For many entrepreneurs, appearing on the TV show Shark Tank is ultimate win. But for Stephan Aarstol, founder and CEO of Tower Paddle Boards, being on the show was just a stepping stone in his quest to build a great brand.

Of course, Aarstol’s start-up paddle board company, Tower Paddle Boards, gained broad exposure from his Shark Tank segment and the deal he forged with billionaire Mark Cuban. Before he appeared on the show, company gross revenue for the first half of the year was a mere $100,000. Afterwards, annual revenues jumped to $1.7 million, and then $3.1 million, and hit approximately $5 million in 2014. Aarstol also credits Cuban with advising on bigger picture strategy and suggesting growth opportunities such as making custom boards.
But the foundation for Tower Paddle Board’s success was laid well before Aarstol’s Shark Tank appearance. The impetus behind its growth was Aarstol’s insight into innovation which he explained to me in an interview. He told me there are three types of innovation. The first is product innovation, which Aarstol describes as the riskiest and toughest. “A lot of times you innovate on a product and then there isn’t a market there,” he says. “There are a lot of unknowns, so that’s the innovation of big companies.”

Smaller companies that can’t afford to take such risks can innovate on distribution. He points to Netflix as an example, saying “Netflix took Blockbuster’s business model of giving people movies in their home, but instead of going to a store, they get them by mail and now they download them.” He says distribution innovation is much easier and, “In today’s world, that’s where the huge gains are being made.” Uber serves as another example of this kind of innovation.

Then there’s marketing innovation done by the likes of companies including Google and Facebook. “They never advertise. They have a product that’s so
compelling, it creates a network marketing effect,” Aarstol explains. “Your customer experience becomes much more important. It’s got to be so over the top that customers will tell their friends.”

Marketing innovation has driven Tower Paddle Board’s success. While other paddle board companies were either selling through specialty retailers or direct through fancy websites and traditional advertising campaigns, Aarstol decided to “hack the system” and use search engine optimization and social media to grow his business. Simply by showing up first in search results and sparking word of mouth marketing, Tower has become a popular brand with a legion of customers and followers. In fact, his zero spend on advertising got the attention of the Shark Tank’s Kevin O’Leary aka Mr. Wonderful (whose deal offer Aarstol turned down in favor of Cuban’s.)

Aarstol’s intuition about his brand also extends well beyond what his Shark Tank success proved. He describes his company as “an online marketing agency that owns a surf brand” and a player in a constantly evolving field. So he says he is always trying to reinvent what they’re doing and ultimately he wants to build a brand that accommodates that flexibility. He holds Richard Branson’s Virgin group of companies as a model and is building his brand to embody the beach lifestyle in many different categories. Flip flops, sunglasses, bikes, surf boards, and other adventure sports are among the 25 companies he has planned for Tower. His goal, to roll out 2-3 companies each year, seems do-able given that they’re all based on the same business model and leverage Tower’s existing strong partnerships with Amazon and daily deals site Woot.

In addition to Aarstol’s insight into marketing innovation and far-sightedness of brand flexibility, Tower’s success rides on his foresight into the future of brand-building. He states, “Every brand is now a media brand,” and he says that energy drink Red Bull has demonstrated the power in creating the media for its target market. That’s why Tower has created its own magazine and amassed 25,000 subscribers. His plan is to launch every new company through the magazine and establish the disruptive nature of the brand through it. “We’re doing marketing backwards,” Aarstol explains. “We’re finding our audience, making them happy, and building a brand before we ever even try to sell them anything.”
These aren’t just claims from an eager entrepreneur. Tower Paddle Boards has been named among the fastest growing private companies in San Diego and top 10 innovative products of INC 500 companies and hailed as a spotlight customer for Amazon and PayPal.

Aarstol may have Shark Tank to thank for fanning the flames of his company’s growth, but his unique take on how to build a brand today ignited Tower’s initial spark and continues to fuel its fire.

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