AN OPERATOR'S FIELD GUIDE

ZERO → EIGHT FIGURES

ZERO TO EIGHT FIGURES

How direct-to-consumer brands actually get built — from $0 to 8 figures.

The operators' guide to building, growing, and scaling a direct-to-consumer brand — drawn from hundreds of conversations with the founders, investors, and operators who actually did it.

6 PARTS
16 CHAPTERS

THE DTC POD PLAYBOOK
FIRST EDITION · 2025

AN OPERATOR'S FIELD GUIDE

ZERO TO EIGHT FIGURES

The operators' guide to building, growing, and scaling a direct-to-consumer brand — drawn from hundreds of conversations with the founders, investors, and operators who actually did it.

"We are a media company that sells chocolate."

JAKE KARLS · CO-FOUNDER, MIDDAY SQUARES

HOSTED BY

Blaine Bolus & Ramon Berrios
Co-hosts, the DTC Pod

NETWORK

HubSpot Podcast Network
Where the conversations live

SOURCING

Verbatim from the show
Every quote drawn from real episodes

SCOPE

6 Parts · 16 Chapters
One growth-stage spine

FEATURED ON THE DTC POD

THE OPERATORS BEHIND THE PLAYBOOK

Every framework in this book traces back to a founder, operator, or investor who built the real thing. A few of the brands whose stories appear inside:

Ghia	AZUNA®	OLIPOP
MID-DAY SQUARES.	bala	Momentous®
MATEINA YERBA MATE	Arrae	Seed
ILIA	GORGIE	MR BEAST FEASTABLES
FORM	goodgirlsnacks	The Absorption Company.

…AND 40+ MORE FOUNDERS, OPERATORS & INVESTORS LISTED IN THE VOICES

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INTRODUCTION

The Map Is Not the Territory

There is no shortage of advice about how to build a direct-to-consumer brand. There is a shortage of *honest* advice — the kind that comes from someone who has actually wired money to a factory in China, watched a Facebook account get suspended the week before a product launch, or sat across from a Walmart buyer who does not care, even a little, about your brand story.

THE ARC

The growth-stage spine

1. **Find the Wedge**
   A product, an offer, and a brand that can actually win.
2. **Ignite**
   Content, community, and a launch with demand built in.
3. **Scale Acquisition**
   Meta, Amazon, Google, creators, and affiliates.
4. **Make It Compound**
   Subscriptions, LTV, and the retention that funds growth.
5. **Go Omnichannel**
   Retail, Amazon, and a supply chain that can keep up.
6. **Build Something Durable**
   Finance, profitability, and how to raise — or not.

Read it in order, or find your altitude — a founder at $200K and an operator at $20M can both jump in.

This book is built almost entirely from that second kind of advice.

Every framework, number, and quote in these pages comes from the people who have been on the *DTC Pod* — founders who took brands from a kitchen table to eight and nine figures, operators who have spent more than a hundred million dollars on Meta, investors who have written the first check into companies you buy from every week. We went back through the library, pulled the sharpest insights, and organized them into a single arc: the journey a brand actually travels from zero to eight figures.

That journey is not a straight line, and this book does not pretend otherwise. But it does have a shape, and the shape is the spine of this book:

- **Part I — Find the Wedge.** Before you spend a dollar on ads, you need an insertion point: a product, an offer, and a brand that can actually win.
- **Part II — Ignite.** The earliest growth almost never comes from paid media. It comes from content, community, and being interesting enough that people talk about you for free.
- **Part III — Scale Acquisition.** Once the engine works, you pour fuel on it: Meta, Amazon, Google, creators, and affiliates. This is the deepest, most tactical part of the book.
- **Part IV — Make It Compound.** Acquisition without retention is a bucket with a hole in it. Subscriptions, LTV, and the unglamorous operational details that keep customers are where durable businesses are actually made.
- **Part V — Go Omnichannel.** The biggest DTC outcomes are not DTC-only. Retail, Amazon, and a supply chain that can keep up are how you get from $10M to $100M.
- **Part VI — Build Something Durable.** Finance, profitability, and the question every founder eventually faces: should you raise money, and what does an investor actually want?

A few notes on how to read this.

The quotes are real and attributed. When you see a pull-quote, a real operator said it, on the record, on the show. We have kept their words verbatim wherever possible because the specificity is the value. "Keep paid marketing under twelve percent of revenue" is a sentence you can act on. "Be efficient with your spend" is not.

The checklists are the homework. Every chapter ends with an *Operator's Checklist* — the concrete moves to make based on what the chapter covered. If you read nothing else, read those.

You can read it in order, or jump. The book is built as a growth-stage spine with tactical deep-dives nested inside, so a founder at $200K and an operator at $20M can both find their altitude. If you are pre-launch, start at the beginning. If you are stuck on a specific problem — Meta isn't scaling, retention is leaking, a buyer wants you in 800 doors — go straight to the chapter that names your problem.

One last thing before we start. A recurring theme on the *DTC Pod*, repeated by founders who could not be more different, is that the boring stuff is the moat. The supply chain. The unit economics. The second purchase. The relationship with the co-packer. The thank-you page. The thing nobody posts a screenshot of. Everyone wants the growth hack; almost nobody wants to do the work that makes the growth hack matter.

This is a book about the work.

Let's begin.

PART I

FIND THE WEDGE

Before scale, before ads, before any of it: you need a way in. A product the market actually wants, an offer that makes money, and a brand worth remembering. Most companies that die never solve this part. They just spend their way past it for a while, and then they run out of money.

CHAPTER 01

The Wedge

In 2011, Ellen Marie Bennett was a line cook in a Los Angeles kitchen, frustrated by a cheap, ill-fitting apron. She had no manufacturing experience, no investors, and no plan to build a brand that would one day dress the chefs on *Top Chef*. She had a single, narrow insight: the people who wear aprons all day deserve a better one, and nobody was making it for them.

CHAPTER 1 · FRAMEWORK

Three ways to find a wedge

1. **Solve a life-and-death problem**
   A pain the customer feels acutely — and repeatedly, so it compounds into subscription.
2. **Attack a big category that feels wrong**
   Take a multi-billion-dollar market where customers have quietly settled.
3. **Build the category that doesn't exist yet**
   Create the obvious-in-hindsight product that should exist and somehow doesn't.

That narrowness was the point. Hedley & Bennett did not launch as "kitchen and home goods." It launched as the best apron for professional chefs — a wedge so specific that Bennett could put it on the most respected practitioners in the industry and let credibility do the marketing.

> **"For the first four or five years, it was just me building a deep, tremendous community with loyalty and listening and trying and failing and perfecting the apron."**
>
> Ellen Marie Bennett, founder, Hedley & Bennett

This is the first lesson of the entire book, and it is the one most founders skip: **you do not start by being everything to everyone. You start by being the obvious choice for someone.** The wedge is the narrow place where you are not competing — where your product is so clearly *for* a specific person, in a specific situation, that the decision to buy is easy.

The wedge is a beachhead, not a ceiling

The fear founders have about a narrow wedge is that it caps the business. The opposite is true. A sharp wedge is how you *earn the right* to expand. Hedley & Bennett went from aprons to knives, cutting boards, and a full kitchen line — but only after the apron made them the brand chefs trusted.

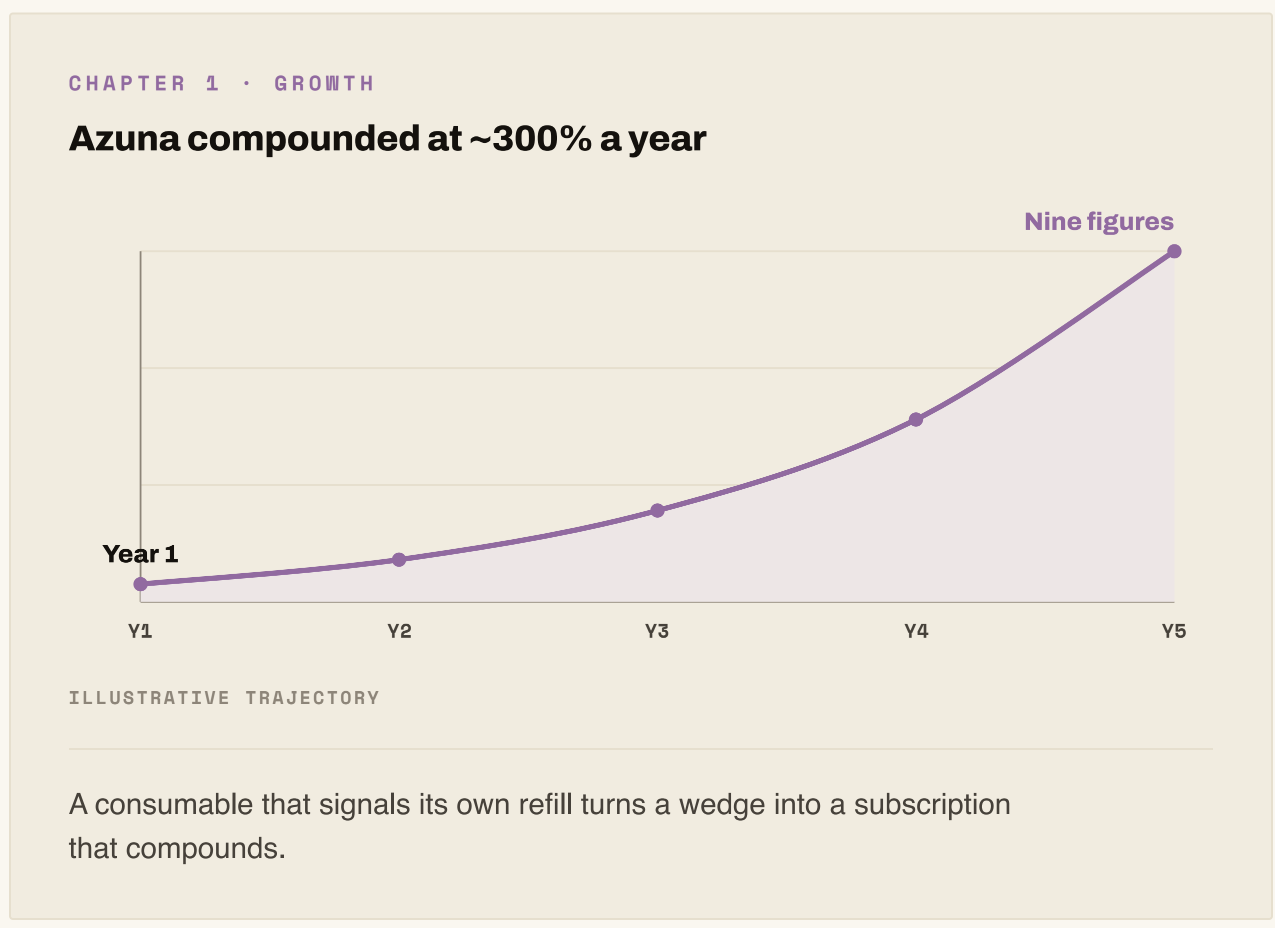
OWYN — "Only What You Need," the plant-based, allergen-free protein brand — followed the same logic in a different category. CMO Julia Perez is blunt about why they did not chase mass distribution on day one:

> **"The brand was born in the natural channel — think Sprouts, Whole Foods, Fresh Market — really playing to our medical and our clean nutrition roots before trying to scale up. You have to stay focused before you try to scale out."**
>
> Julia Perez, CMO, OWYN

"Stay focused before you scale out" is the entire strategy of Part I in seven words. OWYN's wedge was the customer with a real, urgent need — someone with allergies, someone in medical recovery, someone who literally could not drink the other shakes. Win that customer completely, and the "cool" mass-market customer becomes reachable later. Skip that customer and go straight for mass, and you are just another protein shake fighting for shelf space on price.

Find the problem that is "life and death" for your customer

The strongest wedges solve a problem the customer feels acutely. Scott Dancy built Azuna — a natural, tea-tree-oil-based odor eliminator — into a nine-figure brand growing 300% a year. The wedge was not "air freshener." It was *odor*, the specific, embarrassing, urgent problem of a smell you need gone now. And critically, the product *worked*, which meant the wedge had a second edge: it created its own repeat purchase.



A consumable that signals its own refill turns a wedge into a subscription that compounds.

> **"Because the gel is a consumable and because it works and because when it hardens, you know that you need to refill it, we have a perfect subscription model."**
>
> Scott Dancy, founder, Azuna

Notice how the wedge, the product, and the business model are all the same decision. A consumable that visibly runs out, solving an urgent problem, for a customer who will know immediately whether it worked. That is not three good choices. That is one good choice with three payoffs.

Attack a big category that feels wrong

Some of the sharpest wedges come from looking at an enormous, established category and noticing that customers are settling. Michelle Cordeiro Grant has run that play twice — first with the lingerie brand Lively, then with the energy-and-wellness drink Gorgie:

> **"What if I looked at a category that was multi-billion dollar in the United States, but felt a little not what I want as a consumer or what I see on social? Enter Lively. Everything was crowdsourced, community-based. After that company was acquired, I was like, what's next? And wellness was my greatest passion."**
>
> Michelle Cordeiro Grant, founder, Gorgie (and Lively)

Gorgie's wedge was the gap between a giant category and what the customer actually wanted on the shelf:

> **"Everyone is drinking energy drinks, and I'm like, who drinks energy drinks? They're so bad for you. TikTok said there were some that were good for you, so I went to Whole Foods to buy one — turns out there weren't any that were Whole Foods verified. And that's where the idea for Gorgie really solidified: what if we made an energy-meets-wellness drink?"**
>
> Michelle Cordeiro Grant

The wedge isn't a brand-new category nobody's heard of. It's the obvious-in-hindsight version of a category millions already buy — the one that should exist and doesn't. Grant had Gorgie in Whole Foods within about four months of the idea.

Or build the category that doesn't exist yet

The opposite move can work just as well: instead of entering a giant category, you create one that barely exists and pull demand into being. When Mélanie Masarin started Ghia, the non-alcoholic aperitif had no real shelf of its own — and the wedge was social, not just liquid.

> **"It was really born out of a desire to bring people together without the social stigma that revolves around not drinking."**
>
> Mélanie Masarin, founder, Ghia

Every chef and buyer she interviewed told her no. She built it anyway, on a conviction that the category would follow the product into the world:

> **"I just had this really strong gut feeling that supply would drive demand."**
>
> Mélanie Masarin

The discipline was refusing to be a substitute. Ghia is its own thing — not a sad stand-in for a "real" drink — with a brand built to last rather than to trend:

> **"I want it to be the Campari of non-alcoholic."**
>
> Mélanie Masarin

Creating a category is harder than entering one; you pay to educate the market. But if your gut is right, supply really can pull demand into existence — and you end up owning the category you built.

Test the wedge before you bet the company on it

A wedge is a hypothesis until customers confirm it. The founders who scale are the ones who let the market pull them, rather than pushing a product the market does not want. Irene Chen and Matthew Grenby bootstrapped Parker Thatch to eight figures over twenty years — and they got there by *following the pivot* through a digital e-card service, then stationery, then monogrammed goods, and finally luxury handbags, each move guided by what customers actually bought.

> **"It doesn't matter how hard you work — you get up at three in the morning and you can only bake so many breads in a day. So how do you expand?"**
>
> Matthew Grenby, co-founder, Parker Thatch

The wedge is not the thing you are emotionally attached to. It is the thing that works. The discipline of Part I is the discipline to tell the difference.

✓ OPERATOR'S CHECKLIST — THE WEDGE

- **Name the customer, not the category.** Write one sentence: "[Specific person] in [specific situation] needs [specific outcome] and isn't being served well today." If you can't, you don't have a wedge yet.
- **Pick a beachhead channel that matches the wedge.** A medical/clean-nutrition wedge lives in the natural channel (Sprouts, Whole Foods) before it lives in Walmart. Match where you launch to who you're for.
- **Make sure the product creates its own repeat.** The best wedges (consumables, problem-solvers) build in a reason to come back. If yours doesn't, plan for that now, not later.
- **Get the product on the most credible practitioners.** Put it in the hands of the people your customer already trusts (chefs, athletes, specialists) and let credibility do early marketing for free.
- **Let the market pull you.** Treat your first product as a hypothesis. Watch what sells, what sells out, and what customers DM you asking for — and follow it, even if it's not the idea you started with.

CHAPTER 02

Nail the Offer

A wedge tells you *who* you are for. An offer is *what you actually put in front of them* — the product, the price, the packaging of value, and the math underneath it. And here is the uncomfortable truth that runs through the entire growth section of this book: **no amount of marketing genius can save a broken offer.**

Haris Memon built Miracle Brand into a $30M+ business and runs the DTC holding company Nameless Ventures. He has spent enough on paid acquisition to know exactly where the leverage is, and it is not in the ad account:

> **"The offer is, hey, we've got this core funnel with these upsells in place, with this AOV that we have, and this CPA that we can pay to the affiliates, and this is our offer. So when an affiliate network asks us what's your offer, we say, look, this is the lander, this is our conversion rate, this is our AOV, this is the CPA we can give you, and this is how much scale we're getting off of this offer right now."**
>
> Haris Memon, founder, Miracle Brand / Nameless Ventures

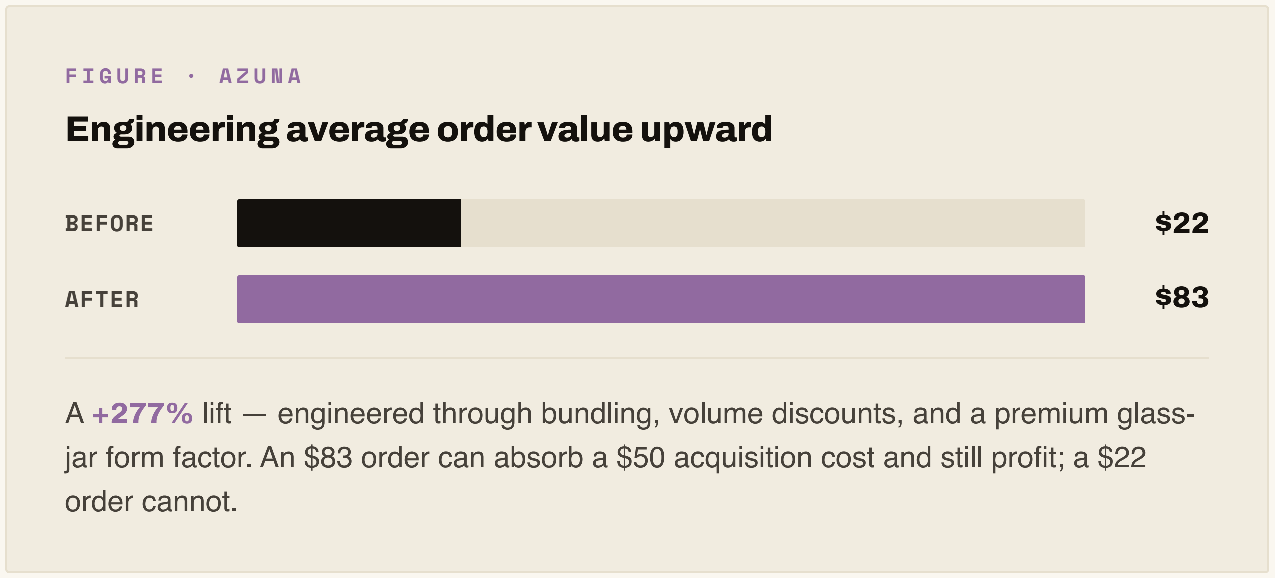
Read that again. The "offer" is not a discount. It is a *system*: a landing page, a proven conversion rate, an average order value, a known customer-acquisition cost, and evidence it scales. When that system works, it lifts *every* channel at once — organic, paid, affiliate, retail. When it doesn't, every channel underperforms and you blame the channel.

AOV is the lever that makes everything else possible

The single most important number in your offer is average order value, because it sets the ceiling on what you can afford to spend to acquire a customer. Scott Dancy of Azuna is emphatic about this — to the point of telling founders who pitch him that a low AOV product simply cannot be acquired profitably online:

> **"When people come to me to invest in their business and they're like, well, I've got an amazing product and the margins are great, but the average order is $20 — I'm like, well then you can only go to retail. You can't sell it online. Your cost of acquisition, I don't care how good you are, is going to be 50."**
>
> Scott Dancy, founder, Azuna

Azuna did not accept a low AOV. They engineered it upward — from about $22 to $83 — through bundling, volume discounts, and a premium glass-jar form factor.



> **"We had an average order value of about $22. Now it's 83."**
>
> Scott Dancy

That single change is the difference between a business that can run paid ads and one that cannot. An $83 order can absorb a $50 acquisition cost and still make money over the customer's lifetime. A $22 order cannot.

Marin Ištvanić, who has personally managed over $150M in Facebook spend, builds the same logic directly into the offer with price anchoring — structuring bundles so the largest, highest-margin option looks like the obvious choice:

> **"I have some clients that are okay with a ROAS of 0.5, 0.4 — they know they're losing money on a front end, but they know their numbers, they know their LTV, they know their retention. Even though they're losing money in theory on the front end, their ultimate return would be 3x if someone buys six times and stays with them six months."**
>
> Marin Ištvanić, partner, Inspire Brands Group

The offer and the unit economics are the same conversation. You are not setting a price; you are designing the math that determines whether you can ever scale.

Protect AOV instead of discounting it

There is a reflex, when growth stalls, to reach for a bigger discount. The data says this is usually a mistake. We will see this again in the retention chapters, but it starts here: discounting trains customers to wait, erodes margin permanently, and rarely moves conversion as much as you hope. Marin's framing — "buy two, get one" instead of a flat percentage off — protects AOV while still feeling generous. The goal of a great offer is to make the *bigger* purchase the easy one, not the *cheaper* one.

Know your numbers before you scale a dollar

Underneath the offer is the accounting, and most early founders get it wrong in the same way: they confuse revenue with money in the bank. Christian Rivera, founder of The Ecommerce Accountants and a former Ernst & Young tax specialist, puts it plainly:

> **"If you have $10,000 in sales in Shopify today, do you get $10,000 in your bank account tomorrow? The answer is no — because there's refunds, there's chargebacks, there's merchant fees, there's all kinds of stuff that goes into that before you get that net payout."**
>
> Christian Rivera, founder, The Ecommerce Accountants

Rivera's advice for early-stage founders is refreshingly anti-complexity: don't pay an accountant to manage multi-state sales tax compliance before you have real sales-tax risk. Put that money into growth.

> **"Your money is better served hustling and growing and putting money into your ads instead of paying an accountant to do sales tax when you don't really have a lot of sales tax risk."**
>
> Christian Rivera

The offer is where art and arithmetic meet. Get the arithmetic wrong and the most beautiful brand in the world cannot outrun it.

✓ OPERATOR'S CHECKLIST — THE OFFER

- **Engineer AOV upward before you scale spend.** Bundle, add volume tiers, raise the form-factor quality. Aim for an AOV that can absorb your real CAC and still profit over the customer's lifetime.
- **Anchor your pricing.** Structure 1 / 2 / 3-unit bundles so the largest, highest-margin option is the obvious buy. Use "buy two, get one" instead of flat percentage discounts.
- **Treat the offer as a system, not a product.** Lander + conversion rate + AOV + CPA + proof of scale. When this system works, it lifts every channel at once.
- **Recognize revenue net of reality.** Subtract refunds, chargebacks, and merchant fees before you celebrate a sales number. Sales are not deposits.
- **Don't over-invest in financial complexity early.** Comply with sales tax only where you have physical nexus; reinvest the savings into acquisition. Add structure (S-Corp, multi-state) once revenue justifies it.

CHAPTER 03

Build the Brand, Not Just the Product

You can have a great wedge and a profitable offer and still build a fragile business — because if all you have is a product, you are one competitor and one CAC increase away from irrelevance. The most durable DTC companies are *brands*, and the people who have invested in the most of them say the difference is measurable.

Brent Vartan is co-founder and managing partner of Bullish, which put first money into Peloton, Warby Parker, Casper, Harry's, and Care/of. He has watched, across dozens of companies, what separates the ones that compound from the ones that stall. His conclusion is a direct challenge to the performance-marketing-obsessed default of the last decade:

> **"If you build a culture that is focused on CAC and COGS, you're not going to build a business that's really attractive — and you're definitely not going to build a brand. But if you have a culture that's focused on AOV and CLV, you could potentially grow extremely fast."**
>
> Brent Vartan, co-founder, Bullish

The point is not that costs don't matter. It is that an acquirer — or the market — can fix your CAC and your COGS. What they cannot manufacture is a rabid customer base.

> **"We're way more oriented towards customer lifetime value, and we're way more oriented towards repeat. What we like is when you have a really rabid customer base and they're working for you on your behalf."**
>
> Brent Vartan

Vartan has a number to prove brand is not a soft asset. When Bullish portfolio company Nom Nom rebranded — "nothing changed except the branding" — sales lifted 17%. The brand *was* the growth.

$16M

FIGURE · BALA

Built almost entirely on word of mouth

Bala reached roughly $16 million in a single year with almost no paid acquisition — proof that a brand strong enough to earn attention is itself the growth engine.

Timeless beats trendy

Emmett Shine co-founded Gin Lane, the agency behind the visual identity of Warby Parker, Harry's, Hims, and Sweetgreen, and then built the Pattern Brands portfolio. He spends his life thinking about what makes a brand feel enduring rather than disposable, and his test is unusually concrete:

> **"I always try to be careful of falling somewhere in the middle. And that's what I think feels trendy sometimes — trying to make it so it would be hard to time it, if you saw it, to be like, oh, that's that month, that year."**
>
> Emmett Shine, co-founder, Gin Lane / Pattern Brands

A brand that screams "2019" was designed to win a moment. A brand that could have existed a decade ago and will still look right a decade from now was designed to last. The second kind compounds.

Differentiate through design

Sometimes the brand *is* the product's design. When Max Kislevitz and Natalie Holloway started Bala, fitness equipment was an aesthetic wasteland — rubber-coated dumbbells and neon ankle weights you hid in a closet. They saw the opening not in the function but in the form.

> **"BALA is really a design-led approach to fitness accessories and equipment, the likes of which have historically been really utilitarian. We thought there was an opportunity to bring design and color and a sense of joy to a category nobody had ever really cared about aesthetically."**
>
> Max Kislevitz, co-founder, Bala

Design was not decoration; it was the distribution strategy. A product beautiful enough to leave on the coffee table becomes a product people see — and a product people see becomes a product people talk about.

> **"If you have 20 people in a yoga class and one person is wearing them, the other 19 take notice. The product itself becomes the marketing."**
>
> Max Kislevitz

That organic visibility did real numbers: Bala reached roughly $16 million in a year almost entirely through word of mouth and earned attention, with the stated ambition of becoming "the next great global fitness brand." Design-led differentiation is the rare brand investment that doubles as a media channel — because every unit sold is also a billboard.

The brand has to stand on its own — beyond the founder

For creator-led brands especially, the hardest and most important transition is the moment customers fall in love with the *brand* rather than the person who started it. Allegra Shaw built Uncle Studios on the back of her own audience, but she is clear that the goal was always to outgrow her:

> **"They get their product and they love it and they want to have a closet of Uncle because it fits their taste and their aesthetic. They might still follow me and love how I style things, but they fall in love with the brand outside of me. It has to do with your product and how great your product is."**
>
> Allegra Shaw, co-founder, Uncle Studios

That is the test of a real brand: it survives the absence of any single founder, influencer, or ad campaign. The product carries it. The identity carries it. And — as Uncle Studios found, with a t-shirt from their 2017 launch still their best-seller years later — durable brands are built on durable products.

Build for the long haul

The most durable brands optimize for a horizon most of their competitors cannot see. ILIA — the clean-beauty brand acquired by Clarins — is run with an explicitly long view, one that shows up in how the team thinks about ownership of its own demand.

> **"ILIA is owned by Clarins, and they want ILIA to build a brand over the long haul. We're not optimizing for a quarter. We're building a legacy."**
>
> Cherene Aubert, VP of Digital & E-commerce, ILIA

That horizon changes the questions a team asks. The most important one, Aubert says, is a stress test most brands never run on themselves:

> **"What happens if all of your advertising just shuts off? How many organic customers, or how much organic revenue, would you actually have? That's the real measure of a brand."**
>
> Cherene Aubert

It is the same instinct Brian Sugar names later in this book as owning the house instead of renting it (Chapter 10). A brand you own is a brand that survives the day the ad account stops working. Building for the long haul means building demand you don't have to re-buy every morning.

Decide what you are building toward

Finally, brand strategy is not just aesthetics; it is direction. Vartan argues that founders should decide, early and honestly, what game they are playing:

> **"You're either building for IPO or you're building to be acquired. You just have to be really honest with yourself, your team, your investors about what these are."**
>
> Brent Vartan

That decision shapes everything downstream — how you raise, how you spend, what you protect, and what you build that a strategic acquirer could never replicate. We will return to it in Part VI. For now, the lesson of Part I is complete: a wedge gets you in, an offer makes you money, and a brand makes it last.

✓ OPERATOR'S CHECKLIST — THE BRAND

- **Optimize for AOV and CLV, not just CAC and COGS.** Build a culture and a set of metrics around customer lifetime value and repeat purchase. That's what compounds — and what makes you acquirable.
- **Pass the "what year is this" test.** Design identity, packaging, and voice that would look right a decade ago and a decade from now. Avoid trends that timestamp you.
- **Build a brand that outlives the founder.** Especially if you're creator-led, engineer the moment customers love the product independent of you. Give the brand its own voice and personality.
- **Invest in brand as a growth lever, not a cost.** Remember Nom Nom: a rebrand alone lifted sales 17%. Treat identity work as performance work.
- **Name your endgame.** Decide — honestly — whether you're building for IPO or acquisition, and let that decision shape how you raise, spend, and differentiate.

PART II

IGNITE

The first growth almost never comes from a perfectly tuned ad account. It comes from being interesting. From content people choose to watch, a community that wants you to win, and a launch that lands on a crowd instead of an empty room. This is the part of the journey that paid media cannot buy — and the part that makes paid media work later.

CHAPTER 04

Become a Media Company

Jake Karls and his co-founders started Midday Squares in a condo, making 80 chocolate bars a day. A few years later they were producing roughly 90,000 bars every 24 hours. The thing that got them from one number to the other was not a clever ad. It was a decision about *what kind of company they were*:

CHAPTER 4 · MIDDAY SQUARES

From a condo to a media machine

1,125×

Production went from **80 chocolate bars a day**, made by hand in a condo, to roughly **90,000 every 24 hours** a few years later. What changed wasn't the chocolate — it was becoming a media company first.

> **"I always tell people, we are a media company that sells chocolate. We're really a company that tells great stories, builds community, and then how they support us is by buying the chocolate."**
>
> Jake Karls, co-founder, Midday Squares

This reframe — *media company first, product company second* — is one of the most repeated ideas across the entire *DTC Pod* library, and it is the engine of early-stage growth. The founders who win the ignition phase are the ones who treat content as the product and the physical good as the way the audience says thank you.

Authenticity is the lowest CAC there is

Midday Squares documented everything: the wins, the breakdowns, even therapy sessions. When Hershey's threatened them with a lawsuit, they did not lawyer up and go quiet — they turned the whole saga into content. The logic is economic, not just emotional:

> **"Storytelling is just share what's actually happening. Share the transparent, authentic reality of what you're going through, and don't be afraid to hide anything. When you find your authentic angle, go 100% all in, guns blazing on it — your cost per acquisition per customer then goes down."**
>
> Jake Karls, co-founder, Midday Squares

That last sentence is the whole thesis. Authenticity is not a brand-values nicety. It is a *performance lever*. When people feel like they are buying from a family member, a friend, or a neighbor, they convert more cheaply and they stay longer. Midday Squares hit roughly $51,000 in sales in a single day on their own website — on the back of an audience that had been watching the story unfold for years.

> **"When they saw the product in the fridge at the grocery store, they no longer saw a chocolate bar. They now saw a brand that they know. They feel like they're buying from a family member, a friend, or a neighbor."**
>
> Jake Karls

Founder-led content beats brand content

If content is the engine, the founder is usually the best fuel. Caleb Alvarez runs Shadowlight Studios and has produced content for Monster Energy, Poppi, and the hard seltzer brand Nectar — which he helped take from $2M to over $5M on organic content alone, with no paid ads. His strongest conviction is that the founder, not the brand account, is the asset:

> **"For the brands, what we've really seen succeed is founder-led content. The reason why we double down on founder-based content is because at the end of the day, the founder is the one that typically has the vision behind the company. Founders have stories, and so many individuals never get to tell that story because they're so focused on the day to day."**
>
> Caleb Alvarez, founder, Shadowlight Studios

The reason founder content works is the same reason Midday Squares works: it is irreplaceable. A competitor can copy your product, your packaging, even your ad creative. They cannot copy your founder's story or vision.

Content is a system, not a burst of inspiration

The trap founders fall into is treating content as something they do when they feel inspired — which means they do it inconsistently, burn out, and quit. The studios that scale content treat it as an operating system. Alvarez's team takes brands from "a few videos a week" and self-editing to roughly 90 pieces of content per cycle, and the secret is not more inspiration — it is process and modeling what already works:

> **"What we're going to do is we're going to model what is already working. So when you sit down to do an ideation session, you don't have to think of new ideas."**
>
> Caleb Alvarez

And critically, organic content and paid media are not rivals. Organic is what makes paid spend land softly instead of feeling like an interruption:

> **"We need organic to work to put fuel in the fire. Your ads are going to hit mass amounts of people, and you should be funneling that attention and using organic to nurture and to actually build a relationship with the customer."**
>
> Caleb Alvarez

The shift from paid to organic is structural

JT Barnett, who built a TikTok creator house to a million followers before founding the creator-staffing firm Creator X, frames the move to organic content not as a tactic but as a permanent change in how brands stay relevant:

> **"Every company that wants to be relevant within culture right now needs to understand how to do social media well in an organic sense rather than it being a paid sense — because we're so inundated with ads that now you need to be able to watch the content without people paying for it to be watched."**
>
> JT Barnett, founder, Creator X

He has the proof point too: a consumer brand client told him a single organic TikTok sold more product than the day they aired on one of the biggest shows on television. Organic reach, when it works, is not just cheaper than paid — it is sometimes *better* than the most expensive media money can buy.

Ride a wave you can see forming

Becoming a media company is easier when you point the camera at something the internet already wants to talk about. Leah Marcus and Yasaman Bakhtiar founded Good Girl Snacks by spotting a wave before it crested.

> **"We saw the chamoy pickle trend taking off and realized there was no elevated, better-for-you version of it. So we built one."**
>
> Leah Marcus, co-founder, Good Girl Snacks

Then they treated the *story* of the company as the content — not the product shots, the story.

> **"We gained 10,000 followers in like five days from a couple of videos where we broke down our branding and our story and why we quit our jobs as best friends to start a pickle company."**
>
> Leah Marcus

That is not luck; it is allocation. The founders decided content was not a department but a co-equal pillar of the business.

> **"We realized we needed to allocate as much time to content creation as we did to anything else in the business."**
>
> Yasaman Bakhtiar, co-founder, Good Girl Snacks

The lesson: a trend you can see forming is free distribution, but only if you show up as a creator first and a brand second. The wave carries the people already paddling.

✓ OPERATOR'S CHECKLIST — BECOME A MEDIA COMPANY

- **Reframe the company.** You are a media company that happens to sell a product. Document the journey — wins *and* losses — and treat transparency as a CAC-lowering performance lever.
- **Put the founder on camera.** Founder-led content is the one thing competitors can't copy. If the founder won't, find the team member whose story and vision can carry it.
- **Run content as a system.** Don't wait for inspiration. Model what's already working in your niche, build a repeatable production process, and aim for volume (dozens of pieces per cycle), not occasional bursts.
- **Use organic to make paid work.** Don't treat them as rivals. Organic nurtures the attention paid buys, beats ad fatigue, and deepens trust across touchpoints.
- **Turn threats and mess into content.** The lawsuit, the manufacturing error, the behind-the-scenes chaos — these are your most authentic, highest-converting material.

CHAPTER 05

Launch to a Crowd

The single biggest advantage in DTC is starting with an audience that already wants what you are about to sell. It collapses the riskiest part of a launch — *will anyone show up?* — into a known quantity. The founders who build an audience first don't launch into an empty room; they launch into a waiting crowd.

CHAPTER 5 · FRAMEWORK

Why an audience collapses launch risk

1. **Build the audience first**
   Sami Clarke grew to ~500K YouTube subscribers before she ever sold a thing.
2. **Gate the launch**
   Make the crowd qualify in, so demand is proven rather than hoped for.
3. **Day-one revenue**
   "Thousands of members" on launch day — not an idea that might click.

Sami Clarke spent years building a fitness following — going live every day for three months during quarantine, growing to roughly half a million YouTube subscribers — before she and co-founder Sami Bernstein launched the fitness platform Form. By the time they opened the doors, the demand was already there:

> **"Day one, we already had thousands of members because they were on the edge of their seat ready for it — versus just an idea that might click and we might put it out."**
>
> Sami Bernstein, co-founder, Form

Form hit its one-year membership goal in ten months, entirely organically, before it spent a dollar on paid ads. That is what launching to a crowd buys you: a head start measured not in weeks but in years of audience-building cashed in at once.

Give value for years before you ask for anything

The audience-first playbook only works if the audience genuinely trusts you, and trust is earned by giving without asking. Sami Clarke's earliest brand relationships came from tagging products she actually loved, for free, long before she had leverage:

> **"One thing I did in the beginning I recommend to anyone is tag every brand you love for free. That is how I work with some of my favorite brands. I wasn't, at 10K, being like, I need money to post this story. I'd grab my favorite ice cream and I would story it and tag them, and then they messaged me saying, can I send you more?"**
>
> Sami Clarke, co-founder, Form

The lesson generalizes well beyond influencer deals: the audience you build by giving value is the audience that shows up when you finally ask. And the content has to lead with value, not the sell:

> **"The brands on TikTok that are doing such great content are the ones that are not being salesy first and are not being product first. They're giving value first."**
>
> Sami Clarke

Build the product *with* the community

Once you have a crowd, they are not just buyers — they are your R&D department. The mistake is to guess what they want. The move is to ask. Bernstein describes treating Form's earliest members as co-creators:

> **"We want to bring them in and keep them in our close circle and really involve them on all of these big business decisions, so we're not just assuming that it's something that they want. We already know it's something they'll love."**
>
> Sami Bernstein

Sami Clarke makes the same point from the creator's side — that the path to a successful product extension is to *ask the audience*, not to manufacture things to sell:

> **"Ask your audience what you want. Don't just start creating to create."**
>
> Sami Clarke

When you build with the community, you eliminate the worst risk in product development: making something nobody asked for. Form's members weren't guessing whether the product would land. They had effectively pre-ordered it by being part of the decision.

Name and structure the brand to outgrow its founder

A crowd-led launch carries a hidden risk: that the brand never becomes more than the person. The Form founders designed against that from the naming stage, deliberately choosing a name that could scale beyond Sami:

> **"We knew we wanted something simple that could be a universal brand. Taking the word Form and creating this scalable brand that is fitness now, but that's going to be so multifaceted as we continue to grow."**
>
> Sami Bernstein

It is the same principle Allegra Shaw and Uncle Studios proved in the last chapter, and it is worth stating as a rule: **launch with the founder's audience, but build a brand that can survive without it.** The audience is the ignition. The brand is the engine that has to keep running after the spark.

Gate the crowd to make it stronger

There is a counterintuitive move inside crowd-building: sometimes you make the door *harder* to walk through. When Zeke Bronfman and his co-founder built the pre-launch audience for The Absorption Company, they ran it as a private Instagram account — and the friction was the point.

> **"We got over a hundred thousand people to follow this private Instagram page before we even launched the brand. And when we launched, we sold out within 12 hours of our entire pre-launch supply."**
>
> Zeke Bronfman, co-founder & CEO, The Absorption Company

A public account would have looked bigger on a vanity dashboard. A private one built something better: people who *chose in*, who raised their hand and waited.

> **"If we had kept that as a public account, we would have had probably more page visits, but we would not have had even close to the level of followers, comments, engagement, and committed community."**
>
> Zeke Bronfman

The lesson sharpens the chapter's thesis. A crowd is not an audience size; it is a measure of commitment. Sometimes the way to deepen commitment is to ask for a little of it up front — to gate the crowd so the people who get in are the people who will buy.

Pair complementary founders

One quiet reason Form worked is the shape of the founding team: a creator who owns content and community, paired with an operator who owns the business. Bernstein had run an influencer-marketing agency and had a prior exit; Clarke had the audience and the fitness authority. Neither could have built it alone. We will see this complementary-pair pattern again and again in this book — the right-brain storyteller and the left-brain operator — and it starts here, at ignition.

✓ OPERATOR'S CHECKLIST — LAUNCH TO A CROWD

- **Build the audience before the product.** Spend real time delivering free value in your category. The goal is a waitlisted, pent-up crowd so launch day converts instead of crickets.
- **Give before you ask.** Tag, feature, and champion the things you love for free. The goodwill you bank is the audience that buys when you finally have something to sell.
- **Lead with value, not the sell.** The best-performing content is useful or entertaining first; the product is secondary. Salesy-first content underperforms.
- **Make the community your R&D.** Poll them, involve them in decisions, and build only what they tell you they want. You eliminate the risk of launching something nobody asked for.
- **Name and structure for scale.** Choose a brand name and identity that can outgrow the founder, and pair a content/community founder with a business/operations founder.

PART III

SCALE ACQUISITION

This is the engine room. Once the wedge works, the offer pays, and the brand has a pulse, you pour fuel on it: Meta, Amazon, Google, creators, and affiliates. This is the most tactical part of the book — specific campaign structures, testing cadences, commission benchmarks, and budget math from operators who have spent hundreds of millions of dollars learning what works. Read it with a notebook.

CHAPTER 06

Crack Meta

Meta is still where most DTC brands are built, and it is still where most DTC marketing budgets are wasted. The difference between the two outcomes is almost never the targeting and almost always the *creative* and the *discipline*. Two operators who have spent enormous sums on the platform — Marin Ištvanić, who has personally managed $150M+ in Facebook spend, and Peter Czepiga, founder of the agency Flighted — agree on the fundamentals with striking precision.

CHAPTER 6 · THE LADDER

The Meta creative escalation ladder

1. **Test 25+ statics**
   Distinct angles at ~$150–200/day. Give Meta enough to find a winner.
2. **Win the message**
   Isolate the 2–3 angles that resonate across formats.
3. **Promote winners to video**
   Spend production money only behind angles the data already likes.
4. **Send winners to landing pages**
   Escalate effort, in order, behind what is already working.

Creative is the new targeting

The first thing to internalize is that on modern Meta, you are not really buying audiences anymore — you are testing creative and letting the machine find the audience. Czepiga's launch standard is specific and worth memorizing:

> **"I would say north of 25 unique assets at launch is the minimum necessary amount of creative to scale in 2024, unless you have a really amazing product moat."**
>
> Peter Czepiga, founder, Flighted

Twenty-five-plus unique creatives. Not variations of one ad — distinct concepts, angles, and formats. And the way you read the early results is not by obsessing over purchases; it is by watching where Meta chooses to spend:

> **"We look at spend allocation as the number one signal of quality ahead of anything else, even purchases that early on. Meta is really amazing at identifying creative winners in a very short amount of time, and we almost never uncover what we call false negatives."**
>
> Peter Czepiga

Marin frames the same idea from the media-buyer's seat — the account is an engine for discovering winners, and your job is to feed it choices and then double down:

> **"For me, Facebook ads are just a set of assumptions. I get the data, then I double down on the winners. If I give Facebook more choice, then Facebook can pick which variation makes sense to spend on."**
>
> Marin Ištvanić, partner, Inspire Brands Group

Test cheap, then escalate effort behind winners

You do not need a huge budget to find a winner — you need enough creative and enough discipline. Czepiga's test math is deliberately scrappy:

> **"If you really need a minimum budget, probably $150 a day. I don't even care if that's spent across 25 ad sets worth of creative."**
>
> Peter Czepiga

Marin runs the same escalation ladder on creative *production*: start with cheap static ads, promote the winning angles into video, and only then build out the highest-effort assets and landing pages behind the concepts that have already proven they convert. You spend real money and effort *after* the data tells you where to spend it, not before.

Win the message before you obsess over the format

The deepest point both operators make is that what you *say* matters more than how you package it. Czepiga is almost evangelical about messaging over format:

> **"We are entirely focused on messaging. I know brands that have scaled to a quarter of a million in monthly ad spend off of two or three angles or just headlines that seem to resonate across formats."**
>
> Peter Czepiga

And the craft of messaging is translating features into visceral benefits:

> **"It's a high-protein collagen bar. We're not going to advertise 25 grams of protein. We're going to advertise — I've never felt more confident looking in the mirror. You really need to hit people over the head with what your product does in a way that sticks in them like a knife."**
>
> Peter Czepiga

Marin sources that messaging straight from the customer's own words: scrape your reviews and relevant subreddits, run them through a tool like ChatGPT to cluster the angles and exact phrases customers use, and turn those into ad concepts. The customer has already written your best copy. Your job is to find it and feed it to the testing machine.

Creative is cheap now — strategy is what's scarce

AI has made it trivially easy to generate an infinite volume of ad creative, and Apoorva Govind, founder of the creative-analytics platform Best Ever AI, warns that this is a trap if you mistake *volume* for *strategy*:

> **"Just because now it's cheap to generate creative — will you now scale your brand? No, I don't think so. The first principles still apply. Just because you have content is not equal to this is the content that will drive conversion."**
>
> Apoorva Govind, founder & CEO, Best Ever AI

Her answer is to anchor every creative decision to data on what already converts — to build a database that tags each ad by its attributes (hook, on-screen talent, messaging, length) and correlates those attributes against actual return on ad spend:

> **"Creative is important, but creative that converts is way more important. We pull data and build a correlation matrix with the creative — every aspect of each creative, how many seconds, what was the hook, who was the actor, what was the messaging — broken down piece by piece. Then we pull the common features across the winners and summarize it."**
>
> Apoorva Govind

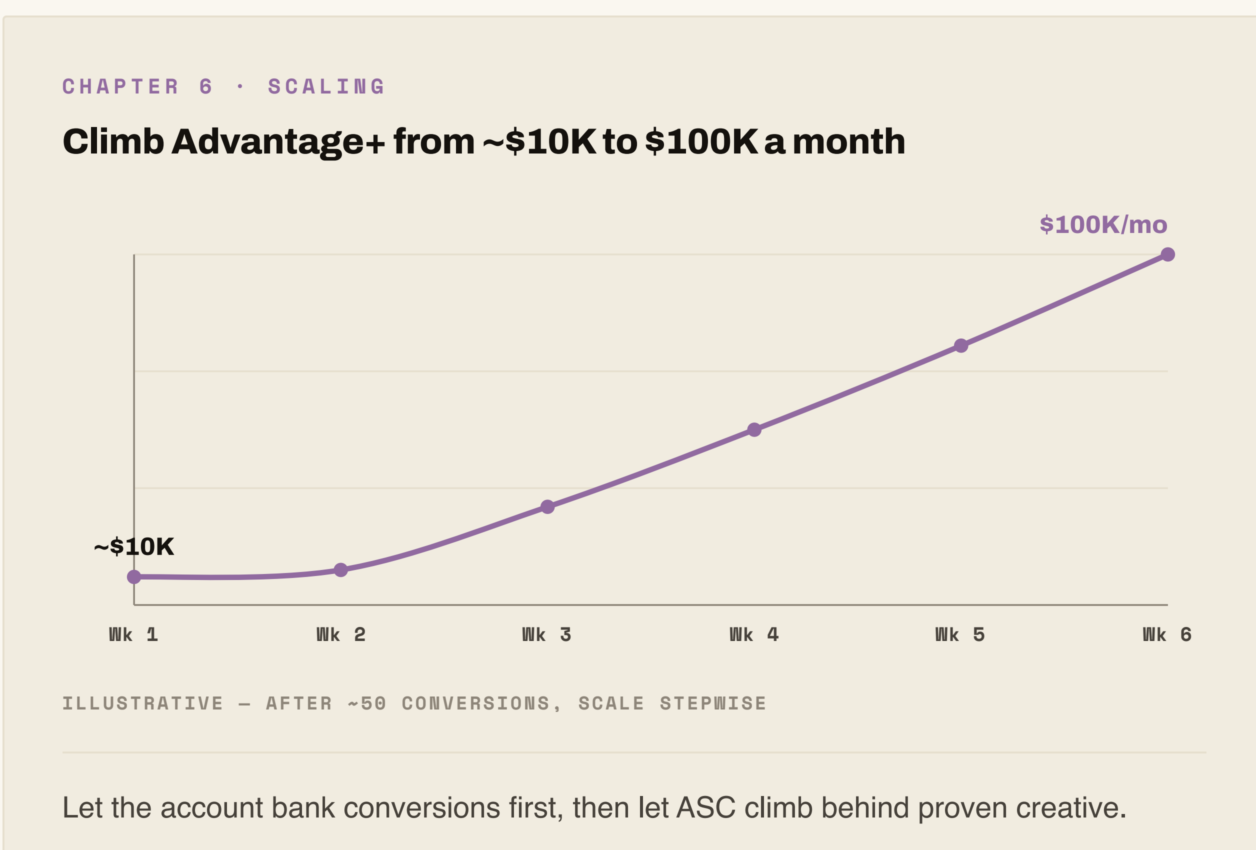
This lets you replace opinion with hypothesis testing — "is it the smiling man or the smiling woman in the first two seconds that drives ROAS?" — and get a real answer from your own historical data. Two more of her disciplines are worth adopting. First, founders should personally run their first roughly $50K of spend and make the creative themselves, because the experience of doing it forces clarity on messaging and value props that no agency briefing can: "nobody cares about your brand as much as you do." Second, pick *one* ad platform and stick with it so you aren't fighting attribution chaos across channels. On the AI question specifically, Govind is bullish on its role in scripting and editing at scale — but notes that AI-generated voiceover almost always underperforms a human, because the e-commerce buyer is the most sophisticated audience on the platform and can feel the difference.

Use Advantage+ — but know exactly what it is

Meta's Advantage+ Shopping Campaigns (ASC) are, in both operators' view, the single best scaling tool the platform has shipped in years — *with caveats*. Marin loves the campaign type but warns about the auto-enhancements and the existing-customer setting:

> **"The Advantage+ campaign is actually one of the best features Facebook implemented in the past four or five years. The thing is, you want to limit how much it spends on existing customers. If my client cares about new customers, then I would put zero — because my goal is to acquire only new customers."**
>
> Marin Ištvanić

Czepiga adds the *timing* and the *incrementality* warning. Don't reach for Advantage+ on day one — let the account build a base of conversions first, then use ASC to climb from roughly $10K to $100K in monthly spend:



Let the account bank conversions first, then let ASC climb behind proven creative.

> **"It's usually when we switch a client from that audience-testing campaign to Advantage+, maybe after two or three weeks, once we've gotten at least 50 conversions, that we see stepwise improvements in return on ad spend or CPA."**
>
> Peter Czepiga

> **"They are not as incremental as what we call manual campaigns. They tend to shift a little bit toward retargeting or middle of funnel as you scale on them, so you just have to be really careful with your exclusions."**
>
> Peter Czepiga

The exclusion discipline is the hidden skill: define your existing customers (Czepiga uses a 180-day purchaser window, and even excludes recent site visitors) so that ASC is genuinely *acquiring* rather than quietly re-buying customers you already have.

Structure the rest of the account in four buckets

For the manual testing campaigns that run alongside Advantage+, Czepiga uses a clean four-audience structure:

> **"I always, always, always recommend four buckets. Test broad, test the engaged shoppers cohort, test an interest stack of similar brands, and then a stack of upper-funnel custom audience lookalikes."**
>
> Peter Czepiga

Note that the interest stack is built from *similar brands*, not generic interests like "physical fitness." You want audiences whose presence signals real category intent.

Know your numbers so you can outspend competitors

Finally, the operators who scale the hardest are the ones who know their true margins and LTV well enough to tolerate a front-end loss their competitors can't. Marin's most counterintuitive point is that as you scale, a *lower* ROAS can still make the same money — because your operating costs don't rise proportionally:

> **"As you scale, your CPA goes up. But with the higher spend, you can potentially have a lower ROAS and still make the same money, because your opex are not rising proportionally. It's easier to negotiate with your supplier a 10% discount than to lower your CPA by 10%."**
>
> Marin Ištvanić

That is the whole game: the brand that knows its numbers can afford to acquire a customer the competitor thinks is unprofitable — and then wins that customer forever.

✓ OPERATOR'S CHECKLIST — CRACK META

- **Launch with 25+ unique creatives.** Distinct concepts and angles, not variations. Below that, you don't have enough for Meta to find a winner.
- **Judge early results on spend allocation, not purchases.** Trust Meta to identify winners fast; pause what it deprioritizes. Test at ~$150–200/day across many assets.
- **Win the message first.** Translate features into visceral benefits. Mine your reviews and subreddits (via ChatGPT) for the exact words customers use, then test 2–3 core angles across formats.
- **Escalate effort behind winners.** Statics → winning angles to video → winning videos to landing pages. Spend production money only after data points the way.
- **Use Advantage+ at the right time, with exclusions.** Wait for ~50 conversions, then scale with ASC. Set existing-customer spend toward zero, exclude 180-day purchasers, and turn off the AI creative enhancements.
- **Run four manual audience buckets:** broad, engaged shoppers, similar-brand interest stack, and stacked upper-funnel lookalikes.
- **Know your numbers cold.** True margin and LTV let you tolerate a front-end loss competitors can't — and outbid them for the same customer.

CHAPTER 07

Win the Marketplaces — Amazon and Google

Meta creates demand. Amazon and Google *capture* it — they put you in front of people who are already searching for what you sell. Most DTC founders treat them as an afterthought. The ones who scale treat them as distinct disciplines with their own logic, and two specialists — Mina Elias of the Amazon agency Trivium, and Shri Kanase of the Google Ads agency Euro Marketing — lay out playbooks precise enough to implement directly.

CHAPTER 7 · THE TPS FRAMEWORK

Testing → Profitability → Scaling

1. **Testing**
   Isolate new products and keywords so they can prove out without starving the rest.
2. **Profitability**
   Move proven winners into tight, efficient, single-match campaigns.
3. **Scaling**
   Pour budget into what is already profitable — segment by segment.

Shri Kanase organizes every scaling account into these three buckets.

Amazon is a thousand funnels, and the listing is the ad

Mina Elias, who scaled his own supplement brand MMA Nutrition to seven figures and now runs an agency managing roughly 170 brands, reframes Amazon in terms any Facebook marketer understands — and then points out the one crucial difference:

> **"Amazon is very similar to Facebook, except we don't have as much control over our ad creative and our landing page. All of our ad creative is the same — it's just our listing, the main image, the price, and the reviews. And all of our landing pages are the same: your product detail page. It's not actually one funnel, it's a thousand different funnels. Every keyword is a funnel."**
>
> Mina Elias, founder, Trivium

That reframe drives everything. The game is to show up in the most places, profitably:

> **"The game of Amazon is, how do I show up in the most amount of places as possible, profitably?"**
>
> Mina Elias

Bid down to find the buyers

Because every keyword is its own funnel, the central tactic is bid management to find the position where buyer intent is highest. Elias's insight is that lowering bids doesn't just cut cost — it filters for intent:

> **"As you lower the bids, you start converting more profitably, because there's more buyer intent. Someone who types in 'electrolyte powder' and sees you on page one at the top and clicks — maybe they're just browsing. Someone who found you at the bottom of page one and decided to click, they have more buyer intent."**
>
> Mina Elias

And conversions feed organic rank in a self-reinforcing loop. Win the paid placement profitably, convert the high-intent clicks, and Amazon promotes you organically:

> **"If Amazon sees that someone who types in 'electrolyte powder' finds your product, clicks on it, and then converts, it's going to rank you better. That's how organic ranking works."**
>
> Mina Elias

The main image is a no-text Facebook ad

Because creative on Amazon *is* the listing, the main image carries enormous weight. Elias treats it like a bodybuilding pose-down:

> **"Amazon is like a bodybuilding show. You need to come in and you have six poses, and in those six poses you have to show why you're better than everyone else."**
>
> Mina Elias

He builds selling points directly onto the product packaging in the render — "zero carbs, zero sugar, zero calories" baked onto the label — so the value proposition is legible in a thumbnail. And reviews are the other half of the creative; he is candid that volume of social proof beats almost everything:

> **"If you have a product with 100,000 reviews, you're selling like hotcakes. That's how Amazon works."**
>
> Mina Elias

The white-hat engine for reviews is a compelling lead magnet — a QR-code opt-in tied to genuine product value, like a lifetime-warranty activation or a recipe library — followed by a simple ask for the review post-purchase.

Campaign structure and budget as a discovery engine

Elias's structural advice is tight: one campaign, one ad group, no more than five keywords, single match type — so the top keywords can't starve the rest of your budget. And he reframes the ad budget itself as an experiment with a known loss tolerance:

> **"If I spend $300 a day and worst case we do a 1x ROAS, what does that play out to? $300 a day, 1x ROAS, that's like losing $4,000 a month. Can you handle that?"**
>
> Mina Elias

The discipline is to recycle the budget: whatever portion converts profitably, you keep; the rest you redeploy into new keyword sets until the entire daily budget is working. He is explicit that staying *un-break-even* on purpose is how you maximize the revenue ramp — and that an easy best-seller badge can be transformational:

> **"If you get the best-seller badge, I've seen literally sales double overnight."**
>
> Mina Elias

One more pricing note that contradicts a common reflex: a lower listed price beats a higher price with a coupon, because the raw price is what wins the search result.

Build the DSP retargeting funnel and hunt an easy badge

Once the sponsored-product engine is humming, Elias layers on Amazon's DSP to retarget in tiers — building outward from the warmest audiences to the coldest: loyalty, then cross-sell, then retargeting site visitors, then competitor-conquest, then complementary-product audiences, and finally contextual placements that behave almost like an auto campaign. The creative pulls natively from the listing, so it feels like part of Amazon rather than an interruption. And his single most surprising growth lever is the best-seller badge: he describes a brand that reformulated to add chromium specifically to qualify for an easier subcategory's badge — because winning it doubled sales overnight. The lesson is to *find the subcategory whose top seller has the lowest revenue*, engineer your way into qualifying, and blast spend to win the badge there.

Scale Google with structure: the TPS framework

The same structural discipline applies as you scale on Google. Shri Kanase organizes a scaling account with what he calls TPS — Testing, Profitability, Scaling — segmenting products into separate campaigns by their proven performance, and then segmenting *further* by price point, because a customer buying a $100 item behaves nothing like one buying a $5,000 item:

> **"ROAS is an end metric. It's not where you begin. Is it because maybe your CTRs are too low? Or maybe your average order value is way too low? Or maybe your quality score dipped because you didn't focus on the landing page enough?"**
>
> Shri Kanase, founder, Euro Marketing

A mature account, in his model, ends up as five to ten cleanly segmented campaigns — winners isolated and scaled, unproven products quarantined in their own testing budget — so that good performers never subsidize bad ones. ROAS is the symptom you read; the campaign architecture is the cause you control.

Google: win the foundation, not the buttons

Shri Kanase's core message about Google Ads is that, unlike Meta, success is not found in the campaign settings — it is built in the foundation of keyword search volume and feed quality:

> **"Unlike Meta ads, Google Ads is very different, because your true success is not found on the campaign side. You could be clicking buttons all day and night and your brand would still fail to scale. Real scale with Google Ads comes from the ground up — the foundation of the keyword search volume."**
>
> Shri Kanase, founder, Euro Marketing

The first rule: if there is search volume for your product, you should be on Google, period. The second: go broad, not narrow — Kanase's fishing-net metaphor is the mental model:

> **"Think of it like a fishing net. The moment you make it bigger, sure, you're going to get some trash in that net, but at the end of the day you're going to have much more fish. If you're selling dog shirts, you want to go after dog lovers in general."**
>
> Shri Kanase

Start manual, distrust the recommendations, and fix PMax

For a brand-new account with no conversion data, Kanase is adamant: start with manual-bid Shopping campaigns at low bids, not Performance Max with an aggressive ROAS target. With no data, smart bidding has nothing to optimize toward. He is equally adamant about ignoring Google's own prompts:

> **"First thing you want to do is close all the recommendations from Google, because those recommendations are designed to make Google more money."**
>
> Shri Kanase

And his most actionable PMax fix is the "feed-only" approach — stripping out images, videos, and headlines so the campaign is forced to behave like a Shopping campaign instead of leaking budget into low-value display and Gmail placements:

> **"PMax is a money pit unless you do it the right way. The feed-only approach forces that Performance Max campaign to become a shopping-placement-only campaign — instead of being a jack of all trades, going after Gmail traffic, display, discovery, YouTube, along with shopping."**
>
> Shri Kanase

Optimize on a strict cadence, and stick to three placements

Two final disciplines. First, expect a one-to-three-week warm-up where the campaign barely spends — that is normal — and then optimize on a strict seven-to-fourteen-day cadence, never daily:

> **"Seven to 14 days is the sweet spot. Do it any quicker and you basically risk completely destroying the momentum."**
>
> Shri Kanase

Second, ignore the vanity placements. Three channels carry the load:

> **"Three placements — shopping, search, YouTube. These are the ones you should be after. This is enough to get you over seven and even eight figures per year in revenue."**
>
> Shri Kanase

Display and Demand Gen, in his view, mostly spend your money on awareness you can't bank. Win Shopping, Search, and YouTube, and you have a marketplace engine that captures demand the moment a customer goes looking.

✓ OPERATOR'S CHECKLIST — WIN THE MARKETPLACES

- **Treat every Amazon keyword as its own funnel.** Aim to show up in the most places, profitably. Bid *down* to filter for buyer intent and let conversions lift your organic rank.
- **Make the main image a no-text ad.** Bake selling points onto the packaging render; treat your six images like six poses. Build a review engine off a genuine lead magnet.
- **Structure Amazon campaigns tightly:** 1 campaign / 1 ad group / ≤5 keywords / single match type. Set a monthly loss tolerance, recycle unprofitable spend into new keywords, and hunt an easy best-seller badge.
- **Lower the price instead of couponing.** The listed price wins the search result; raise it later as reviews build trust.
- **On Google, win the foundation.** Keyword-rich titles and descriptions, superior product images, Merchant Center reviews. Go broad with a fishing-net audience.
- **Start manual, close the recommendations, run PMax feed-only.** Build conversion data before smart bidding. Expect a 1–3 week warm-up; optimize every 7–14 days, never daily.
- **Stick to Shopping, Search, and YouTube.** Avoid Display and Demand Gen until you're profitable — they spend on awareness you can't bank.

CHAPTER 08

The Creator Engine

Somewhere in the last few years, the math of paid acquisition broke for a lot of brands, and the people who saw it earliest built a different engine. Ben Matthews is a general partner at Night, the venture studio and fund behind MrBeast's Feastables and partnerships with creators like Kai Cenat and Halle Berry. His origin story for the entire creator-commerce thesis is a single observation about where the money was going:

CHAPTER 8 · CREATOR ECONOMICS

A numbers game, not a celebrity deal

Tier	Fee
Beginner 30 videos, riding commission upside	$300
Mid-tier Proven small creators	$500–800
Top-tier Higher fee + commission	Premium

Jimmy Farley activates dozens to hundreds and lets winners surface — "15 million views a day."

> **"A lot of the power of our dollar when we were investing capital was going right back to Facebook and Google. Like 50 cents of every dollar was just evaporating. The portfolio founders that seemed to be thriving were really finding hacks on acquisition — and primarily they were finding it through content."**
>
> Ben Matthews, general partner, Night

When half of every ad dollar evaporates to the platforms, an owned audience and a creator's trust become the durable edge. That is the case for the creator engine in one sentence.

Reach is not the same as the ability to sell

The most expensive mistake brands make with creators is paying for follower counts. Matthews is blunt that platform-provided audience data is "completely broke," and that the real signal is whether a creator's audience actually opens its wallet:

> **"We do a huge deep dive to understand someone's audience, who they actually are. The data that most social media platforms give you about who a person's audience is is completely broke. Merch is an incredible proxy to understand whether or not people will pick up their credit card and pay."**
>
> Ben Matthews, general partner, Night

A creator who has sold merch has *proven* their audience will buy. A creator with ten million followers and no purchase history has proven nothing. And even with the right creator, the audience often has to be *trained* to buy — Feastables had to teach MrBeast's audience, accustomed to watching, to take a purchase action and ultimately to see the creator and the product as one entity.

The formula: right talent, right business, right execution — and the product still has to be good

Matthews reduces creator-led brand building to three legs, with a non-negotiable underneath:

> **"It's like — pick the right talent, pick the right business, and then right execution."**
>
> Ben Matthews

> **"You could do a logo slap, but at the end of the day, if the product is not better, cheaper, more convenient — then you're screwed. So you've got to also pick something where there's an area for opportunity, for innovation in a category."**
>
> Ben Matthews

The "logo slap" warning is the whole reason most celebrity brands fail. A creator can get you trial. Only a genuinely better product gets you a second purchase — which connects this chapter straight to the retention section ahead.

Seed before you spend: the OLIPOP model

You do not need a venture studio to run a creator engine. OLIPOP, the prebiotic soda brand, ran for roughly two years with *zero* paid influencer spend — all gifting and seeding — before it ever paid for a campaign. Ariel Vaisbort, who built the influencer and community function, describes a strategy that costs time, not dollars:

> **"Building a community is so important — creating that trust. I want people, when they DM us, to feel like, oh, I'm talking to Ariel at OLIPOP. You can accomplish a lot with gifting and seeding. And honestly, creating a community is free."**
>
> Ariel Vaisbort, OLIPOP

The early evangelists you seed become the lifetime customers — and eventually the brand's biggest awareness driver. The discipline is to *not script them*:

> **"We don't give people a script. We want you to talk about what is most impactful to you as a consumer of the product. It's going to come across so much more genuine."**
>
> Ariel Vaisbort

Run a creator army, not a few hero deals

Seeding scales. The operators pushing it hardest don't sign a handful of big creators — they activate dozens or hundreds of small ones and let the winners surface. Jimmy Farley's network, Creators Corner, shows the volume that approach can reach:

> **"In Creators Corner now, we're doing like 15 million [views] a day."**
>
> Jimmy Farley, founder, Creators Corner

The economics look nothing like a celebrity deal. You assemble a roster cheaply and let commissions carry the upside:

> **"You can pay as low as $300 if they're a beginner for 30 videos and let them ride the upside with commissions. You can find mid-tier people for five to 800, and you can find really good people for... 1,000 to 2,000."**
>
> Jimmy Farley

Moe Hayek, who made the Limitless supplement brand viral on TikTok, frames the same approach as a numbers game with better odds — and warns against micromanaging the people you recruit:

> **"Instead of giving yourself one shot a day, you give yourself three shots a day with the same bullet."**
>
> Moe Hayek, operator, Limitless

> **"Think about it as a dog or a child. You just put them out and you let them do their thing... within a month or so, you'll start seeing some creators really get the product. And those that won't, you cut them off. And those that do, you double down on them."**
>
> Moe Hayek

Two rules separate the winners from the money-burners. First, the brief does the teaching:

> **"A really good brief is easy to read, gives the creator inspiration and teaches them everything they need to know about your product. That is it. That's the formula right there."**
>
> Jimmy Farley

Second, stop obsessing over demographics. Farley has watched the "wrong" creators outperform the obvious ones repeatedly — one female-targeted supplement going "zero to a million, 60 days, no ads" off a roster that was mostly young men. The proof that this works for a real brand, not just an agency, is Arrae. Co-founder Nish Samantray built the wellness brand past eight figures starting with pure seeding — and he is precise about how few creators it actually takes:

> **"I think we gifted like three, 400 people and it only took two people to make us go kind of parabolic in terms of the growth. So it was completely a numbers game... with a lot of authenticity."**
>
> Nish Samantray, co-founder, Arrae

Arrae didn't even turn on paid ads until it had already crossed its first million in sales — in year one — entirely on the back of seeded, organic creator content. Cast a wide, cheap, authentic net; resist the urge to control the talent or pre-judge the audience; and pour fuel on the two-in-400 that catch.

The product is the creator's distribution advantage — and its limit

Feastables exists because MrBeast has, in Matthews's words, arguably the most distribution of anyone in the world. But Ben Acott, who helped build Feastables, is clear that distribution only matters if the content stops the scroll and the product earns the repeat:

> **"Is the product good enough and compelling enough to stop the scroll?"**
>
> Ben Acott, co-founder, Feastables / Magnetic

Acott's cheapest test for a creator concept is one most brands overlook — spin up a single-product merch drop tied to a piece of content and measure whether people actually buy:

> **"The easy one there is merch — spin up a one-page, one-product merch line tied to a video or to a piece of content, and just test and measure."**
>
> Ben Acott

It is the same proxy Matthews uses to vet creators, applied as a launch test: before you build a full product line, sell one thing and see if the audience pays.

Partner with experts, not just influencers

The creator economy runs on reach, but reach without credibility is fragile. The most durable creator partnerships are with *experts* — people whose authority transfers to the product. Two brands tied to Andrew Huberman show the model.

When Jeff Byers built Momentous, he wasn't buying Huberman's audience; he was borrowing his judgment in a category starved of trust.

> **"This isn't a sponsorship deal. He is the tastemaker in our category. He's the tastemaker for tastemakers."**
>
> Jeff Byers, CEO, Momentous

Byers is blunt about why that matters in supplements specifically — the category's problem isn't efficacy, it's belief:

> **"The category isn't broken by the fact that it doesn't work. It's broken because consumers don't trust it. No trust, no transparency, no true standard."**
>
> Jeff Byers

So the product had to earn the expert's name. Byers calls it Ferrari fuel, not Pinto fuel — formulations clean and rigorous enough that a scientist would stake his reputation on them. The bet worked: Momentous scaled from roughly $2 million to $36 million in about 18 months. The expert didn't just drive traffic; he certified quality.

Nicolas Beaupré ran the same play in beverages with Mateina, where Huberman co-developed a sugar-free SKU and frames his involvement as teaching, not endorsing:

> **"It is, and it will be mostly educational. Andrew is actually explaining why people should add yerba mate to their routines."**
>
> Nicolas Beaupré, founder, Mateina

The difference between an influencer and an expert is what survives the post. An influencer rents you attention for a day; an expert lends you trust that compounds — because their audience believes they would never attach their name to something that doesn't work.

Align incentives: make the creator an owner

The final lesson of the creator engine is structural. A one-off paid post is a transaction; an equity stake turns a creator into a partner who is motivated to train their audience and show up for years. The brands that win with creators stop renting attention and start owning it together — which, not coincidentally, is exactly the bridge into the next chapter on affiliates, where the goal is to turn *everyone* — influencers, ambassadors, even customers — into motivated partners.

✓ OPERATOR'S CHECKLIST — THE CREATOR ENGINE

- **Vet creators on purchase proof, not reach.** Ignore platform audience data. Look for a history of selling merch or affiliate products — evidence the audience actually buys.
- **Seed before you spend.** Gift and build genuine community for months before paying for campaigns. Early evangelists become lifetime customers and your biggest awareness channel.
- **Run a creator army, not a few hero deals.** Activate dozens of low-cost creators on a small flat fee plus commission; hand them a brief that teaches the product; don't pre-judge their demographics; cut the ones who don't get it and pour budget into the two-in-400 that pop. Arrae and Limitless both scaled this way before spending on ads.
- **Don't script creators.** Give themes and product knowledge; let them tell authentic stories. Genuine beats polished.
- **Never logo-slap.** Creator distribution gets you trial; only a genuinely better, cheaper, or more convenient product earns the repeat. Train the audience to buy and to see creator + product as one.
- **Test with a merch drop.** Before a full line, sell one product tied to one piece of content and measure real purchases.
- **Align incentives with ownership.** Equity turns creators into long-term partners who train their audience, rather than one-off ad placements.

CHAPTER 09

The Affiliate Flywheel

Affiliate marketing is the most under-rated acquisition channel in DTC, partly because most founders set it up wrong and conclude it doesn't work. Done right, it is the rare channel that is 100% performance-based — you pay only when you get a sale — and it can grow to a meaningful share of revenue without a media budget. The operators who have built real affiliate programs treat it as relationship-building, not software configuration.

CHAPTER 9 · THE FLYWHEEL

How the affiliate flywheel turns

1. **Recruit publishers**
   Editors, creators, and TikTok Shop sellers who reach your buyer.
2. **Give trackable links**
   Every mention ties to a real, attributable sale.
3. **Pay on performance**
   100% performance — commission only when a sale happens.
4. **Winners compound**
   Top publishers lean in, and the roster grows itself.

"We set it up and nothing happened"

Marshall Nyman has spent over a decade in affiliate and runs the agency Nymo. He hears the same complaint constantly, and his answer names the core misunderstanding:

> **"It really takes a lot more than just setting it up in the platform. That's probably the biggest misconception. 'We set it up, nothing's happening.' Yeah, nothing's happening because you haven't gone out and done anything. You have to forge relationships with these publishers and get them interested and excited about your brand."**
>
> Marshall Nyman, founder, Nymo

Affiliate is not a "set it and forget it" channel. It is performance PR: you are recruiting publishers, editors, content sites, and influencers to *choose* to write about and promote you — and that requires the same outreach effort as a sales motion. The payoff is placement in the high-intent content where buyers are already searching:

> **"We want to get into those articles, because if you type 'what is the best [product]' into Google, that first article is going to get a lot of traffic. And if you're in that article, you're going to get a lot of traffic to your site in return."**
>
> Marshall Nyman

Editorial affiliate: performance PR you can actually track

The "performance PR" framing — coined by Lauren Kleinman and Lee Joselowitz — finds its purest expression in editorial affiliate, where a press hit and a trackable sale become the same event. They built The Quality Edit and the agency Dreamday on exactly that insight, drawn from the playbook they ran scaling Ritual.

> **"99% of the press hits that we get for our clients are utilizing an affiliate link that we ourselves created and pitched to that editor. So it's extremely trackable. We know exactly how much revenue every single placement drove."**
>
> Lauren Kleinman, co-founder, The Quality Edit / Dreamday

That solves the oldest problem in PR — you finally know what the coverage was worth, because roughly 90% of discovery in their model is editor-driven, and every placement carries a link you can measure. Once you can measure it, the math against paid social gets obvious:

> **"I would rather give $10 to an affiliate than pay $30 to acquire a customer on Facebook ads."**
>
> Lee Joselowitz, co-founder, The Quality Edit / Dreamday

Across 50-plus brands, the approach has driven roughly 20% lower CAC and 30% higher ROAS than paid-social benchmarks — not because editorial is magic, but because a trusted third-party recommendation converts better and costs less than an interruption. The catch is the same one Nyman named: you earn the placement with a product editors actually want to write about.

Nail the offer first — affiliates reward money, not aesthetics

Haris Memon built nearly a third of Miracle Brand's revenue — roughly $8M of $21M+ — through affiliates, at a CPA about 20% cheaper than Facebook. His hard-won lesson is that affiliates do not care about your brand story or your funding; they care about earnings per click. You win their attention with a *proven* offer:

> **"When an affiliate network asks us what's your offer, we say: this is the lander, this is our conversion rate, this is our AOV, this is the CPA we can give you, and this is how much scale we're getting off this offer right now."**
>
> Haris Memon, founder, Miracle Brand / Nameless Ventures

This is why Chapter 2 came before Chapter 9. You cannot recruit affiliates onto a broken offer. But once you have a high-performing funnel, you route affiliate traffic through that *same* funnel rather than building custom ones — and the channel scales on proof, not persuasion. First impressions on the major CPA networks matter enormously; a weak offer can effectively blacklist you.

Turn customers into your biggest affiliate base

The modern evolution of affiliate is to stop thinking of it as a few big influencers and start thinking of it as *everyone* — especially your own customers. Noah Tucker built Social Snowball, an affiliate platform on roughly 2,200 brands, around exactly this idea, and the automation is the unlock:

> **"Every time a new customer purchases, before they even get to the order confirmation page, we take their order data from Shopify checkout and automatically generate them an affiliate account — a custom tracking link or discount code with their name in it — and give all that information to them natively on the thank-you page."**
>
> Noah Tucker, founder, Social Snowball

It is the lowest-effort, highest-leverage place to start:

> **"Day one, the lowest-hanging fruit would be turning customers into affiliates, because it's mostly setting up these automations — the thank-you page, the emails — and then it pretty much runs on its own."**
>
> Noah Tucker

The numbers make the case: customer-affiliate programs average 4–6% of GMV, and brands running customer *plus* influencer affiliate programs commonly see around 20% of GMV through the channel — with some brands that can't run paid ads pushing past 50%.

Don't be stingy with commission

The most common affiliate mistake, in Tucker's experience, is paying too little — optimizing for a vanity ROI multiple instead of for the channel's real contribution to blended CAC:

> **"A mistake brands make is giving too low of a commission. The difference of a program generating 1% of your GMV at a 10x ROI versus a program generating 15% of your GMV at a 2.8x ROI — that 15% is doing real good things to your blended CAC. Benchmark it against your paid ads' target CPA."**
>
> Noah Tucker

The mental shift is to stop treating commission as a cost to minimize and start treating it as a CPA to optimize. A program that pays generously and produces 15% of GMV at a healthy blended cost beats a stingy program that produces almost nothing at a flattering ratio.

Recruit the right influencers, and protect your codes

Two final tactics. First, when you do recruit influencers into the affiliate program, Tucker's filter is whether they already post affiliate links for other brands — because that proves they have an audience that trusts them for buying advice:

> **"The most important thing I'd look for is, are they actively tagging or posting affiliate links of other brands consistently? Their followers are accustomed to trusting them for buying advice, and they aren't annoyed that they've been posting other brands."**
>
> Noah Tucker

Second, protect your economics with single-use, dynamically generated discount codes ("safe links") so your codes don't leak to coupon-aggregator extensions like Honey and silently siphon margin and attribution. Affiliate, done right, is a flywheel: a great offer attracts publishers and influencers, satisfied customers become affiliates automatically, generous and well-protected commissions keep them active, and the whole thing compounds without a media budget.

Turn TikTok Shop into an affiliate machine

The newest frontier for the flywheel is TikTok Shop, which bakes the affiliate mechanic straight into the platform. Moe Hayek, who scaled the Limitless supplement brand past $1 million a month with seven people, describes a seeding loop that recruits affiliates on autopilot:

> **"Anybody with 10,000 followers, 30 videos in the last month, and $10 generated can get a free sample from me. And TikTok requires every single person that requests a free sample to make a video for you. So now you're pretty much letting yourself automate an affiliate machine on TikTok Shop."**
>
> Moe Hayek, operator, Limitless

He keeps the brand's main page clean and pushes the aggressive selling to creator-run "secondary" pages, so the affiliates — not the brand — carry the hard sell:

> **"You want to hire these kids or creators that will run their own secondary pages... and you pretty much just give them the freedom to do whatever they want, post whatever they want on third-party pages, not your main brand page."**
>
> Moe Hayek

The payoff is conversion that is both fast and perfectly tracked. Jimmy Farley describes the daily rhythm once a TikTok Shop program is humming:

> **"First day... 200 orders, bang. It's like $7,000... and all the creators know that their commissions are really well tracked."**
>
> Jimmy Farley, founder, Creators Corner

Because every sale ties back to a creator's link, the commission is the incentive and the attribution at once — the affiliate flywheel, running at the speed of the For You page.

✓ OPERATOR'S CHECKLIST — THE AFFILIATE FLYWHEEL

- **Treat affiliate as performance PR, not software setup.** Proactively recruit publishers, content sites, and influencers; get into the "best [product]" articles where buyers search.
- **Pursue editorial affiliate placements you can track.** Get into the trusted "best [product]" review lists, then measure each placement by clicks and revenue via your own affiliate links — not vanity impressions. The way to earn a spot is a product real editors want to write about.
- **Nail the offer before you recruit.** Lead with a proven lander, conversion rate, AOV, and CPA. Route affiliate traffic through your single best funnel. A weak first impression can blacklist you on the networks.
- **Auto-convert customers into affiliates.** At checkout, generate a named code/link from Shopify order data and surface it on the thank-you page. It's the highest-ROI, mostly-automated place to start.
- **Use TikTok Shop as an affiliate machine.** Let the platform's free-sample-for-a-video mechanic auto-recruit creators, push the hard sell to creator-run secondary pages, and let well-tracked commissions serve as both the incentive and the attribution.
- **Benchmark commission to your paid-ads CPA.** Don't be stingy. Optimize for affiliate % of GMV at a healthy blended CAC, not a vanity ROI multiple.
- **Recruit influencers who already post affiliate links** — proof of a buying-advice audience — and tier your program with escalating commissions and gifts for top performers.
- **Protect your codes** with single-use "safe links" so coupon-extension aggregators don't siphon your margin and attribution.

PART IV

MAKE IT COMPOUND

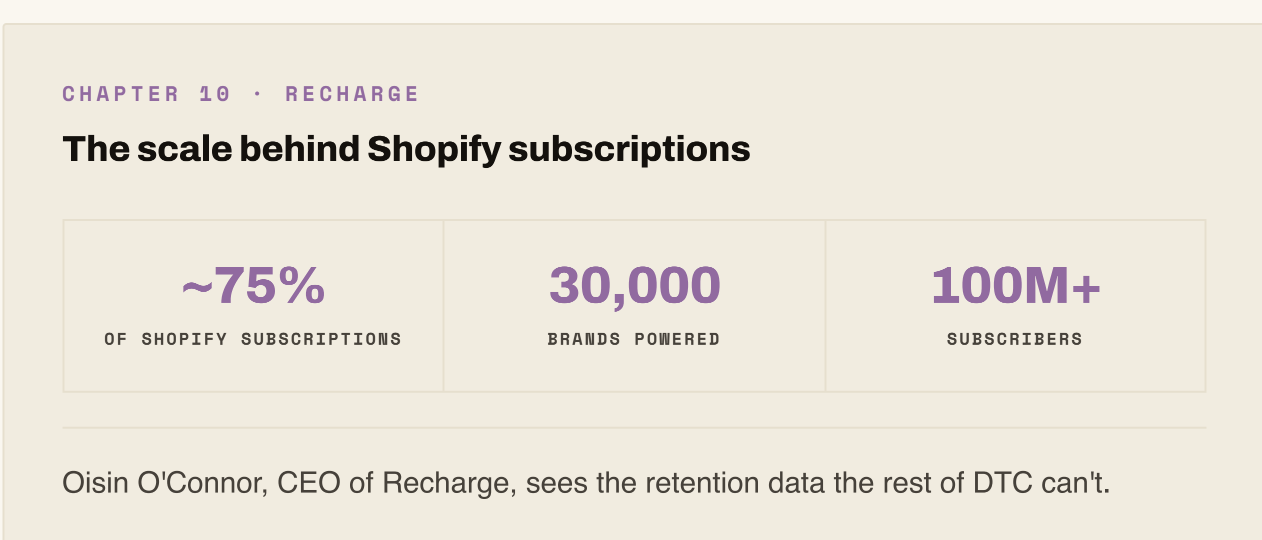
IV

Acquisition gets all the attention. Retention is where the money actually is. A brand that acquires brilliantly and retains poorly is a bucket with a hole in it — pouring ever more expensive traffic into a leak. The brands that reach eight figures and stay there are the ones that turned the second purchase, the subscription, and the long relationship into a compounding machine.

CHAPTER 10

The Compounding Machine

Oisin O'Connor is the CEO of Recharge, the subscription platform that powers roughly three-quarters of all Shopify subscriptions — 30,000 brands, over 100 million subscribers. He sees the retention data across the entire ecosystem, and one number reframes how you should think about your whole business:

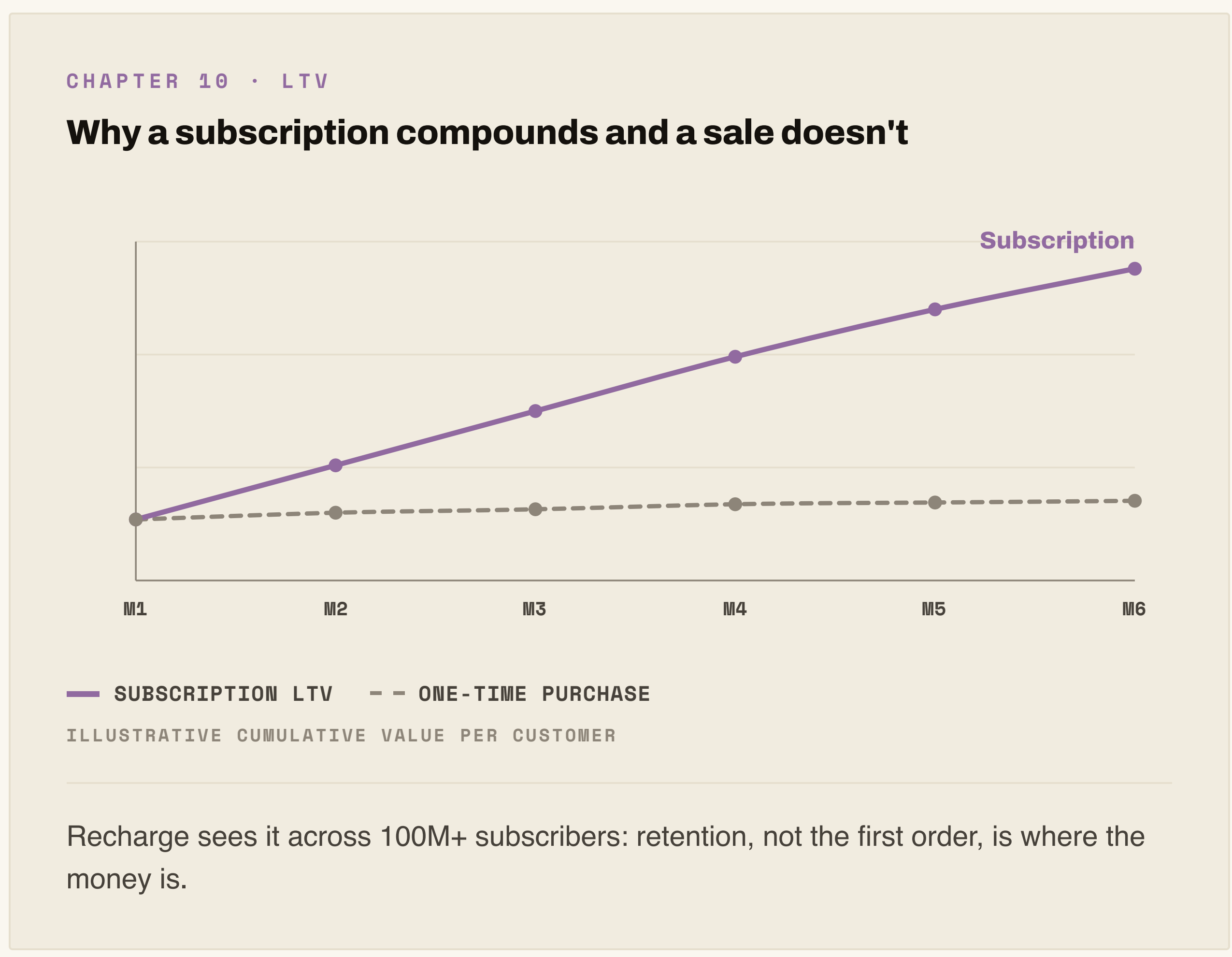


> **"We have like 30,000 merchants, and we see that their one-time buyers are worth one-fourth of the value of their subscribers. So basically subscribers are worth four times more. Which is crazy. So you should be doing everything to push people into subscriptions."**
>
> Oisin O'Connor, CEO, Recharge

Four times. A subscriber is worth 4x a one-time buyer. If you internalize nothing else from this part of the book, internalize that the entire economics of a DTC brand change when you convert a buyer into a subscriber — and that "do everything to push people into subscriptions" is not hyperbole, it is the highest-leverage instruction in retention.

Default beats discount

The instinct, when you want more subscribers, is to dangle a bigger discount. O'Connor's data says the lever is not price — it is the *default*:



Recharge sees it across 100M+ subscribers: retention, not the first order, is where the money is.

> **"If you make subscription by default, it converts 3x more people into subscriptions. If you move from a 10% discount to a 20% discount, it only improves it by 2%."**
>
> Oisin O'Connor

Read those two numbers together. Making subscription the default option triples conversion. Doubling your discount adds two percent — while permanently giving away margin:

> **"What you've done is you now have given a 10% discount margin to these people forever, for the lifetime, when you didn't have to do it."**
>
> Oisin O'Connor

This is the same anti-discounting lesson from the offer chapter, now proven with retention data. Change the default, not the price.

Win the second order

Not all churn is equal, and O'Connor is precise about where it concentrates and what "healthy" looks like:

> **"If you want to be healthy, you want your second order to be 70% or above. The second order really matters the most, because that's the biggest delta of churn. The biggest group churns out in that one-to-two."**
>
> Oisin O'Connor

The single most important transition in your retention curve is order one to order two. Get a customer to a second purchase and the odds of a long relationship rise dramatically. He benchmarks the third order at 45%+, and ties the whole thing to onboarding:

> **"The first 30 days is really important — the onboarding sequence of how do they feel connected to the brand, how do they feel educated around the problem space."**
>
> Oisin O'Connor

A huge fraction of churn is not a product failure; it is a *fit* and *education* failure. When O'Connor's team looked at customers who logged in intending to cancel, over 40% wanted out — and two-thirds of those cited the wrong product or too much product, not dissatisfaction with the brand itself. Both are fixable with better onboarding, flexible cadence, and easy self-service management.

Match the cadence to real consumption

Scott Dancy learned the cadence lesson the hard way at Azuna, where customers over-ordered to chase a discount and then quit:

> **"In the beginning, people would do the 12-month just to get the extra percentage, buying way too much, and then they would quit. So now we have a really good visualization of what people need."**
>
> Scott Dancy, founder, Azuna

A subscription that ships people more than they can use doesn't increase LTV — it manufactures churn. The fix is to match the cadence to genuine consumption, ideally using a product signal (Azuna's gel visibly hardens when it's time to refill) so the refill feels necessary rather than imposed.

The economics of retention are absurd in your favor

The reason all of this matters is that keeping a customer costs almost nothing compared to acquiring one. Dancy puts the ratio starkly:

> **"Whatever it's costing you to acquire a customer costs you zero to maybe 3 to 4% to keep them. So try and find them first."**
>
> Scott Dancy

Azuna's LTV runs at twice the industry standard, and the recurring subscription revenue — tens of millions — becomes a war chest that *funds* new-customer acquisition. That is the compounding machine: retention throws off the cash that pays for growth.

Don't get addicted to paid acquisition

Brian Sugar — founder of POPSUGAR and now a prolific DTC investor through Sugar Capital — frames the flip side of strong retention as a discipline about paid spend. His benchmark is one of the sharpest lines in the whole library:

> **"We want a scaled DTC brand to be 12% or less on paid marketing. If you're spending more than that on paid marketing, you have a drug habit. You are addicted to the high of spending money to make money, and it just won't last, because your tolerance will just increase."**
>
> Brian Sugar, founder, Sugar Capital / POPSUGAR

The way you earn the right to spend under 12% on paid is by building the retention and owned-audience machine this entire part is about:

> **"Spend the money on content creators and content studios and build — own the house that your audience is in, don't rent the house."**
>
> Brian Sugar

A brand that retains compounds. A brand that only acquires has to run faster and faster just to stay in place.

Brent Vartan frames the same idea as a moral about ownership. Once you've paid to acquire a customer, the goal is to stop renting their attention and start *owning* the relationship through the product itself:

> **"You paid Zuckerberg a bunch of money for this customer, so now they're yours. So stop paying them to keep their attention. Do it with your insight and your empathy and your innovation."**
>
> Brent Vartan, co-founder, Bullish

That is the entire philosophy of this part of the book in two sentences. Acquisition rents attention. Retention — built on product, community, and genuine care — is how you finally own it.

✓ OPERATOR'S CHECKLIST — THE COMPOUNDING MACHINE

- **Push everything toward subscription.** A subscriber is worth ~4x a one-time buyer. Make subscription the *default* option — it triples conversion, where doubling your discount adds ~2% and bleeds margin forever.
- **Obsess over order one to order two.** Target 70%+ second-order retention and 45%+ on the third. The biggest churn cohort lives between the first and second purchase.
- **Build a 30-day onboarding sequence.** Most early churn is a fit/education problem (wrong product, too much product), not a quality problem. Educate and connect customers in the first month.
- **Match cadence to real consumption.** Don't let customers over-order for a discount and then quit. Use product signals to make refills feel necessary.
- **Treat retention cash as your growth war chest.** Keeping a customer costs ~3–4% of acquiring one. Subscription revenue should fund acquisition.
- **Keep paid marketing under ~12% of revenue at scale.** If you're above it, you have a "drug habit." Invest in owned content and community — own the house, don't rent it.

CHAPTER 11

Retention Is an Operations Problem

Here is the lesson founders resist the longest: retention is not mostly a marketing problem. For physical product brands, it is an *operations* problem. The email flows and loyalty perks matter, but if the box shows up late, warm, or wrong, no win-back sequence will save you. Ismail Salhi, co-founder and CEO of the frozen-food subscription Wildgrain, built an 80,000-subscriber, eight-figure business on exactly this realization:

CHAPTER 11 · FRAMEWORK

Retention levers, in priority order

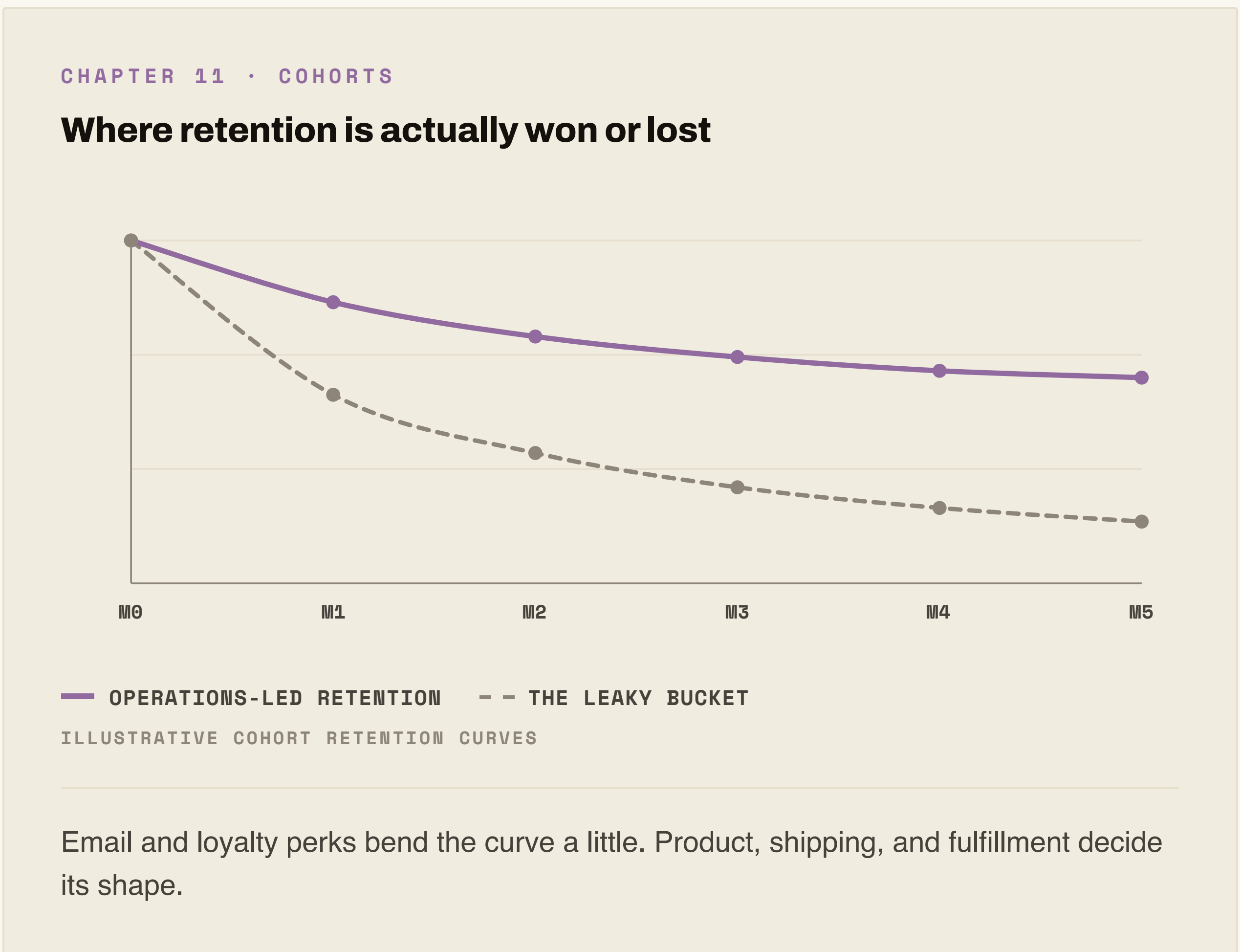
1. **Product & quality**
   The reorder starts with a product worth repeating.
2. **Fulfillment & shipping**
   Speed and reliability decide whether a second order ever happens.
3. **The subscription experience**
   Make it a service that's easy to manage — not a trap.
4. **Support & resolution**
   Fix problems fast; rescue the customer who was about to churn.

> **"It's one of the only business verticals where ops impacts customer experience so heavily. If you're a Wildgrain customer, you order, you spend $100 on a box, it shows up to your door, it's all mushy and thawed and warm — you're not going to sign up again."**
>
> Ismail Salhi, co-founder, Wildgrain

The first two boxes, Salhi notes, barely make money — the business only works if the customer folds the product into their daily life and stays. Which means the operational details *are* the retention strategy.

Build CX tools that prevent churn

The most sophisticated retention move at Wildgrain is not a discount — it is an operational save built directly into customer support. When a delivery arrives less than perfect, the support team can fix the *next* one before the customer even thinks about canceling:



Email and loyalty perks bend the curve a little. Product, shipping, and fulfillment decide its shape.

> **"If your first box arrived a little bit iffy and you didn't like the delivery, you can talk to our customer support team and they're able to add more dry ice to your box next time directly from Gorgias."**
>
> Ismail Salhi

That is retention engineering: turning a CX interaction into a proactive operational fix. Wildgrain also reduces cancellation reasons by evolving the product itself — from a curated box, to one where customers can substitute items, to a fully custom box — so "I didn't want what was in it" stops being a reason to leave.

Community is the retention channel that costs nothing

Where Wildgrain retains through operations, OLIPOP retains through community — and Ariel Vaisbort is clear that the most powerful retention tool is also free and unscalable:

> **"There is nothing that beats an Instagram DM. It's so easy to drop into people's DMs and just say, hey, how are you doing? Those are not scalable things, but if you can do it, you should do it."**
>
> Ariel Vaisbort, OLIPOP

The early customers OLIPOP treated this way — gifting from day one, replying personally — became permanent:

> **"A lot of those people who started out as gifting with us from day one are still on the train with us. They're still fans of the product. At that point, those people are your brand evangelists."**
>
> Ariel Vaisbort

Loyalty, built this way, doesn't just retain — it produces the affiliates and word-of-mouth from earlier chapters. The unscalable things are the moat.

Use DTC as the data lab that justifies retention investment

For omnichannel brands, the DTC channel earns its keep partly as a *measurement* tool — the place you learn the LTV that justifies spending to retain. OWYN's Julia Perez describes using DTC return-rate and LTV data to greenlight field-marketing and retail investments that would otherwise be hard to justify:

> **"Because of our DTC metrics, we know that we have an incredibly high return rate. So we can justify certain events at certain locations where there might be a great retail presence, because we know once we get them in, there's a great chance they're going to return. We know what that LTV looks like."**
>
> Julia Perez, CMO, OWYN

This is the strategic role of DTC even for a brand whose growth is mostly elsewhere: it is the lab where you learn your customer's true lifetime value, and that number is what makes every retention and expansion investment defensible.

Subscription is a service, not a revenue trick

The mindset that keeps subscribers starts before any tool. Arrae's Nish Samantray — who built the wellness brand to eight figures — argues that founders who treat subscription as a way to lock in recurring revenue have the logic exactly backwards:

> **"Subscription is not a business model. Subscription is actually you serving your customers in a way that they want to be served. It's not something that we are doing so we can collect recurring revenue."**
>
> Nish Samantray, co-founder, Arrae

When subscription is designed as a convenience the customer genuinely wants — the right product arriving exactly when they run out — retention takes care of itself. When it is designed as a trap, every renewal becomes a churn risk waiting to fire. Which leads directly to the most common way brands turn their own subscription against themselves.

Reduce friction, not just dissatisfaction

A recurring theme across these operators is that customers don't only leave because they're unhappy — they leave because something is *annoying*. Recharge's O'Connor describes the "rage quit": a subscriber gets shipped products they don't want, can't easily fix it, cancels in frustration, and then buys the same category from a competitor they saw on Instagram an hour later. The antidote is making subscription management effortless — Recharge found that 93% of shoppers using its SMS-based management tool called it "essential." The lesson is universal even if the tool isn't: every point of friction in managing the relationship is a churn risk, and removing friction is as valuable as adding delight.

✓ OPERATOR'S CHECKLIST — RETENTION IS AN OPERATIONS PROBLEM

- **Treat operations as retention strategy.** For physical products, a late/warm/wrong delivery kills the relationship no email can save. Invest in fulfillment reliability before clever win-back flows.
- **Build CX tools that proactively fix the next order.** Empower support to prevent churn (e.g., add dry ice next time) rather than just apologize for the last one.
- **Evolve the product to remove cancellation reasons.** Move from curated → substitutable → custom so "I didn't want what was in it" stops being a reason to leave.
- **Do the unscalable things.** Personal DMs, gifting, real replies. Early customers treated this way become lifetime evangelists — and your cheapest growth channel.
- **Use DTC as your LTV lab.** Even if growth is elsewhere, DTC tells you the true lifetime value that justifies every retention and expansion investment.
- **Remove friction, not just dissatisfaction.** Make managing the subscription effortless (self-service, SMS). Every annoyance is a churn risk, even for happy customers.

PART V

GO OMNICHANNEL

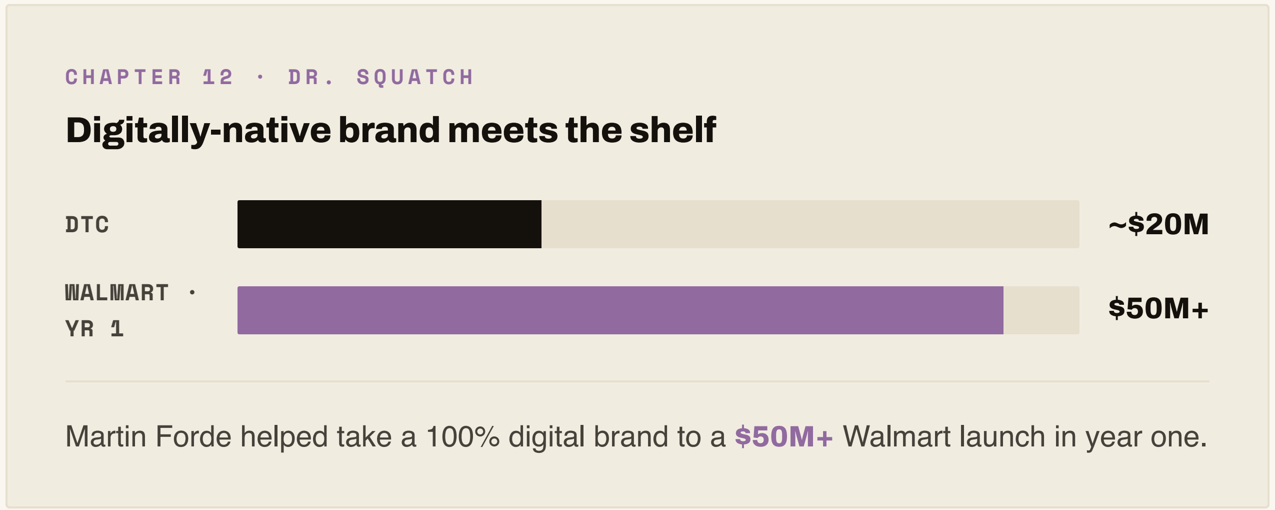
V

The largest DTC outcomes are almost never DTC-only. The brands that exit for hundreds of millions are omnichannel — they win online, they win on Amazon, and they win on a physical shelf. This part is about the jump from "internet brand" to "real brand": getting into retail without dying, winning the shelf and the screen once you're there, and building a supply chain that can actually keep up.

CHAPTER 12

From Clicks to Bricks

Martin Forde was the first sales hire at Dr. Squatch, where he helped take a 100% digitally-native brand doing about $20M to a Walmart launch that did over $50M in its first year — a foundation under the brand's eventual $1.5B acquisition by Unilever. He now runs the retail brokerage Highline Brands, and his central argument reframes what retail even is:



> **"That's really the power that retail offers. It can effectively serve as a billboard — a customer acquisition channel akin to a Meta or Google or a TikTok shop. Retail can be viewed in that same lens."**
>
> Martin Forde, co-founder, Highline Brands

Retail is not just distribution; it is *media*. A facing on a shelf in 4,000 stores is advertising you get paid to run. And the dollars, Forde argues, are higher quality than DTC dollars:

> **"A dollar produced in retail, while it might take longer, is a higher-quality dollar than a dollar produced on direct-to-consumer. That's validated by a lot of the recent exits in CPG — these are large omnichannel brands."**
>
> Martin Forde

Don't go to retail too early

The flip side is that retail will punish you if you arrive unprepared. Scott Dancy of Azuna deliberately waited, and is candid that an early attempt would have been fatal:

> **"We were not ready. If we'd gotten in, we might've killed our chances at retail. We probably would've failed. We probably wouldn't have the right product mix."**
>
> Scott Dancy, founder, Azuna

Forde's readiness bar is roughly $20M+ in DTC — enough that product-market fit is established and consumers have already seen you online. Get there first; the online brand becomes the demand that makes retail velocity work.

The buyer does not care about your brand

The hardest mindset shift for a DTC founder walking into a buyer meeting is that the buyer is not evaluating your brand story. They are evaluating whether you will move units and grow *their* category:

> **"A buyer sees — they don't really care about your brand. They care about a few things. They want to know, how are you going to move units above my hurdle rate, and how are you going to bring your shopper into my store rather than someone else's. What that buyer is accountable for is growing their category — not growing your brand."**
>
> Martin Forde

So the pitch is not "look how great we are." It is "here is how we drive a net-new shopper into your store and grow your category." And the leverage you bring to that conversation is your DTC machine. Dancy describes exactly this:

> **"Now I can go to a retailer and say, we spend tens of millions of dollars a year on advertising, we have these customers, they're going to see it — and it's still really hard for us to get in."**
>
> Scott Dancy

Your ad budget and audience are the proof that you'll generate velocity. Lead with them.

Build a separate retail product and price

The premium bundle that gives you an $83 AOV online will not work on a grocery shelf. Retail demands its own SKU architecture and price point, and Dancy built one specifically for it:

> **"Can't sell an $84 average order value air freshener at a grocery store. So we've come up with other packaging — $19.99 to $29.99 — which I feel good about, because everything's expensive now."**
>
> Scott Dancy

He also budgets retail honestly as a cost center first, expecting to lose money proving velocity in regional chains before chasing mass distribution:

> **"In my budget for this year, I only have the expenses for retail. I don't have the revenues, but there will be revenues."**
>
> Scott Dancy

Sequence channels; you can say no

OWYN's Julia Perez reinforces the sequencing discipline from Part I, now at the retail-expansion stage: dominate a focused beachhead (the natural and medical channel) before going national, and let DTC remain the insights lab:

> **"DTC is kind of like where we get to know our customers more personally. It's our data for the customer, a sample size of customers. We are not a DTC-exclusive brand, nor is that where the majority of our growth is coming from."**
>
> Julia Perez, CMO, OWYN

And Forde offers a piece of negotiating wisdom most founders never hear — that you are allowed to decline a buyer, and how you say no matters as much as how you say yes:

> **"This is a secret: you can always say no to a retailer, and how you say no is just as important as how you say yes. 'We are not ready to invest in the supply chain necessary to service this business.' You can always resubmit, and you're going to be in a place of strength."**
>
> Martin Forde

Saying yes to 800 doors you cannot service is how brands die in retail. Saying a graceful no — and coming back ready — is how they win.

Design your case-pack for the endpoint now

One deeply practical Forde tactic: design your case-pack architecture (master case, inner case, each) for your three-to-five-year destination from the very beginning, and rehearse retail discipline on marketplaces like Faire before you face a real buyer:

> **"If you're able to figure that out on the independent level, you can scale that up all the way to Walmart. The inners that we pioneered at Squatch — 'let's do six, six sounds like a good inner case' — that's the same inner case still shipping to Walmart today. Always start with the end destination."**
>
> Martin Forde

✓ OPERATOR'S CHECKLIST — FROM CLICKS TO BRICKS

- **Pitch retail as a CAC channel.** It's a billboard you get paid to run, and recent CPG exits prove omnichannel dollars are higher quality. Frame it that way internally.
- **Don't go too early.** Roughly $20M+ DTC first. An unprepared retail launch can permanently burn the relationship.
- **Lead with velocity, not brand.** Buyers grow *their* category, not your brand. Pitch how you bring a net-new shopper into their store — and use your ad budget/audience as proof.
- **Build a separate retail SKU and price.** Your premium DTC bundle won't translate; design a shelf-friendly $20–$30 product. Budget retail as a cost center first.
- **Sequence channels and keep DTC as the lab.** Dominate a beachhead before national mass; use DTC for customer data and LTV.
- **You can say no.** Decline doors you can't service, gracefully, and resubmit from strength.
- **Design case-packs for the endpoint now,** and rehearse retail discipline (UPCs, master/inner/each) on marketplaces like Faire before facing a real buyer.

CHAPTER 13

Win the Shelf and the Screen

Getting onto the shelf is the beginning, not the end. The brands that win in retail win the *velocity* battle — they sell through fast enough that the buyer expands them rather than cutting them. Colin Flood, VP of Marketing at the better-for-you snack brand UNREAL, has scaled the brand into more than 25,000 doors, and his framework splits the work cleanly into the physical and the digital:

CHAPTER 13 · FRAMEWORK

Winning the shelf and the screen

1. **Land the shelf**
   Get the buyer to say yes — that's the beginning, not the end.
2. **Drive velocity**
   Sell through fast enough that they expand you instead of cutting you.
3. **Win retail media**
   Buy the digital shelf sitting right next to the physical one.
4. **Earn expansion**
   Velocity — not pitching — is what gets you more doors.

> **"There's an in-store component and an online component. In store, it's how are you getting off shelf, how are you getting closer to the register, what's the promo strategy, what are the displays looking like. As it becomes more of a digital strategy, the first question I always want to know is, what is available to us."**
>
> Colin Flood, VP Marketing, UNREAL

Packaging is your shelf ad — build a brand block

In a physical aisle, your packaging is doing the job your Meta creative does online. Flood treats it as a core competitive advantage and aims to build a "brand block" — a wall of your product that the eye can't miss:

> **"Packaging has always been super important to us. We've always felt we had a really strong packaging and brand experience where we have a leg up on shelf, and then it's about building a brand block in the aisle."**
>
> Colin Flood

For impulse categories, that visual moment is the entire funnel:

> **"With chocolate, you can have a moment of discovery and then a moment of purchase, like one and the same. You don't need to provide all of this breakdown of why to buy a piece of chocolate if you're like, that looks freaking good, let me go buy it."**
>
> Colin Flood

Mine basket data for out-of-category placement

The sharpest retail-media insight Flood offers is to use basket data to find where your customers *already* shop — even in unrelated categories — and place yourself there:

> **"We found that, looking at basket data, our consumers over-index in certain other categories — non-dairy milk or alternative sodas. So while you're searching for your sparkling water or your almond milk, we find ways to get in front of them from a display perspective. We see a better return there than trying to do that in social — better return when you do it right there in the retail environment."**
>
> Colin Flood

This is retail media as a precision tool: not just buying placement next to other chocolate, but intercepting your actual customer in the adjacent aisles where they over-index. It also reframes retail media's value beyond last-click ROAS:

> **"There are tens of millions of impressions happening on Amazon for us, and that's powerful. We're aware of the secondary impact that's driving for us from a discovery standpoint."**
>
> Colin Flood

Audit what's available every year

The digital retail shelf — Amazon, Instacart, Target, Walmart's media networks — changes constantly, and Flood's discipline is to reassess the available levers and their costs every cycle rather than assuming last year's playbook still applies. The brands that win the screen are the ones treating retail media with the same rigor they bring to Meta: testing, measuring, and reallocating, not just buying the default package the retailer offers.

Match the channel to your unit economics

Finally, Flood is honest that not every channel suits every product. UNREAL struggles to scale lower-funnel paid social for DTC because the economics of shipping chocolate don't support it — so they position their own web store for high-margin loyal super-fans and use Amazon's FBA network seasonally, guarding product quality by only shipping when it's cold enough:

> **"Paid social is one where we've struggled more from a lower-funnel perspective. We haven't been able to scale it in a way that makes a ton of sense, in large part because of the economics of shipping chocolate."**
>
> Colin Flood

The lesson generalizes: your unit economics, not channel fashion, should decide where you fight. A product that ships poorly should lean into retail and use DTC for super-fans; a high-AOV product can dominate DTC. Know which one you are.

✓ OPERATOR'S CHECKLIST — WIN THE SHELF AND THE SCREEN

- **Split the work: physical and digital shelf.** In store: off-shelf visibility, position near the register, displays, promo. Online: audit exactly what retail-media levers are available.
- **Make packaging your shelf ad and build a brand block.** For impulse categories, the visual moment of discovery *is* the purchase moment.
- **Mine basket data for out-of-category placement.** Find where your customers over-index (adjacent aisles) and intercept them there — it often beats social.
- **Value retail media for discovery, not just ROAS.** Tens of millions of impressions drive a real awareness halo; budget with that in mind.
- **Re-audit available levers every year.** Retail-media capabilities change constantly; treat them with Meta-level testing rigor.
- **Let unit economics pick your channels.** Products that ship poorly should lean retail and reserve DTC for super-fans; high-AOV products can own DTC.

CHAPTER 14

Master the Supply Chain

The least glamorous chapter in this book is also the one that quietly determines whether you survive your own growth. Every founder obsesses over the front end — the ad, the brand, the funnel. The back end is where companies actually break. Paul Jarrett, co-founder of the fulfillment company Bulu, who once sold 40,000 subscription boxes overnight and imploded multiple 3PLs doing it, states the truth most founders avoid:

CHAPTER 14 · THE PIPELINE

The supply chain that survives growth

1. **Forecast**
   Plan demand before it arrives — not after you've stocked out.
2. **Source & produce**
   Build supplier redundancy and protect your lead times.
3. **Warehouse & fulfill**
   3PLs and inventory systems that scale with volume.
4. **Replenish**
   Reorder on data so you never starve a winning SKU.

> **"Most ecommerce companies don't realize that they're actually a logistics company. When you're getting stuck and the money isn't there, it's at the warehouse."**
>
> Paul Jarrett, co-founder, Bulu

Reframe how you negotiate with suppliers

Natan Bershtel of the supply-chain firm Pelagic — whose family business serviced brands like Seed, Liquid IV, and Celsius — offers the single most useful tactical reframe in sourcing. Most founders ask a manufacturer "what's your MOQ?" and walk away when the minimum is too high. That, Bershtel says, is asking the wrong question:

> **"If I go to you, the manufacturer, and I say, what is your MOQ — I'm actually asking the question the wrong way. Instead, I should say, I would like to make this many units, are you able to quote this for me?"**
>
> Natan Bershtel, Pelagic

The same reframe applies to lead times. Stated lead times are not fixed facts; the right partner has hidden flexibility:

> **"There's other manufacturers that are flexible. Their quoted lead time may be 10 weeks, but they could actually get you on a production line in two weeks. Figuring out who those folks are — that's the part so many brands are just not aware is possible."**
>
> Natan Bershtel

And the best suppliers are usually the ones you have to *find*, because they don't need to advertise:

> **"Some of the best providers don't advertise their services because they don't need to — because they're good and other people tell other people about them. The flip side is also true: some of the less ideal providers are the ones promoting their services the most."**
>
> Natan Bershtel

Never single-source everything

John Morgan built Seed's early supply chain — sourcing 24 clinically-studied probiotic strains and rebuilding the entire system four or five times through hypergrowth — before founding Pelagic. His hardest-won lesson is a warning about the seductive convenience of a single turnkey manufacturer:

> **"A huge mistake people make at the earliest stage is they skip over or don't ask hard questions, so they outsource everything to one shop. One turnkey manufacturer sounds great — but people are giving up way more than they ever expected."**
>
> John Morgan, founder, Pelagic; former VP Ops, Seed

The related myth is that costs will magically improve as you scale. Morgan says scale alone does nothing; *negotiating* the scale does:

> **"People make the mistake of saying, oh, COGS will get better as we scale. I'd argue you're leaving so much opportunity on the table. Actually leveraging and negotiating those volumes, and shopping them out to many other capable manufacturing partners — that's what you should be doing."**
>
> John Morgan

He saved one pre-launch client roughly 50% on initial COGS doing exactly this, before the brand had sold a single unit. And his foundational advice is to build the visibility early:

> **"Build a really powerful dashboard that consolidates all of your purchasing, your COGS, your inventory, and your supply data. Trust the supply side of your organization just as much as you do your demand."**
>
> John Morgan

The supply chain is the product, for perishables

For some categories, the supply chain isn't supporting the product — it *is* the product. Meenakshi Lala, CEO of UrbanStems, runs a business where flowers sourced from farms in 13 countries must stay between 37 and 50 degrees end-to-end and sell within a five-day window:

> **"Supply chain is the heart, it is the spine of a business, especially when it comes to perishable product. The shelf life of our product once it hits our fulfillment centers is five days. Not having a robust supply chain that ensures there are no delivery delays is life and death for this business."**
>
> Meenakshi Lala, CEO, UrbanStems

Her most replicable move is pushing assembly and quality control *upstream* to the source — training farms to build bouquets to spec sheets "down to the stem length," eliminating an entire domestic assembly step and the substitutions that erode trust. The result was spoilage cut from "multiple points" to low single digits. The principle generalizes: the further upstream you can push quality control, the fewer expensive failures reach the customer.

Know your fulfillment inflection points

Paul Jarrett's experience crashing 3PLs taught him that pain arrives at predictable volumes, and that founders should plan for them rather than discover them:

> **"There is something about the magical number of 10,000 a month where customer service really starts to seep in and become hard. If you get to 14,000 a month in sales, that is always the breaking point — you question your existence."**
>
> Paul Jarrett, co-founder, Bulu

His practical levers for driving down shipping cost — the silent killer of DTC margins — are volume, carrier relationships negotiated against *future* auto-renew volume rather than today's, and smart packaging weights (keep items under 2 pounds, or if large, over 10). And his number-one warning is against the founder who trusts "their guy" instead of shopping the market:

> **"They think they have 'a guy' and they don't go get 3 to 7 quotes. People think they've got a lock on something, and it's just not the truth."**
>
> Paul Jarrett

Relationships are the real redundancy

The thread connecting all four operators is that supply chains run on human relationships, and those relationships are what save you when something inevitably breaks. Bershtel puts it simply:

> **"Be there in person. Make the interactions relational rather than transactional. If the humans care about your brand, they will time and time again rise to the occasion for you."**
>
> Natan Bershtel

When Seed faced a critical stockout, a co-packer bailed them out within a day — because the relationship existed before the crisis. You cannot build that relationship during the emergency. You build it in person, over time, before you need it.

✓ OPERATOR'S CHECKLIST — MASTER THE SUPPLY CHAIN

- **Accept that you're a logistics company.** The money — and the failures — are at the warehouse. Give the back end the attention you give the front end.
- **Reframe supplier negotiations.** Ask "can you quote *this* volume?" and "can you hit *this* lead time?" — not "what's your MOQ?" The best suppliers are found by word of mouth, not ads.
- **Never single-source everything.** A turnkey manufacturer costs you more than you think. Shop volumes across multiple partners; COGS improves through negotiation, not scale alone.
- **Build a supply dashboard early.** Consolidate purchasing, COGS, inventory, and supply data. Trust the supply side as much as the demand side.
- **Push quality control upstream.** For perishables especially, build/QC at the source to eliminate downstream failures and substitutions; track spoilage as a headline metric.
- **Plan for fulfillment inflection points** (~10K and ~14K orders/month). Drive down shipping cost via volume, future-dated carrier negotiations, and smart package weights. Always get 3–7 quotes.
- **Invest in relationships before the crisis.** Show up in person. The co-packer who bails you out of a stockout is one you built trust with beforehand.

PART VI

BUILD SOMETHING DURABLE

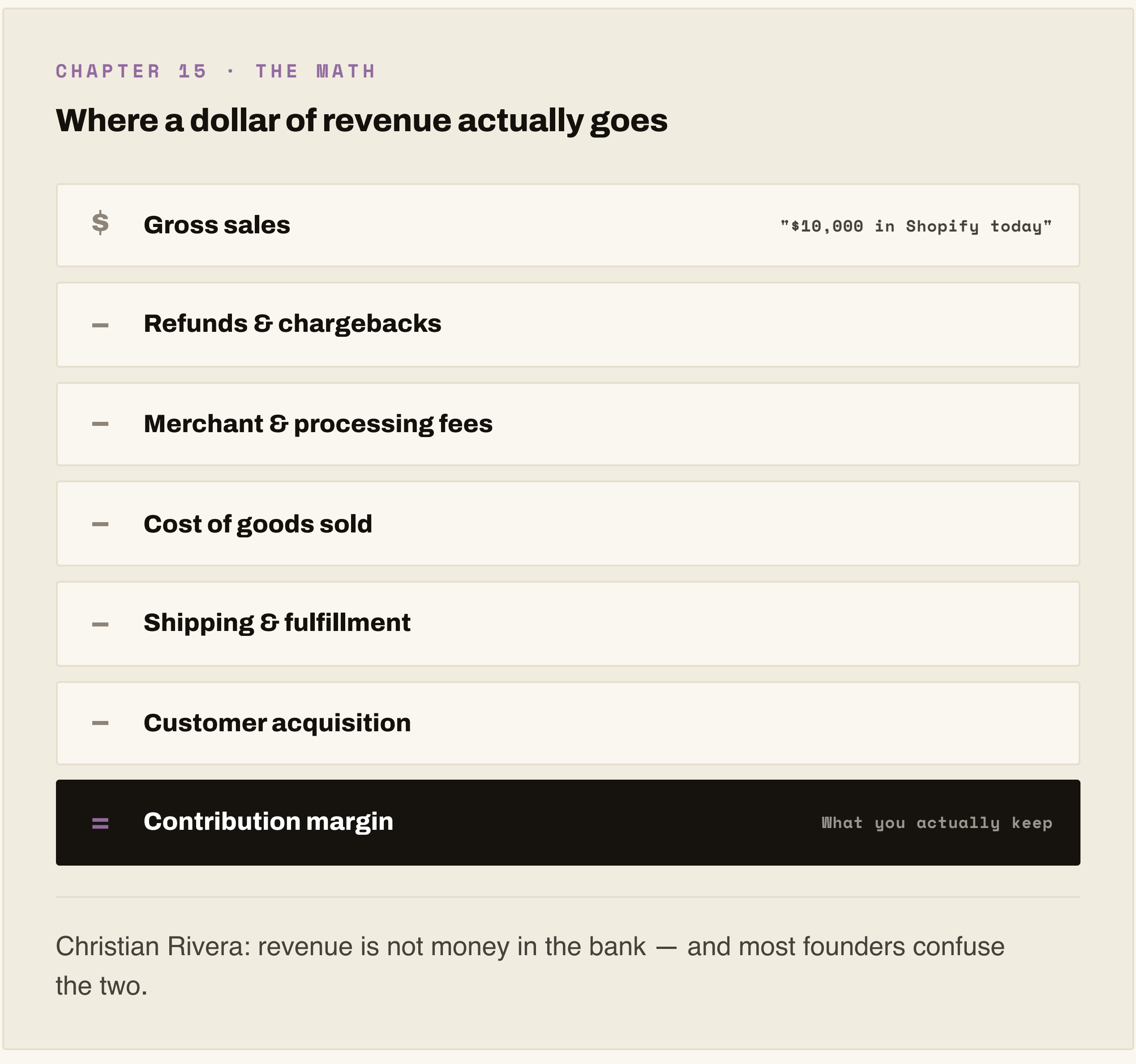
VI

Growth is intoxicating, and it has killed more brands than slow sales ever did. The final part of this book is about the discipline that separates a brand that scales and lasts from one that scales and dies: the financial habits that keep you alive, and a clear-eyed view of capital — when to raise it, when not to, and what an investor is actually looking for.

CHAPTER 15

Money and Margins

The most counterintuitive pattern across the *DTC Pod* library is that the brands built with the *least* capital are often the most durable — because constraint forces discipline that funding lets you avoid. Ellen Marie Bennett bootstrapped Hedley & Bennett for twelve years, and she credits the lean years for making her a real operator:



Christian Rivera: revenue is not money in the bank — and most founders confuse the two.

> "When you have that sort of gun to your head at some point on your journey, you respect your dollar bills so much more, and it makes you much more of a business owner."
>
> Ellen Marie Bennett, founder, Hedley & Bennett

Her philosophy of capital is the opposite of the growth-at-all-costs era — hold a cushion, and resist spending just because you can:

> "Just because you have the money doesn't mean you need to spend the money. What a beautiful thing to be sitting on a little chest of cash for a bad rainy day. You just never know what's going to go south."
>
> Ellen Marie Bennett

And she names the trap of the modern startup narrative directly:

> "I'm very proud of those twelve years. We are so used to seeing these air-quotes overnight successes and also overnight failures. And I've always played the long game."
>
> Ellen Marie Bennett

Financial discipline is a daily habit, not a quarterly event

Irene Chen and Matthew Grenby bootstrapped Parker Thatch to eight figures over two decades with no venture capital, and Grenby reduces the whole thing to one habit:

> **"A huge part of it is knowing the importance of paying attention to those numbers, and then having the discipline of looking at them all the time so that you can manage them responsibly."**
>
> Matthew Grenby, co-founder, Parker Thatch

Looking at the numbers "all the time" is not a metaphor. The bootstrapped operators in this book treat their financials as a live instrument panel, not a report they review after the quarter closes. They flex inventory cautiously — Chen learned at Donna Karan to "invest in greige goods," keeping inputs neutral and flexible when demand is uncertain — because a young company lacks the cash to recover from a bad bet:

> **"When I was at Donna Karan, one thing I learned was, if you're not sure about something, invest in greige goods."**
>
> Irene Chen, co-founder, Parker Thatch

Get the tax structure right — but only when it's time

Christian Rivera, the e-commerce accountant from Chapter 2, returns here with the structural side of financial durability. His framing of the highest-leverage money move is not a clever deduction — it's the structure itself:

> **"The number one way you're going to save money on taxes, in terms of simplicity and return on investment for your efforts and money, is really through a good tax structure."**
>
> Christian Rivera, founder, The Ecommerce Accountants

But — consistent with his advice to early founders to keep things simple — the structure should arrive when the revenue justifies it, not before. An LLC taxed as an S-Corp to reduce self-employment tax, paying yourself a reasonable salary versus distributions, makes sense once you're genuinely profitable. He also warns against the most common founder self-deception: spending money purely to chase a write-off. A deduction is not a discount on things you didn't need.

Don't spend to chase a write-off — or a shiny object

Scott Dancy of Azuna learned the discipline lesson at painful scale, killing a "shiny object" agency strategy that cost $5M before he shut it down in 45 days. His framing — know your unit economics cold and ignore the agencies promising cheap CPMs and quick growth — is the operational version of Bennett's "don't spend just because you have it." The brands that endure are not the ones that never made mistakes. They are the ones that *caught them fast*, because they were watching the numbers closely enough to see the bleed before it became fatal.

The discipline compounds into a durable business

There is a through-line connecting Bennett, Chen, Grenby, and Dancy: financial discipline is not a constraint on building a great brand — it *is* how you build one that lasts. Bennett reinvested every penny and only added capacity at the breaking point. Parker Thatch survived twenty years and multiple economic cycles because they never bet more than they could lose. This is the unglamorous foundation under every durable brand in this book, and it is available to any founder, funded or not. It just requires the willingness to look at the numbers every single day.

✓ OPERATOR'S CHECKLIST — MONEY AND MARGINS

- **Respect the dollar like it's your last.** Constraint builds operators. Hold a cash cushion and resist spending just because capital is available.
- **Look at the numbers every day.** Treat financials as a live instrument panel, not a quarterly report. Manage them responsibly and catch the bleed early.
- **Flex inventory cautiously when demand is uncertain.** Keep inputs neutral and flexible ("greige goods"); a young company can't afford to recover from a big bad bet.
- **Get the tax structure right at the right time.** Structure (e.g., S-Corp election) is the biggest lever — but add it when revenue justifies it, not before. Comply simply early; reinvest the rest in growth.
- **Never spend to chase a write-off — or a shiny object.** A deduction isn't a discount on things you didn't need. Know your unit economics cold and kill bleeding bets fast.
- **Play the long game.** Beware the "overnight success" narrative. Durable brands are built over years of disciplined reinvestment.

CHAPTER 16

Raise Smart, or Don't

If you do decide to raise money, the final question of this book is the most consequential: what does an investor actually want, and how do you raise in a way that strengthens the business rather than distorting it? Three investors who have written first checks into category-defining brands — Brian Sugar of Sugar Capital, Brent Vartan of Bullish, and Ryan Springer of the fund Midnight — converge on a surprisingly consistent answer.

CHAPTER 16 · DECISION

Should you raise — or not?

RAISE WHEN…

- The wedge is proven and capital buys real speed
- The market rewards being first to scale
- You need inventory to meet demand you can already see
- Unit economics already work without the money

BE WARY WHEN…

- You're funding a model that isn't working yet
- Growth depends on subsidized, unprofitable CAC
- The raise exists to avoid a hard operational fix
- Dilution outruns the upside it buys

Raise to stay courageous, not to inflate the model

Brent Vartan, whose firm put first money into Peloton, Warby Parker, Harry's, and Casper, has the sharpest framing of how much to raise. The goal is not maximum capital — it's the *right* capital:

> **"It's the right amount of money for you to stay really courageous about this brand you're trying to build, not the model you're trying to make."**
>
> Brent Vartan, co-founder, Bullish

Both failure modes are real: over-raising dilutes founders and slows the company down with a false sense of security; under-raising gets you beaten by someone willing to take more shots on goal. And Vartan is adamant that the money should fund *innovation* — the next products that make your marketing work harder — not just inventory and paid media:

> **"Once you lose momentum, it's hard to get it back. And there's a lot of opportunity cost to stalling out on the business."**
>
> Brent Vartan

The Peloton investment is Vartan's clearest illustration of why brand and LTV justify aggressive capital. Bullish modeled roughly $3,000 of lifetime value per Peloton customer — a number that let the company tolerate a far higher acquisition cost and a longer road to profitability (expected in about 18 months) than a one-time-purchase brand ever could. The raise wasn't reckless; it was underwritten by a customer relationship worth thousands of dollars. That is the difference between raising on a story and raising on a number.

What investors actually underwrite: retention

If there is one metric these investors care about more than any other, it is retention — because retention is the proof that you've built something people actually want. Ryan Springer is blunt about the bar:

> **"If you're under 20% on retention and customers order twice or more in a year, it's going to be tough for us to get interested. You have to be like a couch that's a little outside of where we would normally invest."**
>
> Ryan Springer, partner, Midnight

Vartan says the same thing from the other side — what excites him is not cheap CAC but a customer base that does the work for you:

> **"What we like is when you have a really rabid customer base and they're working for you on your behalf."**
>
> Brent Vartan

This is why Part IV sits where it does in this book. Retention isn't just how you build a profitable business — it's the single thing that makes you fundable. An investor can help you fix CAC. They cannot manufacture love for your product.

Build a complementary founding team

Brian Sugar, who deployed a $25M first fund across roughly 33 companies and raised a $75M second fund, looks for a specific shape in the founding team — the same left-brain/right-brain pairing we saw at ignition with Form:

> **"We look for a left brain and we look for a right brain — the salesy marketing brand storyteller tied together with a merchandising, planning, financial person."**
>
> Brian Sugar, founder, Sugar Capital / POPSUGAR

And Sugar's bar for which businesses are worth pursuing at all is a useful discipline even if you never raise a dollar — he calls it "focus power":

> **"If you really didn't believe they could be $25 million businesses within five years, it was like, well then why are we working on it? Focus power on what we're good at."**
>
> Brian Sugar

Manage capital like it has to last longer than you think

Springer's practical advice reflects a harder funding environment than the boom years — gaps between rounds are lengthening, so raise earlier than you think and burn carefully:

> **"Hire slowly and fire fast."**
>
> Ryan Springer

He also reframes how early-stage valuation actually gets set: not by your projections, but by socializing the business with the market to find a realistic number. Projections, in his view, exist to show you understand how the business works — not to set the price. The founders who raise well treat valuation as a calibration exercise, not a negotiation to win.

The investor's real job is to be your first call

Finally, the relationship matters as much as the check. Sugar describes his role not as a source of pressure but as the founder's trusted first call — coach, mentor, sometimes therapist — because transparency is what surfaces the real problems early enough to fix them. The lesson for founders choosing investors is symmetrical: take money from people who make you more honest, not less. The best capital comes attached to someone who helps you see the problem before it becomes fatal — which, in the end, is the same discipline that runs through every chapter of this book.

✓ OPERATOR'S CHECKLIST — RAISE SMART, OR DON'T

- **Raise the right amount, not the most.** Enough to stay courageous about the brand, not so much you dilute and slow down. Both over- and under-raising kill momentum.
- **Spend the raise on innovation,** not just inventory and ads. New products make your marketing work harder and have a longer shelf life.
- **Make retention your fundability metric.** Investors underwrite a rabid, repeat customer base above almost everything. Strong retention is what makes you raisable.
- **Build a left-brain/right-brain founding team** — storyteller plus merchandising/finance operator. Investors look for it; the business needs it.
- **Apply "focus power."** Only pursue ideas that can credibly reach real scale; concentrate effort rather than spraying it.
- **Manage capital to last.** Raise earlier than you think, hire slowly, fire fast. Set valuation by socializing the business with the market, not by defending projections.
- **Choose investors who make you more honest.** The best capital comes with a trusted first call who helps you see problems before they're fatal.

CONCLUSION

The Boring Stuff Is the Moat

We started this book with a promise: that the advice here would come from people who actually did the work, and that it would be specific enough to act on. Now that you've reached the end, it's worth stepping back to see the shape of what all these operators, across wildly different categories, were really saying.

IN CLOSING

The boring stuff is the moat

1. **Supply chain**
   The capability competitors can't copy overnight.
2. **Unit economics**
   Margins that let you outspend and outlast.
3. **Retention**
   Customers who come back without being paid to.
4. **Brand**
   The reason they choose you before they compare price.

They were saying the same handful of things, over and over, in different words.

Find the narrow place where you win completely. Ellen Bennett's apron. OWYN's medical customer. Azuna's urgent odor problem. Nobody who scaled started by being everything to everyone. They started by being the obvious choice for someone, and earned the right to expand.

Make the math work before you scale it. Haris Memon nailing the offer. Scott Dancy engineering AOV from $22 to $83. Christian Rivera separating revenue from money in the bank. The most beautiful brand in the world cannot outrun broken unit economics.

Be interesting before you're paid. Jake Karls turning a chocolate company into a media company. Caleb Alvarez's founder-led content. Sami Clarke launching Form to a crowd that had been waiting for years. The cheapest, most durable growth comes from being worth talking about.

Then pour fuel on the fire — with discipline. Peter Czepiga's 25 creatives. Mina Elias's thousand funnels. Noah Tucker turning every customer into an affiliate. Paid acquisition works, but only on top of a product and an offer that already convert.

Keep the customers you paid for. Oisin O'Connor's 4x subscriber. Ismail Salhi's dry ice. Ariel Vaisbort's Instagram DMs. Retention is where the money actually is, and most of it is won in operations and care, not clever flows.

Get out of the browser and onto the shelf. Martin Forde's "retail is a billboard." Colin Flood's brand block. The biggest outcomes are omnichannel — and they're built on a supply chain, as Natan Bershtel and John Morgan and Meenakshi Lala all insisted, that most founders ignore until it breaks them.

And build it to last. Bennett's twelve years. Parker Thatch's twenty. Brent Vartan's "stay courageous about the brand, not the model." The discipline to look at the numbers every day, hold a cash cushion, and refuse the shiny object is what separates the brands that scale and survive from the ones that scale and die.

If there's a single sentence that captures all of it, it's the one this conclusion is named for: **the boring stuff is the moat.** Everyone wants the growth hack. Almost nobody wants to negotiate the case-pack architecture, build the supply dashboard, answer the DMs personally, win the second order, or get three to seven quotes instead of trusting "their guy." That gap — between the people who want the result and the people willing to do the unglamorous work that produces it — is the entire opportunity.

The founders in this book were not smarter than you. Several of them said so themselves. They were willing to do the work, watch the numbers, stay focused, and play the long game. That path is open to anyone who reads this far and then closes the book and goes and does it.

So go do it.

APPENDIX

THE VOICES

Every insight in this book came from a real conversation on the DTC Pod. The operators, founders, and investors whose words and frameworks appear in these pages:

PART I — FIND THE WEDGE

Ellen Marie Bennett
Founder, Hedley & Bennett

Julia Perez
CMO, OWYN

Scott Dancy
Founder & CEO, Azuna

Irene Chen & Matthew Grenby
Co-founders, Parker Thatch

Haris Memon
Founder, Miracle Brand / Nameless Ventures

Christian Rivera
Founder, The Ecommerce Accountants

Marin Ištvanić
Partner, Inspire Brands Group

Brent Vartan
Co-founder & Managing Partner, Bullish

Emmett Shine
Co-founder, Gin Lane / Pattern Brands

Allegra Shaw
Co-founder, Uncle Studios

Michelle Cordeiro Grant
Founder, Gorgie (and Lively)

PART II — IGNITE

Jake Karls
Co-founder, Midday Squares

Caleb Alvarez
Founder, Shadowlight Studios (Nectar)

JT Barnett
Founder, Creator X

Sami Clarke & Sami Bernstein
Co-founders, Form

Leah Marcus & Yasaman Bakhtiar
Co-founders, Good Girl Snacks

Zeke Bronfman
Co-founder & CEO, The Absorption Company

PART III — SCALE ACQUISITION

Peter Czepiga
Founder, Flighted

Mina Elias
Founder, Trivium

Shri Kanase
Founder, Euro Marketing

Apoorva Govind
Founder & CEO, Best Ever AI

Ben Matthews
General Partner, Night

Ben Acott
Co-founder, Feastables / Magnetic

PART IV — MAKE IT COMPOUND

Oisin O'Connor
CEO, Recharge

Ismail Salhi
Co-founder & CEO, Wildgrain

PART V — GO OMNICHANNEL

Martin Forde
Co-founder, Highline Brands (former first sales hire, Dr. Squatch)

Colin Flood
VP Marketing, UNREAL

Paul Jarrett
Co-founder, Bulu

Natan Bershtel
Pelagic

John Morgan
Founder, Pelagic (former VP Ops, Seed)

Meenakshi Lala
CEO, UrbanStems

PART VI — BUILD SOMETHING DURABLE

Brian Sugar
Founder, Sugar Capital / POPSUGAR

Ryan Springer
Partner, Midnight

Drawn from the DTC Pod library. Quotes are reproduced verbatim from episode transcripts.

End.