



**SPI Podcast Session #127 -  
Building a Successful E-Commerce Business  
and Private Labeling  
with Ryan and Daniel**

Show notes: [www.smartpassiveincome.com/session127](http://www.smartpassiveincome.com/session127)

This is the Smart Passive Income podcast with Pat Flynn, session #127. Is the music ready? Alright, let's go!

**Announcer:**

Welcome to the Smart Passive Income podcast, where it's all about working hard now so you can sit back and reap the benefits later. And now your host, who while he was still an architect tried to design the thingy-majig, Pat Flynn.

**Pat Flynn:** Hey, what's up everybody, Pat Flynn here and welcome to session 127 of the Smart Passive Income podcast. Thank you so much for joining me today. I couldn't be happier that you're here and I'm so happy to be here as well.

To start off the show, before I get to today's interview with today's special guests, I have an important announcement to share. This is something I shared on Facebook yesterday but it's something that's been on my mind for quite a while, ever since I interviewed Adam Braun in episode 102 actually. That was about six months ago.

For those of you who don't remember Adam, he is the founder of an organization called Pencils of Promise over at [pencilsofpromise.org](http://pencilsofpromise.org). His organization helps to build schools all around the world. Ever since that interview with Adam, I've been so inspired to figure out what I can do now that I've had some success in my life, what can I do to give back to those who really need it, just like Adam did. Something beyond passive income online and building blogs and businesses. What can I do?

So I'm extremely happy to announce that I've been working with Pencils of Promise and my wife and I decided that we're going to donate to build a school in Ghana, Africa by the end of the year.

This is one of the most incredible feelings in the world. I just cannot express how excited I am for this opportunity and just how thankful I am for the opportunity and how thankful I am to you, because those of you who listen to the show, those of you who have supported the blog and my brand and everything that's been going on, those



of you who click on affiliate links or just click on links or share things on Twitter or Facebook, you are the reason why I'm able to do this now.

I'm only 31 years old and I thought I was going to be doing this... Like, I've always had aspirations for donating in big ways like this to people who really need it but I didn't think I'd be doing it at this age. I always wanted to do this and to know that I can do this now because of you, because of the support that I've had from all of you, you guys are having an impact on this world too as supporters of this brand. I want you to know that there's something amazing that happens when you give. So many of you have given to me so I'm going to keep paying it forward and giving it to others too.

Also, what's important to me is my son, he's four and a half now, almost 5, he's in pre-school now. He just started pre-school last month. I go into his classroom and he's in a brand-new school here in San Diego, it's a STEMS school and he's got multiple teachers, they have technology, laptops and iPads in their classroom and all these books and stuff. He comes home every single day so excited about everything he did that day.

He's telling me stories about everything they did in class. It's just so incredible and ever since starting pre-school with my son, my wife and I drop him off every day and pick him up, I couldn't help but think about Adam and what he was doing for all these kids around the world who don't have this opportunity to experience what my son does.

That is why I am so incredibly thankful for this opportunity to give this kind of experience to people out there who really, really need it around the world. I can't even tell you the feelings that are going on inside of me right now. For those of you who are listening, I know a lot of you have kids in your car or have kids at home, that's why I'm doing this, I want to be a good example for my son and I want to show him at this age where he now understands that some people have some things and other people don't. He's starting to get it now. I want to teach this to him now that there's joy in giving.

I wouldn't be where I'm at today without having given so much, a lot of value and giving tons of things away for free when a lot of people called me crazy for not charging for it. It's always come back to me. I'm not asking for anything in return for doing this, I'm not expecting anything, I'm not expecting news articles and headlines or whatever. I don't want anybody to start blogging about it but I just want to raise awareness for giving, but also the people who really need things.

That's why I encourage all of you to keep pushing forward. If you're having struggles right now or if you aren't feeling the energy or the motivation to do something, there's so many other bigger things out there that need us so put in the hard work because there are a lot of people out there that need us.

That's my message today, I could talk about this for hours because I'm just so excited about it. You're going to hear more about it on the blog, I'm going to keep you posted



with pictures and things like that. I'll actually get to visit the school when the kids are in class at some point next year. There'll be a way for you to get involved too, I think.

Stay posted, I'll be posting more information about this on the blog very soon but just again thank you, seriously. The Flynn family thanks you from the bottom of our hearts to be able to do this for other people in the world, so awesome!

Now, let's get to today's episode and today's episode actually stems off of a previous episode that we've done, episode 99. If you don't remember episode 99, that was with Jessica and Cliff Larrew, one of the most popular recent episodes we've done because they are a couple who have been making over six figures a year by going to department stores around their area, going to the clearance rack, buying things that are really cheap and selling them on Amazon for much more and making \$100,000 a year in profit. In profit.

That is incredible and that episode again, episode 99. You can listen to that if you like, [smartpassiveincome.com/session99](http://smartpassiveincome.com/session99). It was extremely popular and I know a lot of people who have since created their own program or business just like what Jessica and Cliff are doing.

I actually tested it out myself. I went to Best Buy, I found some headphones that were on the clearance rack that I saw were being sold on Amazon for about two or three times more and I made about \$40 profit with just one day's work, which is pretty awesome.

I can see how this can be scalable. However, today's guests, Ryan and Daniel from [ryananddaniel.com](http://ryananddaniel.com), they're doing e-commerce on Amazon. They're selling their own products that they are getting manufactured and that sort of thing, so we're going to be talking about e-commerce today. Specifically with tips and strategies and stories from Ryan and Daniel, again from [ryananddaniel.com](http://ryananddaniel.com) who are making millions doing this.

It's like episode 99 but on a whole new level. We've got a lot of tips and strategies from Ryan and Daniel here.

Without further ado, I've done enough talking already. Hopefully I've inspired you, but let Ryan and Daniel inspire you as well. Here we go.

**Pat Flynn:** What's up everybody, I'm so happy to welcome Ryan and Daniel to the show, who are doing some amazing things with e-commerce. I know we talked about e-commerce in that episode 99 with Jessica and Cliff who were doing some stuff with Amazon.

Well Ryan and Daniel have sort of taken that to the next level and I wanted to have them come on and talk about what they do and how they're doing and hopefully give



us some tips and tricks and strategies that we can use if we're really interested in e-commerce, which I know I am. It's one of the next things I want to get into in terms of experimenting on Smart Passive Income.

First of all, welcome Ryan and Daniel to the Smart Passive Income podcast.

**Ryan Coisson:** Thanks Pat, I appreciate you having us here.

**Daniel Audunsson:** Yeah thanks, it's nice to be here.

**Pat Flynn:** Yeah I appreciate it. Let's start with you Ryan. Tell us a little bit about what it is that you guys do and maybe even before that, how did you guys get into this?

**Ryan Coisson:** Sure. First off I'd been doing internet marketing and business in general for about 10 years, a little bit longer. I kind of experimented and had several different types of businesses along the way, started doing e-commerce quite a while ago, actually left doing e-commerce and found my way back to it about two years or so ago. I got to connect with Daniel while I was on a trip in Austin, Texas. We started talking, stayed in touch and then the next thing you know we started to partner on one project and started to add more things to the mix. Now here we are a little while later doing full-blown business together.

**Pat Flynn:** That's cool. Daniel, when Ryan says 'full-blown business', what is your business? Can you talk about what it is that you guys do exactly?

**Daniel Audunsson:** It's private label products so we create new brands, buy products in China and the US and private label them to create our own brands and then we sell them online, mostly on Amazon but also through our own e-commerce sites.

**Pat Flynn:** So you have your own products that you're purchasing and you're creating a brand around these products. May I ask, you don't have to be exact but what industry are you guys in right now?

**Ryan Coisson:** We actually cover a wide array of industries from whether that be health and personal care to pets. We do stuff in the anti-ageing market. We're really in over 10 specific industries and we believe that it's a big part to what we're trying to do by not only just building brands but we build brands in some of the largest marketplaces so that we can build a successful business.

One of the things that we have to mention is Daniel and I have a big goal of being able to sell our company, so we're targeting very specific demographics that would be attractive to a company that's a Fortune 500, Unilever, or something like that, that's a conglomerate that is very specific to most demographics. We want to be able to fit into their business model, which makes us a little bit different.



**Pat Flynn:** Yeah it does. In terms of each of these different niches, health, personal care, pets, anti-ageing, is it just one overall brand that is front facing for all this or are each of them marked as a different brand to target that niche?

**Daniel Audunsson:** We have multiple brands that are specifically targeted at certain niches. That's how we like to do it.

**Ryan Coisson:** What's key about that is, we have these specific individual brands that fall underneath our umbrella company. These brands are all premium based. Our objective is to create a very premium brand and a premium experience with the actual customer and the marketplace that we're in. We want to be the highest priced or one of the highest priced products and brands. We want to have the best customer support, we want to have the highest quality, the best experience for the customer.

We spend a lot of time and effort and money to do that and really set ourselves apart.

**Pat Flynn:** Is that in terms of the - as far as the experience that you're talking about, is it just the products and focusing on creating high-quality products or are there ways to continue that relationship with existing customers after purchase?

**Ryan Coisson:** Yeah, let me talk to you about this a little bit because one of the things I think is unique is the experience someone has when they buy an everyday product, because that's normally what we're selling, everyday type products. If you use your credit card or debit card, which you most likely use on a daily basis - as a business owner you probably have a business card, well when you receive your normal business card in the mail, it normally comes in just a plain white envelope, it's really inconspicuous - as opposed to when you get an AMEX black card.

It comes in the mail, it's in a big box. You open this box up, it's inlaid in the box, it has all different brochures, pamphlets, all different types of things, it's an experience. It's not just this white envelope. I think that initially starts your expectations, how you experience the brand. All those things, there's initially how someone receives it.

So we spend a lot of time creating packaging that when someone gets it, they're like 'wow', it's got a wow factor. They open it up, we have package inserts in our products, they take out the bottle (or whatever the product is) and they see the design, they see the logo, everything looks crisp, clean, it's very well done, the colors are popping. Everything is really well put together.

Then we actually have a full on support team and staff that follow-up with our customers, whether that be via email, phone, we have an integration process that ties them into our entire social media following. We have this whole system in the back end with our loyalty programs, social media as well as our weekly giveaway programs that





really allow us to tie people in to make an ongoing experience for exactly what we're doing and providing to our audience.

**Pat Flynn:** That's awesome. This seems like in comparison to episode 99, which is great, it was Jessica and Cliff working out from their house, going to places and purchasing stuff at clearance prices and then selling them on Amazon. They were obviously doing really well with it, making over six figures. Do you mind me asking you how well this next level or multiple levels above that, how well is your business doing?

**Ryan Coisson:** Dan, do you want to speak to that on what we're currently generating on a monthly basis right now?

**Daniel Audunsson:** We're doing across the board, the revenue, it's above a million dollars a month. Our profit margins are above 50% on average, so we're doing pretty well.

**Pat Flynn:** Wait, did you say a million?

**Both:** Yeah.

**Pat Flynn:** Wow, OK. I'm going to ask a very selfish question now and this is obviously for everybody listening, but if I wanted to get into e-commerce and really take it to the level you guys are at, where do I get started? How do I go about doing what you guys do?

**Ryan Coisson:** I think the easiest thing to do is you have to start with one product and anything that you're doing - you know, we've done a really good job of systematizing and processing out this business model and I really owe a lot of that to Daniel because he had a lot of that set up previously to when him and I joined forces. Through that systematizing and processing you really can scale but you obviously have to learn the system yourself. You have to be able to take it from finding a product to actually selling that physical product.

There's a few steps definitely in the process and there's a few things that Daniel and I do every single time we release a product. I think once you've done it one time, you can start to improve upon that process over and over. Every time you do a new product, you really just start to scale or you do a new brand, you plug everything into that system and then just grow it out that way. That's how we've done it.

**Pat Flynn:** So the first step is to think of a product that I want to sell, right? Is there any sort of way to discover what products might be better than others before I start reaching out to manufacturers and things like that?

**Ryan Coisson:** The first thing that we do is we look at the market. If we want to sell a product, I don't usually think about the product first, I prefer to have us look at the



general market. What is a good market, not only for just one product - because we don't just want to sell one thing and then be done, we want to sell a brand and build a brand.

What market would allow us to build a brand? If I'm really big into fitness, maybe CrossFit or something, I would maybe want to try and build something around that. So what can I do? I could sell maybe workout gloves, I could sell a jump rope, maybe a yoga mat for stretching or cross-training, a foam roller, those types of things. I could probably build a brand there.

Once I've started that intellectual process, I would go online. We usually have our staff build some type of market research report. This is going to entail general market research about that market. We want to find out what's the typical type of demographic, can I find the 5-10 biggest authority sites? What newsletters are out there that maybe down the line I can advertise in, but I can get on those newsletters now to learn more about what's going on in that marketplace.

Can I go and find the best sellers on Amazon right now, which is really easy. All you have to do is start plugging in a couple of those main keywords and you can start seeing the top 10, top 20 sellers for those particular keywords.

Then we start to put everything into a PDF or a Microsoft Excel document, whatever someone prefers. Then you can look at everything from a higher level and say 'I want to start aiming towards this product' and that's when you start sourcing that particular product from that brand.

**Pat Flynn:** Right, OK. So it's sort of narrowing down to a niche, discovering how you could possibly serve this particular audience or market vertically, not try to spread yourself too thin amongst a whole bunch of niches, but picking one, creating a brand experience and then doing even more research. That's been a theme that's been pounded to the ground here in the SPI podcast is just how important the research process is. That will save you a ton of time upfront.

I think and I agree that that's completely important, the market reports and all the surveying of the competition and what their best sellers are and what could possibly be done to improve. I'm sure you're reading other product's reviews and seeing what's missing so you can add those in to your product as well.

**Ryan Coisson:** Exactly.

**Pat Flynn:** From there, picking one product to start with. The one that might give you the most potential at first to get into this market.

**Daniel Audunsson:** Yeah. Yeah.



**Ryan Coisson:** 100%

**Daniel Audunsson:** Because if you start with Amazon, you can really focus your research on Amazon because it's a lot simpler and easier to stock. You can find a product that's selling well on Amazon, go for that to begin with. There's only 2 or 3 things to look at, pricing and reviews, the competition, to see what you can improve upon. Number of views, different products that you're going to be competing with. Then the sales strength, the volume, you can get a good idea of the data that you need to know. Look at Amazon and pick a product that's likely to do well for you right off the bat.

**Pat Flynn:** So Amazon and all that research validates going down this path currently.

**Ryan Coisson:** Exactly.

**Pat Flynn:** Let's say fitness, I'm into that. I see that there's fitness gloves, like you were talking about earlier and I have some good ideas to create a glove that will do all this cool stuff. There isn't anything else like it or there are but there's some issues with their material and stuff, so I want to make sure I have the best material. So where do I go from there? I have this idea now, do you guys have relationships with people in China (you said) that can create these things for you? Or are these things already being created? How do I get the actual product? I don't even know where to start with that.

**Daniel Audunsson:** Obviously, you can source things from the USA and you can do a simple Google search like 'private label' and then the product you're looking for, 'whole sale' and then the product you're looking for, 'manufacturing' and the product you're looking for, etc.

We have an office in China that's for sourcing, but it's really easy. There's a site called [alibaba.com](http://alibaba.com) and you can kind of use that site as Google and search for whatever product you're looking for and there, so you can find qualified suppliers that have been tested and proven and maybe you visit their facilities.

It's really easy to find pretty much anything you can think of. Almost all these companies offer the option of private labels. So they're just creating the products and you create the design or whatever is relevant to that specific product and then they add that to the product so you get your own branding on it. That's it! Then you have your own product and you can treat it as your own product in your marketing, when you sell on Amazon. That's how big companies do it as well. People don't realize how easy it is to do it. Anyone can do it.





**Pat Flynn:** That's really interesting. So my fitness clubs perhaps, I search for them. They're actually already being made and I would want one that actually is good quality of course. I'm sure there are some quality assurance checks that are involved with picking the right manufacturer, and we can talk about that in a sec.

So I find a manufacturer that is creating these already and they have the option of private labeling, meaning I can actually just put my own branding into it and then you're sort of taking that to the next level and standing out from everybody else who's also getting those same gloves by enhancing the customer experience when they purchase, with the packaging and that whole thing, that's your differentiator.

**Ryan Coisson:** Exactly. It's a big differentiator for us. You can also, when you're working with a company, whether it's through Ali Baba or another great site for overseas is [TTNet.net](http://TTNet.net) and whether they are working with any company through there or someone else you just found through Google or what have you, you can actually start to customize things a little bit as you like.

So if you want something very, very specific, you can customize it and have them do that. We usually tell people this isn't the best way to start if it's your first or maybe first few products, simply because you may have to pay some additional fees to set up a new mold for them or to set up some new process or something like that. We usually like to go with private labeling, some slight minor adjustment and add our brand into it. It makes it much more simply as opposed to trying to create your own product from scratch.

**Pat Flynn:** OK. So as far as communicating with these manufacturers, if I want some unique thing done with it or even if I don't, how are you communicating with them? Is it just via email? Through Skype? Do you actually go there? I would worry about sending something via email saying "Hey, go do this" and then they say "OK, your stuff is going to come in so many days" and I get 1000 of them and they're all wrong. How do you communicate and how do you make sure it's correct?

**Daniel Audunsson:** There's a couple of things you can do. You can get a sourcing agent in China and stuff, but that comes later on. Initially you can connect with them online. For example you can have them jump on Skype with you, show them your product and have them show you their units through Skype or through images and stuff. Have them take images before you approve the order and send the last payment. You can get them to send one product to your house, to see it and make sure it's all good. There's ways around it.

In terms of feeling comfortable ordering via email and phone, you can say things like you're going to come visit the factory before you send them the final deposit. It can really help you feel secure and safe.



**Ryan Coisson:** Basically what you're trying to do is have them jump through a few steps to really almost prove themselves to you. A lot of people when they go after suppliers it's like, "Will you do this for me? The minimum order quantity is 1000, will you please only do 100 units?" We don't really think about any of that stuff until we've had the actual supplier prove to us that it's really worth us doing business with them. We flipped the switch on it a little bit.

We run them through the paces, we want to see them on Skype. If they're not a real factory, they're definitely not going to want to get on Skype. If you tell them "I want to come visit the factory, send me the address, when is a good time for me to come?" If they don't want you to do that, that's a big red flag right there. You can take their address, their phone number, do Google searches for it to make sure nothing negative is coming back.

If you do use the AliBaba or TTNNet, they have an actual grading system within the platform so you can see how long they've been selling there, whether they're a trusted seller, verified, have certain ratings, all of that stuff within those platforms. There's a lot that you can do to actually protect yourself. At the end of the day, 95% of the time I would say it comes down to common sense and being able to just use your judgment. We definitely get product samples.

What's great is we have someone in China who can look at our samples. I had a sample shipped on our Sunday, which is their Monday to China. They received it the same day. She took pictures, made a video, gave me the feedback. Everything looked great about the product but there was one thing, the material actually smelled funny. So obviously that would've been a really bad thing that I could not have noticed myself unless I got that sample. So that's another big thing, we always recommend getting samples so you can inspect it and understand the quality and maybe any nuance that you may not have known from the picture.

**Pat Flynn:** Smell-a-vision isn't here yet, unfortunately. I'm sure years down the road, with everybody in the house having a 3D printer, we'll be able to just ship a file. How crazy would that be?!

Anyway, I find a manufacturer, he's like 'OK', we're working together and I get the sample and it's cool and awesome. Where do I go from there? I want to sell these online. Are they all going to be shipped to my house or to my storage unit or whatever and then I actually ship them myself? Are you guys doing drop-shipping? How does the delivery process work?

**Daniel Audunsson:** The easiest way to get started, and this is one more reason why we started with Amazon and why anyone should start with Amazon is because they have a service called Fulfillment by Amazon (FBA). You will have the manufacturer ship the products directly to their warehouse and they will ship the products, they will handle the customer support, everything. All you have to do is give the manufacturer



the address and Amazon provide the shipping labels. You're done. Amazon sell your products for you. You just need to market them and do the fun stuff, put it on Amazon and market it. Everything is done for you, it's really easy.

**Pat Flynn:** For those of you listening, we talked all about Amazon FBA in episode number 99, [smartpassiveincome.com/session99](http://smartpassiveincome.com/session99). Even after that episode I tried it myself. I bought some stuff at Best Buy that I saw on clearance. I got to go through the whole process of putting it online and printing labels to ship to Amazon. I sold three out of four of them. I'll probably talk more about that in the future as I get more into e-commerce. It was a really fun experience and I didn't even think of that, you get the manufacturer to send it to Amazon.

First you have to put in the products and stuff. They will tell you the exact address, it differs depending on location and stuff. They always check to see how much supply of something they have in one warehouse or you might actually need to send it to multiple warehouses.

That's cool. Now, how do I sell them? They're in Amazon now, they're going to fulfill them for me when they sell, they're going to deal with customer service when they sell. In terms of the packaging, does the manufacturer of my fitness gloves take care of the packing for me or is that a completely separate person I'm dealing with?

**Ryan Coisson:** It will depend on your actual supplier so what we always recommend people to do and what we do is we communicate with our supplier exactly what we want to accomplish and see what they can do. Sometimes people will provide a general packaging that they can do but it may not meet our standards. We have a philosophy though that it needs to be good enough to start.

On our first order, we want to get it out the door and then as we're testing that product, we can always improve upon it down the line. We never want one little thing to be a big hold up and hold us back weeks or months at a time because speed of implementation is critical for our business. If they can't provide what we're looking for, we will look for another packaging or supplier for us. It may be a company in the United States or it may be a company in China.

Typically, if we're sourcing the product in the US, initially we will source the actual packaging within the United States as well. Because when you source it in China, you're going to normally buy 5000 units at a time. If we're only placing an order for 500 or 1000, there's no point in going to that level yet. After the first order, we normally do though.

If we're sourcing it in China or somewhere in the Asia part of the world, we want to find the packaging in that same part of the world so we're not shipping something from the United States to China and back.



**Pat Flynn:** So it all depends on where things are happening.

In terms of the stuff that goes inside, you had mentioned that in the beginning when you talked about customer experience, which I think is huge. I get packages from Amazon every once in a while that have some really nice flyers and it actually gets me really interested in their brand. Is that all with the packaging service that you're using as well? That's all done by other people, it's boxed up, those flyers go in there and then it goes to Amazon like that, right?

**Ryan Coisson:** Exactly. Normally what will happen is if we're doing the package and the inserts or whatever from the same company, we'll ship that to our supplier, our supplier will put our product in the box with the inserts, fold it all up, box all that up, ship that to Amazon.

**Pat Flynn:** That's cool. Daniel, what are some of the big mistakes that people who are doing this sort of thing make? Whether they're things that you done that you wish you didn't do or other people you see doing this. What do people do wrong, mostly?

**Daniel Audunsson:** I would say quality and branding. People tend to not put enough emphasis on branding, in my opinion. Their packaging isn't a premium brand, it's a cheap thing from China for example. That makes all the difference in the world. Whether you're selling it as a low cost item and you're trying to compete on price or you're trying to really create something and that's not hard to do, you just need better packaging, an insert, make it look nice.

Then you market your product as a premium product and you demand a premium price so your products are priced higher. That's really when the magic happens. Once Amazon likes it, they make more money per sale from you than the competition because you are selling for a higher price so they want you to do better. They are more inclined to show you more across the board on the site.

Customers on Amazon like that if you have certain things in place, like a really good listing, good images on your product page, good description, titles, stuff like that, and good reviews - so if you have all those elements combined, then you really can justify the higher price. People are going to be browsing Amazon and they're going to come across your product and they're going to think "Wow this is definitely the best product, it looks like the best product, it has the best reviews, the best product page, it looks really premium, really nice and it has the highest price".

So they are going to want to buy your product. Funny enough, we've seen that raising the price will actually get you more sales, not less sales just because you stand out even more.

**Pat Flynn:** I've personally experienced that too with my online products. It's interesting. When reading a lot of Amazon reviews, I always read the reviews before I



purchase something. Sometimes the reviews talk about how the packaging is. I can imagine the packaging experience, if it's really cool for the customer, they'll talk about it in their review and obviously that adds to the reviews.

So Ryan, same question for you, what are some other mistakes that people might be making when they're trying to do what you guys are doing?

**Ryan Coisson:** I think one of the biggest pit falls people fall into is they get so excited, just like starting any type of business, entrepreneurs are really excited, wanting to move things forward. They start to get a little bit too quick on certain things. The biggest one in my mind is market research. I really think people - especially in building e-commerce the way that Daniel and I do it, people think "Oh I just found this product" or "A lot of people are doing really well with this product, I should sell this product too".

They don't really understand the fundamentals of why that product's selling or why it may be a good product. So they'll try and sell one hot product that might go OK and then they try and sell another hot product but it's totally separate and it's disjointed and now their brand doesn't really make sense, it has a little bit of an identity crisis so to speak.

I think if people spent more time up front focused on research, it's going to pay you absolute dividends in the future. I really think that it's so important, because just think Pat, when you go to launch your product, if you did your market research properly, you should now know the 10 to maybe 20 sites that would be absolutely ideal for you to get your product in front of.

These are niche sites that are authorities, they already have an audience, maybe they have an email list you can advertise in, maybe you can do a giveaway off their site, any of that stuff. You're basically trying to get your product in the hands of the ideal customer and those are all the people right there. That's just one example of proper market research and how when you go to launch a product, it's going to save you a countless amount of time and really help to exponentiate and expedite your actual sales.

**Pat Flynn:** In terms of marketing, and you just touched on this a bit, I think targeting niche sites and authority sites in that particular niche is really important. Obviously, you would know what sites those were if you did the proper research, like you said.

What else are you guys doing to market your products? Are you just relying on the magic of the Amazon algorithm and 'this is similar to this product' and that sort of thing? Or are you actively promoting these products - beyond just going to other sites, are you doing any paid advertising, things like that? What else are you guys doing to market your products?





**Daniel Audunsson:** We have a really special system around Amazon. For Amazon we have a very specific system that works with the Amazon algorithm to give us the things that make it tick. For example, Amazon reviews are huge. Like you said, everyone looks at reviews before they make a purchase. And Amazon want reviews, they love reviews, that's their bread and butter. Then, obviously sales because that's a sign of popularity. We do things to increase the amount of reviews and the amount of sales and we really focus heavily on what happens after someone buys, so their experience after the buy. We don't just focus on getting the sale and then that's it, we try to really make people happy after the buy.

We have really good packaging and like you said, people will count on reviews and stuff because they notice that kind of stuff more than what they used to. We might have an offer, trying to get them to an opt-in page where they can get a discount or a free product or something, an e-book.

We keep communicating with them and it's like a digital product back end system that we have in place to please our customers. We continue to interact with them and build a relationship with them. We use that to get even more reviews. Let's say we have a brand of multiple products, we can use that follow-up system to get reviews for our other products too, more sales and better reviews and all these things that really become a snowball effect. It gives us all the things that make our products tick on Amazon. That's our secret sauce which we have mastered. That's one of the reasons we have employees in place to manage that.

**Ryan Coisson:** We call that our Internal Promotion Engine. We believe that you need to have some type of strategy to promote to the customers that you acquire. Your customers are your most valuable asset so we want to have something in place to do that, and that's what Daniel is talking about.

We also have our External Promotion Engine and that engine is designed to basically acquire new customers. That includes things like Amazon ads, Facebook ads, traditional social media, SEO, PR, YouTube marketing, regular PPC, you could throw a media buy-in in there, email drops, all that stuff is included in External Promotion Engines. We basically have process sheets and task sheets for our entire business.

Once we start one, we have red, which means it's not started, green means it's rough, yellow, means it's in process. We have these process sheets for each of these External Promotion Engines, some will work better for others and we just kind of start launching them. Then we have the whole process of managing, scaling, tapering off, etc., on each of those processes.

**Pat Flynn:** That's very cool. It sounds very intricate, very purposeful and the systems are in place to help you and your business grow. I think that's really cool.



That sort of brings me to my next question, in episode 99 with FBA, that's something you can start out small, you can just find a few products at the store on discount like I did and sell them online. I did turn a profit on that, but I've stopped now and I'm really happy with that process. I'm moving on, or I can take it as slow as I want.

This however, can someone just sort of leisurely do this or would you consider somebody who wanted to be successful with this, would they have to go all in with it?

**Daniel Audunsson:** I would say it could definitely be done leisurely. I've seen people from all walks of life, all ages, all experiences have success with this because it's so simple. Amazon makes it so simple. I'm going over the complicated stuff for you. You just need to find the product, get a little bit of design work done to brand it, you can do it with one product and make a killing with one product.

A lot of the time, you don't have to do much to make it sell on Amazon, you just have to create the right type of product, do really good research to find the right type of product and then create a really good own-brand version of the product. 20-30 reviews and that might be it, you might start selling.

If you do it the way we talked about it, create a premium brand so that you can demand a really high price, price your product high, you're going to be making so much money per sale that you might only need a handful of sales per day to make a full time income. You don't really need to do anything to manage it, just re-order stock. It can be incredibly easy to get started doing this.

**Pat Flynn:** That's cool. So you can take it a little bit slowly. It's obviously a little bit more money up front, I would assume. That's another question, how much would one need to get started but instead of buying a couple of things at the store, you're going to have to do the proper research and pay money to have these things manufactured for you and shipped and all that stuff. So it's a little bit more in terms of getting started.

It sounds like you could turn this into a semi-passive businesses, is that right Ryan?

**Ryan Coisson:** Yeah, I would say so. What's interesting is Daniel's first order - and correct me if I'm wrong Daniel, but I believe it was less than \$300, about \$270 was your first inventory order for your actual Amazon product. Mine was about \$740 for my first inventory order. You can definitely get started for not a massive amount of money, but it is obviously a business and you're going to have some expenses getting set up.

The one thing that I will say and just to piggyback a little bit off of what Daniel was saying with things starting to get going on your own, one thing that I would caution is Amazon is great for that. It is really able to help generate lots of sales for you and you might sometimes not have to do a lot of work to make that happen. The word of caution from being in the internet game here for over 10 years, I highly recommend as



you build your business, you focus on building assets for your business. Like Daniel and I talked about the loyalty program, building an opt-in email list and things like that - that way if something were to change and it becomes harder and more challenging, which we believe is coming, you're giving yourself more of an advantage.

You also want to develop certain skill sets that I think can actually be applicable to grow this business in kind of a traditionally commerce way as well, which could be maybe paid traffic or SEO or a specific marketing strategy.

We've just seen people, where they've built something, they didn't previously have a solid marketing skill set, they were able to build a full-time business leveraging the power of Amazon, but then something changed within the specific market that they were in and they weren't prepared for it. They were kind of on the defense and it was very difficult for them to get back to where there are.

So a heads-up that it's really important when building any internet business, whether you're an affiliate, selling info, products, blog, etc., that you need to think about how you're running your business and what assets your business is actually using and really is it a real business? If you treat it that way, those are the people that are going to be safe and can build this for decades to come.

**Pat Flynn:** That's fantastic. It's really important to control as much as you can of your business. You are potentially creating a business that completely relies on this other website, Amazon. Like we've seen with Google before, Amazon can make changes at any moment in time and turn your business 180.

Correct me if I'm wrong, it's really important to not only sell on Amazon and just have that working for you - obviously take advantage of what they've provided for us - but building your own email list, creating your own assets and potentially creating your own off-Amazon website.

Do you guys have an off-Amazon website where you're selling these products as well?

**Ryan Coisson:** Yeah we use Shopify's platform to basically build traditional e-commerce stores and it works really well because you can actually integrate with Amazon's FBA platform within [Shopify](#) as well, if you still want to fulfill by Amazon for your sales on Amazon.

**Pat Flynn:** That's cool. Is that ideal? Getting customers from Amazon and then having them later down the road, since you're working with them and the customer service after the initial purchase on Amazon, would it then be ideal for them to purchase on your website so that way you don't have to pay that overhead? Or are you still using Amazon in terms of just the convenience of Fulfillment and things like that?

**Ryan Coisson:** Yeah, if you're still using FBA for convenience, it's going to be the



same. That's typically what we're doing unless you end up setting up your own Fulfillment house. Selling that traditionally is one option.

Another area, which we don't have to get into but just so your listeners are aware is you have a wide open area to start doing wholesale and retail, which we're aggressively going after in the next 12 months. There's lots of opportunity there and there's a big pay off in that realm because you're doing much higher volume normally. It's a little bit discounted but much higher volume at a time. You can even use Amazon to take over certain brands that you create, which allows for a lot of opportunity as well.

**Pat Flynn:** Wow, this is all really cool stuff. Ryan, Daniel, thank you so much for introducing the audience and myself to this world that I know nothing about yet although like I've expressed with you guys before when chatting off the show, this is something I do want to get into. I don't know exactly what the future of SPI and e-commerce looks like but it is something I want to experiment with and obviously bring everybody along for the ride and see everything I do right and probably wrong, too.

Thanks to people like you, I've got a good head start and I think everybody else out there is inspired to potentially see what can happen in this world too. So Ryan, Daniel, thank you so much for coming on.

Before we go, where can people go to get more information from you guys?

**Ryan Coisson:** The best place they can go is [ryananddaniel.com](http://ryananddaniel.com), they can find out more information about us and connect with us on social media through that website.

**Pat Flynn:** Awesome. Before we finish up here, you had mentioned before the interview that you had something to offer the audience here.

**Ryan Coisson:** Oh yeah, Daniel and I wanted to create something simple for you guys that would help you get started. One of the biggest things we find that people have trouble with is launching their product and gaining momentum. What we did is created a step-by-step cheat sheet to launching your first e-commerce product and you can access that inside the resources section of this podcast.

**Pat Flynn:** Super cool. You'll get the show note link for that after we hang up.

Again guys, thank you so much for coming on and I can't wait to see how you guys do in the future.

**Ryan Coisson:** That's Pat, appreciate it.

**Pat Flynn:** Bye!



Alright everybody, I hope you enjoyed that interview with Ryan and Daniel from [ryananddaniel.com](http://ryananddaniel.com). Great information guys, thank you so much. It's incredible how many different ways there are to generate income online it seems. E-commerce is definitely one of the more popular ones and one of the ones I have yet to explore.

It's definitely something I'm looking forward to exploring for you as the crash test dummy here. That's going to be down the road, I'm focusing on a lot of the software development, start up type stuff right now with Smart podcast player and all these other things.

If you are getting started on your own and you want to get that cheat sheet that Ryan and Daniel were talking about in terms of launching your first Amazon product, you can go to [ryananddaniel.com/pat](http://ryananddaniel.com/pat) to go and download that right now. Or you can just go to the show notes and get all the other links that were mentioned in the show, all the resources and where to get manufacturers and stuff like that. If you go to [smartpassiveincome.com/session127](http://smartpassiveincome.com/session127), you can go ahead and get all that right there.

I also want to thank today's sponsor, which is [99designs.com](http://99designs.com). If you need anything design wise or visual done on your website, it can be difficult because finding that right designer can take time, it can be quite expensive to find that great one. As much as I love and recommend working with one person, it's not always possible and you might need things done much sooner.

You can go to [99designs.com/spi](http://99designs.com/spi) to get a design you love from everything from a logo to a T-shirt design to a landing page to a wrap for your food truck, whatever the case may be. You can get it done. What's really cool is you get many designers focusing on your project and giving you designs that you like and you get to choose the design that you like best. You can even have your friends and family or your followers to vote on their favorite one as well. You can get your audience involved. It's great because there's over 300,000 graphic designers on there competing for your particular job.

I've used the site myself, several times in the past. It's been a great experience for me. If you go to [99designs.com/spi](http://99designs.com/spi), you can get a \$99 power pack of services for free today.

Finally, to finish up, if you are an Android user, you're listening to this on your Android or maybe you're listening to this on your computer but you have an Android phone and you're wondering where is the mobile app for Smart Passive Income for Android users because I've already had an iPhone and iPad version, well guess what - we have the Android version already available.

If you go to the show notes at [smartpassiveincome.com/session127](http://smartpassiveincome.com/session127), there's a link right down at the bottom of the post that will link you to your free Smart Passive Income Android app that's going to give you all the content from Smart Passive Income, from





this podcast to the Ask Pat podcast to the blog content and other special things, all in one convenient spot on your mobile device.

So check it out now, [smartpassiveincome.com/session127](http://smartpassiveincome.com/session127) for the show notes and go to the bottom and download that app for free, whether you have an iPhone or Android.

Thanks so much, cheers and I'll see you in the next episode of the Smart Passive Income podcast. Peace.

### **Announcer:**

Thanks for listening to the Smart Passive Income podcast at <http://www.smartpassiveincome.com>

### **LINKS AND RESOURCES MENTIONED IN THIS EPISODE:**

[RyanAndDaniel.com](http://RyanAndDaniel.com)

[\(BONUS Giveaway!\) 10-Step Cheatsheet to Launching Your First Amazon Product](#)

[SPI Podcast #99 with Jessica and Cliff Larrew about Amazon FBA](#)

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