

How to Create Your Online Ecommerce Store

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Abstract

Toni Sorenson once said, “Weight loss doesn’t begin with a dumb bell; it starts in your head with a decision”. Starting a business begins with an idea but the decision is up to the person to bring it to reality. My thesis will discuss the beginning of a new journey in my life that I used as a route to create sustainable wealth; an outcome that transformed into a passion and business venture. In addition, discussing strategies and skills that will help one become an entrepreneur who may be in need of guidance.

“How to Start an Online Business” will unravel the commitment and steps it takes to becoming your own boss. From developing a certain state of mind, to filling legal documents, providing recommend tips, understanding your customers, and more. To be an entrepreneur, one of the first steps is to think like one and having background knowledge in the industry. Chapter one introduces a list of things that will help one develop a plan and purpose to get into the mindset of thinking like an entrepreneur to achieve certain tasks to jumpstart the process.

Followed by chapter two that goes into depth on the importance of why a person should protect their business legally. Some of the topics pointed out are business plans, reseller permits, employee identification numbers, trademarks, and more. Being your own boss involves tedious tasks that are needed to protect it, especially if the persons intends to grow and develop their brand along the way.

Next, it’s time to get creative in chapter three and launch your own online store. Amongst using a ton of different tools, the goal is to stand out from the competition and determine how can your website be unique. Currently, e-commerce retail stores are blossoming online and its time for the next big thing.

In addition, the homework never stops and it's a must to market your brand, understand the industry, and identify your customers wants and needs. This involves doing the proper market research to guarantee that your business is moving in right direction and not backwards. Finally, towards the ending, chapter five will cover how to evaluate proper items a business should consider for inventory along with developing the right price. This includes figuring out what your customers want, the correct amounts of inventory, latest trends, and more. In conclusion, a summary of encouraging words every entrepreneur should read and memorize as they start this new journey.

Chapter I. Functions to Develop a Plan & Purpose

Starting a Business

Starting a business begins with an overall purpose and developing a financial goal that you want to achieve for yourself. As of last year, I began my own business that initiated with a personal experience that I used to my advantage. During my freshman year of college, I gained around thirty pounds that put me into a deep depression so I decided to do something about it. I was tired of constantly looking for clothes that wasn't appealing to my physique so I came up with a workout routine that helped me shed the extra weight off. After maintaining to keep the pounds off, I developed a high level of interest for fashion because a new level of confidence sparked out of nowhere.

Overcoming that challenge helped me decide that I wanted to create my own online fashion boutique that would cater to all women of different sizes and cultures who needed help finding clothes that were appealing to their taste. After taking a full year to conduct research, learn the fashion industry, understand competitors, etc., I created an online website using different social media platform techniques to jumpstart my business. At one point, I began wearing my own merchandise on campus to see if women in my age group would perceive it. Typically, I would get a lot of compliments and questions which let me know I was headed in the right direction. Having dedication, ambition, and passion to take on the role of an entrepreneur is some of the many essential things needed to help one succeed. Starting a business can be difficult but you must be willing to hustle as everything does start with a dream so it's best to dream big.

Before we began, as an entrepreneur it's critical to remember that there are going to be good and bad days. Things will be tough at certain times but you must be willing to work through the kinks to see the hard work pay off in the end. It's also important to make sure that

you're giving it your all because you're a reflection of your craft. Outsiders may sometimes think that having your own source of income will come effortless but what they don't see is the time and dedication being spent to receive those results.

Coming up with a Schedule

We all follow one entrepreneur on social media that we're probably obsessed with who seems to be living their best life. What we don't see is everything behind the scenes and the amount of work they've put in to maintain that "good life". Coming up with a daily routine that is going to allow you to accomplish different tasks and certain goals throughout the next few months is going to be the easiest and smartest way to help you understand what to expect as a business owner. Some of these include but vary to are:

- 6:00 A.M. Wake Up & Shower
- 7:00 A.M. Tea & Medication
- 7:30 A.M. Check & Answer Customer Emails
- 8:30 A.M. Schedule Promo with Instagram Influencers
- 9:30 A.M. Packing Orders
- 1:00 P.M. Dropping Orders Off at the Post Office
- 2:00 P.M. Grab Lunch while Answering Instagram Questions from Followers
- 4:00 P.M. Research Trends, Scout & Purchase Inventory, Research New Instagram Promoters
- 8:00 P.M. Working on Making the Business Better (creating social media posts, uploading new inventory to site, etc.)
- 11:00 P.M. Dinner & Down Time
- 12:00 P.M. Take a Shower & Repeat

In addition to your new schedule change, throughout this journey consider following one or more influencers on a social media platform in a similar industry that will help keep you motivated. For example, someone that I follow on Instagram is Jessica Dupart who is the business owner of Kaleidoscope beauty salon in New Orleans, Louisiana. She successfully launched her own line of hair products with the approval and feedback from several clients at her establishment. Overtime, celebrities began to endorse her hair products and has become a business mogul. Dupart is known in the African American community for her miracle drops that have helped a lot of women around the world grow back their hair follicles. Furthermore, Dupart has managed to purchase properties for renovation, publish her own book, become a millionaire, and so much more. One of the reasons why I constantly pay attention to what she is doing is because she motivates me for where I see myself later in life. It's important to me that I break the cycle and begin to invest into myself because working for someone for the remainder of my life isn't what I vision. As times will become stressful and are expected, I believe looking at an influencers page will help an entrepreneur remember why they initially started the process in the first place.

Attending vendor events to learn about other business entrepreneurs in your industry is also a great step to help one build research and understand the industry even more. Having a mentor that will be able to guide you along the way will help you prevent making some of the common mistakes that are probably made plus it can even open more doors as well.

Getting Started

So, I'm sure you're wondering how does one start their own online business. Keep in mind that when you purchase products, it isn't based off your good taste but instead meets your customers' needs and wants. It is up to you and your team to provide them with merchandise

they will want, great service, and the right prices too. One way to achieve this goal is by developing a retail strategy that you can use as a guide and cheat sheet. Start by defining your target market which is going to be your preferred audience for who will purchase your products.

Some of the questions you need to ask yourself is:

- Who will want to purchase your merchandise?
- Who are you trying to reach?
- What can you provide these people with that they want and need?
- How are you going to reach them?
- What is the niche that only your business can fill?
- Why will customers come to you instead of anyone else?

Next, state what you're providing including business objectives and add your mission statement. Business objectives include but vary to monetary goals, great customer service, luxury products, lower prices, and more. The mission statement should sum up these into one providing a detailed summary of your business to your customers if there is a need for the service. The importance of a retail strategy will help you differentiate yourself from your competition and help you understand what makes you special. More than seventy five percent of the United States population is online and ninety percent of internet users use search engines to find products, services, or information.

Positioning Your Online Store

For example, Saks Fifth Avenue caters to luxury customers. The store carries designer brands that will attract wealthy customers who are willing to pay as much as it takes to remain relevant and current with today's designer fashion. They also offer personal shopping services and attentive employees who work on commission. In contrast, Fashion Nova provides

inexpensive clothing that is true to being very trendy and always in season. They use social media as their biggest platform for marketing purposes. In a unique way, Fashion Nova came up with an idea for some of the most popular celebrities, social media moguls, bloggers, and more to wear their clothes and do majority of their advertisement for them. Regardless if it's on Instagram, Twitter, Facebook, or even in a song, Nova has made their presence known over the past few years. They know that their customers are young women and men with a limited to medium amount of income for spending.

These two companies fill completely different niches. The two stores carry completely different merchandise and cater to two very different markets. Saks Fifth Avenue wouldn't carry inexpensive clothing like Fashion Nova and Fashion Nova isn't offering Gucci, Dolce & Gabbana, or Prada. Both retailers target different groups but both are very successful in their market because they cater to the needs and wants of their audience.

It's imperative to figure out your specific audience because it defines your entire business such as in what products you'll sell, what services are included, and how you intend on marketing your business to your customers. When identifying your target market, you should think about who is most likely to buy your products. This will help you determine your target demographic which includes information such as age, education, employment status, income, geographic location, interest, and more. Try to keep track of as much information as possible from the very beginning of this process because these factors will help you maximize your effectiveness.

In addition, interacting with your customers online or posting annual questions on social media can also help you determine your target audience. Simple questions can provide you with feedback to help you determine if you're on the right track or even if you need to reevaluate. It

has been proven that most businesses do not make it past a year because of the mistakes that are made. However, mistakes will help you improve and overall make your business better. You're going to have to have exceptional customer service because if otherwise, customers may choose to take their business elsewhere. Building a loyal customer base by trying to make consumers happy and remembering to be patient when addressing every complaint will help one go a long way. This implies into problem solving skills that will be needed to figure out what does and doesn't work.

Chapter II- Make It Legit & Legal

Naming Your Business

Naming your company is very significant and is the first step to identifying your brand. The name should reflect what your company stands for but it may be difficult to come up with one. So, grab a dictionary and write down a few descriptive words that compliment your business and overall express your vision. Start by pairing them together and capturing different concepts. Some of the things that you may need to consider are:

- When people hear my business name, what comes to mind?
- Is my business name meaningful to others?
- Have I conducted a trademark search to see if my business name is available?
- Is my business name easy to spell and pronounce?
- What kind of names do my competition have?
- I am in love with my business name, but will it resonate with my target market?
- If I would like to expand my brand in the future, is my chosen business name limiting?

The name of a business is the first identifier but the next step is to attach a logo to represent it. There's two different concepts to help develop your brand, either creating it yourself or paying a firm to create your vision for you. Furthermore, if you choose to take the route in creating your own logo, it's best to file for a trademark to prevent someone for stealing your idea. For example, I decided to pay a firm to create the perfect logo which involved a contract. This means if anyone was to attempt to steal the images that have been created for my business, the firm has the right to sue because an agreement was formed and the rights were handed over to me after a completion of payment was received. Just remember, it's best to keep your business

ventures and plans to yourself until it's on paper under a contract to prevent others from taking or recreating.

Along with your name and logo, branding is one of the most critical aspects of any business. It is the promise that you intend to make and keep to your customers. Branding is how your business will be identified, what people will say or think when they see your products, and the image you will represent whether it will be positive or negative is up to you. Your brand image should portray who you are, what you stand for, and the product or the service you will be providing. This includes visuals such as color schemes, fonts, marketing materials, business headshots, packaging, social media imagery, photography, website, and blog design. The wording should include a slogan and tagline, brand promises, social media messaging, voice, tone, and style. Also, make sure to include intangibles such as culture, values, personality, and customer experiences.

Business Plan

If you intend on expanding your brand and becoming more competitive, a business plan should be put into the works as well. Completing a business plan will help you determine your short and long term goals along with providing direction, business objectives, mapping out strategies, and avoiding potential bumps. Even afterwards you must update it on a regular basis as things will change overtime although change is good. Writing and researching for your plan will give you the chance to:

- Learn about your industry, market, and competitors.
- Write down exactly where you are in the market and where you're headed.
- Identify challenges you may come across and work out strategies to avoid or overcome them.

- Understand your business finances, including managing cash-flow and determining your break-even point.
- Setting specific goals, timeframes for achieving them, and how you'll measure performance.
- Input business decisions that focus on your activities, maximize your resources, and give you a competitive edge.

Along the way, goals transform into bigger ones and you may even consider wanting to open a storefront and there may be a need for loan. Seeking for financial help involves asking investors who will need to see why they should invest in your business. Putting together a high-quality business plan should include the following:

- Executive Summary
- Company Description
- Products & Services
- Market Analysis
- Strategy and Implementation
- Financial plan

Business License

Now that you've completed some of the hardest steps, it's time to protect it! Having a business license or dba which stands for doing business as is one of the many essential documents needed to run a legitimate and legal business. As an entrepreneur, one must conduct their own research depending on the state the person currently lives in to help determine which

documents are needed for a business to be up and running. For example, in the state of Texas it is required to have a DBA, Sales tax permit, EIN number or social. Having a DBA secures the operating name of a company under a business name filing that is used for the protection of the business owner. Once filled, the certificate is effective for ten years starting from the date of filing and can be renewed for an additional ten years by filing a new certificate no more than six months prior to the expiration date.

For completion, one must go to the county governments office in their city with a name already in mind. It's best to do your research in advance to guarantee that the name is still available and if so, it's the business owners overall decision to file as a Sole Proprietorship, Limited Liability Company, Partnership, or Corporation. A Sole Proprietorship is an individual business owned and ran by one person with little to legal protection for the owner nor the business. Limited Liability Companies are similar and combines certain parts of partnerships, corporations, and sole proprietorships. LLC means that the owners can't be held responsible for any debts or lawsuits, therefore the owners don't have to use their personal income to pay for any of the company's expenses. Plus, they don't require paying income tax but the owners must list the business profits and losses on their personal tax returns. If considering, some of the things you may need to think about are lawsuits, personal assets, liability risk, and more.

Next, a corporation is a business owned by its shareholders who have elected and chosen a board of directors to overlook the organization. Corporations are responsible and liable for anything that occurs under the circumstances of finance situations but the shareholders aren't. This option is helpful for someone who may be in need of raising money from investors as it will make the overall process easier. Finally, a Partnership is a business with an agreement between

two or more people who share profits, management, responsibilities, debts, and more. Once this step is completed, the next task is to apply for a reseller's permit.

Reseller's Permit

A reseller's permit is a certificate that shows proof you're allowed to purchase items in bulk and singles from different wholesalers to resell to others. Typically, high end wholesalers or even distributors who have a lot of clientele will require a seller's permit because they want to ensure that their items being purchased aren't kept for personal use but instead will be resold and they have to verify your business. Another indication to verify your business, a vendor may require that you show proof of one or more invoices to guarantee that your business is legitimate. In this case, do some research to try to find some local vendors in your state that don't require a reseller's permit and make sure that they include your business name, address, and business email on your receipt as proof. Start off by purchasing small accessories such as sunglasses, lashes, jewelry, etc. for invoices because the cost will be low to make sure that you aren't spending too much money.

Another important factor is that majority of all online businesses require anyone who sells tangible goods to have a sales tax permit because you may need to collect sales tax from your customers. It is illegal to collect sales tax without a permit in most states, and you don't want to get into trouble with the law. Depending on which city and state the owner is doing business in will overall depend on the set tax rate. The higher the amount of sales, the more frequent it will be required for the business owner to file a tax return in the state which includes monthly, quarterly, or annually filings. Even if no sales have been collected or the business wasn't active during that time, it's still important to record and submit the documentation to your

comptroller. Failing to file and submit documentation can result in a penalty fee plus having your permit revoked.

Tax returns are typically due on the twentieth of the following month after the taxable period but can vary. Try to keep all documentation of sales and collected tax in a safe place to allow for easy access. Plus, they will also send out reminder letters to the address of business so that either mailing in your reports or filing online can be options for submitting payments. After the payment has been completed, all businesses are required to keep proof of all documentation for up to at least four years because the company can be audited at any time during that period.

Employment Identification Number

Employee Identification Numbers are contained of a unique nine-digit number that is given to either an employee or business owner by the Internal Revenue Service who intends to do business and operate in the United States. This number will serve as your identify for things such as business accounts, credit cards, loans, wholesale, and more. However, another option that the Internal Revenue allows is using your social security number but the purpose of your social serves as a personal identity which should be kept to yourself. When purchasing merchandise, most wholesalers will require that you make an account with them so that your information can be on file and for them to be able to verify who you are and your business, an EIN number is needed. Without having all the needed documentation, it will be hard for the business owner to have access to different vendors and wholesalers for their business.

Trademarks

Trademarks can be very tricky because so many things can qualify and the process can be timing but it represents a symbol, word, logo, and along with more that identifies the goods of one party from another which has been registered and established to represent a company or

product too. For example, Beyoncé gave birth to her daughter Blue Ivy in 2012 and people began attempting to trademark her name. However, the name was already claimed in the system by a wedding planner in 2009. Trademarks are very valuable and it's important to protect your brand along with anything else that could be sacred to the business. Remember, throughout this journey until each idea has been filed and put into writing on paper, it's best to keep them to yourself to avoid someone else from stealing them and using them to their advantage.

Another great option is to trademark your business name too as you continue to grow. Once you've submitted a DBA form, your business is protected in the city you've registered with. However, if you would like to be protected in all fifty states, think about filing a federal mark which will prevent anyone from being able to use your name. It's best to file a trademark as soon as possible but it can be costly which is why most entrepreneurs wait until they began to get a little bit of buzz to increase their revenue before investing in that piece of protection. The downfall of falling to complete this step allows someone else to come along and take your business name if it hasn't been filed. Even if you haven't figured out yet how you intend to pay for it, one may file an intent-to-use trademark application that protects your business name for typically six months and extensions are available as well.

Filling out paperwork for a trademark can be very tricky and during the application you will be asked to identify the goods you're using the trademark for. There are about forty-five different categories but the United States Patent and Trademark Office does offer a search feature online to help you locate which number your goods will fall under. For example, online clothing or shoes would be classified under number twenty-five but jewelry would fall under sixteen. There's so many options to choose from so you must be careful as the length of the overall process on its own will take a few months depending on the status of application.

Chapter III: The Online Store

Let's Get Creative

Now that majority of all the legal things are out of the way although it never ends, the time has finally come to create your very own website. For a startup business, everyone's goal is to be different from their competition but it's best to keep it simple. As a consumer, a website must be user friendly so that people can navigate through because if not, potential customers will take their services elsewhere. The web opens the opportunity for businesses to specialize in niche areas and find potential purchasers looking for certain products from all over the world. It also allows you to expand your brand presence and reach. For online shopping, there are two options to choose from which are dropping shipping and carrying inventory.

Drop shipping is a supply chain management method in which the retailer does not keep the goods in stock but instead transfers the customer's order and shipment to either the manufacturer, another retailer, or a wholesaler, who then ships the goods directly to the customer. With drop-shipping, virtually anyone can get into E-commerce easily. You don't hold inventory, which means:

- You don't need capital to purchase your items.
- You can list more items on your e-commerce store, at zero risk.
- No warehousing costs.
- No picking and packing activities.
- Drop-shippers must communicate too with their manufacturers as well as the customer.

For example, Amazon is one of the largest online marketing systems that allows different industries and businesses to sell electronics, music, cosmetics, apparel, and more. Their site features an option for drop shipping which allows the business owner to include their

merchandise on their site and store their products at a local warehouse until it is purchased. Once a sale has been made, Amazon is notified and will process the item and ship it to the address that has been provided. However, one of the downfalls of drop shipping is that most businesses don't typically see or test the products out that they're selling to their customers which can result in negative feedback. Over the past few years, social media has become such an impact today with small and large businesses. Selling something that can potentially hurt your business will do more damage than you think. In addition, drop shipping also includes fees and as a beginner entrepreneur, you must consider all your costs first. Another other option is to launch your own website, purchase the products in advance, store them someone where safe, and ship the products out yourself which can be more time consuming but it's worth it in the end.

The first step is to decide which e-commerce hosting site is going to work best for the entrepreneur and the business. Some of the most popular platforms are Big Cartel, EBay, Etsy, Square Market, and Shopify. Shopify happens to be one of the best hosting sites for services because of their prices, ease of customization, and assistance. Unlike a lot of website services, they provide app plugins, coupon codes, sales tracking, customer relationship management tools, inventory management, and more. Shopify also allows you to use the dropping method if you may feel like that option may work better by adding the app called Oberlo. Oberlo imports products from Ali Express and other suppliers into your website. Not to mention, for someone who may be a beginner just like I was at one point, they have videos and written documents over anything and everything someone might think of.

Once a decision has been made, the person can either purchase a domain off the same site or purchase one from a third-party registrar which sometimes will come out cheaper. A domain is a IP address that contains website files once it is entered into the browser. Majority of all business

owners will include their company's name in their domain so that it is easier for consumers to pull them up in the search engine. Therefore, it is important to purchase this as soon as possible to avoid someone else from buying it. The IP address will be reserved for up to one year and it requires a yearly reoccurring fee to be paid, if not anyone is applicable of purchasing it once the time is up.

It has been proven that customers expect a website to load in a few seconds or less. Losing potential customers due to having a slow website can hurt the company more than you may think. It's important to test the website out on a phone and computer before launching, adding new updates, and on a regular basis to see how customers are navigating through the site. Try finding a niche product that is going to appeal to your market because convenient niches will be easily distinguished from other products. Some examples are pets, camping, hiking, gold, tennis, gaming, surfing, cooking, beauty, etc.

Website Pages

Now it's time to evaluate all the possible things a website should have to ensure customers to have an awesome shopping experience. Web pages must be attractive and innovative to catch your audience's attention within the first few seconds so that they will want to click on other pages to dig deeper. Some of the standard pages to have for online e-commerce stores are home, about, shop, contact, blog, and return policy pages.

Customers tend to ask a lot of questions but as a new entrepreneur, it can be very time consuming when there are a bunch of other tasks that need to be completed as well. To help save yourself and your audience some time, consider creating a FAQ's page for frequent questions you believe will be asked as if you were shopping online yourself for something. It's great to keep in mind that the more questions a person has to email you about, the greater chances are the

person will rethink about purchasing the product and abandoning their cart. However, if need be, include a business email on your FAQ's page so that customers will know how to get in contact with you and create a separate email account from your personal to avoid a lot of notifications.

Some of these questions that may be asked are:

- How long will it take for my product to arrive?
- What is the return policy?
- Once an item runs out, will it be restocked?
- Are sale items final or returnable?

Here are a few store policies that you can consider as templates to have so that it will make things easier when responding to customers:

- “What kind of payments will I accept?” (PayPal, credit card, debit card, etc.)

Offering a lot of payment options will give all types of customer's options to shopping with you. Not all people use the same payment method so it's a great idea to have different resources.

- “What kinds of discounts will I be implementing?” Offering free shipping is a great marketing tool and a unique way to attract your customer's attention.

However, it should state free shipping with conditions such as offering a discount, buy one get one free, and more.

- “Do you allow refunds or exchanges on your merchandise, or all sales final?”

Typically, most online stores allow you to return their items within thirty days for a full refund or an exchange, however it is all up to the entrepreneur. In my opinion, I feel that is best to give the customer fifteen days to decide and return their product for a full refund. Shipping takes three to five days depending on the

service and everyone knows that people try on their items soon as they come in because of eagerness. It should only take two to three days to return the package back to the shipping service. As a business owner, one should try to avoid customers purchasing products who intend to wear them and return them afterwards. Also, if you decide that you don't want to include refunds and only exchanges, customers are more adamant about purchasing products because they're not sure if it will work out and then they will be stuck with the purchase unless they do an exchange.

- “What conditions must the merchandise be in for it to be returned or exchanged?”
All original tags must still be attached, footwear or clothing in the original packaging received, swimwear liners must still be intact, etc.
- “What types of shipping do you offer?”
Different types of shipping options include overnight, next day, standard, and express. Include which type of shipping services you will be using such as FedEx, UPS, Amazon, USPS, and more along with the rates because that does matter to the customer for whether they will complete their purchase in the ending or not.
- “How long does it take for you to ship your products out?”
Remember that the shipping time will include the processing, fulfillment, and shipment time. Therefore, most orders typically take at least forty-eight hours before they are shipped out, although an advantage would be to ship the products out the same day, if possible, to use as a selling point.

Pricing

Another question that is probably going to be asked a lot is your pricing quotes. You've scored some great products for inventory and now it's time to price them. Determining the right prices for your customers can be crucial. Your pricing scale will reflect on who you intend attract as customers. Meaning that your ideal customer is someone balling on a budget or a high spender looking for luxury items. Knowing your target market and doing a lot of research will help establish the price range for your online store. One of the best ways to see if someone will approve of your prices is by searching your competition, asking fellow friends, and posting questions on your social media accounts to help find the best retail price. To help determine prices that are going to generate sales for your business, it's helpful to analyze your target audience's buying behaviors, past sales records, anticipated expenses, and economic market conditions.

There are great online resources for this certain type of market research such as the US Small Business Association's Data and Statistic's page and Think with Google. When developing your price range, it's important to pay attention to your competition. It will help you decide if you need to lower or raise your prices compared to your competitors if both of you carry similar items. The retail price of an item should include the cost of the inventory plus your markup cost. It's best to find a wholesaler that is going to be in a low-price range since you still have too factor in your expenses and percentage into the markup cost. Most retail stores will typically markup their items anywhere between twenty to fifty percent for a decent profit. Some even use the doubling method whereas, the amount that they paid to purchase the inventory will be doubled equaling their retail price which can be very pricy. One of the great things about marking your products up to at least to fifty percent is that it will make it easier to have surprise sales.

Markdowns, also known as reductions, are another important factor in pricing. The selling price should be high enough to allow for markdowns and everyone knows, people love sales. Establishing a price floor while you're trying to make a profit is important too. You can't turn a profit if the set prices don't cover the cost of goods and operating expenses. A price floor is the minimum price an item can be sold for. Calculating a PFP for each product item will help you stay in the guidelines for not ending up in the negatives. Below are some of the most common retail pricing strategies being used as of today:

- **Skimming Pricing:** Charges the highest initial price to their customers which may result in fewer sales but offers a higher markup. This strategy is typically used for limited supply's or new product releases.
- **Penetration Pricing:** Includes dirt cheap prices that will generate a lot of sales and steals customers from your competition. This strategy is typically used for beginner businesses or by those who may want to attract new customers, but the profit will mostly be smaller although a lot of orders will be received.
- **Odd Cent Pricing:** This structure refers to using a specific price ending in such as 1, 3, 5, 7, or 9 to influence customer's perceptions. Some believe that \$19.99 will sell better than \$20.00, therefore odd cent pricing might be right for you.
- **Loss Leaders Pricing:** A store will select several products that generate no profit known as "loss leader pricing". The goal behind this method is to generate a crazy amount of traffic online or in-store to anticipate customers to buy items that have been marked up to make up for the losses of other products. It's best to only use this method if the person has experience in retail already because it requires to closely monitor the sales to ensure this is a success and doesn't lead to a downfall.

- Even Pricing: Stores using this method will price their products with even numbers such as \$35.00 versus using \$34.95.
- Price Lining: This method may work if you want to cater to all types of people. Products or services are typically set at different price points to give the customers different options to choose from.

Pricing your inventory incorrectly can have a huge impact on your business. In the beginning when I started pricing my products, I was using the method of doubling my wholesale price which sometimes didn't work out the way I intended because of my target audience. I didn't factor in all the expenses such as costs, advertising, shipping cost, etc. After doing research and asking around, I was able to develop a strategy that worked best for me.

Chapter IV: Marketing Your Brand

Instagram

Business owners can connect even quicker now with existing customers because of social media. Instagram is a social media platform for all types of retail businesses with an interactive and visual interface. It is vital that the content a business posts are appealing and attractive. Instagram is also a great platform to balance fun engaging images with business related posts as well. This will allow for feedback and more interaction with your followers who will eventually become customers. Around eight hundred million active users use Instagram monthly and five hundred of those use the platform every day. The age range varies between eighteen and twenty-nine composed of male and females. The best days to post during the week is typically on Wednesday and Thursday's because you're halfway already through week, the weekend is near, and typical behavior patterns began to change as the weekend gets closer. Some of the best times for postings are when people first check their phones when they wake up, during lunch times, or even hanging out with their friends. On weekends, the best day to add posts are on Saturdays because everyone is out and about enjoy their day off and engaging in on social media. For the best results, photos with no filters gain more likes because followers can tell that the photo wasn't edited. Adding a location will result in higher engagements because Instagram has a discover page for those who like to search for services specifically in their area. Hashtags are a plus too, posts that have them will do better than the ones without because consumers search for specific services on social media.

Keep in mind that the posts should intrigue customers to want more and lead them to your website. You want to let them know what your business is all about without giving away too much information. Include enough content that will push them to click on your website link wanting more. It's also good to post customer photos on your business pages to make your

customers feel special because everyone loves the spotlight. This leads to rewarding your customers with contests, incentives, and thank you's.

Not only is it a business but this is the time to tell your story as well. Followers tend to connect deeper to brands that they follow but eventually constantly asking someone to buy your products will get annoying. Remember, being in entrepreneurship isn't all what people make it seem to be. Showcasing the highs when your business is profiting and the lows such as when sales aren't doing as well leads them to connecting to your brand in a personal way. Showing business meetings, hosting photoshoots, setting up vendor events, and unpackaging items on live feed are unique ways of showing them what all it takes for pulling off a business. However, as you began to build your empire, don't forget to build your brand on other platforms too. A lot of retail businesses tend to strictly focus on building their brand in one area while forgetting about the others such as YouTube, Twitter, and Facebook too.

YouTube

YouTube is the perfect place for finding promoters with a following who can support your brand by completing product review videos that will generate sales. Creating an account for video purposes will allow your followers to subscribe to your page and engage in your videos too. The material should be creative and interesting to guarantee that it won't feel like an ad plus you don't want to bore your viewers. For example, James Wright Chanel who is a fan of Patti LaBelle posted a hilarious video showcasing his love for her famous pie. The video has received more than eight million views because of the content and it caught people's attention too. Before the posting, the pie was selling on average but afterwards, grocery stores noticed an increase in the sales of the Patti pie within 72 hours of the video being posted. Over the next three days, over

one million dollars had been made from the success of Cartel's hilarious video. YouTube reaches more eighteen to fourteen year olds than any other platform in the United States.

Twitter

Feel free to express and advertise differently because Twitter is the one place where your followers won't be afraid to show love. One of the quickest ways to gain a following basis is by finding social influencers in your city who have a fan base and kindly ask them to be a part of your team. Offering a certain percentage off your products might be something that you can offer to them because not everyone will be willing to work for free. Another way is to kindly post capturing images with a unique catching that will allow for engagement and simply ask for people to retweet so that other followers can see it as well. For example, with my business Dressed in Color, I took some unique pictures in my neighborhood using some of my closest friends featured in my merchandise. All of them were different skin complexations and different sizes because I wanted to show diversity. After receiving the edits from the photographer, I had my friends along with me post on Twitter all at the same time and we kindly ask ^{ed} our followers to repost the images. Within hours, I received over one hundred and forty-six retweets along with two thousand clicks on my website. Not ^{to} mention, some of the positive feedback that I was receiving transferred over to Facebook as well.

Facebook

Originally, Facebook started out as a network for individuals to be able to stay in contact with another. However, it has ^{developed} transpired into one of the biggest chat engines for users along with interesting content. Facebook offers ads that allows anyone to advertise anything as long as it follows the guidelines. They use the method pay per click which is one of the best

ways to get traffic to your website. This allows people to create ads and each time the ad is clicked; the company pays a portion of money because it resulted in catching someone's attention which results in people visiting your site. As a result, all of these platforms helped me spread business awareness because of the engagement that was received.

Chapter V. It's Time to Buy

Retail Buying

The time has come for you to start making purchases but even research plays into purchasing merchandise. To prevent mistakes, buyers use market research to help them navigate their buying decisions. This may sound boring but this is critical to help make sure that the right things are being purchased. Market research is the process of analyzing data to help you understand which products and services are high in demand like a trend and how to be competitive. Market research will help you understand certain questions such as:

- How many should I buy?
- What colors should I select?
- What styles should I select?
- Which items should I discontinue?
- Which new products should be added?
- Which items have a great price point for my customers?

Completing accurate market research is very critical if you intend to remain competitive, satisfy your customers, and grow in the industry. Remember, one must know and understand their customers wants and needs better than them. In addition, this will help develop a customer profile of your customer's characteristics which will make purchasing decisions easier. The profile consists of things such as spending habits, customer sensitivity to price, average size, and more. There are many ways a business owner can conduct research. All the following below qualify:

- Comparing your sales figures from last year to this year to help decide how much inventory should be purchased for the next season.
- Creating a mood board of current trends.

- Following your competitor's social media accounts to see what's working for them.
- Reading your competitors comments on their posts left by followers to see what they're saying. Followers provide valuable feedback and honest.
- Asking questions to your followers on your social media accounts to see what they like.
- Reading magazines based off the industry to see what current and upcoming trends are on the rise to determine what direction the industry is moving towards.
- Looking at your followers Instagram and Twitter accounts to see their lifestyle, fashion picks, and the type of things they enjoy.
- Looking at past sale transactions and seeing where your customers are geographically located.
- Visiting your competitor's website to see what they are offering.
- Asking customers about their experience with your company.
- Observing the day and time you receive the most sales.

Buying Tips

When purchasing products from a wholesaler, don't be afraid to ask questions. They are there to help you grow your business and it's important to have a healthy relationship with them. Having a close bond with them can open doors for discounts on merchandise, sneak peaks at items before they're available, or even early access to products before others. Regardless of the size of your business, it's good to introduce yourself to your vendor. Start off by sharing your short and long term goals and let them know what types of products you're interested in buying.

The best way to guarantee that your items are going to sell out is by asking your wholesaler. They have a lot of knowledge and are willing to ask you if you just ask. They're invested into you just as much as you are because you're purchasing items from them. However, don't let them make the decisions for you. Take the advice that they give you and use it to your best abilities because overall, only the business owner knows what best is going to work for their business. When it comes to purchasing inventory in the beginning, there's no formula to figuring out how much you should buy. Although, you don't want to overspend nor do you want to run out too quickly. The best thing is to use an educated guess and use each previous month to help determine how much demand will be needed for that item. Some of the key components are past sales, the state of the economy, time of the year, and of course your competition. But in the beginning, take things slow and purchase one bundle as you will begin to figure things out through this process. With each purchase, you should be able to state why your customers would want to purchase that item because your inventory must correlate with your customers wants and needs.

Another factor is knowing the seasons for when customers typically purchase certain products so that you can stay up to date and continue to grow your sales. For example, the fashion world is divided into two different seasons, Spring and Fall. Summer will typically cross over into Spring and Winter is combined with Fall. Spring inventory hits stores in February and Summer merchandise arrives in April. As you figure out when new products are coming in, this is the time you and your team should be figuring out when new lines will be available for purchase. Forecasting what colors will be in demand is important too.

Sales Have Been Made

You've finally reached the ending and the first sale has been made. More are coming and you want to ensure that this continues but there are a few things you need to check off your list to guarantee that you stay on track. Before sending out any shipments, make sure the payment has cleared to avoid situations dealing with insufficient funds. Some customers like to use PayPal as form of payment and if so, it takes about three to four days before the funds will be transferred to your account. Checks don't always clear so it's best to wait before shipping anything to a customer.

Now it's time to create shipping labels and time is very critical for a new entrepreneur. Pre-printing labels from home will not only save time but keep costs down too. Customers are very eager to get their items after the purchase has been made, so the next forty-eight hours is critical. Don't upset them by not sticking to your shipping policies because this can result in negative feedback and losing out on potential future sales. Along with your shipping, packaging matters too. People love creative and cute packaging so try to think outside the box. Adding free items, discounts cards, or even hand written notes will add an emotional touch to it. This will increase your chances of repeated sales and regular buyers.

Next, make sure to keep track of your orders along with track numbers to avoid confusion and always inform your customer of where their package is. The reasoning behind this is because some customers will attempt to get over by lying or even attempting to file a dispute but luckily you'll be able to verify the claims if needed. Now that you've been given the vital tools needed to blossom your business, it's time to put your actions to work.

Conclusion

After reading and consuming all of this information, I bet you're exhausted but wandering with ideas. Retail is all about having a strategy and being competitive in order to grow a product or service. This field may or may not be for you which is fine because there are tons of ways to invest in yourself and grow wealth outside of starting a business so don't let this push you away. It's time for you to take this knowledge and use it to the best of your abilities. At one point, I was in the same predicament trying to figure out things but in the end, I managed and made it through the hard and good times which is all that matters. This may be the end but it's only the beginning. As you travel along through this process, as a business owner you will learn that the industry will constantly change and it's up to you to stay relevant and conduct the proper research to stay on top or watch your competitors come in and take over.

Toni Sorenson once said, ““Weight loss doesn't begin with a dumb bell; it starts in your head with a decision”. Changing the way one may think will allow for a lot of opportunities to transpire. Every successful entrepreneur has started somewhere with intentions of being in the shoes of someone else that inspired them along the way. In conclusion, be the person to inspire others years from now because of the accomplishments you completed.

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