

Building an Online Seafood Business



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Defining Selling Strategy

- ▶ Why defining your selling strategy matters...
 - ▶ Level of investment
 - ▶ Retail with Pickup selling doesn't require big website, online payment processor or shipping contracts
 - ▶ Online only selling requires shipping contracts, order platforms, payment processing and special packaging
 - ▶ Focusing Effort
 - ▶ Minimize distractions
 - ▶ Tailor marketing and outreach to target markets
 - ▶ Better profit margins and less waste
 - ▶ Don't spend money and effort that doesn't matter to your market
 - ▶ Start small and grow



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Defining Selling Strategy

- ▶ Retail Shop with Online Ordering & Pickup (Local Market)
 - ▶ Same day pickup
 - ▶ No shipping
 - ▶ Pre-order for farmers markets & events
 - ▶ Basic order form or selling platform
 - ▶ Leverage existing information websites
 - ▶ Payment at pickup or online
 - ▶ Minimal investment and overhead
- ▶ Retail Shop with Online Ordering, Pickup and Regional Delivery (Regional Market)
 - ▶ Same day pickup
 - ▶ Pre-order for farmers markets & events
 - ▶ Basic selling platform with online payment
 - ▶ Regional UPS & FedEx delivery
 - ▶ Leveraging ground network



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Defining Selling Strategy

- ▶ Retail Shop with Online Ordering, Pickup and Regional Delivery
 - ▶ Local & regional truck delivery (optional)
 - ▶ Using company operated trucks
 - ▶ Customer door or central pickup location
 - ▶ Medium investment and overhead
- ▶ Online Focus with Delivery and Shipping (National Market)
 - ▶ Mid-tier selling platform
 - ▶ Dedicate UPS & FedEx 1-day and 2-day shipping services
 - ▶ Leverage ground networks regionally
 - ▶ Local & regional truck delivery (optional)
 - ▶ Using company operated trucks
 - ▶ Customer door or central pickup location
 - ▶ Large investment, dedicated support, higher overhead



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Wholesale vs Retail Cost

- ▶ Wholesale has lower overhead and investment
 - ▶ No special packaging
 - ▶ No selling website
 - ▶ No pick and pack
 - ▶ Minimal customer service
 - ▶ Bulk selling
- ▶ Retail has higher overhead and investment
 - ▶ Special packaging
 - ▶ Selling website
 - ▶ Pick and pack
 - ▶ Payment processing fees
 - ▶ Website fees
 - ▶ Continuous customer service



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Making a Profit

- ▶ Know Your Cost - FIRST
 - ▶ Normal Operating Cost Examples (Wholesale)
 - ▶ Fuel
 - ▶ Maintenance
 - ▶ Licenses
 - ▶ Equipment
 - ▶ Selling Overhead Examples (Retail/Ecommerce)
 - ▶ Time to manage website
 - ▶ Packaging cost
 - ▶ Pick and Pack cost
 - ▶ Web site fees
 - ▶ Payment processing fees
 - ▶ Advertise fees
 - ▶ Dedicated staff
 - ▶ Delivery/Shipping cost



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Making a Profit

- ▶ Set and Measure Profit Margin (on everything)
 - ▶ Operating cost + Overhead cost = 0% profit
 - ▶ Cash flow is not profit
 - ▶ Retail Seafood Markup 30% to 50%
 - ▶ Use minimum order quantities to boost margins
 - ▶ Premium/rare products demand higher margins
 - ▶ Local market = less markup, but lower cost of doing business
 - ▶ National market = more markup, but higher cost of doing business
 - ▶ Benchmark against competition
 - ▶ Local, Regional and National
- ▶ Don't Forget Shipping and Packaging Cost
 - ▶ 1 Order = 1 Shipment



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Making a Profit

- ▶ Apply Handling, Shipping and Service Fees
 - ▶ Use handling fees to cover additional cost
 - ▶ Can be waived for local pickup
 - ▶ Handling fees can be customized based on service (example fees)
 - ▶ Local pick with cooler and ice - \$5
 - ▶ Shipping with cooler and gel packs - \$10
 - ▶ Additional dry ice -\$3
 - ▶ Shipping Markup
 - ▶ Use flat shipping fees
 - ▶ Mark-up shipping cost (carefully)
 - ▶ Use minimum order amount discounted or free shipping
 - ▶ Get paid for additional/retail services (examples)
 - ▶ crab steaming, fish cleaning/fillet, shucking, debearding
 - ▶ Extra spices/sauces/ingredients
 - ▶ Express fees



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Selling Platforms

- ▶ Forms for Online Ordering and Pickup Examples (Local)
 - ▶ Cognito Forms - <https://www.cognitoforms.com/>
 - ▶ Add simple order form to existing website
 - ▶ Less than 500 orders/month - Free, Fees starting \$10/month
- ▶ Complete Selling Platforms Examples (Regional and National)
 - ▶ Shopify Online Store - <https://www.shopify.com/>
 - ▶ Discounted Shipping included in monthly price
 - ▶ Minimum \$29/month
 - ▶ Squarespace Sell Products-
<https://www.squarespace.com/ecommerce/sell-products>
 - ▶ Discounted Shipping through Apps/Extensions (additional fee)
 - ▶ Minimum \$18/month
 - ▶ Big Commerce Essential -
<https://www.bigcommerce.com/essentials/>
 - ▶ Discounted Shipping through Apps/Extensions (additional fee)
 - ▶ Minimum \$29/month



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Managing Orders

▶ Order Fulfillment

▶ Allow time for fulfillment

- ▶ Communication - “Orders will be ready for pickup in 2 hours”
- ▶ Use “select pickup time” apps

▶ Order Cutoff Time

- ▶ Last time of day orders are accepted for same day fulfillment
- ▶ Applies to pickup, local delivery and shipping
- ▶ Allow time to pick and pack before carrier pick up
- ▶ Communication - “Order received by 1pm will be shipping/ready same day”
- ▶ Wednesday cut off 2Day/Thursday cut off 1Day

▶ Order Communication

- ▶ Leverage order tracking apps
- ▶ Communicate for local pickups too
 - ▶ “Your order is ready for pickup”



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Managing Inventory

- ▶ Do Not Over Sell and Cancel Orders!
 - ▶ Spreadsheets work great
 - ▶ FIFO - First In, First Out
 - ▶ Sell oldest inventory first
 - ▶ Leverage inventory apps/services with platform
 - ▶ Hedge Inventory - Thresholds
 - ▶ List 80% of available inventory, add as you go
- ▶ Managing Retail and Online Inventory
 - ▶ Dedicate inventory for retail/walk in purchases
 - ▶ Established local pickup/retail
 - ▶ Release inventory through out the day or week
 - ▶ High demand weekends
- ▶ Sold Out (Yeah!!)
 - ▶ Mark products “Sold Out” vs removing



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Shipping and Delivery

- ▶ Getting Best Shipping Rates
 - ▶ Use discounted rates and apps provided by selling platform
 - ▶ Leverage ground 1-Day and 2-Day
 - ▶ All major carriers cheap 1-day and 2-day ground “zone” shipping
 - ▶ Zone maps provided by carrier show transit zones
 - ▶ UPS - www.ups.com/maps?loc=en_US
 - ▶ FedEx - <http://www.fedex.com/grd/maps/ShowMapEntry.do>
- ▶ Investigate Shipping Affiliates (examples below)
 - ▶ Offer discounted rates, label printing, tracking, etc.
 - ▶ Do charge fees - per label or subscription
 - ▶ Freight Innovations - www.freightinnovation.com/
 - ▶ Shippo - <https://goshippo.com/>



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Shipping and Delivery

- ▶ Local and Regional Delivery Using YOUR TRUCKS
 - ▶ Leverage existing refrigerator trucks
 - ▶ Save on shipping and packaging costs
 - ▶ Unique service for customers
 - ▶ Charge a delivery fee
 - ▶ Last mile route optimization technology examples
 - ▶ Milezero.com - Mobile based technology, customer tracking
 - ▶ Google Maps - Load multiple delivery points
 - ▶ Local Same Day Delivery
 - ▶ Regional Weekly or Daily Deliveries
 - ▶ Next day deliveries
 - ▶ Combine with wholesale deliveries

Shipping and Delivery

- ▶ Packaging Sourcing

- ▶ Local example

- ▶ York Box & Barrel - Poquoson, VA

- ▶ National examples

- ▶ Victory Packaging - <https://www.victorypackaging.com/en/home>

- ▶ Uline - <https://www.uline.com/>

- ▶ Recyclable

- ▶ Greencell Foam - <https://www.greencellfoam.com/>

- ▶ Shipping Cold

- ▶ Use heavier corrugate for cold product

- ▶ Condensation softens corrugate - “Coke Can Effect”

- ▶ Dry Ice

- ▶ Will freeze product, crack plastics, snap metals, shatter glass

- ▶ Emits CO2, Do NOT seal - explosive

- ▶ Over 5.5lbs is HAZMAT regulated



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Getting Customers

- ▶ Put Out a Sign!
 - ▶ Retail Locations
 - ▶ “Now Taking Online Orders” signs everywhere
 - ▶ Front door, by the register, side of the road, back of the front door
 - ▶ Leaflets in carry out orders
 - ▶ Include web address on everything
 - ▶ Web Sites
 - ▶ “Now Taking Online Orders” big banner on Home Page and header on all other pages
 - ▶ Direct link to order form or shopping
 - ▶ Email all your customers
 - ▶ Add Order/Shopping to Pages Header
- ▶ Search Engine Optimization - SEO
 - ▶ Free SEO wizards on selling platforms/websites
 - ▶ Get On Google -Free Google Support
<https://support.google.com/webmasters/answer/6259634?hl=en>



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Getting Customers

- ▶ Paid Advertising aka Ad Spend
 - ▶ Careful - Most successful ads are well defined
 - ▶ Set a small budget, tweak and expand (slowly)
 - ▶ Measure ROI
- ▶ Email Marketing
 - ▶ Use email address collected with online orders
 - ▶ Email around holidays and special events
 - ▶ Notify seasonal products
- ▶ Marketplaces & Dropship
 - ▶ Sell your products on another website, you fulfill order
 - ▶ Calculate for dropship and marketplace fees
 - ▶ Example - Goldbelly.com (food), Amazon.com, Walmart.com
- ▶ Patience!
 - ▶ It takes time - 6 months or more
- ▶ Word of mouth is GOLD



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Pro Tips

▶ Pictures and Stories

- ▶ Phone pictures are fine
- ▶ Product pictures are required
 - ▶ Customers want to see what they are buying
 - ▶ Picture and descriptions are even better
- ▶ Customer want to connect
 - ▶ Pictures of you, facilities, boats
 - ▶ Story and history matter
- ▶ Recipes and Tips
 - ▶ Videos and tutorials

▶ Shipping

- ▶ Confirm carrier pickup day and times
- ▶ Understand dim/weight breaks
- ▶ 1&2 Day ground is cheap-but not guaranteed
- ▶ Carriers are offering COVID discounts, revisit contracts
- ▶ Always offer overnight shipping, even if expensive



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Pro Tips

- ▶ Getting Found Online
 - ▶ Update location accuracy and hours on Google
 - ▶ Add map to site
- ▶ Always Day 1
 - ▶ Start small, grow slowly with intent
 - ▶ Always refine offering, presentation and pricing
 - ▶ Listen to customers
- ▶ Stay Focused
 - ▶ Careful with accessory products
 - ▶ Evaluate cost/profit models, including shipping for new products



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Summary/Key Points

- ▶ Selling Online Is Not Complicated
 - ▶ Free Solutions Available
 - ▶ Up and running 3 days or less
- ▶ Know Your Cost
 - ▶ Cost+ method for profitability
 - ▶ Account for extra time and services
- ▶ Small Investments
 - ▶ Defining selling strategy and invest accordingly
 - ▶ Use existing capital, technology, and services
- ▶ Signs!
 - ▶ Tell everybody you are selling online
 - ▶ Banners, signs, leaflets, emails - Do it all!



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Thank you!

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