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WINNING



PRODUCTS

HOW TO FIND & SOURCE WINNING PRODUCTS TO SELL ONLINE IN SOUTH AFRICA



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WELCOME

Hi there, my name is Warrick Kernes and I'm the founder of the Insaka eCommerce Academy and I would like to welcome you to this ebook.

My personal eCommerce journey started back in 2008, when I lived in London and I started working for an online store. I was one of the first team members to join the team and over the next two-and-a-half years the business grew rapidly to over 25 staff members. I played a valuable part in the companies success and in 2009 I was nominated for and won the HSBC award for being London's Outstanding Young Business Person of the year.

That set me up well to return home to South Africa in 2010 where I started my own online store called Action Cameras, which later rebranded to Action Gear. I started that business with my total savings of R8700, and I grew it to over R20 million a year.

In March 2018, I exited that business to start the Insaka eCommerce Academy where I have dedicated my time to using my experience and my expertise to help other South Africans to set up their own online stores. 'd like to say thank you to you, for downloading this e-book, to help me achieve my goal of teaching more people about setting up their own online stores.

When setting up an eCommerce business my students often get carried away and want to learn about digital marketing, utilizing marketplaces and a lot of other exciting aspects of online selling but I often need to reign them in and remind them that finding a good product to sell is truly the first step to having a successful online store. And this is often where I see people making the most mistakes.

The purpose of this e-book is to help you to not only find a good product to sell but to be able to forecast the amount of sales you can expect. Identifying a great product is one thing but being able to source it is another challenge altogether and so I've also included a chapter on my tips for connecting with suppliers and growing those relationships.

Lastly, for some inspiration, I wrap up by going through some of the hot and trending products in the market right now.

CHAPTER 1 : HOW TO FIND PRODUCTS TO SELL ONLINE

Here are some ways that you can go about finding potential products for your online business...

“Finding a product that will sell is the foundation of your successful eCommerce store” - Warrick Kernes

WHAT ARE YOU PASSIONATE ABOUT

The first place that you want to be looking at is to take a look at what you're passionate about. What are your hobbies? What is it that gets your blood flowing? If you can find a product that excites you then it's going to be so much easier to build your company and your brand. Each sale and each customer interaction won't just be work, it'll be fun. Your passion will shine through in everything that you do and customers will easily see this and they'll shop with you because of it. That's why this is number one on my list because if you can find a product that relates to your passion then you're on the right track.

WHAT'S AVAILABLE IN YOUR NETWORK

Have you thought about what products you can get from your current network of friends, family and business associates? Perhaps your uncle has an importing business or your friend's cousin has a warehouse full of products. Reach out to them and ask if you can start to list and sell these products on your website. Having a relationship already established goes a long way in trying to find products to sell so don't underestimate your current network.

TREND PUBLICATION SITES

These websites exist to highlight the newest trending products on the market and you can easily browse their websites or subscribe to their newsletter to hear about what is being announced worldwide. Some sites you can keep an eye on include; Trend Hunter, Google Trends, Sell The Trend and Jungle Scout.

LOOK FOR HIGH GROWTH PRODUCTS OVERSEAS

Whether you find out about new products on the trend publication websites or if you just start to see a new product being listed on many big websites quickly you should always keep an eye out for high growth products overseas, especially when that product isn't yet available in South Africa.

I'm sure you've noticed that there is always a time lag between awesome new products launching overseas and when they're available locally. This time lag can be your greatest opportunity to identify high growth products and to see how they sell overseas before you invest your money and become one of the first sellers in SA.

Investing your money into product awareness can be costly but the time lag allows us in SA to let international players blaze the trail to find out if people will actually buy a product. If we see that there is a massive uptake then we can benefit from this.

I followed this exact approach and was the very first person in South Africa to be selling the GoPro cameras and accessories. The incredible growth in demand for GoPro products put my business in a great position to become successful and we built our business on this foundation.

AMAZON AND ALIBABA BEST SELLERS

If you type "Amazon best sellers" or "Alibaba best sellers" into Google then you'll find an algorithm generated section on both respective websites, which lists their real-time best selling products. These pages have filters too so you can narrow down the best sellers into categories which you're interested in. This becomes

very interesting if you can find one of the best sellers which isn't yet available for sale in South Africa.

Last year I was on the Amazon best sellers section and found something I wanted to buy as a gift for my brother; a small punching bag that sticks to your desk with a suction cup. I jumped over to the Takealot website and found that no one was selling it on Takealot or anywhere else in SA! Needless to say, I ordered a ton of these from Alibaba and sold them all using a combination of Takealot and OneDayOnly promotions.

COMPETITORS WEBSITES

Go and subscribe to your competitors newsletters and watch out for new products that they're launching. Pay attention to the amount of noise they're making about a particular product. Is it on their homepage? Is it in their newsletters? Is it being pushed on their social media? All of those things tell you that this is potentially a big product and you should get onboard.

Don't limit yourself to only local competitors as you should also be watching the market leading websites in your industry right around the world. If you see them launching a new product then you can start investigating it before your local competitors do.

AUDIENCE SURVEYS

Engage with your current or potential customers and ask them what it is they're looking for. They can often tell you about products that they want and excited about or new products that they've read about coming out soon. This is a great source of information to finding new products.

CHAPTER 2 : WHAT MAKES A PRODUCT A WINNING PRODUCT?

This is my list of factors which make some products more attractive to sell online than others. Your product doesn't need to match all of these criteria to be a winning product but you should use these points as a guideline when deciding what to sell...

"Just because a product sells well in Sandton City doesn't mean it will sell at all on your website" - Warrick Kernes

ONCE OFF SALE OR REPEAT PURCHASE

If you can find a product that is a repeat purchase rather than a once-off-purchase for the customer then that does several things; it reduces your cost of acquisition and it increases your lifetime average value of your customer. These customers don't just come to you once to purchase and leave, they come again, and again, and again. This is a great business model, so if you can find something that's a repeat purchase product then you're on the right track.

If you are considering a product which is a once off sale then try find accessories and complementary products which you can offer to the customer to keep them coming back.

SIZE MATTERS

Big and bulky items are not only expensive warehouse and to deliver to your customers but if you're importing your products then you'll most likely opt for sea freight over air freight to keep your costs down. This also means it will take you about two months to receive your products from the time you pay your international supplier.

Smaller goods are cheaper to move around and require less space for storage. If you're importing, it is easier to decide to air freight the goods. This is more costly but it lets you turn over your cash quicker so you can reinvest into new stock.

SUPPORT AND RETURNS

A product with low sales support and low returns saves you time and money as high support products require a customer support team to be ready to answer phones and help customers before and after the sale.

With that said, I've previously built strong companies around products which require intense product support. We used each customer engagement as an opportunity to grow our reputation. Our product expertise and world class customer support became our competitive advantage.

LOCAL REGULATIONS

If you can find a product that has no local regulations and restrictions, then that is preferable. There are so many products these days that are regulated; toys need NRCS approval, electronics with wireless communications require ICASA certification, and any medication related products require MCC certification. If you can find something that has no local regulation requirements then that is preferable.

If your product requires ICASA certification this will cost you about R4500 per product variant. While ICASA state that an application will be processed in 3 weeks it generally takes between two and six months to get the certificate that you need to legally sell the product in South Africa.

I previously invested in a company to sell a new 'miracle' diet supplement online. This product ticked every one of these "winning product criteria" but our application with the MCC had an estimated approval timeline of seven to nine years! Although the rest of the business opportunity was incredible this delay was a deal breaker for me.

PROFIT MARGINS

It seems obvious to look for products with high profit margins but I often see entrepreneurs building businesses around products with low margin because they are passionate about the product.

Low margin products certainly can be great but only if you're selling massive quantities and when you're starting out that's unlikely to be the case.

If you're looking at selling products with anything less than 25% margin you are just making your life difficult and it is going to be challenging for your company to see a profit at the end of the month ,especially as you're getting started.

Higher profits also give you a cushion for the inevitable mistakes that happen as you learn and grow your business.

IMPORT DUTIES

When importing a product you could have a 0% duty or the duty could be as high as 45% so it is imperative to know the duties before you commit to a product.

To learn more about importing and to find out the duties of different products take our free importing mini-course which is available under the Free Resources section of the [Insaka](#) website.

Remember that this list should be treated as a guideline and that your product does not need to match all of these criteria to be a *winning* product. This is just a guideline for you to consider when you're assessing a product to start selling online.

CHAPTER 3 : HOW TO RESEARCH IF ANYONE WILL BUY THIS PRODUCT

Before we commit our finances to buy inventory of a new product we need to do as much research as we can to gain a firm understanding of how well a particular product will sell in our local market. As entrepreneurs we value our cash flow so we want to avoid tying up our funds in slow moving products. This chapter gives you some tools which can be used to forecast the sales of a new product.

“Understanding demand and planning accordingly is crucial for a successful product launch” - Warrick Kernes

GOOGLE KEYWORD PLANNER

You can access Google Keyword Planner for free if you have a Gmail account and you register with Google AdWords. You can register for Adwords for free without actually having run any campaigns. Once logged in, browse to the top of the screen to tools where you'll find the keyword planner.

This is a fantastic tool which can tell you how many people in South Africa are searching for a product, a brand or a type of product. Obviously, the more people that are searching for a product, the bigger the demand.

When you assess the number of searches for a given product you need to consider whether the product is a mass market product or whether it is a niche product. Commoditized products should see thousands of searches monthly to tell you that there is a lot of market share available. With niche products a smaller number of searches can still be a large number for that small niche.

ASK YOUR NETWORK

Ask your family and friends and put it out on social media. The people that you know could point something out to you that you have missed. Maybe they'll tell you that this is an absolute winner and you're on the right track and everybody's

going to want to buy it, or they could give you a reality check. Asking on social media is something you should not be afraid of because someone, perhaps one of your school friends, could know of an alternative product that could ruin your whole business plan, or that same person could perhaps work in a big corporate company and say “yes, my company will take 10 000 pieces”. So, don’t be afraid to put it out there and see what happens. Even if you get no responses or very unenthusiastic responses, there is still valuable information which you can gather from that kind of response.

OFFER A PRE-ORDER DISCOUNT

When people tell you that they would buy your new product it can be interesting to see how many of them actually would truly do so. Offering a pre-order discount let’s you test out if people want this product enough to pull out their wallet or if they are just saying this to be nice to you.

Securing pre-orders can boost your confidence massively plus it is great for your cash flow as you can receive some money in before the goods even arrive.

ASSESS CUSTOMER REVIEWS & FORUM DISCUSSIONS

Find the product on Amazon and scroll down the page to read the customer reviews. See if there is a massive product fault that you weren’t aware of and if the customers are shouting “this product should not be sold anywhere in the world” or if it is all positive reviews.

For any product, hobby or industry there’s always going to be a Facebook group and related forums. Find these online groups and get involved, contribute, have a conversation to find out what people are talking about, what their pain points are and how you can solve this by selling your product. A word of caution; don’t be that person that joins a group and start selling straight away, they will see straight through that and kick you out. Just go in there to garnish information, read their comments, read other conversations within the group and you will get some golden nuggets to know whether people are going to buy that product that you’re thinking of.

CHAPTER 4 : BEST WAYS TO CONNECT WITH SUPPLIERS

Finding a winning product is one thing but convincing the supplier to let you sell it is another challenge altogether. In this chapter we'll go through some tips on how you can approach, engage and begin working with suppliers both locally and overseas.

“Establishing relationships with suppliers is one of the major challenges for start-up entrepreneurs” - Warrick Kernes

INTERNATIONAL SUPPLIERS

The attraction of ordering from international suppliers is that you'll often have a larger profit margin and, if you arrange a good deal, you may also secure exclusivity for that product within South Africa, which is great. This doesn't come without risks though as international suppliers often require that you commit to larger MOQs (Minimum Order Quantities) and that you take responsibility for handling the added admin of importing, handling returns and issuing replacements.

When approaching **international brands** they may favour you if you meet them in person at international trade shows and expos as you can meet face to face and establish a rapport.

I've previously spent days on end walking the mega halls of the Consumer Electronics Show in Las Vegas and the Hong Kong Electronics Show but nowadays I prefer to follow bloggers who are doing the hard yards themselves and then posting their best finds on their websites each evening. Doing this saves me the time and money of travelling around the world and I can get equal value in terms of finding new products of interest.

This approach however doesn't help with meeting the right person and establishing a contact in the suppliers business but you can always get a hold of the company via their website and a quick LinkedIn search can uncover the exact right person to ask for. Often bloggers will do quick interviews with the key

contact at each expo stand and this can again be a great resource for the name of the best person to ask for when contacting the company later on.

One of the challenges of a start-up business is how to convince big international brands to work with you. Thankfully their first check will be your company website and we can (*by following the tips given by the Insaka eCommerce Academy*) easily set up our website's to look world-class. This can give the perception of being a bigger company than it is in reality.

International companies are mostly interested in what their local partner can do to grow their brand and product awareness. Only then are they interested in sales. This is the same approach you should have when pitching to them; focus on what you can do for their product and their brand before talking about quantities.

If possible always include an exclusivity agreement with an automatic renewal. This avoids you doing all the hard yards only to be cut out once a bigger local importer shows interest in the product.

Alibaba is another great way to source international products with high margins. The majority of the products listed are generic and so gaining exclusivity wouldn't mean much as the item would probably be available under various other white label brands. The higher margin is very attractive though and this can be a lucrative option if you find the right product which is in demand and you have the right channels to sell it through.

Once you've identified a product on Alibaba that you're interested in then you should try and find other suppliers who sell the same item so that you can get comparative prices and MOQs. You can find the various sellers by searching the product name or by using their nifty new image search feature where you can upload a product image and they'll give you a list of all the suppliers who have that product.

When assessing the various suppliers be sure to select a supplier who offers Trade Assurance®. This means that Alibaba has vetted the supplier and they offer you a guarantee that if the supplier doesn't deliver to you on time or in the expected quality then Alibaba will give you a full refund.

Of course it's always a good idea to be cautious with your quantities on your first order. Even though the shipping cost per unit will be higher when ordering a smaller quantity it is recommended that you order a small quantity to check the quality before committing to and paying for a larger quantity. Some suppliers may try to insist that you meet their MOQs on your initial order but you can get around this by sending them a signed Purchase Order for the larger quantity which clearly states that this PO is contingent on the quality of the test order being up to standard.

LOCAL SUPPLIERS

If you're interested in international brands which already have a South African distributor then you can find the details of the local supplier by going to the international brand website (example www.nikon.com) and looking for their dealer page. If this page isn't listed then you can submit a query asking to be connected with the EMEA dealer. You can also search online for a localized version of the international brand website (example www.nikon.co.za) where the contact page will give you the contact details for the South African distributor.

If the product that you're interested in is made in South Africa and an online search doesn't give you the suppliers details then an effective way of discovering who the supplier is can be to visit a local stockist, pick up the product and check the labeling which should have the manufacturers name and contact details listed.

Once you've identified the supplier company the first thing to do is to try to get one foot in the door by seeing if we have any connections to someone in the company. My first check is always LinkedIn as you can search the company name and see if you have any connections or close connections which you can use to get an introduction. The next best way to see if you have any connections at the company is to post on Facebook asking your friends if they or anyone they know works at the company.

Having a connection at the company goes a long way in establishing a relationship as you want to be set apart from the dozens of other companies and

entrepreneurs which are phoning up saying they want to sell this company's products too. For this same reason I suggest that you don't just call up the reception asking to be put through to the person in charge of XYZ product but instead, if possible, you should visit their offices and say that you would like to briefly meet the person. Even a five minute talk helps to set you apart from the others and you'll stand out in the mind of the product manager. Standing out is important because as a small dealer we're going to need them to like us and to be lenient on their onboarding rules and first order MOQs.

In this initial five minute talk the sole intention is just to show face and to ask for a scheduled meeting at a later date. In this scheduled meeting we want to focus on what was mentioned earlier; promoting how much value we can add to the product and their brands. Yes, the product manager is primarily interested in signing up dealers who can move a lot of units, but they also need to find dealers who can add value to the brand through marketing and social klout. If you can push this as your primary value proposition then you'll have an easier time when the discussion turns to MOQs and pricing.

Being able to commit to paying for an initial order is going to go a long way to securing your company as a dealer for this product. Often distributors set the initial MOQ high to ward off smaller dealers but I've found that this value can be negotiated if you've focused on the marketing and brand value which your company can offer. Also, although they may tell you that this MOQ is for each order I've never found a dealer who enforces this. What I always do is commit to the opening order so that we can open our account and establish a trading relationship but then for any future orders I just order the required stock that we need to replenish the sold stock and not necessarily the stated MOQ amounts.

CHAPTER 5 : CURRENT TRENDING PRODUCTS

In Chapter 1 it was suggested that you follow trend publication sites to see what products are hot sellers. The list below has been created from actual sales of Shopify merchants around the world in the last three months.

“Simply chasing hot selling products can land you in highly competitive situations. Rather build a database and then look out for trending products which are a fit for your customers” - Warrick Kernes

CURRENT TRENDING PRODUCTS

1. Shapewear
2. Men's plaid shirts
3. Athleisure
4. Travel accessories
5. Automotive accessories
6. Smart watches
7. Minimalist jewelry
8. Heated vests
9. Ankle boots
10. Posture correctors

While trending products are exciting you need to be cautious of the competition and what stage of the product life cycle a particular product is in. New products can still experience fantastic growth but products that are already widely available and those which are commoditized can prove to have high competition from big retailers.

The ideal situation is to find a trending product which is not yet widely available in South Africa and one that fits well with the customers which you have access to.

CONCLUSION

I see product selection as key to the success of your online venture so I'm grateful that you have read through this guide to finding and sourcing good products to sell.

If you've found a great product but you're hesitant to commit then I really want to encourage you to trust your gut and take a leap of faith. All the product research in the world can only do so much but then it's up to you as the entrepreneur to take the necessary steps to take this product to market.

If you've enjoyed the value offered in this book please share this PDF with any of your friends and family who you feel may get value from it too. It might just change their lives!

SO, WHAT'S NEXT?

Remember that listing a great product on your website doesn't guarantee it will sell. You then need to drive traffic to your site, work on your website conversion and look at other channels and marketplaces which you can use to leverage to grow your sales.

To continue learning more about starting an online store and growing your sales please use the following resources:

1. Free Tools and Courses www.insaka.co.za/free-ecommerce-resources
2. Follow Warrick on [Facebook](#)
3. Follow Warrick on [Instagram](#)
4. Join SA's biggest [eCommerce Community](#) on Facebook

Let's keep the conversation going within the community. Please share your biggest takeaway from this book inside the group.

- Warrick Kernes