# Building an Online Seafood Business



# **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



# **Defining Selling Strategy**

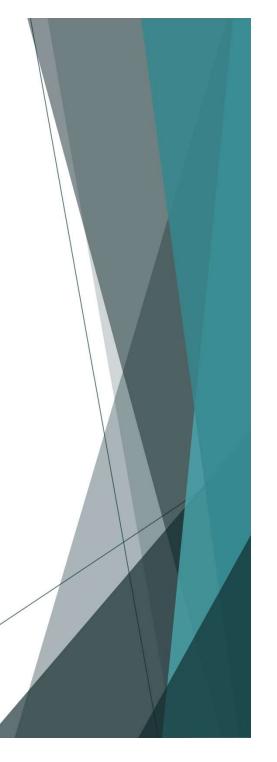
- ► Retail Shop with Online Ordering & Pickup (Local Market)
  - Same day pickup
    - ▶ No shipping
  - ▶ Pre-order for farmers markets & events
  - ▶ Basic order form or selling platform
    - ► Leverage existing information websites
  - ▶ Payment at pickup or online
  - Minimal investment and overhead
- 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



# **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

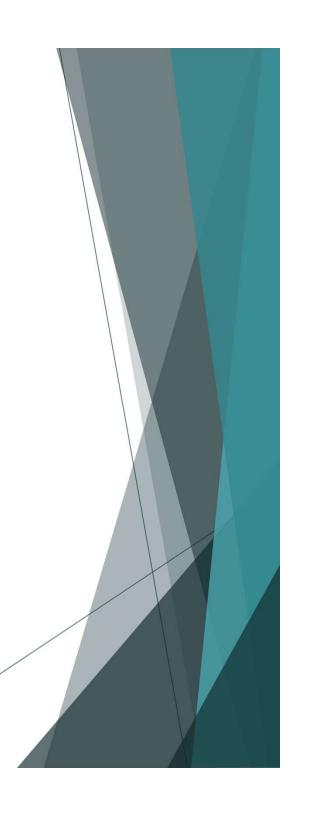




#### Wholesale vs Retail Cost

- ▶ 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

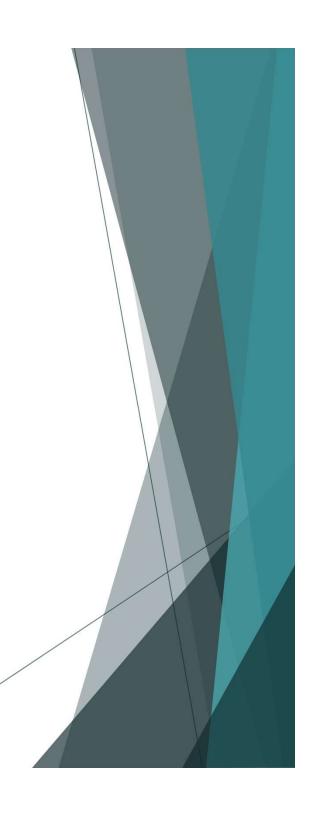




# Making a Profit

- ► 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

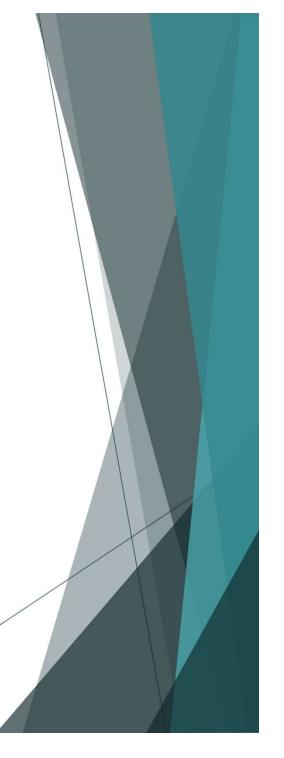




#### Making a Profit

- 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

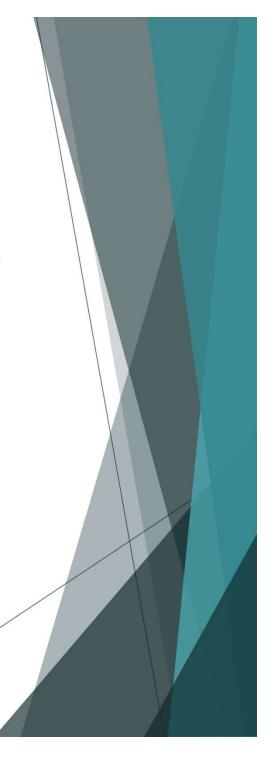




# Making a Profit

- 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





### Selling Platforms

- ► Forms for Online Ordering and Pickup Examples (Local)
  - Cognito Forms <a href="https://www.cognitoforms.com/">https://www.cognitoforms.com/</a>
    - ▶ 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 <a href="https://www.shopify.com/">https://www.shopify.com/</a>
    - ▶ Discounted Shipping included in monthly price
    - ► Minimum \$29/month
  - ► Squarespace <u>Sell Products</u>https://www.squarespace.com/ecommerce/sell-products
    - ▶ Discounted Shipping through Apps/Extensions (additional fee)
    - ► Minimum \$18/month
  - ▶ Big Commerce <u>Essential</u> https://www.bigcommerce.com/essentials/
    - Discounted Shipping through Apps/Extensions (additional fee)
    - ► Minimum \$29/month



#### **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"

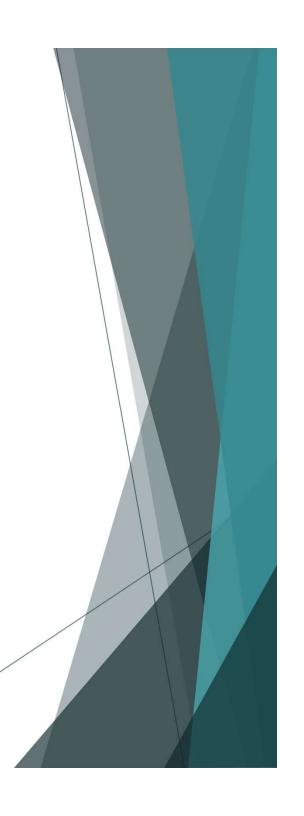




#### Managing Inventory

- ▶ 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





### Shipping and Delivery

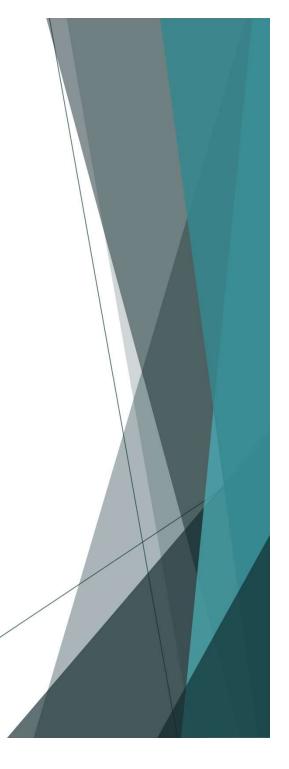
- Getting Best Shipping Rates
  - ▶ Use discounted rates and apps provided by selling platform
  - ► Leverage ground 1-Day and 2-Day
    - ▶ All major carriers cheap 1-day and 2-day ground "zone"shipping
    - Zone maps provided by carrier show transit zones
      - ► UPS www.ups.com/maps?loc=en\_US
      - ► 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 -<a href="https://goshippo.com/">https://goshippo.com/</a>



# 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







#### **Getting Customers**

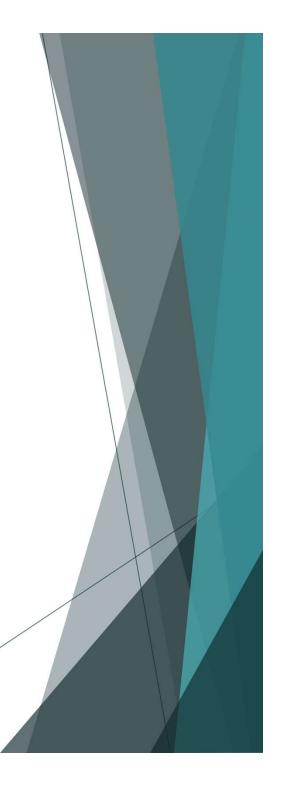
- ▶ Put Out a Sign!
  - Retail Locations
    - ► "Now Taking Online Orders" signs everywhere
      - ▶ Front door, by the register, side of the road, back of the front door
    - ► Leaflets in carry out orders
    - Include web address on everything
  - Web Sites
    - "Now Taking Online Orders" big 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=er



#### **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

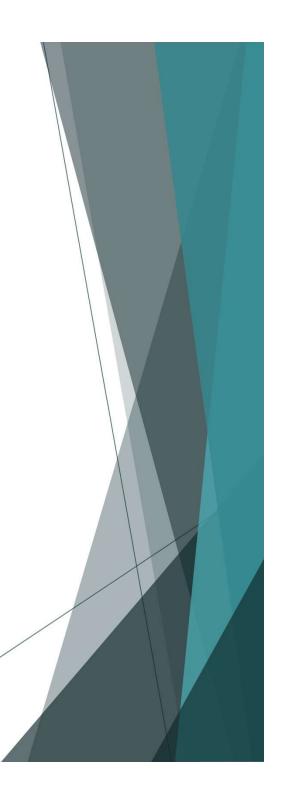




#### **Pro Tips**

- 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





#### **Pro Tips**

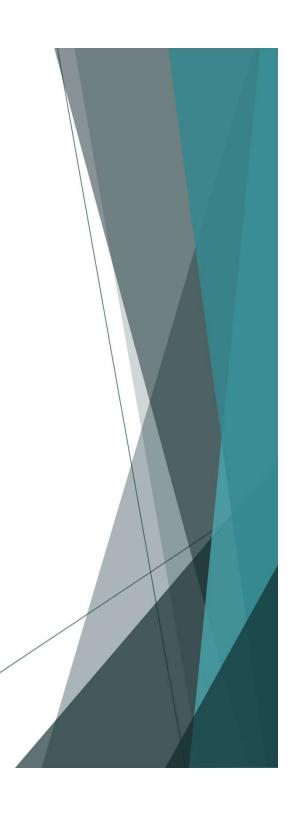
- Getting Found Online
  - ▶ Update location accuracy and hours on Google
  - ► Add map to site
- ► Always Day 1
  - ► Start small, grow slowly with intent
  - ► Always refine offering, presentation and pricing
  - Listen to customers
- Stay Focused
  - Careful with accessory products
  - Evaluate cost/profit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



#### 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!





# Thank you!

Kimberly Reuter 804-220-0032

kimberly@clarityscalegrowth.com

clarityscalegrowth.com

