

# Origin Hair Collective — Business Plan

Hair Extension Import & Distribution | Mississauga, Ontario, Canada

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## 1. MARKET RESEARCH

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### Global Hair Extension Market

- **2024 valuation:** USD \$2.72 - \$3.75 billion (varies by report scope)

- **Projected 2032:** USD \$4.77 - \$6.95 billion
- **CAGR:** 7.1% - 7.5%
- **North America share:** 35.66% of global market (2024)

## Canadian Market

- Canadian market estimated at **CAD \$120-150 million**
- **1.5 million Black Canadians** (2021 Census), representing 4.3% of total population
- 97.8% of Black Canadians reside in **urban areas** (Toronto, Montreal, Ottawa-Gatineau)
- Black consumers spend approximately **9x more** on beauty and hair products than other demographics
- The Black population has more than **doubled since 1996**

## Target Demographics

Segment	Details
Gender	Women hold 80.4% of market share; men growing in Afro-textured wigs segment
Age	Core demographic: 18-45 years old
Ethnicity	Women of African descent are the primary demand driver
Income	Mid-to-high income brackets dominate premium segments
Geography	Urban areas: Toronto, Montreal, Ottawa are key Canadian markets

## Key Growth Drivers

- Social media influence (TikTok/Instagram tutorials and makeover content)
  - Rising alopecia and hair thinning awareness
  - Growing demand for natural-look, customizable products
  - Expansion of e-commerce and direct-to-consumer brands
  - Textured/curly hair extensions are the fastest-growing category (38% of new 2023-2024 launches)
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## 2. MOST PROFITABLE HAIR TYPES, LENGTHS & TEXTURES

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### Hair Type Profitability

Hair Type	Wholesale Cost/Bundle	Retail Price/Bundle	Typical Markup	Lifespan
Raw/Virgin Hair	\$60-\$180	\$150-\$500+	100-200%	2-5 years
Remy Hair	\$35-\$120	\$80-\$300	50-150%	1-2 years
Non-Remy Hair	\$5-\$30	\$20-\$80	100-300%	3-6 months
Synthetic Hair	\$3-\$15	\$20-\$150	200-500%	1-3 months

**Recommendation:** Virgin and Remy hair offer the best balance of high margins and repeat customers due to longevity and quality.

### Best-Selling Lengths

Rank	Length	Demand Level	Price Range (Retail/Bundle)
1	18"-20"	Highest	\$100-\$200
2	16"	Very High	\$70-\$120
3	22"	High	\$150-\$300
4	14"	High	\$50-\$80
5	24"	Moderate-High	\$150-\$300
6	26"-28"	Moderate	\$200-\$400
7	30"+	Niche	\$300-\$600+

**Sweet spot: 18"-24"** -- best balance of natural appearance, manageable weight, and price point. Cost increases ~20-30% for every 6 inches added.

## Most Popular Textures

Rank	Texture	Est. Market Share	Notes
1	Body Wave	~30-35%	Best-selling globally; versatile for all ethnicities
2	Straight	~25-30%	Classic, high demand for Asian and Caucasian markets
3	Deep Wave	~15-18%	Growing rapidly; popular for volume
4	Curly (Loose/Tight)	~10-15%	Fastest-growing segment
5	Kinky (Coily/Afro)	~5-8%	Niche but rapidly expanding with natural hair movement

## Trending Products (2025-2026)

Product	Status	Key Detail
Bundles (sew-in wefts)	Core product, largest segment	Body wave 3-bundle deals dominate
HD Lace Frontals	Hot trending	"Undetectable hairline" is #1 consumer demand
Closures (4x4, 5x5)	Strong demand	Must "melt into skin" for seamless look
Full Lace Wigs	Booming	Pre-plucked, glueless caps, HD lace
Clip-ins	Dominant (45.8% share)	#1 for DIY/temporary styling; Amazon sweet spot \$29-\$120
Tape-ins	Fastest growing method	CAGR of 10%+ (2025-2032)

### 3. PRICE COMPARISON BY ORIGIN COUNTRY

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#### Wholesale Pricing

Origin	Price Range (per 100g bundle, 18")	Quality	Key Characteristics
Chinese (processed)	\$19-\$60 USD	Variable	Largest processing hub; "5A-12A" grading is not standardized
Indian (raw/remy)	\$24-\$80 USD	High	World's largest raw hair supplier; temple hair is highest grade
Indian (non-remy)	\$5-\$15 USD	Low	Acid-washed and silicone-coated
Cambodian	\$60-\$150+ USD	Premium	Thicker, coarser texture; natural wave; marketed as premium
Vietnamese	\$30-\$90 USD	High	Consistently excellent quality; growing supplier
Brazilian (authentic)	\$80-\$200+ USD	Premium	Rare authentic supply; naturally varied textures

**Critical Industry Insight:** The overwhelming majority of hair marketed as "Brazilian," "Peruvian," or "Malaysian" is actually Indian hair collected at temples and shipped to Chinese processing factories, then repackaged under misleading origin labels.

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### 4. BUSINESS MODEL ANALYSIS

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#### Model Comparison

**Model A: Supplier (Buy Bulk, Sell to Salons/Retailers)**

- **Margins:** 40-60% gross
- **Startup Cost:** \$5,000-\$12,000 CAD
- **Pros:** Recurring revenue from salons, brand building, control pricing
- **Cons:** Significant upfront capital, inventory risk, slow relationship building

### **Model B: Broker/Middleman (Connect Buyers to Factories)**

- **Margins:** 10-25% commission
- **Startup Cost:** \$1,000-\$5,000 CAD
- **Pros:** Minimal inventory risk, low startup cost, scalable
- **Cons:** Low margins, easily replaceable, hard to build brand, long lead times

### **Model C: Exclusive Distributor of Innovative Products**

- **Margins:** 50-70% gross
- **Startup Cost:** \$10,000-\$40,000 CAD
- **Pros:** Exclusivity creates defensible moat, premium pricing, manufacturer support
- **Cons:** High minimum purchase commitments, dependent on one manufacturer, product-market risk

### **Model D: Direct-to-Consumer Retail (Online + In-Person)**

- **Margins:** 60-80% gross
- **Startup Cost:** \$5,000-\$14,000 CAD
- **Pros:** Highest margins, direct customer relationships, social media driven, GTA has massive market
- **Cons:** Requires strong marketing skills, competition is intense, handles all customer service

## **RECOMMENDED MODEL**

### **Hybrid of Model D (DTC) as primary + Model A (Salon Wholesale) as secondary:**

- DTC gives you the highest margins (60-80%)
- Selling to salons on the side provides bulk recurring orders that smooth cash flow
- Manageable startup cost (\$5,000-\$14,000)
- Can run from home in Mississauga
- Social media is free and the hair extension community on Instagram/TikTok is enormous

**Strategy:** Start DTC, prove product-market fit, then expand into salon wholesale once you have volume pricing from suppliers.

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# 5. PROFIT MARGINS

## Wholesale Sourcing Costs (Per Bundle, CAD, Including Shipping & Duties)

Source Country	Raw Cost (USD)	Landed Cost (CAD)	Quality Tier
China (Xuchang)	\$5-\$20	\$12-\$35	Low to Mid
India (Chennai)	\$15-\$50	\$25-\$70	Mid to High
Cambodia/Vietnam	\$20-\$80	\$35-\$110	High to Premium

## Retail Pricing & Markup

Product	Your Cost (CAD)	Retail Price (CAD)	Gross Margin
Budget bundles (Chinese)	\$12-\$20	\$40-\$60	65-70%
Mid-range bundles (Indian/Chinese human)	\$25-\$45	\$80-\$150	65-70%
Premium bundles (Cambodian/Vietnamese virgin)	\$50-\$110	\$150-\$300	60-65%
Closures/Frontals	\$15-\$60	\$60-\$180	65-75%
Wigs (full lace, ready-to-wear)	\$80-\$250	\$250-\$800	65-70%

## Average Profit Per Bundle

- **Budget tier:** \$25-\$40 CAD profit per bundle
- **Mid tier:** \$50-\$100 CAD profit per bundle
- **Premium tier:** \$80-\$180 CAD profit per bundle
- **Blended average:** \$60-\$90 CAD profit per bundle

## 6. IMPORT COSTS, TARIFFS & LOGISTICS

### HS Codes & Duty Rates

HS Code	Description	MFN Duty Rate
6703.00.00	Human hair, dressed/thinned/bleached (raw material)	<b>Free (0%)</b>
6704.20.00	Wigs, false beards of human hair	<b>15.5%</b>
6704.11/19	Synthetic hair extensions	<b>15.5%</b>

### Tariff by Country of Origin

Country	Duty on Raw Hair (6703)	Duty on Extensions (6704.20)	Notes
<b>China</b>	Free	<b>15.5%</b>	MFN rate, no preferential treatment
<b>India</b>	Free	<b>15.5%</b>	MFN rate (GPT withdrawn 2013)
<b>Cambodia</b>	Free	<b>FREE (0%)</b>	LDCT (Least Developed Country Tariff) until 2029

**Key Finding: Cambodia offers duty-free access** via Canada's LDCT program, saving ~\$800 on a \$5,000 order compared to China/India.

### GST/HST on Imports

- **At the border:** CBSA collects **5% GST** on (Value for Duty + Duty Amount)
- **Ontario HST:** 13% total (5% federal + 8% provincial self-assessed)
- **Input Tax Credits:** If GST/HST registered, you recover the GST paid on imports
- **Registration threshold:** Mandatory once annual taxable sales exceed \$30,000



## Shipping Costs

### From China to Canada

Method	Cost per Kg (USD)	Transit Time
Sea freight (LCL)	\$2.00-\$4.00	25-40 days
Air freight	\$3.50-\$6.00	5-10 days
Express courier (DHL/FedEx)	\$6.00-\$15.00	3-7 days

### From India to Canada

Method	Cost per Kg (USD)	Transit Time
Sea freight (LCL)	\$2.50-\$5.00	30-50 days
Air freight	\$4.00-\$9.00	3-8 days
Express courier	\$7.00-\$15.00	3-7 days

### From Cambodia to Canada

Method	Cost per Kg (USD)	Transit Time
Sea freight (LCL)	\$3.00-\$6.00	30-50 days
Air freight	\$5.00-\$10.00	5-12 days
Express courier	\$8.00-\$18.00	4-8 days

## Customs Brokerage Fees (CAD)

Shipment Value	Brokerage Fee
\$0-\$499	\$20
\$500-\$999	\$30
\$1,000-\$2,499	\$35
\$2,500-\$10,000	~2.25% (min \$50, max \$350)
\$10,001+	~1.75% (min \$50, max \$350)

## Total Landed Cost: \$5,000 USD Order Comparison

Origin	Product Cost	Total Landed Cost	Overhead %	Duty Paid
China	\$5,000	\$6,422	28.4%	\$797
India	\$5,000	\$6,458	29.2%	\$801
Cambodia	\$5,000	\$5,669	13.4%	\$0

### After GST ITC recovery:

- China: ~\$6,126 (22.5% overhead)
- India: ~\$6,160 (23.2% overhead)
- Cambodia: ~\$5,409 (8.2% overhead)

## Required Documentation Per Shipment

1. Canada Customs Invoice (CCI) or commercial invoice
2. Bill of Lading (sea) or Air Waybill (air)
3. Packing list
4. Certificate of Origin (critical for Cambodia LDCT claims)
5. Cargo Control Document (CCD)
6. B3 Declaration (Customs Coding Form)
7. Proof of payment/purchase order

## Lead Times (Order to Delivery)

Country	Stock (Air)	Custom (Air)	Custom (Sea)
China	2-3 weeks	4-6 weeks	8-12 weeks
India	2-3 weeks	5-8 weeks	10-14 weeks
Cambodia	N/A	6-9 weeks	10-15 weeks

## 7. SUPPLIER SOURCING

### Top Platforms

1. **Alibaba.com** -- Largest B2B marketplace; Trade Assurance protection
2. **1688.com** -- Chinese domestic wholesale (20-40% cheaper, requires sourcing agent)
3. **Made-in-China.com** -- Alternative to Alibaba
4. **Global Sources** -- More vetted suppliers
5. **DHgate** -- Smaller MOQs; good for testing
6. **AliExpress** -- Retail/small wholesale; useful for samples

### Key Manufacturing Regions

Region	Specialty	Notes
<b>Xuchang, Henan, China</b>	All types; 80%+ of global manufacturing	Rebecca Hair Products (publicly listed), UNice, Shunfa
<b>Qingdao, Shandong, China</b>	Synthetic and blended	Second largest hub
<b>Chennai, Tamil Nadu, India</b>	Raw temple hair (premium)	Highest quality; BIR Hair Exports, Remy Indian Hair
<b>Phnom Penh, Cambodia</b>	Raw virgin hair	Thick, coarse texture; premium market
<b>Ho Chi Minh City, Vietnam</b>	Raw virgin hair	Vin Hair, Lyn Hair Factory

### Minimum Order Quantities

Source	Supplier Type	Typical MOQ
China	Alibaba/trading company	1-10 pcs (sample); 50-100 (wholesale)
China	Factory direct	50-200 per style
India	Raw hair temple suppliers	1 kg (sample); 5-10 kg (wholesale)
Cambodia	Factory direct	10-30 bundles

## How to Verify Supplier Legitimacy

1. Check Alibaba Gold Supplier status
2. Look for Trade Assurance
3. Request business licenses (yingye zhizhao)
4. Ask for factory tour videos
5. Check trade show attendance records
6. Order samples first (always)
7. Look for ISO 9001 certification
8. Cross-reference on multiple platforms
9. Use third-party inspection services (SGS, Bureau Veritas: ~\$300-\$500/inspection)

## Red Flags

- Prices dramatically below market rate
- Refusal to provide samples
- Payment to personal bank accounts
- No factory address or facility photos
- Insistence on Western Union/MoneyGram
- "Bait and switch" on quality
- Claims of "100% virgin" at extremely low prices

## Key Trade Shows

Show	Location	Timing
China International Hair Fair (CIHF)	Guangzhou	August 2026
Canton Fair (Phase 3)	Guangzhou	Oct-Nov annually
China International Beauty Expo (CIBE)	Guangzhou	September 2026
International Beauty Show (IBS)	New York	March annually
Bronner Bros. International Beauty Show	Atlanta	Biannual

## Payment Methods

Method	Protection	Best For
Alibaba Trade Assurance	High	First orders, small-medium
T/T (Wire Transfer)	Medium	Established relationships
PayPal	High	Small orders, samples
Letter of Credit (L/C)	Very High	Orders over \$10,000
Western Union	<b>LOW - AVOID</b>	Never for business

**Recommended structure:** 30% deposit / 70% before shipment via Trade Assurance for initial orders.

## 8. HAIR EXPERT CONSULTANT PLAN

### Overview

Origin Hair Collective will engage independent hair expert consultants to evaluate supplier samples, recommend the best distributors, and ensure product quality meets brand standards. These consultants bring deep expertise in hair textures, origins, processing methods, and market trends — knowledge that takes years to develop and is critical for sourcing premium product.

### Consultant Role & Responsibilities

- **Sample evaluation:** Receive supplier samples and perform hands-on quality testing (shed test, tangle test, burn test, bleach test, wet test, weight verification)
- **Distributor recommendations:** Provide written assessments comparing suppliers on quality, consistency, pricing, and reliability
- **Texture & origin authentication:** Verify that hair origin claims (e.g., "Cambodian raw virgin") are accurate based on texture, cuticle alignment, and processing indicators
- **Trend advisory:** Recommend which textures, lengths, and product types to stock based on current market demand
- **Ongoing QC:** Periodically review incoming inventory batches to ensure supplier consistency over time

## Where to Find Hair Expert Consultants

Source	Details
<b>Licensed cosmetologists &amp; stylists</b>	Look for stylists with 5+ years specializing in extensions/weaves in the GTA
<b>Hair extension educators</b>	Instructors who teach extension installation courses (many also consult)
<b>Beauty industry trade shows</b>	Network at Bronner Bros, IBS New York, China International Hair Fair
<b>Online hair communities</b>	Reddit r/hairextensions, Facebook groups, YouTube hair reviewers with sourcing knowledge
<b>Salon owners</b>	Experienced owners who source their own product and understand wholesale quality
<b>Former hair brand operators</b>	People who have run their own hair businesses and understand the supply chain end-to-end

## Compensation Models by Business Stage

### Stage 1: Pre-Launch & Startup (Months 1-6)

During this phase, you need help selecting your initial suppliers. Engagements are short-term and project-based.

Model	Structure	Est. Cost (CAD)	Best For
<b>Per-sample review</b>	Flat fee per supplier sample set evaluated	\$50-\$100 per sample set	Evaluating 5-10 supplier samples before first bulk order
<b>Project retainer</b>	One-time engagement to help select launch suppliers	\$500-\$1,500 (total)	Hiring one expert to evaluate all initial samples and recommend top 2-3 suppliers
<b>Product-for-review</b>	Free samples (1-2 bundles per supplier) in exchange for detailed written evaluation	\$40-\$110 in product cost	Budget-conscious; works well with stylists who want free hair

**Recommended for Stage 1:** Project retainer of \$750-\$1,000 for one trusted expert to evaluate all startup supplier samples and deliver a ranked recommendation report. This is a one-time cost that protects your \$3,000-\$8,000 first inventory investment.

## Stage 2: Early Growth (Months 7-18)

You have established suppliers but want to expand sourcing, verify quality consistency, and explore new product categories.

Model	Structure	Est. Cost (CAD)	Best For
<b>Monthly retainer</b>	3-5 hours/month for ongoing QC reviews and new supplier evaluation	\$300-\$600/month	Continuous quality assurance as order volume increases
<b>Per-batch QC fee</b>	Flat fee per incoming shipment inspected	\$75-\$150 per shipment	Pay-as-you-go quality checks on each new inventory delivery
<b>Commission on savings</b>	5-10% of documented cost savings from their supplier recommendations	Variable	Incentivizes finding better-priced suppliers without sacrificing quality
<b>Hybrid: retainer + commission</b>	Small monthly retainer (\$200) + 5% commission on savings achieved	\$200/month + variable	Aligns incentives; expert is motivated to find the best deals

**Recommended for Stage 2:** Monthly retainer of \$400-\$500 for one primary consultant, covering QC on incoming shipments plus evaluation of 1-2 new potential suppliers per month.

## Stage 3: Scaling (Month 18+ / \$250K+ Revenue)

The business is established with multiple product lines and potentially exploring exclusive distribution or private labeling.

Model	Structure	Est. Cost (CAD)	Best For
<b>Senior advisory retainer</b>	8-12 hours/month; strategic sourcing, factory relationship management, trade show accompaniment	\$1,000-\$2,500/month	High-level sourcing strategy and supplier relationship management
<b>Equity/profit share</b>	1-3% of net profit in exchange for ongoing advisory	Variable	Long-term alignment; attracts top-tier talent willing to invest their expertise
<b>Per-trip consultant</b>	Accompany you on factory visits (China, India, Cambodia) as quality evaluator	\$2,000-\$4,000 per trip + travel expenses	Critical for establishing direct factory relationships and negotiating
<b>Panel of specialists</b>	Maintain 2-3 consultants with different specialties (textures, origins, processing)	\$500-\$800/month each	Diversified expertise across product categories

**Recommended for Stage 3:** One senior advisor on a \$1,500/month retainer who handles strategic sourcing decisions, plus budget for 1-2 factory visit trips per year (\$3,000-\$5,000/trip including their fee and travel).

## Consultant Agreement Essentials

Every consultant engagement should include a written agreement covering:

- **Scope of work:** Specific deliverables (e.g., "evaluate 8 supplier sample sets and deliver a written comparison report")
- **Confidentiality/NDA:** Protect your supplier contacts, pricing, and business strategy
- **Non-compete clause:** Prevent them from sharing your supplier list with competing hair brands (reasonable timeframe: 12-24 months)
- **Payment terms:** Net-15 or upon delivery of report/assessment
- **Intellectual property:** Their recommendations and reports belong to Origin Hair Collective
- **Conflict of interest disclosure:** Require disclosure of any relationships with suppliers they are evaluating



## Budget Summary by Stage

Stage	Timeline	Monthly Consultant Budget (CAD)	Annual Total
Pre-Launch	Months 1-6	\$0-\$250 (one-time project: \$750-\$1,500)	\$750-\$1,500
Early Growth	Months 7-18	\$300-\$600	\$3,600-\$7,200
Scaling	Month 18+	\$1,500-\$3,300	\$18,000-\$39,600

## ROI Justification

- A single bad supplier decision on a \$5,000 bulk order can result in \$3,000-\$5,000 in unsellable product and damaged brand reputation
- Expert consultants help avoid costly sourcing mistakes and identify higher-quality, lower-cost suppliers
- At Stage 2, even a 5% improvement in sourcing costs on \$10,000/month in inventory = \$500/month savings, which pays for the consultant
- Quality consistency drives repeat customers — the lifetime value of a retained customer (\$500-\$2,000/year) far exceeds one-time consulting fees

# 9. INVENTORY STORAGE

## Storage Requirements

- **Temperature:** 15-25 degrees Celsius
- **Humidity:** 40-60% relative humidity
- **Light:** Away from direct sunlight
- **Packaging:** Sealed plastic bags or satin/silk bags
- **Organization:** By texture, length, and color in clear bins or labeled shelving

## Storage Options Comparison

### Home Storage

- **Cost:** \$0/month + \$100-\$300 one-time (shelving, bins, dehumidifier)
- **Pros:** Zero monthly cost, convenient, accessible 24/7
- **Cons:** Takes living space, may need insurance rider (\$50-\$150/year)
- **Best for:** Startup phase, under 500 bundles

## Self-Storage Unit (Mississauga)

- **Providers:** Apple Self Storage, Public Storage, StorageMart, Dymon Storage
- **Cost:** \$80-\$250/month (climate-controlled: add \$30-\$60/month)
- **Pros:** Separate from living space, scalable, professional for salon pickups
- **Cons:** Monthly cost, inconvenient for daily packing, limited hours
- **Best for:** 500+ bundles inventory

## Third-Party Fulfillment (3PL)

- **Providers:** ShipBob (GTA warehouse), Shipfusion (Toronto), Think Logistics (Mississauga)
- **Cost:** \$400-\$800/month (storage + pick & pack at \$3-\$7/order)
- **Pros:** Handles all fulfillment, professional, scales easily, integrates with Shopify
- **Cons:** Expensive for small volume, less control over unboxing experience
- **Best for:** 100+ orders/month

## Dropshipping (No Inventory)

- **Cost:** \$40-\$100/month (platform only)
- **Pros:** Zero inventory risk, minimal capital
- **Cons:** 2-6 week shipping times, no quality control, 30-40% margins, poor customer experience
- **Verdict:** NOT recommended for building a premium brand

## Recommended Storage Strategy by Phase

Phase	Timeline	Strategy	Monthly Cost
Startup	Months 1-6	Home storage	\$0
Growth	Months 7-18	Home + small climate-controlled unit	\$0-\$150
Scale	Month 18+	3PL for online orders; home stock for local/salon	\$400-\$800

## 10. DIGITAL PLATFORMS & E-COMMERCE

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### E-Commerce Platform Comparison

#### Shopify (RECOMMENDED)

Plan	Cost	Transaction Fees
Basic	\$47 CAD/month	2.9% + \$0.30
Shopify	\$132 CAD/month	2.7% + \$0.30
Advanced	\$529 CAD/month	2.4% + \$0.30

**Pros:** Fastest launch, Canadian company, built-in POS, massive app ecosystem, handles HST **Cons:** Monthly cost, some limitations without paid apps

#### WooCommerce (WordPress)

- **Cost:** \$15-\$50/month hosting + \$200-\$500/year plugins
- **Pros:** Full ownership, no platform fee, unlimited customization
- **Cons:** Requires technical knowledge, you manage security/updates

#### Custom Build (OriginHairCollective .NET/Angular)

- **Cost:** \$0 if self-built; \$30-\$100/month hosting
- **Pros:** Complete control, no platform fees, unique features
- **Cons:** Longest time-to-market, must build everything from scratch

**Recommendation:** Start with **Shopify Basic** for immediate sales. Use OriginHairCollective custom build as long-term project for branded experience or B2B wholesale portal.

### Mobile App

**NOT necessary for startup.** A responsive Shopify site works perfectly on mobile. Consider an app only after \$500K+/year revenue.

## Marketplace Platforms

Platform	Fee Structure	Priority
Amazon Canada	\$29.99/month + 15% referral	1st
Etsy	\$0.20/listing + 6.5% transaction	2nd
Walmart Canada	7-15% referral, no monthly	3rd
eBay Canada	13.25% final value	4th

## Social Commerce

Platform	Commission	Notes
Instagram Shop	0% (links to your site)	ESSENTIAL for hair extensions
TikTok Shop	5% + processing	Massive growth channel for beauty
Facebook Marketplace	0%	Good for local GTA sales
Pinterest Shopping	0%	Excellent for hair inspiration

## Essential Website Features

- **Product catalog** with filters: hair type, texture, length, color, price range
  - **Before/after gallery** (Loox or Judge.me apps)
  - **Appointment booking** for in-person consultations (Acuity Scheduling: \$20/month)
  - **Live chat** (Shopify Inbox free + WhatsApp Business button)
  - **Customer reviews** with photos/video (Judge.me: \$15/month)
  - **Payment processing:** Shopify Payments + PayPal + Afterpay/Sezzle (BNPL)
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# 11. SOCIAL MEDIA & MARKETING STRATEGY

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## Platform Priority

Rank	Platform	Why	Audience
1	<b>Instagram</b>	Visual platform, #1 for hair content, Reels algorithm	Women 18-44
2	<b>TikTok</b>	Fastest organic growth, viral potential	Women 16-35
3	<b>YouTube</b>	Long-form tutorials, SEO value, deep trust	Women 20-45
4	<b>Pinterest</b>	High purchase intent, long content lifespan	Women 25-54
5	<b>Facebook</b>	Groups, local community, ads	Women 30-55

## Content Strategy

### Instagram (4-5 Reels/week + 2 carousels + daily Stories)

- **Reels (60-70%):** Install tutorials, before/after, hair care tips, unboxing, trending audio
- **Carousels (20%):** Style guides, texture comparisons, customer testimonials
- **Stories (daily):** Behind-the-scenes, polls, Q&A, restock alerts, flash sales
- **Live (1-2x/month):** Install demos, Q&A, product launches

### TikTok (1-2 videos/day)

- Hair reveals, "get ready with me," trending sounds, unboxing, comparison videos
- Jump on trends FAST, use trending sounds, duet/stitch hair content

### YouTube (1-2 videos/week)

- "Extension School" tutorials, transformation videos, business journey, honest reviews
- 8-15 minute format; custom thumbnails; SEO-optimized titles

### Pinterest (5-15 pins/day via scheduling tool)

- Product photos, before/after, hairstyle inspiration, infographics

## Hashtag Strategy

**High volume (3-5 per post):** #hairextensions #clipinextensions #bundledeals #virginhumanhair #wiglife

**Niche (5-8 per post):** #hairextensionscanada #torontohair #mississaugahair #gtahair #lacefrontal #protectivestyles

**Engagement (3-5 per post):** #hairtransformation #hairgoals #beforeandafterhair #blackgirlhair #naturalhaircommunity

**Branded:** #OriginHair #OriginHairCollective #OriginHairCanada

## Advertising Budget

Platform	Monthly Budget (Startup)	Expected Results
Instagram/Facebook Ads	\$500-\$1,500	50K-150K impressions, 500-2K clicks
TikTok Ads	\$300-\$800	Higher reach, lower CPC
Google Ads (Search)	\$500-\$1,000	Capture "buy hair extensions Canada"
Pinterest Ads	\$200-\$500	High-intent website traffic
<b>Total</b>	<b>\$1,500-\$3,800/month</b>	

**Recommended starting budget: \$1,000-\$2,000 CAD/month**, split between Instagram/Facebook (\$600) and TikTok (\$400).

## SEO Keywords to Target

**Commercial (product pages):** hair extensions canada, buy hair extensions online canada, virgin hair extensions toronto, hair extensions mississauga, human hair bundles canada

**Informational (blog posts):** how to choose hair extensions, tape in vs clip in extensions, how to care for human hair extensions, hair extensions for black women canada

**Local:** hair extensions near me, hair extensions mississauga, hair bundles mississauga, hair vendor mississauga

# 12. EMAIL MARKETING

## Platform: Klaviyo (RECOMMENDED)

- Free tier: 250 contacts, 500 emails/month
- Paid: \$20 USD/month (251-500 contacts), scales up
- Deep Shopify integration, pre-built flows for beauty brands, predictive analytics

## Essential Automated Flows

### Welcome Series (3-5 emails over 7 days)

1. **Immediate:** Welcome + 10% first order discount
2. **Day 2:** Brand story, what makes your hair quality different
3. **Day 4:** Hair type guide -- help choose the right product
4. **Day 6:** Customer testimonials + before/after photos
5. **Day 7:** Reminder of discount expiring

### Abandoned Cart Series (3 emails)

1. **1 hour after:** "You left something beautiful behind"
2. **24 hours:** Social proof + reminder
3. **48 hours:** Final reminder + small incentive

### Post-Purchase Series

1. **Day 1:** Order confirmation + care instructions
2. **Day 7:** How to install/style (video tutorial)
3. **Day 14:** Request review + share on social for discount
4. **Day 45:** Reorder reminder

## Expected ROI

- **\$36-42 return per \$1 spent** on email marketing (industry average)
- **Beauty/fashion:** \$40-50 per \$1 spent
- **Abandoned cart recovery:** 5-15% of abandoned carts (avg cart value \$150-\$300)

## List Building Strategies

1. Pop-up on website: 10% off for email sign-up
  2. Exit-intent pop-up
  3. Free hair care guide PDF (gated behind email)
  4. SMS + email combo opt-in at checkout
  5. Monthly Instagram giveaway ("Win a free bundle" -- enter with email)
  6. Collect emails at pop-up shops/events
  7. Referral program: "Give \$15, Get \$15"
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# 13. BRANDING MATERIALS

## Business Cards

**What to include:** Business name/logo, your name/title, phone, email, website, Instagram handle, QR code, tagline

Provider	Qty	Cost (CAD)
Vistaprint	250	\$20-\$40
Staples Mississauga	250	\$30-\$50
Moo.com	50	\$25
Local print shops (Minuteman Press, PrintPro)	500	\$40-\$80

**Recommended for luxury brand:** Matte black with gold/rose gold foil, 16pt+ card stock: \$50-\$100 for 250.

## Logo Design

Option	Cost (CAD)	Turnaround
Canva (DIY)	Free-\$17/month	Immediate
Fiverr	\$30-\$300	2-7 days
99designs	\$400-\$1,500	5-10 days
Looka (AI-based)	\$26-\$96	Immediate
Local designer	\$500-\$2,500	1-3 weeks

**Recommendation:** Start with Looka (\$26-\$96) or mid-range Fiverr (\$100-\$250), invest in professional redesign once revenue flows.



## Packaging Costs (Per Unit)

Item	Cost
Custom printed boxes	\$2-\$8 (MOQ 100-500)
Satin/silk bags with logo	\$1-\$4
Branded tissue paper	\$0.30-\$1.00/sheet
Logo stickers	\$0.10-\$0.50
Hang tags	\$0.20-\$1.00
Thank you cards	\$0.15-\$0.50
Poly mailers	\$0.30-\$1.00
<b>Total per order</b>	<b>\$5-\$15 (startup)</b>

**Packaging suppliers:** Alibaba (cheapest), Noissue.com (eco-friendly), Arka.com (low MOQs), Uline (Milton, ON -- near Mississauga)

## Canadian Labeling Requirements (Mandatory)

- Bilingual labels (English and French) per Consumer Packaging and Labelling Act
- Product name, net quantity, dealer name and principal place of business
- Country of origin
- If making claims (e.g., "100% human hair"), must be truthful under Competition Act

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# 14. SALES TRAINING

## Essential Skills

### 1. Product Knowledge (Critical)

- Hair types: virgin, remy, non-remy, synthetic, blended
- Textures: straight, body wave, loose wave, deep wave, kinky curly, water wave, yaki
- Origins and what makes each different
- Lengths, weights, and how many bundles needed for a full install
- Care instructions and lifespan

- **You must be able to confidently answer: "What's the difference between 4x4 and 13x4 frontal?"**

## **2. Consultative Selling**

- Ask: "What look are you going for? What's your natural texture? How often do you style with heat?"
- Match the right product to customer needs and budget

## **3. Objection Handling**

- "I can get it cheaper on AliExpress" -- emphasize quality, local availability, return policy
- "How do I know this is real human hair?" -- offer burn test, wet test demonstrations
- "What if I don't like it?" -- clear return/exchange policy

## **4. Social Selling (Instagram/TikTok)**

- 70%+ of DTC hair sales happen on social media
- Create reels, stories, and live selling sessions
- Professional DM engagement and conversion

## **5. B2B Sales (Salon Accounts)**

- Cold outreach: visit salons in person with samples
- Understand salon economics (they mark up 50-100%)
- Offer net-30 payment terms to established salons
- Provide salon-specific pricing sheets

## Recommended Training Resources

Resource	Cost (CAD)	What You Learn
Udemy: "How to Start a Hair Extension Business"	\$15-\$30	End-to-end setup, sourcing, pricing
YouTube: "Hair Biz Radio" podcast	Free	Industry trends, vendor reviews
Instagram: @thehairbizcoach	Free / \$200-\$500	Social selling, brand building
Coursera: "Sales Training" by HubSpot	Free (audit)	General sales skills, CRM
Shopify Academy	Free	E-commerce, conversion optimization
Small Business Enterprise Centre (Mississauga)	Free	Ontario-specific small business training
Trade shows (Bronner Bros, IBS)	\$200-\$500 + travel	Networking, product discovery

## 15. BRAND AMBASSADOR STRATEGY

### Finding Ambassadors

- **Instagram:** Search Mississauga/Toronto location tags + hair hashtags; look for micro-influencers (1K-10K followers)
- **TikTok:** Search #torontohair, #gtahairstylist, #mississaugabraider
- **Local salons:** Stylists with their own social followings
- **Beauty schools:** Students building portfolios
- **Your own customers:** Most authentic ambassadors

**Selection criteria:** Engagement rate > follower count. 2,000 followers with 8% engagement > 20,000 followers with 0.5% engagement.

## Compensation Structures

Type	Details	Best For
Free product	2-4 bundles (\$100-\$300 value) for content	Micro-influencers (under 5K)
Commission	10-20% of sales via unique code	All tiers; aligns incentives
Flat fee per post	\$50-\$200 (micro); \$500-\$2,000 (mid-tier)	Mid-tier (10K-50K)
Hybrid	Free product + commission	MOST RECOMMENDED
Monthly retainer	\$200-\$500/month	Dedicated weekly posters

**Year 1 recommendation:** Free product (2-3 bundles worth \$150-\$250) plus 15% commission code. Actual cost: \$40-\$75 (your product cost) until they generate sales.

## Influencer Cost by Tier

Tier	Followers	Cost Per Post (CAD)
Nano	1,000-5,000	Free product only
Micro	5,000-25,000	\$100-\$500 + product
Mid-tier	25,000-100,000	\$500-\$2,500 + product
Macro	100,000-500,000	\$2,500-\$10,000

**Year 1 budget:** \$300-\$600/month (mostly product cost). Focus on 5-10 nano influencers in the GTA.

## Video Content Types That Sell

1. **Unboxing videos:** Packaging reveal, run fingers through hair, show texture
2. **Install videos:** Full sew-in or glue installation, before/after
3. **Texture/movement videos:** Slow-motion bouncing, curling, flowing
4. **Quality test videos:** Wet test, burn test, bleach test
5. **Customer transformations:** Full start-to-finish documentation

**Equipment needed:** iPhone (you have), ring light (\$30-\$60), phone tripod (\$20-\$40), backdrop (\$30-\$50), CapCut app (free).

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## 16. COMPETITIVE ANALYSIS (GTA)

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### Major Competitors

Competitor	Positioning	Strengths	Weaknesses
<b>Clore Beauty Supply</b>	Award-winning beauty chain; Mississauga, Toronto locations	Multiple locations, broad product range, established brand	Not hair-extension-focused; general beauty supply; high retail markup
<b>Weave Got It Canada</b>	Wholesale & retail 100% human hair	Wholesale program, private labeling, CBC media coverage	Limited retail locations; wholesale focus
<b>Canada Hair</b>	Leading online retailer since 2013	Wide variety, fast GTA shipping, strong SEO, wholesale program	Targets broad market, less cultural resonance with core customer
<b>Hairline Divine</b>	Boutique hair salon GTA	One of few offering curly extensions, woman-owned, training	Service-focused, not primarily retail
<b>Mulberry Hair Extensions</b>	"Invisible" halo extensions, toppers, wigs	Strong branding, Mississauga location	Targets primarily Caucasian women

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### Market Gaps & Differentiation Opportunities

1. **Culture-forward branding:** Center Black women with imagery, language, product curation
  2. **Transparent sourcing:** Document factory visits, educate on hair grades
  3. **Mississauga-local presence:** Underserved for hair extension boutiques targeting Black women
  4. **Social-media-first:** Most Canadian competitors are weak on short-form video
  5. **Premium unboxing experience:** Satin bags, magnetic boxes, branded bonnets as freebies
  6. **Bundle deals & subscriptions:** Curated sew-in kits; subscription for repeat buyers every 2-3 months
  7. **Community building:** Styling events, partner with local braiders, loyalty program
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# 17. STARTUP BUDGET

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## Detailed Breakdown (All CAD)

### Minimum Budget (Bare Bones)

Category	Cost
Incorporation (separate corp) + trade name registration	\$435-\$660
Mississauga home business license	\$125
Initial inventory (30-50 bundles + closures)	\$3,600-\$5,950
E-commerce (Shopify Basic + domain, Year 1)	\$471
Branding (DIY logo, basic cards, packaging)	\$380-\$650
Photography (DIY with ring light)	\$50-\$100
Marketing (3 months)	\$500-\$700
Storage (home)	\$50-\$100
Insurance	\$500-\$800
Shipping supplies	\$150-\$300
TOTAL MINIMUM	\$6,261 - \$9,955

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## Recommended Budget (Strong Start)

Category	Cost
Incorporation (separate corp) + legal	\$935-\$1,160
Mississauga home business license	\$125
Initial inventory	\$8,650-\$13,500
E-commerce setup	\$1,321-\$1,621
Branding (professional logo, packaging)	\$1,200-\$2,300
Photography/videography	\$800-\$1,400
Marketing (3 months)	\$1,930-\$3,660
Storage	\$100-\$1,800
Insurance	\$1,200-\$1,800
Shipping supplies	\$430-\$700
<b>TOTAL RECOMMENDED</b>	<b>\$16,566 - \$28,941</b>

## Ideal Budget (Well-Funded Launch)

Category	Cost
Incorporation (separate corp) + legal	\$2,100-\$2,900
Mississauga home business license	\$125
Initial inventory	\$17,000-\$26,800
E-commerce setup	\$2,671-\$3,271
Branding (agency-level)	\$3,800-\$8,100
Photography/videography (professional)	\$2,300-\$4,500
Marketing (3 months)	\$6,580-\$8,950
Storage	\$200-\$3,400
Insurance	\$2,000-\$2,500
Shipping supplies	\$825-\$1,450
<b>TOTAL IDEAL</b>	<b>\$37,476 - \$61,871</b>

## 18. BUSINESS REGISTRATION (ONTARIO)

### Decision: Separate Corporation

Origin Hair Collective will be incorporated as a **separate Ontario corporation**, independent from the owner's existing software consulting corporation. This is the cleanest approach for:

- **Liability isolation** — hair product liability (allergic reactions, product claims) stays entirely separate from the software consulting business
- **Clean accounting** — distinct books, bank accounts, and tax filings for each business
- **Small business tax rate** — each corporation independently qualifies for the ~12.2% rate on the first \$500K of active business income
- **Future flexibility** — easier to bring on partners, investors, or sell the hair business independently

### Steps

1. **Incorporate** Origin Hair Collective as a new Ontario corporation (\$375-\$600)



2. **Register trade name** via ServiceOntario (if operating under a name different from the corporate name)
3. **Obtain Business Number (BN)** from CRA with Import/Export (RM) account for the new corporation
4. **Register for HST** under the new corporation (voluntary if under \$30K; mandatory above \$30K)
5. **Apply for Mississauga home-based business license** (~\$125)
6. **Open a dedicated business bank account** for the new corporation
7. **File Cosmetic Notification** with Health Canada (free, within 10 days of first sale)

## Cost Summary

Item	Cost
Ontario incorporation (Articles of Incorporation)	\$375-\$600
Trade name registration (if needed)	\$60
Annual corporate accounting & tax filing	\$1,000-\$2,000/yr
Ongoing Ontario annual return	\$18.60/yr

## 19. REVENUE PROJECTIONS

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### DTC + Salon Wholesale (Solo Operator)

Metric	Year 1	Year 2	Year 3
Bundles sold/month	30-50	80-150	150-300
Avg revenue per bundle	\$120	\$130	\$140
Monthly revenue	\$3,600-\$6,000	\$10,400-\$19,500	\$21,000-\$42,000
<b>Annual revenue</b>	<b>\$43,000-\$72,000</b>	<b>\$125,000-\$234,000</b>	<b>\$252,000-\$504,000</b>
Gross margin %	60%	65%	68%
Annual gross profit	\$26,000-\$43,000	\$81,000-\$152,000	\$171,000-\$343,000
Operating expenses	\$12,000-\$18,000	\$25,000-\$50,000	\$50,000-\$100,000
<b>Net profit</b>	<b>\$14,000-\$25,000</b>	<b>\$56,000-\$102,000</b>	<b>\$121,000-\$243,000</b>

#### Key assumptions:

- Year 1 is brand-building; sales ramp slowly in months 1-6
- Year 2 assumes social media traction and 3-5 salon accounts
- Year 3 assumes strong brand, 10+ salon accounts, possible first employee

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## 20. ROADMAP & ACTION PLAN

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### Phase 1: Foundation (Weeks 1-4)

#### Week 1-2: Legal & Business Setup

- ☐ Choose business name and verify availability (.com, Instagram, TikTok)
- ☐ Incorporate Origin Hair Collective as a separate Ontario corporation (\$375-\$600)
- ☐ Register trade name via ServiceOntario (if operating name differs from corporate name)
- ☐ Obtain Business Number (BN) from CRA with Import/Export (RM) account for the new corp
- ☐ Register for HST voluntarily under the new corp (to claim ITCs on imports)
- ☐ Apply for Mississauga home-based business license (\$125)

- ☐ Open dedicated business bank account for the new corporation
- ☐ Get business liability + product liability insurance (\$500-\$1,200/year)

### **Week 3-4: Supplier Research & Sampling**

- ☐ Create accounts on Alibaba, Made-in-China, Global Sources
- ☐ Contact 10-15 suppliers in Xuchang (China), Chennai (India), Cambodia
- ☐ Request samples from top 5-7 suppliers (\$300-\$500 budget)
- ☐ Evaluate samples: shed test, tangle test, burn test, bleach test, weight verification
- ☐ Negotiate pricing and MOQs with top 2-3 suppliers
- ☐ Establish payment terms (Trade Assurance for first orders)

## **Phase 2: Brand Building (Weeks 5-8)**

### **Week 5-6: Branding & Website**

- ☐ Design logo (Looka or Fiverr: \$100-\$250)
- ☐ Define brand identity (colors, fonts, voice, photography style)
- ☐ Purchase domain name
- ☐ Set up Shopify Basic store (\$47/month)
- ☐ Configure Shopify Payments, PayPal, Afterpay
- ☐ Design and order packaging (boxes, satin bags, stickers, thank you cards)
- ☐ Order business cards (250 cards: \$50-\$100)

### **Week 7-8: Content Creation**

- ☐ Purchase ring light (\$30-\$60), tripod (\$20-\$40), backdrop (\$30-\$50)
- ☐ Product photography (lifestyle + white background)
- ☐ Write SEO-optimized product descriptions (English, ensure bilingual labels for packaging)
- ☐ Build out website pages: About, FAQ, Shipping Policy, Contact, Blog
- ☐ Create social media accounts: Instagram, TikTok, YouTube, Pinterest
- ☐ Set up Google Business Profile
- ☐ Set up Klaviyo and create welcome email series
- ☐ Design social media templates (Canva)

## **Phase 3: Inventory & Launch Prep (Weeks 9-12)**

### **Week 9-10: First Inventory Order**

- ☐ Place first bulk order with chosen supplier(s) (\$3,000-\$8,000)

- ☐ Arrange shipping (air freight recommended for first order)
- ☐ Prepare customs documentation
- ☐ Set up home storage (shelving, bins, organization system)
- ☐ Create inventory tracking system (Shopify inventory or spreadsheet)

### **Week 11-12: Pre-Launch Marketing**

- ☐ Begin posting on Instagram and TikTok (2 weeks before launch)
- ☐ Create launch anticipation content (teasers, behind-the-scenes)
- ☐ Reach out to 10-20 local nano/micro influencers for gifted collaborations
- ☐ Set up Instagram Shop and Pinterest Shopping
- ☐ Write and schedule first 4 blog posts
- ☐ Build initial email list (friends, family, social followers)

## **Phase 4: Launch (Weeks 13-16)**

### **Week 13: Soft Launch**

- ☐ Launch website with core products
- ☐ Send launch email to initial contacts
- ☐ Announce on all social media platforms
- ☐ Begin social media advertising (\$500-\$1,000/month to start)
- ☐ Post daily on Instagram and TikTok

### **Week 14-16: Early Growth**

- ☐ Monitor sales, adjust pricing/marketing based on data
- ☐ Respond to all DMs and inquiries within 1-2 hours
- ☐ Collect customer photos/reviews (offer \$10 credit incentive)
- ☐ Set up abandoned cart email automation
- ☐ Start visiting local salons with samples (5-10 salons)
- ☐ Upload first YouTube tutorial videos

## **Phase 5: Growth & Optimization (Months 4-6)**

- ☐ List products on Amazon Canada
- ☐ List on Etsy
- ☐ Increase ad spend based on ROAS performance
- ☐ Attend local pop-up events and hair expos in GTA
- ☐ Onboard 3-5 brand ambassadors (product + 15% commission)

- ☐ Launch bundle deals and "sew-in kits"
- ☐ Implement referral program ("Give \$15, Get \$15")
- ☐ Evaluate which products sell best; reorder accordingly
- ☐ Negotiate better pricing with suppliers based on proven volume

## Phase 6: Scaling (Months 7-12)

- ☐ Expand product line (add wigs, clip-ins, or trending products)
- ☐ Secure 3-5 recurring salon accounts
- ☐ Explore Cambodian sourcing for duty-free advantage
- ☐ Consider attending China International Hair Fair (August 2026)
- ☐ Optimize website SEO and content marketing
- ☐ Review corporate structure with accountant (inter-company transactions, tax optimization)
- ☐ Consider small storage unit if inventory exceeds home capacity
- ☐ Build email list to 1,000+ subscribers
- ☐ Launch subscription/reorder program for repeat customers

## Phase 7: Expansion (Year 2+)

- ☐ Scale to 80-150+ bundles/month
- ☐ Hire first part-time employee or virtual assistant
- ☐ Explore exclusive distribution deals for innovative products
- ☐ Consider 3PL fulfillment for online orders
- ☐ Expand to wholesale (salon distribution) as secondary revenue
- ☐ Attend trade shows for supplier relationships and industry knowledge
- ☐ Evaluate opening a small retail/consultation space in Mississauga
- ☐ Build toward \$125,000-\$234,000 annual revenue target

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# KEY STRATEGIC RECOMMENDATIONS

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1. **Source from Cambodia when possible** -- duty-free access saves ~15.5% on import costs (valid until 2029)
2. **Register for HST immediately** -- claim Input Tax Credits to recover GST on all imports and business expenses
3. **Start DTC, expand to wholesale** -- highest margins first, then add salon accounts for recurring revenue

4. **Instagram and TikTok are your primary sales channels** -- invest time here before paid advertising
  5. **Focus on 18"-24" virgin/remy body wave and straight** -- highest demand-to-margin ratio
  6. **Budget \$15,000-\$20,000 CAD** for a solid launch (recommended tier)
  7. **Differentiate through culture-forward branding** and a Mississauga/Peel Region local presence
  8. **Build community** -- styling events, loyalty program, ambassador network
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*This business plan was compiled from extensive market research conducted in February 2026. All figures are estimates based on industry data and should be validated with actual supplier quotes and local market testing.*