**Research Analyst:**

**Minh Nguyen Viet Quang**



**TLDR: Dr. Squatch?**

Dr. Squatch *institutionalized* the mom and pop soap making hobby store. And was able to successfully build an empire, hinged on the idea of selling *white-labelled* natural soap for “manly men” through the cartoony sasquatch branding.

**THEY ARE SELLING A SMALL 5oz BAR FOR $8**. I took my time during my last internship at a holding company, who own a series of soap suppliers. Also speaking with people running hobby stores – making Syrian laurel, Roman olive oil, Cleopatra’s goat milk soap (you name it).

Dr. Squatch is estimated to have only spent $0.80-1.10 making a 5oz bar. Which lasted me 1 week until it got too small and became unusable.

I think we can replicate their recipe to build a soap brand, but one that passes the cost savings onto customers. While still delivering a premium product.



**Image 1:** Aleppo soap on the left and Anatolia soap on the right. Made with the original recipe that touched the skin of Julius Cesar and Cleopatra.

**Hunting for Dr. Squatch**

**INVESTMENT MEMORABILIA**

The history of soap dates back 4824 years ago, originating in Babylon and Assyria as a Veblen good for societal elites and soldiers1.

This tradition of soap-making was carried forward by other civilizations, including the Romans who used similar ingredients like olive oil. However, it wasn't until the 1650s that soap became accessible to the common man through industrialization. This process involved substituting natural ingredients with chemicals, which although effective in breaking down dirt and grime, also stripped the skin of its natural oils and squalene.3

**The challenge now is to reintroduce natural soap** that doesn't interfere with the epidermis and endocrine system.3 Our solution is to partner with a family-owned soap producer. This not only gives us access to centuries-old expertise in the sector but also aligns management incentives, avoiding potential agency problems that could arise from a complete buyout. Our goal is to have access to a scalable soap-making facility, learn how to brew certain types of soap, and keep costs low to sell superior soap at a price lower than Dr. Squatch’s white-labeled products, similar to Dr. Bronner's approach.4

**To ensure the success of our business**, we plan to leverage a GPT to execute a legal SEO traffic "heist", as beautifully documented by a user named [Ward on X](https://twitter.com/jakezward/status/1728032639402037610). This strategy will help us reach a wider audience and convert to sales.

Dr. Squatch is currently attracting a significant amount of traffic, with an estimated visit count of 490k monthly as of last December. To put this into perspective – Dr. Squatch, with 6 million site visits monthly, made **$87.3mm in sales in 2022,** **30% of which came from recurring subscriptions. And 85% of the sales originated from Dr. Squatch’s site.**5-6

As for the ethical aspect of using AI to generate content, it is indeed morally acceptable as long as the content is validated and not merely churned out as spam for the sake of routing traffic. The key is to provide valuable, relevant content that genuinely benefits the users.



P/s: why am I so interested in soap? I travel a lot, and using harsh soap makes me very susceptible to the dry air on planes and the constant change of weather. I also want to bring “great” soap to everyone. It’s game changing for your health and should cost the same as a bar of Irish Spring.

**Ward’s SEO strategy is indeed a successful one**. By building a better site with the same keywords and more, he was able to provide better search relevancy, resulting in his site ranking higher than the competition’s when searched. This operation resulted in Ward taking 3.6 million worth of traffic from his competitor’s site and continues to take 490k worth of traffic monthly as of last December.

Moreover, the companies we are considering for partnership are typically not professionally managed. This means their websites are not optimized, their products are not listed on high-traffic networks like Amazon, and they lack effective sales strategies. This presents an opportunity for us to step in and provide the necessary expertise to optimize their operations and boost their sales.

1Business, I. (Director). (2023). How Lebanon’s Oldest Soap Factory Makes 30,000 Olive Oil Bars [Motion Picture].

2Dalibor Mijaljica, F. S. (2022, March 1). Skin Cleansing without or with Compromise: Soaps and Syndets. Retrieved from National Library of Medicine: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8954092/

3Danja Sarink, A. A. (2021, May 5). BPA, Parabens, and Phthalates in Relation to Endometrial Cancer Risk: A Case–Control Study Nested in the Multiethnic Cohort. Retrieved from National Library of Medicine: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8099155/

4soapmeister. (2023, February 24). Dr. Squatch has increased their prices from $7 to $8 per bar. Retrieved from Reddit: https://www.reddit.com/r/DrSquatch/comments/13f0a9g/dr\_squatch\_has\_increased\_their\_prices\_from\_7\_to\_8/

5eCommerceDB. (n.d.). Dr. Squatch Sales Revenue. Retrieved from eCommerceDB: https://ecommercedb.com/store/drsquatch.com

6Bandholz, E. (2021, January 22). Dr. Squatch Scales to $100 Million with Natural Soaps for Men. Retrieved from PracticalCommerce: https://www.practicalecommerce.com/dr-squatch-a-mens-soap-brand-scales-to-100-million