

Dropshipping Success

How to Get Started in the Business
of Dropshipping



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Introduction

The rise of the Internet has created a nearly unlimited number of career opportunities. There are scores of different businesses and industries that owe their existence to the Internet and the use of the web in all corners of the globe. While not all of the businesses can provide success or meet an entrepreneur's needs, there is certainly one type of industry that can really deliver success. It is known as dropshipping and it can allow you to setup your own shop and start selling whatever products you choose in as little as one day!

Naturally, you need to be a bit attentive to your choices in products and/or markets, suppliers, and even website hosts, but in this guide we are going to look at what it takes to become a dropshipper and how to go about creating your own, successful online store using this remarkable approach.

If you pay a visit to a website such as eBay, you see many dropshippers at work - even if you don't realize it. They can sell everything from high-end electronics to exotic silk scarves or all natural supplements. Dropshippers also have their own websites, blogs, and marketing campaigns too, and we are going to explore all of these issues in order to help you make the smartest choices.

Too Good to Be True?

Before we begin, let's just take a moment to look at dropshipping and the rumors you might hear swirling around it. Firstly, the formal definition of dropshipping is a "retail fulfillment method where a store doesn't keep the products it sells in stock. Instead, when a store sells a product, it purchases the

item from a third party and has it shipped directly to the customer. As a result, the merchant never sees or handles the product.

The biggest difference between dropshipping and the standard retail model is that the selling merchant doesn't stock or own inventory. Instead, the merchant purchases inventory as needed from a third party – usually a wholesaler or manufacturer – to fulfill orders." (Shopify)

Sounds great, right? You don't necessarily require a storefront or storage space. Instead, you can just make arrangements with your vendors who then handle the bulk of the work. It is obviously one of the few businesses with a tiny amount of "overhead" or operating expenses or even demands on your time.

You don't even have to put up the money for the inventory since you can pay the supplier using the funds you have received from the buyer or customer. Easy to begin, you don't have struggle with retail space or storage, shipping or supplies, inventory tracking, returns or handling, and managing stock.

In fact, you can run your dropshipping company from a home office or a laptop computer! You can usually do this sort of work from anywhere, and you have a massive range of products that you can sell through your dropshipping business. You can even expand the size of the business without any added stresses or expenses because you will always do the same tasks each day - regardless of your sales or earnings. For example, if you begin selling ten times the amount of product, you don't increase the workload ten times, or even at all. You just trust your suppliers to increase their work!

Does that mean it is a massively easy way to work without doing a lot of work at all? No, just as there are some major advantages to selecting this sort of work, you have to be very realistic about the biggest disadvantages. In other words, while you will hear that dropshipping sounds too good to be true, if you are honest with yourself, you can easily see the downsides.

For example, it is a very competitive way of doing business, and because of that, you have lower margins. That means many of your competitors are selling their goods at the lowest prices possible to make the sale, and their margins or earnings are miniscule. To compete, your prices have to be low too, and that means you don't make a lot on individual sales.

It takes a modern consumer a matter of seconds to bargain shop, and even if you have a beautiful website and good feedback, your prices may cost you customers because someone else is selling for much less.

You also have to rely on other merchants to supply inventory, and their accuracy can present you with challenges. As an example, you might update your available stock using their computer systems only to learn that they have none of the merchandise indicated. Some suppliers are also not as advanced to provide you with real-time inventory syncing and tracking, making it a real risk to work with them as you may be unable to provide the goods that your site says are currently in stock.

In addition to inventory issues on the part of your suppliers, you might also find that they have made different types of mistakes. For example, they are in charge of packaging the goods and can miscount, damage or poorly package goods for shipping. Though this is their error, it is your company and you have

to provide the customer service and absorb any fees because of these issues. Other supplier problems can include low quality goods, unacceptable substitutions, and more.

Because dropshippers work with multiple providers, you may be a bit surprised when a client orders multiples of a single product yet receives them from multiple suppliers. This can cost them much more for shipping and may even cost you the sale! Some suppliers charge far too much for shipping and tack that on to the product price too.

Finally, dropshipping is a mostly hands-off enterprise. That takes most of the controls out of your hands. Your job may involve a lot of problem solving and troubleshooting with your buyers. Whether they are unhappy with poor packaging and damaged goods, low-quality products, costly shipping, or something more, you have to be the one who is ready to "take the blame".

So, if you look at it with realistic expectations, there are pros and cons to this way of owning a business. It is not stress-free or completely easy, but "with some careful planning and consideration, most of these problems can be resolved and need not prevent you from building a thriving, profitable dropshipping business."

Let's begin with a look at the common steps needed to begin building your business.

Section One

The Basics

According to Entrepreneur Magazine, there are seven basic requirements that you must meet in order to begin working as a dropshipping professional:

1. Choose a product to sell
2. Locate a supplier who will dropship for you
3. Set up an account with the dropshipper
4. Advertise the product for sale (they suggest eBay, but you can use Amazon.com, your own website or a web store)
5. Use an online processor to accept instant payments
6. Order through the dropshipper (your supplier)
7. Follow up after every sale

Think of these things as a good foundation, but also consider the other components. For example, one blogger explains that their dropshipping business uses a web store, supply chain, and good marketing for success. (Sethi)

This same blogger insists that with those three components, you can even setup a dropshipping business in as little as a single day. However, it is ill advised to take such advice as you must spend time choosing between suppliers, exploring your options in a well designed web store or site, and planning your marketing and promotions to ensure you are as competitive and profitable as possible.

So, how do you create a successful dropshipping enterprise? You blend those two lists together. Doing so will guarantee you the least stressful setup, planning and launching. In the sections that follow, we are going to look at:

- ❖ Identifying your products
- ❖ Choosing suppliers and building a dependable supply chain
- ❖ Creating your website and/or web store
- ❖ Marketing

These points will provide you with the best way to begin your career as a successful dropshipper. If you are ready, let's get started!

Section Two

The Necessary Steps

If you explore what the experts have to say about dropshipping, most agree that selecting your niche and the products to sell can be one of the toughest choices. You already know it is a competitive way of doing business, and that margins can be extremely small. So, what this tells you is that the wiser your choice in products, the better your outcome.

Naturally, you can choose the perfect products and create a flawless store, but unless you can market effectively, you won't make many sales. We are going to consider all of these things as your most necessary steps.

Identifying Your Products

If we take a bit of advice from the professionals, we see that most will tell you to avoid choosing a niche or product based entirely on your personal interests or passions.

As one group says: "This is an acceptable strategy if being interested in the product is your primary objective, not necessarily business success. But if your #1 goal is to build a profitable dropshipping site, you'll want to consider setting your personal passions aside when doing market research..."

(Shopify)

This may change if you find that the products that you love or are passionate about meet the criteria for choosing your niche, but for the most part, your decisions have to be based on the following issues. (Note: There is no such thing as the perfect niche or product, but doing the research takes you towards the strongest choices.)

To sell successfully, you will need to control pricing as much as possible. You can do this by making your own goods, which then takes you out of dropshipping and is not something we'll cover in this guide. Alternately, you can arrange for exclusive prices or make arrangements as a limited distributor. This shrinks the market and gives you a chance at bigger margins.

If you cannot make such arrangements, sell at the lowest price possible, but not so low that you put yourself out of business. Rather, differentiate yourself by increasing the value of your product through tactics not related to the price.

For example, don't JUST dropship, but also provide information (free eBooks, web pages with authoritative or appealing content, and so on). Make it a joy to shop through your store, show you are providing buyers with answers to their needs or problems, and build inventory that is complementary.

As an example, you think it would be good to sell a high-quality skin care product, and you know there is a market for this, but to guarantee your ongoing success you need to determine how to sell multiple kinds of skin care products. Rather than marketing one product, selling a range of goods applied in various steps throughout the day or as part of a multi-step regimen (i.e. cleansing, toning, moisturizing, etc.) will ensure a *complementary* range of goods.

Then, you can add value by offering free guides on optimal skin care, and so on.

Products with Increased Value Are Ideal

Some of the basic methods of increasing value without adding to the cost of goods or business include:

- ❖ Buyer guides
- ❖ Better and more explanatory product descriptions in perfectly written English
- ❖ How to or setup guides
- ❖ Video guides
- ❖ Comparison tables and guides for the products sold

Use these ideas to help you find your niche, but also keep the intended audience in mind. For example, most dropshipping experts say that repeat buyers, hobbyists and businesses are the best demographics from which to choose your niche. As an example, you might sell natural supplements to fitness centers. This means your clients are the fitness centers, but you also have the individuals using the products as part of the market. Repeat buyers on all fronts!

However, if your product is consumable or disposable, you can also ensure that you can build a base of repeat buyers too. This is particularly true when many dropshipping professionals use sites like Amazon.com and its "Subscribe & Save" feature that essentially promises ongoing sales!

Also, consider products that have many components or additional items. As an example, cell phones need cases, chargers, screen protectors and more. Most buyers will stay within the same web store when they purchase goods, so always keep those complementary and accessory goods in mind when identifying your niche.

You can also steer yourself towards the right products by visualizing how you are going to market them. Is it something you can easily imagine doing? Are there different ways you can see yourself writing or promoting the products? If so, you are probably on the right track.

You can also choose a product or niche that is tough to find in your area. It could be almost anything, but if it is hard to get, it will usually have a market.

Choosing Suppliers and Building a Dependable Supply Chain

Supply chain is a term you can use to describe how the goods you sell go from manufacturing to your buyers. Your part in this "chain" is as a service provider as well as a retailer.

You are not a manufacturer who creates goods and sells them to wholesalers or retailers. You are not a wholesaler who is going to purchase bulk quantities to sell to retailers, instead you are actually a retailer. You sell to the public at a markup. The big issue to take away from this explanation is that not everyone who says they are a wholesaler actually is one...they could be a retailer selling to you under false terms.

In other words, choosing your suppliers and creating a functional supply chain that runs from the manufacturer to your buyers means doing some research.

A firm that calls itself a wholesaler or even a dropshipper may be charging too much. As one website warns, "it's critical to know how to differentiate between legitimate wholesale suppliers and retail stores posing as wholesale suppliers. A true wholesaler buys directly from the manufacturer and will usually be able to offer you significantly better pricing."

Since it is your margins that will make or break your business, take the time to recognize the fakers. How? Most will ask you to pay a series of regular "fees" such as a monthly business fee or some sort of ongoing financial obligation. This is completely illegitimate. Another warning sign is any firm that sells directly to the public. This makes them a retailer and not a wholesaler or dropshipper.

You can expect to pay a true dropshipping firm per order fees and you may be required to meet their minimum order sizes. In other words, to create credit with them, you may need to pre-pay for a few hundred dollars worth of product. This is not uncommon, but it may also not be required.

How do you find the valid dropshippers or wholesalers? There are a number of paths that can lead you to valid dropshipping and wholesale suppliers:

- ❖ **Use Directories** - These are databases of suppliers that are usually arranged by niche or product. Some of the biggest names include Doba, Worldwide Brands, SaleHoo, Wholesale Central, GoGo Dropship Directory, . Note that some of them ask for monthly access fees, and this is not the same as the fees we mentioned above. In this case, you are paying for access to the database, and that is entirely valid.
- ❖ **Directly contact manufacturers** - You can locate a legitimate wholesaler easily if you just get in touch with a company to find out who wholesales their goods.
- ❖ **Use the Internet** - We now "Google" everything, and you can also use this search engine to find wholesalers. The best way is put your search terms in brackets, i.e. "all natural supplements for weight lifters wholesalers" and then be prepared to dig deep into the search results.
- ❖ **Go to a trade show** - Once you know your niche or market, you can easily find trade shows and meet the wholesalers and manufacturers in person. Discuss your needs and ask all of the questions you have, and use this as

an ideal opportunity for getting into contact with most of your industry suppliers.

- ❖ **Order from your competitors** - If you are struggling to find wholesalers or valid dropshippers, just place an order through one or more of your competitors. The shipping label will have the original shipping address and you can use that to "Google" the name of the company.

Once you have suppliers and can begin to know what you will earn from sales, it is time to begin to create your actual business. In fact, most of the sellers or suppliers will not sell to you unless you are an authentic and legal business entity.

These firms are going to be able easily to process your orders, package and ship them, include an invoice and label that features your name and logo, and even handle returns. You will receive the order through the web store, place that order with the supplier and pay them for it, and that is it! First, though, you must create the business and build the online store.

Creating Your Store or Sales Channel

When you are sure that your niche is profitable and that you will be able to market and sell the goods, you can take the next steps forward. This includes choosing the business structure you will use and registering your business name. You must then create a web presence. You can do this in two ways - building a store or site OR using an available web channel.

The most common channels are eBay and Amazon. Both provide you with immediate audiences, nearly instant startup processes, and less need for

marketing. Both also have their downsides that include fees, the need to monitor and relist, no customization, no customer relationships, and to hand over your sales data to a company like Amazon.

That means you can built your own online store. This gives more control, allows you to customize the look, avoid fees, and create a relationship with customers. In other words, it is more of an authentic business. Because of that, naturally, it is more involved where setup and commitment of time is concerned. Hobbyists tend to use eBay and Amazon while those who are serious about building their business over the long term will create a store or site. Many also end up using all of the sales channels!

To build your site, you need to tackle the following:

- ❖ [Setting up a real business](#)
- ❖ [Getting a domain name](#)
- ❖ [Arranging web hosting and setting up the site - this is a big undertaking that includes listing products, using detailed descriptions, arranging for the payment options, dealing with taxes and shipping integration, and so on.](#)
- ❖ [Managing the site](#)

It can be tough to get a business name and web URL or domain name that are a perfect match. However, you want to always choose a domain name that sounds trustworthy and not "fly by night". As a perfect example, consider something like naturalskincare.com (which is a randomly created domain name) versus something like skincreem4u.biz (also randomly created). The

first one is more appealing and trustworthy and a good model to use when looking for the domain.

In general, choose a domain name that is relevant, simple and short, easy to remember and type, professional and available.

How do you get a domain? There are web-hosting services in great abundance. Many provide you with package deals that allow you to register the domain name and provide you with the platform upon which your site is built and kept up and running.

While GoDaddy is one of the biggest names in the world of domain names and hosting, there are many others. HostGator, DreamHost, Hostwinds, Liquid Web, 1&1 Web Hosting, Bluehost, HostMonster and SiteGround are all comparable options, and there are even more to try.

Explore user reviews and be sure that they work with WordPress. This is a framework for blogs, web stores, and websites and it removes all of the coding that was once essential for a website to operate. If a web hosting service is designed properly, it will allow you to install WordPress with a single click and provide you with fast speeds and a high percentage of up time (meaning multiple servers that ensure your site is never down or unavailable).

After choosing a domain, getting your web hosting and installing WordPress, you will have to choose a theme. Though you can skip it, your site is going to be far too plain to generate attention and sales. That makes it the time to choose a theme. There are scores of theme providers, some offering free options and some asking for very reasonable rates. The themes you will want

to use are those with eCommerce plug ins that allow you to create an online store easily.

After you begin to build the site, it is time to consider the details of marketing. This is a bit more involved in the world of online sales, but it can actually be one of the most enjoyable and exciting elements of dropshipping as a career.

Before we move to that, though, one word of wisdom is to consider the use of a multichannel inventory and order management software package or service. Dropshipping is now becoming a tactic that online retailers use to build their portfolio of sales channels. This is a bit more complex than a single dropshipping business. If you are interested in easily managing more than a single sales channel, such as a web store as a dropshipper and a sales page at Amazon or eBay, you may want to explore options for multichannel inventory and order management. One strong example is the [Orderhive](#) software that can provide dropshipping support, but also additional features if you are really going to cover multiple channels of sales.

Marketing

As you build your web store, you see that you need product titles and descriptions. You have pages of material to create, and each is an opportunity to market. Additionally, as a business professional with a web presence of any kind (including your eBay or Amazon stores) you can use standard online marketing methods to draw traffic to your pages. The most straightforward methods include:

- ❖ Social media
- ❖ Blogging
- ❖ Email marketing
- ❖ Videos
- ❖ Printed material like posters and flyers
- ❖ PPC ads and banner ads
- ❖ Partnerships with complementary dropshipping professionals
- ❖ Hosting or participating in events and shows
- ❖ Participating in affiliate programs
- ❖ Word of mouth
- ❖ Value added material like free eBooks, guides, and that allow you to gather emails or phone numbers for further marketing
- ❖ SEO

We need to consider that last point in a bit of detail. That is because SEO is the one way to ensure you enjoy online success in your dropshipping endeavors. It is the one sure way to keep traffic headed to your site and is what you will find yourself doing roughly 75% of the time during the first few months you are in business.

It is too complicated to teach you to do here, but you will need to spend time learning which keywords are the most potent for your niche, and then use them in everything from page titles and product descriptions to social media posts and your actual web pages.

A simple guide for beginners is available for free at [Moz.com](https://moz.com), and it is considered to be one of the best beginner's guides to the use of SEO. Entitled [The Beginners Guide to SEO](#), it is a good place to learn about this marketing technique and begin applying to all of your dropshipping pages, sites and materials.

In Conclusion

This introduction to dropshipping should help you begin to identify your ideal niche and product, determine whether you want to be a full-time professional with a web store and site, or someone who piggybacks on the ease of Amazon or eBay to get started. It will help you take the right steps where marketing is concerned, but you will find that there is much more to learn.

Dropshipping is a simplified and affordable way to get started in a business of your own, but take this guide as a basic introduction. Commit time to research and learn all about your available markets and products, explore the most authentic wholesalers and dropshippers, and make solid plans to enjoy the best outcomes. The best of luck to you in this exciting endeavor!

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