Twitter Thread by Jesse Pujji



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Bootstrapped entrepreneurs always have the last laugh.

A son of Iranian immigrants turned a single LA retail store into a $1,000,000,000+ ecommerce giant.

All with $0.00 in funding

Here's the story ■■■■■■

1/ Richard Saghian was born in 1982.

His family was a minority group of Jewish-Iranians who fled during the revolution.

After moving to America, they got into women's fashion retail.

In 2006, Richard followed in their footsteps…

2/ He started his own store. His idea was simple: affordable, unique clothes to wear to the club.

His goal was to open 100, but he stopped at 5.

Early on, he had the idea of opening up an internet store...



3/ The web dev he hired quickly talked him out of it, “where will you get traffic?” was a question Richard couldn’t answer.

After a few years, the retail stores were going nowhere…

4/ In 2013, Richard noticed several stores online selling the same clothes for over twice what he charged.

He created an Instagram account, took some of his best selling styles and started posting them every day.

At first, crickets.

But then, something magical happened…

5/ His customers started posting THEIR OWN pictures with his clothes.

His account got to >60K followers in a matter of weeks.

He also noticed something about the posters and their comments...

6/ They tended to be brown/black, young, curvy, and urban.

Richard realized that this group wasn’t used to seeing themselves online OR having clothes designed for their bodies.

Something clicked.

7/ There was untapped potential. But now what?

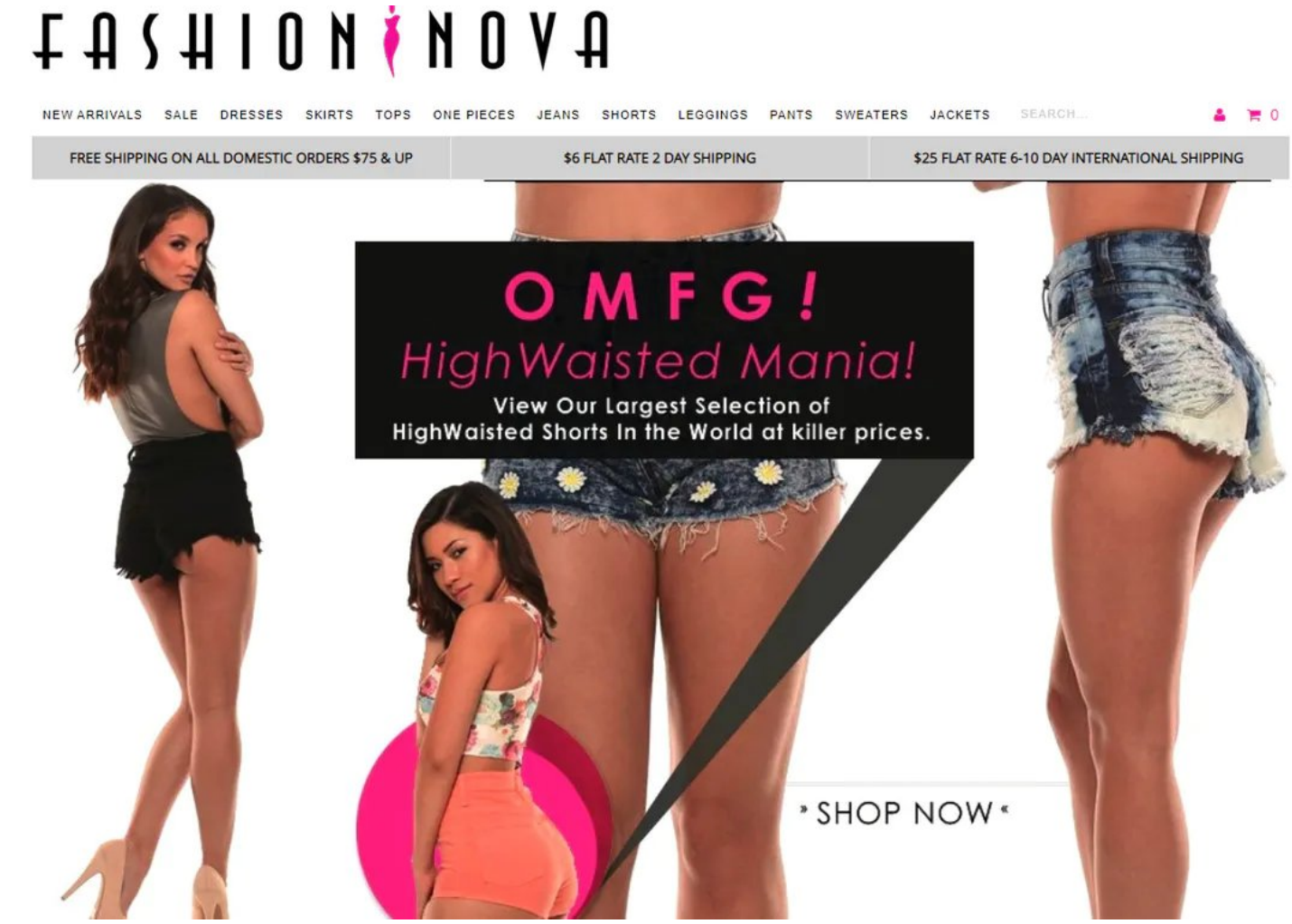
He created a Shopify website (of course) and started building it out.

Each time his team said it was ready to launch, he pushed it back.

8/ Despite the fast growing IG presence, he was afraid no one would buy anything.

Finally after 3 “false starts,” he launched “Fashion Nova dot com”

That weekend, he completely sold out…



9/ Richard had completely underestimated the size of his insight and the opportunity he had found.

He had to get lots of styles and lots of clothes made, quickly.

From this “problem,” he hatched what he calls “ultra fast fashion”

Here’s how it works:

10/ They go from idea to samples in <24 hours.

Then samples to models in <48 hours.

Most things are manufactured locally to speed it up.

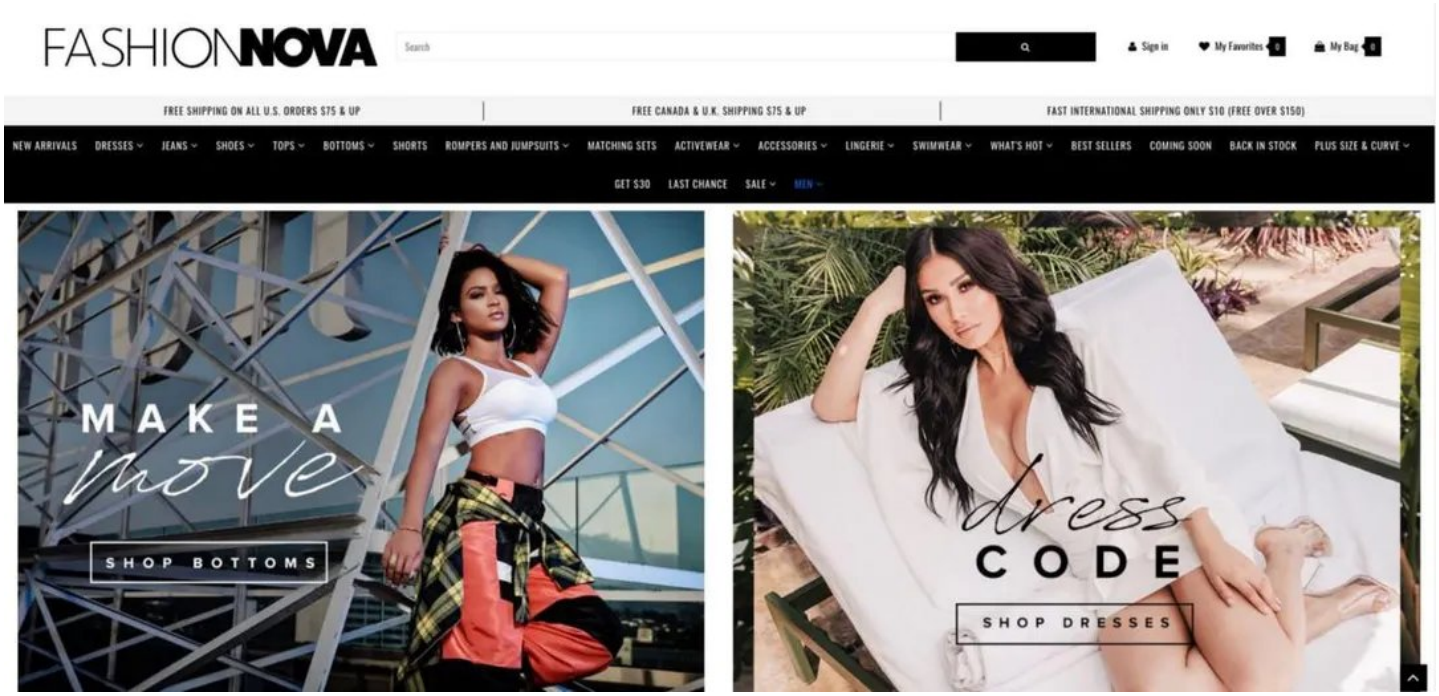
Within 2 weeks, they are selling the product with 2 day delivery

They test over 1000+ items per week.

But none of this existed in 2013...

11/ He was just holding on for dear life and trying to fulfill the demand as fast as it came.

Within 18 months of launching the store, they had done over $400MM in Sales!



12/ The flywheel was clear:

1) they would sell clothes,
2) people would post them on IG,
3) they offered free clothes to influencers posting on IG (a program now with 3k+ people now)
4) they would sell more clothes.

In 2015, Richard wanted to take it to the next level…

13/ He tried reaching out to big celebrities with no luck.

So he found a smaller rap artist who fit the style of his clothes perfectly: @iamcardib

She loved the clothes and began posting about them all the time.

But it didn't move the needle much

In 2017, it all changed…

Messages ●●●○○ 3:49 PM instagram.com

Photo

iamcardib



407,449 likes

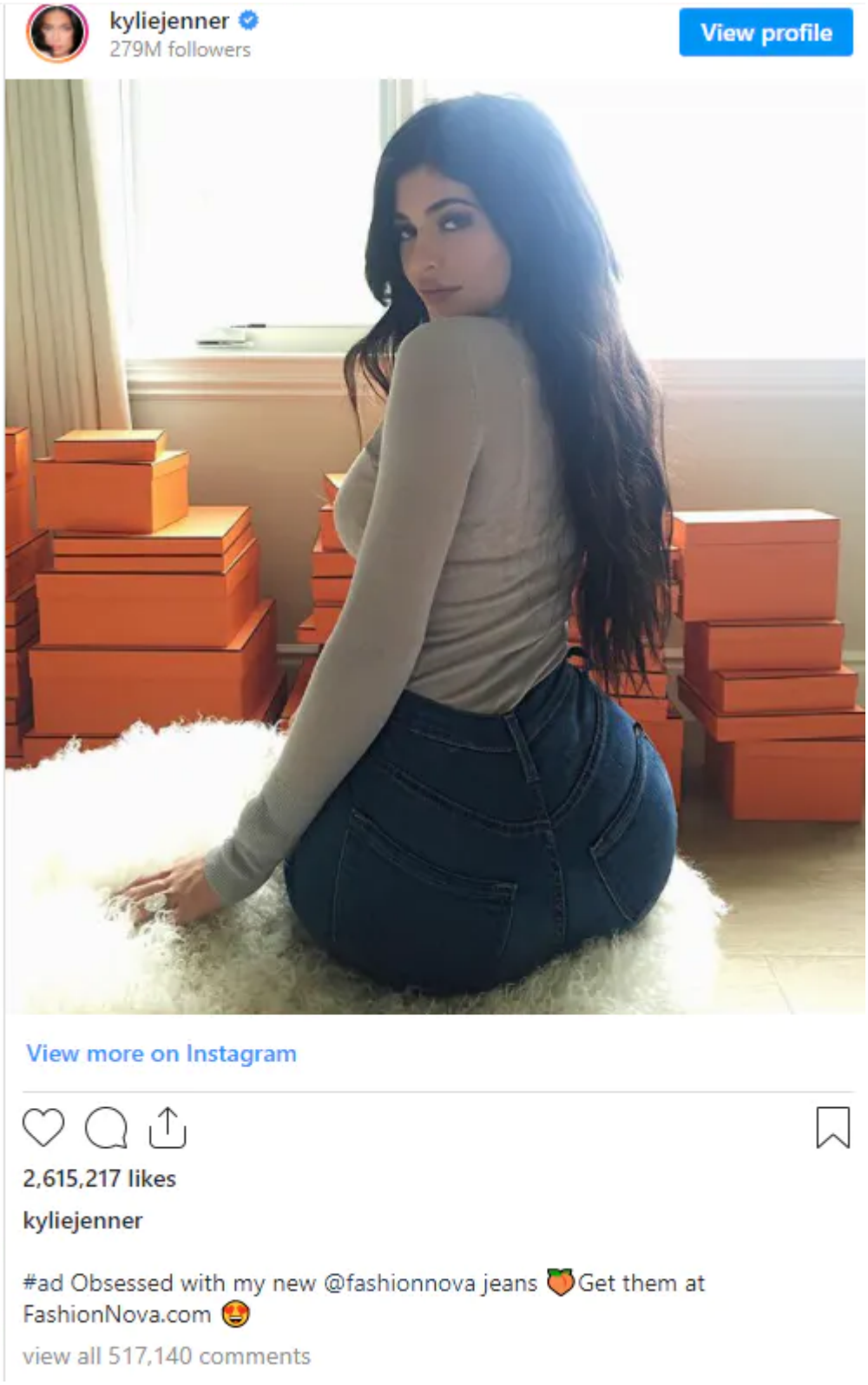
iamcardib My shoes Balenciaga but my fit @fashionnova THOOO Duuuuhhhhhh

14/ Her song “Bodak Yellow” became a number 1 global hit.

She and Richard doubled down on their partnership (which continues strongly to this day). Both grew together.

Other celebrities like the Kardashians jumped onboard.

By the end of 2017, FN’s sales were up 600% YOY!



15/ This added to the flywheel and helped Richard create the "Viral Fashion" strategy that continued to drive FN's growth.

Customers and influencers alike credit the brand as serving a segment which is often overlooked by traditional brands both in mktg and fit.

It worked…



16/ “It’s important to have a lot of styles because our customers post so much online and need new clothes. We don’t want girls showing up to the club in the same outfit. We need 50 different denim jackets. Not just one.” -Richard

In 2019, their speed got them in trouble…

17/ The NYT ran a piece that accused FN of using illegal labor.

While FN itself wasn’t doing anything illegal, they had 700+ suppliers and a few ran US based “sweatshops”

FN quickly got rid of these suppliers and made clarified standards.

With Covid, the other shoe dropped…

18/ Two issues plagued Fashion Nova:

1) Delivery Times - FN was sued and settled after they failed to deliver in < 30 days to hundreds of customers.

2) Many of their factories saw Covid outbreaks, leading to them and Cardi B donating over $1M to Covid Relief.

19/ Today, most of these issues are behind Fashion Nova as they scale at a rapid pace.

Richard is extremely press shy and has never shared numbers publicly.

Unconfirmed reports have them doing >$1 BILLION in annual sales with >30% EBITDA margins.

Richard still owns 100%.

20/ Sources
https://t.co/gzTinL8wPS
https://t.co/q7rtYGMce9
https://t.co/RU9E7f9NaM
https://t.co/dhWX9cvQ0B
https://t.co/bE0hPUtJSj
https://t.co/UHuvvxcwhK

21/ This story is a reminder that:

1) Starting can be SCARY but its worth it
2) Success always comes with setbacks and challenges
3) Find the unserved niche and bet big on it
4) Retail can teach you about DTC
5) Virality is a strategy

And that anyone can do it...

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23/ And don’t forget to subscribe to my newsletter: The 3-1-4. It comes out every other week with 3 links, 1 thought and 4 opportunities.

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