How Neil Patel found the right mix of services and software

Victor Snyder spoke with Neil Patel - the "Digital Marketing Superstar" - about what it means to lead an agency in tandem with a software firm, his brand decisions and everything else to do with digital marketing opportunities.

Neil Patel is one of the world's preeminent thought leaders in the digital marketing space. In 2017, he launched both of the ventures which keep him busiest today: NP Digital, an agency that helps companies to optimize their advertising, content marketing, search visibility and social media presences; and Ubersuggest, a web app that helps marketers to identify keyword opportunities for their search engine optimization (SEO) efforts.

I recently had the opportunity to prod Patel and get him talking about what it means to lead an agency in tandem with a software firm, his brand positioning decisions and what executives from legacy brands need to understand about the digital marketing opportunity.

[Victor] In interviews, I've heard you talk

about the advantages of the software business vs. the service business. You're currently leading one of each, with Ubersuggest and NP Digital. How have you found the experience of being a strategic leader of both at once?

[Neil] It's great because I've been able to learn very different things from each business. With both, marketing the product to the right audience with the right messaging is key. But beyond that, actually optimizing the way each business is run is very different, I've found.

With software, it's all about a smart product strategy and constant realignment of development resources according to the latest priorities, whether those are based on data you're seeing from your user interactions with the software or other things happening in the wider market.

With services, you're essentially always going to be limited by the unit economics involved with human resources. The number of client accounts that a team of X people can manage is, for all practical purposes, a constant. So optimizing things there is all about finding ways to make processes more efficient and finding new types of activity or approaches towards tackling activity, that deliver the best value in the minds of clients.

And this last point leads me back to your original question. By running both types of business at the same time, I've been able to experiment a lot with how each helps the other. One thing that we've found in the agency is that smart use of our own software products is probably the most impactful ways to increase the efficiency of our services.

You've sold your equity in some of the biggest marketing software companies of the digital age. To what extent are you approaching Ubersuggest

differently, both as a manager and as an entrepreneur?

"My approach is simple – I operate under the assumption that I need to do whatever is best for my customers, and I don't worry about the rest." – Neil Patel

My Kissmetrics co-founder, Hiten Shah, has talked a lot about the mistakes we made in our early days with that company, and with Crazy Egg, and documenting exactly what he learned from those experiences.

From my perspective, I've been involved with so many different business ventures over the years – and so many have failed, while others have become market leaders before I ultimately, in every case, moved on to other things – that it's hard to pinpoint how my approach has evolved from each situation. I'm sure that if you go back and check out what I said back in 2016 when I was first starting to step away from Kissmetrics, for example, you'll get a sense of where my head was at that time.

But cumulatively, to encapsulate how the road behind me makes me do business differently with my newer ventures? I'm not sure that there's a soundbyte that would do that justice. Like I said, it really comes down to giving the customer what they want, and it always has.

What do you think today's less tech-savvy business leaders need to know about digital marketing that they just aren't aware of?

You have to go omnichannel. You can't build a big business off of one channel.

These days, all of the good customer acquisition channels are saturated and competitive, whether it's search, content, social, ads, email or whatever else.

But if you can figure out how to combine all of the channels out there that are working at least a little bit for your company, then you can build out a marketing mix that holistically drives you some real traction.

With Ubersuggest, your business strategy seems to be to offer features for free that other SEO tools charge premium subscriptions to access. Is this the case, and if so, is the strategy working?

Yes, for me, this has been working. We're seeing some really encouraging growth in recent months.

I'm not really looking at Ubersuggest as a keyword research software category disruptor. Really, in essence, I am disrupting the model that you have to charge for features to do well in the software industry in general. There have to be other ways – better ways – to monetize.

When you first rebooted Ubersuggest as a product on your personal website, you were essentially making a branding decision to associate the keyword research tool with your own positioning as a marketing thought leader in the minds of your audience. What went into this decision, and how committed to it are you for the long term?

I can understand why you might assume it was some kind of strategic branding decision, but it wasn't. I really did it for ease of management. I thought it would be much easier to manage one website versus two. And I was definitely right about that.

I will probably stick to that decision moving forward. I don't have any regrets about it and don't have any plans to change it, anyway.

Victor Snyder is a consultant at <u>BossMakers</u> and a regular columnist and contributor to business publications such as Entrepreneur and Forbes. You can get in touch with him through his <u>Twitter profile @VictorGSnyder</u>.

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