Dropshipping - In and Out

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Introduction

If you're looking for a way to make money without a huge upfront investment, and without a lot of hassles or work, drop shipping with an e-commerce platform is *exactly* what you've been looking for.

It's simple, inexpensive to get started, and your business can be run in your spare time or turned into a full-time business, if you wish to branch out.

With drop shipping, you don't have to worry about having money to invest in inventory, or about dealing with finding warehouse space or shipping out packages.

Simply add products to your online store, place orders with the drop shipper, and have them sent directly to your customers. For the most part, it's incredibly straightforward, and hassle-free!

Obviously, like any business, you'll have to be ready to deal with issues occasionally, but we're going to cover some easy ways you can minimize any such issues and keep your business running like a well-oiled machine.

This special report is all about helping you get started with drop-shipping quickly and easily. Not only will I show you how to find the best drop shipping sources, but I'll even show you to jumpstart your business by generating premium traffic to your store. So, let's get started!

Chapter 01 - Drop Shipping - How does it Work?

Let's take a quick look at how the drop shipping process works, starting with how to sell using just a single product as an example.

Let's say you decide to drop ship fidget spinners. You choose a model you believe will be popular, and you create a simple web page for the product with a photo, description, basic information, and a link to buy.

When someone makes a purchase from your page, they pay you at the time of purchase. You then order the product from the supplier's website, paying for it with the money the customer already paid you, and enter your customer's shipping address instead of your own.

It's a bit like making a gift purchase from a site like Amazon. You pay for the product, but you have it shipped <u>directly to the buyer.</u>

Okay, you probably have a whole bunch of questions running through your mind right now. We'll get to most of them shortly. But yes, it really is that simple.

The first thing you're probably asking is, **"Why not just order the products from Amazon if it's that simple?"**

Well, there are two **BIG** problems with that.

- First, you'd never make much of a profit doing that. Products on Amazon are being sold around retail price, so making a profit would be pretty difficult unless you somehow manage to get into a niche market with a lot of demand where you can charge a premium price and still have buyers.

- Second, Amazon puts their own promotional material all over everything they send out. While you might get **<u>one</u>** order from a customer, once they realize the products came from Amazon, they'll go there, discover the product was much cheaper there, and never order from you again.

It's just not a smart way to build your own brand.

With drop shipping, most companies won't put their materials or branding on or in the boxes, and some may even put **<u>your</u>** promotional material into the packages for you, if you ask!

Example: I've purchased coder stickers from a popular programmer online and while he's transparent about the fact that he purchases the stickers from a drop-shipper in China, when the package arrived every sticker package had his branding and logo on the box! I would have never known it was a drop shipped package from China.

And that's the point. You are selling products as though they come directly from you, even though you never have to bother shipping anything out or tracking packages. You simply receive payment, order the item, and let the

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company handle delivery.

Are you starting to understand why so many people love drop-shipping? ☺

Chapter 02 - Advantages of Drop Shipping

You don't <u>have</u> to use drop shipping to be successful in e-commerce. You can find success with just one simple, inexpensive product with a relatively small upfront investment.

You can also find success investing a great deal upfront in stock and offering a wide variety of items. It's totally up to you and your circumstances.

However, if you want to have a full e-commerce site, and you don't have a lot of money to invest in the beginning, drop shipping is the perfect business model to help you get started. You can always invest in inventory later, once your business is profitable enough.

Keep in mind that drop shipping is **<u>not</u>** a perfect business model. There are a few issues you need to keep an eye out for, which we will address in the next chapter. But there are some big benefits, too.

Let's take a look at some of the biggest benefits of drop shipping.

1. For one thing, you don't have to invest a huge amount of money in the beginning to get started. All you need to get started is a domain,

website, and the software to run your shop. In most cases, you can get started for less than a hundred bucks.

2. Also, you don't have to spend as long sourcing products. One of the most time-consuming elements of e-commerce is finding the right products for your shop, and when you use drop shipping, you'll often be able to source multiple products from the same supplier.

3. It's also very easy to add inventory to your shop, because most major drop shipping suppliers either have a plugin you can use to automatically add inventory to your shop, or they have CSV files you can import into your software to control your stock. This is a huge time saver.

4. Another great thing about drop shipping is that there is much less risk involved. Since you aren't investing in product upfront, you don't have to worry about getting stuck with unsold inventory if you buy something that turns out to not be as popular as you anticipated.

5. It's also very nice to not have to worry about having warehouse space, managing inventory, and sending out packages. These are all things that are expensive and time-consuming, and they are completely avoided by using drop shipping.

These are just a few of the biggest benefits, and you can probably already see how great it can be for someone who's just getting started!

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Chapter 03 - Common Pitfalls to Avoid

Let's take a look at a few of the most common problems that might come along, and how you can minimize the potential of experiencing them.

Products Out Of Stock

One of the most common complaints you'll get is when certain products are out of stock, especially if they are particularly popular and hard to find. This can happen to any store, even monolithic stores like Amazon. And it definitely upsets customers when it happens.

However, it's important to keep track of stock to minimize the potential of upsetting customers, because they will be a lot unhappier if they think you have the product in stock and place an order only to find out the product was out of stock than they would be just being notified before they purchase that the product isn't available.

For this reason, it's a very good idea to use some sort of plugin that will automatically update your site whenever products are out of stock.

We'll take a look later at a nifty extension you can use to keep track of stock, and it will help make your job of finding and adding stock much easier, too!

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Product Returns

Every single company on the planet must deal with returns. Even if you have a strict no-returns policy, you will still have to deal with unhappy customers that attempt to get a refund. And telling them no will just result in very angry customers.

I know someone who purchased a lot of items from one very popular discount shopping app, found that the quality was terrible and the sizing was way off, and could not return them because the company had a no-returns policy. The customer was very upset, and left bad reviews for the company all over the place. And this person was far from the only person complaining about not being able to return items.

For this reason, it's **not** a good idea to have a no-refunds policy on physical products. This will just lead to chargebacks, which could get your account with PayPal or any other billing company canceled. It's not worth the chance.

Plus, people who are unhappy with their purchase and cannot return it will spread bad reviews, which can have a negative impact on sales over the long run.

Always make sure your product descriptions are as accurate as possible, and make sure to have sizing charts and pictures to minimize returns.

If a product is under $20, you might just ship another item to the customer without requiring them to return the original. If the product is over that price, have the customer ship the return to you, and when it arrives, send them a new one as quickly as possible. If it is returned because it's damaged or defective, return it to the supplier.

Otherwise, you might just send it out to the next customer that orders it, assuming it's still in new condition.

Slow Shipping

Depending on the supplier, you may have unhappy customers because the shipping is a lot slower than they are used to. With the prevalence of free 2-day shipping with Amazon Prime and sites like Walmart, customers are used to getting their purchases very quickly.

Since drop shippers don't have deals with shipping companies, and because some even ship directly from China, shipping can often take days, weeks, or even a month or two. Many customers won't be happy waiting that long.

If you use drop shippers based in your home country, you will probably get faster shipping, however the prices you get will probably be higher, resulting in lower profit margins.

Chapter 04 - Ecommerce Platforms

There are many different e-commerce platforms that have become popular in recent years. Shopify is perhaps the most well-known these days, but there are also platforms like Big Commerce and WooCommerce.

So which one is best?

Choosing a platform is **purely subjective**, of course. It doesn't really matter too much which one you choose, because any of them can help you achieve your goals, but there's always one that will meet your specific needs better than the others.

They all have their strengths and weaknesses, so let's take a look at some of the most popular e-commerce platforms, and why you might choose one over another.

BigCommerce

BigCommerce is a very popular choice. They have more features out of the box than other platforms, but at a price. The basic plan starts at $29.95 per month and scales based on the features you want and how much you make in sales per year.

They have fewer apps available than other platforms, but they offer a lot more functionality built in, so you may not need many extensions since a lot of what you want may already be included.

There are some free themes available, but if you want a paid theme they can be quite pricey, ranging from $145 to $235 each.

WooCommerce

WooCommerce is a great option, because it's **free**. However, it may not always be the best option since it doesn't have a lot of functionality built into the base program.

There are lots of free themes available, as well as some free extensions, but a lot of the free options are buggy.

There are plugins and themes you may want to extend its functionality that **do** require payment, but most of these are a one-time payment, **not** an ongoing monthly fee like some other platforms. However, they can be prohibitively expensive if you're just getting started.

WooCommerce is run on WordPress on your own hosting, so you will have to pay for a hosting account, whereas other options like BigCommerce and Shopify are run on their servers, so your hosting is included in your monthly price.

Shopify

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Shopify is, in many ways, the most ideal platform for drop shipping. It's affordable, and scales with your store's size. It has a wide variety of plugins and themes available. And it's also ideal for one main reason – Oberlo.

>> https://www.shopify.com/oberlo

Oberlo is a plugin that will let you import products from AliExpress (one of the best sites for drop shipping) quickly and easily, keep track of inventory, and much more.

It takes a LOT of the hassles associated with drop shipping out of the equation, allowing you to focus more of your time and attention on getting traffic and sales, rather than dealing with all these other things.

Best of all, you can get started with Oberlo for free on Shopify!

Themes

All of the major e-commerce platforms have a variety of free themes, with varying degrees of quality and features.

Not only that, but the paid themes for Shopify are more affordable than those of BigCommerce. (Shopify's paid themes range from about $100 to about $180, while BigCommerce's range from about $145 to $235.) WooCommerce themes have a wider range of prices, because many of them are available from external developers.

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You can definitely get away with a free theme in the beginning, and there are lots of them to choose from, however a paid theme will usually have extra features that allow you to customize your site to your liking, which can significantly boost sales.

Extensions

All of the platforms have a large number of apps that can extend the functionality of the software, and they can all be pricey. You can probably get away without using extensions in the beginning, and just add additional functionality later.

Chapter 05 - Picking your Suitable Niche

Now that you've chosen a platform for your shop, it's time to choose a niche. You may already have a niche in mind, and that's great. But before you get started, it's critical to make sure that niche is likely to be profitable before you get started.

While starting an e-commerce shop with drop shipping requires minimal financial investment upfront, it still does require some investment, as well as plenty of time.

We've all heard the saying "time is money", and that's very true. The last thing you want to do is invest your hard-earned money and lots of time only to discover the niche isn't as profitable as you hoped!

In order for a niche to be profitable, it must:

- Have a large number of interested people.
- Have a large number of people who are either passionate or desperate.
- Have a large number of people who can afford the product.
- Have products available at a price where you can make a profit.

What about competition?

Don't worry too much about competition. Having competition is a **good** thing. It means the niche is more likely to be profitable.

Having too much competition isn't necessarily a deal breaker. You can overcome the competition in a number of different ways. But if there's an extreme amount of competition, you may find it difficult to gain traction.

If you really think a niche will be profitable, and you've done research that supports it, I wouldn't worry about the competition.

Given how inexpensive it is to get started with drop shipping, it's not a huge risk if you later discover the niche isn't as profitable as you thought, and you can always sell the site later if you don't see the kind of success you hope for.

Chapter 06 - Generating Traffic

Now that you have chosen your niche and set up your shop platform, you can set up your shop and get it ready for traffic. Consult with your chosen platform's documentation for advice on setting up your store.

Once it's up and running, it's time to concentrate on getting traffic. There are many ways to do that, both paid and unpaid. We are going to take a look at both, but you can pick and choose the methods you believe will work best for your situation.

We're going to concentrate on social media, because that is the easiest way to generate traffic, and it won't cost much, if anything, in the beginning.

Facebook

Facebook has both paid and free methods of promotion. I highly recommend using paid promotions if you have the capital available, because you can reach a lot more people.

But you can also reach people without spending money if you're short on capital. Join some groups related to your niche and start posting regularly. Then, with permission from the group's owner, ask if you can drop a link to your shop.

You might even run contests for group members and give away store credit to get more attention.

Pinterest

Pinterest is one of the best ways to generate traffic to a shop, because it's been proven to be the single best platform for selling. While other platforms might bring in more volume, Pinterest will usually convert better.

It's a good idea to start a separate Pinterest account for each niche or store you create, because people often won't follow accounts that are random and unorganized. If you want people to follow you, then you need to have a tight niche, with several boards that have interesting pins.

To grow your following on Pinterest, start out by following a number of accounts in your niche, but make sure you've already set up your profile thoroughly and created a few boards. This will get more people to follow you back.

Here are a few more tips for Pinterest:

- Use keywords in your name (Example: Recipe Girl | Cooking & Food)
- Use keywords in the description of your pins
- Set your best images to the cover of each board
- Use keywords as your board names, don't get cute
- Make all your own pins taller than they are wide to stand out

- Pin often and consistently throughout the day, but not too many at once
- Only pin the very best content to keep your quality high

Instagram

Instagram can also be great for sales, especially if you can get good engagement. To get people to interact with your posts, make sure all your images are interesting enough to get people to like and comment.

Tips for Instagram marketing:

- Follow big accounts in your niche
- Always use several hash tags in every post, at least 5
- Like posts from your followers so they will return the favor
- Post regularly, but only a few times per day

You can use other social media platforms, too, but these are the best to concentrate on in the beginning.

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Chapter 07 - Finding A Drop Shipper

The most important element of the entire process is choosing the right drop shipper, and it can be incredibly difficult. You may have to contact dozens of companies to find just the right one.

Worldwide Brands is one of the largest directories of drop shippers and wholesalers, but it's a bit pricey. They do some preliminary quality checks before including sources, though, so they can be worth it.

>> http://www.worldwidebrands.com

Here is a good list of potential drop shipping sources if you're looking for specific types of products and don't want to pay for access to Worldwide Brands.

>> https://www.channelape.com/drop-shipping/ultimate-list-150-drop-shipping-companies/

However, if you're using Shopify and Oberlo, you'll be using a very inexpensive drop shipper called AliExpress. AliExpress came from the Alibaba site, which has been the largest site for finding drop shippers and wholesalers for a long time.

>> http://www.aliexpress.com

AliExpress is great for drop shippers, because there are no minimum orders, products are usually priced at or near wholesale prices, and you don't have to provide a bunch of documents like tax IDs or business licenses as you do with many traditional drop shippers and wholesale companies.

One thing to keep in mind is that most products from AliExpress will be shipped from China, so it may take several weeks for customers to receive their orders. If you use them, be sure you let customers know how long shipping is likely to take before they order. Make it very, very clear.

But there is one big benefit to using AliExpress, and that is that you can choose products that have free shipping, which means you won't have to charge shipping to your buyers. This will help soften the blow.

Conclusion

Running an online shop the traditional way can be frustrating and expensive, but drop shipping can make the process a lot easier and a lot cheaper. You can make the process even easier by using Shopify and Oberlo, which will help you import products, manage stock, handle shipping, and more.

You've learned some ways to deal with some of the most common problems you might encounter with drop shipping, such as products being out of stock, or customers who need to make returns.

You may still have the occasional issue, but most people find they have a lot fewer hassles when using drop shipping, because they don't have to deal with inventory and shipping themselves.

You've also learned how to get traffic, which is one of the most important elements of any online business.

I hope you decide to give drop shipping a try, and I hope you find that it works well for you and makes you a lot of money. I wish you the best of luck!

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Resources

Here is a list of some of the resources we've mentioned in this guide, as well as any other links that could help you.

Oberlo

\>> https://www.shopify.com/oberlo

AliExpress

\>> http://www.aliexpress.com

Shopify

\>> http://www.shopify.com

Big Commerce

\>> http://www.bigcommerce.com

WooCommerce

\>> http://www.woocommerce.com