Definitely. I think our prices are approachable. I get that not everyone perhaps wants to spend seven hundred dollars on a watch. For someone who's used to spending more, it is a great value and a no brainer. For some people, they save up to buy a Shinola watch. We think it's approachable enough that it's at a price point certainly to enable us to do it in the U.S. But also it's accessible enough, perhaps with a little savings you could, or you buy a notebook, or you buy shoeshine.

JP: Thanks a lot Bridget for your time and insights. I am sure people will want to engage with Shinola after hearing this. What are good ways in to learn more about the brand, to join the brand, to visit the brand?

BR: Certainly, I encourage anyone to go to our stores, but certainly a first stop is our website.

JP: And you have 14 around the world?

BR: Yes, including London, there's 14 now. San Francisco was the most recent one in the States. We have a few more to go this year... I want to say eight more. That's a lot of work to do.

Our website, we also have a section of the website called "The Journal," which is our blog. In fact, there are ten or eleven stories right now up on some of people who are working both in the watch and leather factories. And our social media, we are very active on Instagram, Twitter, Facebook, Pinterest. We're not on Snapchat yet.

JP: Excellent. You don't need to be on every platform I guess, only the ones that fit.

BR: I agree. It's what makes sense for the brand.

JP: Excellent, well thank you so much again Bridget, this was great.

BR: You're welcome.