Kristin: 02:04 Welcome everybody to another episode of the Channel Mastery podcast. I’m very, very proud to introduce Kate Powlison to you today, who is the road brand manager for SRAM. Welcome Kate, it is awesome to have you here with us today.

Kate Powlison: 02:30 Thanks a lot for having me.

Kristin: 02:32 So, today is the very first show on a special series of content that Bicycle Retailer and Industry News is presenting, and the series focuses on the evolution of channels in the bike market, in the bike community. And also offers insights into how the best specialty brands and retailers in bike are working to be remarkable to today’s connected consumer. I thought that you would be such a perfect person to kick this off with, because you guys just did such a fantastic and interesting launch with your RED eTap AXS component group. Can you explain a little bit about the launch itself, the day it launched, what was included in that, and then we’ll bring the audience into a little bit of the behind the scenes on the whole coordination of the integrated launch.

Kate Powlison: 03:17 Sure. So, February 6th, 2019, was a really big day for our company. We called it AXS day internally and on that day we launched our RED eTap AXS group set for Road, as well as a couple mountain bike groups. The XX1 Eagle AXS and X01 Eagle AXS, as well as the Rockshox Reverb AXS C-post.
Kristin: 03:45 Awesome. And I have to just say, this made big waves in the bicycle community and there’s a number of reasons for that, but right off the bat, I mean, the way that this launch was coordinated and really put the consumer first, I think raised a lot of eyebrows around your community. I mean, it was an incredibly well orchestrated launch that included multiple stakeholder groups, and I was hoping you could talk a little bit about, you know, who was included in that and how did it differ from what you guys used to do in terms of big launches at your company?

Kate Powlison: 04:20 Sure. You know, at SRAM we develop products for riders, sounds like a marketing cliché but it’s really true. Anytime engineers are making a new development or innovating, we’re not doing it just for innovation sake, we’re doing it because it makes a better ride experience. We took the same approach when we were looking at our launch. So, if our product is innovative and modern and rider-first, we decided we wanted a launch that was the same way.

Kristin: 04:49 It sounds like a great vision, and like to a layperson or maybe a person from another industry, ‘cause as you know, this podcast serves a lot of specialty industries. I’d love to talk about my founding industries and Verde’s industries and obviously bicycle’s one of those. But, I have to say, the way that you just, you know, put that out there almost sounded like a consumer electronics company. And that’s kind of what I felt like this launch, it had more of a feel of that than it did the traditional launches that I’ve seen where you have, you know, component groups, bike manufacturers that are paired up with that, independent bicycle dealers that, I mean, all of these things are sequenced out kind of around when the product is actually shipped and ready to be on the bikes for consumers.

Kristin: 05:33 And then, obviously, the trade versus consumer launch, and this, to me, is one of the big distinctions around how the channels are evolving. Because ultimately, the trade and the way that used to be such a closed ecosystem in terms of the media and the trade business-to-business audience looking at new products and then introducing it nine months, six months, twelve months later or whatever it is, sometimes eighteen months later, it’s just night and day different. ‘Cause basically you guys introduced, announced the product and it was available to consumers pretty much the same day. So, that’s essentially why I thought this was incredibly disruptive.

Kristin: 06:09 And so, obviously being a rider-focused company, can you give us an idea, and I know that some of these things are, you know, secret sauce so I want to be super respectful of that, but was this like a multiple year effort where you had to really kind of
plan like years or eighteen months ahead? Or was it something you were able to, you know, evolve your business to, I guess, achieve a new level of nimbleness with SRAM and its bike manufacture partners?

Kate Powlison: 06:37

Yeah. You know, pulling off a launch like this, it took a lot of planning and internal coordination and working with the rest of the industry. And there's actually a good interview with Michael Zelman and Ron Ritzler, who is head of QR and drive train at SRAM. It's in Bicycle Retailer and it goes into the real details about the timeline of the launch and when we started planning, so, that provides a great rundown of it, but yeah, for sure. We had to work really hard to change the way that we launched products and it took a lot more coordination, but we knew it was the right thing for the health of the industry, and for the rider, 'cause people get frustrated when you launch your product and then they have to wait, you know, months to get it and to ride it. We're conditioned as consumers these days to buy as soon as we see something.

Kate Powlison: 07:39

So, you know, it took a concerted effort but we felt like it was right for the industry. We didn't devalue as much inventory by launching a product and catching retailers off guard. Being able to buy a bike the day that the product comes out is super exciting, especially as you're gearing up for the season. So, it took a lot of work but it paid off for sure.

Kristin: 08:11

I love what you just said about surprising the IBD or the Independent Bicycle Dealer with a new product, because, ultimately, let's face it, I mean the IBD's can be a little bit skeptical and I think they're just frankly quite nervous around how brands are going direct to consumer today. Obviously that's a huge part of what we're here to discuss in this series - obviously with Bicycle Retailer being the producing sponsor of it - is to really just talk about how, what is the role of the IBD with the omnichannel consumer today? And I think the way that you just described it there, is you basically prioritized IBD as an important channel.

Kristin: 08:53

Your riders, I'm sure, rely on their local shops to get service and information, etc, and I loved also what you said about, you know, we didn't want to devalue the product, the SRAM product out there or cannibalize it is kind of the way we've talked about it in the past. Where retailers have a product that gets outdated when a new product is developed, is introduced. So I do think you guys did a fantastic job in that regard, in terms of introducing this product and really putting the retailer, I think, front and center as a great resource for it.
Kristin: 09:25 Did you see any of your big retail partners use your content, or did you have a special content plan lined out for them to be part of the orchestration of the launch? And the reason I’m asking, Kate, is I am seeing more and more that specialty retailers across our markets are actually allocating a lot more to channel branding management. And so I wanted to see if it wasn't just having the product in the store, but did SRAM also try and arm the IBD with the ability to market the product the day it was launched as well?

Kate Powlison: 10:01 Yeah, that's exactly what we did. It was kind of funny, within the first twenty-four hours or forty-eight hours of the launch, we had people just start complaining, being like stop posting, we are so sick of hearing about this product. It's all over my phone, stop it. And we actually didn't post any more than normal that day, I think we maybe put two posts up instead of one. But the volume of what made the product launch so visible was due to, a lot due to just getting those assets and the toolkits to distributors and to retailers and to even OE brands, making sure that their content teams were ready. So it was a good indication for us that our message is a lot more powerful when we can, you know, have a microphone. It's not just what we communicate, but it's getting everyone whose part of the launch up to speed and giving them the materials.

Kristin: 11:03 I've seen this actually start to work wonders in your market, so the launch that Verde recently did for Steamboat Gravel, obviously so much smaller, Kate, I totally get that, but we were able to really create a groundswell by plugging in athletes, different teams, all of the sponsors, like everybody who is involved in a launch went out together and ultimately that was a little bit similar but sort of different because the race didn’t exist yet, right? You guys are a trusted brand, but this set that you introduced is very, I think, super innovative and it is something that I think is highly technical that you have to have influencers, athletes, teams, and retailers all talking about correctly.

Kristin: 11:48 Did you have to basically like script them on that, or did you just give them things that they could kind of cut and paste and put in their voice? I'm just curious to know, like how you guys pulled that off, because this was a very, like a big group of stakeholders. Literally, I think there's media, manufacturers, athletes, teams, and retailers, and I'm probably even missing some, on a global level, correct?

Kate Powlison: 12:12 Yeah. That was one of the delights about the launch was seeing how people interpreted the message. Of course, in my role as a brand manager, I work with the product managers, and we do our best to come up with a really consistent product story, and
we want it to get out there and be the same everywhere, but we saw so many great interpretations of the product story and people putting it in their own words, athletes making hilarious YouTube videos about it, ambassadors drawing illustrations that reference it. That was one of the surprises and the delights was seeing the product story still be consistent but be interpreted in so many creative and fun and wonderful ways.

Kristin: 13:01 That's actually nothing short of miraculous. You and I have been doing this a long time. I just love that, and you’re right. It did really seem like it blew up. This was everywhere. Now, let's talk a little bit about ... We had a big moment, if you will, and now that we’re going into the season, are you seeing consumers sharing that content now, basically their experiences?

Kate Powlison: 13:29 Yeah. I used to kind of ignore marketing hashtags. I thought that they were dumb and no one ever uses them, but following the couple of hashtags for this launch has been really fun, because since people can buy the product right away, you’re seeing them post about it right away. We had people posting their bikes on the day of the launch, that they went into a shop that day and bought. We've been able to follow all of the cool builds that people are doing and the places they're taking their bikes, so the content stream, yeah, wasn't just around the launch. It's been pretty steady in the time since then.

Kristin: 14:11 That is awesome. That must be super fun to watch. I also just wanted to ask, what were the primary channels on social media that you thought really did the best in terms of coalescing all of these different stakeholders?

Kate Powlison: 14:27 Well, I think just with the way the different channels manage their privacy... on Instagram was where were able to see the widest collection of both consumer and [inaudible 00:14:44] posts. That was, I think, the place where we ... They’re the platform where there was the most volume, but of course, Facebook and Twitter, too, were strong places, and YouTube up and coming for sure.

Kristin: 15:02 Then, on the global level ... I’m not sure, and forgive me for not knowing this before I talked with you, but this was obviously a global launch as well. Did you have your colleagues in Europe and Asia and different places working with you on the launch on the same day?

Kate Powlison: 15:22 Yeah, so SRAM was founded in Chicago. Our headquarters is based in North America, but we are a global company, and we have offices and factories all over the world. Sometimes, since we are based here, our marketing can tend to be North
American dominant, and sometimes we make the mistake of only speaking to Americans, but when we were planning for this launch, we went through more of an effort to have our content not only be translated into our key markets but to be localized as much as possible. We used to, when we'd launch a video or a major product, we kind of launched just English first, and then we try to translate if we had time, but our team was really diligent about our translations and our localized marketing materials and making sure that we had everything in at least three languages ... English, French, German but also aiming for Spanish and Italian for all of our advertising.

Kate Powlison: 16:29 Then, also just being able to get the launch materials to our different offices and distributors ahead of time meant that I was seeing the ad that we created show up in Italian and Spanish and all these other languages, so I think that, yeah, thinking about the global markets and making sure that our design team and our translations team and our marketing team were adequately staffed and prepared to launch the product in more than just our North American mindset was something else that was significant about the launch.

Kristin: 17:11 I'll say. That's significant with all caps. I was pretty blown away by just what I saw here, but hearing you talk about it on a global level, it's a little bit otherworldly. I have a question for you in the role that you're there. Obviously, in the marketing at SRAM, you've been there a number of years now, and you've probably been there during a time when things have really shifted and, I think, up leveled in terms of becoming rider focused not only from a product standpoint but from a SRAM branding and touchpoint stand. That's what this launch epitomizes to me, right?

Kristin: 17:50 As a marketer inside of SRAM, were you basically given a different set of permissions with a consumer launch like this, meaning they have to be a little bit elastic with what they will be seeing on social media? As you said, one of the delights of the launch, that to me also in the past could've been something that would be terrifying about working in house in your position, kind of losing control of the story. Did you have, basically, meetings prior to the launch around just setting expectations with your managers, or was this always something that they expected that the consumers and the other stakeholders would just take and run with, and you guys were just sort of there to kind of watch it unfold?

Kate Powlison: 18:36 I think one of the things that made the planning for this launch unique was that it wasn't just on the marketing team. It felt like every department at SRAM was involved and played a major role in deciding on the launch style and how we would do it. It
took months and month of meetings, and so that was the great thing where it didn't feel like it was just marketing's job. It took everyone, and so we were all aligned and comfortable with the style of the launch.

Kristin: 19:14 That, I think ... You just touched on something that so many of my listeners struggle with, especially if they're a trusted legacy brand like SRAM is in a specialty market, because there's a lot of evolution that has to go on operationally to even get to the start line the way you just described it. Literally, that to me is the exception rather than the norm, I think, in a lot of brands today, and that's something that a lot of brands listening and any specialty business listening can learn from is that everybody has to take a seat at the table, because they all touch some kind of experience around what the brand is about to do. I just love so much what you said, because I don't find too many companies in our spaces that are actually operating that way. That's got to be really exciting for you, working in a company like that.

Kate Powlison: 20:06 Yeah, it is. Our leadership here is, I think, forward looking. We have a new CEO who took over for Stan Day after he retired, Ken Lousberg. He doesn't come from the bike industry. His last position was at a crane company, Terex, and Ken's a great leader to work for, because you trust him to make the decision that's best for the company, not necessarily the way company has always done it or the way the bike industry has always done. I think he's brought this fresh leadership vision that still totally fits with what we want to do and who we are as a company. That empowers us to make better, more modern decisions.

Kristin: 20:57 That's awesome. Well, and I have a couple more questions here that want to get in and still respect your time. Tell me a little bit about the approach with media, because I understand there was an embargo that happened. Obviously, Verde works a ton in the consumer electronics and has for a long time as well as bike, and it's funny, because historically, when we've helped brands launch new products in consumer electronics, we've had to give important influencers and media in that space a very well-working product, basically production-model product to test sometimes 60 ... at least 30 but sometimes 60 ... days in advance of the public launch. It looks like kind of the approach that you guys took here was almost more a consumer electronics approach. Can you talk a little bit about how you engaged the media around the launch here?

Kate Powlison: 21:49 Yeah. One of the things I feel lucky about here is that we have a super-strong internal PR team. No discredit to another model where you're working with someone like Verde, but having that in-house PR team let us ... They actually spent the year-plus
before the launch talking to media about just what would make a better launch for them. How far in advance do you want your media experience to be before the embargo lifts?

Kate Powlison: 22:22 We did hear from media that, yeah, it can be super hard to have 48 hours in between the media experience and the embargo lift to write a great product review, something that's informative and not just a regurgitation of a press release. Michael Zellmann, who helms that department, he did a lot of research work and talking to media and seeing what style works best for them launching a product these days.

Kristin: 22:52 They went to the audience. That is awesome. Normally, it's the media that has to do that, but I just love that. I think it's another great page from the playbook, everybody. Survey and find out how channels are evolving, and don't make the assumption, so it's great. It almost sounds like they embedded themselves to kind of discover, well, what's going to work today, because the media is changing so rapidly.

Kate Powlison: 23:16 Yeah, it is, and we also know that there are more constraints on the media. Travel budgets aren't what they would be. Media don't want to fly all the way to Europe for a product launch that's not going to deliver their readers and their editorial needs, so yeah, we work to make sure that the time that the media spend on the ground with us is as valuable to them as possible. Yeah, coordinating a launch efforts that really [care for] media first, not SRAM first, is something we try to do.

Kristin: 23:55 Then, another question I had was about athletes, and I understand that there were some shots of athletes using the product and teams prior to the public launch. Sometimes I think that can be intentional and sometimes it's not if the product is seeded or they're part of an actual research and development aspect to the launch. So I just wanted to know was that... Looking back now, are you able to let us know if that was intentional or not or if that's just something that happened because that's sort of how news goes these days.

Kate Powlison: 24:27 Yeah. I can speak to the road portion of that because the mountain bike portion, they had athletes on the new product far more in advance of the embargo lifts than road did. But yeah, all of the spy shots that came out in very early 2019 were not planned at all. We didn't do that on purpose. It was a known risk. You have to have your... As a drive train manufacturer, it's really valuable to our engineers to have the product being ridden by pro racers. And we knew that they would be racing it in some of the very early season races in Australia and in Japan. But no, it wasn't planned and it wasn't coordinated. We knew it would be out there and we did our best to mask the product.
But yeah, people eventually spotted it and some articles got out.

Kristin: 25:29 Right. And are the group of, I think, crazy loyal consumers on both road and mountain, like we read every word of everything that we see from the trusted publications and influencers online. So it does, I think, seed your core market for a launch like what you did. So even though it wasn't intentional, I don't think it necessarily hurt and it's just something you have to factor in and, again, communicate about internally, I'm sure. One of the things I want to make sure we save a little time to touch on before we close up the interview here today is to have you talk about the vision that you guys, I think, put into a very well thought out vision around just how the brand collateral looked. It was very different. And that was also something that received a lot of coverage in the bike media. But can you talk a little bit about just the inclusivity around this launch and just how inviting it was to, I think, new participants into bike.

Kate Powlison: 26:26 Sure. So if you're talking about the racial and ethnic diversity of the rider's featured in the launch materials, yeah, that decision is part of a broader conversation at SRAM around diversity and inclusivity and equity. We have internal groups and really have been trying to make SRAM a better place and make sure that whatever our marketing materials show is being backed by real efforts at SRAM. So that ... When we go to, first of all, first step in making that decision is finding riders and models who are people of color. And I think that that probably takes more work if you're going outside your community and your natural network, if you're a brand manager, to actively seek better diversity and representation in your materials.

Kate Powlison: 27:33 So I'm have to give major props to Ayesha McCowen who's one of our ambassadors and helped connect us with a lot of the models from the first Acid gather that we did in the UK. So she connected us with Yui Adisida and Marty Merit, two of the riders who are people of color in that campaign. So it was really through her network and her ... Ayesha's work to have the bike industry do better that we were able to connect with those models.

Kate Powlison: 28:06 And I don't think it's something that we should be lauded for. I think it's the only decision that a bike company or an outdoors company should be making, is to show better diversity in their materials. But I was glad that it did get as much attention as it did. I didn't expect it to, but it all kind of blew up. And I think that it started ... It didn't start a conversation, it just, I think, made it ... I hope that it made it not in uncommon choice but the choice for companies moving forward. And not making a choice like that is just perpetuating racism and I hope more
companies think more critically about the riders that they show in their materials. But there are also companies out there that already do a really great job with this too. So I don't think SRAM was the first to this. It was just having the platform of such a major product launch. Yeah, of course you have to have your marketing be just as modern as your product is.

Kristin: 29:15 That's awesome. I really applaud you guys because you took it from conversation and put it straight into reality. And wrapping it into the innovative launch that you did, not only in terms of the tactics and strategies that we've been discussing, but the innovation of the product. It's almost like you're using the reach and relevancy of your brand to spread that message and, again, make it not a conversation but reality. So I just was super impressed with that too.

Kate Powlison: 29:45 I think one thing that happens here that means a lot to me is, as a marketer, I get to choose the images that go into our marketing. But I have coworkers who will say, man, I looked at the Instagram feed and I had to scroll for a long time before I saw someone that looked like me that was a person of color. And you guys need to do better. And internally people really hold us accountable for those decisions we make, which is awesome. And so important. And being able to have those hard conversations is what I think makes meaningful change. So at SRAM we have I think great ... Part of making that progress is being able to have those internal conversations and being held accountable. And so that's one thing that helped us with this.

Kate Powlison: 30:43 And also we had talked about is this ... It's not just that this one launch or this one image, it has to be really consistent and demonstrated over time and, and go beyond just gender and race ethnicity. So we feel like we still have more progress to make. And I'm glad that there are so many people SRAM who care about making that progress too.

Kristin: 31:09 That's awesome. So the last question that I wanted to ask you about, and it kind of ties together two of the historical channels that you guys have dealt with, and that is just around bike brands that you partnered with for this launch and how that ties into the IBD. Because a lot of brands are starting to obviously sell direct and others are still primarily sold through IBDs. And the consumer is really driving the change around that. But have you noticed that, as you guys have evolved, that you’re working with bike manufacturers that are also evolving and I think using launches in interesting different ways than they used to in the past?

Kate Powlison: 31:51 Yeah. For this one, it took every channel to make it successful. We had to work with retailers and OE brands to successfully pull
it off. So it felt like it just took everyone coordinating in the right kind of way. And we didn't launch OE first or after market first, we launched both channels at once. So it was a pretty full scope in terms of the different channels working together.

Kristin: 32:24 Yeah, it literally was so entertaining to watch this thing unfold. So I really can't wait. I mean, it's still unfolding. Obviously you mentioned that in terms of how consumers kind of taking in a running.

Kate Powlison: 32:37 Yeah, it is very much unfolding. We'll have more evolution to what we're launching coming. So yeah, we know that it'll be hard to match what happened on access day in terms of excitement, but it has become a model for other launches, big launches internally coming down the line.

Kristin: 33:00 Oh, I can't wait to see. Well, Kate, it's been an absolute pleasure having you on the show here today. And I know there are a lot of people in the Channel Mastery audience who have been watching the launch and I know that they're going to be just listening to every word here. So it's just so great that you were able to come in and share this with us. And I know a lot of it is secret sauce, as I said earlier, and it was just great that you were able to educate and inspire the audience with what happened here with SRAM. So congratulations to you and your team and thank you so, so much for joining us here today.

Kate Powlison: 33:31 Oh, thank you. I feel lucky to be part of this launch. It was a really big effort, so I'm just thankful to be at SRAM for it and to be able to explain a little bit more about what it took behind the scenes.

Kristin: 33:45 And we'll be watching and cheering from the sidelines to see what's next.

Kate Powlison: 33:51 It's going to be good stuff.

Kristin: 33:52 Thanks so much. We'll talk to you soon.

Kate Powlison: 33:54 All right. Bye.