Katie Hotze Rough Transcript

[00:00:00] **Andy Murray:** Katie, thank you so much for joining me today.

[00:00:02] It's been a real pleasure and looking forward to our time to talk about grocery shopping.

[00:00:07] **Katie Hotze:** Yeah. Yeah. Thank you for having

[00:00:09] **Andy Murray:** me. On this particular podcast, we talk a lot about customer centricity and what it means to be customer centric, but before we jump into that, I'd love for you to share your personal journey that led you up to create grocery shopping.

[00:00:22] I.

[00:00:23] **Katie Hotze:** Sure. Yeah. Thanks for asking. So grocery shopping is and retail media technology, and we provide grocers with shopable recipe solutions. How did that happen? That really started with a frustrated digital marketer. I happened to have a very strong background in digital marketing.

[00:00:39] Really from the dawn at digital. I was the person at the bottom of the food chain. Working with HTML and and figuring out a lot of the solutions to demand generation was just, it was the. First thing I ever got excited about in my career. And and then the evolution into performance marketing, which is the data side of marketing.

[00:00:57] And I was actually I'd had a couple attempts at entrepreneurialism and they you're not gonna win every time. So I had a couple that didn't work out and I actually decided to start solving for a personal problem that I had. And it was, I love it. Really. This aha moment I was on the playground with my kids and a friend of mine came over and we were doing the same thing that a lot of women do on the playgrounds.

[00:01:19] You're like, whatcha doing for dinner? What's your doing? Oh, that sounds great. Can you send that to me? And. That was happening. And I remember thinking, this is crazy. This is crazy. Like why is this happen? I said, whatever you send me, I'm not gonna find it when I need it. And so it doesn't even matter.

[00:01:34] And I decided to start just playing with solutions and just drawing out what blueprints would look like for what, what should that shopping experience. Be. And and that's really how it all came to be. And I remember, I can tell you where my car was on the road when the light bulb went off and I'm like, I could just build it inside of the tech stack and have it explode the cart and the whole bit.

[00:01:52] And then through the journey of building tech, you get behind the door with people behind the curtain and they just start talking to you like have you thought about private label? Have you thought about how it's, how's it, what, how's it gonna get in the car? What's that agro and have you thought about how are you gonna partner?

[00:02:07] How you gonna get to market and you just baby step your way in? Yeah. But yeah, it was really that ad hoc that, that aha moment of of building for myself. But it was a time in life when I was getting my mba. I was in consulting, so I was working 50 hour weeks. I was raising two very small children and I was married to someone who's gone all the time, was a pilot, and so I was just really on my own to figure out dinner every night.

[00:02:30] And getting those blueprints put together was the beginning of a journey that started and I ended up getting laid off. And I'm really open about the journey. I think it's just a great, everyone should have a side hustle. But I I, in that moment of getting laid off, I used that funding and paid our first coders, our first UX designer.

[00:02:47] And you know what? I'm just gonna try this and see what happens. And that was,

[00:02:50] **Andy Murray:** I love it. A lot of people asked me, when's the best time to become an entrepreneur? And I think it's your story. It's when you find a problem. That you really wanna solve. Yeah. And it's worth solving. And you can't stop thinking about that problem.

[00:03:04] That's the time to become an entrepreneur. Not when you just say, Hey, I just wanna start a business, and see what could happen. No, you gotta find a problem we're solving. And that's exactly what you did.

[00:03:12] **Katie Hotze:** When you found it, the grind is real. Yeah. And you, that passion has to be, it has to last for years.

[00:03:19] And so you gotta be solving a problem that's very personal. In order to really wake up every day. And the funny thing in entrepreneurial world is I love Mondays. People put the bumper stickers on the cars and it, you have to love Mondays. Yeah. And I was corporate for 18 years. I did not love Mondays.

[00:03:35] No.

[00:03:36] **Andy Murray:** I had halfway career in corporate and half entrepreneurial, and I gotta say I do like Monday's better as an entrepreneur for sure. So at some point though, pretty quickly you had to figure out, is this customer problem. One that more than a sample of one has. And so take me on your discovery process to understand who your customer is, was, and is.

[00:03:58] And how did you learn about the customer and what his or her needs were?

[00:04:03] **Katie Hotze:** Sure. I began my journey with a incubator. And it was a customer discovery incubator. It's actually where I met my co-founder, Mike Johnson. He's our head of technology and he was working on his own project.

[00:04:15] But when you go through customer discovery, like the proper process, it's. It's not what you think it is, and you begin with interviews that are with people who don't know you. This is not your mom and your sister-in-law. Yeah. This is going on Facebook and asking to interview all your friends, relatives, right?

[00:04:33] You gotta get a couple degrees away because no one wants to tell you that your baby's ugly and you need to get input on what is the problem. And how, what's the real problem? Cuz that's the hole you gotta fill. It's not the problem you think in your head. And so that was that was really the beginning of getting close to the problem.

[00:04:50] And I remember going to the head of the incubator years ago and I said, I'm hearing the same thing. Over and over again. He said Katie, it's time to build your prototype. It's time. And and that was really a lot of interesting things that even today, I quote all the time the problem of getting through online grocery shopping was not really a topic.

[00:05:09] At the boardroom table. Yeah. At all. It's just, it's online. They're online. If someone wants to buy, they can buy online. No one cared about the fact that it was an 84% card abandonment rate. No one really cared about the fact that the UX is terrible and that, doubt 40,000 items in the store sounds amazing if I'm walking through one of my favorite large grocers, but 40,000 items online is a nightmare.

[00:05:29] I don't wanna query that. No. And and really at the core of it, no one ever talked about meal planning. No one ever talked about the fact that all those items have to be combined to create an end goal.

[00:05:39] **Andy Murray:** Yep. And how did you get in your process take me through a little bit of the timeline.

[00:05:44] Did you start at, once you had this really desire to fix this problem and work on the problem, did you go straight into the incubator process and is that something you had experienced with before you went through it? Or did you already have a solution in mind and then this was validating the, how you had already designed it out.

[00:06:02] **Katie Hotze:** Yeah, no. I appreciate the possible attempt that I have done this before. I have not. I am what they call, and I'm brand new, a first time founder for this level of growth with the company. And it was really coming in and starting at zero. And I'll tell you, I, I've been doing this a while now in the industry.

[00:06:20] I talked to a lot of people who built, and very often you're building for a problem and you're trying to find. Or, I'm sorry. You're building a solution and you're trying to find a problem to solve. Yeah. That's really common. And so we came in and figured out like a couple things. The busy person who, 80, 88% plus is a woman, that busy person. She does not care what brand the dice tomatoes are. If she has one child in the home, she just wants them in the cart. Just put 'em in the car. I don't care. I don't care what brand they're, and so there's little things like that where you start to go, okay, so we could probably do private label there.

[00:06:52] And you start to listen to the boardroom table. What are they asking for? What do they care about? They care about their margins. They care about making more money. Online they care about being, being in the green online. Just let's actually get, let's actually get to a point of profitability.

[00:07:05] And so all of a sudden you start to connect these dots and compile. But it has to start, we didn't write a line of code until we had the input from over 300 parents. I've been dinged before. Cause they're all in the same region. People are like, oh, is it different needs in different places?

[00:07:19] Like we, we work with National Grocers now. No, it's not, it's really not that different. It might be a different type of product, different type of, solution they're going for. But yeah, we've really found this. This this essential process of building from the ground up with the need of the busy parents.

[00:07:34] When our recipes get pushed into cart we automatically email or text you those recipes. You never have to come back into the system and it's conveniences that they've asked for that we answered. I love that. And I think that's, it's really, I say the cool thing and it's something that I enunciate all the time.

[00:07:50] It's so simple. It's so simple, but it's taking all these simple elements and building out something that is a one-stop solution for a grocer. And for brands obviously, cause our recipes come from brands and bloggers.

[00:08:02] **Andy Murray:** You have solved it for yourself first and started thinking about that way.

[00:08:06] Then you saw a group of 300 inputs that started to look good. And I'm sure you've done many now pitches for funding and investment. And one of the questions obviously is total addressable market, serviceable market. Those kind of traditional questions. How big is this space in terms of moms and such that.

[00:08:24] Actively do meal planning and would raise their hand and say, I could use this. I really do need some help.

[00:08:30] **Katie Hotze:** Yeah. I'm gonna answer your question a little bit of a different way. The data that we have today, the current data, the top three buying groups across all of our stores on the platform are men between 34 and 44.

[00:08:43] Okay. Women between 34 and 44, and women who are 55 plus. And it, so it's really all over the map. You're finding there's a little bit of a cultural shift that we believe Covid had a very key role in playing where you have a very shared responsibility of cooking in the home. And so there's that.

[00:09:06] And then you've got these households that are close to empty nesters. And there's really answering their needs. And so when you think of a total addressable market, you're thinking about who, who's doing the grocery shopping and what is the need that we're solving for?

[00:09:18] We know that people still love to come in the store. Our technology actually maps into store as well. At the end of the day, every single person who's going to the grocery store is cooking something. Yep. It short of a putting a microwave meal in the microwave, they're boiling water, right?

[00:09:34] They're pulling something together, and so you're really talking. This is not about the 60,000 stores that exist in the United States. This is about looking really broadly at the amount of opportunity that exists within every single household. Even if they're doing something very simple, they could be doing more if you simplified the process.

[00:09:52] **Andy Murray:** It's interesting about simplification, but I also look at it in sometimes when we've done meal plans and then shopped accordingly, and when we just said We need to go to the grocery store, our food waste seems higher when we haven't been that thoughtful, and I don't know how many people think about it that way, but there is a cost.

[00:10:11] Associated to not planning well, what your meals are going to be. And does that show up as a need in one of the need states for doing meal planning is, look, I don't wanna have a bunch of stuff left over that I'm not gonna use.

[00:10:23] **Katie Hotze:** It is a cost. And so you think about the, when you do meal plan, even if it's something like cilantro I really only need half of it, so what else can I make with cilantro and throw the other half of it in it. That's right. We, like within our system, we actually have a pantry functionality. So it's actually gonna save everything that you push to cart. And as you go to push your next set of recipes to cart, it's gonna flag and give you a heads up and it can remove everything that you've already purchased if you don't need it.

[00:10:46] Again, that sort of data can be used in many ways to be more effective. The request comes often from grocers to reuse remaining ingredients. It's actually less common in our surveys with shoppers, but that doesn't mean they wouldn't use it. Sometimes you don't know what you don't know.

[00:11:02] That's right. And so there's a lot of testing and playground with that. Now that, keep in mind that kind of text's been available for a long time. We were prototyping, there was a group, no, it was scrappy, but it was a piece of tech. It was an app you could download on your mobile phone and you could type in what's in your fridge and it's going to compute recipes.

[00:11:18] Listen, you can go to chat g p t and do that right now. And so the that type of tack, like catching up to where that is, it's simple. You just have to be able to make it effective where it's. It's aligned with what truly what you've already purchased. And at the essence, Andy, of what we're talking about is loyalty.

[00:11:33] Yeah. Because in order for me to be able to tell you how you can use those remaining items, you have to come back to me.

[00:11:41] **Andy Murray:** Best. That's true. Yeah. Yeah. And there's something about what you've built. I've had a chance to play around a look a bit and I've been super impressed. I love the user interface. You too.

[00:11:48] It's very aesthetically designed well from a UX perspective, which you don't often get that in grocery apps to that look and feel. But it, but for me, being able to say we've got, different food allergies or whatever, being able to do meal planning with some, a lot of different criteria with, especially if we're gonna have the kids over and the grandkids, and.

[00:12:07] It's it can get quite complicated, but I love how it's been simplified is what makes your brand so good. The deep proprietary tech or the ability to understand this customer segment and its need.

[00:12:23] **Katie Hotze:** Gosh. I have to say it's a blend of both. Okay. We pride ourselves in knowing what the shopper's looking for and then trying to also deliver what the shopper doesn't know exists.

[00:12:31] But it could exist like video, shop video. Just thinking about like higher engagement. My brands win, my grocers win, my shop wins. Looking for that sort of environment is really important to us. So being able to continue building in the space where you've got multiple parties benefiting from a piece of technology is very important.

[00:12:52] **Andy Murray:** Yeah. And then for, to, for those that may not know what the product's about and how's it work you work with grocers, right? You don't, it's not really a direct to consumer platform.

[00:13:04] **Katie Hotze:** Yeah. So it's unique in that regard? Yes. Yeah. There's a lot of direct to consumer and there's a lot of recipe shop recipe tools that will take published content, static content and make it shoppable.

[00:13:16] So what we do is we actually work directly with the grocer. So we contract with the grocer and we create a meal planning platform that is API driven, cloud native machine learning, enhanced. It is white label, so it's gonna embrace the look and feel of the grocery store. We get that plugged into their tech stack.

[00:13:32] It's accessible from their homepage, per their decisions. They can call it anything they want. They can source the action points directly into the system wherever they so choose. We can authenticate the shopper on the way in the door so there's no password. We also have guest access. And and that's the meal planning platform.

[00:13:46] It integrates with their backend cart. We can do list as well, but the preference here is to get it all the way to the finish line. That's the initial product offering. And then about late 2022, we started working with brands to show them how they can actually partner with retail media processes that were already in place and allow recipes.

[00:14:07] Which are the highest clicked content? Short of a coupon? Anywhere in social for a food brand grocer to deploy. Get the recipes to lead the campaigns. Yeah. When the recipe leads, the campaigns and all of our recipes are coded, so they can be deployed off platform anywhere. Pinterest, Facebook, Instagram, digital newsletter, circular text.

[00:14:28] Wow. Any email, anywhere you sh you post that recipe, it's gonna have up to a 32 x increased engagement. And it's pulling the shopper from wherever they found it, single click or swipe directly into that grocer's experience recipe, fully populated, one click to meal plan, one click to cart. No one can

[00:14:47] **Andy Murray:** do that.

[00:14:47] No, they can, and I can speak it Up until 2020 when I was still Chief customer Officer at Asad, the second largest ish grocery store in the uk. I would've given my right arm for this and. The way we worked through it, we had a lot of YouTube videos on recipes and such, and, showing what we had. But no one, we could not, the technology was not there to connect the dots all the way through the cart. And so those recipes could be converted to the items we carried, not just generic, items. And that's a pretty big lift. That, that may sound simple, but it's quite a bit of work to do what you just did.

[00:15:24] **Katie Hotze:** Thank you. Yes. We also were Microsoft partner for the first three years We're part of their startup program and so we worked with their engineers to write the keyword algorithm to get the products into the cart. Now it's evolved since then and we use an AI engine now, but it's been just coming out of the gates, making sure that we're bringing something to market that doesn't exist, but also it's retailer first.

[00:15:44] Yes. And as a businesswoman coming into this space, it was really shocking to me to see how. How the brand, the, there, there was just a real imbalance and my grocers were not the tool, the technology they needed, I didn't feel like was easily accessible to them. Where it was really leaning into what was important to them.

[00:16:03] Getting their eCommerce that they're paying for every month fueled getting their private label fueled those elements but creating an ecosystem where everyone's benefiting, right? The shopper just, she just needs awesome recipes and validations imperative. She doesn't just want random recipes.

[00:16:18] She just, she, if she goes onto your recipe page on your site and she sees the same bunk cake twice, she's never coming back. Never.

[00:16:25] **Andy Murray:** And it's, why would she so hard as a retailer to keep that content fresh? Because that's not the real business we're in to keep that content fresh. But you guys do that for the retailer, right?

[00:16:34] You provide and source the recipe and then convert those recipes to the items that particular retailer carries.

[00:16:40] **Katie Hotze:** Sure. Yeah so not only do we have the massive catalog, which just gets bigger every day, and that is we work with the bloggers and the brands to fill that catalog up, and we work alongside the products that are the highest selling products for the grocers.

[00:16:51] So really making sure that we're mapping to the right type of product that your shoppers are looking for. That's a. B is then partnering with whomever we need to partner with. There's gonna be a partner in play to make sure that the who, whoever's selling the ads for those touchpoints. It's different from every size grocer.

[00:17:09] My independence are probably leaning on a third party. Some of my larger grocers, they have in-house retail media. But just making sure that we are now fueling those campaigns with recipes. So we get the highest click rates. It's deployed off platform. They can come in as guest access.

[00:17:22] You're capturing net new shoppers. This is all about just capturing the white space opportunity that is social media. And a lot of my grocers today, just it's spray and prey trying to get content out there and hope, yeah, someone's gonna click on it and hope it does. We also capture all the data.

[00:17:38] We can see the entire path to purchase within our system so we can show you exactly where your shoppers are coming in from, where's the highest return on your media dollar. It's just a totally different world of clarity that we can give our partners.

[00:17:50] **Andy Murray:** Now, Katie, when These recipes, you create the recipes or you're using the recipes.

[00:17:54] We've got some family recipes and my sons cook and such. And to be able to share that is that a available where I could say, Hey, yes. Yeah, you guys should try this. We made it, we loved it, and boom, they could take that recipe and. Drive it right to a cart. Is that possible?

[00:18:08] **Katie Hotze:** Yep.

[00:18:09] Yep. So we, it's, it was so interesting very early ask from people, but we kept saying, is anyone ever gonna use this? And we had it set up already cuz our, and we have a whole in-house team that ingests recipes all day long. All those, all the recipes come from the bloggers and the brands. We don't have in-house chefs, we don't greet them ourselves.

[00:18:25] We don't need to. There's plenty of recipes out there available. And unlocking that access for a user, Yes. A shopper to be able to go in under their unique profile and to be able to add the recipe content exists today. It is live with one of our stores and tests and it's something that'll very quickly and easily be rolled out, but I think it's really important.

[00:18:42] People we had, we actually had a grocer come to us with a family recipe from one of their executives and computing that in it's a little bit of work. It really makes you think a pinch of salt has to be quantified. Interesting. Interesting. Yeah. This is digital world, and

[00:18:57] **Andy Murray:** yeah so standardizing language, I guess one would not think about that.

[00:19:01] Things like you, you use in cooking has to be converted to something that actually is on the shelf.

[00:19:06] **Katie Hotze:** Yep. And then the servings, it's, there's just, there's a lot of we have an in-house group of food editors and they get very close to every recipe. We don't discriminate.

[00:19:15] It doesn't matter where it comes from. We have to make sure because it's getting ready to be shared at volume. And so we need to make sure that, is it serving four people? Is it serving 12 people? Let's make sure we get to the core of that before we, we put on the platform. So yeah there's a lot of work that still goes into it.

[00:19:30] So when single users are adding their own recipe content, it's you're it's a free ride. You're on your own to make sure that the quantities, but pretty much when you talk to people, it, that's very much a holiday thing. Yeah. They very much have recipes aligned with holidays and Typically in holidays, when you're a digital food platform of any sort, people are coming to you for everything except the entree.

[00:19:51] The yeah, the main event. They're coming to you for the sides, the breads, the appetizers, the desserts, and so to be able to give them a place to put all the. Ingredients for, that steak marinade or that, the Turkey recipe. Yeah. And actually, and then share it, right? That's the next tier of this is making sure you share it.

[00:20:08] But then it's all can be fulfilled at X grocery store. That's our client. And so being able to share the link and it's single click to cart it, it's just, A totally different caliber.

[00:20:17] **Andy Murray:** I love it. I, it's something that's really been missing in the grocery online experience and I, like you, I felt it very hard to browse the online experience, and this is one, closer step to browsing, but I'm browsing through a recipe portal, which I think makes a lot of sense from that standpoint. Sorry, I had a phone call. I had to, sorry, I have to edit that out. Jonah, the phone started ringing. I didn't know what to do about that. So what Katie happens to the basket for the retailer who's implemented this?

[00:20:44] Does it get bigger, smaller say about the same?

[00:20:48] **Katie Hotze:** Tell me what happened. So when shoppers are using our meal planning to fill their cart they actually have a meal plan that they're creating, and when they push that meal plan, they have just created a up to 30% larger cart by value and up to 40% larger cart by volume.

[00:21:04] **Andy Murray:** That's amazing. What insight do you have that causes that to happen? What's going on there?

[00:21:10] **Katie Hotze:** It's planning. That I know you're looking for something richer. It's planning. We have followed, we have, we watch at least a hundred shopping experiences every week. I have one employee and that's what he does, and he, we have studied and studied.

[00:21:24] They, those who use the planning tool continue coming back and just figure out what they're making for the week and they push it to cart. I actually have grocers that are more rural. And the more rural the grocery is, the further people have to drive to get there, the less often they can go.

[00:21:40] Typically once a week, their numbers are two x two x. The other stores it, it's just, it's planning. It's figuring out, because if when you add up the four times you go to the grocery in the week, when you add that checkup, that's a big check, right? Oh yeah. And so what you're really doing now is you're putting thought into what you're actually gonna need.

[00:21:57] What do you need for the week? And that goes right back to using up ingredients. Do I need, do, am I gonna have a half an onion, half a cucumber? I've got a half a bag of kale. What can I do with all this? And so the planning becomes really imperative. Getting the bigger cart is an awesome just, yeah.

[00:22:13] Just symptom of being able to be in the meal planning world. I believe that the inspiration's still really our focus. I love that we create the bigger baskets but providing the inspiration to the shopper, creating the stickiness. The shoppers who use our system come back four times more often than a shopper who doesn't use our system.

[00:22:29] **Andy Murray:** Wow. And then when you're putting those items together and you're starting to check out what happens if the retailer doesn't have an item in stock that's in your recipe profile what does the system do?

[00:22:40] **Katie Hotze:** Yeah, so we use a three-pronged decision making algorithm. There are proprietary elements to it.

[00:22:45] However, the pri the beauty of private label when you're filling that way is it gives flex to the grocer. And that flex allows them, some of my stores have multiple private labels and so they can pop, they can set up the selection process so that it maps to what's best suited for them.

[00:23:02] When we go into a new account, they can actually tell us how they want that selection process lined up, which is great. And then we use an AI engine behind the whole thing. And so we always make sure there's a significant difference between fresh dill and produce and dill potato chips. Oh,

[00:23:16] **Andy Murray:** Yeah, you don't want to get that wrong.

[00:23:18] You don't wanna get that wrong recipe,

[00:23:20] **Katie Hotze:** let me assure you. We've prepared some really interesting sales decks going into prospective grocery clients, and we've just found some pretty crazy stuff. And so you, it's easy to get it wrong. You have to have really strong tools in place to get a cart correct.

[00:23:33] If the cart's incorrect, yeah, you're now causing the shopper time. And if you cost some time, they're not gonna return. I

[00:23:39] **Andy Murray:** love this idea though, of going through a recipe filter that is smart because it's gone after the, I want the holes not the drill. And so as you know that, that particular saying goes, and I've often do, we, in, in the uk e shopping, grocery home shopping is huge.

[00:23:54] It's a much bigger, more developed market. And what would be really challenging is if you put some items in and then it gets to check out and it's. Done a substitution or subs, they substitute afterwards. You can't really, if you, yeah, if you don't know the implication to the recipe. And you're making those subs.

[00:24:12] Then at the end, you could be way off base and you could miss out on that. It's a lot of extra work for the shopper to figure out the subs, and a lot of times what we'd end up doing is turning subs off because, you Diet Coke and Coke, those aren't substitutes for each other, right?

[00:24:28] If you're a Diet Coke drinker, you just, you're not interested in Coke, and so the substitution engine can be really, Underdeveloped for a lot of re I know there's a lot of work that goes into that and we did a lot of work on it. But even with that, I'd rather it come through a recipe lens of what's gonna work than come through a lens of just randomly getting your items.

[00:24:50] **Katie Hotze:** Agreed. There's, and there's a a final decision making with that matching process that is in partnership with the grocer. Yeah. And so we do our best to to offer our guidance with that. The solution for us is not to not fulfill.

[00:25:04] So if we can't, if we can't source X we know that the sentiment when nothing is provided is negative. Yeah. So you think about potatoes, yeah. You've got recipe potatoes, you've got, sweet potatoes. You have a very large variety of you the little baby potatoes. Figuring out what that process is part of our food editor's job when that recipe is computed.

[00:25:23] So we have to be able, cuz you can't, there, there's a human element that is still gonna be in play for a while. Not forever. But it's gonna be in play for Cause you have to capture enough data and understand what substitutions take place when the checkout happens to go. That's right. Check. It's Checker X, right? X is a no excel. And the opportunity to be able to showcase exactly what makes it to the cart and then know that, shopper accepted it that process, there's a lot of guidance there. So yeah, we get very involved in it, but at the same time there's, the grocers have opinions and we lean into that.

[00:25:53] We're just watching. When you are a tech platform, you, partnerships are key. And there's a lot that's happening. Sometimes my grocer has in-house doing the shopping. Sometimes my grocer's partnering to a third party. Actually, most often it's a third party doing the shopping. So there's a lot of decision making that's happening and a lot of rules and regulations that we may or may not be able to impact

[00:26:13] **Andy Murray:** from the point of a grocery saying, you know what?

[00:26:15] I really like this idea. Let's get started to up and running. What's that typical process look like in terms of time and effort? Is it a heavy lift or have you guys worked through that? Pretty well by now.

[00:26:25] **Katie Hotze:** If we're already on their e-commerce platform, so we've already done the integration, it's days.

[00:26:30] It's a couple days and it just days of back and forth, making sure that we're ironing out. The wrinkles on our side, it's really ours. If we don't have the integration, it can take anywhere from six to eight weeks. Yeah. Just simply because it's a lot of lifting to come in and get that done. But getting it done is, it's a gift cuz we can come in, have a brand new partner and it will un open the doors for several of their new partners, which is great.

[00:26:51] **Andy Murray:** Yeah. Excellent. You spoke a few times about generative AI and where that might be going. Yeah. Where do you see grocery shopping evolving to over the next couple of years? And thankfully you guys are right at a good time, I think, where it's a real need to be able to simplify the, that experience and enhance it so well.

[00:27:09] But where do you see it going from here over the next couple of years? Yeah.

[00:27:13] **Katie Hotze:** Yeah. Yeah. So the future of grocery shopping is not going in the store, and I know that's the wrong answer to many people. But I would tell you we work for the busy person. Yeah. That is, that's my shopper. And so the busy person is not looking to spend their time walking the aisles.

[00:27:28] And that person needs to have their essentials replenished, and they need inspiration on new meal opportunities in the kitchen. Your essentials. I know that my son only eats one brand of granola bar period, right? It's gonna make it in the card on every trip. Yep. Just put it in the card.

[00:27:47] I don't need to. There's no discussion. Just put it in the cart. But I also know that I get really bored with taco night. And so when you can mix it up and show me different, and I love, like avocados from Mexico is one of our partners, throw a fresh recipe at me and then we partner with a new salsa company recently, throw a new recipe at me, right?

[00:28:02] So mix it up, love it, and then it's single click, get it in the car. So we're trying new things. So I know the kids are gonna eat tacos no matter what. But it's new things getting into the cart. That to me, as a busy person, the day that I have time to go walk the aisles. Cause I love finding new products.

[00:28:15] Yeah. I can go do that. I would actually argue that there is just a whole sampling world that needs to get unlocked. Yes. A hundred percent. That's a whole nother interview. But we've got, we have just. Epic correlation data. I just, the opportunity to identify who's the, has the greatest statistical likelihood of adding anything to their cart period is, something that we're sitting on.

[00:28:35] So when you can get the sampling for the new products in the cart as well, digitally, that's Nirvana. The that's where I believe it's going. How's generative AI gonna get there? So what, so generating anything that's going to be through an AI driven system is gonna have the most optimal outcome, right?

[00:28:50] Because it's, cuz it is just a mass amount of data driving that decision making. So meal planning, that's just the hottest thing now, right? Everyone just goes to chat tea, type in what you wanna make, and get your menu for the week when you're gonna the beach. We have one person that doesn't eat seafood, one person that doesn't, and you start pumping out the meal plans, getting those meal plans to generate to cart. That's great. Loyalty will always have a very important place in the conversation with grocery stores. Yeah. Do they know you? Do they know your preferences? Do they know that one of your children has a peanut allergy?

[00:29:20] No, they don't. Not to not. If you're just using random tools and you're getting pushed to random grocery stores, they're not gonna know that. And so that is really the blessing of getting aligned with the store and having your data get known. So the opportunity for my grocers to get more savvy with generative ai.

[00:29:36] That's a path that I think myself and I know some of my other fellow founders in the tech space for grocery would say they're gonna wanna hold our hand going down that path. Yeah. That's probably not something they're gonna enter on their own.

[00:29:47] **Andy Murray:** You mean without this sounding like a sales plug because I am for you, but I am really excited about what you're doing because I think what Geneva AI chat g p t, is, it opened people's eyes to a different way.

[00:30:00] Of thinking about search, we don't want to search, we want to find, and the response back feels a lot like what you were already doing before chat, g p t. So it only reinforces my point of view that in my point of view, it reinforces. There's a different way to do this than a search-based approach, which is, help me with the solutions I want, and then take it all the way through those next steps and a chat, g p t or such, even with auto G B T it's not gonna have that knowledge and connection to you that I think you've already worked out retailer by retailer and from my favorite store.

[00:30:36] My favorite preference is, you're miles ahead of all of that already, but I think it should give you a tailwind in terms of recalibrating for people, how they can interface with technology in a completely different way. That you just get used to going in and@retailer.com and putting in, the categories and starting to build lists and such, and that that's not, this is a very different experience.

[00:31:00] **Katie Hotze:** Think about the richness of being known, right? So when you do have a preferred retailer and they do have technology in place that is going to be able to compute for you within their ecosystem, right? Yeah. Their infrastructure. And now you've got decisions getting made within walls and and that's a totally different game. You're going from wide to very narrow. But they, the experience is optimal. And so there's, I'll stop myself there. I have to be careful not to get so excited riffing on, on these sorts of interviews, but there, there's a lot there.

[00:31:32] And I can tell you there's a lot of people working on that right now. Yeah. But it has to learn epic amount of test to learn. Yeah. And and sandboxing and that space. But that's just a wide open space and I think that you, it only gets better. Yeah. It's just really a matter of how loose.

[00:31:47] The our government and really society's gonna allow AI to roll before there's regulation on it, but I think within our safe place it's, yeah, it's just a fantastic tool today. It's a good spot for certain things. Tell

[00:32:00] **Andy Murray:** me where you're at right now in your journey, Katie, to grow the company.

[00:32:04] What stage are you in? You've been up and running now for two or three years. And you've taken that plunge and done it, built a team, and you're rolling out what's next?

[00:32:15] **Katie Hotze:** Thank you for asking. So now that we have a very strong group of retailers that are on board and we continue to grow that we have now really focused our energy on getting the recipes into their media campaigns, whatever that looks like, that is the moment I'm in right now.

[00:32:31] And so allowing recipes to lead their retail media strategy is. Just the most optimal way to benefit the retailer, benefit the brands. The shoppers love it. The engagement rates are through the roof. And so that is the, my whole world right now is unlocking that through partnerships and relationships and and then direct kind of richer engagements with our existing clients.

[00:32:53] That's today. That is going to be a ride for us for quite a bit. The 2024 is the data. Really getting closer to today. We're doing a lot of testing with our clients to see what kind of use cases they have for certain data sets that we own, and being able to see how do we partner with you at a deeper level.

[00:33:10] How what is it that we can do to help fill a hole for you so that you can be more personalized improve targeting, and what are your goals, retailer. And let us figure this out. Every retailer's got a different focus and Unpacking that is my master's background is in data and real focus around the opportunity to use data as part of a business strategy.

[00:33:33] And so I obviously get giddy on topics like this cuz we're finally getting to the place that I get. So excited about. But you have to have mass volume abusers, you have to have mass volume of, as a digital marketer and watching these recipes get plugged into campaigns just makes my day.

[00:33:47] And watching people get so excited and plan for the next campaign and things just take off on their own. Yeah. So yeah it's incredibly fulfilling. It's been a long time coming, yeah. It's when we started this journey, Andy the biggest obstacle that we had was people asking me if meal planning was a problem.

[00:34:04] Okay. Heck yeah. Yeah. Oh, I got it. Every table, every conversation, every, is this something we should even been looking at? That's what they'd say. And it was wild to me. So go going from that to a global pandemic and and then obviously, when the price of groceries goes through the roof there's a lot of drivers here and you also have a lot of non cooks in the kitchen.

[00:34:26] Who weren't in the kitchen previously. Yep. All, the last three years, like the, all the behaviors have changed. Oh yeah. And it's it's a great place to be right now and solving problems. Feels good. Yeah. We're here for it.

[00:34:39] **Andy Murray:** I'm a huge fan cause I use the product, the tool. Yeah. And I think it's amazing and it really does allow us to customize our.

[00:34:47] Dietary needs with what you know now, just no kids at home. Your cooking changes, everything changes. And being able to not have a lot of food waste, but really get what you need, be able to have some really cool recipes discovered. It's great and it's a very different way to interact with your grocer when you can.

[00:35:06] You can go down this route. So well done to you. I can't wait to see what happens next and and do find a way to get me any of the new features you've got coming out. So I'd love to be a test pilot for that, to see what happens and how to learn. Because you're right on the cusp of how to be customer centric and really staying customer-centric is so important to you at you.

[00:35:26] Very few founders have taken the diligence and hard work in the front end to really. Work through what do their customers want before trying to get product market fit and building tools. And so you've done it and I think that's a beautiful way to, to launch a business and it's already proving out for you.

[00:35:42] So well done for that.

[00:35:45] **Katie Hotze:** Thank you so much. I appreciate those kind words.

[00:35:47] **Andy Murray:** Yeah. Take care, Katie, and I hope to see you soon. Thank you. You've been

[00:35:51] **Katie Hotze:** lovely. Oh, thank you. Thank you.

[00:35:53] **Andy Murray:** Appreciate this. All right.