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Creative Micro-Entrepreneurship in Practice:
Exploring Digital Tools for Small Creative Businesses

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Introduction

Owning a business and being your own boss is often thought of as the “American Dream” – and being able to combine that business with your passion is an aspiration that most would never think possible. But chasing a passion does not have to be a lofty goal: in fact young creators today are finding ways to turn their crafts into profit, and leveraging digital tools and audiences to turn their businesses into realities.

Small businesses have always been an integral part of the United States economy, providing options for economic and social mobility, and supporting families across the nation. With large corporations monopolizing most of the market for the past half-century and continuing to grow, awareness and growing negative sentiment towards corporations have been bringing consumers - particularly younger ones - back to small businesses over the past few years. Preference for small businesses among Millennials has grown in comparison with older generations. Younger consumers like to feel connected with the products they buy, and enjoy purchasing “unique” products that have not been mass-produced, and are even willing to spend more money for what they consider “higher quality” goods and services (Segal).

The trend of buying online has increased dramatically in the past decade – with U.S. consumers now buying more
often online than in stores (Farber). Online sales in the U.S. have increased by 165 billion dollars in the last 4 years alone, and are projected to keep increasing at a steady rate for the foreseeable future (Figure 1). With this increase, the audience available for small sellers has skyrocketed as well. Now, craftspeople in remote locations can market and sell their wares to customers thousands of miles away without hassle, and grow their consumer base worldwide.

The business-owning demographic is also shifting. Millennials have been consciously making the choice to pursue their passions independently of their main careers. The accessibility of the Internet can be largely to thank for this trend as hobbyists begin to see others like themselves supplementing their careers with side businesses they can run from home. Hobbyists can sell to a global audience through selling platforms that don’t require serious business knowledge and make a little bit of money on the side through doing something they enjoy, whether or not they decide to turn it into a full-time venture later on. These tools available online empower people to sell their skills and services without having to rely on anyone or anything else. Where in the past artists would have to hire accountants and marketers and find shops to sell their work, they can now become their own micro-business.

The concept of the “side hustle” has been growing in popularity for years, with 50% of Millennials having a second position or business as way to bring in extra money that also allows them flexibility to pursue what they are most interested in, compared to only 25% of baby boomers (Swns). Young professionals who have opted for more economically stable professions are pursuing these passions on the side, using the evenings and weekends to build their own businesses, create their art, and start something that they may eventually be able to turn into a full-time career - and many of them are doing it online. 52% of millennial side jobs include selling online: offering products like clothing, accessories, and art on one selling platform or
more (Figure 2). It would be easy to write off these businesses as creative ways young professionals are finding to making a little extra money off of their hobbies, but 52% of them want to take these businesses full time (Swns). This is not a passing trend, either – within the next 10 years, 50% of Millennials intend to start their own business or become self-employed (Irving).

For the scope of this thesis, my focus is on independently owned businesses run by “creative micro-entrepreneurs.” I’m using this term, coined by the digital selling platform Etsy, to encompass artists, craftspeople, and others who sell artistic goods and services they have made themselves. In addition to being part of this community personally, I also think that it is important for these small businesses to have the resources they need to thrive in our rapidly changing economy. Selling online, clothing & accessories businesses, and cooking & baking businesses are among the top 5 “side hustles” for Millennials, making creative small businesses one of the most popular and fastest-growing segments in this market (Swns). The creative industry at this scale is also dominated by women, with the percentage of women-owned businesses in the arts, entertainment, and recreation growing 12% between 2016 and 2017 alone. While women own only 38% of businesses in the U.S., 9% of that number is focused in the retail and trade industries, with women consistently gaining traction in this segment.
It is often difficult for artisans to make the transition to the digital space, and with online shopping becoming the norm it is more important now than ever for small shops to gain visibility in the digital space, where most consumers are spending their time rather than visiting small boutiques or attending craft fairs. It is my goal that these creators can use my thesis paper to learn more about current digital trends and how they have changed in the past, and gain greater insight into the future of the industry and the direction it is heading. I want the insights from this paper to inform creative business owners of best practices to use online to grow their audience and consumer base through the use of digital marketing, social media, and proper selling platforms.

Case Study: Runcible Spoon Design

Throughout this project, I will be using my own business as a reference point in terms of marketing, social media use, and target market development—using my own experiences in addition to external research to piece together the best practices a budding creative business should follow for maximum impact online. I started Runcible Spoon Design in August of 2017 with a limited product range of enamel pins available on Etsy. Since then, I have expanded my product selection, gained a national consumer base, and made many valuable connections with other makers in the community. My business fits into its own specific niche online, as a part of a community that designs and sells enamel pins and embroidered patches.

Even this small-seeming community has a wide following online of consumers who collect these pins and patches, and are often repeat customers with their favorite designers. I have found that most of these businesses were born online with the
intention of serving a predominantly digital audience, with relatively little intent to expand into brick-and-mortar sales. Studying these businesses while also running one of my own has led me to a few essential research questions that will guide me through this research project.

- **Does use of a digital platform encourage more people to start their own businesses?** Is the allure of a simpler online business model combined with a preexisting digital audience a driving factor in creative entrepreneurs bringing their businesses online?
- **Is social media an effective customer acquisition tool?** Are proper use of social media business accounts, promoted posts and social media advertisements the best way for digital businesses to gain customers?
- **What are the best practices for beginning an online creative business?** What is the best place for artists to begin in their business journey, and how do different platforms provide benefits and advantages for entrepreneurs in varying stages of their business journey?

I believe that with proper use of digital marketing, social media, and the appropriate implementation of a digital selling platform, digital-based creative small businesses can be successful, lasting ventures, and contribute to creating a self-starting economy that allows small business owners to thrive.
Context: History of Crafts Movement

In recent years, there has been a great resurgence of the Arts & Crafts Movement. Consumers are becoming more conscious of where their money goes, and supporting smaller businesses when possible instead of large corporations where their dollars will not make as much of an impact on individual people. With 70% confidence in small business compared with only a 21% confidence rating in big business, Americans view small business owners as personally invested, more determined, and accountable to customers, and recognize the importance of small businesses to local economies (Newport).

Interestingly, this attitude is similar to how the first Crafts movement got its start. William Morris is widely considered the Father of the Arts & Crafts movement of the mid 19th century (V&A). He viewed artisanship as a better alternative to mass-produced goods, often created in factories with a lack of attention to high-quality design and construction. In his time, craftsmen gained credibility from implementing traditional techniques in their work: following the methods used by those who came before them, and rejecting new production models. The modern maker movement differs in that it embraces new technology rather than turning away from it, adapting modern business models to work for small creators and creating an environment in which it is easier to thrive, regardless of socioeconomic status and access to materials.

In Morris’s model of craftsmanship, there was not much distinction between artisan and craftsmen, both sitting in the middle class and gaining skill through apprenticeships and experience, without formal education (V&A). Today’s idea of what constitutes an artist has radically changed. After World War II, institutionalized art has become a way for a country to show their cultural superiority. The United
States focused resources on founding museums and arts councils, as well as implementing arts into public education. “Artist” became a more legitimate profession for a wider range of people, with artists getting degrees in their trade and working within higher education (Deresiewicz). Even with the legitimizing of the arts, however, artists needed to enter the market through the use of a middleman. Writers needed to find a publisher, painters needed galleries to display their work, musicians needed a label to record and distribute their music. No matter the industry, artists relied on respected and credible sources to get their work to the public.

In recent years, the removal of the middleman through the Internet has opened up the doors for more people to consider themselves artists, whether that is their full-time career, or a hobby they want to turn profitable. These new Artistic Entrepreneurs act as one-person businesses. In most cases, the “talent” also does their own marketing, production, finance, distribution, etc.

In the current economic and cultural climate, this versatility is almost a necessity for artists. The arts are not being funded or invested in at the same rate as they once were, meaning artists and craftspeople have to find their own route to market. Luckily, the pull of new technology allows creators to sell their work with online tools for promotion, sales, and delivery directly to the end user in ways that can compete with larger corporations and institutions. In many ways, the Internet has leveled the playing field: it takes away the monopoly of larger corporations on distribution and promotion models, and allows creators to reach customers with unprecedented speed and scale at a low cost (Deresiewicz). Creative entrepreneurship has produced its own business structure: online marketplaces, self-publishing platforms, incubators, and collaborative spaces have developed as a result of creatives moving online and joining together in support of the arts and each other.
Current Analysis of Creative Entrepreneurship Worldwide

There can be a lot of confusion over what falls under the title of “Creative Industries.” The definition I will be using comes from the UK Department of Culture, Media and Sport, who define Creative Industries as “those which have their origin in individual creativity, skill, and talent, and which have potential for wealth and job creation through generation and exploitation of intellectual property” (Bujor). This definition includes all elements of creation, production, and commercialization of creative work.

Creative entrepreneurs: those who begin their own businesses in one of the creative industries, make up an overwhelmingly large portion of these fields, with 84% of companies in creative industries consisting of fewer than 10 employees (Bujor). That being said, I am focusing in on a specific subset of “creative microentrepreneurs,” a term used by the company Etsy to describe a person who uses their creativity, ideas, and passion for economic gain, most often as an individual (Etsy). They differ from typical entrepreneurs in that they are concerned mostly with making of creative and intellectual capital: simply put, creative microentrepreneurs are investors in talent (their own or that of others). Creative entrepreneurs face similar challenges to other small businesses. They generally require assistance from other stakeholders to gain the skills required to grow in a quickly changing social and technological market.

The European Commission has a broad definition of what a “creative industry” refers to, including architecture, art & design, performing arts, film & video, fashion & design, traditional crafts, monuments & cultural tourism, music, advertising, software & interactive games, print industry, and web design (Bujor). In the United States, the creative industries are centralized around the creation of work, first representing the
“core creative” and then expanding to include production and distribution as well.

Nesta, a British Innovation Foundation, has a comprehensive Model of Creative Industries that provides a solid outline of the qualities of such businesses (Figure 3). Nesta includes visual artists, craftspeople, designers, and curators in this model as artisans whose marketability is based on the aesthetic or cultural value of their work. Their products are not mass-produced, and are usually one-off or limited lines of products or services; they are often hired on a contract basis.

Businesses that fall within the creative industries have inherently different goals and structure than those outside of them. Creative businesses are distinguished by economic properties that set them apart and have an effect on the way that they must be run. First, the demand for creative businesses is uncertain. In a struggling economy, artists are often the first to suffer when consumers become concerned about saving money. Creative products also often require some degree of skill or expertise, and the quality of these products is important to success. Creators also have personal investment in their products. In other words: artists care about the work that they produce, which may make it hard for them to remain objective in their pricing strategies.

It is no secret that many of the small businesses in the creative industries are spearheaded by women, and these numbers are in no way insignificant in their effect.
on the creative industries as a whole. As of January 2017, the number of women-owned businesses - ventures at least 51% owned, operated, or run by women - in the United States rose to 11.6 million, employing 9 million people and generating $1.7 trillion in revenue annually (American Express). Within the past 20 years, the number of women-owned businesses has grown 114% compared to the national growth rate of 44%. Of all female-owned businesses, 9% are in the retail and trade sectors, businesses that offer goods and services directly to their consumers. Women-led businesses in the arts, entertainment, and recreation industry are steadily growing as well, with 12% growth between 2016 and 2017 (American Express). This could be due to a growing trend among women and adults under 30 towards flexible work hours, personal interest in work, and working from home: all things that become more possible as an independent business person (Etsy).

No matter who they are or what they are selling, when creative microentrepreneurs create their business strategies there are specific questions they must answer about their initiatives to ensure that their business is viable in a rapidly changing digital economy.

1. **What is the need the business must answer?** Is there a hole in the market that your product or service is filling? In order for a business to be successful there needs to be interest in what you are selling. Your product should be something that is not currently available, or much better than what is currently on the market for those within your target audience. For creative industries this problem is a little different - the human need lies more in the aesthetic or entertainment value your product provides.

2. **What is the proposition proposed by an entrepreneur in the creative industries?** Creative businesses do not necessarily fulfill a dire need for their
customers, so their selling proposition has to be more compelling in order to drive sales. Sellers need to think about what value they are adding to their consumers’ lives. Is it purely aesthetic, or also functional? Does it serve as a status symbol, or provide cultural significance? Put simply: will your product make your consumer happy?

3. **How will the artist communicate with clients? What channels will they use to communicate the offer?** When starting a creative business, communicating with your customers is key. Sellers need to know where their clients and consumers are spending their time, and where they go to look for similar goods.

The current experience for creative entrepreneurs requires these evaluations as the definition of “artist” and “art” continues to change. Creative entrepreneurship is more interactive than “artist as professional” model, with creators having larger networks and more contacts, but also fewer deep business relationships (Deresiewicz). This can be a double-edged sword, giving creators a wider reach but also preventing the loyalty that comes from stronger and more meaningful relationships that used to exist between creator and dealer, for example.

Today’s creators must construct multiple artistic identities & build many skills: their versatility and diversity are often more valuable than artistic expertise when it comes to selling work. Making & selling are now intertwined: it is not enough to just create work and wait until someone wants to buy it. Work has to be promoted, placed properly, and priced competitively. Entrepreneurial artists will have more ventures or product lines that branch out to create a more varied body of work, diversifying their portfolios for a better chance at visibility. The effect of a digital economy has a profound impact on arts & crafts created as well. Products tend to be more formulaic,
user-friendly, and accessible to a wider audience. Artists that do want to continue producing more unique work often have to do so alongside lower priced, more “sellable” lines. While art in the past has focused on its creator’s vision and desires, now the focus shifts to customer needs (Deresiewicz). Online reviews, ratings, and digital selling platforms democratize the experience of buying artistic goods online – allowing the average consumer to have a say in what is worth purchasing and reducing the power of a corporate voice telling consumers what to buy (Deresiewicz). Navigating this new market can be a difficult transition for creators who are accustomed to a more traditional method of commerce, as well as those just beginning their businesses and have yet to start selling. However, there are ways to leverage this emerging market that can give creators more visibility than ever before, and allow them to reach wider audiences quickly and effectively. By becoming familiar with the unique advantages of online selling platforms, social media marketing, and influencer networks, creative microentrepreneurs have a new world at their fingertips when selling online.
Digital Creative Entrepreneurship

A digital environment lends itself naturally to entrepreneurial activities. In fact, 81% of entrepreneurs have agreed that new technology has made starting a business much easier (Irving). With very low startup capital for opening an online business, there are few barriers to entry for those who want to experiment with selling online. This low-risk, high reward model makes it possible for small artists to become wildly popular online if they know the correct tools and strategies to succeed. Take for example Rifle Paper Company, a small stationary brand started by husband and wife team Anna and Nathan Bond, who started their website riflepaperco.com in 2009 from their apartment, and have since become an international brand with multiple product lines and collaborations with high-profile brands like Keds and L’Occitane (Rifle Paper Co). Rifle Paper Company is the perfect example of a business that was born online and grew with the help of the Internet, and serves as an example of a successful digital creative business. So successful, in fact, that in 2015 it was named as one of Inc 500’s fastest growing companies (Foulks). Anna and Nathan’s success is no accident. When starting their business, their focus was creating a strong brand identity while sticking to a smaller range of products before branching out into other product lines as demand grew (Foulks).
They followed a smart trajectory for a small brand – keeping their goals manageable for the first few years until they were large enough to expand into the company they dreamed of being.

Businesses like Rifle Paper Co. and their smaller counterparts have had to adapt in changing buying trends that recent years have brought along. With the Internet making the world so much smaller, consumers have access to videos and tutorials showing them how their products are made, and with less of the population working in physically demanding jobs, people are turning to crafting in their leisure time. This presents an opportunity for experienced artists to take advantage of “Producerism” – the idea that everyone can have the means to create (Deresiewicz). Younger consumers are also more willing and likely to spend their money on experiences rather than just products – and successful businesses will take part in this trend through selling and marketing their services as “experiential”. Artists can sell “DIY” kits that allow their customers to reap the satisfaction of creating something for themselves. The experience of making becomes the product being sold, creating a positive memory associated with the business in the consumer’s mind, and also cutting down on time and effort on the part of the artist (Deresiewicz). Taking advantage of “producerism” is a great way for sellers to reach out to crafty consumers and make use of experiential selling.

With so many possibilities out there for how to run a business, I decided to create a guide of best practices I have found for creative microentrepreneurs. This guidebook is a compilation of the research I have done, in addition to my own experiences and those of similar business owners.
Digital Creative Micro-Entrepreneurship: A Guidebook

The idea of starting an online business can be daunting. With a seemingly endless vault of resources, selling platforms, and advice on the Internet, it is difficult to know where to begin, and what route is right for you.

The advantages to starting a business digitally are great, and many artists and creators are beginning to take advantage of digital platforms to promote themselves and grow their businesses. The rise of the independent entrepreneur has coincided with the rise of ecommerce, creating a space for these businesses to flourish in a lower-risk environment. Without much overhead, there is a low barrier of entry to taking a business online, allowing for greater social mobility for those who would not be able to afford to start selling otherwise, and benefitting the economy as a whole. If you have hopes of opening a brick and mortar business in the future, online selling can help you test out your market, see where your customers are located, and what products are most popular before investing fully into a physical space. The Internet provides opportunities to learn new skills, find new markets, and work remotely, making it possible for anyone with drive and motivation to become business-savvy enough to see their venture succeed.

Figure 5: Data from Statista (Kauffman Foundation).
While the Internet has created a space for entrepreneurs, the modern maker movement has grown as well to embrace new technology, adapting modern business models to work for small creators and creating an environment in which anyone can thrive, regardless of socioeconomic status. Platforms like Etsy and Shopify have developed for the express purpose of supporting creative entrepreneurs, and have helped create a resurgence in the popularity of hand-made goods. The Internet is a living thing, so trends change quickly - and with them consumer behavior changes as well. That means the keys to success in 2018 are different now than they were even 6 months ago, and will change even further 6 months down the road. Because of this rapid pace of change, the most effective way to work is by staying ahead of the trends, and becoming savvy enough to find the next big thing before it happens.

With a seemingly endless array of options for online shoppers, consumers are able to be picky when it comes to user experience and customer service. With sites like Amazon cornering the market, consumers have come to expect perks such as fast shipping and user-friendly websites as the norm (Wallace). In order to stand out as a superior customer experience, smaller brands now have to make use of other differentiators. This is where customer data can come in handy. With sites that push users to create an account before shopping, data can be used to personalize an experience for a shopper’s unique demographic segment. For example, an apparel brand might make use of a 30-year-old female shopper’s age and gender to feature listings for trendy women’s clothing, or use a New Yorker’s location to begin recommending warm jackets in the fall. This data can be obtained through personalization apps like Personalizer or Unbxd (Wallace).

Providing an element of personalization within communications with customers can also prove to be a great way to guarantee customer loyalty and create meaningful relationships with your audience. Any interaction that can remind a
consumer that they are buying from a real person is positive, and introducing that human aspect allows consumers to feel like they are giving their money to someone who will appreciate it. Methods could be different for every seller, but any element of personalization goes a long way in creating a memorable experience for a consumer. You may want to provide customers options to customize their orders with giftwrapping or provide exclusive deals for repeat customers. Including personal or handwritten notes with each order can make customers feel valued, and including unexpected “freebies” in orders (such as brand stickers or badges) will give your consumer a memorable positive experience that will make them curious to see what surprises they could receive in future orders.
Branding Your Business

A business’s brand encompasses more than just its name and logo. Branding is one of the most important aspects of creating a successful online business. Professional, clean, and consistent branding is key to helping your business stand out and gain an audience. A unified brand image and voice allows for entrepreneurs to retain brand recognition across channels.

A style guide is the essential basis of a brand image (Figure 5). This document summarizes your brand “rules” and lays out exactly how visuals and information should be presented. Though it may seem excessive for a small business, even little inconsistencies over time can add up and cause confusion among your audience. Consumers respond well to consistency and will come to expect a certain presentation from your brand, and deviating from these expectations can make
customers lose interest and recognition. A style guide also acts as a document you can distribute to potential partners, marketers, or contractors so they know how to present your brand accurately. Creating and referencing a brand style guide differentiates content from that of competitors, and establishes a brand voice that can become familiar to your audience and bolster brand awareness, over time creating a level of trust between creator and consumer where the creator is expected to uphold certain standards to guarantee continued support (Modicum). There are a few essential components to a brand style guide. Color schemes, typographic styles, and logo variations should be considered, while other elements can be expanded on or disregarded based on individual brand needs - such as packaging standards and web materials. Think about how these elements translate between their online and physical forms. At its core, a style guide is a reflection of your brand and how you want it to be presented to the world.

A brand is not just the visual of your business, however. Whether intentional or not, every brand has a voice, and almost takes on a personality of its own. This tone should come through within any communication a brand has, and voice should be consistent throughout social media, blog posts, “about me” pages, and anywhere else you are communicating with your audience. It’s important to remember that even though professionalism is important, it is also okay to be casual, open and honest with your audience. The voice of your business should not sound like a robot, remember that consumers are more likely to relate to an actual person. Including snippets about your own life in blog posts and social media as well as asking your customers about themselves will make them feel a connection to you and promote brand loyalty. It may help to come up with a vision statement for your brand, outlining the values that you hold and the community you aim to serve.
Then with every new product design, social media post, and branding update refer back to this statement to gauge whether or not you are staying in line with your vision. Your product line should reflect your branding, following the same themes and trends laid out in your style guide. For Runcible Spoon Design, for example, I make sure any fonts and colors that I use in my products are cohesive with my branding and packaging (Figure 6). This means that nothing will look out of place on your website or social media, and will fit within your packaging designs. It may take some time testing products, styles, and marketing that attracts the strongest audience - but when you find a range that works, make sure that your products as well as your branding stay in line with your initial theme.
Targeting: Finding the Right Audience for your Business

Though it may seem like trying to appeal to everyone is the way to grow a large audience, branding can be more effective when it follows a certain theme, or appeals to a more specific niche. Targeting a smaller market allows you to create a stronger connection to your consumers that will create longer lasting relationships with customers and increase the potential for repeat sales. Targeting a specific audience also allows you to allocate marketing budgets effectively and focus your messaging down to those who are more likely to buy from you (Porta).

Defining a target market can be a mixture of research and trial and error, but there are ways to figure out the best markets to begin with while still allowing for change as your business evolves. The easiest place to begin if you have already started your business is to look for trends in your current customer base that can give you insight into the groups of people who may be interested in your brand. Are there similarities in the gender and age of your customers? Do they come from similar places? Do they follow similar brands on social media? Chances are, if trends exist within your customer base, potential consumers will also share these similarities and benefit from your products & services. Another way to find your target market is to look at your competitors, and similar businesses that you aspire to compete with. What groups of people are these brands targeting? These shoppers may benefit from your products as well. Once you have an idea of who your potential consumers are, you can make a list of distinguishing features. Include demographic qualities, such as: age, location, gender, race, income, education level, and occupation to create a broad picture of your ideal consumer, then narrow down to psychographic qualities as well, considering personality, values, hobbies, interests, and lifestyle. For reference, I have included the target market for Runcible Spoon Design that I have
defined and tweaked over the course of my one year in business, and will continue to adjust as my business grows.

**Target market: Runcible Spoon Design**

**AGE:** 18-34: majority Millennial  
**GENDER:** Predominantly female: (male consumers usually purchase as gifts)  
**LOCATION:** California, Midwestern region, Florida, New York  
**EDUCATION:** Bachelor degree or equivalent culinary degree  
**OCCUPATION:** Chefs, university students, teachers  
**INTERESTS:** baking, tea, cats, crafting, reading, sewing, food, nature  
**VALUES:** Predominantly liberal, interested in social justice & equality.

Once you identify a target market, it is possible to research your consumers’ relevant interests. Through identifying my own consumers on social media, I have been able to identify other brands and influencers they follow, interests that they post about, and past orders they have made to gauge the interests and hobbies they have in common. Though the niche that I have taken advantage of with Runcible Spoon Design has initially focused on baking and appealing to chefs and home bakers, this audience also has a lot of overlap with interest in other areas. I have found that my consumers are often fans of tea and coffee, books, and cats for example.

With all of this insight into a consumer base, it is possible to put together a customer persona that provides a detailed image your key audience segments. This persona can then be used as a realistic reference for all of the material your brand puts out. Creating this persona allows you to better understand your consumers and create a sense of empathy with them as you make decisions within your business. The more detailed customer persona you can create, the better. You should be able to
envision this buyer as a real person finding your business online, and consider all of the aspects of who they are that will determine whether or not they purchase from you. It is also likely that your business has more than one persona if you have multiple audience segments to consider. In this case, these multiple personas will allow you to decide which content to target towards each segment.

**Consumer Persona: Runcible Spoon Design**

Emma is a 24 year-old woman living in the Bay Area in California. She lives in an apartment with her boyfriend and their 2 rescue cats. By day, Emma works in marketing at a publishing company, but her real passion is baking - she is always the go-to to make birthday cakes for her friends, goodies for work parties, and she’s always trying out new recipes. Emma is a creative person, and she’s always working on side-projects: either decorating her house, making presents for people, or crafting for fun. She loves to wind down her day by getting in bed with a cup of tea, a good book, and her cats. Emma is also active in her community, and will often donate her time on the weekends participating in women’s rallies or baking for fundraisers. She is a passionate person who is proud of her causes and her interests, and likes to display them through stickers, patches, and pins that she collects. She likes being part of this online community and thinks it’s important to support the small business owners and artists that she likes online.
“Emma” is the persona I have created to reflect the demographics, interests, and lifestyles of my own consumers, and keeping this imaginary buyer in mind has allowed me to more accurately judge how my content appeals to my audience.

Adaptability in the digital age is a given with any business, but this is especially true in the preliminary stages of defining your goals and objectives. In this stage, it is critical to think about diversifying the work you put out. This could mean having a blog that aligns with the interests of your consumers, teaching classes in your areas of expertise, or even freelancing for other artists and brands. Some avenues might be successful while others will not, but testing different avenues for exposure and success will help you gauge what your audience wants and where there are holes that you could potentially fill. These strategies can also gain your brand more visibility through a wider variety of channels, reaching segments that you wouldn’t be able to otherwise.
Social Media: Maximizing a Digital Audience

In the digital age, social media is an essential way for businesses to market to a young audience. Brands without a digital presence miss out on an entire segment of the population that make many of their purchasing decisions through social media and mobile apps. This is a necessity that the majority of business owners realize, with 70% of Millennials having websites or social media to promote their brands (Swns), and 58% of entrepreneurs believing that web and social are the most important channels for attracting customers (Irving).

The digital identity for Runcible Spoon Design contains consistent branding elements that carry over into social media content, like the bright color palette and profile picture, as well as a similar tone of voice between channels.
Creating social media accounts is only the first step, however. Utilizing them takes a deep understanding of each platform and its individual audience wants and expectations, as well as the strategies that will maximize organic reach and engagement. When it comes to direct purchasing decisions, Instagram is the most developed and intuitive channel to reach Millennial audiences. The trick to tackling Instagram is understanding the algorithms that dictate how posts show up to users. Instagram’s algorithms are constantly changing, but the important qualities of posts remain relatively consistent. Initial post involvement can decide whether or not your post stays visible on your followers’ timelines (Pepe). This means that if your post receives a large amount of likes, comments, views, saves, or shares in the hours after it is posted, it will be more likely to be shown to a larger percentage of your follower count (Pepe). You can increase the number of initial views by understanding when your followers are online and posting accordingly. With Instagram business accounts, these insights are available to admins running the account, with data about your follower demographic and behavior that can help you tailor your content to your market on this channel, and also plan your posting strategy with dates and times for each post. Posts are also shown to audiences based on relevancy: the genres of content you like and interact with most will be the most visible, as well as the accounts that you interact with. This means that “liking” and commenting on posts by followers and responding to customer comments does more than build trust - it also creates greater visibility for your brand in the future. Posts that contain more hashtags are also more likely to gain attention through searches as well as the explore page - but only if they are used strategically. Only two to three of the most relevant hashtags should be used in the post itself, with a separate comment containing up to 30, so that these are not initially visible on your feed. Check the hashtags that other successful sellers are using and vary the popularity: using some very popular
hashtags (>100k posts), with others that are specific to your niche (Pepe). Through Instagram insights, you can see which posting strategies are working well for you. Instagram will tell you what times of day and days of the week your followers are most active, and when you have received the most engagement. For Runcible Spoon, I also created a document keeping track of what subject matters were the most successful, and discovered that photos featuring design and product pictures are my most engaged with photos (see below).

### Instagram Insights: Runcible Spoon Design

<table>
<thead>
<tr>
<th>Highest engagement (subject)</th>
<th>Pins &amp; interiors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most impressions (subject)</td>
<td>Pins &amp; interiors</td>
</tr>
<tr>
<td>Highest reach (subject)</td>
<td>Pins</td>
</tr>
<tr>
<td>Most saves (subject)</td>
<td>Pins, recipes</td>
</tr>
<tr>
<td>Best day</td>
<td>Wed, Fri</td>
</tr>
<tr>
<td>Best time</td>
<td>4:30 - 7:00</td>
</tr>
</tbody>
</table>

Content type is also important to consider. Gallery and video posts tend to have higher engagement on Instagram, as well as instructional and informational posts that provide value or entertainment to your customer (Pepe). Your social media feeds should be full of clean, high quality photos and videos that contain a consistent color scheme that matches your brand guidelines. Product photos that garner more likes should be simple and uncluttered, and “action shots” are more successful than portrait-style photos when pictures contain people (Pepe). Deciding what the correct balance is between product posts and content marketing will also help your business. Customers do not just want to be bombarded with photos of your products, so find ways to subtly incorporate them into your pictures, and integrate posts that are not
immediately evident that they are coming from a brand. For independent entrepreneurs, it may even be beneficial to post personal photos and captions that give your followers a peak into the “behind-the-scenes” aspects of your brand. The “meet the maker” hashtag on Instagram is where artists will introduce themselves to their customers and provide a reminder that there is a person behind the business.

The previous strategies work great for organic posts, but tackling boosted content becomes another hurdle that can launch your business to the next level. With business accounts on Instagram and Facebook, boosted posts allow your content to reach the timelines of likely buyers and can lead to more followers, and in turn boost sales in the long run. With boosted posts on Instagram, you can choose to target specific audiences and create specific goals to direct clicks to your profile, or back to your site. Instagram has also debuted “shoppable” posts so that users can shop directly through a brand’s page if that business is set up to sell through Shopify. This new feature makes the buying process easier for users and doesn’t remove the viewer from the original platform, so it allows them to scroll without disrupting their experience.

Pinterest is another social media platform that tends to be overlooked when it comes to digital marketing and advertising, but Pinterest can be a great and effective customer acquisition tool for digital craft and creative businesses. The site works through users creating “boards” – separate collections for different categories of posts or “pins”, images that are added directly from other sites and apps. All of these pins link directly back to their sources, making Pinterest useful for referral traffic (Pinterest). Users can follow each other as well as specific boards, creating a curated feed that displays followed content as well as relevant posts chosen through an algorithm. This means that the more a user likes or saves pins, the more relevant to their interests their feed becomes. Pinterest’s user base is similar to Etsy’s target
audience, making it a great place to promote your products, as users are often already familiar with Etsy and similar platforms, and being marketed to by other sellers at the same time on the platform. Pinterest is an optimal social platform to drive web traffic, as its whole premise relies on clicks back to source material. Pinterest also caters to businesses, with the option of opening a business account with integrated analytics and advertising on the platform. As with any other platform, Pinterest will only bring traffic to your business if you use it correctly. With a business account on Pinterest, you should have a few boards at the top of your page showcasing your own products with high-quality product photos and detailed descriptions that drive back to your selling platform (Pinterest). Other boards should remain relevant to your brand and the interests of your target market with content that does not read as advertising to a savvy audience. This type of integration will gain your business more followers than product posts alone. Pinterest is a community built around sharing, so engaging with other users and business is a key aspect in properly using the platform (Jarman). Partnering with other sellers and influencers is a great way to provide referral traffic for each other and more content for your followers.

Understanding the digital community is an essential part of attracting and keeping customers. The act of watching has replaced reading for younger audiences, and videos & photos will consistently do better than long-form articles within these segments. These segments are more likely to spend their time on twitter and Instagram, where the quick scrolling caters to shorter attention spans and the “instant gratification” model. Older markets will now gravitate towards platforms like Facebook, where longer form content has a higher chance of success. Understanding where your different customer segments lie within these channels will lead to much higher success rate converting followers to customers and staying relevant online.
The Digital Maker Community

The concept of “competition” applies very differently within communities of small sellers online. Most creators, even within the same markets, view their fellow creators as resources instead of threats. In this unique industry, overlapping consumers actually provide an opportunity for promotion. Social circles of different scales exist within most niche artistic markets online, creating a web of makers who are often passionate about supporting each other as small business owners with similar experiences and struggles.

Within niche communities, cross-promotion can be an extremely successful way to grow a following. Shop owners that have a larger following can use their platforms to promote smaller sellers as a kind of investment in their brand, and when these smaller shops get more successful they can return the favor. For example, within the niche enamel pin community, sellers post “round ups” of their favorite pins, tagging designers on Instagram and driving traffic their way (Figure 9). Though this may seem counterintuitive for entrepreneurs to support what seems like their competition; driving consumers to other small online businesses keeps them shopping within the digital community and will create loyalty to the community as a whole. If consumers are following a larger amount of makers within this community,
the niche gets larger and consumers are viewing content more often that drives them back to sites like Etsy.

In addition to sharing content, creators are also likely to share product. “Pin trades” are popular within this same niche, where sellers will conduct 1-for-1 product trades with the agreement that other makers will provide exposure of that product. The camaraderie that exists between these makers also allows for strong bonds to form, and creates meaningful, long-term relationships as well. Often, makers will collaborate on products, giving each other’s followers exclusive discounts, and enlisting other methods of cross-promotion in an effort to support small sellers and others like themselves. Becoming a part of a community like this can be one of the most useful ways to grow your business through reaching consumers that already trust your fellow shop owners, and all it requires is reaching out.

Using influencers as a marketing tool can also be an important step to take if you are looking to gain exposure online. Posts from respected influencers are incredibly valuable, with 92% of consumers trusting influencers more than traditional ads or celebrity endorsements: meaning that an endorsement from a “celebrity” popular amongst your target market can be one of the most valuable customer acquisition tools (Weinswig). This applies for smaller influencers as well (with <10k followers) who are often willing to trade free product for exposure on their social channels. More important than follower count is the quality of content these influencers can provide. Because their credibility is built on a basis of trust between influencer and follower, influencers have a responsibility to maintain authentic online presence or they risk damaging their relationships with their followers (Weinswig). So even though posts by influencers featuring brands or products are still sponsored, they read as organic content on a feed, and will gain attention from an influencer’s fans that aspire to be like them if they are used in the correct way.
Selling Platforms

When setting up your business, one of the first things you need to consider is where you want your product selection to live online. There are a variety of options for digital sales that provide different levels of customization and control for the seller, and which one is right for you completely depends on your own business needs.

One of the most recognizable names for artisans and creatives selling online is Etsy, a Brooklyn based company that hosts around 1 million craftspeople internationally (The Art and...). Etsy was created with the mission of “humanizing work and commerce” (Chad Dickerson, CEO) formed as a “B- Corp” - a corporate form that protects companies with social missions from undue shareholder demands (The Art and...). Etsy has been the leading business in the “maker movement” since its inception in 2005, providing a digital marketplace for handmade, vintage, and artisanal products and keeping up with industry giants like Amazon and Ebay (Figure 6). Etsy as a corporation has taken strides to make the digital economy better for creative microentrepreneurs. The company has tackled global trade laws that left small business owners at a disadvantage, in 2016 bringing a bill to congress raising import de minimis thresholds - customs fees for shipments over a certain value threshold - from $200 to
$800, getting rid of extra fees and border hang ups for larger orders, and encouraging international shipping by pressuring other nations to raise thresholds as well (Etsy). Etsy calls upon their new model for creative economies, virtual “Maker Cities” to put people at the center of commerce, promoting sustainable production and empowering makers to build creative businesses on their own terms (Etsy). Etsy for sellers presents its own unique set of advantages and disadvantages, and is arguably the best platform for creators who are just starting out without much business experience. The marketplace format of the site makes it easier to gain a following - new listings show up right alongside popular ones in search results, and are ranked based on relevance rather than following count. All shops hosted on Etsy are given an etsy.com domain, (etsy.com/shop/shopname) and exist as a subset of the marketplace as a whole. This can be a double-edged sword, as it can drive traffic towards your page from curious, browsing customers - but it can also easily drive traffic away to other shops with similar offerings, making it difficult for consumers to find their way back to your page without “favoriting” it first.

Etsy is also a fairly cost-effective option for new sellers. It is free to set up a shop, with just a $0.20 charge for each item listing. Etsy also takes a small 3.5% of every sale, and allows sellers to determine their own pricing and product margins. Etsy provides other support to sellers as well, with a 2-way rating system between sellers and buyers democratizing the platform and providing transparency that goes both ways. Marketing is also built into the platform, with the option to “boost” listings to show up higher in search results in a way that does not make it obvious that the listings are ads, and streamlining the process for sellers. Hosting a shop on Etsy also comes with other benefits of marketing services, social media assistance, and selling guides that provide advice to new sellers. Etsy seamlessly handles many little details that could otherwise stump a new business owner - allowing users to print shipping
labels, manage orders, and communicate with customers directly through their platform. Etsy also fits a specific demographic of sellers, with a typically younger and better-educated base of shop owners than the average U.S. Business owner, and skews towards female users as well (see table below). This trend is a reflection of the maker community as a whole, and perpetuates the idea that Etsy is highly respected among these creators.

<table>
<thead>
<tr>
<th>United States Etsy Seller Demographics</th>
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<tbody>
<tr>
<td>Etsy Sellers</td>
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<tr>
<td>----------------</td>
</tr>
<tr>
<td><strong>Median Age</strong></td>
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<tr>
<td><strong>Gender</strong></td>
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<tr>
<td><strong>Education (% college grad)</strong></td>
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<td><strong>Rural</strong></td>
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Data from Statista (Etsy).

For more experienced and established sellers, Shopify is a great option for hosting through your own domain. Shopify is a hosted ecommerce platform that can live on its own or as a plugin through a Wordpress site that allows for greater control for entrepreneurs to choose a theme and customize their own CSS. The platform also offers different levels of support and customization, with their most basic package starting at $9 a month. However, Shopify does not provide the same visibility as Etsy, and seller are responsible for driving traffic back to their own site. For this reason, Shopify tends to be a better choice for more established shops that have a substantial enough following not to need the Etsy support, or those who have a full-fledged blog or site that the shop is run through.

Other digital options for artists include sites like Redbubble and Society6, where artist’s designs are printed onto preexisting merchandise and sold through the
sites’ marketplaces. Both of these platforms provide a low involvement option for artists, who do not hold their own stock or have any part in the manufacturing or shipping process. Within these and similar platforms, shop owners have the option of deciding their own profit margin after the base price offered by the site, deciding what they will make on every sale. These prices have to remain competitive with the other goods on the site with the only difference being the printed design, so sellers have to be wary of how much they are charging and in reality do not see a substantial profit unless their designs become top sellers on the site. With both of these selling platforms artists can make use of a popular site without much investment. Both services are free to sellers, and provide another avenue of exposure even if they do not bring in substantial revenue themselves.

This is where the idea of using a combination of selling platforms becomes a viable option. Many sellers will use a combination of sites to gain an audience and boost sales while their businesses grow. A common growth pattern goes as follows:

1. Seller posts product listings on Etsy to gauge consumer interest and grow popularity.
2. Seller creates Shopify channel through independent site as sales increase.
3. Seller maintains Etsy inventory & drives repeat customers to Shopify platform.
4. Seller maintains Etsy primarily as a marketing channel: only listing top selling products and continuing to push traffic to Shopify.

Creative microentrepreneurs may also consider other routes to sell their products online through reaching out to 3rd party sellers like online boutiques and retailers. These types of online stores can use their own marketing platforms and social media to market your products, and have the potential to drive traffic back to
your own channels. When searching for these retailers, brands should be picky about only choosing shops with brand values, style, and voice that align with their own. Where you choose to sell your products reflects back onto your brand, so do your research before agreeing to let a shop stock your items. Then it comes time to decide on an agreement you are willing to make when it comes to pricing. If you choose to let the retailer upsell your product, you are retaining your profit margin, but possibly reducing the chance that consumers will buy your items. This strategy could work if selling through boutiques that are well known and highly trafficked, or that have a reputation for selling higher cost, good quality product. This strategy could also allow consumers to find your product on another site and then buy directly from you for a lower price. Otherwise, you as a seller could decide to take a smaller margin on your sales and increase the likelihood of sale. While making this decision, also check out how each shop prices similar items to yours, and make sure that your pricing is competitive within this range.

Even with a digital based company, selling online is not your only option. Attending craft fairs and markets can be a great way to develop face-to-face connections with customers, and gauge interest through real-time reactions to your product. This environment also inherently draws crowds that are interested in your market, and can increase local interest and awareness of your brand. Getting your product into brick-and-mortar shops is a great way to reach outside of your market and provide exposure in a physical setting, as well as promoting your products to their own digital followers. When selling in these physical spaces, make sure that your packaging provides adequate information about where your brand can be found online, and that your product is displayed appropriately within the store. Shop owners are often willing to make agreements about product placement in a store, and promotion through signs or business cards displayed alongside your products.
Scaling: Taking your Digital Business to the Next Level

Whether or not it is an explicitly stated business goal, small shop owners often dream of how to take their businesses to the next level, whether that means growing a larger following, taking their brand global, or collaborating with their dream brand. This path is different for every company and business owner, but scaling is something that every brand needs to think about eventually to stay profitable and relevant in the long run.

When just starting your brand, you may think that your end goal exists at a point where your business is profitable, popular, and bringing in consistent sales. But when you have worked hard and continue to surpass these goals, where do you go next? If you have gotten to a point with your business where it is hard to keep up with demand, and you feel as though you do not have the capacity to take on all the clients or work that you would like to, it may be time to scale your business (Deen).

With a large enough audience and proof of success within your market, you can consider licensing your designs to larger brands and labels. Companies like Target and Hallmark are constantly trying to keep up with trends in consumer goods, and the best way to do so is to work with the artists who are creating them in the first place (The Art of…). The best way to attract these licensing deals is keeping up to date design portfolios, attending trade shows, and leveraging social media platforms like Pinterest and Instagram as portfolio tools as well. While this option requires artists to adapt their work and compromise with a larger company, it also provides mainstream exposure and can bring in royalties as a lucrative second stream of income (The Art of…).

These partnerships with other brands can also come in the form of branded collections. An example is Rifle Paper Company, who work with brands like
L’Occitane and Keds to create limited run collections of products with Rifle Paper Co. designs. This is a great way for both partners to benefit from each other’s markets. In these types of brand partnerships, there should be a significant amount of overlap in target markets. Think of the types of products your audience would already be interested in which they would be more incentivized to buy if they featured your designs, and try to build relationships with these brands. Maybe begin by reaching out to them with mockups for ideas, and reasoning behind why a partnership would be beneficial to both of you, keeping the other brand’s goals in mind as well.
Conclusion

Starting a business from scratch can be a daunting task, especially in such a vast and quick evolving market. Luckily, there are tools available for emerging creators that make it possible to create a successful and long-lasting business in the digital space. With attitudes shifting in favor of small businesses and handmade goods, now is the time to make use of these resources and implement strategies that will allow your brand to flourish.

While there are so many components to what defines a successful business, all of these separate parts must work together in order to create a cohesive business model and a strong image. Branding is key to creating an image for a business that will resonate with consumers, and brands that differentiate themselves from others in the market and create a strong voice become more recognizable and come across as put together and professional. This brand voice should carry over into all aspects of the brand, through communications with customers to marketing and social media. Proper use of social media for business can reach consumers where they are already spending their time – and catching their attention with aesthetically pleasing images and authentic captions that personify your brand allow you to create a connection with them and build brand loyalty. Social is a powerful tool for creative small businesses, with younger audiences already inclined to support small businesses where their dollars will make an impact. Creating relationships with these consumers allows them to feel like a part of the community that exists within maker circles online.

Joining these maker communities, whether formal or informal, provides other benefits to small businesses. Not only do these other creators have a wealth of their own knowledge to share, but they are also often willing and excited to promote other
artists and support the growth of their niche market. Working together with these businesses can bring in new consumers to everyone involved, and provide insight into the dos and don’ts of your market that only more experienced sellers would know.

Deciding on placement is central to determining who your consumers will be, how your business will be found, and what your own level of control is. Before deciding where to sell, weigh the pros and cons of online platforms, and compare your own business to the other brands that implement them. Your initial selling platform can also determine how your business will grow in the future. Do you start selling on Etsy, then expand to Shopify? Or do you start your business on your own site, and license your designs to other brands in the future? Although how you will scale a business does not seem like something that needs to be determined right away, knowing your general direction for the future can help you figure out what actions to take in the present to get there. Businesses that can stand up to this test of whether they can make it outside of their niche market are much more likely to do so if they have had a plan in place from the very beginning.

Small business success stories pop up every day, but none of these companies truly became popular overnight. It can take years of hard work to get a business off the ground, and with the accelerated world we live in - it can feel like centuries. New business ideas are created every day that will never take off, and those that do will often find themselves in a different direction than they initially planned. Still, with proper strategy, elbow grease, and a little bit of talent - creative businesses can find space online to thrive.
Where I’m Going Next: Runcible Spoon Design

Through the process of completing my research and talking to other creators, I have come up with my own game plan as a very early stage small creative business in order to allow my brand to thrive. Through examining these best practices and the types of businesses in my immediate market, I have come up with a list of immediate next steps as well as larger goals that may inspire other aspiring entrepreneurs. Though my own business is still in its very early phases,

Next Steps:
- Set up a Shopify account and create an integrated store page on runciblespoon.design
- Create product listings on Runcible Spoon’s Facebook page.
- Apply for shoppable posts on Instagram through Shopify.
- Create a business Pinterest account to sell direct through Pinterest.
- Create a comprehensive social media content calendar and schedule posts.

Future Goals:
- Team up with other creators to release collaborative product lines.
- Create a product presentation that can be given to small brick-and-mortar boutiques and shops to order my products.
- Talk to companies that are willing to work with small creators to sell their designs.
- Expand the Runcible Spoon Design blog to include baking video tutorials
- **Ultimate goal:** open Runcible Spoon as a bakery cafe and boutique, selling my own and other artist’s products and expanding to multiple locations.
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