

[Transcript] FYI - For Your Innovation / Building Brands in the Creator Economy with Oren John

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This show offers an intellectual discussion on technologically-enabled disruption, because investing in innovation starts with understanding it.

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Hi, everyone, and welcome back to another episode of For Your Innovation, a podcast by Arc Invest on all things related to disruptive innovation.

I'm Andrew Kim, research associate covering consumer internet and fintech, and I'm joined by Nick Groose, associate portfolio manager at Arc.

Today, we have the great privilege of speaking with Oren John, maybe better known as Oren Meets World on TikTok and Instagram, who is a prolific product and brand advisor for DTC brands.

Hi, Oren, thanks for joining us today.

Yeah, Andrew, Nicholas, I'm excited to be here and looking forward to our chat.

Before we dive into the DTC landscape, could you tell us a little bit about yourself and how you got to where you are today?

No problem.

My career actually started as a designer, and so I started agency side in New York as a graphic designer working for everything from hospitality firms to really lifestyle businesses.

I was at a firm that had people like Grey Goose and Red Bull as clients, a lot of beverage, a lot of hospitality, and then I turned that into marketing.

I was lucky enough to start my career at the time when ads on Facebook and Google were first taking off, and I was really early on learning as much as I could about that and running that.

I went from designer to creative director to marketing director, moved from agency side to technology.

I worked in the outdoors industry, then I had a pretty formative moment in the consumer drone industry when that was first taking off.

I was at a brand where we were really taking that first to big box retail around the globe, and from there continued in technology, ended up starting an agency in product development with two partners where we service a lot of high-tech engineering companies around the globe.

Then over these last few years, I've just worked on countless various consumer products,

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et cetera, and all different kinds of categories, and then this last year took a lot of the insights that I've had from that and brought it over to social media, which I really wanted to learn, this new short form video content.

I've had that become pretty successful in a short time, and I've got some really great reach from that, and I'm now excited to be sharing everything I've learned over the course of the last decade or so, and building these brands with as many people as I can on the internet to hopefully help them learn some things.

Orin, you've been incredibly entrenched in this creator economy, the direct to consumer landscape.

Can you, just for our audience, explain and set up the creator economy?

What does it mean to be a creator today?

How are creators leveraging the tools available to them, and how has it changed over time?

For sure.

It's one of the things I'm most passionate about talking about, so happy to dive into it.

The plus side of the creator economy is that right now, everyone, no matter what stage they're at in their career, and also whether you're a single person or whether you're a brand, has the opportunity to participate in the creator economy.

The reason we have this opportunity is the way that the algorithms on major social media work right now.

YouTube, Instagram, and TikTok are all want to show their consumers new and exciting things that will engage them, and they're promoting not just their big established influencers and people that make long-form videos, wherever it is, but all kinds of new people as well.

You have basically a big opportunity, bigger than ever, to actually get out any content you make in front of an audience that's willing to see it.

We've never had that kind of accelerant, right?

Even in the early days of Facebook or Google or YouTube, it was kind of capped in a certain way where you'd have to pay to get to a certain level if you weren't just ridiculously successful.

Now I think it's almost something that people really have to think about.

I have a group chat with a bunch of other creators where we all talk about marketing, but everyone's at a very different stage of their career.

Some of them are just getting started, and they're sharing their journey of, hey, I'm a junior designer, and this is where I'm learning, and I'm trying to build my portfolio and find more potential work, and all the way to someone like me that's gone through this with six or seven companies and is really just trying to impart information down.

For all of us, I think the common through line is just the willingness to talk about it on the internet regularly, find an audience about that, and embrace these new tools.

I think that all of us in our various stages have found a bunch of opportunities in our careers, both monetarily and with connections from this creation.

Again, this is a once in a lifetime opportunity, I feel like, in terms of the timing we're at to be able to get yourself in front of an audience.

Also, it's shifted the way that any person or company should think about marketing themselves. This creator economy is not just about individuals and creators.

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It's about the overall idea of marketing, communication, and media as a whole.

I think it's interesting to look at D2C as a channel, just gain, share as a percentage of just total e-com over the years.

What do you think about the dynamic between marketplaces versus D2C today?

How are creators thinking about those different channels as they try to grow their brand?

I think that I always encourage people, whether they're creators or actual smaller brands or larger brands, to be thinking omni-channel just because I feel like there's no reason to not consider the captive audiences that exist in whether it's online marketplaces or physical retail as part of your strategy.

What I personally love about D2C is the ability to refine your business and your product with a direct relationship with the consumer before you expand.

For creators, what's really important is you can go sell a product to your fans.

You can say, hey, these people really enjoy my content.

They really have built an affinity to me.

They're going to buy a thing that I sell.

They may have a different standard of what's acceptable or what they want than what a retailer or an online marketplace does.

That's your opportunity to understand it, to go say, all right, are they buying this just because they like me or do I have something bigger here?

Is my audience big enough to help me prompt sales at retail or prompt sales on their online marketplaces?

I think that's the really important back-and-forth that brands and creators have to deal with and have to learn.

I think starting with that audience and developing that communication and rapport and then knowing

you have your product locked in and being able to move on is a super important advantage that people just didn't have 10 years ago.

If you wanted to go sell things, you had to go listen on Amazon or you had to go try and knock on doors of retail stores and get it in, and then you didn't even have access to your customer to get that feedback.

I think it's an exciting time for people to be able to learn as they grow.

Oren, before we dive deeper into D2C, could you just expand?

You mentioned a few platforms, TikTok, YouTube, Amazon, some of these channels you can sell through.

What are some of the back-end tools that creators are using today?

Shopify is a name I hear thrown around quite often when it comes to the creator economy.

What else is out there?

What are creators leveraging?

Shopify has definitely become the biggest player in the ecosystem, mostly due to the steeze of shop pay.

I think that the only other tools that I actually see much out there at all is Pietra, which is an all-in-one solution where they are able to help you with your supply chain, and they have a 3PL for distribution, and they have a store as well, and they can hook into Shopify

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or you can use their e-commerce solution.

They're built for creators, and so I think that's a particularly interesting one because they built their business around enabling this new economy of people launching businesses. Other than that, there's some people that go direct to platform, like there's opportunities like TikTok Shop or an Instagram shopping where there are extensions which are doing on Shopify but don't really replace it.

I think interestingly enough, this entire, I don't say the entirety of it, there's still other platforms, but the vast majority of what's happening in the creator economy or this new entrepreneurship as creator enabled is happening on Shopify.

Wow.

Yeah, that's super interesting to hear.

When you say Omni-Channel, do you think Shopify is just uniquely set up to offer that Omni-Channel because I know they offer a ton of different plug-ins with the platforms you mentioned, or do you mean something else when you talk about Omni-Channel?

Yeah, I mean a little bit of something else, so basically, Omni-Channel as in, are you selling on just D2C, like just on your e-commerce website on Shopify, or are you also including Amazon and are you also including other retail and I break retail into kind of independent retail and big box.

That's where I think all brands should be considering because even the Amazon opportunity, like Amazon's complicated, especially if you haven't done it before, but if people are searching for your product or you're generating attention on social media, there's a good chunk of consumers who start their search not on Google for products but on Amazon.

If you're being searched for and someone's not finding it, they're probably buying something else that's similar and you're losing that sale and that ability and I think that that's something that a lot of brands should be considering because it's dollars left on the table from a tension that you're spending energy to generate.

From like a branding investment perspective, you talk about Omni-Channel and I think a couple of years ago that the core considerations would have been brick and mortar versus Amazon or like a marketplace versus your online storefront, right?

As you've mentioned, we're seeing all these different distribution vectors mainly through social media, right, dubbed social commerce.

I'm just wondering, do you think the core storefront becomes less important over time?

As in if I am developing my brand presence primarily through TikTok and I'm selling it through TikTok, do I need a Shopify storefront?

I do think that's a really relevant conversation because I do think the overall idea of a this larger arching store becomes less relevant and it's more of just like, what is the easiest vehicle to sell my product?

That's where I think Shopify has really become sticky because their stores are successful because of the ease of the payment process and because of what they've done with ShopPay, not necessarily because of all the other things that come with the experience, but those are well done and so it's going to come down to what is the most frictionless buying experience that users have actually adopted and I think that's where the social networks are coming in and I think TikTok shop is pushing it very hard and Instagram shopping has kind of done

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a sat there in the middle or neither of those have been able to kind of overtake a traditional e-commerce experience, but they're certainly trying and they're certainly complimentary and I think that is the new frontier is like, all right, are there any other things involved in this website at all or is it just the most frictionless way that someone who has seen something on via social media can then go purchase it?

Got it.

That's super helpful.

I guess before we dive deeper into distribution and social marketing, maybe let's take a big step back and talk about the entire value chain of an e-commerce merchant.

Let's assume you've already picked out a product you want to sell.

Can you talk about the biggest challenges that surround sourcing and manufacturing today? And maybe just kind of illustrate what goes on in that process to begin with to the layperson. Totally.

There's basically three ways that people can go get their products.

You can go direct to a factory, which you can do something by searching on Google or finding them on Alibaba, which is very frequent, or you can use some of these kind of more managed services like Pietra I mentioned earlier, or there's brokers, people that will help you get that for you.

I think what we've seen kind of explode over these last few years is a lot of people had to have brokers prior, right?

Now you have these marketplaces where you can go direct to a factory.

You can go on Alibaba and find someone that will make anything, you can go on Google and find someone that will make anything.

As long as you're willing to send emails and chat and message, you can figure that out.

The hardest part of it is people being able to actually describe what they want in a way that people in a different country manufacturing something understand and can execute on, and then also understanding the process of, okay, we're going to get a sample, it's going to cost X and we're going to be able to give feedback and improve it, and what does an entire product and process look like?

An exercise I really recommend to a lot of entrepreneurs for that is to basically go through and really document buying something and the total customer experience of something in your niche.

If you want to make sunglasses, go purchase a sunglass from a competitive company in a similar way and then really go through, okay, what was the packaging like?

Everything.

Every single piece of the experience.

Document the entire thing.

When I opened the box, was it an unbranded box?

It had a branded box within it.

Did it have tape on it?

When I opened that, was there a manual?

What are the markings on it?

Really make this entire list because that's the stuff you need to go through with your

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manufacturer.

If you haven't covered it, you're going to may forget something.

You may miss something.

It's all these little things like, oh, if I create jewelry, does it come with a polishing cloth?

Think about necessarily if you're just communicating because that onus is on you as the creator. I think really it's just the hard thing now is less finding a manufacturer, but more describing and being detail oriented enough to bring something great to life while communicating with the team overseas.

I know I'm going on a tangent here, but it seems like the difficulty of describing something seems like mid-journey is a game changer here.

I think so, but I think so in the nature that if AI versus, I think in its current state, probably not really, but in a state where it's built to be able to do this, where it's really engineered to say, help me create a MRD or a PRD, which is like a marketing requirement stock or a product requirement stock, and it was built around an infrastructure that really understood that, then I think it would completely be helpful.

Right now, everything is this big and tangible mass.

I think ideally we're going to see models that kind of slim down a bit, but I completely think that there's going to be optimization there.

It comes in the future, and it's probably a really compelling technology for someone to build.

Got it.

Can you talk about what that gap specifically is between an AI image output versus a fully understandable MRD or PRD?

Yeah, well, I think really it's designed for manufacturing.

I think it's the concept.

So basically this idea that when you can design whatever you want, you can create some unique image and say, go build it.

But then the difference between someone just designing or drawing something or generating it via AI and actual design for manufacturing is an understanding of the processes, machines, and things that are necessary to actually create that thing.

So say, hey, I want to make some beautiful bookend out of marble, but it's like, hey, we actually can't do that with water jet cutting, which is the actual way they cut marble in an affordable way.

We need to use laser cutting.

That's four times as expensive.

That's the kind of difference between what people who actually have experience in that understand and where I think things that are automatically generated by AI wouldn't.

And that's where the opportunity is, right, is how much within a set of constraints in terms of what's possible with certain materials.

What are potential cost barriers?

How do you develop those sliders or those inputs to be able to say, I want to create something in this cost threshold, I want to be able to use materials that are available

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in this place that have this cost threshold, and I want to be able to fit inside of a standard size postal box so it's efficient if I send it to Amazon.

Now give me ideas.

I think that's the next generation that becomes really interesting.

That's awesome.

Orrin, I want to shift focus here, and we're talking about manufacturing and sourcing.

And now I want to just look at the logistics and shipping side of the equation.

At term, you hear a lot when you talk about creator economy and just some of these new age stores is drop shipping.

And I'm curious what your thoughts are around the trade-offs between drop shipping and fully owning the logistics and shipping process versus what else is out there.

Yeah.

And so I think the word drop shipping is complicated because it means one thing and people consider

it to be another.

So basically drop shipping, the way I would describe it, like if you're working with someone who is in actual product logistics is, drop shipping is if you work with the factory to take something they essentially have off the shelf, like a pre-existing widget and say you're going to ship it, I'm just going to sell it and I'm not going to modify this product at all besides maybe throwing a simple logo or a different package on it and you're just going to send it.

So basically you're not creating anything unique.

You're just arbitraging attention to get someone else to do all the logistics.

And this is a common way people start selling because you don't have to hold an inventory or buy anything.

Then there's using a 3PL or third party logistics, someone who just ships products for you but you're making your own products.

This is what anyone who's doing decent volume of their sales, who isn't a logistics expert is doing.

And when I mentioned like Pietro earlier who has integrated 3PL, they're a product sourcing platform like Alibaba, but you actually send it to their warehouses in the US and they'll distribute it for you at very reasonable fees because they know it's a pain point for people to not want to be shipping thousands of packages out of their garage.

And that's basically what a lot of people refer to as drop shipping, but really is just having a third party logistics partner.

And I think, again, if you know logistics in and out and you're super detail oriented and you're willing to turn your garage or your warehouse into something super efficient, great.

Once you're surpassing that 500 to 1,000 orders a month, just economically and from an attention factor, it's probably worth having someone else do it for you with someone like a 3PL.

And there's hundreds of options out there, common ones like Boxtrod or Shipmunk or ShipBob. So there's tons of people that do that at various scale.

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And owning your own logistics, I think, is good for people to learn early on when you're only getting a few orders and understand how it works.

But after that, if you're not an expert, I wouldn't consider working on it.

Drop shipping overall, in terms of where you're getting started, selling something undifferentiated isn't going to build value.

It's not going to build something that someone's going to purchase from you or build out.

I think the only reason I would consider someone to do that is just getting experience.

Got it.

And what are the sites that people go to for that drop shipping use case?

Is it Alibaba's, Aliexpress?

Is it those overseas manufacturer?

Yeah, it's more Aliexpress, DHgate.

Yeah, that kind of spot where you'll find some people on Alibaba that will do the drop shipping and have that as an option.

But I think it's mostly these other platforms.

And there's a whole bunch.

Now they've popped up.

There's dozens of drop shipping marketplaces.

I think Oberlo is another one.

And that's a world where I don't play as much in, because again, I just kind of encourage it.

If you haven't done anything yet, I'm like, hey, go resell some stuff on Amazon or go try some drop shipping just to learn.

Just be like, hey, you're going to probably lose \$1,000, but try it out, see what you can do.

If you can start turning a profit doing that, you're probably really well set up to go start your own thing.

If you don't understand some of how this works, especially if you don't have an idea yet, but you want to get started, go learn that way.

But I wouldn't be trying to take it seriously as like a make money online kind of thing.

Like I'd say you want to invest your time and energy into building something that will have, you know, be differentiated and have real value.

So you have a differentiated value adding product, right?

And now you want to go sell it.

Do you think the notion that Shopify is all you need to operate as like a e-com merchant is true or what are some, you know, ancillary tools that seems like a requirement for you as a merchant?

Yeah.

So I think you need to be taking your email marketing seriously, which is basically Klaviyo, Sendlane or Privy.

Someone that integrates with your e-commerce to be able to send emails to people that abandon their carts, to be able to educate new customers who bought something about why they should purchase more, you know, to showcase your sales, I think is crucial.

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But you know, besides that email piece, you know, and whatever you're using to drive traffic, your social media, etc., like you don't need much more than Shopify to get started.

But that said, to scale with only a certain percentage of these potential partners that are our potential customers that actually buy through e-commerce, I think every brand should be at least thinking about omnichannel to start.

And a recommendation I typically have there is find like one independent store just in your area.

You can have as almost like a beta customer for you where you can actually make friends with them, give them some free products, they have left to sell this here, I want to give feedback, you hook up all the staff, you go do your in-person demos there as a founder and just get that customer feedback and understand the buying process, have the buyer tell you why he would take it or why he wouldn't take it or what parameters you need to hit for him to do it.

Now you're beginning to understand the logistics of retail and you have a case study because if you succeed there, you work with those people and they give you a testimonial when you go to a bigger regional chain, say, hey, I want to get to 20 stores, like we'll look at the success I had with just this place, which I started with.

And that's the kind of stuff that really helps set up a building block for a brand to go across multiple channels.

Orrin, you spend time, I've watched many of your videos at this point and I love all the way that you break down these marketing campaigns, kind of these ground roots marketing campaigns on social.

How do you think brands can cut through the noise?

What is working today?

You mentioned short form video, TikTok.

What is going to separate your brand from the pack?

Once you have it, you're set up on Shopify, you have your email marketing going and now you're looking to create a TikTok campaign or an Instagram campaign.

What has been working recently?

Value and entertainment is the only two things.

So a lot of people come on there and they say, we need to explain our story or we need to sell.

That doesn't work, right?

And that's how companies become stagnant.

Great.

Maybe if you're excellent at that, you have some chance.

For the majority of people, you want to stand out your content and social media to provide value for free or you need to be entertaining people in some super compelling way because that's what people go on those apps for, right?

People aren't scrolling the TikTok feed to be sold to, they're scrolling there to laugh and have a good time and then be entertained.

And on Instagram feed is slightly different where maybe they're trying to entertain potentially in a more aesthetic way and there's a little bit more of a potential for learning on there.

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But I think brands, a good example I'll give is a campaign I worked on with a surf brand where they had a big social media presence, but it wasn't doing as well as it had prior, as kind of back in the day social media and it was being hard to reinvigorate it. And we did a tutorial series where we had someone out in the water explaining to people how to do these different things like wake surfing in the very TikTok way with captions on there, with a basically helping people level up their skills. And those videos with the way that they were shot and they were basically one long shot, minute long video, but explaining something super nuanced, which became super shareable if you were someone who's into that sport or wanted to learn that sport to someone else, hey, we should try this this weekend. Oh, this is how you actually do that thing. Oh man, like we should share this with whoever who's trying to learn. But those all got like a million views plus. And it was because we're taking the time to say, what are customers going to be entertained by? What are they going to be educated by? And what are they going to want to share with others? And for any brand, just take a step outside of yourself and your products for a second and say, how will people use this? Like if you have a candle company, it's like, all right, it's less about like, you explain them, how do you understand the sense of a candle and like notes and after notes? Can you give them Feng Shui advice about how they can put these things in your house? Can they talk about the overall like kind of hierarchy of how you use that as part of like a wellness regiment? Like that's the kind of value that I think companies should be focused on to say, hey, what can a consumer be happy they learned from me? And then what would they be so excited they learned that they would share with others on social? Do you feel like the TikTok content has gotten more kind of serious in the name of being more genuine in that I feel like earlier, a lot of the, you know, the social media or PR intern messing up a video on TikTok, right? That went viral a bunch of times early on. And I think people pretty quickly caught on that it was all manufactured or at least the later ones were being manufactured. And it seems like we're kind of seeing a return to consumers kind of valuing very genuine or like more genuine interactions at the expense of humor. Completely agree. And do you think like humor is less effective? Yeah, I think and if it is humor, it's still very UGC. No, I just think it just needs to be very genuine in that same way. I think you're completely right in like the trend. I just think when we do see humor now, it's like less obviously manufactured. And then and I do think it's more because people have been on the platform longer, people consume so much on TikTok. I think it's really about a resonance of personalities. And it's like, do you feel like you know somebody or do you know somebody already? And like, if you feel that connection, then you can get humor. But I think there's just kind of this divide that's been given where it's less like right away. Because again, people think, oh, this is manufactured, it's just a prank or whatever it is. I do agree that it is very much like more genuine is 1000% the trend of what's happening on that platform right now. And we focused on what can you do, you know, right to get yourself separated from the pack and start selling a product. What is the most common mistake you see people make when they go out and, you know, want to build online, become a creator, sell something? What is the most common mistake you see? Waiting until you have something to sell to start building your audience is the biggest one. I encourage people beforehand, I'm like, hey,

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a lot of people are just worried. They're like, oh, am I going to sell anything? Am I going to do anything? I'm like, with audience comes way less worry. And also, if you wait till like when you actually have all your products in stock to start making content or start pushing that stuff out, you just missed months of preparation where you could be getting people excited about what you're building. And so I just really encourage people from the moment you start thinking about ideas, start building an audience. And it doesn't have to be around what you're going to sell. One thing I encourage, hey, curate your space. If you're going to launch something in, you know, in whatever the right example is, you know, plus has women's clothing, like, all right, can you make an aggregated

account where you're actually describing existing brands in the space or reviewing them or providing

information to that potential customer about something else that they might enjoy that you can then have built an audience around for before you launch your product. I think that that is a crucial one. And the other one too is just, you know, don't don't go too big too fast on a lot of these. Like think through what you're selling, like some people will get some initial success as a creator and I think that they can quadruple down, you know. And I think that you need to really think methodically through what is coming from your audience versus what has bigger business resonance. And then just to this is popped up as you are speaking, when okay, so we have like the creator, the online influencer, and then you have celebrities. And I've seen, you know, a big turn in these past few years of celebrities now driving commerce sales and creating their own brands attached to, you know, something that they've been interested in. And some work, you know, you have skims, you have Taramana, some of these major brands that have come out, you have,

you know, George Clooney, Ryan Reynolds have all had success in this space. And I'm curious, have you ever thought about why some of these brands work with celebrities and why some just seem to fall short and fail? Like you had the Mr. Beast Burger debacle, you know, that's now going up in smoke. Is it such that you need to have authenticity, you have to be tied to this product in a certain way? What what makes some of these work and what makes some of them fail? Yeah, I think it comes

down to basically three things. Like one is the actual operational team that's leveraging a celebrity. If they have a concrete plan for how they're going to leverage it and communicate through it and have a great product behind it and they understand what they're doing, they're great. If they're just like, we just need attention, grab a celebrity, it probably isn't going to work.

Second is the actual authenticity to the celebrity to the point where I think we've seen that a lot with cosmetics where it's like there's a huge difference between what happened with Fenty and then what happened with, you know, like Ariana Grande's line or even Ariana Grande versus Selena

Gomez's line. Like there's a huge difference between what felt right and what was promoted and what was obviously just kind of like a cash grab for audience and consumers can feel that. So the involvement there is big. And the last piece is just the business savvy of everyone involved. Like for the Ryan Reynolds example, like he's obviously spending a much of time actually building inside that business. And that makes makes a huge difference. But look, it's really case by case basis, because we scrutinize celebrity business, endorsed businesses

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way harder because they have this level of attention and they're kind of present in the culture. But majority of businesses fail, right? Or like, and so it's only natural that a lot of these are going to work or not. And there's a million factors from, you know, where your inventory is produced to cost a market availability that's going to determine that. And so I think that, you know, really to do as much as you can to ensure success is to have everyone aligned and working hard on a product that is authentic to an audience and differentiated is a good recipe for success. Yeah, that makes total sense. Just building on this question and answer. So I think in one of your more recent TikToks, you've talked about corporate merch, right? And kind of McDonald's

just being a quintessential example of that releasing really fashionable apparel. So you've got like corporate merch all the way down to, you know, Pinkydoll collaborating with Fashion Nova. Are you worried about consumer oversaturation within the DTC space? And like, does this imply a natural reversion back to marketplaces? So the interesting part is when people talk about saturation, what's interesting to me is you get to think about the overarching concept of how things are bought and sold and how it was done, say 20 years ago. So you have just all these absolutely massive conglomerates, like the Sears or Macy's or, you know, these huge companies that own the vast majority, not just department stores, actual brands themselves own so much of sales, because it was so hard to compete. If you compete, you were so small. And so when I look at anything,

whether it's corporate merch being sold or how many independent clothing brands can we possibly have, when you look at that versus the sheer amount of things that were like sold at Marshall's for decades, like they're just chipping away these super minor percents at these giant global companies that are just waiting to be kind of disrupted. And so I think that there is almost no such thing as hyper saturation, especially in any of these niches that are consumer facing. What I do think to your point about marketplaces is that people need to be thinking outside the box in terms of where they sell. Like, I do think you can reach saturation and how many of those places are available on Shopify being sold by videos on TikTok, or that are on Amazon and being able to be sold through search. And so it's really like, where do you find your specific niche that you can appeal to somebody? Because the opportunity that continues to happen is, hey, we used to sell shirts and everyone just buy the same normal white shirt from Haynes. But now there's differentiation between,

hey, people will pay two more dollars for that shirt that is actually a lot better if I'm a distance biker, or if I have this type of body type or whatever it is. And so niching down in a saturated area is a way to establish a customer base that will stay with you. That's probably too small for larger companies to care about, but you can make the inroads to a successful business from.

And then it's really about meeting that consumer where they're at. Does that consumer really want to shop at retail? Do they want to shop via marketplace? Do they shop via Shopify? Are they doing all of those things? And then making a plan for kind of methodically, okay, you're one, I'm going to do this, you're two, I'm going to expand here, you're three, I'm going to expand there. And as the market changes, being willing to adapt to that plan.

That's really helpful. Thank you. I just want to pivot quickly back to Shopify. I think a common criticism that Shopify got, and I think that's kind of why it launched Shopify components earlier

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this year to attract more enterprise customers, was like the fear of homogenization in the UI, because it's just so easy to work with to build a storefront that people say, oh, you can tell this is a Shopify storefront. And this kind of makes me think about your video on the D'Amelio storefront. And I'm just wondering, do you think significant upfront investment is needed in terms of money to differentiate amongst all these different storefronts? Or what are some other ways that people can do it, not in a capital intensive way?

So a couple of things. One, I forget the name of this. There's one of the principles of design, which is that essentially boils down to people are more comfortable with experiences that are familiar to them. So this is why Google's material design, for instance, which is the framework with which every Google product is designed. So the UIs will look the same. So Gmail versus certain programs on Android versus G Suite all have these certain specific UI elements, the buttons look the same, the action connotations are the same, the fonts are the same, the spacing is the same, and they're built in this system called material. And that's important because if you enter, if you were to go say, I'm going to make a new software, and I'm going to then use this design set that they basically have available for anyone to use, and there's code snippets that come with it and make it easy to develop on, it's going to feel natural and intuitive to people, and they're going to feel like they're using something familiar, which is super, super helpful. And I think that that's actually for anything that is day-to-day transactional, like your checkout, I think it's good. I feel like it's a positive for people to get to the end of their checkout, see a Shopify checkout, we all know what a Shopify checkout looks like, see that Shoppay is available. I think it actually inspires a level of consumer trust, and it's just an experience that people are so used to saying, okay, just hit yes, or just scan my ID in with Apple, Apple ID, and like it's done, that I think that that is a positive. And on the front end, yeah, it's about how do you express your brand? But Shopify, if you just use a default theme, sure, it's the same, but you can develop literally anything that looks like anything on Shopify, to the point of that Demelio footwear site that, you know, Van Group who did that, like makes beautiful Shopify sites that look completely different. And a lot of these are what's known as headless, we're using Shopify kind of as a backend, there's a front end that's made in code that you can then move around accordingly, in terms of how your infrastructure works. But, you know, you can develop a Shopify site to look like anything. And I think that people thinking that it is homogenized, just don't understand the nuances of web development. I don't think it is super important for a brand to come out and say, I need to spend six figures to have, from the start, a differentiated brand presence. I think what's more important is to start with the site, be investing money continually to develop it and test it, and then say, and when you're getting a huge amount of sales, when you're actually reaching a pretty significant volume of people where you're actually trying to convert them and where it matters enough that if you invested six figures and you saw a percent or two lift in your sales, that would pay for itself over the next year or 18 months. That's when I think it's really worth looking at those investments. Because I think you can make a gorgeous site that tells your brand story well, that's simple, doesn't require a ton of cost. And I think it's really more of how are you getting your story across, which may end up more in content and the videos and things you show than what your website looks like. Got it. And speaking of Shopify, you also talked about the onboarding experience for Shopify merchants onto TikTok shop. That's

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kind of all the rave now with them ramping up marketing on TikToks. And can you just talk about that onboarding experience? Yeah, it's a little annoying. I haven't gone through it now, Justin. But it's similar to kind of any other onboarding where it's like, cool, you need to have a ton of proof about your business and who's this owner and that owner. And that can get annoying to find all that paperwork and kind of roll through it. It's not super easy to go set up TikTok shop, especially for more established businesses that have a complicated ownership structure. But what it's worth doing, right? I think it's just a matter of like anything, like getting set up on Amazon. Okay, it's not super simple. You can set up Shopify very quickly. You setting up TikTok shop actually, I think will probably take you longer than setting up, not like building a whole site, but just your basic onboarding of that. But it's worth it once you see those channels coming on and you say, oh, there's natural sales being driven for this. If I make videos on TikTok, and I add TikTok shop to it, that TikTok is going to show it in a different way to different people that will help me convert better. That seems like a no brainer to do where I don't think people should rush to is like, if you're not making TikTok videos, don't go rush and sign up for TikTok shop unless you have a plan of how you're going to naturally support that, right? But I think it's just worth being aware of all these opportunities and not waiting. If you see something start to get some traction, it's worth the team spending the few hours it takes to get whatever together or the few days to potentially be on the forefront of that. Because I think what we've seen now with all these social networks, with all these new plugins or new marketing strategies is the ones that work well end up having a significantly outsized impact for the people that adopted them early. Speaking of TikTok, what are your general thoughts on live stream commerce and its traction in the US or like the West broadly? I'm fascinated by live stream commerce. I'm actually relatively opinionated on this. I think that like, look, if you have a grocery store or you have any kind of brand where you can show things that are happening all day that are captivating, then you should probably be alive. The grocery store example, I'll use Erwan as an example in LA. It's like a super high-end grocer that has the who's who of interesting people coming through it. Look, if Erwan just had a live cam every day of who's walking through the front door of the store, I guarantee people would watch it 24 as long as the store is open on TikTok just to see what's happening because it's a wild scenario many of the times. But also, same thing of like say you had some, if you're selling whatever products and you have a prep kitchen or anything like that, you actually show people working or doing something. What happens well on live is people watching people in their methodical nature or the things they're doing. And while they're doing that thing, they're communicating and things are popping up on the board to sell. And I think that like, just by the nature of how people are scrolling and how people tune in, if you have something that is even is interesting, even from that mundane methodical factor, or if it's interesting from like a more viral attention grabbing factor, like why not keep that live? That is an employee's cost for the year to be the person that's on live eight hours a day. And you're continuing to push those sales and see what that resonance look like. But I think it is a, I think we have not gotten the full saturation of the content that is going to be selling to people on live. And I think there's going to be some savvy businesses that really crack that and do super well on TikTok, but it's still like a new frontier. You could definitely count me as a viewer if Erwan chose to live stream for sure. Well, thank you again, Orrin, for all your time and insights

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today. This has been such a fun learning experience for us. And we're coming away with even more respect for the DTC brands and entrepreneurs who are successfully cutting through the noise. Before we conclude, we have one last question or questions for you. Who are some DTC merchants that you've admired for a long time? And who are some merchants that have come on your radar more recently and are doing interesting or unique things? I really like Flamingo estate as someone who I admire because I admire the way they present their brand, how they've established

a luxury brand in a short period of time. So for people that aren't familiar with that, they basically had started during the pandemic, were doing basically luxury localized vegetable delivery and then expanded into kind of consumer products that kind of range from soaps to honeys to interesting consumer package goods. But it's hard to establish a luxury brand without one of the pinnacles luxury, which is like performance over time. And they did a really good job at that with basically how they presented their brand and the quality of their products and how they market. So that's a really interesting company that I have a lot of respect for. Same thing with a company that spoke to me, speaks to me very specifically, which is a company called District Vision. They are a high-end running gear company and they really embrace the concept of mindful athletes and people who are really intentional about their life and their thoughts and their process in athletics. And they make really high-end gear that is very user experience focused. They I think have done a really interesting job in cultivating a community and taking a concept to a bigger market like running and saying, we're going to carve out this niche and make things there perfect for those customers. And they've done a great job and attracted to me. I do have like a list that I come up with constantly when I go reference for like, if I'm going to go do some work or we're optimizing a site or we want to see who's doing the latest stuff, I look to, you know, pretty typically Ridge wallets, true classic teas and hex clad pans as great examples of, I know they are investing a ton of time and energy into optimized sites, optimized advertising funnels, and to the product mix that is going to appeal to their audience. So I think they're great examples if you're going to go look at brands that you want to have, you know, takeaway learnings from about their tactics. And then, you know, other than that, I think I'm really interested in watching some of these creator brands grow and some of these kind of new age, you know, new age conceptual brands like that company, a racket Rosé that they launched like a fake country club called the Rochambeau Club as like the corner of their marketing and it just did it really well and it caught traction. I think that's fascinating. Marcus Milion, who has this company called Minted New York, he's like, I was basically a TikTok creator who spent into this kind of New York lifestyle brand, but who builds like super aggressively in public. I think that's kind of fascinating. But I could talk about brands specifics forever, but there's just so many interesting stories going on right now. And I love kind of seeing them grow and be successful.

I remember when Minted, Minted New York, I remember watching Marcus make his first TikTok video as I was living in New York. I feel like I followed him at to your point about building aggressively in public. I feel like I followed his whole journey. It's pretty interesting to watch. Yeah, and it's great. If you see that too, it's like funny. It's like, all right, like a lot of people follow him now and had no idea. It's like, hey, you started those like none of

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this, right? It was just like straight kind of like more influencer content, fitness content. And then, and then to watch your branch and to we're starting a brand to now a very popular brand that has a really high degree of like style and insight is great. And that's the beauty of this, right? Is I think that for either of us, you know, you found that experience by, you know, case someone like local tour where you were that appeal to you, Sonic, talk a certain era. Like, I see it as someone who's building things, something inspirational to me. There's all these different ways you can build affinity to that story. And none of that would have happened without short form video. Yeah, I mean, he was running the same routes as I was in New York City. So it was interesting to watch him run it at like, you know, a much faster pace, but then to see him build everything out aggressively in public. I think that that is really an interesting point. And you brought it up with the live streaming as well. Brands have an ability to communicate pretty much every step of the way. And I think, you know, people will find it interesting at, you know, some level. And sharing real life too, like to your point of like, you're like, oh, I'm running these same routes, like a lot of brands and all personalities are afraid to actually share interesting things about them. And the more of that story that comes out, the more people go, oh, you know what, like it's all just hooks that help establish, you know, establish affinity and establish how people feel about you. And I think the more personal that that gets both for brands and consumers, you know, like the better it is. Yeah. Well, Orrin, thank you again so much for your time. If we want to learn more about what brands you're following and what's exciting you on a day to day basis, where can we find you? Yeah, so I'm at OrrinMeetsWorld.org on TikTok, Instagram, Twitter, primarily, I do have a newsletter called product people, which is productworld.xyz slash product-people, but it's also linked in all my bios. So it's easy to find where I do kind of breakdowns of where I'll actually see, here's a little things I like, here's what I'm seeing, here's what good references are, here's the ideas that are floating through that is a definitely like all the things we talked about here are in some way, shape or form, if they haven't made it in yet, like, I'll get inspiration from this and then drop it in there. So yeah, that's a good vehicle to learn more about what I'm thinking. But yeah, and then feel free to shoot me a DM or say hi anytime I try to be available and interested and talking to people wherever I can. Thank you. Thanks, Orrin.

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