

Mike Shields (2s):

Hey guys, this is Mike Shields and this week on Next in Marketing. I got to talk to Jon Kaplan, Chief Revenue Officer at Pinterest. We talked about the company's huge ambitions in e-commerce or the plan as he put it to make the whole platform shoppable, which we seem to put them right in Amazon's crosshairs. Jon also explained why he has his doubts about whether the third party measurement will endure in the post-privacy world. And whether the industry's attempt at a universal ID solution, will have any real chance. Let's get started.

Narrator (26s):

Everything we know about the media, marketing and advertising business is being completely upended, thanks to technology and data. We're talking with some of the top industry leaders as they steer their companies through constant change. Welcome to Next in Marketing, presented by AppsFlyer.

Mike Shields (45s):

Hi, everybody. Welcome to Next in Marketing. My guest this week is Jon Kaplan as the Chief Revenue Officer at Pinterest. Jon, thanks for being here. How are you doing?

Jon Kaplan (52s):

I'm great. Thanks for having me, Mike.

Mike Shields (54s):

So, I'm excited you're here because it's an exciting time for you guys and the world, hopefully, but as we seem to be maybe having some approach and some hopeful news. But you guys had a pretty interesting year and, like a lot of, not that you're, wouldn't be growing, but you grew a lot in terms of audience. And I think social networks often kind of, you think of them is hitting a ceiling, everyone, you know, by now everyone's thought, I wanted to be on Pinterest or not, I'm not sure about that, but you guys saw a lot of growth. Can you talk about how that happened? Why that happens and maybe like, who the new people are and what they're doing?

Jon Kaplan (1m 30s):

Sure. Yeah, your right. We had a strong 2020 and a strong finish to the year. By the end of the year, we had about 460 million people using Pinterest every month. And that was still growing, in the mid 30 range.

Mike Shields (1m 49s):

What was that like end of 19, if you remember, roughly?

Jon Kaplan (1m 52s):

We would have been about 300, 350 million growing, maybe in the 20's, in that range.

Mike Shields (2m 3s):

Yeah, so that's a big chunk. I mean, and I know that part of that is probably international, right. But what do you attribute that all to?

Jon Kaplan (2m 9s):

Yeah, a big part is international. You know, we grew international by 46% year over year in Q4 as an example. But you know what I, more broadly, I would say, you know, we added a hundred million people to the service, just over a hundred million people in 2020. And I think first, like people flock to this service because I think they needed us more than ever in this moment, to be honest with you. You know, as the pandemic hit, I think people really discovered and rediscovered Pinterest as this kind of useful, positive and productive place. And they were using it for a bunch of new use cases, you know, a lot of things that were new to the experience that they had to kind of navigate through and they found Pinterest to be helpful for that.

Jon Kaplan (2m 59s):

I think that was kind of a first point. I think the second thing is that this kind of shift to e-commerce is a big shift, was a big shift last year. And we were just, our investments in making Pinterest a shopping platform were paying off. I mean, we were making a bunch of investments to improve the experience, to get more and more product catalogs onto Pinterest to get more shopping advertisers on the platform. And just more broadly to make shopping more pervasive across the entire experience. And so I think that, you know, that experience, plus the new use cases were two reasons why we had a really good year for a user perspective.

Mike Shields (3m 45s):

I want to come back to the shopping subjects, that's a big one. But like in terms of you know, this hundred million new people that not only there. There are new people that are probably coming out and do different things maybe than they were existing audience, but then you have this pandemic were some of these people's lifestyles are being upended, like what do you guys see? What are these people doing that was maybe different or more of than the past?

Jon Kaplan (4m 7s):

Well, at first I would say like, we saw a couple of different phases play out during the course of the pandemic.

Mike Shields (4m 14s):

Right, there's been like 10 pandemic, really? 10 pandemic so far.

Jon Kaplan (4m 19s):

Truly. I think that first phase when we are all just entering into lockdown, and this is early April. You know, we saw people having to kind of deal with a radically changing set of circumstances. You know, just to give, so it's hard to remember back then, but, you know, we were.

Mike Shields (4m 36s):

Coming up on the anniversary.

Jon Kaplan (4m 37s):

Yeah. I know, sadly.

Mike Shields (4m 39s):

Yeah.

Jon Kaplan (4m 40s):

But you know, people are learning how to cook and what activities to plan for their kids' and how they set up remote offices and gyms? So those were, I wouldn't say largely utilitarian used cases. That was how it began. Phase two was interesting. And I know it happened relatively quickly. I would say in May and June, we started seeing people evolve, knowing that it was going to be going to take place for a longer period of time than they really thought. I think people start to, you know, evolve, how they are going to be kind of remixed their lives and figure out what's next? And then we saw things like backyard weddings because they couldn't have a proper wedding in other places.

Jon Kaplan (5m 25s):

Summer road trips were peaking because you could jump in your car, but you couldn't get on a plane. And even back to school, we saw a huge focus on technologies, as opposed to maybe traditional fashion as a primary thing. So that's kind of phase two, and then interestingly, I just think people started to look forward to some level of normalcy. We called it looking forward to look forward. And we saw people kind of planning really early for like bigger events, like the holidays and we saw that happening as soon as May and June.

Mike Shields (5m 59s):

Like people needed it this year more than ever.

Jon Kaplan (6m 1s):

Absolutely and they wanted to go big or they wanted to make it something special, something to look forward to, something to bring a little joy into their lives. And so we saw that that activity happening earlier than ever in a holiday, as an example.

Mike Shields (6m 15s):

Are you seeing anything interesting right now that's predictive? Like, are people gearing up for like, you know, there's some optimism, Oh my God, this summer, it could be a totally different world if the vaccine gets going, like, can you tell things are looking different?

Jon Kaplan (6m 26s):

Yeah, I think, yes. And we're actually producing insights every single week across 10 categories for our advertisers. So we are seeing some interesting things. The one I would call out is travel. My prediction is that this is going to be a blowout second half of the year, as it relates to travel. I think.

Mike Shields (6m 49s):

People are just going to go nuts when they get the green light.

Jon Kaplan (6m 51s):

They are just dying to get back out there, back to experiencing different cultures, different locations. And actually just to get away for a little bit. So that's kind of of my big prediction.

Mike Shields (7m 5s):

Interesting. Okay. So let's go back to shopping specifically. Because I remember, we've talked about this over the years before, you know, platforms kind of find their place or their, and they evolve over time. I think at one point you guys spoke about Pinterest, as you were sort of in the middle of the funnel, like you were not necessarily, people use you to search for categories, not specifically products, but you were not like, I don't know what I want, I have no idea what to think about, show me something. It was, you were a little bit in the middle, but I wonder if that's changed over time. If you can go back before COVID and as, as you are thinking about, okay, how do we become more of a shopping platform? Was the behavior changing?

Mike Shields (7m 46s):

Were you trying to build yourself as like, what lead to that? If that changed.

Jon Kaplan (7m 50s):

Well, you know, first of all, I think the beginning point for all this was the feedback we were getting from pinners and the feedback was, you know, Pinterest when I find a great idea or a great product, I want to be able to buy it, easily. And that was conclusive, they were frustrated by the experience of not being able to transact once they found that great item to be able to buy. So this is what, you know, this is why you and I have talked about this for awhile now, is that we've been building out the experiences. And I would kind of break it out into a couple of different areas. First, I think we had to get all of the products ingested into our corpus, all of the product catalogs from all the retailers have to create a great shopping experience.

Mike Shields (8m 41s):

And early on, you can, people can pin stuff from Crate and Barrel all day long, but if you don't have that stuff in there, they're gonna either be having to go to Crate and Barrel, or are you gonna have to prove how that worked or you're just going to be making people annoyed, I guess.

Jon Kaplan (8m 54s):

Yeah, in some cases like the product wouldn't actually be available, it would lead to a blog, right? And so the first step was to basically have a verified merchant program of products that are from that merchant and they are in stock, we know the price of those products so that the shopping experience can be a positive one for pinners so again, that partnership that we struck with Shopify to be able to ingest catalogues from their partners, as well as our own direct efforts was kind of step one. Step two was building out the shopping experiences, the surfaces where a shopping occurs on Pinterest and today, you know, you go into a bunch of different parts of Pinterest.

Jon Kaplan (9m 41s):

There's a shop tab, there is a related products area when you are looking at an image, there is an ability for you to shop your board. So you save things to your board and then you can shop those items as well as the other things that are visually similar to that. So we have seen the number of pinners who have been engaged with shopping surfaces increase by almost a hundred percent year over a year. So that's kind of phase two. And then building out just a shopping app experience that allows advertised to promote their listings as well. And we are seeing a big increase there as well.

Mike Shields (10m 17s):

Now, was the plan versus the people telling you this, because I feel like at one point you wanted to have shopping there if people wanted it, but you were, Pinterest is going to be about expressing yourself and putting together wishlist, life events, planning, but it wasn't necessarily to have a whole shopping section. I don't know, but you know, how much of that was planned versus the way that people started to pushing you?

Jon Kaplan (10m 40s):

It really was based on how people were pushing us. And I think what we're kind of getting to is this realization that we can be both. We can be this planning platform that inspires people to find new ideas, but we can also take them through a journey to go buy those things, when they're ready. And I think that's the big change for us. Is that now, whatever you wanna do as a user you can come in and have a purely shopping experience and kind of, a performance advertising experience as an advertiser, or you can have a, more of an inspirational browsing experience. And so for us, we can be that connective tissue for advertisers between inspiration and action.

Mike Shields (11m 25s):

Whatever a part of the funnel are you happen to be in, or the journey.

Jon Kaplan (11m 28s):

Exactly. Yeah.

Mike Shields (11m 30s):

Okay. So you're laying that groundwork, COVID hits, you know roughly a year ago, we go on lockdown and people's purchasing patterns, e-commerce was already getting big and mobile commerce, but what do you see initially with shopping patterns and what happened, what's the year look like there?

Jon Kaplan (11m 47s):

Well, it's, we've seen a massive increase in both the number of people who are using Pinterest for shopping. 3X increase in the number of people who are using Pinterest for shopping and the corollary increase, and the number of advertisers who are using us for that. We're seeing 6X increase in a number of shopping advertiser's in Q4. So really, really dramatic increases. And I think it's because, you know, we're driving a lot of traffic to our merchant partners. A traffic to the retailers is up two and a half times, year over a year. So this is all kind of coming together. And then on top of that, we're investing in a bunch of, you know, kind of more innovative products to make the shopping experience, even better.

Jon Kaplan (12m 34s):

We've launched things like Try-on, which allows you to try on virtually try on both lipstick and eye shadow.

Mike Shields (12m 45s):

Like an AR experience?

Jon Kaplan (12m 47s):

AR experience, through the camera. And then, by the way, if we find that product that you love then you can go one click buy the product from a verified merchant. You know, so that's a great experience. We've launched shopping experiences with influencers and creators that are curated. So it's kind of a curated shop. And then obviously you might remember Pinterest lens.

Mike Shields (13m 9s):

Yes , that was the real world application with your phone, right?

Jon Kaplan (13m 13s):

Yeah, exactly. It could take a picture of something when you walk into your friend's home, if you ever go into your friend's home, but you could take a picture of something and you can find items that are visually similar from that to that. And that's all based on our computer vision technology. That's going back to the corpus of products that we have, from those product catalogs and saying, Hey, this couch, or this chair, looks visually similar to these products that we've ingested from our retail partners.

Mike Shields (13m 44s):

Broadly speaking, there's a big, it seems like a big moment right now for, I don't know if you call this like, eCommerce media or like the explosion, shopper marketing have been around for a long time, but you're having, you know, so many startups coming along trying to connect fulfillment and media and advertising,

you have every retailer putting it together, some kind of, their own targeted list of emails and they are in an advertising experience. Are your budget's coming from that universe? Are you getting budgets from what was like, tray promotion, shopper marketing? Are you getting budgets from traditional, digital advertising search? Is that all over the place? Like, what does that marketplace look like for you right now and the industry?

Jon Kaplan (14m 25s):

Yeah. Well, I think the truth is we're getting it from all of the above. I think it goes back to that point I was making before we're somewhat unique because we're both a browse and discovery service as well as a legitimate shopping and performance platform. And so again, we have kind of high-impact brand friendly formats and solutions like Macs with video or, but we have a Pinterest premiere, which we could talk more about as well. And then we have all these shopping, dynamic remarketing and conversion optimization products. So I think it's really coming from both. And you mentioned the retail media companies like Target and Walmart and Amazon, obviously CVS, Walgreens, they're all building out their own retail media networks.

Jon Kaplan (15m 18s):

And we are partnering closely with most of them as well to again, bring their product catalogs onto Pinterest and then to target the users that we have in common across both of those platforms. So the truth is we're share shifting from other platforms. I mean, we're growing at a rate of seven, you know, Q4 by 76% year over year, and that's not, that's all

Mike Shields (15m 42s):

That's not all coming from one place.

Jon Kaplan (15m 44s):

That is not coming from just increases in the marketing budgets of advertise. Right.

Mike Shields (15m 49s):

Good job for you if you pulled that off.

Jon Kaplan (15m 52s):

Right. So it's gotta be a share shift from other platforms or its coming from offline to online media. And I think it's both and it's because we are able to both address the brand advertising ecosystem as well as the performance advertising ecosystem that we can do that.

Mike Shields (16m 11s):

So long term, I don't know if you can answer this question or not, you know, your shopping is becoming way more core to who you are or you're not just lead gen, you're not just sending people somewhere else. People

are closing deals through your platform. Obviously we've seen an explosion in marketplaces over the last year, Amazon particularly. How much do you guys wanna be when you grow up a fulfillment platform or some kind of marketplace that would maybe, be competitive, that people don't have to go to Amazon to close, to buy all the stuff they do on a regular basis versus, you know, like coexisting with those kinds of places. If that makes sense.

Jon Kaplan (16m 46s):

Yeah. You know, what I would say is, you know, as a way, you and I have been talking about, we've been on this journey to go build out the features and functionality to make Pinterest a great place to shop. And I think we still have more work to do and we still have more opportunities to differentiate the shopping experience on Pinterest because again, we know much more about your tastes, about your preferences, what is likely to go well with each other. So I think we can build out a lot of really interesting use cases on the platform that make the shopping experience as good as it possibly can be. But also our leverage is our unique value. All of this, again, in service of making the entire platform shoppable, that's the goal.

Jon Kaplan (17m 32s):

But as it relates to, you know, Pinterest owning the transaction, you know, we haven't truthfully, we haven't ruled anything out, you see other platforms doing that, but we just feel like we have a lot to accomplish right now in that first part, that we are focused on for that time being. And that's where we are right now.

Mike Shields (17m 52s):

But I guess, you know, the more a person gets accustomed to shopping with you guys and I'm getting clothes and go to Pinterest, I'm getting furniture I'm going to Pinterest. I don't need to go to Amazon as much or Target or Walmart. I don't know.

Jon Kaplan (18m 4s):

Yeah. We certainly understand the use case, I think for right now, because we're getting these product catalogs from all of our partners and we're verifying the availability of that product on our website, we're verifying the price. We feel good about that experience. It's not a bad experience in any way. But you know, again, there's other benefits to having more of a closed ecosystem where the transaction occurs on Pinterest. It's a big investment if we were to go that route. So we just haven't made that decision yet. And I feel like we have a lot to do right now.

Mike Shields (18m 37s):

And you gotta start making Pinterest branded stuff for clothes and furniture.

Jon Kaplan (18m 41s):

Well, listen, I mean, it's an interesting concept. I mean, you know, if we're the inspiration company, if we're really known for.



Mike Shields (18m 50s):

That's your brand right?

Jon Kaplan (18m 52s):

Well, where can you go with that? I don't know, we haven't really explored that, but I think there's an interesting opportunity in the future to think about. Where do the adjacent businesses allow us to go if we're an inspiration company?

Mike Shields (19m 7s):

You'll be making so much money, my God. All right. So let's get little nitty-gritty measurement attribution talk if we can. Because all the things you're talking about, you're much more, you know, you're deeply into the fulfillment business and you're trying to, I imagine your data picture of your users only gets richer and richer, last year Apple I'm guessing, you might know this is coming. I don't know. Maybe you guys get wind of it or not. They make the announcement about IDFA, you got to make a change the way the things that you can do there. You're already going through the cookie thing probably in your company. Is that a holy crap moment for your company? And everyone's trying to figure out a strategy.

Mike Shields (19m 48s):

What happens when that got announced?

Jon Kaplan (19m 51s):

Well, I think it's fair to say that every company is thinking about how they need to adjust in this moment and they are thinking about what their strategy is and we're no different. But what I would say is that where we're unique perhaps is that we have a really powerful, completely logged in experience, right. That what, you know, our core asset essentially is the 459 million people using Pinterest every month. And there are organizing all of the pins on Pinterest 300 billion times on to 6 billion boards, right.

Jon Kaplan (20m 33s):

So it's that first party signal that we have about your interests, about your preferences, about what you are likely to be interested in. What other people who are interested in that topic, what they are interested in, so that we can share those ideas to you. You know, that's what runs Pinterest, that's what runs all of our recommendations for new content that we generate for people. And it also is what drives the majority of our advertising business. So we feel like we're actually in a really good position wherever this goes to focus on our first party signal that we have. And honestly, I think it's gonna be, you know, a lot of companies are trying to figure out how they build up at first party signal right now, do the kind of things we're doing today.

Jon Kaplan (21m 21s):

So we're kind of in a good situation relative to others. But again, there are things to consider as part of this

as well.

Mike Shields (21m 31s):

So, you're not relying on other people so much for attribution, so you should probably be, to weather this kind of thing pretty well versus somebody else.

Jon Kaplan (21m 41s):

Well, I think there's two aspects of it. One is what is the actual experience going to be on these services moving forward. And what I'm saying in that first part of it is our entire experience is based on our first party signal that we're not relying on an external signals.

Mike Shields (21m 57s):

Yup.

Jon Kaplan (21m 57s):

By and large to create that experience. So we feel good about that. When you talk about measurement specifically, which is kind of another part of this, you know, that, first of all, I think there's a lot yet to be figured out. But again, I think we feel like we're in a really good position to adapt to those changes moving forward also because I think it's likely that the measurement ecosystem that advertisers are gonna need to rely more heavily on first party measurement. The measurement from platforms going forward, because it's just, it's going to be really difficult to kind of stitch these things together. I think in the future.

Jon Kaplan (22m 38s):

It's not going to be completely that, but I think it's going to be a more meaningful part of the limits.

Mike Shields (22m 42s):

Yeah. That's interesting because I always say, I think about the grumbling about the walled garden thing is often about I wanted to have to have a picture of my customer and data and it's mostly about attribution, but you're right in that you may be in a place where you can't, it's the web doesn't work the same way as television does where there is a Nielsen and that is the arbiter for everybody. But brands are always like a third-party who historically have liked a third-party to keep score or anything, but that's going to be really hard over time to do that right.

Jon Kaplan (23m 12s):

Yeah. Well, if definitionally, you're not able to share that data with third parties, then again by definition could not be a third party who is that arbiter? So I think it's important that platforms build out their own first party suite of solutions, which is what we've done. We've done that across brand lift. We've done that across online conversion lift. We have allowed advertisers to upload their offline conversions. We even launched our own lightweight multi-touch attribution solution. And now we're introducing things like, conversion insights

that show the organic and paid value together.

Jon Kaplan (23m 56s):

So you know, we're in a position to help advertisers navigate this. And I think its just, it's going to be the biggest challenge for them to kind of stitch together different platforms, you know, given some of the industry changes.

Mike Shields (24m 9s):

Yeah. It's funny, you guys don't get pegged so much as a walled garden, but like you kind of are and it seems to be a good thing right now. Like, I feel like if you, are we going to a place where there's going to be a lot of walled gardens and that's better than okay the grumbling about the duopoly and what can we do about those guys? Like is that sort of where things are headed?

Jon Kaplan (24m 31s):

Well, I think it's an interesting question, by the way, I don't think we've been considered a walled garden because we've been open to third parties being part of our solutions in the past. And I think that's just going to be something that we have to monitor how that changes over time, because again, some cases where we are not going to be able to do that. But yeah, I think, you know, all of these other platforms that are emerging, I think there could be some changes there. I think that you're going to see advertisers kind of orient to what are the unique value that each platform brings to the equation. And I think by the way, I think we can all live harmoniously, but what I've really seen is they don't advertisers don't think of us and trying to say, Hey, how can you take over my spin from other platforms?

Jon Kaplan (25m 27s):

That's not the way they think about it. They think more about like, okay, what is the Pinterest value proposition? And for us, you know, it's all about this behavior and planning, the positive mindset that people are in. They are focused on themselves in looking for ideas. The advertiser experience is one where the advertiser can add value to people as they're going through that experience. The brands are actually content, and then we're a place to shop. And so, you know, each platform is gonna happen to define what their value proposition is. But I think we're finding our niche and we're finding are our space among all the other competitors. So yeah, I think there is a case that they will be more platform's being successful not less.

Mike Shields (26m 11s):

Do you ever sense in the market outside when you talk to people, is it a panicky time with all these changes between cookies and IDFA in a regulation? Is it more of a freak out for publishers. Like what's going on? What are people talking about?

Jon Kaplan (26m 25s):

Yeah, I think publishers, again, I think, they're trying to figure out their own first party.

Mike Shields (26m 29s):

How do I build the Pinterest like thing.

Jon Kaplan (26m 31s):

Yeah. And if you, I mean, if you go through the New York Times experience, for instance, like now you can get a free article if you log in.

Mike Shields (26m 42s):

Right.

Jon Kaplan (26m 43s):

Interesting. Right? So I think.

Mike Shields (26m 45s):

There's lots of carrots out there. You see that more and more.

Jon Kaplan (26m 48s):

Exactly. Like I think that's going to be a big shift for platforms. Is to think about, and all publishers is to think about what is the value exchange with the user to give, to allow it to have them give the consent, to share their data. And I think that's an interesting space to consider. I think for advertisers they're most concerned about that measurement piece, the stitching together that you described, because again, if you're not able to share data outside of your walls, then that's going to decrease the visibility. So I think there's going to have to be some level of experimentation that advertisers are doing. I think there's going to be a higher reliance on first party solutions.

Jon Kaplan (27m 32s):

And I think some modeling and estimation will probably have to move into the measurement space a lot more than where it is right now.

Mike Shields (27m 40s):

Like, you mean you were going to have to be a little bit more comfortable with the cohort thing, the targeting groups of people that are of like quantity, quality is not the one-to-one as much.

Jon Kaplan (27m 52s):

Exactly. And then the measurement that is associated with that. I think that's going to be a shift.

Mike Shields (27m 58s):

I'm shifting back a little bit to our earlier conversation. Among the brands you guys are seeing a lot of activity

from, going into COVID. I mentioned like how much people who have shifted shopping online and marketplaces. We were in the middle of and we're still in the middle of the DTC Boom. I wonder, have you seen that shift at all? Are those companies still as active as you were seeing Proctor and Unilever trying to get in that space or are we gonna see that tighten up because of the market or that everyone's an e-commerce company now? I wonder if what you're seeing there, if anything,

Jon Kaplan (28m 30s):

Yeah. We're still seeing strength there. There's still a lot of opportunities for companies that are creating new brands, are creating new services to be successful because they're digitally first, they don't come with any legacy systems or processes. And so we saw a lot of success this year, this last year, in focusing on back on that group because they could move quickly and they could take advantage of softness in the market or pockets of opportunity on the market that other companies, because they had a lot of things to consider i would say, as part of the COVID response, that others couldn't do as quickly.

Jon Kaplan (29m 14s):

So we saw a for instance, some health start-ups really just take advantage of the huge opportunity that existed when everybody had to go and think about working out from home.

Mike Shields (29m 28s):

Yeah.

Jon Kaplan (29m 28s):

So we actually put up a plan together to think through the categories who are likely to be winners in that direct consumer environment in the pandemic. And we had a team specifically going after those advertisers and we saw a ton of growth from them.

Mike Shields (29m 46s):

One thing I wanted to ask you that we kept talking about are these macro changes and targeting and ID. You're a former Google person, Google's right in the middle of it, but of course it's very interesting because they are going to shut down cookies, but they are also, you know they are a browser company and a humongous advertising company and they have a giant ad network. So they are on both sides, do you have a sense of whether, what your thoughts are from a far now of how they're going to be able to navigate this building, you know, they're trying to have a cookie alternative, but they're also in the business themselves, people are not always, there are people who are wary of them, but they want an alternative. What is your sense from afar about the way they're out there operating?

Jon Kaplan (30m 27s):

Well, the truth is, I don't know as much about Google as I used to, I have now been five years removed. So, my knowledge is probably similar to yours But I think if I'd go back to kind of the principles of what this kind

of next generation of conditions will be present, they've got a huge first party assets at their disposal. They've got, you know, many products that are logged in across multiple product areas. And they've got lots of first party measurement solutions, themselves.

Jon Kaplan (31m 12s):

And as you say they are thinking about it, that kind of next generation cookie lists world. I don't know, what it's going to happen there, but we're watching it closely because we are gonna have to be a part of that solution in some way, whatever comes out. But I think all of this is interconnected. What Apple is rolling out, what Google is considering in the future. I think what everybody is going to be looking for are first party ecosystems and signed in services.

Mike Shields (31m 44s):

Are you a believer in some sort of cross industry ID sharing mechanism? Like there is a huge issue for the trade desk and a bunch of other companies are trying to do that. It sounds like counter to what you're describing, which is going to be, everyone's gonna wanna keep their own garden going. Do you see collaboration working like that?

Jon Kaplan (32m 4s):

I don't know yet, Mike, to be honest with you. I don't know as much about that ID solution. I've seen it, but I haven't really dug into the mechanics of it. What I would say is that if you don't have, you know, 460 million people logged in, then that would certainly be something that you'd want to explore. For us, I'm not sure, because we've got such a big

Mike Shields (32m 30s):

You're good, probably, but yeah.

Jon Kaplan (32m 31s):

I don't know. I'm trying to, I think it'll be interesting to understand how that could be helpful for us, but for right now, we feel like we're in a really good position with the logged in users we have.

Mike Shields (32m 42s):

Conversely, do you have any interest in doing the off Pinterest kind of taking your idea elsewhere or letting brands take your data and, you know, do an ad network across the whole bunch of properties. Does that make sense or is that really not where the way the wind is blowing?

Jon Kaplan (32m 55s):

I don't think it's the way the wind's blowing. You see other platforms shutting that down in some cases. And again, and we just, based on all the things we just talked about with shopping and the experiences that we want to create, on-platform this isn't a focus for us right now.

Mike Shields (33m 12s):

Right. And I want to come back through a couple of more things before I'll let you get out of here. We, keep talking about the walled gardens and the platforms, in the past year, you and snap particularly had really big growth, maybe a little bit, maybe more than maybe Wall Street expected. Amazon is obviously coming out in a big way. Are we gonna see a place, there's been such a comm, grumbling about the duopoly and its power. There's no money left for everybody else. Could we be headed to a place where there is a five or six giant's like the, you know, almost like the TV networks in the old days. And that could be good for the competition in the industry, or is that, are we still talking about two companies that have 2 billion people and the others are in a different different universe?

Jon Kaplan (33m 56s):

Well, I think it's an interesting concept. I mean, we're all catching up on the people side again, we're at almost a half a billion.

Mike Shields (34m 6s):

Yeah, not bad.

Jon Kaplan (34m 9s):

Right. So I think LinkedIn is in the 700 million range. So there's a path to being even bigger than where we are today. Let's acknowledge now that we're, you know, we're monetizing at a rate that's slower than what Facebook and Google are today, right. They're much, much bigger than us.

Mike Shields (34m 29s):

And they've got a 20 year <inaudible> or whatever.

Jon Kaplan (34m 31s):

Exactly. So, you know, I think for us, what that means is that we really need to think about what's our strength. What should we build from? Because if we tried to just create the same things that other platforms have created, then I think it's gonna be hard to keep up with parody. I think we really need to think about what our differentiator is. And again, as I said before, I think we have some unique things that are really specific to Pinterest that we want to build upon. And I think that shopping experience is one of those that I think we have an opportunity to really build a different kind of, you know, digital version of the analog shopping experience. If people aren't going to be going to stores as frequently in the future, because they've learned about the joys of e-commerce through this pandemic then how can we replicate that in store experience on Pinterest.

Jon Kaplan (35m 24s):

And I think that's our opportunity, at least. And I think every platform is thinking about what are they good at

and what can they use to kind of build their adwords product? What is their thing? And I think that's the real focus if you wanna create some competition to generate, you know, five or six giants.

Mike Shields (35m 45s):

Speaking of that, now I know, we can close on this one. Your things seems to be, besides the great products, and the shopping is that you have a lot of unique insights. Like how much are you, do you play the role of like a consultants or are you productizing your insight's for advertisers? How much is your intel, like a new thing that you have to bring to the table?

Jon Kaplan (36m 8s):

Well, I'll say that this 2020 was the breakout year for us in both understanding our insights and then using it and helping our clients use it in the industry. So when this pandemic hit, we put a weekly insights motion in place, across 10 categories, where we are identifying the emerging, the top 10 trends in each of those 10 categories. And we were just amazed what the results, the feedback we were getting from advertisers. Like, I want more.

Mike Shields (36m 37s):

Do you think it could might be just a short-term thing for this time?

Jon Kaplan (36m 40s):

Yeah. We were just like, we heard from CMOs who, you know, we reached out to 500 CMOs and said, hey, we'll take you through this as well, personally. And we heard from people saying, I've never been so lost. I've never been so confused about what my consumer wants.

Mike Shields (36m 53s):

I don't know what to rely on. I have nothing, I have no nothing to compare this time to.

Jon Kaplan (37m 1s):

Right. And so there were new consumer challenges and new use cases that people were using the platform for and where people were needing advice on and how brands can fit into that is exactly how we helped them. And so that was a moment for us. And so now we are keeping that going, we haven't stopped. We were doing that today. And then, yeah, we, at the end of the year, we launched something called Pinterest Predicts, which is our annual prediction of what is likely to happen in 2021. And we did this last year and we found out that 80% of our predictions for 2020, despite a pandemic.

Mike Shields (37m 42s):

Wow.

Jon Kaplan (37m 42s):



Came true. So there is enough fodder here that says, hey, these insights are really powerful.

Mike Shields (37m 48s):

You should get into sports betting or something.

Jon Kaplan (37m 51s):

Well, maybe, I think the first step perhaps is to make these trends more available. And so yes, we want to productize this year and put it in the hands of our advertisers to be able to play with our trends, to understand the emerging trends, to understand the audience behind them, to find a category. And if they want to go activate a campaign directly from a tool that they could be able to port that into their buying process. That's a lot of things we're thinking about, so it's a huge focus for us. And I think it's a really differentiated, a big differentiator for the platform because we see things that other platforms don't see and we see it earlier than ever before.

Mike Shields (38m 34s):

Right. And you see we're going to be traveling, going crazy this summer. It's going to be great. We're excited. I'm absolutely.

Jon Kaplan (38m 40s):

Learning it from you.

Mike Shields (38m 40s):

All right. Jon, awesome stuff, really interesting conversation. And thank you so much for the time here.

Jon Kaplan (38m 46s):

Thanks, Mike. Great talking to you.

Mike Shields (38m 47s):

A big thanks to my guest this week, John Kaplan, Chief Revenue Officer at Pinterest and of course my partners in AppsFlyer. If you like this episode, please take a moment to rate and leave a review. We have lots more to bring you, so be sure to hit that subscribe button and we'll see you next time for more on what's Next in Marketing.