

# **Marketplace Superheroes:**

## **Module #1 – The Marketplace Mindset**

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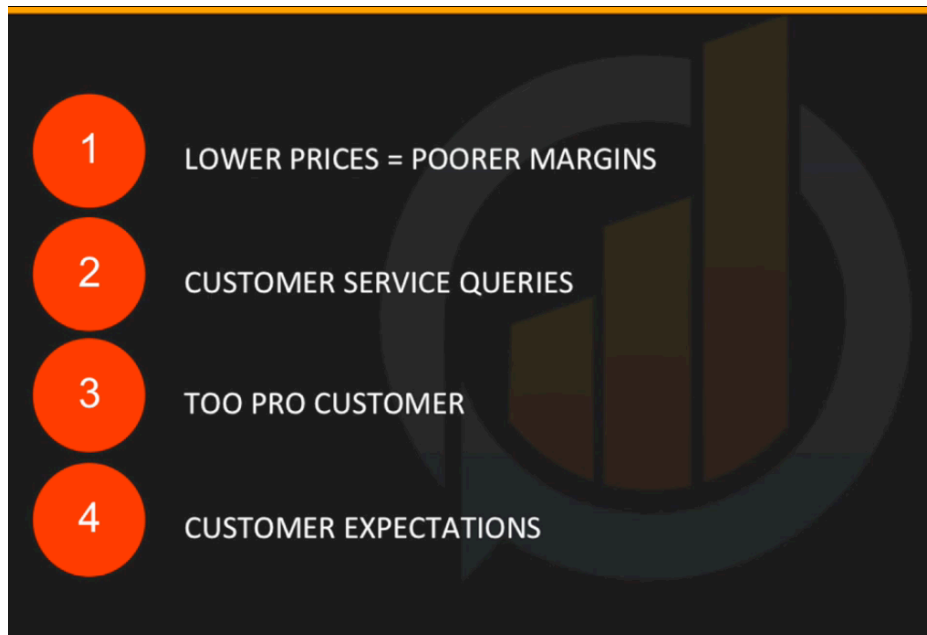
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## Why We Chose to Ignore the Ignore the Other Marketplaces



Robert and Steven account a lot of their success upon a specific mindset that they hold. First of all, let's take a look at why they chose to ignore other marketplaces aside from Amazon. Other marketplaces tend to encourage sellers to sell for lower prices. There are many reasons for this, but the main reason is that on many sites products become quickly commoditized. This forces the sellers to lower their prices in order to compete, and it becomes a race to the bottom for everyone involved. This also attracts bargain hunters who are traditionally more likely to create customer service issues.

These types of sites tend to have policies that focus purely on keeping the customer happy, irrespective of the integrity of the seller. Basically, the customer is always right, even if they're wrong. This allows customers to have unrealistic expectations, and it places unrealistically high expectations on sellers to perform to the standard that these sites set. Essentially, these sites are allowing customers to dictate how they treat sellers. The moment the customer clicks 'Add to Cart' they believe that the item is already late.

Amazon, on the other hand, is populated mostly by premium or savvy customers that are happy to pay a higher rate for a better customer experience. Other marketplaces, like eBay, are only marketplaces that facilitate transactions to assist third-party sellers. Amazon offers a far more comprehensive, all-in service. These other marketplaces also encourage excessive communication between buyers and sellers. This is really problematic because unhappy

customers tend to complain more, which has a huge impact on seller ratings. This can really hurt your business.

Doing business on these other sites can become incredibly time-consuming as you are expected to answer customers quickly and they can place unreasonable demands on your business. There's also no doubt that this is all very expensive. As your business grows, so do the customer queries. Your customer demands don't change, and this results in you having to employ extra staff and/or purchase software to help you to deal with the demands of your customers.

Also, returns are an issue when you are using other marketplaces. Accepting the returns are pretty much a no-go when you are trying to do things on your own, but some customers will even insist on not sending items back. They will demand a refund, and if you don't pay up, they will open a case and damage your seller stats. In short, it's a cruel world for sellers on other marketplaces.

## REASON #2: OWN FULFILLMENT IS EXPENSIVE

- Again, it's time consuming – managing staff
- Amazingly expensive – staff, materials etc
- You MUST have a premises (expensive and a PAIN)
- Have to invest in expensive software & infrastructure as you grow
- Building up courier accounts to get pricing...

Thankfully, Amazon takes away all of these concerns. They deal with all of your customer delivery queries and manage all of your returns and refunds. The biggest difference is that what you pay for on Amazon is directly linked to how you perform there. In other words, if you sell more, you pay more, but at the same time, if you sell little or nothing, you pay little or nothing because Amazon's services were hardly used.

Secondly, providing your own fulfillment is really expensive and time consuming too. You have to manage your staff and deal with all the issues that come with that staff, such as sick days, holidays, and so on. There's no doubt that you need to keep developing your info structure as

your business grows. This forces you to have a presence and increase it as your business expands. The amount of new pain points this introduces into your life can be incredible if you're not using Amazon's services.

Not only does your physical infrastructure have to grow, so does digital infrastructure. For example, you have to buy a lot of expensive hardware or software just to keep things running. In fact, some of these companies that provide software and hardware may be paid as a percentage of your revenue. Sometimes this can add up to as much as 2% of your total revenue.

When you start out by fulfilling things yourself, courier rates can become so expensive that it may even become impossible to continue your business since you cannot achieve a rate that is low enough for you to make a decent profit on your product. This becomes a vicious cycle because you find yourself needing to ship more to get the cost of your shipments down with your courier, but you might still not be able to make enough money due to the expense of this service.

If you sell on these other sites without being able to outsource things, you are going to have to be there 24/7. This places huge limitations on your time. You will have to consistently be available to handle customer queries and ship items out to individual customers. Managing staff is almost like managing customers. There will always be some sort of an issue to handle including holidays, sick days, and disputes between workers. Of course, there's always office politics. This is a minefield that you should avoid.

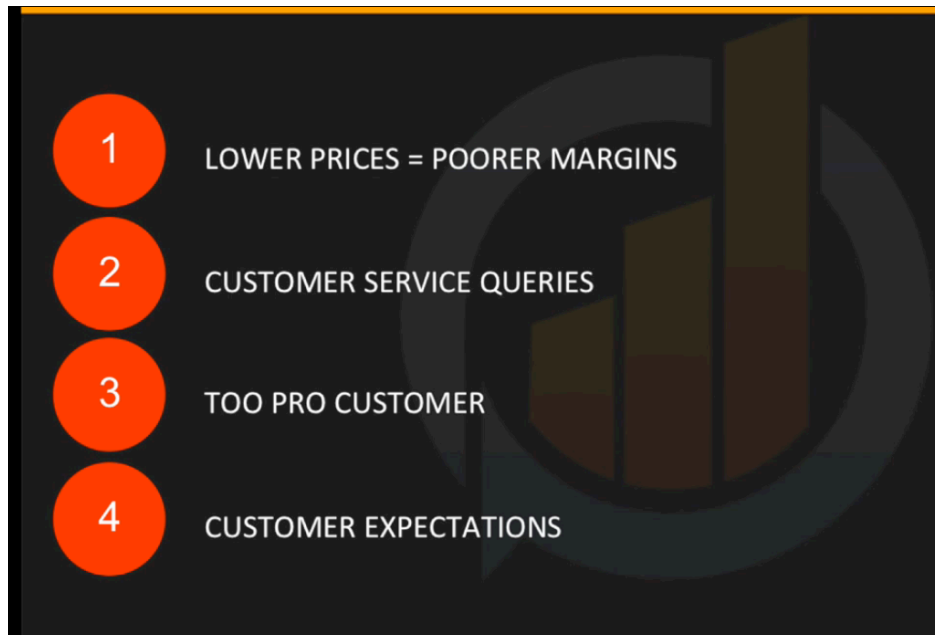
There are also legal issues such as property insurance and taxes to deal with. That's not to mention ongoing expenses such as repairs. These are all ongoing expenses and responsibilities that all fall on your shoulders. You bear the burden of making sure that all of these things are kept up to date and in order.

Possibly the biggest problem is that there are certain expenses that you will have to pay every single month no matter what happens. So, if you have a bad month, you'll still owe a considerable amount of money. These examples just make up part of the reality of building a business using marketplaces outside of Amazon. You can remove these stresses from your life simply by implementing the system that you are being presented herein.

In conclusion, these other models are not sustainable for the most part. When you are trying to build a business outside of Amazon, you often find that more sales mean more staff and infrastructure to pay for. Also, more of a time investment will be required from you. Then international expansion is near as easy as it would be if you were taking advantage of Amazon and its FBA program. Your cheapest option, if it's even possible, will be air mail, which is unreliable.

It's really not cost effective to ship by air mail either, and delivering your goods internationally will cause the costs involved to skyrocket. This doesn't even account for the new problem of having to provide customer service to people that speak a completely different language. You will become a slave to seller ratings, and the moment your ratings drop, you're immediately under pressure. Your sales will immediately drop, and you will have to say goodbye to passivity forever.

## What Amazon is NOT



You're going to hear a lot of different things about Amazon from all corners of the Internet. Let's set the record straight on a few things. First of all, Amazon is not expensive. You're going to get access to 244 million customers, and in addition to that, the site markets your products on the largest search engines out there. In fact, they spend millions on advertising YOUR products on the web. Plus, they retarget your products on social networks, and they promote your product to your email list frequently.

Check out the 'Resources' section where you will find a video explaining the different costs of selling on Amazon. Remember, you're paying commission every time you make a sale. This commission will cover all of the advertising that Amazon does on your behalf, and this is extremely cost-effective when compared with you trying to do all of this yourself.

Another thing that you need to realize is that Amazon isn't for lead generation. They are your distribution and sales channel. Don't abuse your customer list because you'll pay for it. Many marketers are engaged in 'grey hat' tactics right now like adding inserts inside of product packaging so that customers can go to their website and opt into their email lists. That way, these marketers can remarket to them.

This is certainly not something that you want to get involved in. Your role in Amazon's eyes is to add more products to their catalogue. Don't out Amazon. In other words, don't try to compete with them on your own site. You don't want to go head to head with them, buying



the same advertising space as they do. Simply put, you can't outspend them, and you can defeat them.

The third thing that you need to know is that Amazon won't steal your ideas. There are just too many products. Amazon's third party sales are now a huge part of their business. They want you to sell on their various sites. That's because they make money every time you sell. Also, the more products that are added to the site, the more chance they have of driving traffic to other items for sale. This invariably results in them making healthy sales commissions and improving their customers' sales experiences. Amazon's retail arm mostly sells big brand products. They aren't interested in products that are selling less because it's not profitable for them to manage. For us, however, it's perfect.

A lot of people also believe that Amazon is difficult to maintain, and this is simply not true. It's open to everyone and it takes less than 10 minutes to set up an account, as you will soon see. Amazon is actually nearly completely "hands off". Your only involvement will really be getting your products set up and off to Amazon's fulfillment centers (FCs). Furthermore, the software that you're getting through your membership to Marketplace Superheroes is going to help you to manage your stock and reordering.

After you get up and going with Amazon, you'll only need to check in with Amazon once per day, and you could even outsource this if you wanted to. Amazon is going to take care of 95% of the tasks involved for you, including your marketing and remarketing. The key thing to remember is that if you follow Amazon's policies you'll be fine. There are also some best practices included in this course. If you follow them, you should have no trouble at all.

Be sure to treat Amazon's guidelines with respect. After all, it is their playground. Don't break the flow of a sale and don't try to get people back to your site using product inserts. Also, you'll want to ensure that anything you send to Amazon is accurate. The overall goal is to utilize Amazon's traffic to sell and flip our own branded products. That's it.

## The Marketplace Mindset



Now you know why Robert and Stephen have chosen to ignore the other marketplaces. To reiterate, the main reason that they have avoided them was due to the style of customers that were on the platforms. These customers and the platform that they exist on can create excessive demands on your time and on your business. That can lead to a lack of freedom, scalability, and of course, sustainability.

This training has also covered what Amazon is not and some of the common misconceptions that people have related to it. Now that all of these issues have been dealt with, you will need to take a closer look at you as a business owner. There are some specific mental frameworks that Robert and Stephen have developed together which will help you to become a better seller and a better business owner overall. The reason this is being covered is because 80% of your success will come down to your mindset. It all comes down to how you think, and that's why this portion of the training is so important.

Robert and Stephen continually try to implement what you are about to learn in their own lives day to day, and they attribute a lot of their success to this "Marketplace Mindset". A breakdown of what they have learned to concentrate on is shown above. They will be covered more extensively in the following sections of this training.

Both of these men recommend that you understand these nine pillars, or outlooks, before you even consider researching and selling products. That's because this specific mindset you are

developing is going to help you use data, make better decisions, organize your time and activities more efficiently, remove emotion from the decision making process, and stay the course in order to continue using a system to run a lasting business. Again, in the sections to follow, you'll be learning about each of the pillars that will help you to form the right "Marketplace Mindset" for your business. So, please continue on.

## Pillars 1-3 of the Marketplace Mindset

### FULLFILL DEMAND DON'T CREATE IT



- Traditional business rules do NOT apply here
- Don't aim to build product ranges (this should only happen if your *research* backs it up)
- Use structured information to find out what people want to buy
- NEVER buy a product and THEN try to sell it

Let's take a closer look at Pillars 1-3 of the Marketplace Mindset first. The first pillar is "Fulfill Demand...Don't Create it". Traditional business rules do not apply here. Many businesses buy a product and then try to sell it. What you are going to learn to do is the complete reverse of that. You're going to try to find a demand in the market first. In other words, you're looking for what people are already actively buying, and you are going to source and supply an improved version of what you find. You'll learn how to make your product more viable in the eyes of your customer in modules 4 and 5.

When you start to sell a product, you'll notice that there may be opportunity to sell a similar or related product as part of your product range. A good example of this would be selling a garden hose that was 50 foot long and also selling one that's 100 foot. Your research has told you that the 50 foot hose is an excellent seller; it fits all the criteria that you're going to learn about in modules 3-5.

Now, this doesn't necessarily mean that you should also sell the 100 foot long one. Many sellers get this wrong. They assume that just because a product sells well, it would still sell well if it were a different size or color. You should only sell the same product in a different size if your research backs that decision. When you're researching, you're going to come across different types of structured information as well as specific methods for calculating that research. Make sure that you keep going back and repeating each step in the process, which you are about to learn, so that you keep getting repeatable and reliable results.

Another mistake that both new and experienced sellers make is buying a product without going through the appropriate steps for ordering. This happens to a lot of people when they first start out because their supplier has encouraged them to buy more of their products. Never ever do this. Never buy any product for your business unless you have done your research beforehand. Buying a product before researching it is a really easy way to lose money. Robert and Steven have made this mistake previously themselves.

The second Pillar is “Everything is Variable”. You’ve already learned that costs can spiral out of control if you’re selling on other marketplaces online. Fixed costs are the costs that stay the same from month to month such as rent and staff wages. This type of cost is the enemy of your success. Why? The reason is simple. If you have a good month you’re going to pay, and if you have a bad month you’re still going to pay. When you implement the system that you’re learning, you’re only going to pay on performance. In other words, instead of paying fixed costs, you’re going to be paying variable costs.

Variable costs are those that vary according to activity. Most of your costs are going to be tied to sales. So, if you sell more, you’ll pay more. However, things are much more manageable this way. Your focus should be on finding, importing, and managing products that are in demand. This is what you should spend most of your time doing. Most other tasks should be outsourced. In Module 6, under the ‘Resources’ section, Robert and Stephen will introduce you to the people they themselves work with so that you can partner with them too.

On top of everything else, it’s important that you realize that you are not the business. You’ve got to tie everything to performance, and your goal should be to make yourself completely unnecessary in the running of your business from day to day. This brings us to Pillar 3, which is to “Import your own brand.”

Stephen and Robert recommend that you build a unique, trustworthy, simple brand. A big mistake that some people make is trying to over engineer their brand and they spend far too much money on logos and design work. Your brand only needs to be something simple that distinguishes you from your competition. This is a vital part of protecting your business, as you are the only person who can sell your own unique product. Having your own brand gives you complete control of your stock, and therefore, your business. This can all be summed up in one single formula: Good Research + Unique Offering = Sustainability.

## **Pillars 4-6 of the Marketplace Mindset**

## MORE HOURS ≠ MORE MONEY



- Front load time to get free time later
- Workload is initially heavy – building an asset
- Spend time on things that make you money (hint: continually sourcing products)
- Don't feel the need to create a 9 – 5
- Work ON your business not IN it

The fourth pillar of the Marketplace Mindset is “More Hours ≠ More Money”. There’s no doubt about it. This system does involve a lot of upfront work for you. However, the purpose of the system is to frontload time in the beginning so that you can save time well into the future. You want products to sell for years to come, so this early work is actually an investment in your businesses future. The best part is that if you do this work properly the first time, it should never have to be repeated.

It’s recommended that you spend time on things that make you money. Basically, keep sourcing products that will continually fuel your business and not require any ongoing work. That way, the only thing that you’ll do, once your products are in stock, is manage your stock levels and make sure that your products stay in stock at all times.


Don’t feel like you have to create a 9-5 business. It’s also recommended that you work on your business, not in it. In other words, outsource everything to experts that know how to do what you need done. This doesn’t need to turn into a job; it is a lifestyle business that supports your life.

The next pillar, Number 5, is titled “Data is King”. The only things that you can trust about your business are your numbers. When you start growing your business, you’ll be able to tell what you should do at all times by looking at them. Don’t rely on guesses, hunches, or anything that’s not backed by numbers. You’ll be shown a multitude of numbers that matter throughout this training. In fact, what you’re told about may sound repetitive at time, but that’s because it’s so important that you know some of these details. Make sure that you spend 75% of your time researching and importing products. And again, trust the numbers, they won’t lie.

Pillar #6 is “Be Methodical...Not Creative”. You’ll need to follow the training step-by-step, and don’t take shortcuts. Keep everything systemized, and give clear instructions to your outsourced partners. Also, always follow the trends in your data, not the market. In other words, don’t sell things that are ‘trendy’ or follow trends.

## Pillars 7-9 of the Marketplace Mindset

### NO EMOTION



- Hard step – trust us
- Don't tie your happiness to sales
- Invoke the '30 Day Rule' to stay motivated
- Don't be passionate about your products – be passionate about *selling* them
- See the business as a means to an end

The seventh pillar of the Marketplace Mindset is “No Emotion”. It’s easy to say that you’ll divorce your emotion or your happiness from your business. Robert and Stephen have learned that it’s not easy at all, especially when things don’t work out the way that you want them to. It’s important that you don’t get overexcited on a good day, and of course, you don’t want to become completely demoralized on a bad one.

Look at the big picture instead of the day-to-day. The best way to separate your happiness from your success is to invoke the ‘30 Day Rule’. So, what is the 30 Day Rule? Well, first of all, you should stop calculating product sales on a daily basis. The amount of sales you make during a day will go up and down, and some days will be better than others. What you need to start doing is calculating how many units you can sell in 30 days.

Base your numbers on a term of sales. In other words, if you have sold five items in a week’s time, start multiplying those out to get to 30. In this particular instance, you would multiply the 5 sales that you made in a week by around 4 to get the 30-day value. By this calculation, you would be able to sell 20 in a month, or inside of your 30-day loop.

Don’t forget to also multiply out your profit per piece, and also include the country element once you have established that. When you do this, you’ll begin to see how your profit is going to perform inside of 30 days. You’ll be able to get a much bigger picture of how many units of your product can sell and what that particular product can make you inside of the 30-day rule.



You shouldn't be passionate about your products, but passionate about selling them. Don't feel the need to sell something that you like or that excites you. Concentrate on selling things that people want to buy. Remember that the whole point of this business is for you to create a scalable automated income stream that can be either part or full-time for you. Your business should support your lifestyle and help you to do the things that you're passionate about in life. That doesn't mean that the products that you sell should reflect your passions. They should just give you the money to pursue your passions.

Pillar #8 is 'Stay the Course'. Do what's working and drop everything else. Expect issues before they arise and make plans. Never stop looking for ways to be more efficient. The final pillar, Pillar #9, is 'Rinse and Repeat'. You're going to learn a variety of specific processes that will help you achieve specific business goals. Many of these processes are systematic in nature, and it should always be treated as such. Basically, you need to rinse and repeat the things that you learn in this system. Don't take shortcuts, and remember to only do what works and throw out the rest.