

SLIDE ONE

Thank you Tracy – at the Cape Town session I managed to break more or less everything the second I laid hands on the clicker. Hopefully today will go better.

SLIDE TWO

We're a very small team at Hello Pretty, and as small business owners and people working at startups may know, assigning one job description to anyone tends to be somewhat complicated because you all dive in where you're needed. Should you have to choose only one, you could say that I'm the marketing department.

My brief from Tracy was for attendees to leave the conference feeling that they've learnt something, that they can apply to their own business. We are by no means ecommerce king pins – we're four people who started out knowing more or less nothing about South African ecommerce, other than the fact that we felt strongly that our local talent needed to be better showcased and nurtured. We had to learn on the job, quickly. And due to the ever changing nature of ecommerce, we've never stopped learning. So we took all of the things we've learnt the hard way, and put it into a talk – hopefully making the move towards online retail a little less daunting for those hoping to take the leap.

I lean heavily on Hello Pretty as a case study – because we're a small business, we're able to experiment a lot more, and more quickly than big corporates. If we see a trend on the rise, we give it a bash. If it works, we drill down into it and leverage it as much as we can. If it fails, we discard it immediately, luckily without massive consequence. We've had to learn to market ourselves with almost no marketing budget. Ideally discussing what we've picked up can save others some time and stress.

SLIDE THREE

So what is it that Hello Pretty does exactly? We are an online marketplace, where creative entrepreneurs and designers can create and manage their own online stores. We provide a sales and marketing platform, and have tried to remove many of the administrative headaches that often come with entrepreneurship, like building your own online store, invoicing, tech support, and managing payment gateways. We also offer broad shoulders to cry on!

We're really in the “small business owner trenches” with our designers - we're here to help, because we've been through it all as well, and we've got the emotional scars from the struggle, and the physical scars from beating our heads against bureaucratic walls thanks to paperwork and red tape. Every choice we've made that affects our sellers bears that in mind – we try be the service we would use ourselves.

SLIDE FOUR

So elevator pitch aside, Hello Pretty exists to help elevate other small businesses. We are currently sitting at 1500 sellers, selling over 20 000 products. They range from students with a passion project, to people whose business is their livelihood. They are no longer hobbyists or occasional crafters - they are a vital, thriving, and necessary part of the economy, and invaluable citizens of the global design community. Those who have successfully grown their business past a 1 or 2 person operation further contribute by making use of local fabricants, workshops and CMTs, teaming up with NGOs, and hiring in-house.

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Why is this important in the context of ecommerce? Entrepreneurial activity is an essential source of economic growth and social development. While all avenues of business are important, it's high potential entrepreneurs, focused on growing their businesses, who are responsible for a large amount of expansion in the economy, setting in motion the creation of other employment opportunities down the line. So what we're all crafting has a ripple effect that is potentially boundless.

The strictly practical element aside, having a viable platform to expand their business means that these entrepreneurs are able to follow their heart and do work they love, work from home if that's what they prefer, and create their own version of independence. One reason I personally feel so strongly about this is because this is exactly what Hello Pretty has done for me, and why I'm standing in front of you today. Furthermore, with over a third of our traffic being international, thank you internet, we get downright warm and fuzzy about the fact that we're also opening doors for our designers on the global stage.

At this point people often ask, yes but you're a startup in a pretty flooded market - how do you compete with ecom giants like Takealot for example? We don't. We thank them. We exist alongside them. It's thanks to the likes of them that online shopping has become so much more normal and accepted in South Africa - it's no longer this terrifying and untrustworthy thing. Someone who has bought something on Takealot is far more likely to shop with us. With you.

As for other niche competitors, we all have the same goals. Our developer, Scott, is from Vancouver, and tells this great story about how in Portland there is an amazing coffee shop on every street corner. How do they all survive? Because they're not trying to take money from each other - they're trying to educate people about their craft. The value of it, the nuances of the trade. How special it can be. They're trying to draw focus from the likes of Starbucks and McCafe's, who, it can be argued have stripped the value from their trade somewhat.

That's what we're all doing. We're teaching people that you don't have to go to Country Road

for great products. We have people making those things with love and by hand right here, who are creating jobs for other South Africans in the process. With the added exposure that the power of the internet brings, the possibilities are endless, and applies not only to the handmade items that we deal with, but to anything that you're trying to sell.

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As with all new ventures, and especially with something as fast paced and ever changing as the general digital landscape, important factors to consider when setting up shop are always general trends. This can sound and seem completely overwhelming, but when you're choosing your platforms for example, having a responsive, mobile friendly design can make a huge difference to how easy it is to find you, and then buy from you.

I mention responsive, mobile friendly platforms first because mobile isn't coming. It's already here. With this year's Googledon, where Google announced they would penalise or downrank sites that weren't mobile friendly, businesses everywhere suddenly had a fire lit under them to jump on board the responsive design train. (Us included, which brought forward our recent redesign timeline by months) Whatever platform you choose needs to bear this in mind, since it could lose you hard-won web capitol, not to mention access to millions of smartphone users you want to do business with.

The graph you see here shows how mobile traffic on Hello Pretty itself has spiked in the last two years - currently over half of our traffic comes from smartphones and tablets. People are permanently on the go - you need to make it as easy as possible for them to fit buying from you into their lifestyles, so how your site is built is so important. Google, and your wallet, wants you to set up your site for smartphone users. Google, and your wallet, wants customers to have a positive user experience. No one wants to struggle with a difficult check out process from a phone screen - you'll lose that sale.

Something else that's important to note is how the internet has completely changed the way consumers behave - they are becoming much more savvy, and are less likely to purchase items at random. They base their decisions on research - price comparison websites, reviews, opinions, etc. I know my entire team can get trapped in a research whirlpool with our online shopping habits. As Cathy mentioned earlier - people are researching "in real life," and then buying online - and often vice versa. This is important to remember when setting up your site, your store policies and product descriptions.

SLIDE SEVEN

Another trend that has slowly been on the rise, and one we are cheering on fervently thanks to the grey hairs it's caused us, is improved logistics, and I'll circle back to this later. We don't care for drones. You can keep them Amazon. We just want a decent delivery experience - again, this can affect a customer's user experience, and having to struggle to track down a

purchase, or have something arrive in pieces, can leave a poor impression and affect your number of repeat customers. And the worst thing is that it's something that we often have very little control over.

Couriers are starting to cotton on to the importance of offering an ecom aligned service - people don't trust the post office after the recent upheavals, and shipping locally via a courier is a lot cheaper than people realise. And it can land up being a far less stressful experience for both you and your customer.

There have been huge advances in logistics worldwide. Solutions like Wumdrop's on demand pickup services are starting to gain momentum and become more prevalent. Very slowly, people are starting to realize that shipping is a service that's worth the cost. In countries like Nigeria, Uganda, and Kenya, the Takealot equivalent, Jumia, bought motorbikes and hired drivers to deliver everything and take payment on delivery, because of lacking logistics systems in the countries and a lack of online payment, credit cards, and consumer trust.

So yes, shipping can seem to be an enormous scary gauntlet to run, but if you are selling products it's worth some trial and error to find the solution that best suits you and your business.

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When Hello Pretty started, ecommerce in South Africa was still brand spanking new, and the only way you could get something beautifully made and designed locally was at your local weekend market - now, with online shopping having become much more commonplace, our designers, who are every bit as talented as international creatives, can market themselves to a far wider audience. As a result, they're not just able to put themselves "on the map" - they're also putting South Africa on the map. People have started seeing South Africa more and more as a creative force to be reckoned with. The gap between international trends and what's happening here is becoming smaller and smaller.

My colleague Sam has often joked that Hello Pretty is similar to a "pyramid scheme, but awesome" - it's in our interest to support and nurture entrepreneurs and to help them grow, because as they grow, so do we. And by "we" I don't just mean at Hello Pretty. I mean all of us. As a community, as a country. Your business may feel small to you and selling online may seem like this giant body of water - but throw your small stone into that lake and watch the ripples. Imagine lots of little stones, and how their ripples will start reaching each other, crossing over, becoming more.

We have learnt A LOT through building and operating the site. Some things made a lot of sense, others completely surprised us - and we've slowly whittled down a list of things that we have tried ourselves, have had work, have suggested to others and have seen results for

them as well. Some may simply seem like common sense, but I assure you it's not. A lot of people don't know what they don't know, or don't realise how important some tiny detail may land up being.

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So having done your research about what the ecom industry is doing, how do you take that information and become successful? Well, all you need to get going is a bank account, a smart phone and an idea, and be willing to try.

Find partners that you're comfortable with. By partners I mean platforms and payment gateways, because we are all going to be a big part of your online retail life.

There are loads of options out there that check all the boxes, with various themes and plugins geared towards ecommerce. Much like with shipping partners, it just requires a bit of time and research. However, it's still possibly less time and research than setting up a brick and mortar store, with much less capital outlay.

Online does have its own costs though, and many people seem to think it should be free. Luckily you can start small, where your only cost is time - but it still needs to be spent. I say it over and over and over - take the time to do it properly. The more you do it the quicker it will become, but it may take time to gain momentum. We often see people that are dismayed that they haven't immediately made millions - don't be disheartened. Offer a great product and a great customer experience, market yourself well, and your business will grow - it's no different to any other business model.

I recently had a conversation with someone who was convinced that the only way to be successful online is to have a brick and mortar store as well. I had to politely disagree, because to my mind the exact opposite is true. You can be successful as an online only store, as can be seen with the likes of Amazon, but with digital marketing developing the way that it is, you now need an online presence to supplement your physical store, not a physical store to supplement your online presence.

You are able to reach so many more people, and can make items to order instead of having to spend money on stock beforehand and risk not selling those items. Your set up and running costs are considerably less because you can work from your kitchen counter, which has an immediate effect on your profit margins. Your online store is beyond borders, and caters to after hours shoppers. You can reach customers 24/7 with a mobile friendly site. Once you have your platform chosen and ready, and your shipping solution on speed dial, it's a fairly formulaic approach.

Almost all online shopping issues we've had to deal with that isn't tech related have been

about images, shipping and advertising - how many of you have bought something online? And how many of you are put off by bad photos, or a lack of information? It immediately affects your level of trust. How many of you have been put off by having to pay extra for shipping?

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PRODUCT PHOTOS:

Good product photos are vital, since customers are actually buying photos, not products at this point. They rely on them since they can't see the product in person. When we say "don't cheap out," we don't mean that you have to run out and pay a fortune for a professional photoshoot. But do the best that you can afford, even if it's just from a smartphone. There are so many great editing apps and tutorials on Pinterest and YouTube on how to easily take great photos that there are very few excuses for poor product images. The example on the slide is from the House of Kallie store page - the photos are all cohesive and play nicely together, making visiting their page easy on the eye, and so a pleasant user experience. You sort of just want to hang out there because it's pretty and nice - which is what you want! If you can afford professional photography, do it. If not, learn to do it yourself, to the best of your ability. Become your own pro!

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I always recommend having a clear, from the front image of the product as the main hero image. Customers need to be able to see what your product is immediately - if they can't they'll just keep scrolling. Have photos from different angles and a close up photo of details. I also usually suggest having photos of the products in use, so customers can get an idea of scale. Again, you don't need fancy equipment for this - good, clear lighting, staging the product in a way that background doesn't distract from the item itself. Some simple editing apps to brighten everything up can sort you out in no time.

A recent photo plagiarism scandal swept across Twitter involving someone who used our platform at the time - we've always joked that we should get embroiled in some sort of scandal for the publicity - we quickly saw just how much we actually wanted to avoid that when it involved screenshots of a Hello Pretty logo! But it goes to show how important it is to be respectful of your community. You want people to respect your craft, so you should respect other people's craft - you have to be honest and representative in all your photos and your business as a whole. Internet users at large, especially on social media, have come to demand transparency and accountability from brands. This unfortunately wasn't the first time we've had to deal with plagiarism claims, and due to the broadness and reach of the internet, I doubt it will be the last. As with all things, in any business, and excuse my french, just don't be an asshole.

Product descriptions go hand in hand with photos, but only really require that you give a detailed description of the item - the size, materials, a back story if there is one. Remember that you are in sales - you need to make your product and your brand as appealing as possible!

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SHIPPING: - back to this bugbear.

Once you've found a service that suits your business needs, you need to set up a fee structure for customers.

We've come to find that customers HATE paying for shipping - they would rather pay more for an item with free shipping. It's a negative perception that people seem to have - almost as though they feel it's a hidden expense. I have friends that actually log out entirely when they see a separate shipping charge as they go through the checkout process. We encourage sellers to build their shipping fee (or part of it) into their product price and offer free or cheaper shipping. That way the customer feels that they're paying a once off, all inclusive fee, as opposed to having to pay for what they feel are hidden add ons. Your offering all of a sudden appears to be of more value to your customer, and can be an effective incentive for them.

Something interesting that we've come across is that the product price sweet spot is R250 - R500. Anything less than that can seem as though it's not worth the effort of going through the whole ordering process and then waiting for delivery and so forth. Anything more than that becomes more of a splurge item - something that needs to be saved for. Our average sale price is between R500 and R600, and this stays the same month on month. We're definitely not saying this is the be all and end all of online shopping, but it's what we've seen happen repeatedly over the course of the last three years.

Detailed store policies are also important, but needn't be overly lengthy and involved. Simply stating the manufacturing lead time, shipping lead times, shipping method used, returns policies which are especially important when dealing with clothing items, and a sizing chart if you need it will do the trick. Again, because customers cannot see or handle the items in person, you need to give them as much information as possible to put their minds at ease.

And most importantly,

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MARKETING

You have your platform, payment gateways and friendly local courier all set up. You have beautiful product photos and product descriptions and store policies that we will write songs about. Now what?

We put a huge amount of effort into marketing and promoting the site and our designers, but at the end of the day there are over 1500 designers on the site, and we can't monitor everyone at all times. As we're a marketplace and not a traditional online store, the bulk of the marketing must come from the individual designers themselves, but this applies no matter what your business is. As with normal brick and mortar businesses, the people who make the most sales are the ones that actively promote their store and their products. You can't sit back and rely on customers to simply come rushing in - you need to go out and fetch them. People won't know to buy from you if they don't know where to find you, or if you even exist.

Leverage social media. To get your brand out there, it's important to post regularly and interact with your followers as much as you can. When you mention a product, link directly to it, instead of just to your store - this leads potential customers straight to the thing that caught their eye. Online consumers tend to have short attention spans - make buying from you easy for them by removing as many barriers to entry as possible.

Social commerce is catching up fast, with various social media platforms continuing to roll out features to facilitate online shopping, like "buy now" buttons or store embeds on Facebook. Instagram, Twitter and Pinterest are all following suit.

Unfortunately we can no longer really escape paid media. We have and continue to experiment in the various social media platform ad offerings, but for someone starting out, we've noticed the most effective and cost friendly manner in which to drive sales is still Facebook advertising. We've found it to be the most bang for your buck in South Africa at the moment, because the market isn't as saturated as abroad just yet. We've seen better results with promoted posts as opposed to normal Facebook adverts, simply because they seem to drive sales in a more direct manner. Again, this is not the be all and end all of paid media and doesn't need to be expensive - we've seen notable results R100 at a time.

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As a quick example, this is a screenshot after a promoted post sent to us by one of our sellers:

The House of Kallie actually started dabbling in Facebook ads after a weekend market they went to folded - they put in the R400 for a market table they would have been spending per

week into ads, and as a result kept growing and growing, and have now stopped going to physical markets almost entirely. They recently ran a special for R1800 olive wood rings, and in that month sold 172 of them, in amongst their other sales. Again, it's something that requires some time, research and monitoring, but there's no business in the world that doesn't require the same.

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Should be using our platform, or another platform that offers something similar, you could also embed your store straight onto your Facebook page - it also removes one or two barriers to entry.

Why do people rave about social marketing so much? Because it works. People can be laughably lazy, so the easier it is for them to shop the better - I blame our short attention spans! So build your community around your brand, engage with them, and we (or whatever platform you're using) should take care of the technical stuff.

With the growth of digital consumption being as fast paced as it is, we're faced with more and more options for how we want to reach our customers. To quote a writer named Daniel Newman, "this transformation has bred marketers with a hybrid capability to not just be focused on one type of marketing whether it's direct, digital or retail." While the general feeling towards Twitter ads still seems to be a bit negative due to less accurate targeting, marketers are extremely excited about the newly launched Instagram adverts.

You DO NOT have to use all of the platforms. That's about three full time agency jobs on its own. Work out what works best for you, and do that well. The world of digital marketing and ecommerce are so intertwined, so it's to your business' benefit to find a social media platform or two that are effective, and help you drive and achieve your business goals.

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So between conferences and articles and YouTube videos, there is an abundance of resources to help you sell online. HOWEVER, don't wait for your site to be perfect. Don't chase perfect. Quite frankly, *fuck perfect*. Things change so quickly - spend too much time on something and you'll land up with something that's obsolete. We've seen people spend close to two years developing a website, trying to get it "Just Right." But two years later your site may no longer be relevant, and you've missed out on two years of sales. Just start. The quickest and most accurate way to find what you need to improve on is by having people use your site and your services. Hello Pretty launched after three weeks of development. It was extremely feature lean, and we helped us find what both our designers and customers needed us to work on next almost immediately. Dive in.

Having a five year plan in a digital world can possibly be argued to no longer viable - in five

years time, what you're doing now could be unrecognisable, and your plan rendered invalid. That's not to say that having a five year plan is a bad thing, but feeling the need to stick to that plan could be. It's important to stay informed about developments in your field, and be willing to adjust your plans and perspectives for what the market demands. And you can obviously always have overarching goals around things like profits and company values that you aim for regardless of change.

As I mentioned earlier, we're a teeny tiny team. Things pop up. Things break. Bugs seemingly crop up out of nowhere. But we've tried to maintain a personable tone throughout, and have often reached out to our sellers and customers saying hey, we've worked really hard to do this thing to make things more awesome for you guys. If you have any feedback, drop us line. We appreciate it. It helps us be better. And what's nice for us is that it helps to remind people that there is a human element to all this, even though it's in the world of digital. People no longer want to deal with faceless corporates anyway. Don't pretend to be perfect either - you're not. None of us are, no matter what our budgets and resources. Be real with your customers - they'll respect you for it. Admitting your weaknesses is not a weakness - it's honest. It's human.

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When I first started working at Hello Pretty, it was because of a love of design. However, as I worked with the designers I started seeing the impact of what we'd built on their day-to-day lives, and it became about so much more than just shopping - what we were doing was fostering creative communities and making an actual difference.

On a more personal note, I can sincerely say that it's a privilege to stand amongst and to work with these people. To those who are chasing their dreams, or working nights to support their families, those that are in turn uplifting their local communities - they're the people that drive us, and give us purpose. The move towards online is in full swing, and is fast becoming an unavoidable requirement for all businesses. Luckily, it's not as difficult as what it can appear at first, and that that we have learnt can be applied to more than just handmade items. Online retail is no longer an inaccessible behemoth that requires massive capital outlays and fancy developers - no matter the level of your business, you can do it to.

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Thank you.

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