Organic growth mastery for D2C

Increase your revenue without increasing your paid marketing spends

Author's note

How can a d2c brand increase revenue by 20% 30% or maybe even 50% without spending a single extra penny on ads? this guide is not a performance marketing guide and neither is it a guide that will tell you how to make better creatives. there are already thousands of such guides in courses available and making something like that would be against the very spirit and essence of this training.

This is also not a crash course on SEO. This is more fundamental and foundational and whatever you will learn here can be universally applied to any D2C business and any marketing channel you are already working on.

Before I go deep into the technicals and strategy of increasing your revenue without increasing your advertising spends I like to give a quick introduction of who I am:

1. I started my career as a performance marketer, so it's funny and ironic that I am telling you to spend less on ads.
2. My first venture was acquired by a startup called POPxo, not because we were the best at what we did, but because we were the only ones who did what we did. (this is important info. You'll learn why soon enough)
3. My own D2C brand manzuri generated 4Cr in revenue last year (and lifetime revenue of 10Cr+) with 0 spent on performance marketing or paid advertising. (more details below on why that is not an achievement but a grave mistake)
4. I run a marketing consultancy specialising in new category creation and helping personal care/ wellness brands grow profitably at an accelerated rate. We spend about 20Cr in ads each year, test about 1500+ unique marketing angles each year, and most importantly, work with some awesome D2C founders and learn from them intentionally.

In our manzuri journey, we learned several things that were unique to either our category or that time. While these strategies worked for us, these were not following some key first principles because of which they cannot be applied to your business. This is called non-value strategy and this guide will have none of that. Everything you read from here on will be universally applicable for a D2C business building in 2024-25.

The goal of this guide is to transfer 8 years worth of marketing learnings to you in less than a few hours, and hopefully convince you to break some rules and do things a little differently for your D2C brand.

A lot of times, we founders know what we have to do but still don't end up doing it because we don't WHY we need to do it. So while the latter part of this guide will be fairly technical and juicy, the initial bits will be more around the philosophy of why you must invest in organic - not your money, but your time.

Where are we all going wrong?

Before I dive into the meat of this document, I would like to share/rant about some things that I think are wrong with how newer D2C founders are tackling marketing problems. And then further throughout this guide, I will make sure to not make that mistake myself.

1. **Cure is greater than Prevention**

If you're a wellness founder, you will agree that Indian consumers are largely uninterested in the preventing major diseases. The logic with the Indian consumer is simple - "let that problem happen first and then I will think of a solution." [US preventive healthcare TAM is 50% of the total healthcare TAM but in India, the preventive healthcare TAM is only 30% of the total healthcare TAM.]

But this problem is not only present in the wellness space. It is also present in our founders.
We don't do what needs to be done because it's not a problem today.
Making a quick buck today is more important than prioritsing the long term health of your business.
This is leading to excessive wastage of capital in the country (not just by VC backed startups but also by bootsrapped companies) - further leading to increased outflow of cash to meta, rising competition on platforms, higher CPMs and higher advertising costs for even the few good founders building sustainably and efficiently.

I am on a mission to reduce this wastage and this organic growth guide is a step towards making it happen.

2. **Band-aid solutions**

When a 5-year-old kid tells a lie or steals something, a parent is confronted with 2 options:

a) Scold them and tell them they cannot do this without giving much logic or explanation.
b) Be stern with them but gently explain to them how their actions can hurt others and teach them the importance of honesty as a virtue.

Most parents will do the former; and while the latter takes more time and effort in the present, it is critical for forming the value systems of the child. Something that will stay with them forever.

But what about the value system of our startup?

- When your ad creatives are not working, don't just keep making new ones. Get on a call with your existing customers and learn more about their pain points instead.

- When your existing customers are not buying, don't just send them more emails. Send out an NPS or speak to them personally to find out why they are not buying so that you can tweak your retention flows.
- When you're getting a lot of RTOs, don't just blame your agency for bad targeting. Revisit your brand and your onboarding flows to understand why you're not able to create enough anticipation and hype about your product.

I hope you get the point.

By now, you have probably realised that whatever I am saying does not make sense for a brand in an impulse category. Actually, most of what I will mention here is NOT for impulse categories. In case your brand operates out of such a category and you have already purchased this, I am happy to provide you with a 100% no-questions-asked refund.

3. Monkey see, monkey do.

For most of us, whatever we know about D2C is self-taught. The internet is usually our best friend.
And thankfully, we live in a beautiful world where we have access to all this free information;

but this brings forth a major problem - how do we differentiate good knowledge from bad knowledge?

This is critical because sometimes, doing the wrong thing can set you on a path of no return and after having witnessed firsthand the catastrophic consequences of such decisions, I have come up with a **robust framework that helps me clearly distinguish good advice from bad advice.**

Every advice, Linkedin post, marketing material, gyaan that you read must be viewed from the following lenses:

1. Scale?
2. Industry?
3. Is it a band-aid solution?
4. Is it looking at the whole picture?
5. Bootsrapped or VC backed?

1. Scale

Depending on the scale of your brand, all advice in D2C will not be universally applicable.
If the founder of a 1000Cr D2C brand tells me something, I no longer treat it as the holy grail.
Infact - I have certain folks that I look up to and they are mostly just 2x-5x of my D2C brand's scale and i've noticed a clear pattern where their advice is more relevant to me than someone much more accomplished.

2. Industry

What works well for home decor may not work well for wellness.
So if a media buyer is sharing a fantastic scaling strategy that worked for a home-decor or any other brand, i will be very cautious in implementing it for my own startup.

3. It is important to be able to distinguish between band-aid solutions and root-cause solutions.

4. The whole picture basically means that you cannot view one marketing channel being independent from another. For example, a sound SEO strategy almost always includes making structural and UI/UX changes to your Shopify store. But we will almost never give our SEO team the right to make UI/UX changes - because we think it's not their domain. (rightly so in most cases because most SEO agencies are quacks.) But if we do allow them to make the desired changes, how will it impact our conversion rates? What if it reduces our Meta roas?

   Which means, in order for SEO to truly be successful, you not only need to align your Tech & CRO team, but also your performance marketing team.

5. What is great advice for a VC backed business could be quite damaging for your business. This is infact something that most of us get wrong - because most of the playbooks & casestudies of D2C growth are based on VC backed startups. This was actually the biggest mistake I made in my Manzuri journey which lead me to exhaust all the capital that I myself had infused and forced us to riase a small friends & family round 3 years ago. (remember: i was trained at a D2C unicorn so it took me a while to unlearn that thinking process)

So there you have it, unless you are sure that whatever marketing material you are reading is:
- From a brand of similar of 2x-5x scale
- From the same industry
- Is not a band-aid solution
- Is providing the full context and not just looking at something in isolation
- Is coming from a source that understands bootrstrapping D2C

,you should not take it too seriously.
If 2/5 are present, avoid it completely.
3/5, be cautious.
4/5+ please go ahead.

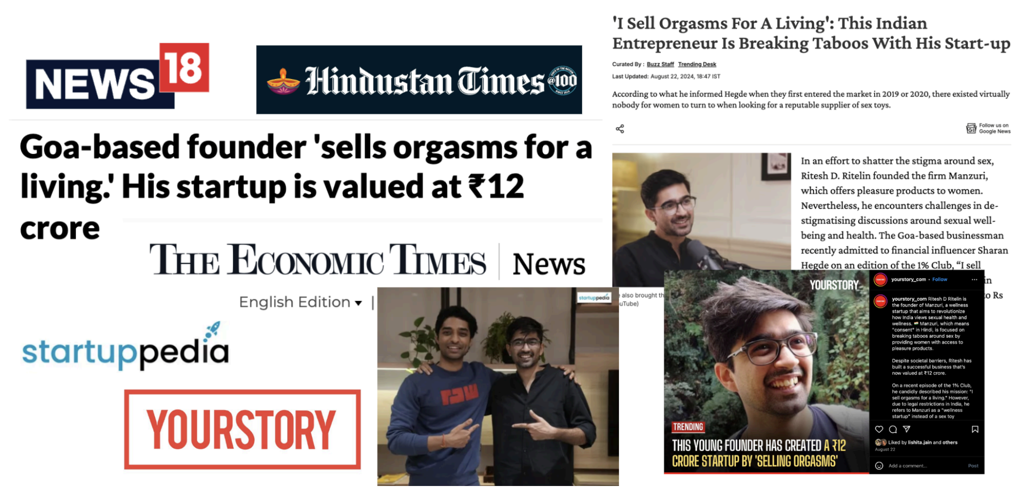
Introduction to our organic growth process

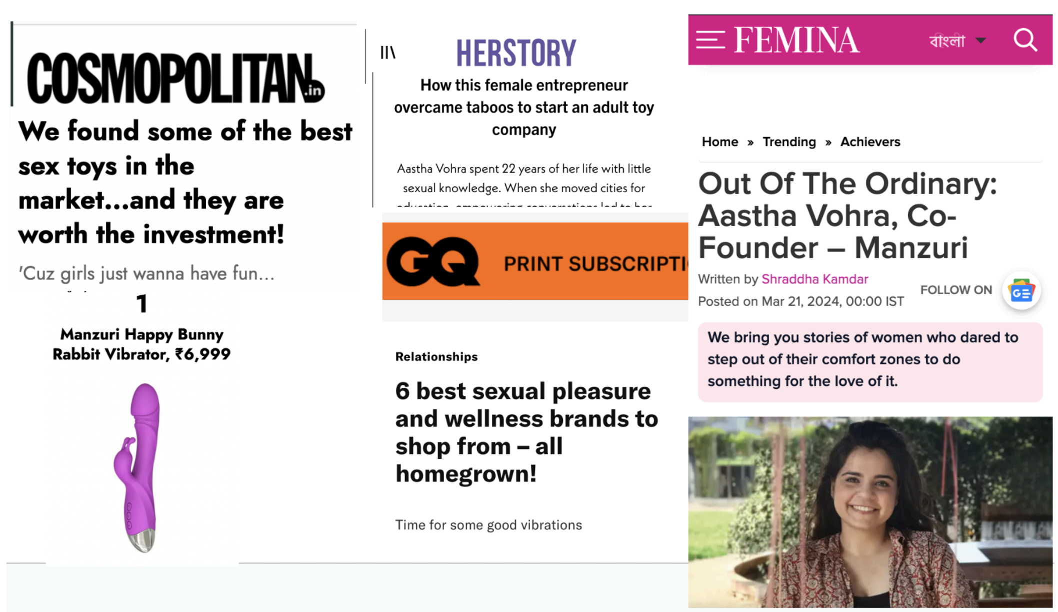
Part 1: Increasing revenue

There are only 2 ways to increase your revenue without increasing your advertising spending.

ONE: Increase website traffic from non-paid channels.

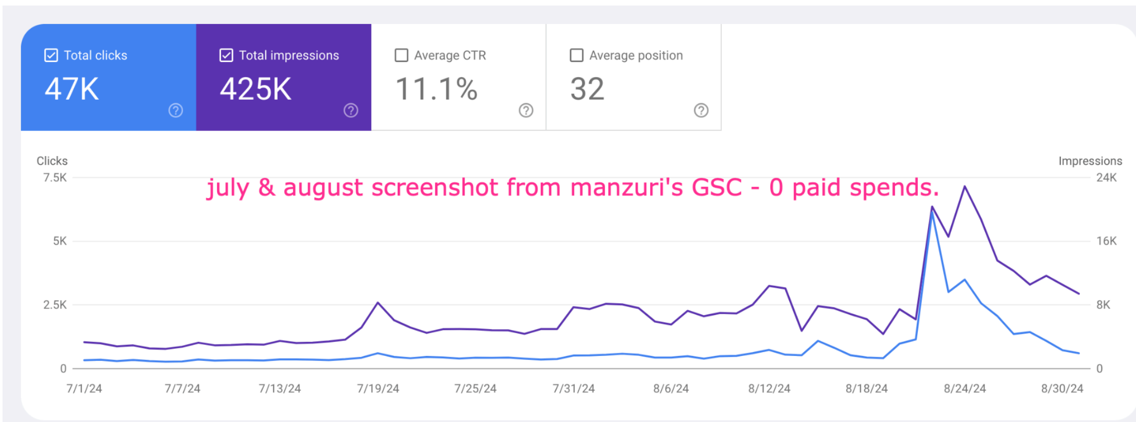
I. PR
Our favourite non-paid channel is PR and i'll soon show you how you can get hundreds of articles without any paid collabs if you get some basic practices right. We have generated traffic worth over 1.5 Million users through free PR coverage in publications such as vogue, femina, cosmo, HT & so many more.





II. Reddit & Quora
Manzuri has generated over Rs. 3.5Cr through Reddit & Quora and without getting into the technicalities of how we did it, I'll just link the guide here - https://porcellia.com/reddit

III. SEO
My least favourite of them all. It's the most scaleable channel if done right but the technicals are mostly all gatekept and frankly very tough to know which partner to trust and which not to. It is also the only channel on which founders will have the least control; it's a black box with which I have serious trust issues in spite of it generating 50%+ of Manzuri's revenue today.



Our SEO became what it is not because we understood what to do, but rather by failing so many times that we know what not to do. Till date, I merely rely on the process of elimination to decide what to do in SEO.

I will share what are the biggest red-flags to watch out for when it comes to SEO because I do not think I am qualified or knowledgable enough to tell you what exactly works.

TWO: Increase the conversion velocity & **revenue per user**

- Popup optimisation
- Storytelling
- Email marketing
- Personalisation
- CRO technicals
- Customer support 101s to maximize conversions
- Whatsapp Automations
- Logistics optimisation & Delivery TAT optimization
- Refunds process optimisation

Note: revenue per use (often referred to as revenue per visitor or RPV = AOV x CVR and is one of the most elite indicators of how much your customers love you. A brand can get a high CVR by giving a lot of discounts but to get high RPV, you need to consciously work towards it.

We need to learn that <u>growth</u> can also refer to *profit* growth & *cashflow* growth and is not just limited to *revenue* growth.

Part 2: Improving Margins & cashflows

Improving our margins is SO underrated.

	Scenario 1	**Scenario 2**
MRP	2000	3000
Selling price	1800	2400
COGS	500	500
Margin	1300	1900
Margin %	72.22%	79.17%
Delta		600

This additional Rs.600 you make sounds great on paper but how do we actually do this?
How do we get rid of the fear of increasing our prices and come up with a PROCESS that allows us to do so?

Most foundes are scare to do this for 2 reasons:

a) Competitors will all be priced less than you.
b) Your conversion rates will be lower

Going further, let's say you do increase the price of your products and get a lower conversion rate compared to before - this is what your numbers will look like:

	Scenario 1	**Scenario 2**
Website traffic	100000	100000
CVR	2%	1.50%

Purchases	2000	1500
Gross Margin	2600000	2850000

As you can see, inspite of a lower conversion rate, you're making a higher gross margin.

One of the key learnings from this guide will be how to make sure your conversion rate actually INCREASES when you increase your prices. We will get deeper into that in the section on CRO & optimising for revenu per user.

Breakeven ROAS
We need ensure that our breakeven roas is the best in our category when pricing and positioning our products. I speak to many founders who take pride in the fact that they are the "cheapest" priced in their category which will be the reason they win. Oops.
The truth is that selling price of your product is frankly irrelevant when it comes to gaining a competitive advantage. The biggest advantage you can get over your competitor is having a breakeven roas which is lower than anybody else. This will allow you to have the buffer to keep scaling when others cannot.

It is better to have a breakeven roas of 2x and an operating roas of 3x, as opposed to a breakeven roas of 3x and an operating roas of 4x -> because the higher your breakeven roas, the more friction you will feel from meta in scaling.

> When I started my D2C journey, the only way i thought I could improve my margins was by reducing my sourcing costs. Increasing prices is such contrarian concept that I had to learn it against what came naturally to me.

There are several small "hacks" and processes to improve margins & cashflows, and we will get deeper into those later for sure. For now, we just have 4 things to keep in mind.

1. Design the purchase experience for prepaid only. Your goal is to achieve 70% prepaid irrespective of your category. *[cashflow management]*

2. Your pricing, discounting & marketing strategy needs to be different depending on how fast a certain product moves. The slower an SKU moves, the more it should be discounted. Dead stock is your biggest cashflow killer so avoid it at all costs. *[cashflow management]*

3. Price your product at the highest point possible in your category. Even after a 20% discount, it should barely match the price of your nearest-priced competitor. *[optmising*

margins]

4. The lower our breakeven roas will be, the easier it will be to scale on Meta.

After reading the 3rd point, you'll maybe think I'm crazy…but that's the thing; the only way you can price a product so premium in your category is if you have ONE key fundamental nailed down. This fundamental differentiator, once you find it, will allow you to bend the laws of price elasticity to your command.
It is the pillar of our organic growth philosophy that you will read about below.

What kind of a brand are you building?

Introduction to the **Ant-Elastic Growth Framework.**
At a foundational level, we need a brand/ product that does not lose customers when we increase our prices by 10-20% yearly. This means that we need to build our company around principles that defy the general rules of price elasticity.
Here's a simple way to look at it:
Deep emotional resonance with your product multiplied by **trust in your brand ->** this is what you need to build to be able to continually increase your prices without losing customers.

You need to implement one other strategic lever to make a truly inelastic brand. And this one is my absolute favourite!!

Our organic growth philosophy: Sprinkling Stardust

Before we dive deeper into the technicals of everything mentioned above, I'd like to share one key idea with you. Without this idea, an efficient organic growth strategy is impossible to create. It is one of the first things we try to crack when Porcellia starts working with a new brand

85% of D2C businesses in the country operate without this "oomph" factor, or without a theoretical understanding of this piece. The 15% of founders who do have the "oomph" factor have it unknowingly, or instinctually.

Worst yet, many (most) founders are doing the exact opposite.

Your goal as a business owner is to not to do better than the competition.
Your goal as a business owner is to position yourself in a way that there is no competition.

BAD STRATEGY
<u>"We are the best X"</u>

GOOD STRATEGY

“We are the only X who do Y”

Let’s try to understand this with the help of some examples of our favourite D2C brands.

1. The Whole truth: they are not the first clean ingredients food brand in the country. Nor are they the tastiest. They just have a story and a value prop which is at a depth and scale no competitor of theirs can even think of matching.
2. Goodgirssnacks: 0 paid marketing and doing an MRR that would put some Series A & B indian D2C brands to shame. They have “given pickles a glow up” and launched a pickle brand for Gen Z.
3. The Cinnamon Kitchen: At its core, it’s a brand which is vegan & gluten free - meaning it has several competitors; however, all products are made specially keeping in mind women with PCOS making it India’s first PCOS friendly bakery.

*Here’s an in-depth case study of a brand that we took from **2 ROAS to 3.5+ roas** with ONLY a change in brand strategy.*

But why is this important?

If two brands offer the same thing, the literal same thing, (let’s say a sports shoe) - but brand A calls it the “*the best sports sho*e ever or *the sports shoe with the best cushioning* & brand B markets it as a *shoe especially designed for office & gym wear*…the latter would have a higher resonance with your market and positions you to build a community around your product much easily.

This strategic sacrifice is what I call your brand’s startdust. It doesn’t really change the product in any way, but just makes it a bit fancy and shiny to many users; users who will happily pay a premium for it.
There is a perceived risk of alienating a large chunk of your TAM but that’s what you need to do. To get higher love from a certain number of users, you NEED to alienate others.

Key Learning: You cannot find your winning stardust formula without sacrificing something of insane value.

FINAL STRATEGY
“We are the only X who do Y”, because we sacrifice Z.

But how does this help increase my revenue per user?

In the above scenario, brand A will typically see 1.5-2% conversion rates and they will be massively affected by CPM fluctuations because they have so many competitors. Not only this, the brand recall will be lesser because they will be unable to differentiate themselves like brand B leading to a poor repeat %. Brand B will typically make 30-60% higher revenue per user on the same website traffic, and will have a minimum 3.5-4% conversion rates.

Summary

In a nutshell, if you can:

1. Price yourself as the highest point in your category.
2. Convince people to buy from you in spite of #1 (create a truly **inelastic** brand).
3. Differentiate yourself in a big way from your competitors.

You will be able to create a business which has high margins, high customer loyalty & little to no competition. Both of these will be your biggest levers helping you offset your high CACs.

TL;DR: you cannot necessarily control CAC as you scale. But you can control your margins, cashflows & retention - so it's important to build a brand around these scale-friendly principles especially if you're bootstrapped.

By the time we are done with this guide, you should be able to:

1. Position your product & brand in a way that the laws of price elasticity do not impact you.
2. Set up a system to measure CAC at a product level instead of a brand level. It is INSANE(ly stupid) to spend the same amount of money on a product with a Rs.800 gross margin and a product with a Rs.1200 gross margin.
3. Make sure you're building a website that can reach 60-70% prepaid orders.
4. Build foundations of a business that has at least 30-40% repeating customers per year.
5. Leverage Reddit for primary data collection & depending on your category, make $$$.
6. Understand storytelling for D2C and how to use it to maximise key business metrics like revenue per user, conversion rate, AOV, repeat % etc.
7. Collect powerful zero-party data so, that allows you to reduce the number of creatives you make in ads by 60-70%, and increase the success % of your ad creatives.
8. Launch a new product and get hundreds of sales with 0 paid marketing.
9. Do discounting the right way - without burning a hole in either your brand identity or your margins.
10. Get dozens of articles published in tier 1 publications like Vogue, Economic Times, Your Story, etc. for free.

Contents - what all this guide will contain	
The only metric & KPI you need to track.	Revenue per user > CVR

Our Organic Growth Process	Improving cashflows and margins are as much *“growth”* as increasing revenue is.
Organic Growth Philosphy	Find your stardust: The foundation and basic concepts you need to be familiar with to make the most of this guide.
Increasing website traffic	PR & Podcasts *Our clients have generated Rs.20Cr worth of free traffic by leveraging these strategies.*
	Reddit & Quora *Manzuri generated 3.5Cr in revenue using this exact framework.*
	SEO
Increasing revenue per user	Storytelling & Personal Branding [is the new community building]
	Popup optimisation
	Email marketing
	CRO technicals - how we AB test EVERYTHING
	Logistics & TAT optimisation
	Creator sourcing & relationships
	Marketplace optimisation
	Customer support 101s
	Lazy Testing Framework for creative optimisation
	Loyalty program
	Reviews automation
Bonuses	Bring your Amazon customers to your website
	Understanding Shopify Tech - the key to breaking your revenue ceiling

Note: these are not sequential. While this guide will contain all of the above, the exact sections where you find them may not necessarily be one after the other.

Disclaimer

In many places, I will talk about optimizing something that will increase your revenue by just 1 or 2%. Here is why you should pay extra attention to that as well.
Most of what I share will be a one-time effort activity that will increase your MRR.

So assume your revenue is 10 lacs per month and I ask you to do something that increases your revenue by 2%, you are NOT increasing your revenue by 20,000. You are increasing your revenue by 2.4L per year and 10L+ over the next 5 years. And since nothing in this guide requires you to spend advertising money on it, this 10L of revenue will probably be worth 6-7L in profit.

And then you compound 20-30 such small (one-time) activities you can do, all of which increase your revenue by 1-2%, you are well on your way to increase your MRR by 30-40%.

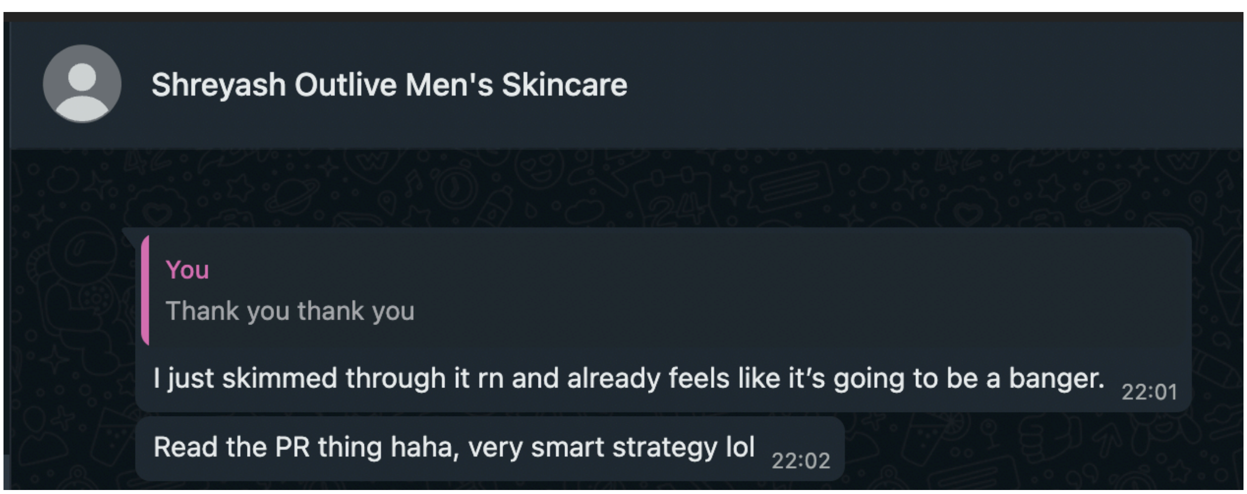
And not only that, this additional increase in MRR will come at a significantly greater contribution margin because - no ads :)

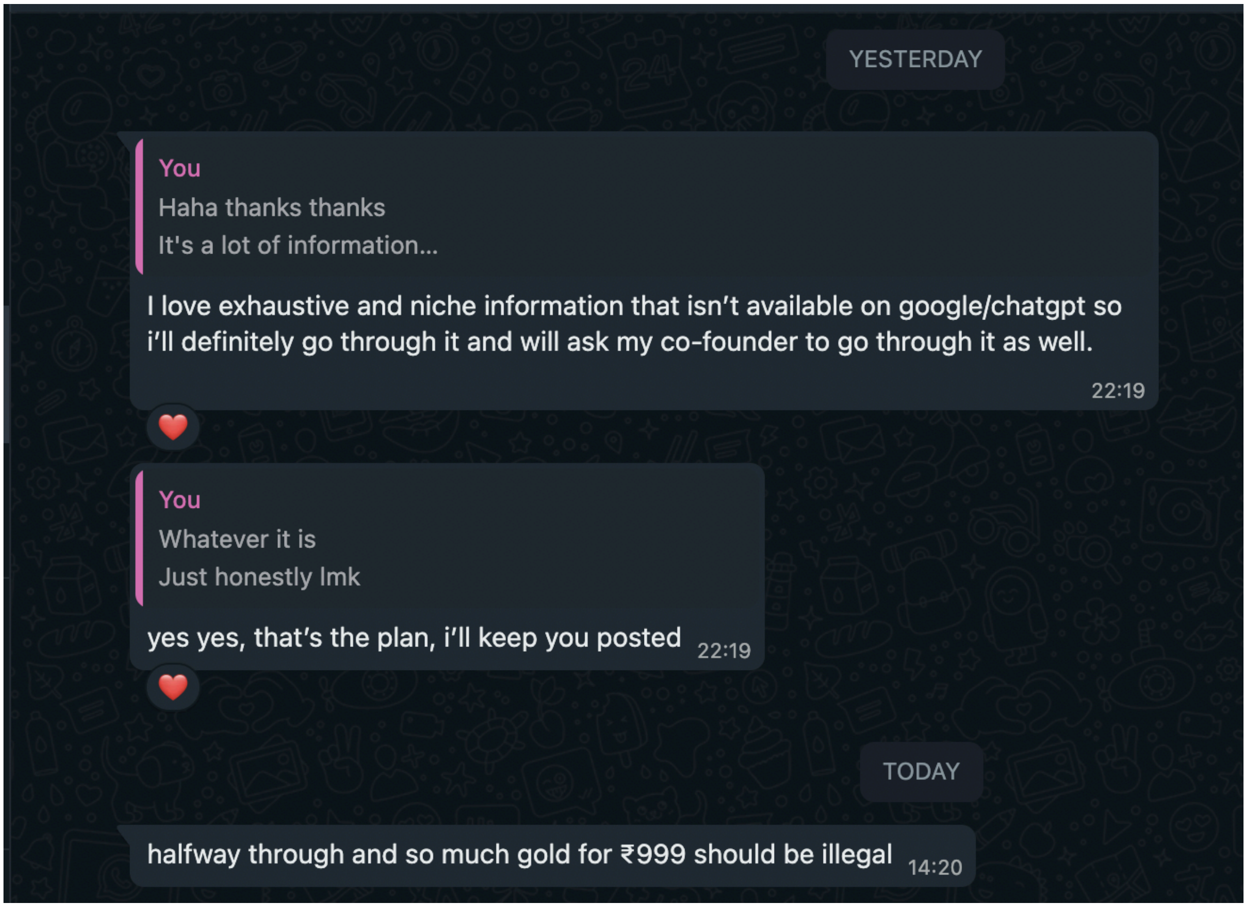
Organic growth mastery for D2C - the full version - available at Rs.2999.

Included FREE bonuses:
Email marketing checklist worth Rs.1999
Conversion Rate Optimisation checklist worth Rs. 1999

Get it here

Reviews have already started coming in 🔥





Prakriti Kohli • 1st 2d •••
Founder, Nagomi | Ex-Swiggy | ISB, SRCC

I read the book in one sitting, excited and relieved to finally find someone truly break the black box of growth and marketing. The book is extremely to the point, packed with great insights and crisp actionables. I can't wait to read what you write next

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