

Niche Pursuits Podcast: Episode 66 Transcription

Spencer: Hey everyone! Welcome back to the Niche Pursuits Podcast. I am your host, Spencer Haws from nichepursuits.com and I got Perrin with me as my co-host. Perrin is out in Chicago and hopefully he is still doing good. Let's check in. Perrin what's happening over there?

Perrin: I'm pretty good. I know I said this last episode but i'm tired and I think our whole team is tired. Why is that?

Spencer: I don't know, you tell me. You're not sleeping enough?

Perrin: Haha. Kind of. But you know, I got some stuff keeping me up at night but mostly in a disneyland kind of way were excited. I think by the time this is launch we will have had some exciting stuff going on.

Spencer: Yeah, definitely. No I agree. We got a lot going on and we have been working on pretty hard on lots of things and it might not seem like that you know, we only came up with one podcast a week and that's all what everyone sees but we really are doing a lot behind the scenes. With our FBA business which is what we will review today of course and also for long tail pro we are preparing for a big promotion that's coming up and some other things. So definitely a lot going on in our business that we are excited about and keeping us busy for sure. So having said that, before we jump in to today's podcast which will be all about our physical product business and what we are doing to grow that and some of the success that we are seeing. I do want to do a small sponsorship spot which is really for my own products which I don't have to pay for it and I think it is worth mentioning Long Tail Pro herein the introduction just because I do a lot of keyword research for all of my sites.

Not just my authority and niche sites that I talked about as case studies but I usually do it for my businesses that are very visible to people so for NichePursuits.com I'm constantly doing research when I write blogpost and most of my traffic comes naturally from Google on NichePursuits.com because of that keyword research and believe it or not we do exact same thing on LongtailPro.com as well. We have a blog, I hired Jking and it's been 8 months ago and he's been actively blogging finally over on the LongTailPro.com blog just because I didn't have time with everything else that I had going on. But every blogpost that he is doing is keyword research. He uses the software Long Tail Pro to figure out what to write about on the blog which is kinda funny the loop that we have going there but we ranked naturally on for all this low competition keywords on the blog and this bring in new sales and it just grows the business.

So we are actively doing keyword research and we also doing keyword research for our physical product business for our Amazon business and i've used nothing but LongtailPro for that as well so to figure out the specific niche I should go into the keywords that I am targeting to my product descriptions. Having said all that, I do just want to mention I have a special offer for the software if people go to NichePursuits.com slash v3 as in version three so the letter v and then three they can get that special offer so if you can go and check that out you can exactly see what that is. If you're listening to this early on when we first release this the discount is

going to be pretty significant. If you listened to it later on, you know years from now I'll be sure to have the discount page out there so you can always get a discount over at NichePursuits.com/v3. That is one of the big things that we've been working on in our business is getting version 3 of the software release and available to the public. We have done perfectly new interface and streamlined a lot of processes so that it's faster and easy to use with version 3 of the software. So there you go, there's the quick sponsorship spot for my own software product. Feels kinda good to be able to do that.

Perrin: Yeah, totally. I mean how long have you been working on that? Way before Jake and I are around for sure.

Spencer: Yeah well I mean, Long Tail Pro itself of course have been building up the business for four and half almost five years but specifically version 3 of the software we have a lot of things that we have been working on for well over a year certainly.

Perrin: Yeah, big time.

Spencer: So let's jump on right into to Amazon FBA business because last time we chatted we mentioned we're just getting our new inventory back up and running. We have been out of stock for about a month and a half or so and I'm happy to say that our stock is finally back. We've got our previous product that was selling really really well is back online and it's selling really really well once again. So its really exciting and I want to talk about that it's selling really well I will just mentioned that we have a second product that it's live and ready to be sold as well so lets go ahead and jump right into that. It was one of those things where we got our stock and inventory back and we were hopeful that everything from day one would be right back up and running. I heard some horror stories about that if you ran out of stocks for a significant period of time Amazon kinda penalizes you and your starting over fresh. Well that has not been the case whatsoever for me. I got my inventory back up and from day one it started selling immediately. I think it took a couple of days to get back to that level where it was at but the first day atleast I made a couple of sales and so were back up and running. It's selling just as well as what is before and we haven't done a lot to get there.

Perrin: Yeah and you know we put it back up online and maybe this is indicative of how my life goes sometimes in business and we put it back up there and I just didn't want to ask about it because I didn't want to hear that it wasn't selling you know and I was kinda hoping for the no news is good news scenario and it's been worth it. Like you said, we've been pushing 8 units a day out the door for the last couple of days and we are super duper excited about it. And if you remember our last blog poster podcast we mentioned that for this particular product we think as is without any extra mark thing about 10 units a day as our maximum velocity so to be up there near that maximum velocity so quick after getting back on Amazon. We are super super happy about it.

Spencer: I am very happy, definitely happy and I know probably for a lot of people who are listening, 8 units a day doesn't sound like a lot maybe but you have to remember this is a \$60-

70 product so selling 8 units a day is about \$500 revenue. And so that's not so bad at all especially when I look back at the profit margins, I have done the calculations now that we are paying manufacturing, shipping and got it all up in Amazon and I can see the Amazon fees. Our profit margin would be around 45% but even if we estimate it lower at 40% (so if you take 40% of \$500 revenue) so that's \$200 profit take home per day that we've been doing so people can take a look at that depending on how much money they make you know in a month \$200 that's \$6000 profit in a month and that's what we're sitting at right now.

Perrin: Yeah so, very very exciting. The exciting part about it is that it works so fast for sure it's fulfilling. I wonder if we can talk about the process of taking this thing back online and what we did to get back up to that sort of sales velocity because last podcast we are just getting ready to put it back online and see what happens and so we ordered the product and it was on the Amazon warehouse what was the process of getting that product back on Amazon and then what kind of promotion did we do for it.

Spencer: So I'm not sure how far back we want to go but we usually we placed our order with our manufacturer they manufacture the products and I have a shipping agent that handles the shipping and so the shipping agent picks it up from the port in China, ships it to their warehouse in LA and at that point I send my shipping agent essentially UPS slips from where Amazon wants the product so they usually want it in three different warehouses so that they divide up the product and my shipping agent via UPS then shipped it out to different warehouses for Amazon. It takes a couple of days for Amazon to kinda process that product but then it's up and ready for sale and because I created the listing it's ready to go and I don't have to do anything else. And as far as promotion for this time, our restock we didn't do anything. We didn't ask for reviews, we didn't do any promotional units, we were planning on doing that but it was up and selling for 8 units a day already so I decided rather than me giving out a bunch of units for free I'd rather just have the revenue to myself because we went out and try to get 30 reviews we have to get away the product for free essentially and so you take $30 \times \$60$ or $30 \times \$70$ and that's close to \$2000 revenue that I wouldn't get and so we are sitting at a point where you know what I don't want to give out promotional units because this product is selling so well on its own without any promotions if I'm not careful I will run out of stocks anyway so rather than me pushing this thing even higher and then running out of stock and waiting for a month I'm just going to let it cruise along at its pace for now and when I get a chance to get even bigger order maybe I go back and do some promotions at that point.

Perrin: Yeah. And I think that's a really good lesson learned for me anyway and maybe for us as a business. If you can build a listing that 1. Amazon and 2. Converts and sell you product? All you need to do is manage the back end because that will keep those products moving out the door and you really have to do that once and that's basically all inventory management of course if you're running out of products so you need to be doing some of that marketing and stuff for those new products but it seems possible to just really build a great listing and if it does well, all you have to do is keep inventory stock.

Spencer: Yeah. Absolutely. The positive notes is that it's selling well, it looks like it's profitable at least based on previous cost with potential revenue which should be 40% to 45% profit margin however there is something that I think I should bring up and this is a very capital intensive business. Even though I can say I have done \$2500 revenue in the past 7 days and half of that is going to be profit you kinda take that with a grain of sand actually, that's not money that I am going to see unless I stop ordering new inventory if I stop ordering new inventory sure yeah I can just keep that money but then i'm out of inventory so in other words, every single penny and more of my profit is being reinvested. I am not seeing a dime of any of this revenue and that's something that people need to be aware of. So if you are short on funds, this is something that I might have to fund myself for probably at the end of the year I am not going to be able to take money out of this business. Just today, I can see that this product is selling really well and I can predict down the road, you know 60 or 40 days that I am probably going to ran out of inventory so if I don't order new inventory today which in fact I did just a couple of hours I go I sent another wire over to China to order my next batch of units and this next batch is much much bigger so you know I don't get the same amount of dollars that I spent but lets say I sent \$9000 over I mean thats \$9000 today and I am essentially borrowing money from myself so even if I get paid because I sell my current inventory that's not enough money to cover that \$9000 that I just sent today. Its just not. So if I get my next batch from China, you know that's going take months before it sell out and so maybe by the end of the year I will finally get caught up to where now I am going to finally pay myself just a little bit. But this is a very capital intensive business and it's not something that you're just able to peel off cash left and right. It's a super cash capital intensive business that either you have a lot of money to be able to do it or you need to have savings or you can borrow some money using some sort of credit. Its just not something that can fund itself at least not very well in the beginning if you're growing quickly is what im trying to do.

Perrin: Yeah. That's was the point that I want to make so I just want to talk about maybe a few of the different growth models you can used depending on what your goals are. So for us we want to grow really fast and get up to a much higher level than what we are now. As much as we are happy with what this product is doing we definitely want to scale this business up just super high. We want to get to that really nice comfortable well boat with Amazon FBA program. I wondering though if there is someone who want a slightly more passive, slightly more stressful, slightly less capital intensive model. Is it possible to keep reinvesting the same cost of your product so for example, if the cost of your product total to get them on Amazon and sold is \$2000 and you're making a revenue of \$4000 and your profit is \$2000, could you just keep reinvesting \$2000 every batch?

Spencer: Yes. I mean you could but kinda like you mentioned you're not going to grow because you have no way of getting that \$2000 back until you sold out your previous stock and then you have to wait up to 30 days or whatever it is from Amazon to get paid. So you're going to run out of stock, you're going to get paid 30 days later from Amazon then if you place your order depending on how long it takes your manufacturer to make that product it will be 30 to 60 days after that so you will be out of stock for 90 days probably if you operate mainly on just the profit that are coming in. And then you haven't grown right? Then you just have to do the same thing,

you will be out of inventory for 90 days every couple of months so you can do that but if you want to grow because this is an inventory phase business you have to borrow against future profits or invest in some capital. Does that make sense?

Perrin: Yeah. It makes sense. I want to go back to this idea of building good listing and we have not address this particular question in the past but I have this question, we have this issue and it seems to have been solved but I have never heard anything from you so its actually a real question for you and I think it's important to address and that is negative reviews.

So we did have one negative review of our product and I know that you are trying to handle that and looking at the product page right now it's gone. So what was the deal there, what was the strategy and how can people tackle that if it happens to them with their FBA business.

Spencer: We did! I got a negative review and I wish I can go to all the details without giving away my product but it was definitely probably a not deserved review. My product listing is pretty clear about what my product is all about and it certainly met what was on the product description. It sort of the unique feature of my product is that people like it and I called that out very clearly with all exclamation points. Whatever you need to say, what makes this great and then the negative review is actually said "there was too much of this unique feature". It's hard to explain without essentially what I was saying in my listing she wrote a negative review about.

Perrin: If you're selling pink negative shower heads the negative review would be "this is way too pink" right?.

Spencer: Exactly. So I didn't know how to handle this so I actually email the person that left the negative review and we just kinda started with a discussion and I offered them a refund and all sorts of things which I did. I got them a refund and I didn't know the terms of service of Amazon and so this is a big no no and I guess I will share this. I was wondering if I should share this publicly, so I didn't know what I was doing and I'm sort of plan by the seat in my pants here. I didn't do a lot of research so I just throw things against the wall and then do the research later after I made the mistakes. So I emailed her and said "Hey! What can I do to get you to remove this negative review. I will give you a refund if you remove it" and that sort of things and thats a big no no. You are not allowed to ask people to remove any type of reviews or offer them incentives to remove their reviews or anything like that. I quickly found that out the next day after I did my research. Read Amazon's terms of conditions and I emailed her back that "Sorry I cannot review your negative review, this will not happen" and she agreed to do it anyways but Amazon knew so I immediately wrote her back that I have to recan't, I'm not allowed to remove your negative review but I can still give you a refund which is fine. So we discussed back and forth, again I said you don't need to remove your negative review and she went back and removed her negative review on her own accord. So that's what happened there and I learned that I am not allowed to removed a negative review and just to have a dialogue with the customer they actually sort of changed their minds.

Perrin: Yeah. And this is what I have seen from a lot of colleagues that run FBA businesses that I talked to in a regular basis and a couple of them asked them to review their product so like

give a product that has a discount code and I will buy it and give you an honest review because we are colleagues and this is how businesses work. We help each other and so as a result I get an insight into some of their customer processes and a lot of these people are really intense in a good way. So I get this \$17 product and get a follow up email and then maybe one more asking if I have a chance to use it, what I think of it, so glad I got you saved that sort of thing. I heard people giving phone calls to customers. Not even like handling negative reviews but just saying "Hey! Did your product get there and what do you think?" Like just talking to people on the phone. I heard of people sending handwritten notes and so a big part of success for this can be and those aren't things that we did by the way but a lot of people are having success or so I heard with really intense personalized customer service and even if you didn't ask her to remove that negative review I think you offer her a refund, reaching out and apologizing for her experience and giving her money back. That type of thing goes a long way and if you have a couple of negative reviews maybe not everybody is going to remove it but certainly some people will appreciate it and kind of put everything together for you.

Spencer: Those are great points. With any business, great customer service and just treating people like you care goes a long way. But I will just say that this can be a very automated business. I normally don't interact at all with my customers on Amazon. Amazon ships the product and does everything as far as that's concerned but I have implemented on the back end some automated emails and that is a way that you can interact with your customer and sort of "Hey did you get your product okay? If you thought it was great we love to hear your feedback."

So I have a series of three autoresponders email that go out using the Amazon system and I'm actually using a product created by Chris G. called Salesbacker he let me in as a beta user when they first created that and it is now publicly available I guess I let people check that out. They can go to Nichepursuits.com/salesbacker and I really like it. I have never used any product for Amazon email responder but this works really great. I just log in and there is a pre-written generic autoresponders and so all you have to do is place your product ID with what he had there if you don't want to write your original one. I essentially did that, I change a few lines to kind of personalize it with my product and put my personality in there a little bit but generally speaking I just use Chris' templates that he had on Salesbacker and that's got me quite a few reviews in fact just in a day last day I have seen couple of five star their sales rating or product ratings popped up and these are reviews that I haven't had to give away promotional units for anything. All I have is just this automated Salesbacker that's working behind the scene for me. Send this people some emails like "Hey! Did you get the product. If you have any questions let us know" that sort of things and so it works pretty well. Nichepursuits.com/salesbacker, I'll make sure to have something for you there to check out.

Perrin: Yeah and here's the thing about that. Amazon is a really hands off sales platform. People think of Amazon as a faceless store where they just buy stuff anonymously and I think a lot of people missed the fact that there are third party sellers selling stuff on Amazon. So it goes a really long way when you buy something from Amazon and you get an email from that retailer. I mean how many products do you buy on Amazon in a month? And how many emails do you get? For me, it's basically zero so if you can buy a product on Amazon and that retailer sends

you a follow up email to make sure your happy. That is a great way to get reviews of course you have to a little momentum first but it seems working for us.

Spencer: So far so good. At Least as product number one's concern and so let's maybe move into product number two. Product number one is a winner like honestly if none of my other products do well at all I think there is a lot of room to scale just product one. I mean I think it can be doing double or triple what it is doing today just by getting it in on different platform outside of Amazon. Doing FBA in foreign country I mean i'm not even selling in the UK, Canada, Australia you name it, why not? Maybe I can do more like double or triple if I get in this other countries but it's going to take time but I honestly think that just product one can move the needle quite a bit here but as mentioned in my previous podcast, I actually have five products on the way and product two is up but it has not sold a single unite yet now it's only been less than seven days I believe at this point but it has not made a single sale.

Perrin: How does that compare to product one's first seven days?

Spencer: Product number one on the first seven days, I remember it was less than 10 hours I made a sale on product one. It didn't make ton of sales on the first week probably less than five total sales less than one a day. It took a couple of weeks before it get to one to two a day before it kick in a year after we did some reviews and stuff but product two hasn't sold a single unit in a week and i think I kind of know the reason why at this point.

Perrin: I have an idea too so let's see if our brains our overlapping here.

Spencer: Okay. So I give my reason and we chatted about this a little bit so maybe you have some additional thoughts on this but it's actually with product one. I had a very specific niche, very specific keyword, specific problem that I was solving. Now with product two I am moving into a general market that isn't as specific, targeted and I don't have that winning sort of keyword yet to be honest I think it all comes down to keywords. I am lost in a sea of other products right now. I wish I have a good example so maybe let's go back to our shower head example right. It seems to be working and so my product one is pink shower head and you know a lot of people are looking for pink shower heads and i'm one of the only ones who sell shower heads and so I am doing really well with product one. Product two, I now move to just shower heads. I dont have that unique killer feature it's just shower heads and now i'm one of a hundred of other people selling basic shower heads nothing fancy. But I thought this is a bigger market and I do think it's a bigger market but sort of general market and so I am having trouble nailing down who my audience is, what keywords are they searching for and to be honest up until this point I have not put so much time into it to really tweak and try things out because I have been swamped with other things but I need to work on it in order to get more sales.

Perrin: Yeah. For sure. And that kind of end up I think might be the difference too. I do think it is a keyword issue and I think one of the reason we got those few quick sales for product number one was something we discover a few podcast ago thats Amazon ads on Google and Facebook for that particular keyword. When people click on them our product will be showing up there on

that page and for product number two it's not because there's just so many more because its highly generic. So I think we're not getting a fit to Amazon's PPC in this market because it does take a while for your listing to get traction and takes a little bit of time to rank in Amazon especially if it's slightly more competitive but for product number one when people are clicking the ads for that keyword they can see our product and I don't think thats the case for product number two.

Spencer: Right and to clarify to people you know parents not referring to us paying for ads on Amazon we are not doing PPC on Amazon but Amazon themselves do PPC on Facebook, Google and other places. They run that on their own so when people search for pink shower heads they have ads on Google or Facebook and people see pink shower heads. So we are not showing on that just because we don't have that specific, targeted keyword that niche. We are just one of many. So how are we going to fix that?

Perrin: Yeah. I dont know. I was just gonna say just give up on it.

Spencer: Oh no. Come on man.

Perrin: That's not business. Right? Haha.

Spencer: Dont even say that.

Perrin: No we are going to get aggressive, we are going to do the exact same thing that we did with our first product which is to go out there and get reviews and that basically comes down to hassle. We have a few platforms that we want to do that with and we are trying to experiment and nail down a strategy for it but the way to get aggressive in Amazon is to get reviews from people and that means you will have to spend a little bit of money by giving away free products. Going to missed out on some potential revenue and you also need to spend some of your time but that's what you have to do. And I think we are also going to try to find some sort of angle so that we appear less generic or a good keyword so we start showing up on the pages that Amazon is sending paid traffic to, we start showing up better in Amazon's internal ranking algorithm and kind of putting it all together and create or build a listing that will create momentum over time.

Spencer: Exactly. You nailed it. I mean the first thing for me that I am concern about is tightening up our product description and our page. We got to figure out what keywords we want to target and our primary keyword right now of generic shower heads is a short tale phrase. It probably gets searched for 20000 times a month seems like the great one right? Well, just like you rank on Google, its difficult to rank those short tail phrases because everyone out there is well established. So we need to add some keyword modifiers I think to our keyword so we need to figure out what's unique about our shower head, is it a short shower head, is it purple, something about it we're going to find that even it it was a keyword that was search for a hundred thousand per month we gotta do it. We need to have that angle and as I'm talking about this, this is part of the reason why I wanted to do this product just to see if we can get a

straight private label sort of generic product to do well on Amazon. I am already seeing that our work is going to cut out for us. It is not that easy this listing isn't selling itself we got to do a little bit better and part of this is my fault. I should have done this keyword research long before now but its not that im lazy but this Amazon FBA business really is secondary part of my business. Its probably 4th or 5th on my priority list of what I do and so its one of the exciting things that I do. I enjoy it but I have so many other businesses that I'm involved with. Now the rubber has finally hit the road and kind of force my hand. I got to actually put some keywords research effort into this product listing. And then once we do that we are going to do exactly what you said we are going to go out and get some reviews and hopefully that will jump start things so we can selling one of these so will see how that goes and of course update people here in future podcast.

Perrin: The last few episodes you mentioned briefly doing some different types of promotions like doing Amazon ads and few other things. Are you going to do try any of those or look into any of those. Is this the direct product to try with? What do you think?

Spencer: It's a learning process and so yeah I think that I will. I'll probably try it and once we get the product description button down a little bit, this is what we are targeting we will know a little bit better what keywords we can target for PPC and some of this advertising opportunities. So I think that I probably will just depending on how the product selling. If it continues to not sell well I think I might have to start doing more advertising and trying more different avenues of marketing to make it sell. Product one I don't have to do PPC and all this other things, it's selling by itself. Product two is not selling so I might try these other ways of trying to get it to sell.

Perrin: Yeah. That would be a good case study. I think in the next one or two podcast we have a little more of a definitive answer to question that we raised in our last one which does it pay to be the one or not because we have a lot people arguing with us about that and this might be a good way to answer that at least for our business. So let's talk about the other products, when we left off the last products or last time rather. WE talked about product one and product two and we mentioned we have others so what is the status of product three, four and five?

Spencer: That's exactly right. So we have three, four, and five coming in and they are still enroute to the US. So its only been a week so there is no status changed at this point. They are not on the way to Amazon quite yet. Their in the process of being shipped and they should be very very close and so within the next week or two I think for sure we will have those additional three, four, and five products up and selling.

Perrin: Yeah. When we have that many products on Amazon we will be doing a podcast today right?

Spencer: Hahaha. Not sure about that. They can't handle listening to me everyday. I can barely stand listening to myself here.

Perrin: Yeah. Likewise except for me and myself. Too much for an introverted talk an hour a day everyday.

Spencer: Yeah. That's ridiculous.

Perrin: Here's a harsh reality question. We going to have five products up there we have one winner, we have one that is looking less successful at least to start and it sort of larvae stage. What do we do with the dots? We probably going to have at least one very unlikely that we will hit home run right? So what do we do with the dots?

Spencer: Well, I will know when we get there I guess but I mean just off the top of my head at some point you need to be lowering prices until they do sell right? At some point if you discount the product enough you can at least sell it and probably get most of your money back and then just decide not to reorder your inventory so thats probably what I will do if product number two will not generate many sales and it may take me several months to get through my initial inventory and I will just never reorder that stock again.

Perrin: Right and we might lose a little bit of money but hopefully product one makes up for it. And that might be a good insight to this business model. We talked about the risk and reward of the products and we talked about the actual realized risk which is not all of the money reinvesting because you can't just keep lowering the prices and maybe get back 75% of it you can just start undercutting everybody but hopefully the model is more or a portfolio model at least that's what we are going for if we do have lots of products one kind of pick up the slack. Is that more or less right?

Spencer: I think that's exactly right. At this point its a little bit of a testing game, I am figuring out what works and what doesn't. Im going to learn several lesson along the way, like you said will know a little bit better down the road that early indications are just that having that more unique some specific angle or a narrow niche that you can target is a better way to go.

Perrin: For sure. I guess maybe one of the last thing I want to talk about is just scale of the type of business because I don't think a lot of people know about some of the people who are doing really well in this business so I kind of want to combine a couple of things that we are going to talk about which is how are we going to reinvest our money and what do the really big players in this space look like. So you show me a couple, so maybe you can just pull that up in your hat and give people an idea of what the ultra successful people in this people are making and then how are we going to reinvest our money and if we do plan to get to that level which is straight level. What is the basic idea of getting there?

Spencer: Alright. I mean this could be a whole podcast on its own right and probably we need to bring in the experts that knows what they are doing and you know sort of sneak peek. We do plan on having a couple of guest on here in the near future. It maybe a couple of months before we seal those podcast and everything come out but I do have a couple of guest plan. One apparent knows about and one who doesn't know about you know people for people who are

selling on FBA and doing very well. So they will give you the real plan and I'll just sort of give you well this is what I think it's going on. They are lots of people doing well on Amazon and like Perrin mentioned I looked a few of them and you can see what their products are when you click on their account name and you can see how their selling 50 or a hundred or more products. So its a matter of going to either one niche and going to a lot of products or some people honestly are in a lot of different niches and just doing best selling products in lots of different areas. And so people are doing certainly six figures a month others are doing seven or eight figures a year and the business potential is quite large and in order to get there it is a matter of scaling and it's not just finding one winning product. I can't scale product one to a seven figure a year business probably. I might need a few other winners to get to there. I dont know what you want to dig into here, what people want to hear about but it is a matter of reinvesting your profits doing research as to what products you're going to sell well and just following a lot of the process that we already done and so we will be able to learn a lot more as we go down the road but I've already started to go there. I have launched one product and I will now be at five pretty soon and by the end of the year hopefully if I have a few things that are selling well I might be at ten so Im kind of in that process of "okay I can see that the profits are coming in this is what I'm willing to re invest or borrow from myself for other businesses to invest in even larger" and that's how you're going to do it.

Perrin: Yeah. For sure. And I think it is just fun for people to know what other people are doing. When we have people talking about Niche sites five to ten dollars a month and you know that's a pretty big success but they're are real businesses don't turn FBA some of the ones you've shown me are businesses with dozen and hundreds of products and full team of employees going out, reaching, doing reviews basically running it like a big retailer so there's a really big spectre on size and business potential and revenue so I think its just fun to dig into and to dream a little bit and give people an idea what the upper limit is which is really big.

Spencer: Yeah. Absolutely. So I mean they kind of have it, we talked about first seven days back with my product I have done about \$2300 in revenue and I expect that to just keep growing here because the first seven days I sold one or two products and now I am selling eight a day or maybe more in the next couple of days and so its done pretty well with product one. We are excited to give product two up and running and of course I ordered the products to just scale those and grow a little bit more. So you know this podcast is maybe sounds like us rambling a bit and talking about FBA but people seems to be interested in. They want to know what's going on. How can they get involve and how can they hopefully grow a similar business so I am telling you right now that we are doing close to \$500 a day in revenue about \$200 a day in profit of course I am going to reinvest those profits. I do want to be very clear that I a not just pocketing all that, I am reinvesting to grow the business and so I might not take money out of this business for a year, I don't know, but if I keep reinvesting this profits I think I can get to that six high figure or maybe seven figures area in the next year too. I don't know, let's see how it goes and it's a business and you will never know if it's going to go one way or the other but I would love to get it to a seven figure a year level.

Perrin: So I have a few colleagues that I have been talking to, one is doing FBA stuff, he shipped his business totally in that direction and he is doing very healthy five figures in revenue and I was like that's awesome. What is your margin? And he said "essentially zero" because I haven't taken any money out of it yet. All of the money in was reinvested. Its a snowball what he is trying to build and so I think that's the way to do it. Just in case we were rambling a little bit too much for the last two or three podcast, what do you think are the major lessons that people can take away for themselves and maybe just one or two?

Spencer: Major lessons? I do think I just have to go back the contrast between product one and product two right now. Is just finding the product that needs a very specific need and does not appear to have so much competition or at least doesnt have the appeal of just the general market. It is targeting a niche and that right now is based on you know what I am saying is the biggest lesson at the point is just that finding that smaller niche and actually equals figures sales. What about you?

Perrin: I don't know. I think maybe finding a marketing angle. There's a big difference between the marketing we have done and how are product is being presented to the public between product one and product two and I think that makes a very big difference. Maybe we write a product description for product two but there is no angle really because it's a generic product so I think that might be one and the realization that we are benefitting from Amazon's PPC efforts and that by targeting really specific keywords we can benefit even more. I think that's a pretty big one and if I were to go research more products that would be something I would look at I don't know if that's something formula that people are doing but just googling keywords is I think might be good and seeing if some Amazon ads forum and looking at the pages that they are sending it through and everybody on there is targeting that keyword and if they are not you might be able to get on that page and rank on that page and benefit on the PPC so I think all this things are adding up and we are kinda doing big lessons and little lessons and overall getting better at it as time goes by.

Spencer: I agree. I think that is a good point. Just that huge benefit that Amazon's brings to the table I guess is the overarching lesson that it sort of implicit whole discussion of Amazon FBA. This is why we do it, there is a big market place and just being able to ride the wave of that popularity. Everybody shopping there and I don't think that everybody's else businesses unfortunately going to be as seemingly easy as my product has been you know I just listed it and it's selling but the potential is there for something like that to happen and we certainly put some effort in getting a reviews and jump starting our process but now that it's in Amazon and ranking well just the huge mass appeal of Amazon is taking over and that spills over into Amazon's marketing efforts with PPC. I see ads of my own product everywhere, I logged into my email, I search on Google and logged in to Facebook I can see ads all over the place. It's not my ads its Amazon advertising my product which happens to be on their site and so I think just that sort of riding the wave of Amazon's popularity is the overarching sort of business lesson as well and what's interesting is that Amazon is doing a huge push for Amazon prime day which is coming up very soon. I dont know if you have seen the commercial on TV or Radio or anywhere around. They are trying to make it a big shopping day than Black Friday.

Everybody just sign up for Amazon Prime and they have tons of discount and so we will see if my sales will do on Amazon prime's day and see if that brings anything in as well. And I just want to confirm the date on that, and it is tomorrow and maybe on our next podcast if I see an increase of sales we will talk about Amazon prime day but again just the lesson there is that Amazon is doing things to get people to on their platform for you and you know the more prime users they get that's people that get free shipping that have their Amazon credit card number in Amazon and just getting ready and willing buyers for you already. So it is a nice little wave to ride and will see how long it will last.

Perrin: For sure. We said before we don't think that this type of business will be that easy to get into but even be oversaturated and declined in the next three to five years but it is doing some good work for us right now.

Spencer: Absolutely. So I think we go ahead and leave it at that. Things are still exciting over here in Niche Pursuits lab if you will. We are testing a few things and learning along the way but we keep you posted and updated like I said, we will have a couple of interview with people in the next month or so but with that I do want to close out just reminding people that if they would like to get a special offer or deal on LongtailPro my keyword research tool that I created they can go over at Nichepursuits.com/v3 and if they do they can take a nice discount on the software. Its what I use to create website and try to rank in Google and I also used to to my own product listing and in Amazon as well. It make perfect sense to use that keyword research for product listing and you can do that in Longtailpro to give you an idea what type of keywords are popular which ones are not popular and so that's what I have been doing and hopefully people will check that out. Overall, I hope people even if they are not involved in Amazon FBA business hopefully they have been able to pick up a couple of tips that we shared here in the podcast perhaps that they can apply in their own business or just to bait them to get involve in some sort of business. I think this is what its all about when they listen to podcast is looking for a little bit of motivation and so hopefully we provided that and now people just needs to take out their headphones and go over and take some actions and building their own business. Best of luck to everyone with their business. Thanks a lot.