



Testing and validating products

What we are going to cover:

- Product research and selection
- Finding and validating your first winner
- Always be testing

Product research and selection

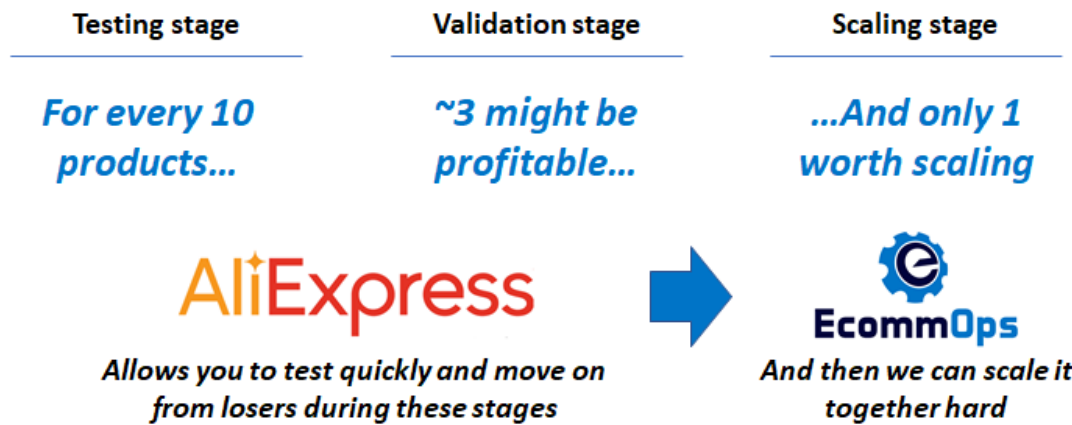
- First off: don't depend too much on "winning products" youtube videos, etc.
 - No disrespect to Youtubers releasing these videos, some of whom are my friends they're entertaining and usually well thought out. And they were likely winning products **at some point**
 - The problem is that you're going to end up competing with sometimes hundreds of viewers competing on testing the same products, at the same time
- And also be wary of suppliers, agents etc. offering you winning products
 - First of all, it's a poor practice to share products that their own clients might already be selling...why won't they do that with your winning products?
 - And if the products aren't already selling well, then why are they recommending it? Could just be getting rid of old winners they have in inventory
- Some strategies I've seen work well with product research:
 - Constantly browse winning FB / IG ads with tons of views / engagement - that means they're probably making money on it.
 - Check out Chinese market platforms like taobao to see what's selling on the domestic market. Most winners start as winners in China first, so get ahead of the curve.
 - Understand pain points / market needs as the world changes, and focus on finding, or even developing products that serve them.
 - I think this is the best way to find problem saving winners before they take off btw.
 - E.g. during COVID lockdowns a LOT of store owners made \$\$\$ on home fitness products
- Try to avoid products that are difficult / expensive to ship from China...there are plenty of opportunities out there, don't make it hard for yourself:
 - Oversized products: Most shipping companies have a restriction in terms of size.
 - This restriction is defined by combining the length, width, and height of the package...this is measured in centimeters and the L X W X H cannot be more than 90cm any dimension can't exceed 60cm.

- This might include products that take up more space, even if it's not heavy, because shipping companies will consider the volumetric weight...this is usually measured if the L X W X H in CM divided between 5000 to 8000 (depending courier) is greater than the weight in kg.
 - Heavy products over 1-2kg: Shipping cost is directly affected by weight...heavier products see costs go up significantly
 - Some lines also have limitations in the maximum weight as well, which might range from 30kg to as low as 2kg, so heavier products might also limit your ability to ship to certain countries using desired lines
 - Fragile products: Anything that can break easily will require extra packaging, which can significantly add to weight and cost, and even then can still see breakage in transit
 - Breakage rate can range from 10-50%...which would be definitely a bad experience for your customers.
 - Liquid products: Generally has less options to ship via reliable lines
 - There exist some lines that work, but they may not be entirely consistent, and might limit your options to sell to certain countries.
 - Power banks / Batteries on their own: Cannot be shipped using air
 - Products that include batteries are ok (but require battery lines) because they form a closed circuit...but single batteries can be serious fire hazards.
- Some factors that make a particularly good product to ship (not necessary, but again try to make it easier for yourself):
 - Single or few sku products: easier to manage inventory and lower chances of mistakes
 - Products that don't require a box for protection: boxes can get very heavy. Less weight means lower shipping prices
 - Small, light, but dense products: Lighter products means cheaper shipping, dense in sizes to avoid volumetric weight.
 - Easily bundled products: Products that can be easily packed together or sold in packs will lower your fulfillment costs - easier to get discounts from suppliers.

Finding and validating your first winner

- Especially when you first start out, testing is a numbers game, see it as a bit of a funnel

Testing is a funnel – you want something flexible and low risk



EcommOps

- Even 7+ figure store owners might hit only a couple of winners out of 10
 - Don't give up of your first couple of shots at goal don't work out
- You want to start testing out with flexibility in mind
 - Use something like Aliexpress, or no MOQ dropshipping platform so you can very quickly test and move on from losers
 - Yes, you eventually want to move to a good agent, but honestly your first 10s, or even hundreds of orders don't really matter too much, because a real winner will have far more orders to make up for them
 - Make sure you fulfill them though!
 - Some experts just refund obvious losers if they only get a couple of orders...just not worth their time or facebook feedback score etc.
- Common to see clients have "testing" stores before moving the winners to one product or narrow niche stores
 - Might testing using a general / broad niche store, sending ads directly to product link
 - Allows for high flexibility of testing without creating new stores all the time
 - Gives a bit more freedom in not having the best shipping speeds facebook feedback score etc, as not planning to scale with that account
- Be honest when validating if a winner is actually scalable
 - Make sure your ROAS is a lot higher than your BEROAS
 - $BEROAS = \text{Selling price} / (\text{Selling price} - \text{COGS} - \text{fees})$
 - Calculate using *reasonable* shipping prices that you eventually want to scale for

- E.g. if using aliexpress calculate using aliexpress standard shipping costs, not some untracked free method
 - Leave enough room for:
 - Operational expenses
 - Potential product improvements
 - Opting for faster shipping
 - ROAS will naturally go down as ads scale up
 - Example scenarios, even if you have 10 orders per day:
 - If your BEROAS is 1.8 and your ROAS is 2X, you're might want to optimize more, or don't depend on it as a big winner
 - If your BEROAS is 1.8 and your ROAS is 3.5X, then that's a great sign
 - Btw if you achieve this, then we can start discussing working together even before you hit our min orders per day
- Once validated, try to find a good agent and get your supply chain in place to get ready for more scaling

Always be testing

- Before you hit it big with a custom product and brand with consistent 7+ figures, you should always be thinking about testing new products in the pipeline
 - To be honest, many of the top 8+ figure commerce experts are constantly testing new products as well
 - Not every winner is going to turn into a 7+ figure brand
 - And even if you get a 7+ figure product under your belt, why not have multiple ;)
- It can be easy to rest on your laurels when you have a winner on your ends, and to be fair, you SHOULD focus on scaling that winner up
 - However, the industry is full of dropshippers who had one 6 figure winner, thought they made it big, didn't really invest in building a brand, and are now back to square one
- Even if you have an agent, use a similar approach - focus on flexibility, scale with an agent...it's fine and honestly better to use a different service for testing vs. scaling up