

The background of the entire page is a vibrant blue with thick, expressive brushstrokes that create a sense of movement and energy. The strokes vary in thickness and direction, some running vertically and others more horizontally, giving the background a dynamic, hand-painted appearance.

FROM

IDEA TO

BRAND

Lessons From
**MultiMillion
Dollar Founders**
on How to
Launch Your
Own Online
Store

by **foundr**

Foundr is a global media and education company that connects millions of people every month with some of the most successful living entrepreneurs of our generation. Entrepreneurs such as **Richard Branson, Arianna Huffington, Mark Cuban, Tim Ferriss and many more.** Foundr breaks down their strategies and experiences into actionable, battle-tested content through magazines, podcasts, videos, blogs, and online courses — so that you too can start, build, and grow a successful business.

We only work with practitioners who have built one or more successful businesses. Our mission is to democratize entrepreneurial education and bring it to the masses to help entrepreneurs build and grow successful businesses and to create the future generation of entrepreneurs that drive humanity forward.

FREE **Masterclass** **with Gretta** **van Riel**

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“Start & Scale” System
Behind Her 4x
Multimillion-Dollar
Brands

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Introduction

Can Anyone Start an Online Store?

You've been thinking about starting an ecommerce business for several months, maybe even years. You imagined what it would feel like to be your own boss and have people buy your amazing product. However, every time you get close to pulling the trigger, fear creeps in. You have no idea where to begin and you start imagining everything that could go wrong, which keeps you from moving forward.

We've been there, and we totally get it! There's a lot of hard work that goes into building a successful online store, which can be intimidating. We know how scary it is to step away from your comfort zone and into the unknown. But we have good news for you: you don't have to be an ecommerce whiz or even have prior experience launching a business to get started.

At Foundr, we've interviewed hundreds—if not thousands—of ecommerce founders who now run 7-, 8-, and 9-figure businesses. Want to hear a little secret? Every single one of these successful entrepreneurs started exactly where you are today. None of these founders are gurus who were born with the magical ability to start million-dollar companies. Just the opposite, in fact. They're all normal people who happened to have big ideas and aspired to create something new and valuable to share with the world—just like you.

They taught themselves everything from scratch, overcame obstacles, and made lots of mistakes to get to where they are today. Luckily, these ecommerce founders are also really nice people who shared all of their knowledge with us so we could pass it along to you.

That's why, in this book, you'll not only get a step-by-step plan to start your ecommerce business, but you'll also find lessons from these successful entrepreneurs woven into each chapter. And these aren't just any founders—these are the people responsible for creating some of the biggest ecommerce companies in the world, such as:

Warby Parker ►  WARBY PARKER

Revolve ►  REVOLVE


Gymshark ►  GYMSHARK

Bulletproof ►  BULLETPROOF™
POWER MIND AND BODY

The North Face ►  THE NORTH FACE

Quest Nutrition ►  QUEST NUTRITION™

Loot Crate ►  LOOTCRATE

Away ►  AWAY

Bobbi Brown ►  BOBBI BROWN

Cosmetics ►  COSMETIC

TOMS ►  TOMS

And more...

▶ THE OPPORTUNITY

AN ECOMMERCE BOOM

If you feel like ecommerce has been exploding recently, it's not just your imagination—the data paints the same picture. By the end of this year, global ecommerce sales will reach \$4.2 billion and make up 16% of total retail sales, and they are only predicted to continue growing. It's also estimated that 95% of purchases will be made online by 2040. That's right, within a few decades, online stores will reign supreme over any other type of retailer. You can see now why we're so supportive of getting entrepreneurs up and running with their ecommerce stores!

Not only is the market ripe for the picking but ecommerce is a great entry point for aspiring founders. Selling products online comes with much lower overheads since you don't need to pay the high rent and other costs that come with running a brick-and-mortar store. You also don't need to hire employees in the beginning and can run your entire business from the comfort of your own home. Ultimately, this means more profit for you and more competitive prices for your customers.

THE RISE OF INSTAGRAM

Instagram has completely changed the playing field (for the better) when it comes to ecommerce. The "Shoppable Posts" feature is

still relatively new to the platform, but it's already gained an insane amount of traction with 130 million Instagram users tapping on shopping posts each month. And the checkout feature makes it possible for users to buy products without ever leaving the Instagram interface. Instagram Stories is also proving to be a powerful marketing tool, with 62% of people saying they've become more interested in a brand or product after seeing it in Stories.

These built-in features, paired with the fact that Instagram only continues to increase in popularity, is likely why Instagram boasts a high conversion rate, with 46% of users making a purchase after seeing a product on the platform.

AN INCREASINGLY MOBILE AND BUSY WORLD

More than ever before, people are busy and on the go, which means that more people are turning to mobile to get their daily tasks done—including shopping. That's why 67% of millennials and 56% of Gen Xers say that they prefer to shop online versus in a brick-and-mortar store and spend around six hours each week doing so. What they love about the mobile shopping experience is that they're able to shop at all hours of the day, easily compare prices, access lower prices, and save time. That's why mobile ecommerce is predicted to account for 72.1 percent of digital sales by 2021.



THE BENEFITS



INCREASED INCOME POTENTIAL

One of the best things about launching an online store is that you have more income potential. What do we mean by this? At most 9-to-5 jobs, the only time you can make more money is when your manager decides to give you a promotion or a raise, which happens at most once a year.

On the other hand, with your own

ecommerce business, your potential to earn more money depends entirely on you. Not only does selling products online bring big profit margins but ecommerce also continues to grow year after year. Don't get us wrong: we're not saying it's easy or that you're guaranteed to make money from your store. You have to put in the work and approach your business strategically. But once you figure it out, the formula becomes simple: sell more products, increase your income.

Standard Job Salary and Ecommerce Store Salary



Let's take a look at Adam's story to better understand what this looks like.

Adam Hendle, Ballwash

Built a 7-figure business in seven months

When Adam first launched Ballwash (yup, it's exactly what it sounds like!), his first product ever, he wasn't getting the results he was hoping for. His business was making \$2,000 a month, but that wasn't enough for a full-time income, and he wanted to take his sales to the next level. So Adam decided to enroll in Foundr's Start & Scale course to learn more strategies and tactics regarding product validation and building an engaged audience. Seven months later, he was making \$60,000 a month. That's right! He grew his business 30X simply by applying his newfound knowledge.

***Side note:**
Remember that, while your salary may increase, there are still costs associated with running an ecommerce business. So keep that in your calculations while daydreaming about your potential income boost!

FLEXIBILITY

One of the other aspects we love about starting your own ecommerce business is that it provides a lot of flexibility. If you're not ready to leave your full-time job yet, you can always build your online store as a side hustle first. You also have the ability to conduct most of your business from the comfort of your couch or home office—a benefit that not many other jobs can offer. Let's now take a look at how Fiona built a booming business during her time away from work while on maternity leave.



Fiona, GlowDry

\$71K in eight months; award-winning product

As a fan of spray tanning, Fiona decided to launch her own brick-and-mortar spray tanning business when she was five months pregnant. She was averaging about 10 clients per day, and business was booming. Fiona had to step away from her company during maternity leave but, during that time, she decided to create a supplementary product of her own.

So, while Fiona was away from her main business, she managed to build another one on her own, called GlowDry, a fake tan drying powder. By enrolling in Foundr's Start & Scale course, she was able to launch her ecommerce store and return to her original spray tanning business. Since launching GlowDry, Fiona's business has seen \$71,000 in sales, has stores in Ireland and the UK, and already won an award for Best Tan Blending and Pre-Bedtime Tanning.

Personal fulfillment

Everyone has their own unique reasons for wanting to start an ecommerce business. For some, the idea of bringing a product to life is exciting. For others, being able to call the shots when it comes to their career is what's most important. No matter the reason, there are few things that are more meaningful and fulfilling than successfully running and launching your own online store.

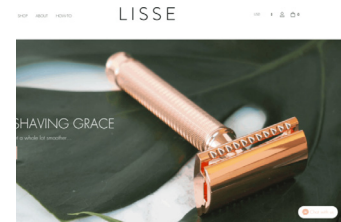


Tania Eves, Me And The Brave

Earned \$30K in seven months

As the mom of two adventurous young boys and a lover of travel, Tania dreamed of creating 100% wool, wide-brimmed fedoras to inspire the wanderlust in everyone. However, she had no idea where or how to get started. But when she saw a Facebook advertisement for Foundr's Start & Scale course, she knew she'd found exactly the resource she was looking for.

After learning the ins and outs of designing, manufacturing, and marketing her product, she launched her business and immediately sold 20 hats. In seven months, Tania received over 430 orders and made \$30,000. While she's thrilled about the profits she's seeing, her true excitement stems from the personal satisfaction of seeing families like hers build a life of adventure for themselves with her hats—a dream she was able to make a reality. She also loves seeing that many of her customers are repeat buyers, which shows that they love her hats so much they're buying them for friends and family.



Amy Mitchell, Lisse

Built an engaged community of 2,000 people; Earned \$18K since launch

Amy was always an entrepreneur at heart. But she had no idea what type of product or service she wanted to offer. So when she quit her job to pursue her dreams of starting her own company, she was feeling lost and confused.

Thankfully, she discovered Start & Scale and—through the course—came up with the idea for Lisse, a rose gold, cruelty-free shaving razor for women. She dived deep into the

modules on Instagram and user-generated content and was able to organically grow a highly-engaged community of just under 2,000 people in three months. She also built up a 900-strong email list which brought in 96 orders on launch day and has made over \$18,000 since then.

Because of Amy's initiative and dedication to learning the ropes of building her ecommerce

business, she was able to break out of her rut and find personal fulfillment by going after her true calling.

There are so many other benefits that come with starting an ecommerce business that will become evident as you work through this book. But we know you're itching to start learning, so let's keep going!

▶ WHY THIS BOOK IS DIFFERENT

You may be wondering: why should I choose to invest my valuable time in this book over the hundreds of other resources that are floating around on the internet? Well, there are a few reasons why we (humbly) think our book is a bit special:

1.

As we mentioned before, **we're not 'gurus'** and don't ever claim to be. Every founder featured in this book has built seven-, eight-, and nine-figure ecommerce businesses and has walked the walk. Not to mention that all the advice we share has been battle-tested by multiple successful entrepreneurs as well. We also talk about case studies of real people just like you who have been able to create profitable ecommerce businesses, fulfill their lifelong financial goals, and experience the freedom of entrepreneurship.

2.

The strategies and tactics taught in this book are evergreen. We don't believe in quick-hit hacks, fads or shortcuts when it comes to building your business. Every lesson you learn in this book is one we promise will be relevant for many years to come.

3.

The type of content we provide in this book is information you would normally pay thousands of dollars to get your hands on. We don't just give you a high-level checklist and expect you to figure out the rest for yourself. **We provide insanely in-depth and detailed advice.** And when we say detailed, we mean it. Every single chapter is chock-full of real-life case studies, advice, and actionable tips from some of the biggest ecommerce founders out there.

WHO IS THIS GUIDE FOR?

We wrote this guide with a very clear audience in mind. If you:

Want to start an ecommerce business from scratch

Have an existing ecommerce business but you aren't getting enough sales to sustain momentum

Then you've come to the right place! We believe that anyone who falls into one of these categories will gain a ton of value from reading through and applying the knowledge that we share in this book.



*“What
Should I Sell?”*

**Finding And
Validating A
Winning
Product
Idea**

CHAPTER 1: GETTING STARTED

Before we dive into the nitty-gritty of coming up with a product idea, we want to use this chapter to explain why thorough preparation is key to developing a winning business idea.

The reason why we want to call your attention to this is because we know how tempting it might be to skip Part 1. Maybe you already thought of the perfect product idea and feel like you don't need to go through this step of the process. Or maybe you're hoping the right idea will strike you while you're on your next morning job. Unfortunately, coming up with an air-tight business idea isn't so simple!

It's not enough to think your product idea is good. In fact, it may be detrimental to think that at all. What may seem amazing in your head doesn't necessarily reflect reality or the point of view of the people who really matter: your future customers.

For example, let's say you discovered how to make a magical concoction that, with a few drops, can make all your drinks taste like root beer. As an avid root beer lover, you think this is a brilliant idea. So you invest a ton of time, money, and energy into building an online store that sells this transformative liquid. But you didn't go through the process of using a problem-first approach, identifying your ideal customer, or validating your idea. Your business flops because you learned afterward that the majority of people who would buy a liquid beverage mix online actually dislike the taste of root beer. Oops. This is a silly example (and we don't actually know how most people feel about root beer), but it demonstrates how

risky it can be to come up with a product idea without a process. The good news is that if you take the time to follow the steps in Part 1 of this book, you'll have a much better chance of coming up with a product that people will actually want to buy.

IN SUMMARY

- Don't skip Part 1!
- It's not enough to think that your own product idea is good
- Remember the root beer example.

CHAPTER 2: BRAINSTORM PRODUCT IDEAS

One of the most efficient ways to brainstorm product ideas is to focus on solving other people's problems. This is also known as taking a problem-first approach. Simply put, this means thinking about a common issue people are dealing with and creating a product that becomes a solution to the problem.

KEY DEFINITION

Problem-first approach: To identify a problem and think of potential solutions to inspire a product idea.

The reason why we advocate this approach is because the world doesn't necessarily need more products. What it does need is better solutions to existing problems. So instead of asking yourself, "what product can I sell?", instead ask, "what problem can I solve?" This type of problem-first thinking is important for several reasons:

1 First, it gives you the opportunity to **find a unique and better solution** to an existing problem than other standard products on the market. By thinking about the problem first, you'll have a fresh perspective on solutions compared to what already exists.

2 If your product is solving an existing problem, you'll already have a built-in customer base that **you know will gain value** from your product. This doesn't mean that you can skip the process of validating your product (we'll get into that in an upcoming chapter), but it does mean there's a higher likelihood of finding customers.

3 Using a problem-first approach will also make it easier to **create more products that are relevant to your brand** because you'll always have that starting point to work from. In other words, when you go through this process once, you'll have a good sense of what your existing customers want and need, making it easier to come up with a related product.

You may be wondering, "what's wrong with thinking of a product first?" Coming up with a solution before you know the problem you're solving can be detrimental to innovation. Once you have a solution in mind, it's easy to become fixated on it—even if you know in your gut that it might not be the best one. It's similar to answering a question before knowing what the question is. You can certainly take an educated guess, but it's usually going to be off the mark.

That's why it's more important to focus on the problem first. Once you identify a problem you want to pursue, think of as many creative solutions as possible. And don't worry about picking the "best" idea now—we'll walk you through exactly how to narrow down your list in a few chapters.



Foundr Lesson, Warby Parker Dave Gilboa and Neil Blumenthal | 10-Figure Co-Founders

One of the best examples of taking a problem-first approach to an ecommerce business is Warby Parker, a company famous for selling trendy eyeglasses online at an affordable price. The co-founders, Dave Gilboa and Neil Blumenthal, initially came up with the idea for their store after realizing they'd both had the shared experience of losing their glasses and having to pay \$700 to replace them.

Frustrated by the lack of affordable eyewear, the duo came up with the solution to start an ecommerce business that sells affordable eyewear and offers a completely innovative online shopping experience. As a result, Warby Parker today is a billion-dollar empire and a beloved brand that has completely revolutionized the glasses industry.

As you can see from Gilboa and Blumenthal's experiences, they took a common problem (expensive eyewear) and came up with a creative solution by introducing more affordable options and a consumer-friendly shopping experience. There are a few other tips we can pull from these founders' experiences as well:

Consider your own pain points. Think about it: you're a consumer of many products. This means that if there's a pain point you've struggled with time and time again, it's likely that others have experienced the same thing—just like the idea for Warby Parker

was born out of Gilboa's frustration with purchasing expensive glasses.

So any time you find yourself feeling frustrated about a product or wishing that something better was available, jot down that idea! It may help to keep a journal or notepad on hand so you have a place to document your thoughts. If you want to be more intentional, create a list of products you use on a daily or at least a consistent basis. Then go through each one and think through the pros and cons of each to get your ideas flowing.

Be aware of the trends. Warby Parker wouldn't be the business it is today if the co-founders hadn't recognized the power of the internet. Keep your eyes and ears open for the latest business trends. If you're not sure where to find this information, websites like Trend Hunter, Kickstarter, Pinterest, or Alibaba can help.

On Trend Hunter, search according to a category you're interested in (i.e. fitness, health and wellness) to see what's popular. Similarly, browse Kickstarter to see what types of projects people are trying to get funded, and relevant Pinterest boards to see what's foremost in the minds of consumers. Alibaba also shows trending products within specific categories. Finally, watch shows like Shark Tank for inspiration and to see how the investors react to certain types of products.

Below are a few screenshots so you can get a sense of what each website looks like when you're searching specifically for health and wellness-related trends. Feel free to experiment with different combinations of keywords until you feel like you've hit what you're looking for.

TRENDSHUNTER

ALL FASHION TECH LIFE CULTURE DESIGN ADS BUSINESS ECO GOOD LUXURY BIZARRE KEYNOTES

Grid of 8 TrendHunter trend cards:

- Top 80 Health Trends in March**: From Restorative Wellness Experiences to Portable Personal Diffusers
- Gut-Boosting Probiotic Shots**: Gut Shots Support the Digestive System with Fermented Kraut Juice
- Ergonomically-Structured Pillows**: The Zoey Sleep Curved Pillow Was Designed for Side Sleepers
- High-Performance CBD Gummies**: Social CBD's Broad-Spectrum Gummies Support Active Lifestyles
- Mental Health Awareness Games**: The Kelowna Rockets & CMHA
- Focus-Boosting Chewing Gums**: Neuro Gum & Neuro Mints Share a
- Whitening Charcoal-Infused Flosses**: The Lucky Teeth Charcoal Floss Has a
- Heat-and-Eat Veggie Bowls**: Ark Foods Makes Better-for-You Meals Like Alfredo Veggie Spaghetti!

PINTEREST

Pinterest search results for "health and wellness":

- Search filters: Quotes, Challenge, **Activities**, Bulletin Boards, Recipes, Trends, Business, Overall, Logo, Tracks
- Pin 1: **AYURVEDA 101 A LOOK AT THE BASICS** - Watch more videos
- Pin 2: **how to practice SELF-CARE for good health** - How to Practice Self-Care for Good Health // Four Wellness...
- Pin 3: **NEW! Yogi Blackberry Apple Cider Digestive Awakening Tea** - Promoted by Yogi
- Pin 4: **9 BAD HABITS I Stopped THAT IMPROVED MY Mental Health** - 9 Things I Stopped Doing That Helped My Depression And...

KICKSTARTER

Kickstarter search results for "health and wellness":

- Filters: health and wellness, projects in All Categories, on Earth, sorted by Popularity
- Explore 126 projects
- Project 1: **Recipes for a Zesty Life** - A health & wellness book
- Project 2: **Meeha - How America Experiences Health and Wellness** - meeha is a consumer application that allows people a mechanism to unite, to nurture and share their
- Project 3: **Aspire & Persevere: Health & Wellness app for Young Athletes** - We are focused on the well-being of our young athletes and in helping them to have the best they can

ALIBABA

Alibaba product listings:

- Trending Selections**
 - 2020 New Arrival Presentations: Selected trending products
 - lcd display 8809C bo...: \$6.15 - \$8.50, 500 Pieces (MOQ)
 - Handheld vibrating...: \$50.00 - \$70.00, 10 Pieces (MOQ)
 - disposable empty pl...: \$0.18 - \$0.20, 20000 Pieces (MOQ)
 - Portable Pulse Oxim...: \$7.80 - \$9.00, 1 Piece (MOQ)
- Top Ranking Products**
 - Hematology Analyzer**
 - \$3,666.00: 1 Set (MOQ), 20+ views
 - \$888.22: 1 Set (MOQ), 7 reviews
 - Infrared Thermometer**
 - \$10.00: 100 Pieces (MOQ), 3 views
 - \$7.50: 1 Piece (MOQ), 2 views
 - Nebulizer**
 - \$19.00: 2 Pieces (MOQ), 20+ views
 - \$12.12: 2 Pieces (MOQ), 8 reviews

Don't put pressure on yourself to reinvent the wheel.

As an entrepreneur, you may have the urge to innovate and create a completely new product. While we understand this desire, it's challenging to think of a product idea that's never been done before. But it is possible to improve on what's already been done. And as you can see from Warby Parker's origin story, that alone is enough to create a hugely successful ecommerce business.

Many times, you can improve upon a specific product aspect or the product itself can present new problems. For instance, toothpaste is a product we're all familiar with and use on a regular basis. But it's also a product that presents new challenges such as being messy if carried around in a bag, not being easy to use on-the-go, and producing a lot of waste. We share in the case study below how one of our Start & Scale students addressed these exact problems and created a refreshed product without having to reinvent the wheel.



CASE STUDY

In addition to the Foundr Lessons we incorporated throughout the book, we also wanted to share the real-life experiences of some students who have gone through our courses. We're so proud of their accomplishments and hope they can inspire you and show you the results you can achieve.

WHO

Lindsay McCormick | Reinvented toothpaste to be all-natural and plastic-free

THE PROBLEM

Lindsay didn't like that toothpaste was wasteful and difficult to take on-the-go. So she decided to reinvent this commonly-used item and instead create a vegan zero-waste dental hygiene product. However, she launched with no clear strategy and was quickly overwhelmed by the demand.

THE SOLUTION

Lindsay decided to enroll in Start & Scale and, through the lessons taught by Gretta van Riel, learned how to outsource manufacturing, manage her inventory, and use influencers to promote her products.

THE RESULT

As a result of taking the course, Lindsay saved herself a lot of time and energy trying to run her business by herself and now understands how to promote her business efficiently. She is presently selling her reinvented toothpaste and is able to keep up with the demand.

IN SUMMARY

- Take a problem-first approach to brainstorm ideas
- Come up with as many solutions as possible—we'll narrow down the list later!
- Think about the pain points you deal with in your own life
- Find inspiration through websites like Trend Hunter, Kickstarter, and Pinterest
- Remember that you don't need to reinvent the wheel

CHAPTER 3

THE P.S.S.P FRAMEWORK

Once you have a list of ideas to work with, the next step is to place all of them into the P.S.S.P. Framework. This is a framework that serial entrepreneur and Foundr instructor, Gretta van Riel, came up with and uses in her own ideation process. The purpose is to link and contextualize your problem to a solution and then come up with a more polished product idea.

In this framework, the first P stands for problem, the first S is for statistic, the second S is for solution, and the final P is for product. Using this framework will really simplify and highlight the way in which your product becomes a solution to your problem. The best way to demonstrate how to use this framework is through a real-life example.

KEY DEFINITION

The P.S.S.P Framework

P = Problem. What is your product trying to solve?

S = Statistic. This is data that supports the need for your product and adds credibility.

S = Solution. What is the solution to the problem you identified earlier in the framework?

P = Product. What would this solution look like in the form of a product?



Foundr Lesson, Drop Bottle Gretta van Riel | 4x 7-Figure Founder

In this lesson, we'll use van Riel's brand, Drop Bottle, to demonstrate how the P.S.S.P Framework works. To share more background about her company, Drop Bottle provides creative hydration solutions that don't hurt the planet. Since the brand ethos is "every drop counts," every Drop Bottle purchased helps to decrease waste from single-use plastic bottles, and the company also makes contributions to its charity partner DROP4DROP for every bottle purchased.

But before van Riel even had the idea for the Drop Bottle brand, she was first looking to solve two core problems that revolve around hydration and sustainability. This is how she used the P.S.S.P. Framework to highlight the problem, statistic, solution, and product for each.

HYDRATION

P (Problem) = The problem is that most people don't drink enough water, and dehydration is detrimental or even dangerous to the human body.

S (Statistic) = A stat to highlight this problem is that fatigue is one of the first signs of dehydration. Our bodies are made up of 64% water, and a loss of just one to two percent of body weight of water is enough to cause the onset of fatigue.

S (Solution) = The solution is a hydration solution that helps people drink enough water.

P (Product) = The product could be a fruit infuser drink bottle to creatively rehydrate on the go.

SUSTAINABILITY

P (Problem) = The problem is the waste caused by single-use plastic, especially from everyday items, like plastic, single-use drink bottles.

S (Statistic) = A stat to highlight this problem and, thus, the need for a solution is that single-use plastic from everyday products accounts for over half of the world's plastic waste.

S (Solution) = The solution would be to make this drink bottle reusable.

P (Product) = The product idea is a reusable, glass drink bottle.

KEY DEFINITION

Unique Value

Proposition: The unique benefit and value your product could provide to a potential buyer.

To figure out what kinds of things people find valuable, van Riel offers an intentional process to help you come up with the UVP for your product. First, you have to understand the four dimensions of your product, which are:

Design

The look and feel of your product

Function

How your product works

Price

The perceived value of the product

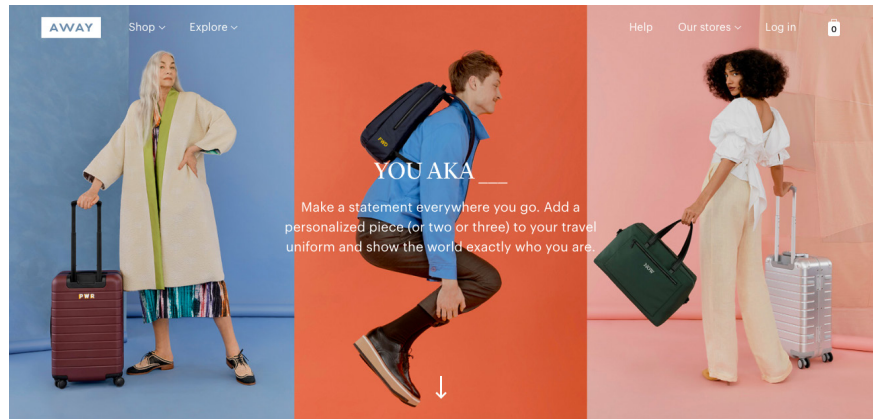
Time

When and for how long the product is available

To sum up, van Riel's formula for creating and identifying your UVP is to make at least one part—or dimension—of your product unique, whether that's the design, the function, the context, or the price. Let's illustrate each of these dimensions with an example:

Design

A classic example of making design your UVP is the use of customization, which is based on a specific customer's preference or request. A great example of this is Away Luggage, which is famous for allowing people to customize their luggage—either by painting, engraving, embroidering, stamping, or putting a sticker on Away Luggage merchandise. This adds a fun and personal touch to their products and helps it stand out from other boring luggage companies.



Function

One of the best ways to change the function of a product is by solving an existing customer pain point. To do this, think about what the product is currently used for, the problems with it, and how each problem could be solved. If you need ideas, we recommend checking out the negative reviews of similar products on Amazon (example below) or review websites like Trust Pilot. Ignore the one-star reviews as they'll just be people who've had an unusually bad experience. Instead, look at the two- and three-star ratings. Those will usually indicate which recurring problems customers are facing.

For example, let's think about reusable straws. A common problem people have with them is cleanliness—most standard straws are just stuck in people's bags, take up an awkward amount of space, and collect dirt while rolling around. So a functional solution to these pain points could be designing a straw that's retractable and able to be folded down to fit in a small, antibacterial copper case. This, in turn, would help protect your straw from dirt and be much more compact.



R. Pauly

★★★★☆ **Just OK**

Reviewed in the United States on November 5, 2019

Color: Brown/Pink | **Verified Purchase**

I like the idea of carrying a straw with oneself, but this package is bigger than one wants for a keychain as it is thick and about 2X3" although this is a guess because I didn't measure. So although your fit the straw together it still takes up a lot of room. It feels like silicon although I haven't tried it in a hot drink. I guess I would have liked it better if it was in a smaller container. I can put this in my purse and it will be fine but I was picturing it on my key chain and it is simply too big.

Helpful

Comment | Report abuse



Glenn & Ana Pendergrass

★★★★☆ **Decent for the money**

Reviewed in the United States on January 5, 2020

Color: Brown/Pink | **Verified Purchase**

These are 100% silicone with no outer metal layer so they are very floppy and tend to suction themselves to the floor of the cup you're using them to drink out of or get kinked up in the ice. But they are still a great substitute for a plastic straw. They clean easily and fit nicely into their carrier in a purse or whatever.

Helpful

Comment | Report abuse

Price

For this dimension, think about whether you're going for a lower, direct-to-consumer price point—which is more accessible to the masses—or a higher price point for more exclusivity.

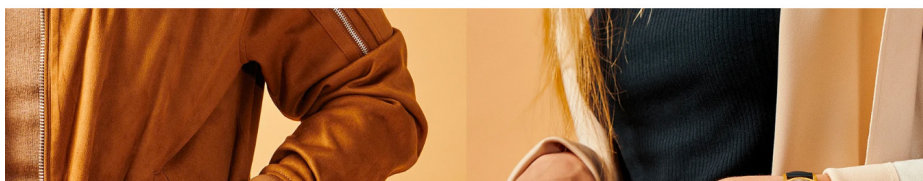
For example, Warby Parker is a great example of the former option. The brand offers eyewear for under \$100, which is typically much less than the cost of eyewear. This is a huge differentiator for this brand, and one of the pain points they originally set out to solve when they built the company—in other words, it's their UVP.

On the other hand, if you want to purchase a pair of sunglasses from Chanel, you can expect to pay at least four to five times that amount. While pricier, this type of luxury model builds exclusivity through high pricing. The choice is yours, but the way you price your product—whether lower or higher—can help set it apart from others in the market.

Time

This can be the amount of time that your product is available for. For example, one of the ways that van Riel distinguished her watch company—The 5th—from her competitors was by changing this dimension. She decided to only sell her watches on the fifth of each month for five days. This scarcity created demand and the exclusivity increased the perceived value.

Traditionally crafted, uniquely designed watches to suit your individuality. New designs dropping on the 5th of every month.



IN SUMMARY:

- The purpose of the P.S.S.P. Framework is to link your problem to a solution in order to come up with a product idea
- Take a look at how van Riel used this framework, along with her problem-first approach to ideation, to eventually develop her Drop Bottle brand
- Understand what UVP is and how you can build this into your product by changing one of the four dimensions we shared
- Now it's your turn to apply the framework to your own ideas!

CHAPTER 4

NARROWING DOWN YOUR PRODUCT IDEAS: CHOOSING THE RIGHT ONE

Now that you have a list of ideas from working within the P.S.S.P. Framework, we can narrow it down! This chapter will help you determine which idea is the most viable for an ecommerce business based on a number of key factors. By the end of this section, you should be able to answer the following three questions:

1. Is there a market for my product?
2. Is there a demand for my product?
3. Is my product viable for ecommerce?

To make the process as easy as possible, we'll address each question individually!

IS THERE A MARKET FOR MY PRODUCT?

This is a super important question to think about because it gives you a sense of how much room there is for your product in the market. The market size should be large enough to generate business, but not insanely overcrowded. We recommend doing the following to get started:

Start researching the market size of the industry you're looking to enter. A quick Google search should give you the information you need. Find out how much revenue your industry made as a whole in the previous year. Go back a few years if recent data isn't available. Also, if your product is super-niche or intended for a specific audience, become as familiar as possible with these segments of the market. The purpose of this is to have an idea of how big or small the market is.

Expand your search. You don't have to feel

confined to only researching your specific industry—go broader with your search too. For example, let's say your product idea is a water bottle designed specifically for active people. After you research the water bottle market, you may also want to look more into the health and wellness industry or the athletic accessory industry (gym bags, towels, etc.). While not directly related to your product, these other areas may be competing for the same audience so it's good to get a sense of their market share as well.

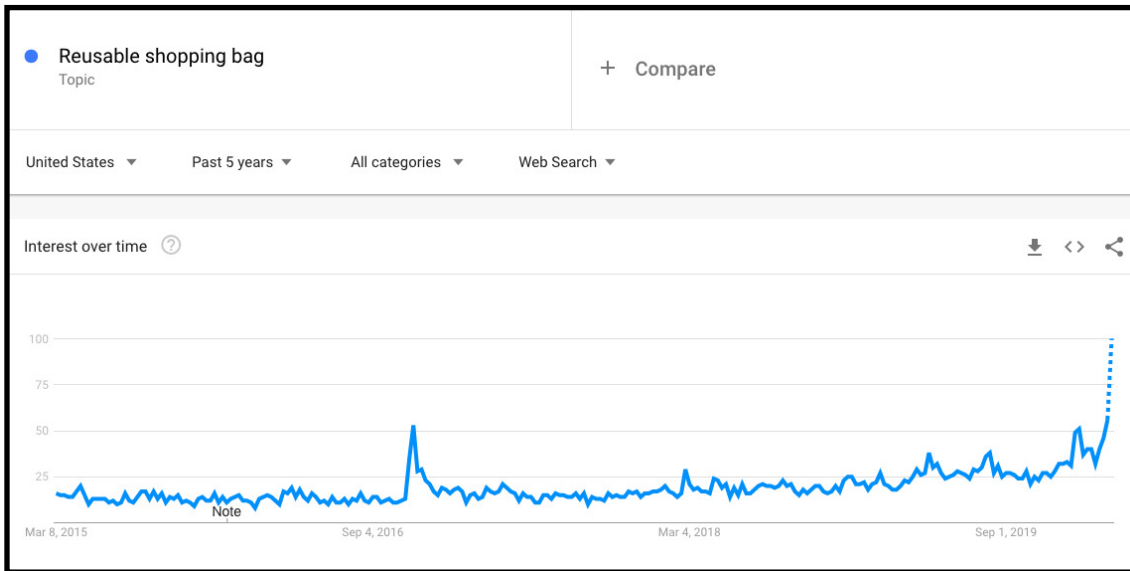
Check out articles or industry reports. Articles and industry reports are rife with valuable information. If you're looking at a specific competitor, check out the media coverage they've received to collect information and understand how they're positioned in the market. Similarly, industry reports compile useful data such as industry benchmarks, trends, and more. Just confirm that these articles and reports are from a credible source!

IS THERE A DEMAND FOR MY PRODUCT?

Another way to frame this question: is my product trending? The purpose of asking this question is to see whether your product idea will have a fresh appeal to your target audience and capitalize on the most recent trends. The last thing you want to do is to launch a product that people yawn at because it's the same old. Let's take a look at a few ways to see if there's a demand for your business:

Take a look at Google trends. Visit trends.google.com and enter a search term or product. This will help you identify upward or downward trends in search volume for specific terms or products. We recommend doing a worldwide search over the last five years. There's even a section that shows you related topics and queries to help you choose the keywords to describe your product based on search demand for that term.

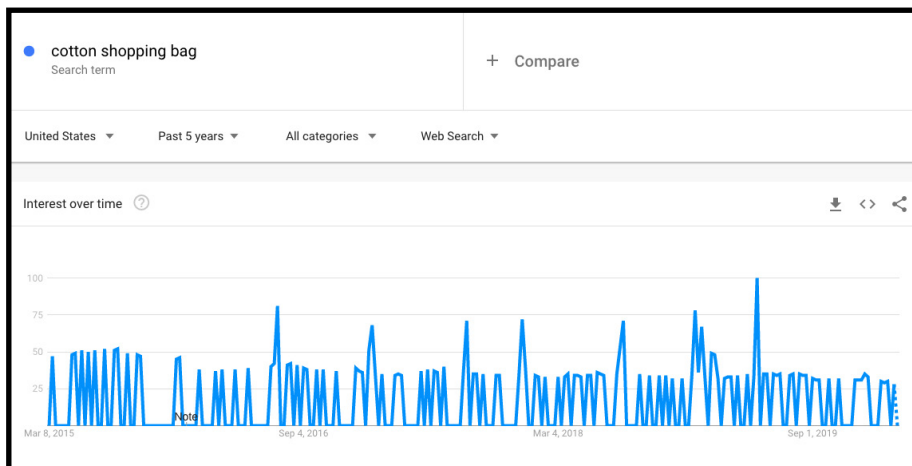
For instance, in the screenshots below, you'll see we searched for "reusable shopping bag" on the Google Trends website. From this search, we can see that the demand for this search term has increased over the last few years—a good sign! And below, we see related topics and similar queries for people who are interested in this term.



Related topics		Related queries	
Rank	Topic	Rank	Query
1	Bag - Topic	1	reusable
2	Reuse - Topic	2	bags
3	Shopping bag - Topic	3	reusable bags
4	Grocery store - Topic	4	reusable bag
5	Shopping - Topic	5	grocery bags

Compare search terms. If you're stuck between multiple ideas, take these search terms and compare them against each other to see if any stand out from the rest. The goal is to choose the less saturated market to ensure that there's still enough demand for your potential product and also to see whether that demand is increasing or decreasing over time.

For example, let's say you're deciding between the terms "reusable shopping bag" and "cotton shopping bag" since your bag will be made out of cotton. So you type in the latter search term and get these results:



Compared to "reusable shopping bag," the results for "cotton shopping bag" are much more consistent and don't show clear growth or demand. Given this data, you may want to stick with "reusable shopping bag" as your main search term.



Foundr Lesson, The North Face Hap Klopp | 10-Figure Founder

One reason for The North Face's success is keyword research. According to Klopp, one of the keywords they identified as being extremely important to employees, consumers, retailers and stakeholders was 'quality.' There was a demand for high-quality apparel that would last beyond a few wears.

In order to convey that idea to the marketplace and stand out from competitors, Klopp introduced the Lifetime Warranty policy. This made it clear to customers that The North Face prioritized quality over everything else. The brand used this promise as a way to sell a more expensive product, and manufacturers were motivated to create the best product, knowing that if they failed it would be back for repair.

IS MY PRODUCT VIABLE FOR ECOMMERCE?

Now, let's move on to what is potentially the most important question when it comes to narrowing down your ideas: is my product viable for ecommerce? The truth is that you could have a brilliant product idea but it may not actually be viable for ecommerce. That's why it's so important to make certain you have a clear answer to this question. These are some of the most critical factors to consider:

Shipping. You can't have an ecommerce business without shipping your products, which is why it's one of the most important components of your online store. Here are a few questions to keep in mind when narrowing down your product ideas:

Can my product be shipped worldwide?
Is my product lightweight?
Is my product sturdy and difficult to break?

If you can't answer yes to all of these questions, you may want to reconsider your product idea. If you can't ship your product globally, your audience reach will be limited, which will prevent you from scaling at the pace you want. If your product is too heavy, the shipping costs will be high and turn off your customers. Specifically, you want to cover the cost of shipping with your product price so that you can offer free shipping, which will increase conversion rates. And if your product is easily breakable, you may get a lot of refunds.

Regulations. Another thing to take into account is whether your product is regulated or dangerous to ship. Items considered dangerous to ship include flammable products that contain some types of lithium batteries or aerosols. If you think your product might fall into that category (or you aren't certain), do some research at your local post office or online. Also, regulations may differ by region so look into the local laws of the areas you plan to launch in.

We want to add an extra note of caution for those planning to enter the health and wellness space: if you want to make specific claims about your product, be prepared to support those claims and go through additional processes to get them verified by the appropriate entities. We're not trying to scare you away from launching a health and wellness product! We just want you to be mentally prepared for the extra work (and possible costs). So if you're okay with this, keep moving forward—we support you 100%. But if the idea of this additional work isn't appealing, we recommend avoiding highly regulated markets (i.e. vitamins, supplements, etc.) for now.

Passion. Finally, this may sound a bit cheesy but it's important that you're incredibly passionate about your ecommerce product idea. As we mentioned before, launching an online store is fun but requires a lot of work. So if you're not excited about your product, you may find it challenging to keep pushing forward, especially during the harder times. That's why we encourage all our students, readers, and community members to find a product idea they love in order to power them through the process of launching a business. Trust us, it'll make your life a lot easier!

“

Everything I am doing here is to help other people and that's why I'm as successful as I am. *Do what you do because you love it* and because you are helping the world...that's the trick.

- DAVE ASPREY, BULLETPROOF

”

After reading and applying the information in this chapter, you should be able to answer the three questions we posed at the beginning: Is there a market for my product? Is there a demand for my product? Is my product viable for ecommerce? Based on your responses, narrow down your list to one or two solid ideas.

As you move to the next chapter, it may be easiest to have one top idea or two very similar ideas in mind to make the process of identifying your ideal customer a bit simpler. If you have more than that, it's OK! Either pick the one you're most excited about or feel free to develop multiple personas for your product ideas.



Foundr Lesson

Nathan Chan | 8-Figure Founder

Foundr's own CEO, Nathan Chan, knows first-hand the importance of making sure a product is viable for ecommerce. The very first ecommerce product he wanted to sell through Foundr was a beautifully-designed coffee table book called Foundr Version 1.0. It contained tips, strategies, and advice from world-changing individuals such as Richard Branson, Arianna Huffington, and Seth Godin.

While the book provided a ton of value and was certainly sturdy enough to be shipped worldwide, there was one factor that Chan neglected to consider: the weight. The thick, heavy book weighed so much that shipping would cost customers \$40—the exact same price as the book itself! If the book had been priced at a slightly higher price to cover the cost of shipping, Chan believes he would have seen a higher conversion rate and made more sales.

This example demonstrates the importance of making sure your product idea is viable for ecommerce; always asking yourself these three questions when it comes to shipping: Can my product be shipped worldwide? Is my product lightweight? Is my product sturdy and difficult to break?

IN SUMMARY:

- Find out if there's a market for your product idea via research (both narrow and broad)
- Determine how much demand there is for your product idea using Google Trends and by comparing keywords
- Confirm that your product is viable for ecommerce by asking yourself the three key questions about shipping, being familiar with regulations, and making sure you're excited about your business idea!

CHAPTER 5

WHO IS YOUR IDEAL CUSTOMER?

Identifying your ideal customer is always an exciting process! You may have a vague idea in your mind of who you'll be marketing to, but the process in this chapter will give you a much clearer picture so you can move forward with your business idea with confidence. Knowing your target audience will help you refine your product, better understand the market you're working in, and give you lots of ammo when it comes to branding and communicating with your customers.

This chapter will also set you up for success when it comes to the final stage of developing your product idea: validation. Since the validation stage will involve interacting with your ideal customer, you need to understand what type of person would be most likely to purchase your product. Let's dive in!

CUSTOMER PERSONAS

The most important tool when it comes to identifying your ideal customer is the customer persona. A customer persona is a representation of your ideal customer based on market research or existing customer data.

KEY DEFINITION

Customer Persona: Also commonly known as buyer persona; it's a representation of your ideal customer based on market research or real data about your existing customers.

Once you have your customer personas

mapped out (don't worry, we'll teach you exactly how to do this later), it'll be much easier to target, sell, and craft your marketing toward the exact kind of people who want to buy your product. Plus, customer personas help you determine where to focus your resources in order to attract the most valuable customers to your business.

You may be wondering, "Why can't I just market to everybody so that I have a wider reach and sell more products?" While this idea may seem like a good one, the truth is that nobody can afford to market to everybody. To get the best results from your marketing efforts, target the people who would be attracted to your offer and focus all of your resources on reaching just them.

OK now that we have a good grasp on the purpose of customer personas, let's help you create your own. Everyone's approach to developing customer personas is slightly different. However, there are two main categories to address every time: demographics and psychographics.

Demographics are statistics related to your ideal customers. This can include factors such as:

- Age
- Gender
- Job
- Marital status
- Current location
- Income
- Education
- Employment status

Psychographics are your customers' more intangible aspects which can reveal what type of buyers they are. This can include factors such as:

- Interests
- Habits
- Attitudes
- Emotions
- Preferences
- Values
- Lifestyle

Both are equally important when understanding your customer. But how do you find this information? We'll dive into a few tried-and-true methods now.

MARKET RESEARCH

Look at competitors

If you're not sure where to start your research, look at potential competitors. Visit their websites to get a sense of how they communicate with their customers. Is the "voice" of their website copy youthful and trendy? More corporate and formal? What types of people are leaving testimonials and comments on the site? You can learn a lot just from studying these pages and asking yourself these questions. If you want a more quantitative analysis, check out tools such as SimilarWeb or Compete to analyze your competitors' website traffic.

Do a Google search

Continue your research with a simple online search to get even more information. For instance, let's say you identified millennial women as your main demographic. Use Google to find out more about their psychographic profile, such as their lifestyle, shopping habits, generational characteristics, etc.

Do this by experimenting with various search terms and phrases. For instance, if you're trying to learn more about their shopping habits, type in "millennial women shopping habits," and you'll find credible data, infographics, and survey findings to inform your research. Similarly, if you're trying to learn about how they use social media, "millennial women social media" is a good phrase to try.

Take advantage of social media

Social media is an awesome way to learn more about your target customers as most people populate their social media profiles with both demographic and psychographic information. You can also leverage groups on social media to ask questions and learn more about your potential customers. So if you're trying to create a product for people who love surfing, join a Facebook group for surfers and (if it's allowed) pose questions to the community or at least engage in conversations with them.

Tap into your network

Finally, another great way to gather data is to talk to people in your network who may be interested in your product idea. So if you happened to mention your business idea to your best friend's sister and she seemed

super interested, use that as an opportunity to learn more! Don't be afraid to strike up casual conversations about your product and use that as a way to pick up more knowledge about your customers. You'll be surprised by what you can learn from the people you already know.

Once you've collected all the information you need, it's time to put pen to paper. Write down all the demographic and psychographic facts you collected about your ideal customers (the more detail, the better) and organize everything in a way that makes sense to you. Don't worry about getting it "wrong." Part of building a business is to change as you go! So, if down the road, you find that one of the assumptions you made about your target customers is incorrect, you can always adjust your persona later.

If you're having a difficult time visualizing what the end result will look like, below we shared an example of a customer persona. Yours doesn't need to look exactly like this, as long as it contains the necessary information.



After you create a customer persona, it's time to move on to the final step of your journey to finding a winning product idea: validation.

IN SUMMARY:

- Creating a persona is an important step to understanding your ideal customers
- Customer personas are primarily comprised of both demographic and psychographic information
- Conduct market research by looking at competitors, doing online searches, paying attention to social media, and tapping into your own network

CHAPTER 6

PRODUCT IDEA VALIDATION + PRICING

By now, hopefully you have a product idea you love and a clear sense of who you'll be selling to. While it may seem like at this stage you can dust off your hands and call it a day, there's one last step to finalize your product—and it's arguably the most important one: validation.

The purpose of validation is to test whether your idea has “legs” before you invest a lot of resources into bringing it to life. This step is critical because it ensures that you won't waste unnecessary time and money on a product that your audience doesn't want. It's important to enter this stage with an open mind so you don't become obsessed with what you want your idea to be. Be willing to listen to your market and make changes accordingly, which this chapter will help you do!

“If you get someone's attention with a genuinely brilliant product, people will wear it, people will use it, and people will talk about it.”

- BEN FRANCIS, GYMSHARK



Before we dive into the specific validation process, let's first talk about finances and pricing your product. This is one of the most important skills to acquire when launching your own ecommerce store and it's important to understand before you go into the validation process. It will give you a sense of how financially feasible your product idea is.

There are lots of aspiring entrepreneurs who are intimidated by this step, but we're here to tell you that there's no need to be! All the math involved here is very straightforward, and we're going to walk you through the key financial concepts to be familiar with.

The reason why it's so critical to understand how to keep track of and manage your business finances is because without knowing the numbers, you won't have any idea how well your company is performing. And without this knowledge, you won't know how or when to make changes to your strategy. Not to mention that you could easily end up overspending and in debt—a situation that could have easily been avoided with the proper planning.



“My biggest mistake was at first not having any financial intelligence, and I notice that in a lot of other entrepreneurs. *Understanding how to use money is really a tool that can either hurt you or help you.* Often, you’ll have a business or something to make a lot of money and don’t understand how to manage it. Because you don’t have financial intelligence, you end up hurting yourself.”

- DAYMOND JOHN,
FUBU AND SHARK TANK INVESTOR



PRICING YOUR PRODUCT

Let's talk about pricing your product. As you can imagine, pricing your product strategically is important because it plays a big role in how much revenue you generate. But did you also know that product pricing can influence your brand perception? For instance, let's say you make a luxury product and your price is unusually low. This may cause your customers to question why your product is so cheap and assume that you use low-quality products. Similarly, if your product is priced way over what's expected, you'll lose sales.

So after lots of personal experience and advice collected from the seven-, eight-, and nine-figure ecommerce founders we know, we've come up with a basic rule of thumb when it comes to pricing: make the price of your product 2.5x more than it costs to make. This takes into account all your production and setup costs and still leaves room for you to have a high profit margin (we'll talk about this more in the next section).

Here are a few other tips we collected when it comes to pricing your product:

Only offer a single product on your website (at least to start with). This creates less decision fatigue for your customers and you can focus on nailing the price of your first product before expanding to others.

Keep your price variations to a minimum. Some people like to introduce price variations for a single product. For instance, you can offer a small, medium, and large size and have them priced at \$20, \$40, and \$60 respectively. This is totally fine to do, just don't get carried away and create too many variations! Again, you don't want your customers to experience decision fatigue and struggle to pick which variation they want.

Use easy-to-digest whole numbers. Instead of pricing your product at \$20.95, round down and offer it for \$20 instead. Customers like whole round numbers because it's psychologically easier to process.

Roll your offer into your product price. If your offer is going to be 50% off at all times,

then double your product price.

How you price your product is completely up to you. But the general guideline (making the product price 2.5x more than it costs to make) has been worthwhile for most ecommerce founders. Now let's explore some financial concepts that are critical for you to understand which also may help you calculate your product price.

GROSS PROFIT MARGIN

The most important financial aspect to track is what's called a gross profit margin. This is the percentage of each revenue dollar retained as profit after paying the cost of production. A healthy profit margin will essentially give your business the largest chance of success, so you can see why it's so critical!

KEY DEFINITION

Gross profit margin: The percentage of each revenue dollar retained as profit after paying the cost of production

To calculate your gross profit margin, you must first know your gross profit. This is calculated by taking your total revenue and subtracting the direct costs of producing that item or service, also known as costs of goods sold. We'll teach you how to calculate this in the next section.

KEY DEFINITION

Gross profit: This is the amount of money a company makes after deducting the costs associated with making and selling its "products " from its total revenue.

Once you have the gross profit, simply divide this number by your total revenue and then multiply by 100 to calculate

the percentage. It's essentially revenue minus costs of goods sold divided by your revenue, multiplied by 100. Here's an example:

Revenue = \$5,000,000

Costs Of Goods Sold = \$2,000,000

Gross Profit = \$3,000,000

Gross Profit Margin = $\$3,000,000 / \$5,000,000 \times 100$
= 60%

Now that you understand how to calculate your gross profit margin, let's put that number into context. Realistically, the higher your profit margin, the better. If you have a higher profit margin, that means you're making more money and you can comfortably spend more to acquire new customers. It also means that you have more room for error, and additional room to take calculated risks to scale your business. We recommend aiming for a profit margin between 30% and 60%.

In some ways, knowing the gross profit margin is more important than the number of sales. For instance, if an ecommerce store makes \$100,000 in sales but only has a 10% profit margin, then they're actually only making around \$10,000 in profit. So what if you calculate your gross profit margin and it's too low? There are a few things you can do:

- Cut production costs
- Raise prices
- Discontinue certain products
- Try strategically increasing your marketing efforts to raise visibility around your product

Costs of goods sold

Now let's go back to the idea of costs of goods sold, also known as COGS. When producing a physical product, there are a lot of factors to take into consideration in terms of cost. To help keep you organized, here's a list of all the basic costs to take into account to calculate the COGS for your business:

Production costs. Add up any costs associated with producing the actual physical product. Find it by multiplying the product price per unit by the number of units you ordered.

Freight shipping costs. Depending on whether you're producing locally or globally, this is the cost to move your goods to either your fulfillment center or wherever you'll be fulfilling orders from.

Picking and packing costs. If you're using a 3PL (third-party logistics), this is the cost for your 3PL company to pick and pack an order to ship it out.

Storage fees. Again, if you're using a 3PL, you'll have to pay a storage fee for holding your stock in the company's warehouse, so you need to take this cost into consideration.

Transaction fees. These could be the costs of using PayPal, Stripe, or any bank that has associated fees.

Software costs. These are the expenses to host your online store, website, or email inbox.

Staff costs. The costs associated with hiring staff to help with your customer service, operations, or anything else within your company.

Design costs. This can include the cost of branding and graphic design-related work such as the brand identity and 3D renditions of your product that we discussed in earlier chapters.

Product inspections. We'll go into this concept more in the next chapter, but this is the cost you pay an agency to inspect your product overseas.

Legal advice. You may need to use legal and consulting advice to ensure that you aren't breaking any laws with your business. If you utilize this service, include this cost in your COGS.

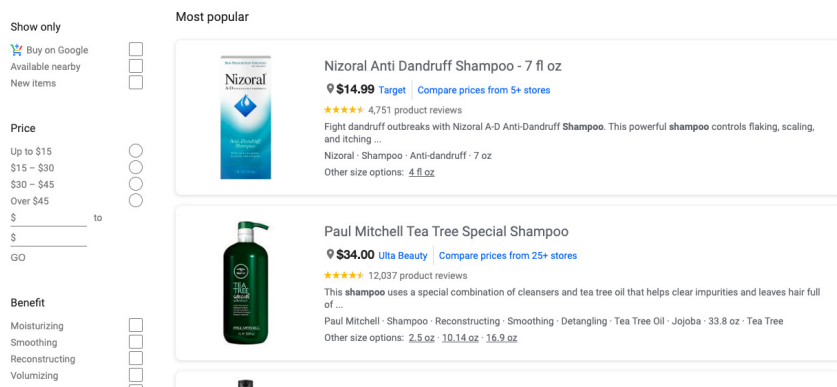
Product samples. This is the cost for your product samples.

Depending on your exact business, there may be other costs to take into consideration to calculate your COGS, but this list should be comprehensive enough for most online stores!

But you may be asking: how do I calculate my margins at this stage in the process when I don't even have a product? We'll go through an example now to help you figure this out. Let's say you're trying to launch a new high-end shampoo brand. Here are the steps you could take:

1. Research competitor prices

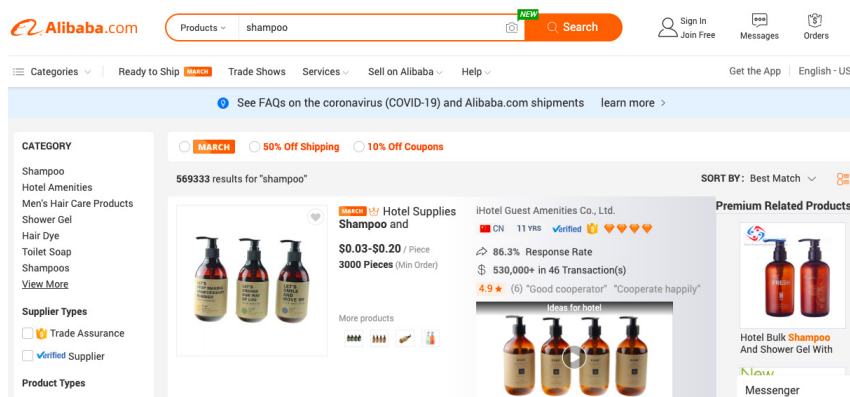
A great way to get a sense of what your competitors are charging is to type a description of your product (i.e. shampoo, handbag) into Google and go to the Shopping tab. There, you'll get examples for the cost of products in this industry and be able to filter for specific price ranges or product features. Pick a number that seems reasonable for your product based on this research—let's say \$50 since your brand is on the upper end of the scale.



2. Figure out your COGS

As we mentioned above, there are many factors that go into calculating your COGS. At this stage, don't get too overwhelmed trying to find exact numbers for each one. Instead, we recommend focusing on just manufacturing, packaging, and shipping costs.

For both product manufacturing and packaging costs, we recommend searching "shampoo" on Alibaba or getting a quote from a local manufacturer (we go into detail on how to do this in Part 3, if you want to jump ahead). This will give you a general sense of how much it will cost to actually create your product and package. Where possible, overestimate costs rather than underestimate them.



Your shipping rates will depend largely on where you ship to and the weight of your product. To get an idea of what it might cost you, visit a carrier website like UPS (or whatever is local to your area) to find rates and delivery times.

Log In | Sign Up | Locations | Australia - English | My Profile

UPS Quick Start Tracking Shipping Services

Home > Help & Support Centre > Shipping Support > Finding Rates and Delivery Times

Finding Rates and Delivery Times

Calculate Time and Cost

The Calculate Time and Cost application helps you find delivery dates and times for all available UPS package and freight services in over 220 countries and territories. You can also use the Calculate Time and Cost application to determine shipping costs for a range of UPS services in many countries served by UPS.

How To Calculate Time and Cost

The Calculate Time and Cost application is located on the **Shipping** tab of ups.com.

1. From any page on ups.com, select the **Shipping** tab.
2. Select **Calculate Time and Cost**.

In This Section

- Shipping Support
- Finding Rates and Delivery Times

Related Information

- Days of Operation
- Voiding a Shipment
- Package Return (Merchants)

For the sake of this example, we'll say that it'll cost you about \$10 per customer to produce, package, and ship your product.

3. Calculate your Gross Profit Margin

Let's say your goal is to sell your product to 1,000 customers each quarter. To calculate your gross profit margin, multiply 1,000 (customers) x \$50 (cost of shampoo) to get \$50,000 as your revenue.

Then you calculate 1,000 (customers) x \$10 (COGS) to get \$10,000 as your total COGS.

This means your gross profit margin = $\$10,000 / \$50,000 \times 100 = 20\%$

Unfortunately, this doesn't fall under the recommended profit margin of between 30% and 60%. But don't despair! This is easily remedied. As we mentioned before, this just indicates that you may have to find ways to cut production costs or raise your prices. The purpose of this step is to guarantee that you're thinking ahead about these types of decisions.

Also, there are other factors to keep in mind. If your product has a high Lifetime Value (LTV), which is an estimate of the average revenue that a customer will generate throughout their lifespan as a customer (such as a subscription business), then you may have more flexibility with your margins since people may be ordering your product regularly.

KEY DEFINITIONS:

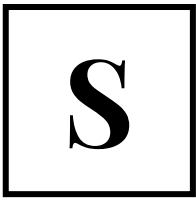
Lifetime Value (LTV): This is an estimate of the average revenue that a customer will generate throughout their lifespan as a customer. You can calculate this by multiplying the Average Order Value by the number of expected purchases and time of engagement.

Average Order Value (AOV): Measures the average total of every order placed with a merchant over a defined period of time. The formula for calculating AOV is revenue divided by the number of orders.

Now that you have some knowledge about business finances and how it plays into pricing your product, let's get back to the validation process. There are three main ways we recommend testing your product idea:

1. Online

Similar to the online research you did to create your customer persona, apply a similar approach here. Again, social media is one of the best ways to collect information. Here are a few ideas to get you started:



Share your idea with your social media communities and see how people respond. Reach out to people in your social media networks (ideally people who closely fit your customer persona),

give them an overview of your product idea, and ask for honest feedback. Create a quick survey about your product and distribute it via your social media networks. Search relevant hashtags on Twitter to see if people are talking about similar products or competitors.

While going online is a good starting point, we strongly recommend supplementing your research with in-person conversations. Even though the internet has a lot of information to offer, nothing beats seeing people's live reactions to your product idea.

2. In-person conversations

We know that the idea of talking to a lot of people about your product can be nerve-racking. But we know you can do it! Remember: the more thoroughly you can test your product, the higher the chances of its success when you launch. Try to keep this in mind as you go through this stage. And don't be afraid of feedback; even though it can be discouraging to hear that one aspect of your product (that you might have loved) doesn't resonate with your customers, it's better to know now than to lose money and sleep over it later.

Now, for this step, we recommend talking to around 20 people who fit your customer persona and see if they think your product is a good idea. Where do you find these people?

Find people in your network through friends, family and colleagues (just make sure that not all 20 people you talk to are people you know personally—chances are, they care about you and might not be as objective as a stranger would be). Reach out to people in your business space. These could be former colleagues, employees, or employers. Develop relationships via social media. A friendly LinkedIn message can go a long way! Meet people in your area on social gathering sites like Meetup or find local events on Eventbrite. Attend conferences, workshops,

or any other professional industry events where your target customers frequent.

Prepare a short script to guide your conversations when reaching out to people. The script should include a short description about your product, what it does, and how it might add value. Include a few questions to solicit feedback. Here's a sample script:

Hey [Name],

I'm an entrepreneur developing a new product and I was wondering if I could quickly ask you a few questions to improve on my idea. The product is [insert a short description of the product and what it does]. Here's a photo of the product.

Would you purchase this product?

If so, would you recommend it to a friend?

If not, why wouldn't you purchase it?

If you could change just one thing about the product, what would it be?

Please feel free to share any other feedback that you think could improve this product idea.

Thanks so much for your time. I really appreciate your insights.

If possible, when having these conversations, ask the person if it would be okay for you to record them. The reason for this is to capture any facial expressions and nuances you might not notice otherwise. A slight frown when hearing about a product feature can indicate confusion or discontentment. A surprised smile can signal that a product feature is innovative. If the person doesn't want to be recorded, no big deal! You'll still gain value from having the conversation face-to-face. Take notes while you talk so you remember the details, facial expressions and overall feeling behind the feedback presented.

You've done the hard work of talking to those 20 people that align with your customer persona. Now it's time to analyze the feedback. What was the overall reaction to your product idea? If the majority of people you talked to were enthusiastic, you're on the right track. If some people didn't love what you presented, that's totally fine. It's just time to go back to the drawing board and make a few adjustments. Use the comments, both constructive and positive, to tweak your idea. And, if possible, keep testing until you feel like you hit gold.

We want to stress this again: we know this step can be uncomfortable, but we encourage you not to skip it because it's crucial to set yourself up for success. The last thing we want you to do is waste time and money by slightly missing the mark with your product idea. Trust us, you won't regret going through the validation process!

3. Prototype

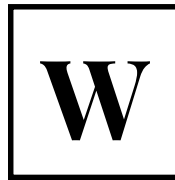
Finally, if you want to take your validation one step further, consider creating a prototype of your product. Think of this as a kind of 'rough draft' for your ecommerce product with just enough features to gather feedback from the market. It doesn't have to be super polished; the goal is to give people an idea of how your product might look and work. The prototype is also frequently referred to as a minimum viable product, or MVP. There are a few ways you can go about creating a prototype:

1. Hand make or prepare a demo version for people to see or try.
2. Have a graphic designer create a 3D rendition (note: this is not the same as a prototype, which is an actual physical sample of your product).
3. Get a local manufacturer to physically create your prototype from a graphic design so you can validate the product before placing a full order.

We highly recommend coming up with an MVP so you can test it on target customers and see if it needs any changes before you invest in manufacturing or production. Take this prototype to the 20 in-person meetings

you have scheduled. Or if you create a prototype after talking to people, reach out to them again to see if the MVP aligns with what they had in mind, and ask for additional feedback.

Whew, you did it! After working through all the chapters in the first part of this book, you



should now have an awesome, validated product idea and a clear customer persona that you'll become even more familiar with in the upcoming chapters.

IN SUMMARY

- Understand the purpose and importance of validation—don't skip this step
- Keep our rule of thumb in mind when it comes to pricing your product
- Follow our other tips to nail your pricing
- Understand the concepts of gross profit margin and how to calculate it for your own business
- Verify that you're keeping track of all the costs associated with calculating your COGS
- Ideally, use all three methods of validation to test your product and verify that it's something your target customers actually want to buy
- Use the feedback you gather during the validation process to change and improve on your product idea



CASE STUDY

In addition to the Foundr Lessons we incorporated throughout the book, we also wanted to share the real-life experiences of some students who have gone through our courses. We're so proud of their accomplishments and hope they can show you the types of results you get from applying all the knowledge in this book to your own business.

Who

Myey Moens | Launched her business just 3 months after enrolling in Start & Scale

The Problem

Myey is a Filipino-American digital nomad who is married to a fellow digital nomad from Belgium. These two aspiring entrepreneurs knew that they wanted to create a business together, but they had no idea where to start or even what product idea they wanted to pursue.

The Solution

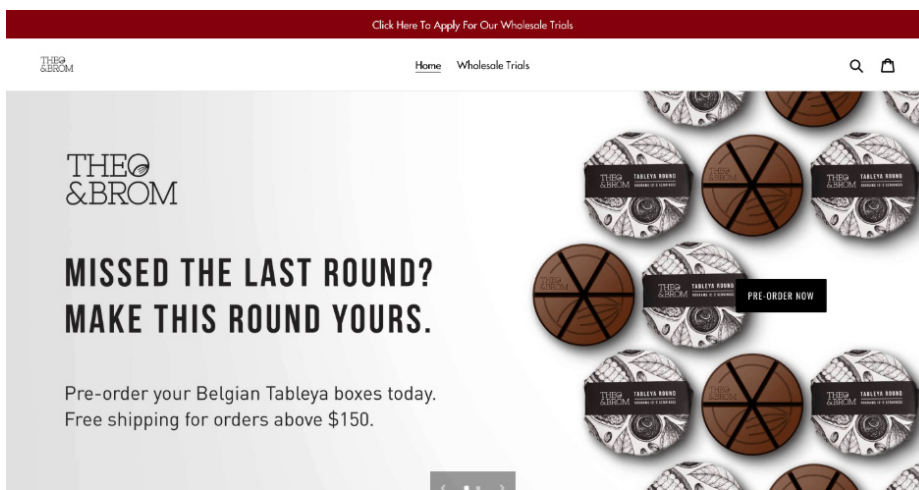
Myey decided to enroll in Start & Scale and went through the entire process we outlined in the previous chapters to brainstorm, narrow down, and validate product ideas with the help of

ecommerce expert and course instructor, Gretta van Riel.

The Result

During the product brainstorming process, Myey wondered what it would look like if she meshed her husband's Belgian roots with her roots in the Philippines? She came up with the idea to take Tableya, a traditional bitter Filipino beverage made from 100 percent cacao, and add the sweetness of Belgian chocolate to it. That's how she came up with the idea for her business, Theo & Brom, which she launched just three months after enrolling in the course. Myey had such success that, just two weeks after launch, she started to consider shipping to North America from where she lives in the EU. So she launched a Kickstarter to pay for the shipping licensing fees with a goal of \$7,500. Two weeks later, the Kickstarter concluded with \$10,000 raised.

Thanks to the step-by-step process she learned through Foundr, Myey was able to bring a product idea to life that she was passionate about, crowdfund for shipping licenses from the EU to North America, and run a flourishing business.



“I spent a whole lot of time patiently trying to develop something that I knew would connect deeply to our audience, and not just a product that could be manufactured or cheaply bought.”

—Myey Moens,
Theo & Brom



2

First Steps:
Make Your
Ecommerce
Brand
Come to
Life

PART 2



CHAPTER 1

THE POWER OF BRANDING



When you think of a brand, the first thing that pops into your mind may be the product name, logo, or the design. While you wouldn't be wrong, this doesn't paint the whole picture. A brand is more than just its physical attributes—

it's an entire perception that's shaped by an individual's personal experiences and associations. And of course, as a company, your goal is to elicit positive perceptions, experiences, and associations with your brand.

“...your brand is not your trademark, your brand is not your logo or your product. Your brand is what your customers think of it.”
—Brian Smith, UGG

For instance, when you see the bold Nike brand, the legendary check mark, and the “Just Do It” tagline, how does it make you feel? Maybe you perceive the brand as being powerful, and it makes you feel energized because you remember that time you



won the 100-meter sprint in high school while wearing your beloved Nike shoes. Or maybe it makes you feel nostalgic because it reminds you of your grandfather who recently passed away and wore his Nike sneakers everyday. You can see just how personal and emotional a company's brand can be for people.

So now that we have a better understanding of what a brand is, let's break down why it's so important to have a strong brand for your ecommerce business. According to the creative director of one of the world's top digital branding agencies, Love + Money, “A brand is something that you can sell, even if you no longer have any products or services to sell. If you have no equity in your name, something that people believe and buy into and see value in, then you have no brand.”

His answer absolutely nails the importance of building a sustainable brand. You don't build a powerful brand just to boost your profits—it's about creating something that transcends your products and connects you to your customers. Let's go back to the Nike example. If the company were to suddenly collapse tomorrow, would people just immediately forget that Nike ever existed? Of course not. Their iconic brand, advertisements, and tagline would likely live on for decades to come. That's the power of branding.

Before we dive into how we actually create a brand experience, let's take a look at a few more examples of ecommerce brands that have powerful branding. While you're going through these examples, take note of your emotional responses and perceptions.

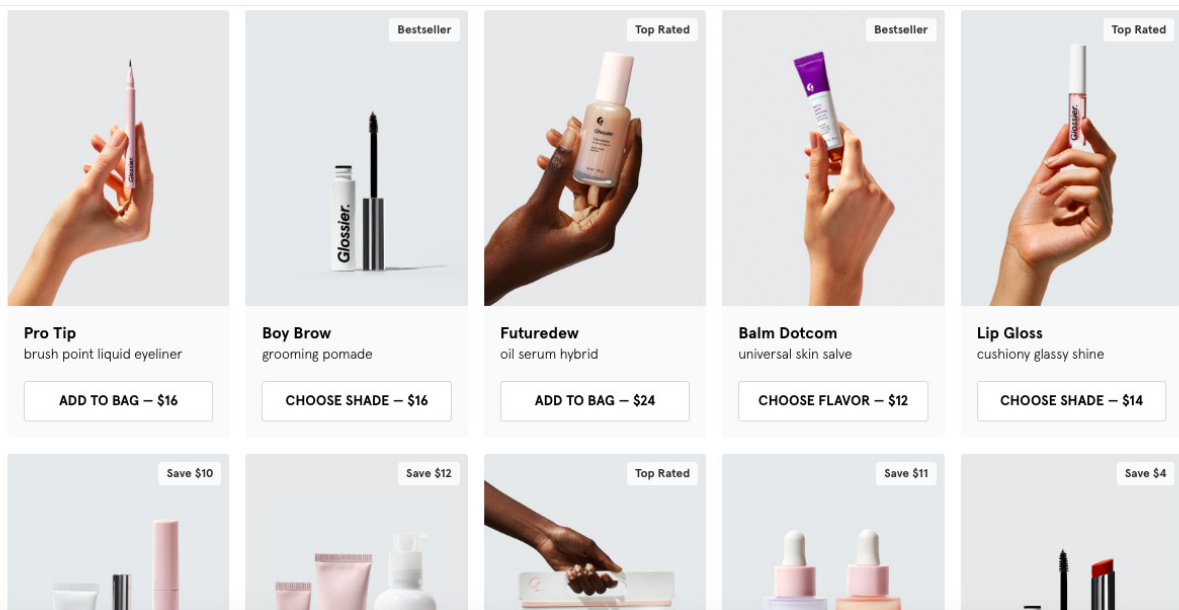
Mattress Dimensions: Which Bed Size Is Right For You?



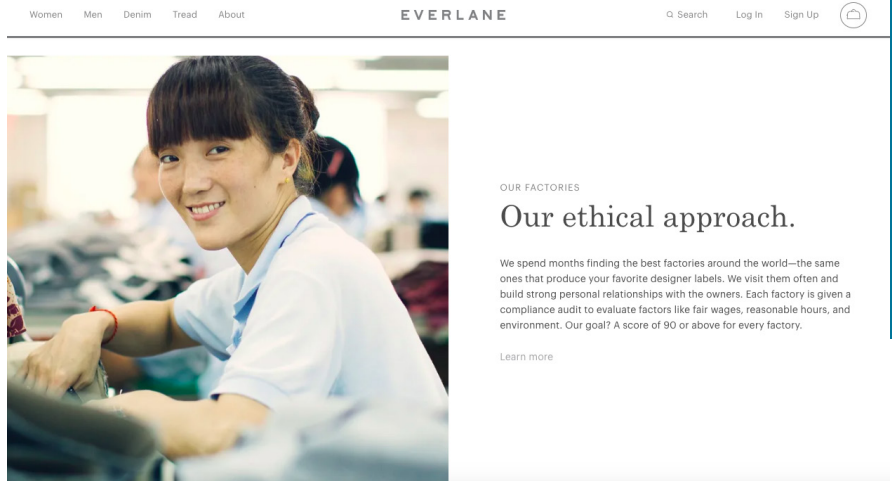
Mattress shopping never used to be a fun experience. Instead, you would go to a physical showroom and try out a few mattresses while salespeople awkwardly watched you. Not to mention that it was impossible to make side-by-side comparisons with so many features to consider. But Casper changed all of that with its easy online shopping experience and fun branding.

As you can see by the example above, the Casper brand uses strong, quirky visuals and easy-to-understand language to connect with its customers. The brand aligns with its offerings, all of which are meant to make the lives of its consumers a bit easier when it comes to getting a better night's sleep. This branding helps the company stand out from the crowded and highly commoditized mattress space.

GLOSSIER



People are in love with the Glossier brand for many reasons: it has a lighter, more refreshing look than many of its makeup counterparts. It also uses fun names (and puns) such as calling their liquid eyeliner “Pro Tip” to achieve a fun and youthful vibe. Even its packaging is fun and fresh, and includes branded stickers. It’s easy to see why young women, in particular, are attracted to this trendy brand.



EVERLANE

Everlane is known for its no-frills clothing and transparent approach to manufacturing and production. And it shows in every aspect of the company’s brand strategy—from its clear and straightforward copy to its human-focused website images. The feeling behind the Everlane brand is one of trust with regard to quality and price. Everlane is even known for its Choose What You Pay model, where it takes overstocked items and offers them for reduced prices, ranging from 15% to 50% off.



Foundr Lesson, Quad Lock Rob Ward and Chris Peters | 8-Figure Co-Founders

Peters and Ward are two founders who immediately recognized the power of branding and invested heavily in creating a strong brand around their phone-mounting device, Quad Lock. “With something like Quad Lock, you’re putting a fairly expensive device in a potentially high-risk situation, so you want to make sure you’re buying a quality, trusted product,” says Peters.

The co-founders shared a few pointers and learnings for other entrepreneurs when it

comes to investing in branding efforts:

Understand your users. On the surface, Quad Lock’s customers are the same—they all need a secure phone-mount device. But even within this group, there are many nuances. Some customers are mountain bikers while others are daily bike commuters. Peters and Ward recognized the importance of understanding each of these personas, so they took the time to do more research so they could connect more with each one. Thankfully you, as a reader of this book, are one step ahead and have already developed your ideal customer personas!

Be smart about positioning. One single product can tell different stories depending on the user. We saw this with the Nike example we shared earlier in this chapter. Ward and Peters recommend learning how to position and customize your product to each customer.

Be consistent. Even though the duo tailors their branding to each audience, the overall messaging, branding, and communication around Quad Lock is consistent. “You say ‘Quad Lock’ to someone who knows us and that means secure mounting—the best on the market. They have all these kinds of assumptions about the product because it’s been told consistently over time in a way that they understand,” says Ward.

IN SUMMARY

- Branding isn’t just the name, logo, or the design associated with a product—it’s an entire experience.
- Powerful branding extends beyond just the product—think about Nike.
- See what types of emotions, perceptions, and associations come up as you review the three brand examples we shared.

CHAPTER 2 SELECT A NAME

This is one of the most exciting parts of branding: the naming process! Before we get started, we want to mention that there’s no such thing as “perfection.” While it’s super important to come up with a brand name you’re happy with, try not to get too fixated on chasing something that doesn’t exist.

Since your brand name will be one of the first ways people get introduced to you, consider what people will associate your name with. It’s important to build a brand people can build positive associations with so choose a name that has positive or at least neutral connotations.

To help you with brand name selection, we’re going to use van Riel’s “namestorming” process—it’s the exact process she used to come up with names for her multimillion-dollar ecommerce businesses. She created four categories to help us understand what types of brand names exist and to give you some idea starters:

LITERAL OR GENERIC NAMES

These are names that literally tell you what they do or sell. The problem with these types of names is that they can cause a lot of complications—from legal issues to poor SEO potential because of how common the words are. That’s why we generally don’t recommend choosing this type of name unless you happen to already own the domain and trademark. Examples of literal or generic names include:

Hotels.com

Cars.com

1-800-Flowers.com

DESCRIPTIVE NAMES

The second category is the descriptive name. Descriptive brand names can be great, as they make it clear what your product is from the start, such as:

All Bran Cereals
Europecar
National Australia Bank
United Postal Service

However, they can also box you into a certain category—something to keep in mind if you think you might want to eventually expand your product offerings. For example, with their current name, it would be difficult for All-Bran Cereals to expand into the beverage industry.

ASSOCIATIVE OR SUGGESTIVE NAMES

The third category is the associative or suggestive name. With this type of name, you don't need to explicitly tell people how to feel about your product or its function. Instead, the name gives you a sense of the brand's values. Examples include:

Uber
Nike
Tesla
Netflix

The name Uber, for example, means “super” in German. This doesn't tell you much about the company but it does give you a sense of the quality of service to expect. Similarly, Nike is the name of a goddess who personified victory in ancient Greek religion and captures the essence of what the company does without revealing exactly what products it sells.

ABSTRACT NAMES

Finally, the fourth is the coined, random, or abstract name. While these names give you a blank slate to work with, they'll also be harder for your customer to remember and may be difficult to build brand recognition around. So only move forward with this name type if you feel super confident about your team's marketing and branding abilities. Here are a few examples:

Kodak
Xerox
Amazon
Google

Other considerations

There are a few additional criteria to keep in mind as well. A brand name should:

Be easy to remember
Be distinct
Pique interest
Make sense
Not try to tell the whole story, be too literal, box you in, steal the show, or slow things down



Now that you have some guidelines to get you started, here are a few more steps to help you generate some name ideas.

1) Think about the problem your brand is solving, your solution, your UVP, as well as your brand vision, values, and benefits.

2) Set a timer for five minutes and write down as many words in relation to your product, its benefits, how it makes people feel, and anything else that pops into your head. We recommend you come up with at least 15 words. Don't get stuck here though. The goal is to come up with as many words as possible, not to come up with your brand name (yet!)

3) After you finish your word dump, narrow down the list to your top five to 10 favorite words.

4) Head to [thesaurus.com](https://www.thesaurus.com) and start brainstorming. For inspiration, type in your word and see what other words are associated with it.

5) It's time to get creative. String different words together, mix-match phrases, and say your entire list out loud so you can hear what they sound like. After experimenting, select three to five names that you like.

6) Do a quick Google search to see if any of the names you picked already exist. If one does, no worries! That's why we asked you to create several.

7) Finally, if you're feeling stuck and can't seem to find inspiration, check out websites like [Namelix](https://www.namelix.com). They use artificial intelligence to randomly generate business name ideas. While we don't recommend relying on this tool, it can get your creative juices flowing.

Hopefully, by following van Riel's "namestorming" process, you were able to come up with a handful of brand names you like! This is an awesome starting point and will help you get started with the rest of your branding strategy, which we'll discuss in the next chapter.

IN SUMMARY

- Don't get sucked into the idea of "perfection"
- Understand the four categories that most brand names fall into
- Follow van Riel's "namestorming" process to come up with a list of name ideas, narrow them down, and pick the winner



Foundr Lesson, TOMS Shoes Blake Mycoskie | 9-Figure Founder

Fun fact: TOMS Shoes isn't named after a guy named Tom. According to Mycoskie, he came up with the name because of the promise he wanted to make people through his company and products: shoes for a better tomorrow. And that's why the name TOMS is simply an abbreviated version of "tomorrow."

The name reflects Mycoskie's hopes of creating a better future and it's a great example of a brand name that falls into the suggestive names category. It doesn't explicitly tell people how to feel about the product or what it does. But the name does give you a sense of the brand value.

CHAPTER 3

COMPILE YOUR BRAND KIT

Now it's time to get to the good stuff. In this chapter, we'll take you through how to put together your first brand kit. If you're not familiar with the concept, a brand kit is a document that conveys the various facets of your brand. Someone should be able to pick up your kit, read the document, and fully understand your brand vision.

If you don't have experience packaging up a brand kit, it may be beneficial to hire a designer to help you with some or all of the elements. You can find some great freelance designers on platforms like 99designs, Upwork, and Fiverr. Here are the main components of a brand kit:

Brand Pyramid

This is an idea that was shared with us by creative agency, Love and Money. It introduces six elements to help you and your designers shape your overall brand strategy and position. The purpose is to use these guidelines to create your minimum viable brand or MVB. Sound familiar? You're right!

This concept is exactly the same as the minimum viable product—it's just applied to your brand instead. In other words, an MVB refers to the fewest consistent assets and tools you need to define and differentiate your brand from the market.

Key Definition

Minimum viable brand: the fewest assets and tools you need to define and differentiate your brand from the market.

Target audience: This should be a simple section to compile since you can draw from our previous chapter on customer personas. Remember that your target

audience represents the type of people your brand connects with and should encompass everything from demographics to psychographics.

Benefits: This is where you articulate your product's benefits. You may know why you're doing what you're doing but your audience won't. The better you can articulate this, the more you can keep your brand, communications, and future product offerings grounded in something tangible and honest.

Values: It's important to be able to find common emotional ground between your brand and your audience. To do this, identify your values. Here are some questions to ask yourself when considering what your brand values are: What is your brand passionate about? What makes you different from others in the industry? How do you want consumers to feel about your brand?

Aphorism: Frequently known as a brand value proposition, this is a pithy observation about what defines you. It should be succinct enough to summarize in a sentence or two, intriguing enough to engender further investigation, broad enough to apply to the business holistically, and specific enough to differentiate you from everything else out there.

Vision: This is what your business aspires to achieve beyond your bottom line. You should be proud enough to share this with everyone—whether that's stakeholders, employees, or consumers.

Brand personality: These are the traits your brand exhibits. A good tip here is to think of your brand as a person and then ask yourself what their personality would be. Is your brand the friend you go to when you need advice? The person you turn to for a good laugh?

Product

This part of the kit outlines what your product does (and what you eventually want it to do), how it's used, and its value. You've already done most of this work in previous chapters so you should breeze through this section!

Product Direction: Imagine what you want your product to look like and how you want it to function in the future. Maybe you eventually want to make your production process more sustainable. Or you want to transition to using higher quality and more durable materials for your product. Whatever your ideal is, document it in this section.

Uses: This is an overview of how consumers should use your product. Share a few examples of the various situations and environments one would use your product to paint a clear picture of its value.

Problem + Solution + Statistic: Remember this? These are the first three elements of the P.S.S.P framework we discussed in Part 1 of this book. Revisit your notes on this and add them here. Easy.

Brand look and feel

Use this part of the brand kit to convey how you want your brand to look and feel. This covers everything from the colors and fonts you want to incorporate to the look of your product packaging and merchandise.

Colorways & typography: Think about what colors and fonts make sense for your brand and your customer. The more you can tie your brand's look back to your brand values, the easier it'll be for your customer to understand your brand in its entirety. For example, if you have a brand that prioritizes sustainability, choosing appealing shades of green with clean typography may be a strategic choice. Get as specific as possible here —there's a huge difference between electric lime green and forest green.

Merch: Customer merchandise is a great branding opportunity. Examples include stickers, tote bags, or anything else that's portable and easily usable by customers. Customer merchandise can help you increase exposure for your brand and act as extra "gifts" to thank customers for buying your products.

IRL: IRL stands for "in real life." This means taking your brand assets and applying them to real life objects such as posters, billboards, bus stops and train station signs, etc.

Packaging: The purpose of this section is so you can see the way that a designer would apply a visual identity brand look and feel to your packaging, thank you cards, or even how they might mock-up an email or a social media post for you.

Competition: List out a few competitors in your space. It's good to be aware of what other brands in your industry are doing either for inspiration or to do something entirely different.

Brandspo: Think of this as your sources of brand inspiration! This will help your designer get a sense of which brands you'd like to emulate.

Logos: It may be helpful here to give your designer four ideas for logos. Give them a bit of direction and let them take the creative reigns from there. Don't overthink this process too much. You don't need an icon (which is the Nike check mark) designed specifically for your brand. Instead, you can take a simpler approach and just have a designer edit the typography of your brand name. A good example of this is the eBay logo, which is just the name of the company with a unique font and set of colours.

Mood Board: A mood board is a compilation of various images, ideas, and even words to give your designer a sense of your overall creative direction for your brand. Think of it as a collage that represents your brand's essence. Feel free to create multiple if you have more than one idea for your brand's look and feel.

Now that we have a clear picture of a brand kit's elements, let's take a look at some examples to give you some inspiration. Keep in mind: not every brand kit has to look identical. If you see any new ideas from these companies you love, feel free to incorporate them into your own brand kit!

Wolf Circus

Wolf Circus Jewelry is all about providing simple but bold handmade products for its customers. The company's brand style guide exemplifies all those elements as well and includes the company's mission statement, product details, typeface, logo variations, a color palette, and a separate set of guidelines just for advertisements.

THE PRODUCT

Each piece in the collection is inspired by the confidence it brings the wearer.

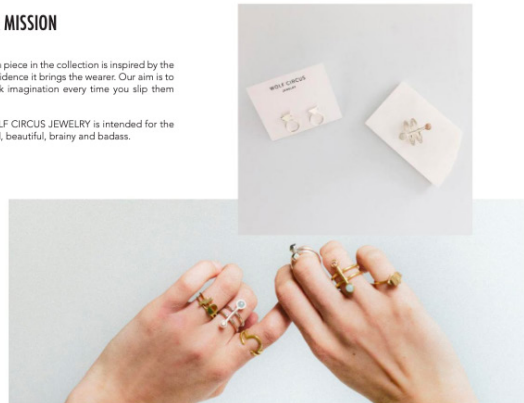
WOLF CIRCUS JEWELRY is intended for the bold, beautiful, brassy and badass. Each piece is handmade. They are simple, yet edgy and are meant to be a cause for compliments and as well as a conversation starter. The jewelry pieces are either silver or gold and some contain various gems for accents.



OUR MISSION

Each piece in the collection is inspired by the confidence it brings the wearer. Our aim is to spark imagination every time you slip them on.

WOLF CIRCUS JEWELRY is intended for the bold, beautiful, brassy and badass.



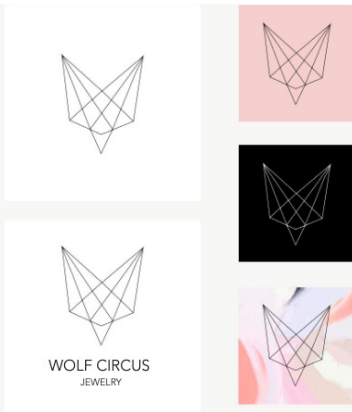
4

LOGO VARIATIONS: DO'S

The logo is an integral part of the WOLF CIRCUS brand and should be used thoughtfully and consistently.

Most often the logo will be presented in all black, as displayed on the top left, but can also be adapted for use on a black background, to incorporate colour, either in the text or as a background), or can be placed in combination with the brand's name, "WOLF CIRCUS JEWELRY" in all capital letters.

The logo should most often be displayed in black and should not exceed above 0.5 pt. or below 0.3 in line weight.



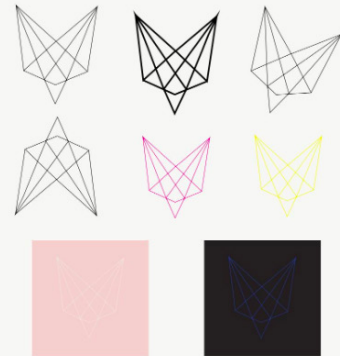
WOLF CIRCUS
JEWELRY

LOGO VARIATIONS: DON'TS

Refrain from using any bright colours for both the logo and background and ensure that when using the light coloured background the logo is placed in a dark neutral colour and when using the black background, the logo is placed in a light neutral colour in order for the text to be legible.

The logo should most often be displayed in black and should not exceed above 0.5 pt. or below 0.3 in line weight.

It's orientation should always be presented with the two triangles pointing upwards and the one triangle pointing downwards



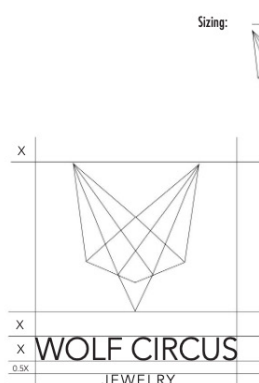
LOGO USAGE

The WOLF CIRCUS logo is very symmetrical and clean, which allows for versatility. In order to ensure that the logo does not get crowded, 0.5X should be between the "WOLF CIRCUS" and "JEWELRY" components of the name. Additionally, the "JEWELRY" component should be 0.5X in height.

If the logo is being used alone, then X height should be left around the logo itself.

The WOLF CIRCUS logo should never be placed smaller than 1" in length.

Spacing:



COLOUR PALETTE: PRIMARY

The primary colours are key indicators of the WOLF CIRCUS JEWELRY brand design. Black is most often used for typography while pastel pink, nude, and blue-grey act as supporting colours that can be used for backgrounds and design elements.

Additionally, the tone of each colour can be adjusted to create more depth within design elements and touch points.

Examples of uses: Business cards, letterheads, envelopes, print event invitations, online order cards etc.



PANTONE P 76-1 C

R: 242 C: 3%
G: 217 M: 16%
B: 228 Y: 2%
K: 0%



PANTONE P 71-9

R: 238 C: 3%
G: 219 M: 14%
B: 216 Y: 6%
K: 0%



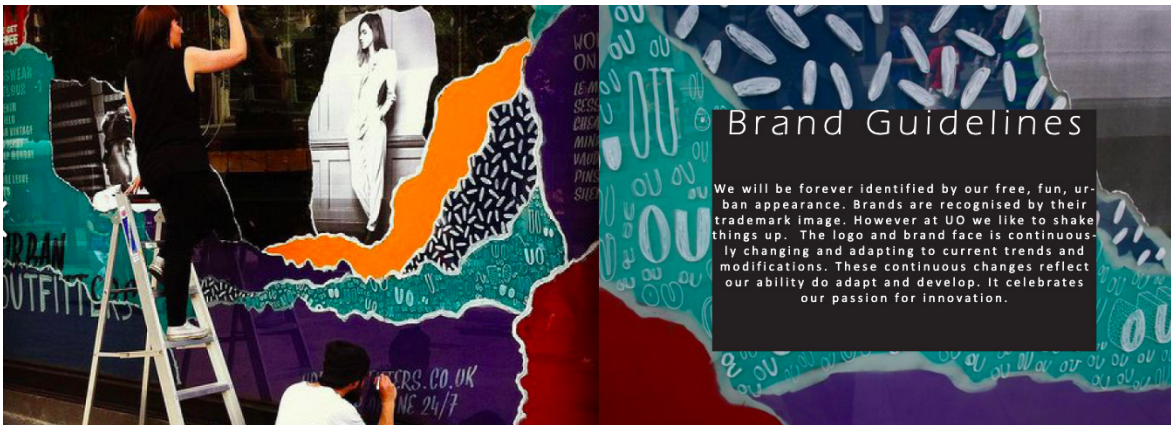
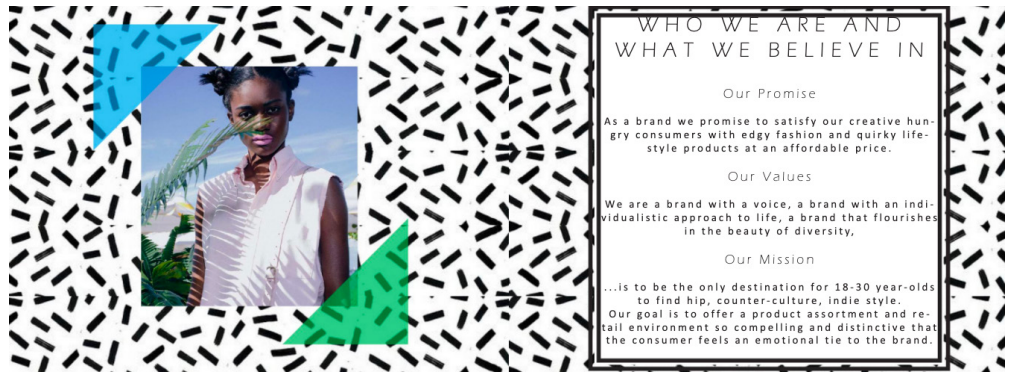
PANTONE P 99-9 C

R: 234 C: 7%
G: 233 M: 6%
B: 243 Y: 1%
K: 0%

8

Urban Outfitters

As you can see from the images below, Urban Outfitters' brand kit has a completely different look from Wolf Circus. Their brand kit is defined by a bright, fun, and urban feel that plays with a lot of bold patterns and colors. Even the tone of voice throughout the brand kit is consistent with the image they want to project.



IN SUMMARY:

- Find a freelance designer to help you with your brand kit
- Use the brand pyramid to come up with your MVB
- Describe your product
- Think about the overall look you want to achieve for your brand—from the logo to the packaging
- Check out the examples from Wolf Circus and Urban "Outfitters" for inspiration



“

Brands are like coral;
they build on a whole
bunch of different points
and come together in an
elegant way down the
road—but while you are
building them it's hard
to see, and their impact
doesn't really come
together instantly, but
over time.”

- HAP KLOPP,
THE NORTH FACE

”



Foundr Lesson, Girlboss Media Sophia Amoruso | 8-Figure Founder

Amoruso is a branding boss. She's known for starting online fashion giant Nasty Gal which, before its collapse, was pulling in nearly \$100 million in annual sales and had a level of brand adoration most startups can only dream of. Today she's expanding the Girlboss brand, which is already a book, Netflix series, and media group. Amoruso shares tips on how to create this type of powerful branding with your own company.

1. Emphasize purpose. This means investing a significant amount of time deciding what your brand is, what it stands for, why your company exists, and why people will love your product(s) or service(s) before you go to market—which is why we have a full section in this book dedicated to doing just this!

2. Design a product or service that is inherently shareable. “If it’s a physical product, make it something that people want to share a photo of or could see themselves wearing. If it’s an experience, build something that people want to take photos of or interact with and talk about,” says Amoruso.

3. Be memorable. It’s more competitive than ever to launch a product today. That’s why Amoruso also emphasizes the importance of creating a brand that will stick in people’s minds—and quickly.

CHAPTER 4 SNAG A DOMAIN

It’s time to snag a domain to go with your shiny new brand name! First, let’s define a few important terms. When internet users type in an address to find your website, the domain name is the identifier. For instance, in “Google.com,” Google is the domain name. Ideally, your domain name should be the same as your store name. This makes your store much easier for customers to find.

KEY DEFINITION

Domain name: the identifier in the address that internet users type in to find your website.

A domain suffix is what goes at the end of the website address. So in “Google.com,” the suffix is .com. For an ecommerce store, we recommend securing a .com domain rather than .org, which is generally used by nonprofits and similar organizations. If you can’t find the .com, another option is to use .co or .net—this is definitely not preferable as these are less common domain suffixes, so we highly encourage you to seek out a .com address where possible.

KEY DEFINITION

Domain suffix: what goes at the end of a website address such as .com, .org, etc.

Once you come up with a domain name and check to make sure it doesn’t already exist (just type your name into the address bar of your web browser and see if it takes you anywhere), it’s time to purchase it.

There are multiple websites that offer domain hosting services. These are a few of the most popular options with an overview of pros and cons so you can make the best decision for your business.



GoDaddy is a popular domain registrar known for its user-friendly and affordable website hosting solutions.

Pros

- One of the more “affordable” domain hosting options
- Free domain name offered with all yearly plans
- Good security features
- 99.9% uptime guarantee
- 24/7 phone support

Cons

- Limited live chat support (available only on workdays during working hours)
- A few upsells at checkout



Google Domains is an internet domain name registration service offered by Google.

Pros

- Familiar and simple Google-style interface
- Clean, easy-to-use interface
- No upsells
- 24 hours/day chat, email, and phone support in English, French, Spanish, and Japanese with more limited hours

Cons

- You’ll be sharing even more information with Google
- Doesn’t have a rich knowledge base if you run into issues or questions

GANDI

Gandi is a company based in France that provides domain name registration, web hosting, and related services.

Pros

- Beautiful interface
- Free domain privacy, free SSL for one year, email hosting
- Good deals on multiple domain bundles

Cons

- On the more expensive side

There’s no right or wrong answer when it comes to choosing your domain hosting service. Each comes with positives and negatives—it’s up to you to decide which features are most important for your ecommerce business.

IN SUMMARY:

- Choose a domain name that’s the same as your brand name, if possible
- Try to use a .com domain suffix
- Compare various domain hosting services and select the best one for your business

CHAPTER 5 TIME TO SET UP SHOP

It’s going to start feeling very real in this chapter because it’s time to officially set up your shop! If you’re feeling overwhelmed, don’t be. We’re here to walk you through every step of the process.

The great news is that there has never been an easier time to set up an online shop. Thanks to the ecommerce boom, we’ve seen a rise in platforms that allow you to quickly set up a shop, even if you aren’t technically savvy. Here are a few of our favorite ecommerce platforms:

Shopify shopify

Shopify is one of the most popular players in the ecommerce market, with over 400,000 merchants and 800,000 active online stores across 175 countries. **It's worth mentioning that we're such huge advocates of this platform that we're actually one of their education partners.**

Pros

- Great reputation
- Easy to set up; don't need to code or have a designer to customize your store
- Extra integrations and features not found on other platforms
- 100+ well-designed themes and templates
- Helpful customer support team
- Multiple payment plan options depending on your own needs
- Access to support from the giant Shopify community

Cons

- Unless you sign up for Shopify Plus, they charge you for every transaction, as well as additional features and themes
- Even if you already have a background with HTML or CSS, you will need to understand Shopify's own coding language "Liquid" if you want extra customization
- Many of the native features offered by Shopify are bare bones. You'll need to purchase if you want extra functionality, which can add up in cost

Pricing

- Pricing runs between \$29 and \$299 per month depending on what features you need.
- Free trial for up to 14 days

BigCommerce BIGCOMMERCE

BigCommerce is a bit smaller than Shopify with around 60,000 online stores. It's considered a good platform for traditional brick-and-mortar businesses who also want to open up an online store.

Pros

- Great for traditional physical stores looking to transition online
- 0% transaction fee No matter which plan you choose, you get an unlimited number of staff accounts
- Lots of free and premium design themes

Cons

- Premium design templates can be expensive, generally running about \$170 or more

Pricing

- Pricing runs between \$29.95 and \$249.95 per month. You can also get a 15-day free trial.

Magento Magento

Magento has almost 25% of the market share among ecommerce platforms. It's considered to be a great option for enterprise-level merchants that have large volumes of product to move.

Pros

- It's free because it's open source
- If you know how to code (or are willing to pay someone who knows how to code), you have limitless flexibility with store design

Cons

- Generally not recommended for beginners
- A steeper learning curve for those without much coding knowledge

Pricing

- The basic version is free to use
- Prices of premium memberships could go up to as high as \$20,000 per year for enterprise packages

In general, we recommend that first-time ecommerce entrepreneurs go with Shopify. It's the most beginner-friendly platform and has all the functionality you need to launch and scale. However, you should still take some time to browse each platform's website, comparing their pricing and features.

Once you select your ecommerce platform, it's time to set up your store! Each platform offers in-depth resources and customer support if you have any questions or concerns.



CASE STUDY

In addition to the Foundr Lessons we incorporated throughout the book, we also wanted to share the real-life experiences of some students who have gone through our courses. We're so proud of their accomplishments and hope they can show you the types of results you get from applying all the knowledge in this book to your own business.

Who

Ffion Thomas | Earned over £1,000 in sales in the first month alone

The Problem

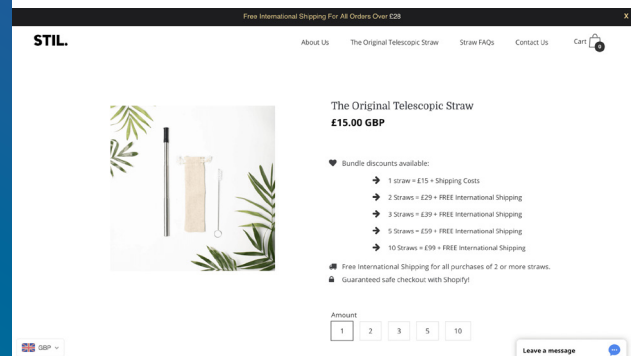
Ffion, an advocate minimalist, life-hack products and sustainability, came up with the idea to create a reusable straw that was as convenient as it was ethical. So she designed a chic extendable straw that looked as natural in a martini glass as it did in a soda. But she knew she wanted to do more than just sell a product—she wanted to build a lasting, recognizable brand that made an impact. But with no previous experience in ecommerce, Ffion didn't know what to do next.

The Solution

Ffion browsed the internet in search of the perfect resource to get her started, and that's how she discovered Start & Scale. While the entire course helped her build her business, she found the content on branding to be critical to her company's success. Using the tactics outlined in the course and in this book, she created a brand concept that she loved. Some Things In Life was born.

The Result

This first month of business for first-time entrepreneurs is often a quiet one and business builds slowly. But through her powerful brand and audience building, Some Things In Life brought in over £1,000 in sales in the first month alone.



IN SUMMARY:

- Do a side-by-side comparison of the big three ecommerce platforms
- Select the platform that makes the most sense for your business—from a cost, features, and overall functionality perspective

3

*The Nitty
Gritty:*
Prototyping,
Packaging,
And
Shipping
Your
Product

CHAPTER 1

DESIGN A PROTOTYPE

No, you're not seeing double! We already covered prototyping in a previous chapter. But we're bringing it up again now in case you didn't have the opportunity to create one during the process of validating your product idea.

Creating a prototype ensures you're happy with your product before fully investing in manufacturing and production. As a reminder, here are some tips:

Hand make or prepare a demo version for people to see or try

Have a graphic designer create a 3D render (note: this is not the same as a prototype, which is an actual physical sample of your product)

Get a local manufacturer to physically create your prototype from a graphic design so that you can validate the product before placing a full order

Manufacturers need specific types of designs if they're going to create something, and they won't be able to do that with just an idea in your head. So, if possible, we recommend working with a professional designer to help bring your vision to life.

Luckily, nowadays, it's easy to find a high-quality and affordable freelancer online through marketplaces like Upwork or 99 Designs. If you need a bit more guidance about how to find a designer, here are a few steps you can follow:

1. Set a budget. You should be looking to spend around \$250 to \$500 dollars for a quality prototype design on a freelance basis. This will vary depending on your product and industry, but at this stage, we don't want you to overspend on a basic prototype so recommend that you don't exceed \$500 to hire a freelancer.

2. Communicate what you're looking for. Share a brief description of what type of help you're looking for on the freelance marketplace. Basically, you want to say that you're looking for a 3D render of your product idea, explain what the product is, and express the type of designer you're looking for - ideally, someone who specializes in physical products.

3. Vet your options. Once you start getting requests from designers, make sure to view some of their work samples and portfolio to see if their style aligns with what you have in mind. Also make sure to check their reviews in case there are any red flags. The last thing you want to do is pay for a designer who ends up being unprofessional or difficult to work with.

4. Brief your designer. Once you've got your designer locked in, you'll want to brief them on your vision for your product. This is a great time to share your branding kit, along with any other links and inspiration from your Pinterest board. You also want to give your designer an idea of the actual size and specifications of the product so they don't end up creating something much smaller or much larger than what you were envisioning. Finally, the three most important things to communicate about are: the product features you want included, the materials you want used, and the criteria of the product being lightweight, high-quality, and easy to ship.

Here are a few other tips for working with your designer:

Make them feel included in your brand story

Get them pumped about the bigger vision of what you're building

Give them guidelines, but don't micromanage them—you hired a professional for a reason!

If possible, try to find a local designer that you can meet up with in person. The collaboration and feedback process is much easier face-to-face

IN SUMMARY:

- If you haven't already, now is the time to create that prototype
- Source a high-quality freelance designer to create prototype design
- Follow our guidelines to identify the right freelancer for your needs
- Use our tips for a happy working relationship with your designer



Foundr Lesson, X Shore Konrad Bergström | 3x Founder

When Bergström observed the rise of Tesla in 2012, he was struck by an idea: if there are electric automobiles underway, why can't that be the case for electric boats? That's how the idea for X Shore was born.

Given the complexity and sheer size of the product he wanted to produce, Bergström and his team spent four years working on the concept before completing their first working prototype in 2016. Although it took a significant amount of time, Bergström was glad that they went through the growing pains and invested in the prototyping process.

"That one [the initial prototype]... looked like crap. Sometimes, an idea on paper is very far from getting it industrialized. So it takes time, especially with such a big product, to go through all the details and find solutions that are economical, so you can have the margins and survive as a company," says Bergström. He offers some advice to other entrepreneurs who are undertaking more substantial products:

Don't recreate the wheel

Since Tesla and other companies were openly releasing their electric technology at the same time, Bergström didn't feel like he needed to recreate the wheel. Instead, he piggybacked off the automotive industry, which ultimately saved him a ton in resources and helped X Shore's bottom line.

Dance a little different

It's pretty much unheard of for an innovative tech company to not have an in-house engineering team. But that didn't stop Bergström. Instead, he partners with automotive giants like BMW and Rolls Royce to find engineering solutions - and, clearly, it hasn't stopped X Shore from innovating.

CHAPTER 2

MANUFACTURING: LOCAL VS. GLOBAL



Now that you have a prototype in hand, it's time to take your design to a manufacturer. When it comes to manufacturing, you have two choices: you can decide to work with a local manufacturer or a global manufacturer. In this chapter, we'll share an overview of each option and explain how to get started on each path.

Local

We recommend trying to find a local manufacturer for your first-ever product. There are many benefits to this option, such as the fact that you can usually negotiate a lower minimum order quantity and save a lot of time and money while implementing, revising, and reviewing the prototype. There are some key considerations to look for in a local manufacturer:

Location. The goal here is to make sure your local manufacturer is as physically close to you as possible to make it easier to work with them and visit them when necessary.

History. Have they worked with other brands that you know and love? This is usually a good indicator that they'll be a good manufacturing partner.

Capacity. You want to see if this manufacturer has the ability to help you build out your idea and innovate within themselves. Ask how they've done this for other brands in the past.

Quality. Finally, ask to see some samples of their work to see the quality of the items that they produce.

So now you need to do some research to find local manufacturers in your area. To start, simply go to Google and type in your product type, the word manufacturer, and your nearest major city. For example: "watch manufacturer in Los Angeles." Feel free to play around with different keywords to get the results that you want.

If nothing is showing up in your local city, then broaden your search to other major cities or states near you. Scan through the Google search results and find at least five potential manufacturers and save their name, links, and contact details in a spreadsheet or in your workbook.

Once you have a list you feel good about, reach out to each manufacturer to see who you like the most and to collect some basic information. Keep an eye out for things like clear communication skills and fast reply rates to your emails—you don't want to work with a manufacturer that takes weeks to respond to urgent requests. And don't be afraid to trust your gut. If you feel like something isn't quite right with the manufacturer you're talking to, then move on to the next one. There's probably a reason why you feel that way, even if you can't quite put your finger on it.

When contacting potential manufacturers, there are a few cost-related questions to ask. We put together a few ideas to help guide your conversation:

Can you provide a basic cost estimate for the type of product I want to produce?

What are the scale and pricing tiers for the minimum order quantity? For example, 10 units might cost \$15 per unit but 20 units could cost \$10 per unit

What is the lead time required to create the initial product? This is simply asking how long it takes to manufacture your product, which is really important to know as you get closer to planning your launch

Do you have a maximum order quantity? If so, how many units can you make when I start increasing my product?

From there, it's just a matter of narrowing down your list and selecting the manufacturer you liked the most that met all the basic criteria!

Global

Unfortunately, you may not always be able to find a local manufacturer where you live. If this is the case, you'll have to use a global manufacturer.

For instance, most global manufacturers in China use the waterfall method of production. This means they have a minimum order quantity that's usually at least 1000 units. This means that if there ends up being something about your product you don't like, or if something goes wrong during the manufacturing process, you'll have to scrap all those units and start again. That's why we strongly encourage people to find local manufacturers where possible.

However, if global is your only option, we recommend using Alibaba.com to source a manufacturer. For those who aren't familiar, Alibaba.com is currently one of the world's biggest online commerce companies. It's an online marketplace of manufacturers, factories, merchants and suppliers that has hundreds of millions of users and hosts millions of merchants and businesses. In other words, it's a huge database where you can search and find manufacturers, among other things.

We outlined the process of how to select a global manufacturer through Alibaba.com below:

1. Create a free account on Alibaba.com.

2. Type in keywords related to your product.

Play around with search terms until you find a set of results that you feel are a good fit.

3. Go with a "Gold Supplier." As you search, the listings of manufacturers will show up along with their different ratings and rankings. A "Gold Supplier" status basically means that the manufacturer has a certain standard level of supply and they've supplied a certain amount of products for the last two years.

4. Check out the information in their profiles.

Most profiles will have information about the manufacturer's production flow—from raw

Working with a global manufacturer does come with extra challenges, such as increased shipping times, communication barriers, and the inability to produce single units.

materials down to the finished product. They sometimes answer frequently asked questions as well, which can be helpful.

5. Contact suppliers. When you find a manufacturer that you like, send them a message directly through Alibaba.com. In your message, remember to ask about things like their minimum order quantity, cost per unit, the lead time, and the payment terms. Also, ask if they can provide samples.

6. Pay attention to their response. Take note of how quickly and how well different suppliers reply to you—this is an indicator of how prompt they'll be when you work together, which is especially important when working with a global manufacturer. Most should get back to you the same day or within a couple of hours. Also, don't be surprised if they ask to add you to an instant messaging platform like Whatsapp so they can keep in touch much faster.

7. The proof is in delivery. Finally, it's up to you to decide which supplier you want to move forward with. If they have good feedback, are responsive, and send you high-quality samples, then that's a great indication of a solid supplier. Hold off on making any decisions until you've vetted multiple options and have seen, first hand, proof of their manufacturing.

IN SUMMARY:

- Understand the pros and cons of working with local vs. global manufacturers
- Follow our process and question guidelines to identify a high-quality local manufacturer
- If you're not able to find a local manufacturer, take a look at our process for identifying a global supplier through Alibaba.com

CHAPTER 3

PACKAGE YOUR PRODUCT

Getting your packaging right is critical because it's a huge part of your brand's identity and the customer's experience. It's also one of the key ways you can differentiate yourself from your competitors.

However, it's totally OK if you don't have the resources to create custom packaging from the start. Just keep in mind that this is an area you'll eventually want to invest in! You may want to go back to the designer you used to come up with your prototype (if you liked the results they produced) to help you with this step as well. There are a few criteria to keep in mind while you're brainstorming the perfect packaging for your ecommerce product.

The look

Imagine that your customer ordered your product and has been waiting excitedly to receive it for several days. The anticipation has been building up and, when the delivery person finally rings the doorbell, the package is placed in their hands and they start to unwrap it. This is what we call the unboxing

experience. It refers to the moment your customer receives and opens up your package. The big question that you, as the creator of the product's packaging, need to ask yourself is: what do I want my customer to feel during this unboxing?

That answer should depend on the product you're selling. Specifically, when thinking about packaging, consider the perceived value of your product or brand. For instance, if you're selling high-fashion jewelry, you'll want to make sure your packaging aligns with this image. Let's say a customer ordered a really nice pair of earrings, only to find that they were shipped in a flimsy box and wrapped in boring, brown paper. Can you imagine the disappointment?

Now let's say, instead of the flimsy box and boring paper, they receive a beautiful velvet jewelry box that contains their earrings with your brand's logo delicately inscribed on the clasp. There's also a note written in elegant script thanking the customer personally for their purchase along with a monogrammed drawstring bag to store the earrings in. The difference between those two customer experiences is huge. Tiffany's packaging (pictured below) is famously known for its luxurious and aesthetically appealing design and packaging.



The first version of packaging inspires no emotions and likely won't lead to a second sale or raving recommendations. The second, on the other hand, is something someone would be likely to tell their friends about and share on social media. These are the things to think about when considering the look of your packaging.

Type of packaging

It's also good to remember that your product doesn't have to come in a standard box! There are tons of different shapes and materials you can play with when it comes to packaging. For instance, if you're selling something long

and round, package it in a cylinder instead of a box, such as the S'well water bottles pictured below. It not only avoids wasted space and potential breakage, but it's also a more novel experience for your customers.



<https://dapsile.com/swell-water-bottle/>

Also, make sure the type of packaging you choose can preserve your products, if needed. If your product is fragile, insert padding throughout as well.

Size and weight of the packaging options

While it may be tempting to load your packaging with extra features and goodies for your customers, consider the size and weight of your package as well. Keeping this in mind will set you up for success as your business starts to scale.

For instance, you may be able to package up giant boxes that are filled with confetti and butterflies for your first five customers. But how will you re-create this experience when you need to do it for 5,000? On the other

hand, if you send out your product in a nicely designed and thoughtful envelope, this is something you'll be able to replicate—without much added cost—at a much larger scale than the former example.

Mandatory warning labels or regulations

Finally, just a quick note on regulations. As we mentioned in a previous chapter, it's important to check and see if your product is regulated or dangerous to ship. This would include items like flammable products that contain some kinds of lithium batteries or aerosols. If your product “contains” any of these elements, include any mandatory warning labels and follow the local regulations of your shipping location.

To help inform your packaging decisions, it may be useful to see what other companies are doing. Here are a few ways to find inspiration.

Order products from your competitors.

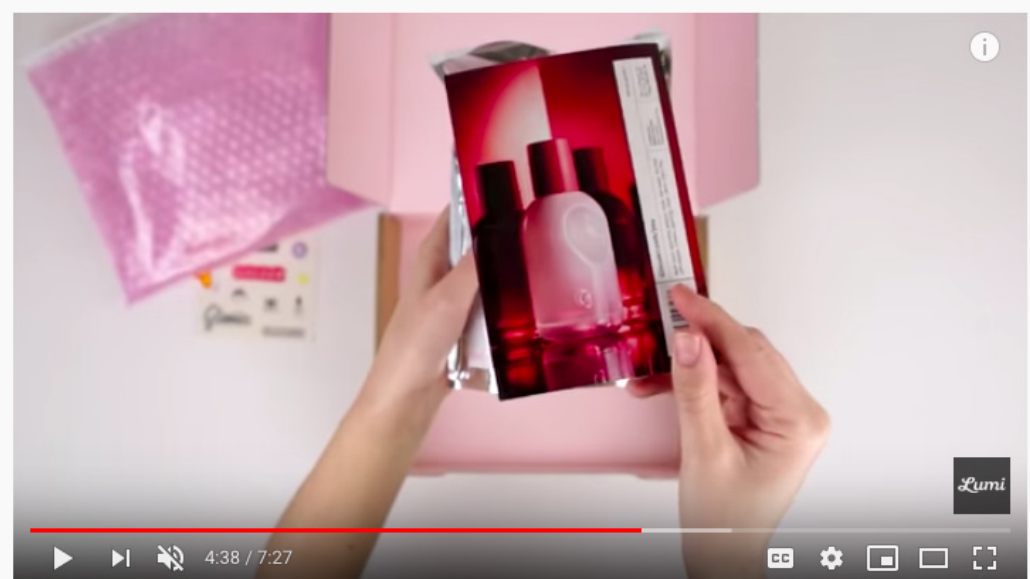
What better way to see the packaging of other companies in your niche than to experience it first hand? This is a great way to put yourself in the shoes of your potential customers, collect information about packaging, and experience the unboxing for yourself.

Explore online. There are tons of images you can find online to give you packaging ideas. Simply head over to Google and Pinterest and type in your product type + packaging and see what results you get.

Check out unboxing videos. YouTube is also a great resource. These days, unboxing videos are super popular amongst influencers, so you can easily find them for just about any company by typing in the brand name + unboxing. Or if you don't have a specific company in mind, simply type in the product type + unboxing, and unboxing, and you'll find a lot of videos to choose from.



Honest Mejuri Review + Unboxing! | Ana Molina



#ShippingThings
Unboxing Glossier

Now you may be thinking: oh great, I'll just use the manufacturer I chose in my last chapter to also handle my packaging needs! While you technically can do this, it may not be the best call. More often than not, these suppliers will just contract with a different company for the packaging and you'll end up paying a markup. So if you want to save money, it may be better to cut out the middleman and find a separate packaging company yourself.

Again, we recommend finding a local packaging manufacturer. Follow the same process that you did to find your local supplier and identify a company that's physically close to your other vendors. This will make it much easier when you do physical inspections. If you don't like any of your local options, you can look at Alibaba.com as well follow the process we outlined in Chapter 2.

Packaging plays a huge role when it comes to your brand and customer experience. We hope you use this step to get your creative juices flowing, come up with some unique packaging ideas, and most importantly—have fun!

IN SUMMARY:

- Understand the importance of packaging when it comes to brand identity and customer experience
- Imagine the unboxing experience to come up with ideas
- Consider the type, size, and weight of packaging
- Don't forget to include any mandatory warning labels and follow regulations
- Use Google, Pinterest, and YouTube to find packaging inspiration

CHAPTER 4

THE SCIENCE OF SHIPPING

With the rise of services like Amazon Prime shipping, people's expectations around delivery times have become exceptionally high. That's why it's essential that you nail the science of shipping and make sure your products get delivered swiftly and efficiently to the door.

Shipping options

With ecommerce, there are two options for getting your product to a customer. You can either:

- 1. Ship from your home.**
- 2. Go through a third-party logistics (3PL) company.**

Option 1: Ship from your home or place of business

For entrepreneurs who are just getting started, we recommend using your home or place of business as your shipping hub. Essentially, what this means is that after your product is produced, your manufacturer will send it to your home, and then you package the item yourself and send it off to buyers. This can reduce the stress of working with a third party during the early stages of your company.

So if you choose this route, all you need to do is select a local shipping provider to use. Different providers may have different pricing and delivery times, so compare the cost before choosing one. When looking for a shipping provider, there are two main things to keep in mind:

- 1. How long it will take for your package to ship**
- 2. How much you'll have to pay for each shipment**



A few popular shipping providers you can use are FedEx, DHL, and UPS. You can also compare pricing with the government-run postal service of your home country, such as the U.S. Postal Service. Each of these services have their own specific processes, so familiarize yourself with them to understand exactly how they run their shipping business. Also, keep in mind: later, when you grow your business, you may find that this method gets too expensive. If that's the case, don't worry, you always have option 2!

Option 2: Ship directly through a third-party logistics company

A 3PL company will handle the shipping for you. In other words, your manufactured products will wait in a warehouse and the 3PL will pick them up from the warehouse, package them, and ship them out to your customers. Some prominent examples of 3PL companies include Shipwire and ShipBob.

While this option is generally cheaper than shipping from your home, we don't really recommend using this when you first launch your online store. The reason is because most 3PL companies require a minimum number of orders. For example, they may require 500 orders per month in order to use their services. Not to mention that they usually charge a monthly fee for warehouse storage, as well as a pick and pack fee. As a brand new ecommerce business, these costs and amounts aren't realistic and may ultimately cost you.

Shipping costs

When it comes to shipping, you have to decide whose pocket the cost will come out of: yours or your customers'. These days, it's expected of ecommerce companies to

offer free shipping. So we believe it's best to build your shipping price into your product price and offer free standard shipping. And then for express shipping, you can have the customer pay a higher price to receive the product faster. Another alternative option is to offer free shipping if the customer spends over a certain amount of money.

Tracking

Tracking your shipping is important for a number of reasons: it can help you identify weaknesses or problems within your shipping process which, if quickly addressed, can improve your conversion rates. Similarly, having this type of data on hand is valuable in case anything goes wrong and you need proof of a package location.

To track orders, you have a few options:

Use your ecommerce platform. For example, Shopify has some great integrations that work with postal services like USPS or Australia Post, so that you can track your orders directly through your ecommerce platform.

Use your shipping provider. Most shipping providers offer a method to track all packages, so you can manage everything with the information they provide.

Do it manually. If none of these options are available or you just want to do it yourself, start a spreadsheet that records the customer, their order, the date and the time that it was sent and, if possible, a tracking number or receipt.

Remember, the faster that you can ship a product out to a customer, the higher your conversion rates will be for your online store! In a day and age where people expect one- to two-day shipping delivery times, having an efficient shipping process in place can play a huge role in the success of your business.



CASE STUDY

In addition to the Foundr Lessons we incorporated throughout the book, we also wanted to share the real-life experiences of some students who have gone through our courses. We're so proud of their accomplishments and hope they can show you the types of results you get from applying all the knowledge in this book to your own business.

WHO

Cory and Georgia | Earned \$33,000+ in sales in five months

THE PROBLEM

Cory and Georgia had an idea for a water bottle that would double as a foam roller for athletes and gym regulars. They'd created a design and even found a manufacturer but ran into several obstacles while trying to work with them.

THE SOLUTION

Cory and Georgia enrolled in Start & Scale and found the missing link to launching their business. The course helped them better understand the process of setting up a store, shipping, and working with manufacturers.

THE RESULT

Despite their challenges early on, Cory and Georgia launched Balance Bottle in December 2018 and sold nearly \$800 worth of their bottles on the first day alone. In fact, the first shipment of 350 bottles sold out in just a month and the business continues to grow today.

IN SUMMARY

- Consider your shipping options—we recommend starting from home before using a 3PL provider
- Free shipping is expected in online shopping, so keep that in mind when it comes to pricing your product
- Track all your orders so you can improve your shipping process and collect valuable data



4

*Pre-Launch
Preparation:
Setting
Yourself Up
For Success*

CHAPTER 1

PRODUCT INSPECTIONS

It's inevitable that things will go wrong while your products are being produced. The defect rate, which is the percentage of output that fails to meet the quality target, averages around 2% to 5% of total orders.

However, conducting inspections greatly minimizes the chances of a costly mistake. That's why we encourage all ecommerce entrepreneurs to get their products inspected and ensure product quality at every stage. A few hundred dollars for a detailed inspection can ultimately save you thousands in the long run.

KEY DEFINITION

Defect rate: The % of output that fails to meet the quality target.

If you don't invest in product inspection, you risk:

- **WASTED TIME AND MONEY**
- **DEFECTIVE PRODUCTS**
- **RECALLS**
- **TONS OF REFUNDS TO PROCESS**
- **DELAYS IN YOUR PRODUCTION LINE**
- **UNHAPPY CUSTOMERS**
- **NEGATIVE REVIEWS**
- **LOSS IN SALES**

Clearly, this is not a step that you want to skimp on. When it comes to product inspections, there are a few options you can take:

Self-inspection

If possible, the best option is to always inspect your products yourself. If you use a local manufacturer, this should be easily doable. Simply set up time with your manufacturer to physically go in and check out your products. Start by ordering a smaller batch of your products and making sure everything—from the design to the functionality to the sturdiness—is exactly what you asked and paid for. Don't be afraid to speak up if something isn't to your liking!

Third-party inspection

If you use a global manufacturer, then self inspections are likely out of the question. Instead, you can hire a third-party inspector to conduct the inspections on your behalf. What they'll usually do is take around 20% of the stock and do an inspection based on your product specs. If you want them to inspect more stock, then you'll have to pay more. From their sample, they can create an average and overall defect rate at the point of manufacturing. You generally want to get your stock inspected every new order that you place or around every three months, so set up reminders for yourself on your calendar.

Create a policy for defective goods

Finally, depending on the contract you have with your manufacturer, you may also want to consult with a legal professional to create a policy that outlines what happens if they create any defective goods. For example, the policy may include a warranty that if your manufacturer produces any defects in the first year of working together, they will be responsible for covering the costs. This type of addendum may end up costing you a bit more up front, but it's worth the security and peace of mind.

IN SUMMARY:

- Always have your products inspected—the cost is worth the time, money, and hardship it can potentially save
- You can either choose to inspect products yourself or hire a third-party inspector, depending on your situation
- If possible, try to negotiate a policy with your manufacturer to ensure a certain level of quality



Foundr Lesson, SkinnyMe Tea Gretta van Riel | 5x 7-Figure Founder

Van Riel had a terrible experience with product inspections. She decided to place a bulk order of her product, SkinnyMe Tea, with her manufacturer in China to save on shipping costs. So van Riel ordered \$1 million worth of tea but unfortunately didn't have the products inspected on site at the manufacturer's location.

By the time she opened the shipment in Australia, it immediately became clear that the entire order was unusable. Not only was it the wrong type of tea, but some of the product had metal bolts in it. Needless to say, van Riel had to throw out the entire batch right away. Not only did she lose \$1 million worth of product, but it also cost an additional \$14,000 just to throw the tea out. It put her company three months out of schedule for her supply chain.

Van Riel's story is a great example of why product inspections—whether done by yourself or a third-party—are so important as it can save you money, time, and trouble.

CHAPTER 2 DON'T FORGET ABOUT LEGALITIES

We want to start off by saying that we're definitely not legal experts! So if you have a particularly complex product or have specific legal questions about your store, we highly recommend seeking out a lawyer to guide you through the process.

However, we did want to dedicate a quick chapter about some things to consider when it comes to the legal side of your brand—specifically trademarks and patents. Thinking about these issues in advance will help protect your product and branding from being copied, duplicated, or compromised in the future.

Trademark

A trademark is a specific mark, design, word or phrase that differentiates your brand from others. We recommend performing a general trademark search to make sure you're not infringing on a competitor's trademark. If you're in the United States, go to the U.S. Patent and Trademark Office website and do a T-E-S-S, or TESS, search. You can see all the trademarks that are live, dead, active, or inactive.

KEY DEFINITION

Trademark: A specific mark, design, word or phrase that differentiates your brand from others

If you're in the clear and want to trademark your brand name, just keep in mind that this is an expensive and complicated process. So our recommendation is to not get carried away. Instead, focus on trademarking only one important thing, such as your brand name.

Also, keep in mind when it comes to trademarks that just because you own a domain, that does not mean that you own that trademark. For instance, if you trademark your brand name under the category of food and drink, another company can still use your exact name under a different classification.

Patent

A patent is a license or right that protects original inventions, designs and processes. Our feeling is that unless your product contains some kind of scientific, proprietary, and life-changing formula, you don't need a patent. In this day and age, pretty much any product can be copied or improved upon, which is why we don't think you should sweat over it. It's also a process that will hold up your launch timeline. Patents are also expensive to list (and even more expensive to defend, if it comes to that).

KEY DEFINITION

Patent: A license or right that protects original inventions, designs and processes

Please remember that trademarks and patents will have a great deal of variation depending on the type of product, where you live, and where your product will be sold. So do your own research and understand your legal boundaries. Here are a few additional tips:

- Stay away from words that are too close to big brands in your space. Trust us, you don't want to risk getting tangled up in a legal battle with a major corporation
- Again, don't go crazy trying to trademark every little thing like your tagline
- Check out online legal services like LegalZoom or Trademarkia.com for more guidance
- Always consult with a lawyer if you're unsure about anything

IN SUMMARY:

- We're not legal experts, so seek out professional advice if needed!
- Don't get carried away with trademarking—stick to just your brand name and make sure it's not already taken up by a competitor
- You probably don't need a patent, unless your product contains a revolutionary and scientific discovery

CHAPTER 3

PICK A LAUNCH DATE

There's a lot of work that goes into preparing for your official launch. That's why we recommend choosing a launch date that gives you enough time to get everything ready. In other words, don't decide today that you're going to launch one week from now—that's not nearly enough time. Similarly, don't make your launch date the same day you're receiving a shipment of products. Leave some buffer room in case something goes wrong.

The reason why preparation is key is because a successful launch can do big things for your business. It gets you started on the right foot by generating a strong base of customers, providing an early cash infusion, and potentially making a big splash in your market so you can get the attention you deserve right off the bat!

However, it's totally OK if your launch day encounters some hiccups. That's just part of running a company. If things don't go as planned, it's simply an opportunity to learn from mistakes, iterate, and improve yourself and your business until you hit gold. If you've put in all the work that we've laid out in this book so far, you should feel very confident about your ecommerce business and your upcoming launch!

To maximize your chances of a successful launch, here are a few general guidelines to help you make your decision. When selecting a date, make sure:

1. You will have product in stock that day

2. There's no major holiday or event that might compete for your audience's attention (i.e. election day)

3. You pick a good day of the week to launch; Mondays tend to be good days for website traffic and email open rates. On the other hand, you probably want to avoid Friday when people are winding down and heading into the weekend

IN SUMMARY:

- A successful launch day can be super beneficial to your business
- Picking a good launch date is key, so follow our guidelines
- Don't stress if things don't go exactly as planned—part of entrepreneurship is being able to quickly bounce back from mistakes and improve

CHAPTER 4 BUILD BUZZ

We're going to introduce some lightweight ideas to help you generate buzz before you launch. If you feel like you want a deeper dive into some of these tactics, we recommend jumping ahead to Part 7 of the book, where we revisit these marketing tactics and share more detailed advice. However, the information in this chapter should be enough to make sure you have a substantial customer base prior to your launch date.

Content

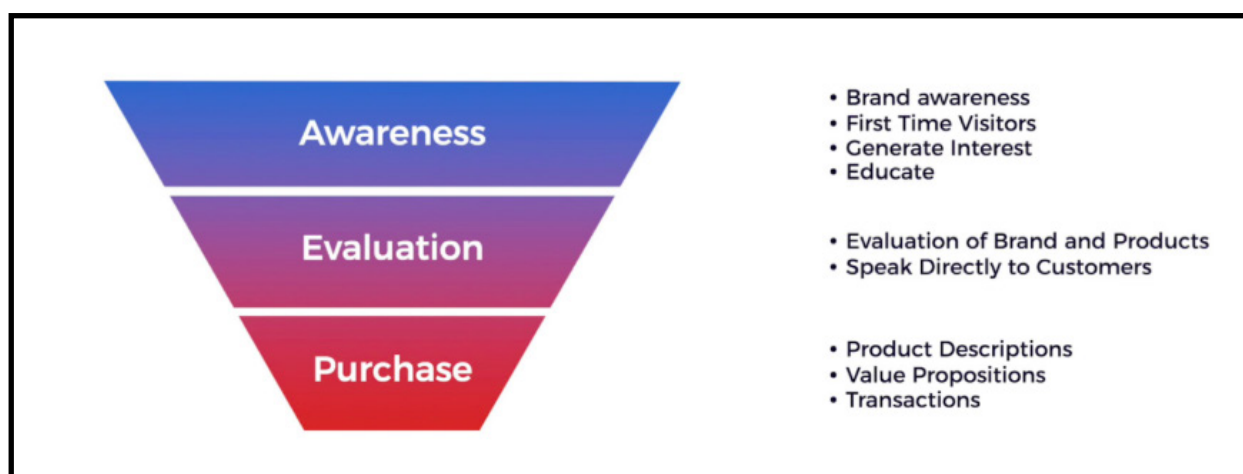
In order to understand the role of content in helping you make sales, we first have to understand the buyer's journey. This refers to the buying process a potential customer goes through before making their purchase. You'll hear this commonly referred to as a funnel because of its shape and how customers move through it from top to bottom, like a funnel.

Imagine a customer saw your Instagram post for the first time and was intrigued by your product. So they decide to visit your website and subscribe to your email list to receive regular updates. After reading your content over a period of time, they see a promotion that seems like a good deal and finally make a purchase. This is what it looks like to have a customer go through the buyer's journey.

KEY DEFINITION

Buyer's journey: The buying process a potential customer goes through before making their purchase—from awareness to evaluation to purchase.

The journey will look slightly different for every business and customer, but the process can generally be broken down into three main stages: awareness, evaluation, and process.



At the top of the funnel is the awareness stage—customers who move through this phase to the next are also commonly referred to as leads. Your warm leads live in the middle of the funnel—they are familiar with your brand and product and are “warming” up to the idea of purchasing from you. And finally, at the bottom of the funnel is the purchase stage, where you will find your hot leads.

F

or the sake of pre-launch preparation, we're going to focus on top-of-the-funnel content. Since the goal of this phase is to generate brand awareness among first-time visitors, the content we produce at this stage will be fairly

surface level and focus on helping customers understand that they have a problem and that our product is the solution to that problem. Examples of content at the awareness stage include:

Blog posts. These are short-form articles that live in the blog section of your website, if you have one. To start, your blog posts should mainly focus on educating potential customers about your product, the problem it's trying to solve, and the industry that you're operating in. When writing these posts, refer back to your customer persona and keep them in mind to make sure your writing is relatable to your readers.

Educational videos. You can also create simple and engaging videos. They should essentially serve the same purpose as your blog posts, but presented in a more visual format. This is a great option because videos tend to perform well on social media and are very engaging.

Ebooks. If you want to invest in longer pieces of content, ebooks are the way to go. With an ebook, you may want to provide some more context about the industry you're operating in, go more in depth with the problem, and provide more details about your product as the solution.

Don't feel like you need to create all of these materials at once. Content marketing is a

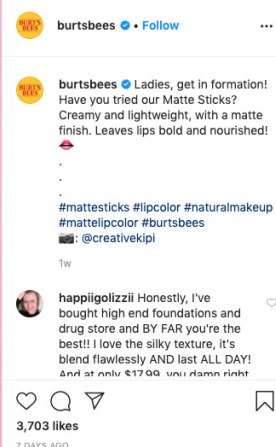
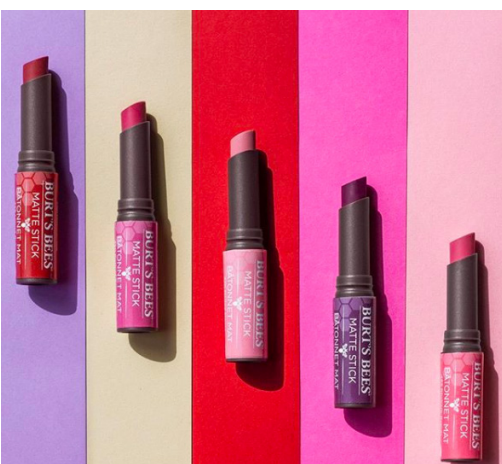
strategy you'll continuously use as you grow your business, so focus on getting a handful of high-quality content pieces out to start. A good way to think about it is: if a potential customer reached out and asked you for one piece of content to learn more about your product, what do you think would be most beneficial to send them? A tip sheet with an overview of the industry you operate in and how your product fits in? Or a short and sweet blog post that clearly outlines the problem and solution? It's up to you!

Social media

One of the best ways to promote your store before it launches is through social media. You don't need to be on every single social media platform to start—we recommend picking one or two to focus on in the beginning. For most ecommerce stores, Instagram is the best place to start building a social presence first. As we mentioned in the introduction, Instagram is a booming channel for ecommerce and increasingly where customers are going to do their online shopping.

A few weeks or months ahead of launching, share posts that generate a sense of suspense or excitement for what's to come. Here are some ideas for pre-launch posts:

Photos of your product. Give people a glimpse of what they'll be able to buy soon. You can share a high-quality photo of your product with a descriptive caption. Or, better yet, show your product in action! Take photos of people interacting with your product and using it to solve their problems to make it easier for potential customers to imagine themselves doing the same.



A fun and highly visual photo of Burt's Bees line of matte lipsticks

Customer quotes.

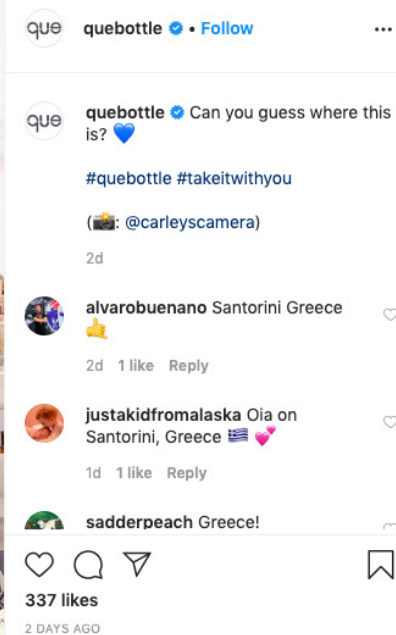
If possible, secure a positive quote from someone who tried out your product during the validation stage. Simply overlay these quotes over background images and publish them to your Instagram account. This can help give potential customers insight into what you're selling and creates positive associations with it based on other people's experiences.



An example of how Casper presents positive customer testimonials—it's even more powerful because they made the feedback align with Valentine's Day!

Relatable images. While it's great to promote your awesome product and company, you also don't want to inundate your followers with promotional posts all the time—it gets boring, fast. So feel free to sprinkle in a few general pictures that will connect with your

target audience. If you're selling hiking boots, for example, post a photo of a beautiful trail and ask followers what their next adventure is. This gives your followers a chance to engage with your post and also makes your brand more relatable and authentic.



Since que Bottle is described as being a water bottle designed for travel, the company's Instagram account will frequently post photos of destinations—this attracts a lot of engagement but is still relevant to the brand.

If you don't have your own photos to share, you can post pictures from other sources. For instance, websites like Unsplash offer beautiful, high-resolution photos that you can use for free. Also, if you want to add a professional touch to your images, Canva is an easy-to-use and free design platform that can help you create text overlays and other customized touches. While you're not required to credit the photographer, you should try to do so where possible! This is a super easy way to populate your account with beautiful images without spending a dime.

You may also want to consider partnering up with Instagram influencers to help

promote your brand ahead of launch. Instagram influencers are people who have built credibility through their platform and usually have a fairly large, loyal following. By partnering with an influencer in your industry, you can significantly boost your sales and brand awareness since they'll be promoting your product to a built-in, super engaged audience—many of which will likely fit your customer persona.

We don't want to overwhelm you with the details of influencer marketing in this chapter, but if this is a strategy you're interested in pursuing, check out Part 7 of this book for a step-by-step breakdown of how to get started.



Foundr Lesson, Bobbi Brown Cosmetics

Bobbi Brown | Former 10-Figure Founder

Everyone knows Brown for her famous makeup line. But what's less commonly known is that she recently launched a brand new lifestyle brand that sells hair and skin supplements called Evolution_18. To promote her new brand, Brown decided to turn to social media to organically grow her businesses and find a deep connection with her audience.

That's why Brown manages her own accounts and is extremely active on Instagram, where she shares content about everything from announcements about her latest probiotic product to photos of her recent trip to Paris to quotes about beauty. As a result, she has 23.8K followers and an incredibly engaged audience.

This demonstrates the power of social media when it comes to both launching and growing businesses—especially when approached authentically, the way that Brown does.

“There are so many ways for people to start their own brands. There's a lot to teach and a lot to learn.”

- BOBBI BROWN, BOBBI BROWN COSMETICS

Email list

One of the most valuable tactics to execute prior to launch is building an email list of subscribers. You will have a built-in audience before you even launch who are interested in your product. The best way to collect email addresses? Create a landing page.

This is a simple page that shares basic information about your launch date and product. The purpose is to build anticipation and collect email addresses so you can notify people when your store goes live. Drive traffic to your landing page from your social media posts. As your waitlist of emails starts to grow, reach out to them on a regular basis to provide updates on your launch and keep the excitement going. Only provide updates as needed though—you don't want to spam or overwhelm people before you even have a product on the market!

We're going to get into more details about how to create a high-converting landing page in the next chapter.

IN SUMMARY

- Understand why it's important to build buzz ahead of your launch
- Use content, social media, and a landing page to raise awareness around your upcoming launch
- For more details about these tactics, check out Part 7 of this book

CHAPTER 5 DESIGN A HIGH- CONVERTING LANDING PAGE

As we discussed in the last chapter, the landing page is a super important tool to help you capture email addresses ahead of your launch. The reason why we encourage everyone to collect email addresses is because, according to recent data from OptinMonster, the conversion rate for email marketing is over 6.05% versus only 1.9% for social media. That's more than triple the conversion rate. In other words, it's a really powerful way to help you get more customers.

However, not all landing pages were created equal. With the wrong design or tools, you can easily lose potential customers. Here are a few tips to make sure your landing page has a high conversion rate:

Find a tool

We always recommend using templated landing page builders like Unbounce. The reason is because it doesn't require any technical skill or knowledge. You simply go in, edit the template, add different text and photos, and you're done. You can also use these page builders to create a signup form and have that information get automatically saved in a Google sheet.

7 components to a high-converting landing page

In general, there are seven components that make up any good landing page. Make sure to include these elements on yours:

- 1. Headline:** The headline should grab your audience's attention. It should be short, eye-catching, and clear.
- 2. Subhead.** This is a brief sentence or phrase to explain what the product is and who it's for. Again, you don't need to write several sentences or go into great detail.
- 3. Hero Image.** This is just another name for a large banner image on your site. Ideally, you'll use professional lifestyle photos of your product. But if you don't have any, you can also use your prototype or 3D render.
- 4. Clear Copy.** Use clear and straightforward copy to explain your product's benefits and why it's different from your competition. Refer back to your brand pyramid to help with this.
- 5. Social proof.** As we mentioned before, ask customers who tried out your product during the validation stage for positive testimonials or quotes. Add these reviews to your landing page for credibility.
- 6. Clickable CTA.** Your call to action (CTA) should be an invitation for people to sign up for your waitlist. This is the ultimate goal (conversion) and how you will collect email addresses.
- 7. Scarcity Mechanism.** Build excitement for your launch date by using scarcity. Add a countdown timer or write copy that teases your launch such as "coming soon" or "be the first to know."

Design best practices

Finally, once you check off the basic seven components of your landing page, it's also important to pay attention to the design! We share some general design guidelines below:

- 1. Choose the right colors.** Different colors elicit different emotions from people. For instance, many people associate the color green with wealth, health, and sustainability. Red usually inspires action and passion. Take your brand and industry into consideration when thinking about your color choices. This is a great time to consult your brand kit as well! Tip: Keep it simple. Don't use 10 colors on a single page as it may detract from your main goal—to get people to subscribe and join your email list.
- 2. Align the design with your brand.** Keep the design aspects of your landing page consistent with your brand. So if your product gives off a more serious vibe, goofy animations would not be a wise choice.
- 3. Call attention to the right message.** Your key message should be highly visible and attract the attention of a visitor so make it stand out (either by giving it a color accent or making it larger in size).
- 4. Invest in high-quality images/videos.** Use professional-looking visuals on your landing page. If you don't have product images, use websites such as Unsplash to get access to free high quality photos. Ideally, you want product or lifestyle shots, but if this isn't possible, ensure they're high quality images. Low-quality images give off the perception of a low-quality product.
- 5. Keep text short.** Your text should be clear and concise especially when it comes to headings. Your landing page visitors will get bored with huge blocks of text and quickly lose attention.
- 6. Clear and concise CTA (call to action).** Finally, don't forget that the main purpose of your landing page is to get people to share their email addresses with you. So only add one CTA. If you have multiple calls to action, you'll take attention away from the most important one—to get people on your email list.

Let's take a look at a few examples of strong and well-designed landing pages:

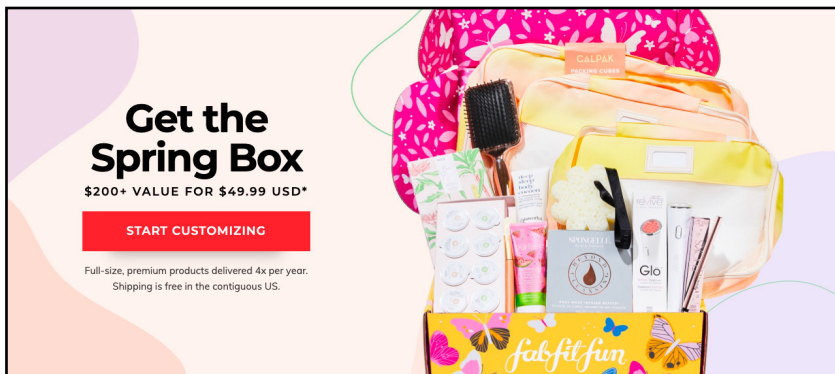
Blue Apron

The image used on this landing page, paired with the simple copy, makes it clear exactly what Blue Apron does and what a potential customer is signing up for. The bright orange CTA button is also easily noticeable and draws the eyes. Plus, the text below the button does a good job of creating a sense of urgency.



FabFitFun

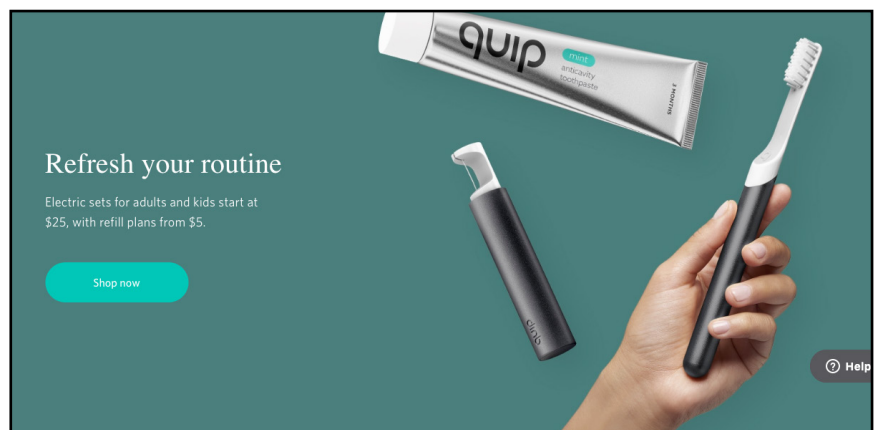
It's clear from looking at this landing page what the vibe of subscription beauty box service FabFitFun is: fun, bright, and feminine. The photo gives potential customers a sense of what type of products they can expect in their box, and the CTA button also explains that the boxes are customizable (with minimal text), providing useful information to people who are exploring the page.

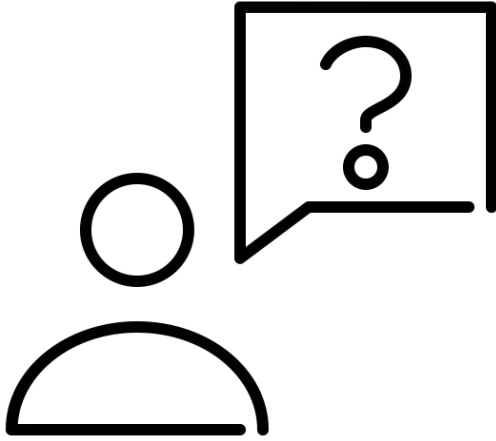


Quip

The Quip landing page has a sleek, modern, and minimalist look which aligns with the overall brand. The high-quality product photos communicate exactly what customers are signing up for. The CTA is clear since there's very little copy on the page and it draws eyes to the "Shop now" button.

It's definitely worth investing in a well-designed and high-converting landing page. It'll play a critical role during your pre-launch process and help you have an engaged audience already built in when you finally do launch your product!





CHAPTER 6

AWESOME CUSTOMER SERVICE IS A MUST

Stellar customer service is a must for any business that wants to survive in today's competitive market. In fact, 90% of customers rate an "immediate" response as important or very important when they have a customer service question. And 90% of Americans use customer service as a factor in deciding whether or not to do business with a company. So you can see why this is such an important aspect of your business to invest in.

But you may be wondering: isn't customer service something I should worry about after my launch? Definitely not. It's pretty much guaranteed that your customers will reach out with complaints or concerns even on the first day of your launch—which is why you need to be prepared to deal with those issues ahead of that day and have a plan to keep your customers happy. There are a few customer support tactics we suggest having set up prior to your launch date.

Customer support channels

Customers need dedicated channels where they can contact you. We recommend creating a separate support email to monitor regularly. Make it easy to remember—a common format is support@[insert your brand or product name].com. Separating support-related emails from other business emails will keep you organized and reduce the chances of missing an important customer email.

As your store grows, you may find that it's overwhelming to manage all your customer support emails. If this happens, there are many helpdesk platforms out there that can help, such as Help Scout and Zendesk.

IN SUMMARY

- Use a landing page builder such as Unbounce that includes high-converting templates
- Check off the seven components of a successful landing page
- Follow our design guidelines for better conversions

Email responses

It's not enough to set up a customer email. You also need to respond to emails in a timely manner! Here are some questions to answer before your launch date:

- **Who will be monitoring the support email?**
- **How frequently will your email be monitored? Every 30 minutes? Every hour?**
- **What will be your goal response time? In the ecommerce world, responding to emails within 24 hours is standard. But you should always aim for a faster response time, if possible.**

Something you may find helpful is to prepare email templates ahead of time. Think about some common issues your customers might face (i.e. delayed delivery, product issues, etc.) and write out an empathetic response you can tweak as needed. This will save you time later because you won't have to create responses from scratch.

When it comes to customer service, empathy is key. If a customer reaches out with a complaint, think back to the last time you received a product that wasn't up to your standards. It's frustrating to be let down after you paid for a product you were excited to receive. That's why responding promptly with kindness is critical to running a successful ecommerce business.

Website chatbox

Finally, many customers appreciate having a live chat option with a customer service representative. If possible, consider adding a chat box to your website for quick, responsive support. Thankfully, there are several options for chat bot software that will do much of the heavy lifting for you. Here are a few options to consider:

FlowXO
Chatfuel
ManyChat
Microsoft Bot Framework
Gupshup.
Conversable

Handwritten Thank You Notes

Customer service isn't only about solving problems though. There are ways to proactively show your appreciation to customers and stand out from competitors. Handwritten thank you notes are one way to do this. You can either do them yourself, if you're able to, or use services like Thankster as your customer base begins to grow. While a thank you note isn't a magic pill that will override bad customer service or an unsatisfactory product, it's a really nice added touch that is sure to inspire loyalty in customers who are already fans of your brand!

FAQs

Another way to save time and meet the needs of your customers is to create a "Frequently Asked Questions" page on your website. Consider the most common questions your customers might have about your product—think about things like shipping, refunds, materials, etc. This will help you anticipate any customer problems before they pop up and may save you from answering repetitive questions.

IN SUMMARY:

- Check out the stats at the beginning of the chapter to see how much customer support can impact your business
- Open up customer support channels
- Have empathetic email templates created for faster responses
- Consider a chatbox
- Remember that handwritten notes can be an extra special touch
- FAQs can minimize repetitive questions and anticipate customer problems



CASE STUDY

In addition to the Foundr Lessons we incorporated throughout the book, we also wanted to share the real-life experiences of some students who have gone through our courses. We're so proud of their accomplishments and hope they can show you the types of results you get from applying all the knowledge in this book to your own business.

WHO

Priscilla Hajiantoni | Earned nearly AU\$40,000 in sales two months after launching

THE PROBLEM

Priscilla wanted to start a simple, but effective skincare line for millennial women to help them preserve their youthful skin. So she came up with the idea for an online skincare shop called Bangn Body. She made it to the testing phase on her own but then realized she had no idea how to make a splash when she launched her new ecommerce store.

THE SOLUTION

Priscilla stumbled upon a Facebook ad for Start & Scale and decided to take the leap. Throughout the course, she collected a ton of valuable information—especially when it came to learning how to build an audience prior to launching. She learned how to create an email list, the importance of an effective launch day, and other tactics to build buzz around her product even before it was available to buy—all the same strategies that were shared in Part 4 of this book.

THE RESULT

For most entrepreneurs, launch days tend to be silent and very few sales are made. However, thanks to Priscilla's dedication to implementing all the tactics she learned through Foundr's course, Bangn Body processed 32 orders on her launch day—thanks to her email list alone. And two months after her launch, Bangn Body received over 800 orders and generated nearly AU\$40,000 in sales.

“

We made over a grand in the first day, which was pretty remarkable considering in my day job I could only imagine ever making that much.

PRISCILLA HAJIANTONI

”



5

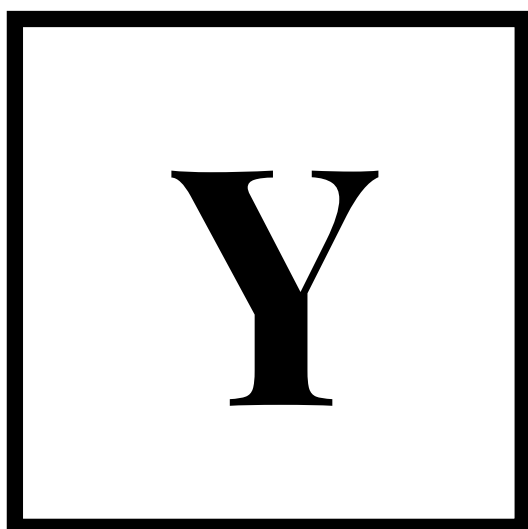
Launch Your Ecommerce Store

PART 5



CHAPTER 1

FINAL RUNTHROUGH



ou're almost there. After putting in all the hard work to get ready for your launch, you're just a short time away from making all your dreams a reality. This is the time to double check everything and do a final runthrough to make sure everything is working as it should. Here are some things to check before you launch:

Online store testing

This is arguably the most important part of your business! After you launch, you'll be directing everyone to your online store to explore your product and hopefully make a purchase. Test your site as if you were a customer to ensure your website is running smoothly and checkout is seamless. Something as small as a challenging navigation can result in customers leaving your store empty-handed. Here are a few things to test:

Have some friends make dummy purchases to ensure the checkout process is working

Confirm that the purchase receipt gets sent

Ensure popups or offers are working correctly

Double check the pricing, copy, and design for accuracy

Test your website and checkout in as many web browsers as possible—sometimes glitches happen in specific browsers

Test everything on a mobile device—your leads may be coming from Instagram which means people will likely be on their phones when they visit your store

Wait list

Check in on your waitlist. Do you have enough people on your list? Do any of the email addresses look off? Did you have any emails bounce back? This is the perfect time to clean up your list and send out a reminder email to notify subscribers that your launch is coming soon. Mention the launch date and time and any special promotions and offers. Send out another email on your launch day. You can also schedule your launch day email in advance so it can go out automatically on a day and time you designate.

Customer support

As we discussed in Part 4, prepare a customer support plan ahead of your launch day. This would be a good time to review the plan, especially if you're outsourcing your customer support or another employee is managing this for you. Also review your email templates, FAQs, chatbox, or any other tool you implemented.

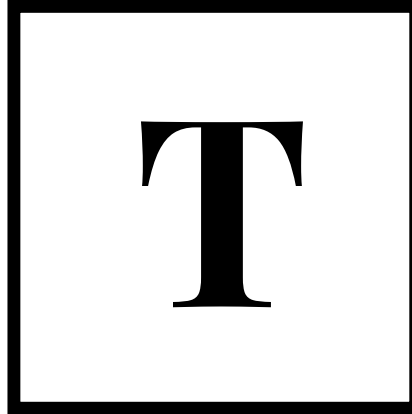
Social media

By now, you've likely published several social media posts promoting your launch and product. If you haven't already, we recommend going back through your posts to see if there are any comments, questions, or feedback that you missed. This can be incredibly useful insight and help you catch errors or obstacles that you might not have thought of otherwise.

Also, don't forget that some people may choose to direct questions and complaints to your social media platforms instead of your support email, so it's important to always be monitoring them as well. Make sure you either have a plan for how frequently to check in on social media or have someone to manage this process for you.

Timeline

Create a launch timeline that details everything that needs to happen—from social posting to checking your customer support inbox. Assign dates and times to each step of the timeline. Trust us, we know how stressful and overwhelming launching a new business is. Planning ahead of time reduces stress and keeps you organized.



To do this effectively, think through everything that could possibly go wrong, using your timeline as a guide. List all of these potential

issues and devise a plan of action to resolve them. The purpose of this exercise is not to predict doom and gloom for your launch. It's about being as prepared as possible! This way, you are proactive, instead of reactive, in a moment where stress may be high.

IN SUMMARY:

Now is the time to double check everything and make sure every aspect of your business is ready for launch

- Test your online store
- Keep in touch with your wait list
- Finalize your customer support plan
- Keep an eye on social media
- Create a timeline and risk management plan to be as prepared as possible

CHAPTER 2

SHOUT IT FROM THE ROOFTOPS

You did it! You've worked tirelessly for several months or years—from dreaming up your amazing product to creating the entire brand from scratch. And today, finally, you get to show off your hard work to the entire world. We know you probably tossed and turned last night because you were imagining everything that could go wrong. And you're likely feeling pretty nervous now too. If this is the case, we want you to pause and take a deep breath right now.

This is your moment. You had an idea and you decided to make it a reality—very few people can say that they've accomplished this in their lives. So this alone is something to be proud of. You also followed all the advice in this book and you spent countless nights thinking through every aspect of your ecommerce to make sure it's a success. While nobody may ever know exactly how much blood, sweat, and tears you put into this launch, it'll be clear in the quality of your product and brand that you know what you're doing.

You absolutely deserve to enjoy this moment, and we want you to take it all in—after all, you only get to launch your first ecommerce business once in your life! Once you've taken a few minutes to celebrate your achievement, it's time to start shouting about your launch from the rooftops! Here are few ways to spread the word and start seeing the sales rack up:

Blast a notification out to your wait list. If you've been growing a list of emails during the pre-launch period, now is the time to tap into that. Email your list or, if you had this pre-scheduled, make sure it went out to everyone. This email should include a clear call to action and link directly to your online store so they can make a purchase. But it doesn't stop there. Ideally, you want to set up a series of emails that go out over the next few weeks to keep the momentum around your launch alive. These emails can include any content around special deals or discounts, FAQs, or anything else that might create a sense of urgency and motivate people to buy your product right now.

Increase your social media posting cadence. After you launch, your social media platforms should become even more active. Now that your business is live, tap into as many channels as possible to drive people to your store. So post multiple times a week—if not multiple times a day—with fresh, interesting content that will make people want to visit your store and purchase your product ASAP. Don't be afraid to share your excitement with followers!

And don't just limit your sharing to your brand's social media platforms. Feel free to share the big news on your personal social media platforms too and ask your network—whether that's friends, family, or colleagues—to help you promote your new store as well. You'd be surprised how many people you can reach by having a few folks in your community spread the word.

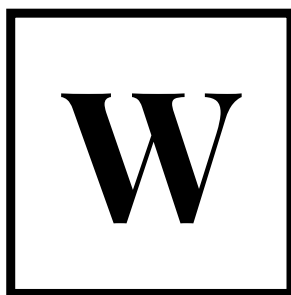
Tell everyone. Finally, don't underestimate the power of word-of-mouth. Whether you're talking to your barista or chatting with someone on the train, every conversation is an opportunity to talk about your business. Try not to be too salesy as it can turn some people off. Instead, be authentic and just demonstrate how excited you are about your ecommerce business. You never know if you might be talking to a potential customer, and are selling a product that they desperately need.

IN SUMMARY

- Soak up the moment—making it to your launch day is a milestone to be super proud of!
- Reach out to your waitlist and make the big announcement
- Increase your social media posting
- Ask your friends, family, and colleagues to help spread the word
- Don't underestimate the power of word-of-mouth and take advantage of any opportunities to talk about your new ecommerce business

CHAPTER 3

GET READY TO TROUBLESHOOT



While we hope that your launch has zero hiccups, chances are you'll have to troubleshoot some issues—and that's completely normal and to be expected!

The most important thing is to remain calm and remind yourself that you prepared for all these scenarios. Then, just follow the plan of action. Here are a few additional tips to help you with troubleshooting during your launch:

Monitor, monitor, monitor. The best way to get ahead of problems is to address them as they arise. Keep a close eye on all your tools, inboxes, and social media platforms which is where you'll run into issues or receive customer questions, concerns, and complaints. This is the first impression a customer may have of your brand so be prompt, helpful, and empathetic in your interactions.

View every hiccup as a learning opportunity.

It can be very discouraging to receive your first customer complaint or run into an unexpected problem with your online store. While we completely understand this, we always encourage entrepreneurs to view these minor hiccups as learning opportunities. This is your chance to interact with customers directly, listen to their problems, complaints and issues, and figure out how to resolve them. You may also learn about ways to improve your product based on the feedback you receive. Additionally, interacting with customers is a great way to further develop your brand voice so that later

on, when you decide to hire someone to help with your business, you'll know how to train them to communicate on your behalf.

Keep your cool. Finally, as much as we wish all customers could be kind and understanding, the reality is that you may encounter a few (or several) rude people while running your business. While you may be tempted to defend your product or shut down their negativity, this is usually not a smart move. **As the fact of your company, all of your actions now represent the brand - which means that any consequences (like a bad review) will negatively affect your business. So stay friendly and professional, and try not to take customer feedback personally - they may just be having a bad day or are frustrated with their situation. Most of the time, customers just want to be able to get the product and not have any issues.**

Be confident in your ability to handle any issues that arise, especially during the launch! You did your homework and you're mentally and physically prepared to handle any obstacles that come your way.

IN SUMMARY

- Your launch will likely run into a few hiccups, and that's ok!
- Always be monitoring to stay ahead of issues
- View obstacles as learning opportunities—not as a negative reflection of your product or brand
- No matter what, keep a cool head and be professional and friendly when dealing with customers (even when they're not being very nice)

CHAPTER 4

MONITOR, TRACK, AND ANALYZE

At this point, it's probably difficult to think about anything beyond your launch. However, there's one very important thing that you should start planning for now that will be a huge help to your business down the road: tracking metrics. Specifically, identifying and tracking key performance indicators (KPIs). These are high-priority measurements that accurately and succinctly show whether or not a business is progressing toward its goal.

KEY DEFINITION

Key performance indicators:
Measurements that show whether or not a business is progressing toward its goal.

KPIs are important because they can reveal a ton of valuable information about your business, product, and customers to help you make informed decisions. If you didn't have access to this type of data, you would essentially be making decisions blind and would be relying on your instincts or gut feelings to guide your business—an approach you'll never hear any successful entrepreneur recommend.

The reason why we recommend getting started now is because you'll be able to make the most informed decisions for your store if you track visitor statistics right from the start. A good first step is to identify which KPIs are most important to you. Keep in mind that the more stats you track, the more data you'll have to draw on as you make important choices about the future of your store. These are a few KPIs that we recommend starting with:

Sales per month

This is exactly what it sounds like—it's the total number of sales that you make each month.

Average order size

Also frequently called average market basket, this metric tells you how much a customer typically spends on a single order.

Visitor conversion rate

This is the rate at which users visiting your online store (or whichever website you're tracking) end up buying your product. This is calculated by dividing the total number of visitors to your site by the total number of conversions (sales).

Cart abandonment rate

This metric tells you how many users are adding products to their shopping cart but not checking out. The lower the number, the better.

Site traffic

This refers to the total number of visits to your ecommerce site.

Sources of traffic to your site

This should tell you which traffic sources are responsible for sending visitors to your store. Sources can include things like paid advertising, search engine optimization, brand or display advertising, social media, etc.

Average time a visitor spends on the site

This reflects the average amount of time a person spends on your site during a single visit. Also known as the average session duration.

Email subscribers

This number refers to how many users have opted in to your email list. If possible, you may also want to look at related data such as the demographics of your subscribers to see if you're hitting your target customer.

Social media followers

This is the number of followers you have on each social media platform. Tracking this gives you a sense of your brand awareness and customer loyalty. Again, if you can track the demographics of your followers, that may be helpful data as well.

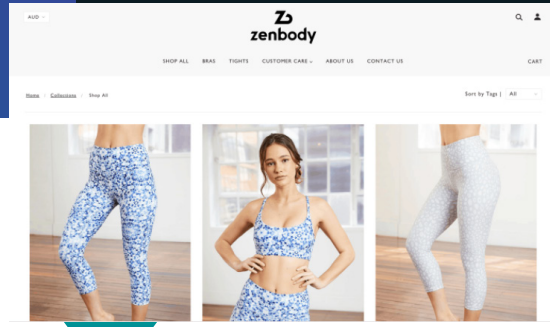
Keep in mind that this is just a small sampling of possible KPIs you can track. If you're looking for more ideas around which metrics to track, we highly recommend checking out Shopify's blog post on KPIs for ecommerce. <https://www.shopify.com/blog/7365564-32-key-performance-indicators-kpis-for-ecommerce>

Finally, your method of tracking KPIs will depend on your personal preference and the tools you already have in place. You'll most likely need to use a variety of platforms to track all your KPIs. For example, your ecommerce store platform may be the best way to track things like sales per month and cart abandonment rate. But Google Analytics may be the best way to track metrics around conversions and traffic. Simply pick what works best for you and iterate your data collection process as you go along.

Tracking KPIs is powerful and needed. It puts you in greater control of your business and will help inform your decisions when it comes time to make important business changes. Tracking can also help you spot trends that could have a major impact on your business. When it comes time to make tough decisions about branding, scaling and growing your ecommerce business, always turn to the data first.

IN SUMMARY:

- Understand how tracking KPIs early can help you make more informed decisions down the road
- Check out our list of KPIs—add any others you feel are important to track
- Use Google Analytics or any other tracking tool that you prefer



CASE STUDY

In addition to the Foundr Lessons we incorporated throughout the book, we also wanted to share the real-life experiences of some students who have gone through our courses. We're so proud of their accomplishments and hope they can show you the types of results you get from applying all the knowledge in this book to your own business.

WHO

Jennifer Cai | Earned AUS\$2,000 in the first week

THE PROBLEM

Jennifer was a long-time designer who had always dreamed of building her own brand but was held back by fear. Until one day, she decided to take the plunge and quit her job to pursue her deeply-held passion for yoga and start her own activewear line called zenbody. The only problem was, she had no idea where to start when it came to launching her first ecommerce business.

THE SOLUTION

Thankfully, Jennifer came across the Start & Scale course. Using the information in the course, she built out a pre-launch social media campaign that brought in 200 potential customers—all without spending a single cent on advertising or influencers. More importantly, she gained the confidence to move forward with selling her product.

THE RESULT

Thanks to all her preparation, the zenbody launch was a huge success and went very smoothly. In this first week, Jennifer made over AUS\$2,000 and even received two wholesale enquiries from potential stockists!



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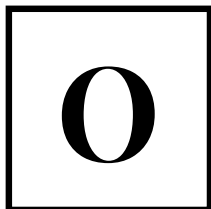
Operations *101: Optimize* **Your Online** **Store**

PART 6



CHAPTER 1

CONSIDER FREE SHIPPING



nce your online store has been up and running for a few weeks or months, it's time to think about ways to optimize your business. You may remember that we touched on the idea

of free shipping earlier in the book. We wanted to revisit this idea in case you haven't incorporated it into your product offering yet (if you have, feel free to skip ahead to the next chapter). We also want to go into a bit more detail about why we think free shipping can have a hugely positive impact on your business.

First, let's talk about the psychology behind free shipping. When your shipping rates are too high, it can negatively affect your conversion rates. Think about the last time you checked out of a store and then saw the standard shipping price was \$10.00 for a \$30.00 product. You probably thought twice about making that purchase, right? It's the same for your customers.

The reason why this happens is because there's no perceived value in standard shipping. And thanks to fast shipping (Amazon Prime), customers expect to get fast and free shipping any time they make a purchase online

That's why we recommend keeping these guidelines in mind when it comes to the way you approach shipping:

Factor your shipping and handling into your product price. For instance, if your product costs \$20 and your shipping also costs \$20, we recommend just selling the book for \$40 and offering free shipping instead (remember the Foundr lesson with Nathan?) This may seem counterintuitive since the end price is the same. However, you have to take psychology into effect. And successful entrepreneurs have found that people would much rather pay more for a product with free shipping than pay a super high shipping cost. The only time there's perceived value in shipping is when it's going to be faster or safer for your product to be shipped—that's why offering an express shipping option at a cost is OK.

Play into perceptions. There's another psychological phenomenon at play when you charge more for your product. When a product is more expensive (within reason) it's frequently perceived as being of higher quality or higher value. So charging more for a product isn't necessarily a bad thing.

Consider delivery times. Even if your shipping is free, if your product will take longer than 10 days to be delivered, your conversions will suffer. Keep your shipping times to one to five business days at a maximum, if possible.

You should feel empowered to tweak your shipping options and optimize them for your business. Collect data, test different approaches, and use customer feedback to determine which approach works best for your business.

IN SUMMARY:

- If you haven't already, introduce free shipping to your consumers to boost conversion rates
- Understand the psychology behind free shipping
- Price your product higher to account for the shipping costs
- Don't be afraid of increasing your prices to include shipping—people equate cost with value
- Deliver your product to customers quickly, ideally no longer than one to five business days

CHAPTER 2

HOLDING STOCK

Understanding how to manage your stock is tricky and it can become a balancing act. You need enough product in stock to sell but not so much that it's lying around collecting dust. Improperly managed stock can also affect your customer experience and sales. It's frustrating for consumers to attempt to purchase a product, only to discover that it's completely out of stock.

To avoid this and optimize this part of your business, here are a few guidelines to help you understand how to hold stock.

Choose your tracking method

Most ecommerce platforms like Shopify will offer an app or built-in functionality to help you forecast and manage your stock. You can also choose to manually track things with a spreadsheet. Regardless of the method you choose, clearly lay out your numbers such as how much stock you currently have, your average sales, and your lead time around ordering and receiving new stock (which we'll talk more about below). By keeping track of these numbers, you'll be able to project how quickly you need to order stock based on current levels.

Know your lead times

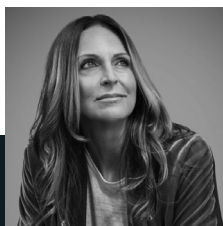
As we mentioned, it's important to know your lead times for ordering and receiving new stock. For most products, it's usually between one to three months. With your lead time in mind, we do recommend doing a stock take to see whether it's time to order more stock or not. For people who are just starting off, it may be helpful to do a stock take on a weekly basis. And as you become more comfortable with the management of your stock, do it monthly instead. We also recommend doing stock takes every Monday so you can place an order during the week and not on a Friday when everybody is about to shut down for the weekend.

Set up triggers

Most ecommerce platforms will give you the ability to set up triggers that remind you when you need to order more stock based on lead time and stock levels.

IN SUMMARY:

- Keep your numbers up to date at all times
- Do a stock take every Monday so you can place an order during the week
- Know your lead times for ordering and receiving new stock
- Set up triggers that remind you when you need to order more stock



Foundr Lesson, Poo-Pourri Suzy Batiz | 9-Figure Founder

Batiz wanted to make a big splash with her bathroom air freshener, so she decided to invest in a fun, engaging video ad with the hopes that it would take the company viral. The good news? It worked. The bad news? Poo-Pourri wasn't ready for such a huge spike in sales.

In just four days, Batiz's entire inventory had sold out, and she ended up with \$4 million in backorders waiting for their turn to be fulfilled. Going through this stressful experience, Batiz knew it was time to invest all of her attention in creating a stable structure for her business. She quickly recognized that much of her stability could come from within her supply line.

She made the calculations and discovered that, by keeping six months worth of sprayers (a part of the product that can take up to 16 weeks to arrive) in stock, she'd be ready for the next boom when it came. So despite the problems she faced early on with regard to holding and managing stock, Batiz eventually figured out the right balance and Poo-Pourri is on track to bring in \$100 million in revenue this year.

CHAPTER 3 CHECKOUT METHODS

Another way to optimize your business is to test out different checkout and payment methods to raise conversions. A very popular method these days is called layby payments, which provides a flexible and affordable payment option to customers who can't afford to or don't want to pay for the full price of a product upfront. Here are a few popular layby payment services, along with an overview of pros and cons.

AFTERPAY

Unfortunately, Afterpay is only available in Australia and New Zealand. But for businesses in these areas, this is a great option to consider. Afterpay allows customers to pay for their purchases in four interest-free installments that are due every two weeks. You'll pay your first installment at the time of purchase, and the remainder over time.

Pros

Simple and easy approval process for customers

Pays your business immediately for the products, minimizing the risk of profit loss

Easy integration for returns and refunds

Cons

Only available in Australia and New Zealand

The customer is charged a \$10 late fee if they miss a payment

High transaction fees for your business; around 4% to 6% per transaction, depending on order value

Customers need a quarter of the sum total available in their account prior to purchase

ZIP PAY

With Zip Pay, every time a customer makes a purchase, the amount gets added to their account. Then at the beginning of the month, the service will send them a summary of what they spent. The customer then chooses from one of the flexible payment options and can pay back the amount owed, interest free.

Pros

Pays your business on the same day of sale, minimizing the risk of profit loss

Customers can set up their own flexible payment schedule

Easy integration for returns and refunds

Your customers don't need any money in their account prior to purchase

Cons

You pay a single fee per transaction based on your total monthly Zip Pay payment volume, which can be high depending on the total amount

PAYPAL

While PayPal isn't a layby payment method, it's still one we recommend adding to the checkout process to boost conversion rates. Findings show that shoppers who use PayPal complete their checkout 88% of the time on

average. PayPal is great because it's a super convenient, one-and-done payment solution that lets your business accept a range of payment types—whether it's PayPal, Venmo, major credit or debit cards, etc. And no matter how a customer chooses to pay using PayPal Checkout, they'll be able to complete their payment without ever leaving your site. You can offer PayPal in addition to Afterpay or Zip Pay as well.

We encourage you to experiment with these various checkout and payment methods and see which one yields the highest conversion rates for your business. Even this seemingly small part of the customer experience can make a huge difference to your sales and levels of customer satisfaction levels.

IN SUMMARY

- Check out layby payment methods like Afterpay and Zip Pay
- Evaluate the pros and cons of each service
- Consider adding PayPal as part of your checkout for convenience and higher conversion rates

CHAPTER 4 PRODUCT OPTIMIZATION

Did you know that even your product can be optimized? Yes, that's right! Even after validating your product, you may find that there are things you want to tweak or change based on feedback you receive from the market. If you don't do this and you think your product is already perfect, people may get bored of your product or you may even

lose sales if they discover problems that you don't eventually address—whether that's design defects or features that could use improvement. Never never stop trying to make your product better.

FIND THEMES IN FEEDBACK

The best way to optimize your product is to collect real customer feedback. Keep track of common customer complaints, returns, or issues and try to identify themes in the feedback you receive. Maybe there's a recurring problem with your shipping methods. Or there's a specific part of your product that's clunky or breaks easily.

USE SURVEYS

Actively seek out customer feedback instead of waiting for it to come to you. A great way to do this is to send satisfaction surveys. Create simple surveys using tools such as Typeform or SurveyMonkey. Keep the surveys short and simple so participants actually finish it. Here are a few essential pieces of information to gather:

Basic demographic information (gender, location, age, etc.)

How many times they've purchased from you

What they'd change or improve about your product

What they found the most or least satisfactory about using your product

An overall rating of the product (you can also ask them on a scale of 1 to 10)

How likely they would be to refer your product to a friend (or if not, why not)

If possible, offer an incentive such as a discount code or a free gift as a thank you for their time. Offering a little extra something may also motivate more people to fill out your survey. We recommend automating the satisfaction survey so that it gets sent out to every customer who purchases your product. Send out the survey within a month (or earlier) of purchase.

LOOK AT THEIR BUYING BEHAVIOR

Buyer behavior metrics can tell you a lot about your customers and you can find this data on your ecommerce platform. For instance, when looking at repeat buys, is there one product variation that sells more than others? If so, it may be worth exploring why that is. Perhaps that product variation includes a feature that is absent from other variations. Adding this feature to other variations could increase sales.



Foundr Lesson, Pura Vida Griffin Thall | 8-Figure Founder

When it comes to optimizing products based on customer feedback, it's hard to find a better example than the producers of the iconic handmade bracelets, Pura Vida.

The brand started something called the Charity Collection, which offers a variety of bracelets that have been designed for specific causes recommended by Pura Vida customers themselves. Proceeds from each bracelet are donated to its respective cause.

The genius strategy here by Thall was to crowdsource these ideas instead of coming up with them in house at Pura Vida. To collect feedback, he launched a page on their website to encourage people to share ideas for new charities and bracelet designs. As a result, over 4,000 comments are added daily, and Pura Vida has endless ideas they can crowdsource to expand their product line.

IN SUMMARY:

- Always be thinking about how you can improve your product
- Look for themes in customer feedback
- Actively seek out feedback through satisfaction surveys
- Observe the buying behavior of your customers—is one variation of a product selling particularly well? Or is another selling poorly?

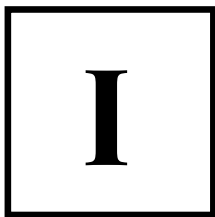


*Marketing
Methods:
Tactics To
Blow Up
Your
Business*

PART 7

CHAPTER 1

A DEEP DIVE INTO THE PSYCHOLOGY OF MARKETING



In Part 7, we're going to go deep into marketing tactics that can help your business boom in its early days. And since everything we're going to teach you is evergreen—and not a fleeting trend—you'll be able to use these

marketing strategies for many years to come.

But in order to effectively implement these ideas, you should first understand the psychology behind marketing. This will help you get into the heads of your customers and see what makes them tick. Having this knowledge will allow you to be more creative with your ideas, empathize better with your customers, and build a stronger business.

In this chapter, we're specifically going to talk about signals that can trigger emotional responses in your customers and motivate them to perform specific actions. For example, when you receive a threatening signal, you become afraid. This leads to you trying to find a way to escape the fear and get to safety. When you're threatened, you feel a sense of danger which leads to fear which prompts an escape which hopefully leads to safety.

The most relevant triggers to be aware of are the six psychological principles of persuasion, which is a concept that was created by Robert Cialdini. They are:

1. RECIPROCITY
2. CONSISTENCY
3. LIKING
4. AUTHORITY
5. SOCIAL PROOF OR CONSENSUS
6. SCARCITY

Let's review each one and see how they can be used in your ecommerce business to motivate customers to buy your product.

1. Reciprocity

Reciprocity is the idea that, when somebody gives us something, we feel compelled to give them back something in return. The same concept applies in the other direction; so if you want something from somebody, you need to give them something first. Another term for this that you might be more familiar with is *italicize*.

To understand this in the business context: let's say you want people to sign up for your wait list. To motivate people to take this action, you should offer something in return. That incentive could be unlocking free content or a free gift after they share their email with you. You can see how the promise of reciprocity can trigger people to join your waitlist.

2. Consistency

People like consistency because it builds trust and credibility over time. Think about it: when you go to your favorite restaurant, you expect the quality of food to be similar each time. If the food ranged from amazing to really bad depending on the visit, it probably wouldn't be your go-to restaurant any more.

The same applies to your business. Consistency is an important attribute for brands because it shows customers that your business is stable, trustworthy, and professional. For instance, even something as small as receiving the receipt and confirmation email after each purchase is key to establishing trust. That's why consistency in experience is a must if you want to signal to customers that your brand is reliable and worth buying from.

3. Liking

People say yes more readily to things they like. And persuasion science tells us that there are three important factors when it comes to what we like: we like people who are similar to us, people who pay us compliments, and people who cooperate with us towards mutual goals.

This is where your brand comes in. The more likable people find your brand, the more they will want to purchase your product. That's why your content (photos, videos, blog posts) must be aligned with your customer persona. Do they find your Instagram photos relatable? Is your blog post empathetic toward their pain points? Does your brand make them feel good about themselves?

4. Authority

People follow the lead of credible, knowledgeable experts. For instance, if your mailman and your certified personal trainer both gave you two different recommendations for supplements, who would you trust more? You would trust the trainer's advice since they're certified and likely have more knowledge about fitness and nutrition. In other words, the trainer has more authority.

You can establish brand authority by creating high quality content to show people your company is an industry leader. You can also partner with influencers who already have a lot of authority in their respective industries to quickly elevate your brand's credibility.

5. Social Proof or Consensus

Social proof refers to our tendency to rely on the opinions or actions of others to inform our own (Cialdini refers to this as consensus). Social proof is important as it's one of the fastest ways to earn trust, which you need before customers are going to get their credit card out and buy something from you. Social proof is especially important because, according to Nielsen, 83% of consumers trust product recommendations from their friends and family. There are generally four broad categories when it comes to social proof:

Popularity. These are quantifiable signs of your brand's popularity. A few examples of social proof that fit under this category include metrics such as the number of likes, comments, views, and shares on social media posts; viewership numbers on live broadcasts from Facebook or Instagram; or the number of subscribers on your email list.

Public praise. This is an effective selling tool. In fact, according to a 2017 survey, 85% of customers actually trust local online reviews as much as personal recommendations and significantly more than marketing materials. The main types of public praise include customer reviews or testimonials, ratings, and user-generated content.

Endorsements from trusted experts. As we mentioned before, people are very receptive to authority. So these should be endorsements from industry experts or influencers within your industry. Endorsements can also come from publications in your industry niche. So if you sell a female wellness-related product and get a positive feature written in Glamour, this can also count as a credible endorsement.

6. Proof of demand

Proof of Demand. This shows that customers are interested in what you're selling and your products are in demand. Proof of demand is seen in metrics such as the number of customers, countries of your customers, or any other metrics that show how excited people are to purchase your product.

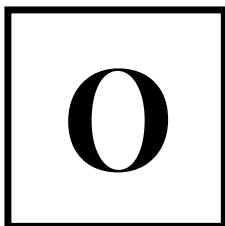
Tip: Don't use scarcity as a marketing tactic too often because customers will catch on and may think you're not being authentic. Save these tactics for when there's actually low stock or limited time.

Understanding these six principles and how they can trigger consumer actions is key to developing a strong marketing strategy. Feel free to experiment with the ideas we shared to see what works best for your business.

IN SUMMARY

- Understand the role that psychology plays in marketing
- Incentivize your customers in exchange for their email addresses, sales, loyalty, etc.
- Be consistent to establish trust and credibility
- Make sure your brand and all related content is relatable to your target customer
- Lean on experts to help elevate your brand
- Provide social proof within the four categories that we shared
- Create a sense of urgency by using scarcity tactics

CHAPTER 2 CONTENT CREATION



One of the most powerful tools you have in your marketing belt is content. Content can encompass everything from social media posts to blog posts to videos and everything in between. One of the reasons why we encourage

all founders to invest in content creation is because it's both incredibly flexible and effective.

If you have very little budget, content is one of the few things you can create for free—it just requires your time. Or if you really want to make an impact around a campaign and have extra money to spare, you can invest in professional photos, videos, and ebooks to create a huge splash.

When it comes to any type of content creation, however, the goals are simple. They are to:

Add value. If people are going to invest the time in reading, looking at, or listening to your content, your content, it should deliver real value. Maybe you teach people

something new, share deeper insight into a topic they're already familiar with, or simply offer a fresh perspective. There's so much content out in the world these days that the only way yours will stand out is if your audience truly finds it valuable. Also, remember that the content you post will determine the type of followers you attract—so make sure everything you put out is relevant to your target customer.

All About That Oak: How Different Types of Wooden Barrels Affect Your Flavors

Mar 31, 2019



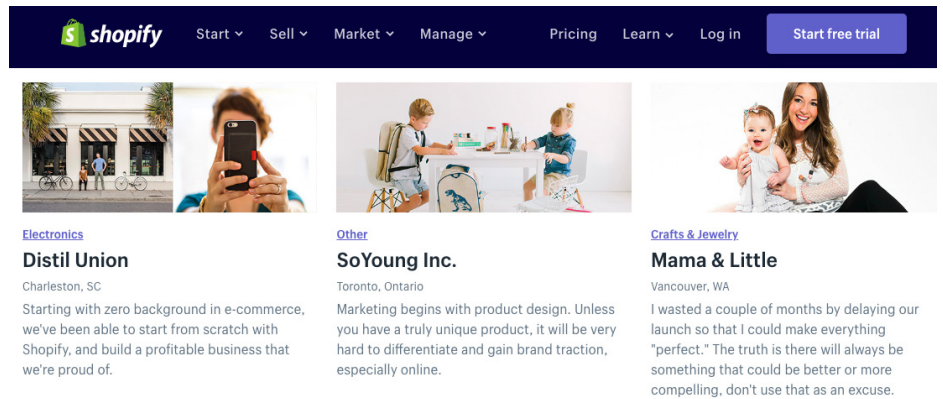
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You know how different grapes, terroir, and aging processes affect the flavor of the wine in your glass. But do you know what's up with all those gorgeous oak barrels that hang out in classy wineries? From French oak to American, barrels to chips, the wood that touches your wine imparts a ton of character before that luscious liquid touches your lips.

Vinebox is a subscription service that sends customers wine samples each month. They have a highly educational blog that teaches the casual wine drinker more about the nuances of the world of wine in an easy-to-understand way.

Build trust.

Content can help you emotionally connect with your audience and build trust, whether via user-generated content, influencer-generated content, or testimonials. Show your customers that you know what you're talking about because there are many others who also believe in and trust your product.



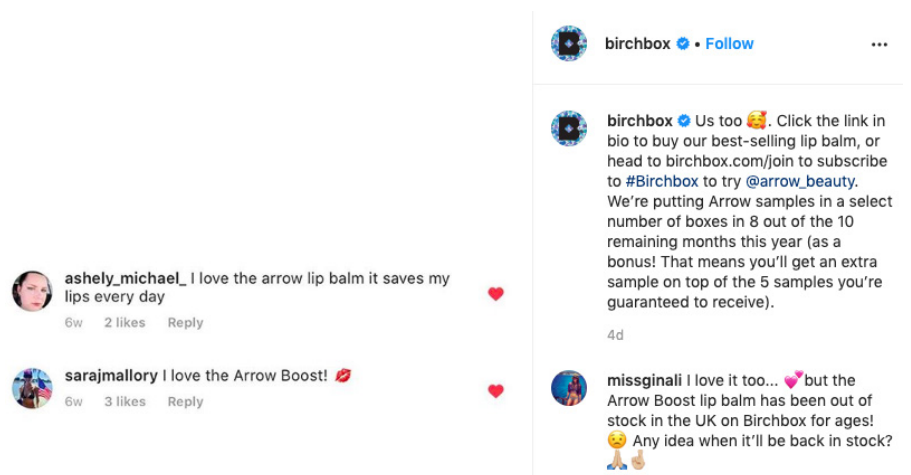
The screenshot shows the Shopify website's testimonial section. At the top, there is a navigation bar with the Shopify logo and links for Start, Sell, Market, Manage, Pricing, Learn, Log in, and a Start free trial button. Below the navigation bar, there are three testimonial cards. Each card features a small image, a category label, the business name, location, and a short testimonial text.

- Electronics**
Distil Union
Charleston, SC
Starting with zero background in e-commerce, we've been able to start from scratch with Shopify, and build a profitable business that we're proud of.
- Other**
SoYoung Inc.
Toronto, Ontario
Marketing begins with product design. Unless you have a truly unique product, it will be very hard to differentiate and gain brand traction, especially online.
- Crafts & Jewelry**
Mama & Little
Vancouver, WA
I wasted a couple of months by delaying our launch so that I could make everything "perfect." The truth is there will always be something that could be better or more compelling, don't use that as an excuse.

Shopify has a great page that features tons of testimonials from successful ecommerce entrepreneurs. This adds to the credibility of the platform and helps people find stories they can relate to.

Inspire action.

Your goal should be to create content that converts. You Always want to ask yourself: what action do I want people to take after consuming this content? Do you want your content to start a conversation? Turn into a new social follower? Maybe a sale? Whatever you have in mind, make that call to action very clear in every piece of content you publish.



The screenshot shows an Instagram post from the account 'birchbox'. The post text reads: 'Us too 🥰. Click the link in bio to buy our best-selling lip balm, or head to birchbox.com/join to subscribe to #Birchbox to try @arrow_beauty. We're putting Arrow samples in a select number of boxes in 8 out of the 10 remaining months this year (as a bonus! That means you'll get an extra sample on top of the 5 samples you're guaranteed to receive).' There are three comments visible: 'ashely_michael_ I love the arrow lip balm it saves my lips every day', 'sarajmallory I love the Arrow Boost!', and 'missginali I love it too... but the Arrow Boost lip balm has been out of stock in the UK on Birchbox for ages! Any idea when it'll be back in stock?'. The post has a 'Follow' button and a three-dot menu icon.

Birchbox's Instagram post has a very clear call to action which is to go buy its best-selling lip balm. The brand also used the power of testimonials to give their ask an additional boost!

Content strategy

When it comes to putting together a content strategy, there are a few concepts to familiarize yourself with. This section will help you decide what type of content to produce, what to share, and how to diversify what you put out so your customers don't become bored or disengaged with your brand.

Choose your content territories

Content territories are basically the categories or topics that your content falls under. The content territories you choose should align with the customer personas you crafted. You should generally choose three to five content territories that represent your brand. Examples of content territories include:

- Beauty
- Entertainment
- Fashion
- Food & Drink
- Health & Fitness
- Lifestyle & Travel
- Nature & Animals
- Personality
- Photography
- Technology
- Video

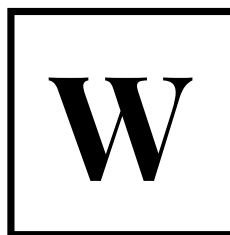
Don't feel restricted to the territories we shared above. If your product doesn't fit nicely into one of these buckets, feel free to pick ones that make the most sense for your business.

KEY DEFINITION

Content territories: The categories or topics your content falls under

Once you select your content territories, you'll be able to take a much more focused approach to your content strategy and understand what will resonate with your audience. Any time you're thinking about a social media post or blog post to publish, you can ask yourself if it falls under one of the buckets you chose. If not, then it's probably not worth investing in.

Content weighting



When you have a variety of content to choose from, you may be wondering how frequently to post different kinds of content—which we'll refer to as content weighting. The key is to post more of the content that really appeals to your audience to keep them engaged and wanting more. If you don't balance your content correctly, people may unfollow or unsubscribe from your communications.

KEY DEFINITION

Content weighting: The process of identifying your top-performing content and posting more of it to better engage your target audience.

The best way to shape your content strategy is to look at what's currently working by identifying your top-performing content. To make it easier, you may want to break it down by which content territories are performing the best. For example, take a look at your social media platforms and use the built-in analytics platforms for each one to see which posts are getting the most engagement.

Does one content territory seem to do better than the others? If so, you may want to increase the amount of content from that category. You don't need to make 100% of your content from that territory—because you still need a diversity of content to keep people interested—but you can play around with the weighting to see what performs the best.

Or, if you have mixed performance within one content territory, then it may be helpful to look at what type of content is performing well. Is it mainly photos or videos? Is it mainly user-generated content? Try to identify themes and use that information to figure out how frequently to post each type of content.

For instance, let's say your product falls under the categories of beauty, wellness, and lifestyle. You should post content that falls under these territories as equally and consistently as possible over a period of a few weeks or months. In other words, around one-third of your content should be beauty, one-third wellness, and one-third lifestyle. Then you run an audit to see which categories are performing the best based on engagement metrics (numbers of likes and comments).

When you add up the numbers, you see that the beauty-focused Instagram posts significantly outperform the other territories. Knowing this, you may want to shift your Instagram strategy to weight the content more heavily toward beauty and dedicate closer to 50% of your posts to that category. You can use this same process for other social media platforms, your blog, and any other place you share content.

Diversify your content

As we mentioned before, it's important to have a healthy mix of different types of content—even if you're emphasizing one more than others. There are a few ways you can source your content, which we'll get into below:

Brand-Generated Content (BGC). This, as the name implies, is any content that's generated in-house by your brand. This can include everything from blog posts or ebooks to product photography. Pretty much, if you created it from scratch, then it's BGC. The main benefit of this type of content is that your brand owns the rights to it and you can create it at will. The downside is that you may not be skilled at or enjoy creating content. This means you'll have to outsource a lot of the work to professionals, which can be costly.



This is an Instagram post from The Honest Company, which showcased one of its newest eczema products through a video. This is an example of brand-generated content since it's something that was produced by the company.

User-Generated Content (UGC) This is content created by your customers. It can be anything from people taking pictures of themselves with your product or an unboxing video. UGC is great because it provides social proof of the positive experiences your customers are having with your product in an authentic way. This social proof, in turn, builds more credibility and trust around your brand. Another upside is that, if you have this constant flow of content

from your customers, then you don't need to worry as much about always having to come up with new ideas for content. The downside, of course, is that you can't really control the quality of UGC. You can always encourage more of this type of content by incentivizing customers to create content on behalf of your brand through giveaways, which is a tactic we'll get into in the next chapter.



The Honest Company's Instagram account also features user-generated content, such as this post that's part of the brand's #MomCrushMonday series. This is a photo and caption that was submitted by a customer to be featured for this ongoing campaign that The Honest Company shared. This gives the brand additional credibility and makes their content much more relatable since it's coming from other moms.

Foundr Lesson, Frank Body

Bree Johnson, Erika Geraerts, (former co- foundr) and Jess Hatzis | 8-Figure Co-Founders

Australian beauty brand Frank Body skyrocketed in popularity thanks to its fun, engaging vibe. One of the benefits? The company receives an insane amount of user-generated content. But this didn't happen by accident.

Every time the company sends out a shipment of its face scrub, there's a little flyer that goes with it that says, "We'd love to know what you think. We want you to share your feedback, using the hashtag #frankeffect." This has led to a couple hundred uploads from customers daily. Not only does this demonstrate how much customers are loving the product and brand, but it also provides a ton of content for the Frank Body team to share across its website, social media platforms, and more. For entrepreneurs who want to see more user-generated content from their own businesses, the co-founders have two pieces of advice:

Make it fun

It's important to make the request for content fun and simple and have a low barrier to entry, which is exactly what their simple flyer did. This, paired with a fun and engaging brand that people love, will lead more people to willingly share content.

Have realistic expectations

Many people have asked the co-founders how they get so much user-generated content. "Well, you have to start at zero, and then you start at 10. And then you might get to 50, 100, and it keeps growing," says Johnson. She recommends to keep expectations realistic and not be discouraged if you don't go from zero to 10,000 photos tomorrow.

IN SUMMARY

- Understand the three goals of content
- To develop a strategy, pick three to five content territories to focus on
- Collect information about your top-performing posts to find the right posting frequency for each type of content
- Diversify your content by using a mix of BGC, UGC, IGC, and content curation



Foundr Lesson, Beardbrand Eric Bandholz | 7-Figure Founder



When Eric Bandholz first started Beardbrand, cash was minimal. While he didn't have the resources to invest in fancy marketing campaigns, Bandholz knew he could invest his time in free

content marketing to reach the company's target audience.

"Content marketing was essentially our only option in those early days. We didn't have cash to put into the business. So it started with sharing our story on Reddit. It started with, you know, reaching out to people on Twitter and sharing our product with influencers and not paying them for it," says Bandholz.

Being proactive with their content marketing strategy in the beginning was a key component of Beardbrand's success. Bandholz shared three tips to help any other founders who have limited budget and are looking to invest in content marketing.

Get Started, But Be Patient

Without a marketing budget, Bandholz turned to content marketing to help draw eyes to Beardbrand. It was cost-effective,

with the bulk of the investment being his own time to create the content. The trick was not only to post content and to post it often, but to also know that in the beginning, you won't get much of a return on your investment. Content marketing is a long-term play. The first step is to just create something. Anything.

Do What You Like To Do

According to Bandholz, the type of content you should produce first should be for the channel you're most interested and passionate about—whether that's audio, writing, or visuals. The more passion you have for a certain medium, the more likely you'll churn out content and stick to the long-term plan.

Understanding Expectations

Not all content is created equal, and it's important to understand the goal for each piece of content you create. At Beardbrand, they use the sales funnel model, where their "content at the top" is there to bring awareness to the brand, the "middle" is used to introduce the products, and the "bottom" hopefully helps to turn the reader into a buying customer. By diversifying the types of content you create, you enhance your chances of attracting different types of readers and content consumers on different platforms. As Bandholz says, as a creator, you don't know exactly what part of the funnel really "helped them become a customer."



CASE STUDY

In addition to the Foundr Lessons we incorporated throughout the book, we also wanted to share the real-life experiences of some students who have gone through our courses. We're so proud of their accomplishments and hope they can show you the types of results you get from applying all the knowledge in this book to your own business.

Who

Deonna Monique | Made \$900K in sales in 24 hours through Instagram

The Problem

Deonna launched a business called Boho Exotic Studio which sells high-quality hair extensions. Even though she had a successful launch and earned over \$30,000 in sales in three weeks from posting a video on YouTube, she quickly learned that this was not the most efficient way to engage with potential customers. The video creation and editing process was too time-consuming.

The Solution

Deonna decided to enroll in Foundr's Instagram Domination in order to explore a different platform. Thanks to all the information she gathered through the course, she skyrocketed her Instagram presence to 100,000 followers. This visibility resulted in a ton of user-generated content, including a post by a well-known celebrity, which led to so much traffic on Deonna's website that it literally broke down.

The Result

Deonna's Instagram account has reached 138K+ followers and she has watched her entrepreneurial dreams come true



Because of Instagram, my biggest day of sales was about \$900k within 24 hours. I'm definitely a millionaire now because of Instagram. I didn't ever in my life think I'd be in Vogue magazine. I didn't even think Vogue would ever speak of my hair extensions. And they were. I've been in Vogue twice, in Vogue Paris, in Essence magazine twice. I've been in People magazine twice, I'm on runways in fashion week. I'm on the hit show Empire. I'm on Orange Is The New Black. I'm in movies — it's just crazy!"

- DEONNA MONIQUE



CHAPTER 3

GIVEAWAYS

One of our favorite marketing tactics is the social media giveaway. This is an effective way to quickly grow your following, increase brand awareness, and potentially boost sales. Giveaways tie into many of the triggers we discussed in our lesson on the psychology behind marketing.

- Reciprocity: you're giving something away in return for a contest entry
- Social proof: giveaways tend to receive more engagement than any other post type
- Scarcity: giveaways run for a limited time

With a giveaway, you leverage a prize as an incentive to get your followers to perform certain actions on your brand's behalf. These actions can be pretty much anything you want them to be—from signing up to your email list to following you on social media. While there are many types of giveaways, in this chapter, we want to focus on the tag-to-win giveaway.

TAG-TO-WIN GIVEAWAY

The reason we're focusing on this specific type of giveaway is because it's one that has proven to be effective and will be a fairly light lift for you. For context: a tag-to-win giveaway is one where your brand (or an influencer) asks followers to tag a friend in their social media post and follow your brand to go in the draw to win a prize. Instagram is usually the best platform for this type of giveaway. There are a few key things to keep in mind when planning a tag-to-win giveaway.

Team up. If possible, consider co-hosting the giveaway with another Instagram account (either brand or influencer) that's in the same niche (non-competitive) and has a higher account reach than yours. This will give you more exposure and you can offer a bigger prize since two brands are behind it. Reach out to an account you love (related to your brand but non-competitive) to see if they'd be interested in teaming up!

Make your rules clear. Writing a clear caption that outlines the rules of the giveaway is critical. Check out the example from hydroflask below for inspiration. Here's also some sample copy that you can customize to fit your own needs and rules:

GIVEAWAY ALERT: Tag a friend to win a insert prize for you and your friend.

Here's how to participate:

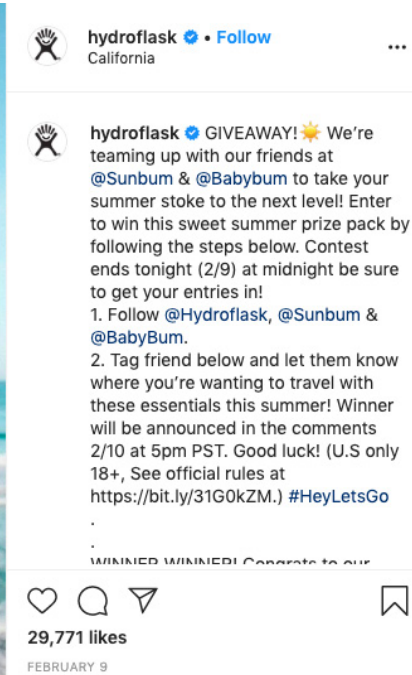
1. Follow @insert your account name and @insert account name of any brands/influencers you're co-hosting with on Instagram

2. Tag a friend under this photo

3. One comment equals one entry.

You must be following all Instagram accounts to win. Competition ends in 48 hours on **[insert specific date, time, and time zone]** and the winner will be announced on Instagram.

Please note this promotion is in no way sponsored, endorsed, associated, or administered by Instagram. By entering, entrance confirmed the release of Instagram of any responsibility, and agree to Instagram's terms of use.



Make it easy to enter. Giveaways should be easy to enter. If you create too many barriers to entry, you're going to have very few people will participate. That's why we ask people to tag just one friend to start, not five.

Offer an attainable prize. While it may seem like everyone would want an all-expenses paid vacation or cruise, the reality is that this introduces a lot of complications—ones that even your customer may not want to deal with. Instead, it's better to offer a prize that's attainable and easy to manage. So if you sell water bottles, offer up your best or most popular product as a prize and then whatever your co-host wants to add to the prize package.

Create urgency. The next step is to create urgency by limiting the duration of the giveaway. As we mentioned before, scarcity is a great way to motivate people to take action. That's why the length of giveaways tends to be quite short—a few days or weeks, at most—instead of dragging on over several months.

Consider a follow-up. Finally, if your giveaway is going well, we recommend running a follow-up giveaway with a smaller prize. There will undoubtedly be people who will be disappointed at not winning the main prize, so offering a second chance can be exciting and improve follower retention. You may also want to extend a discount code for all your followers to thank them for their participation!

IN SUMMARY

- Social media giveaways are a powerful marketing tactic
- The tag-to-win giveaway is particularly effective and fairly easy to manage
- For a successful campaign, consider teaming up with another brand or influencer account
- Make your rules crystal clear to avoid any confusion
- Ensure that the barrier to entry is low
- Don't offer a prize that's too overwhelming or seems unattainable
- Limit the timespan of the giveaway to create urgency
- Run a follow-up giveaway if your first one went well

CHAPTER 4

INFLUENCER MARKETING

Influencer marketing is a powerful way to grow your ecommerce business, especially on Instagram, which is the platform we'll be focusing on in this chapter. At the end of this section, you should be able to walk away knowing exactly how to launch your first influencer marketing campaign for your online store

GOALS

To come up with a campaign strategy, you first need to figure out your goal. Below, we discuss four common goals when it comes to influencer marketing along with potential campaign ideas and suggestions for tracking metrics.

Increasing brand awareness

As we've discussed before, brand awareness is a customer's ability to recognize your brand and the products that you offer. Influencers offer a fantastic opportunity to create a long-term relationship with your target audience and generate positive associations with your brand by leveraging their loyal social following and built-up credibility.

Recommended campaign: A campaign that lends itself well to a brand awareness goal is a product-for-post campaign. This is where you offer your product as a gift to an influencer in return for a social media post about your brand.

Tracking results: To track the ROI of a brand awareness campaign, measure metrics such as campaign reach, post impressions, brand mentions, and social engagements. Another asset to track is content. In other words, how many pieces of content were created and what was the quality level? Track the quantity by asking influencers to submit their content to your brand once it's posted. A good way to measure quality is to see how many times you're able to repurpose this content for your brand. For example, let's say you create a piece of content with an influencer and you're able to reshare it on all your social media platforms and your website and use it in other campaigns

with great results. This is an indicator of a high quality piece of content.

Generating content

Influencers are generally very skilled at creating content—after all, that's what they do for a living! So if you're looking for a way to diversify your content or simply want to outsource some content creation to an expert, influencer-generated content is a great way to go.

Recommended campaign: We recommend doing a product-for-content campaign which is similar to a product-for-post campaign. The difference is that instead of posting the content to their social channels, the influencers submit the content directly to you. A product-for-content campaign is a great way to create influencer-generated content at scale for a low cost. The content produced by an influencer will also be relatable and garner higher engagement. Tip: Be specific in your content requests to the influencer if you want the content to be filtered or edited in a certain way. Ask the influencer to submit the content directly to your brand via email or create a dedicated Dropbox folder for the campaign.

Tracking results: Track the same metrics we outlined for the product-for-post campaign.

Growing your social following

When people see that their favorite influencer has partnered with a relevant brand for a campaign (yours), they may follow you or become more interested in your brand and products.

Recommended campaign: Influencer giveaways are a great way to increase your social following. As you know from our last chapter on giveaways, collaborating with influencers to host a giveaway for their followers on your brand's behalf is a particularly powerful technique to quickly grow your social following.

Tracking results: The way to measure results for this campaign is to note your follower count before the giveaway and track its growth during and after the campaign. For context, compare this growth to previous week-over-week or month-over-month changes in your follower account, if you have that information available.

Driving sales

This is one of the best goals of an influencer marketing campaign; however, investing in influencer marketing doesn't guarantee your sales will dramatically increase overnight. It takes the right strategy and execution.

Recommended campaign: To drive sales, we recommend using personalized discount codes. With this campaign, you pay influencers to share a personalized discount code with their followers. For example, if you sell cosmetics and you're working with someone like beauty and fashion influencer Jenn Im, give her a discount code called Jenn25 that discounts her followers' purchases by 25%. The goal is to get the influencers to encourage their followers to buy immediately. Use scarcity with the discount codes (25% off for one week only) to encourage immediate sales

Tracking results: Your personalized discount codes should include a trackable link with Google UTM parameters. That way, whether you're working with one or multiple influencers, you'll know how each campaign is performing. If one campaign performs better than others, work with this influencer again on future campaigns

CHOOSING THE RIGHT INFLUENCER

Of course, the success of your campaigns will depend largely on the influencer you choose to work with. Given the importance of their role, how do you pick the right influencer for your brand? Here are some factors to consider:

Macro vs. micro influencers

When it comes to influencers, you may think that the more followers they have, the better. This isn't necessarily the case. Macro-influencers have 100,000 to over 1,000,000 followers and micro-influencers have between 1,000 and 50,000 followers. Some experts suggest that micro-influencers have up to 100,000 followers but this isn't an exact science.

So when it comes to selecting an influencer to partner with, don't just look at the

celebrity-status influencers. Think about what you want out of your campaign and consider whether a micro-influencer may be a better fit. Despite their smaller reach, micro-influencers are still passionate, authentic, and trusted. Not to mention that they have distinct niches and are more affordable to work with than macro-influencers.

KEY DEFINITIONS

Micro-influencers: Instagram influencers who have between 1,000 and 100,000 followers

Macro-influencers: Instagram influencers who have between 100,000 to over 1,000,000 followers

Audience overlap

One of the most important factors when finding influencers to collaborate with is how similar the influencer's audience is to your brand's target audience. Keep in mind: the demographic of the influencer and their audience are not synonymous, so avoid making any assumptions. For instance, just because your influencer is a 30-year-old male from Australia, that doesn't mean his audience will be of the same demographic. So make sure to double check this information first.

The 3 Rs

Make sure the influencer you choose has, well, influence. But how do you calculate something that's so vague and intangible? Van Riel came up with a method to calculate influence called "The 3 Rs Formula." Note that this isn't a purely quantitative equation, but it at least gives you a general sense of someone's level of influence which can help you compare and contrast multiple influencers.

Reach x Relevancy x Relationship = Influence.

Let's break down each element of this equation.

Reach

This refers to both the influencer's social following, as well as the number of views they get on a post. Reach is easy to calculate since it's a quantitative figure.

Relevancy

Relevancy is a little harder to calculate since it's a qualitative figure. We recommend taking into account the influencer's niche, whether the influencer shares similar interests to your brand and your customers, and whether they'd be a good fit for your brand in terms of their personality, values, tone of voice, and aesthetic.

Relationship

This refers to the relationship the influencer has with their audience and is directly related to their level of credibility, authenticity, and engagement. You can tell a lot about the relationship an influencer has based on their post engagement—and we're not just referring to the number of likes they get. A few questions to consider are: does the audience respond, comment, or share their content frequently? Does the influencer engage in two-way conversations with their audience? Does their audience ask the influencer's advice and recommendations? If you answered yes to these questions, that's a sign of an influencer who has a strong relationship with his or her followers.

FINDING INFLUENCERS

Now that you know what to look for in a high-quality influencer, how do you actually find one to work with? There are a few strategies you can use to find someone who meets all your requirements and may be interested in partnering with you for a campaign.

Find similar accounts

The first way to go about finding targeted influencers for your campaign is to use the "Suggestions For You" feature on Instagram. You can see it by tapping the little arrow next to the "Message" button in someone's profile. What you do is to Find your ideal micro- or macro-influencer for your campaign and use the "Suggestions For You" feature to identify a broader list of other influencers who share similar attributes.

This is a powerful way to find similar influencers since the social platform itself will always have the most in-depth data about its users. When using this method, it may be helpful to start a new account and use that account solely for influencer marketing research.

Tap into the influencer network

Influencers end up spending a lot of time with other influencers because they run in the same circles and influencer-to-influencer collaboration is one of the fastest ways to grow your social following. So if you want to further expand your list of influencers to reach out to, tap into the networks of the influencers you've already Identify who they're in photos with, whose posts they comment on frequently, and who they spend time with based on their Instagram Stories.

Look at competitors

What are brands you love doing with influencers? What are your direct competitors doing? Which influencers are companies in your niche working with? Are their campaigns working? Keep an eye on these companies' campaigns and collaborations to see if they're also a good fit for you.

Take advantage of the search function

Instagram has three ways to search for accounts and content: people, hashtags, and places. You can use the people search by typing in keywords that might be in the influencer's name, such as "mom" or "fitness." The Instagram algorithm sorts people by keywords using their name and ranks them based on their popularity or relevancy to your own account.

Similar to the account suggestions feature, hashtags on Instagram also have a "Related" section where you can find hashtags similar to the ones you were searching. Start broad, and then get more focused.

Review location-based hashtags if you're looking for influencers in a particular city, country, or place. Simply look at the top posts under each city, suburb names, as well as any influencer hotspots that you might know of in that city.

OUTREACH AND NEGOTIATIONS

Now it's time to reach out to your list of influencers to see who is open to partnering with you. Keep in mind that influencers are super busy people who receive tons of messages from brands on a daily basis. So it's important to know the proper dos and don'ts before reaching out to them with a big ask. Here are a few to keep in mind.

Keep it short. Again, these influencers are receiving messages from hundreds—if not thousands—of brands all day. So keep your message short, sweet, and to the point.

Spark their interest right away. Find a way to catch their eyes, either in the subject line or in the first few sentences. For instance, if there's something exciting or special involved in your collaboration, mention it as soon as possible and draw attention to it somewhere in the message.

Make it personalized. Never send a message to an influencer without doing your research first. You'd be surprised how many brands blast out generic notes to influencers without even getting their names right. Based on your research, include details that show you're familiar with their content, understand their audience, and align with their interests and passions.

Don't be pushy. Be respectful in your communications and recognize that these influencers are running a business as well. Be friendly and don't act like they owe you a response. Don't expect them to accept anything other than payment in exchange for their partnership. You'll most likely offend them if you do.

If you need some guidance, we put together an example of the type of message to send to an influencer. Of course, you should customize this based on your specific ask and the influencer you're reaching out to, but use this as a starting point to get the process going!

Hi [insert influencer name],

I've been following you on Instagram for a while now, and I love your feed! Your recent post about [insert detail about post you liked] resonated with me so much because [insert reason].

I'm reaching out today on behalf of my brand @[insert your brand handle]. We're looking to collaborate on content with influencers in the [insert industry] industry who have a super engaged following, and I immediately thought you would be the perfect fit.

For context: [provide a short explanation about your product, what it does, and a link to your website/online store]. Does this seem like a product your followers would be interested in?

If so, I'd love to learn more about your rates per post and per story. Ideally, the post would need to include the product packaging, a short one-to-two sentence review, and a link to our Instagram account. Let me know if there are any other details I can share!

Thanks so much for your time,
[insert your name]

The asking amount will vary widely by each influencer—some will accept free products in exchange for posts (influencers with fewer followers will accept free product), while others will only accept payments. While influencer pricing varies depending on influencer, according to Later, a general rule of thumb to follow is: \$100 per 10K followers. Use this as a starting point.

Again, this gives you a very broad sense for what you might pay—some influencers may charge more or less depending on their level of demand or popularity. And it also depends on the type of content you're asking for. An influencer may charge different prices for an Instagram photo vs. Instagram video vs. Instagram Story.

Reach out to the influencer directly for pricing or look for a press kit on their Instagram profiles or personal website which outline how they approach partnerships and how much they charge.

Once an influencer accepts your proposal, you'll most likely have to negotiate the specifics. Each situation is unique, so while we can't give you a template on how to navigate these negotiations, we do have a few tips for you as you go through the negotiation phase:

Send a briefing document and agreement before your first meeting so you can discuss it together

Set clear expectations

Lay out the exact deliverables and compensation that's expected

Meet in person for larger partnership deals

Be as specific in your communication as possible

IN SUMMARY

- Identify your goals for your influencer marketing campaigns
- Learn how to pick the right influencer for your brand (which isn't necessarily the person with the most followers!)
- Use the strategies we shared to create a list of potential influencers to reach out to
- Write a personalized, short, and empathetic message during influencer outreach
- Remember that you may need to go into negotiations, so it's important to be clear, communicative, and prepared throughout the process



Foundr Lesson, Revolve Michael Mente and Mike Karanikolas | 10-Figure Co-Founders

Revolve is famous for its prescient marketing strategy—in particular, the company's early adoption of influencer marketing, which set them apart from other online clothing brands coming onto the market.

Thanks to their early entry into the Instagram game (along with their beloved brand and products), Revolve has partnered with some of the biggest influencers in the world like Chrissy Teigen, Chanel Iman, and Jessica Alba—all of which have helped the company go from a small online store to an iconic billion-dollar business. Mente and Karanikolas have a few tips for those those who want to enter the influencer marketing scene:

Be authentic

The co-founders prioritize authenticity in their brand over everything else. That's why they believe in cultivating genuine relationships with all the influencers they work with—instead of just throwing as much money at them as possible.

Know where trends are heading

The reason why Mente and Karanikolas got such an early start in influencer marketing is because they paid attention to trends, predicted which direction they were heading in, and jumped on the opportunity. Even within the realm of influencer marketing, entrepreneurs should keep their eyes peeled for new and early trends.

Understand your principles

According to the co-founders, your principles should drive what you do. So from a marketing perspective, if a new opportunity—like Instagram influencer marketing—opens up, the more you understand the principles and theory behind what you're trying to do (regardless of the tactical landscape) the easier it becomes to quickly move into a new area and blow it up before anyone else does.

“

“We had
first-mover
advantage and
recognized the power
of social early on.
*We’ve been working
with influencers before
they were even called
influencers — before
instagram
even existed.”*

- MIKE KARANIKOLAS, REVOLVE

”

CHAPTER 5

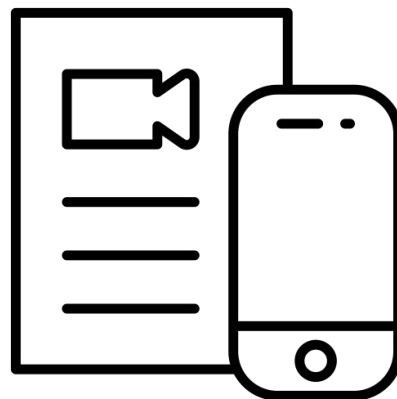
THE POWER OF PRESS

Media coverage has a lot of power to generate brand awareness and build credibility; think about the number of people who read both print and online publications as their main source of news. That's why every business dreams of being featured in *The New York Times* and having their brand blow up as a result.

The truth is, there's more to the art of public relations than just getting published in *The New York Times*. But don't worry, you don't need to hire a publicist or spend a ton of money to master it. We'll teach you how to identify the right outlets craft the perfect pitch, and land your first awesome piece of press.

Before we start though, it may be helpful to create a media list template to work off of as we go through each step. We recommend setting up a Google spreadsheet with the following columns:

- **Publication Name**
- **First Name**
- **Last Name (optional)**
- **Position**
- **Email Address**
- **Recent related article link**
- **Submission Requirements**
- **Read an article about your niche from each publication and add it to the spreadsheet. Take note of what you think about the article and any pitch/submission requirements they might have.**



If you're not sure what some of these columns mean, don't worry! We're going to take you through it in the next few sections.

FIND THE RIGHT MEDIA OUTLET

There's so much diversity when it comes to media outlets. Blogs, podcasts, magazines, newspapers, news stations, and radio shows are all options to consider. The most important factor when deciding which media outlet to choose is your target audience. For instance, if your target audience consists of Gen Z and millennials, consider reaching out to a podcast since 7 in 10 people in this demographic listen to them.

Use keywords to find the right publication that would help you communicate to your target audience. Create an initial list of keywords by thinking about your industry, how you brand your offering, what problem you solve, and whom you're targeting. For instance, if you're in the business of reusable water bottles, your keywords may include ones like "reusable water bottle," "eco-friendly," "sustainable," or a combination of these. Once you have a few solid keywords, consider using one of these tools:

Answer The Public: Simply type in a topic and this site will show you what questions your target audience is asking on Google and Bing. Look up those questions in a search engine, see which media outlets are covering those topics, and add them to your media list.

Moz Keyword Explorer. This tool will help you find keywords with lots of recent searches or related search terms that might be trending in the near future. You can search these new keywords and see which publications are in the high-ranking results and add them your media list.

SEMrush. Use this site to identify which keywords your competitors are using and paying for. This tool also shows you a handful of their paid ads, so you can understand the tone they're using with their target audience. Also, check out which sites link back to your competitor's site—if any of them are media outlets, add them to your list!

BuzzSumo. This site identifies social sharing stats for articles in your niche. One publication might get more Facebook shares and another might get more on LinkedIn. Figure out which network is a priority for your business goals and narrow down your outlets.

Google Alerts. Another useful tool is Google Alerts. Set up alerts for relevant brands your target audience might be interested in and get notified any time an article gets published that mentions them. Add these outlets to your list as well.

MAKE A LIST OF CONTACTS

Now it's time to compile specific contacts for each outlet. You may be wondering: why wouldn't I just go straight to the editor at each outlet? While the editor does have the final say of what gets published and what doesn't, reaching out to an individual reporter, writer, or contributor is typically better. Writers usually need to have a handful of ideas to run by their editor so it's good to go through them first and build a relationship with them—they could end up being someone who covers your product frequently covering your product.

We recommend only identifying one or two writers per outlet. While it may seem like reaching out to as many writers as possible will increase your chances of getting published, this isn't the case. Why? Qualifying your pitch prospects saves time. When you only reach out to people who would likely want to write about your story, it leads to higher email open rates and increased chances of getting a response. So make sure the writers you choose are actively writing in your industry. Once you identify writers who are a good fit, add their information to the media list.

HUNTING DOWN EMAILS

Not all writers' emails are easy to find. And you don't want to reach out to the outlet's general email address (i.e. general@nytimes.com) because you can't customize your outreach and you're less likely to receive a response. If you find the perfect writer but you can't find their email on the outlet's site, here are a few other places to look:

Check the "About" or "staff" page of the publication site

Look up the writer on Twitter—sometimes their email address is listed in their bio

See if the writer has a personal website

Use an email finder like Hunter, Voila Norbert, and FindThat.Email—they offer a limited number of free email searches

NAILING THE PITCH

Writing a good pitch is key to getting coverage. Much like influencers, reporters and writers receive hundreds of emails every day, many of them poorly written or irrelevant. Your email should be customized, eye-catching, and relevant to the media site. Here are a few tips to get you started:

Customize, customize, customize. Get familiar with the writer's work, style, and tone before you craft the email. Match the tone in your email, if possible. So if the writer is more professional and serious, match that tone in your message. If they like to use humor, keep your tone light. And, of course, address the email using their first name.

Establish a connection. Establish a connection in the first sentence to build immediate trust. It can be something as simple as referencing a recent article they wrote that you enjoyed reading.

Make your subject line clear. When it comes to subject lines, clear and to-the-point are the traits you want to go for. If you make it too long or vague, reporters might not even open the email because they think it's spam or irrelevant.

Get to the point. You want to state your purpose early in the email so you don't lose their attention. Explain why your news is timely and relevant to their audience. Even better, include impressive statistics—writers love supporting their pieces with quantitative data.

Add a clear ask. Make it clear why you're reaching out to the writer, even though it may seem obvious. End the email with a question like "would you be interested in covering this news?"

Don't add attachments. While it may be tempting to share every single piece of content you have with these writers and reporters, that's usually not a good move when it comes to pitches. Reporters are easily turned off by attachments since they take forever to load and they know they won't read through them.

Here's an example of a cold pitch from a water bottle company trying to get coverage for an upcoming event.

Hi Dan!

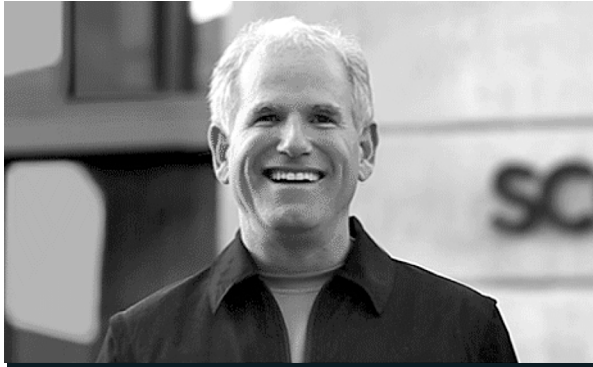
I just read your article about the rise of reusable water bottles and the positive impact they're having on broader sustainability goals—I really appreciate your honest and thorough overview of the industry.

Given your interest in this realm, I thought you might be interested in an upcoming event [insert link to event] my company, ReBottle [insert link to website], is hosting next week in Los Angeles. We're hosting a fundraiser with sustainability influencers like Tolmeia Gregory and Phil Torres and all proceeds will be going to a nonprofit that attendees themselves vote for.

We're expecting at least 500 people to attend, and it should be a really inspiring gathering. Do you have availability to attend? We'd love to have you there and possibly set up interviews with Gregory and Torres, if you're interested!

Thanks so much for your time. [insert your name]

You should, of course, customize this example to fit your specific needs. If a reporter is interested, they'll respond and let you know. If you don't hear from them after a few days, you can send a gentle and friendly follow up. If you still don't hear from them by then, it's likely that they're not interested in the story and you can try moving on to a different reporter.



Foundr Lesson, SCOTTeVEST Scott Jordan | 8-Figure Founder

When Jordan was struggling to get SCOTTeVest—a travel outfitter that specializes in multi-pocket clothing—off the ground, he decided to double down on PR and try to tell his story first. He strategically went after every media outlet that made sense and also sought out unique ways to boost his brand presence.

For instance, Jordan is probably most famously known for appearing on the hit TV show, Shark Tank, and standing up to all the judges after identifying some fine print that he found in the Shark Tank contract that didn't sit well with him.

As a direct result of Jordan's PR efforts, SCOTTeVEST racked up over 100,000 preorders, all before lining up a factory to produce the product. To this day, more than 90% of sales are direct to the consumer via the SCOTTeVEST site. Jordan has some advice for other entrepreneurs who are looking to get more exposure for their business:

Do your own PR and do it well.

As we mentioned, you don't need to hire a publicist to get press coverage. Just as Jordan did, simply learn the ropes and experiment with different tactics to see what works for your brand.

Whenever possible, embrace controversy.

While we don't necessarily recommend first-time entrepreneurs going out and stirring the pot, we do believe that the best way to deal with controversy is to look for opportunities within it. You never know when a seemingly impassable obstacle could end up being a huge opportunity for exposure. Think outside the box!

Follow-up. Follow-up. Follow-up.

According to Jordan, if it was worth starting, it's worth finishing. He suggests employing a system to ensure that every email and every interaction is taken across the finish line instead of being left as a loose end.

IN SUMMARY

- Start a media list
- Identify the right type of outlet using keyword searches and tools
- Figure out who to contact at each outlet
- Use our tips to hunt down hard-to-find emails
- Craft a stellar pitch that's clear, concise, and customized

CONCLUSION

Congratulations! You're officially a founder of an awesome ecommerce business. You should feel incredibly proud of yourself for working your way through this book and investing the time, money, and resources to turn your dreams into a reality.

We hope that, by breaking everything down into actionable steps and supplementing each chapter with lessons and case studies from various 7-, 8-, and 9-figure ecommerce founders, you not only have the knowledge to start an online store, but you also see how it can be applied in real-life situations.

Remember, none of these founders started off knowing how to build a successful ecommerce business. They had to start from scratch, learn the ropes, and create everything from the ground up just like you're doing now. So let that fact motivate you and push you through any challenges you encounter!

One quick note: now that you're at the end of this book, we don't want you to feel like you have to continue your ecommerce journey alone. Far from it. At Foundr, we have a huge collection of free content that we would love for you to continue utilizing to take your store to the next level. Feel free to check out our blog, podcast, and other materials by visiting our website.

And if you feel like you're in need of some more hands-on guidance and want to learn how to take your online store to the next level, we highly recommend looking into our Ecommerce Masters course. We gathered five of the best ecommerce experts we could find, and with their guidance and teaching, developed the most in-depth course we could create for advanced ecommerce entrepreneurs like yourself.

We wish you nothing but the best on your entrepreneurial journey. Please keep us posted on how you're doing. We love hearing success stories from our Foundr family!

-The Foundr Team

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