

DROPSHIPPING

SIX-FIGURE DROPSHIPPING BLUEPRINT

**Step by Step Guide to Private Label,
Retail Arbitrage, Amazon FBA, & Shopify**



JASON HAWK

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Introduction

Making money online has never been easier. Once upon a time, you would have had to spend a vast fortune on setting up a website, domain names and hosting, buying in and storing vast amounts of stock and all the hassle of filling and shipping the orders. The advent of dropshipping takes care of all that by taking the hassle and the hard work out of your hands and sending the money rolling into your bank account overnight.

Dropshipping is a fulfillment model that enables you to purchase products individually from a manufacturer, wholesaler, or other supplier and ship them directly to your customer. This means that instead of selling goods to your customer in a traditional way, where you would purchase the stock and ship it to your customer from your warehouse, you can expedite the process and have it shipped directly to your customer from the supplier's warehouse.

In a nutshell, dropshipping provides you with a way to become a “middleman”, a way of selling to the public without actually holding on to any stock whatsoever. The risks are much lower; all you need to do is find the suppliers, advertise the goods, and send your orders to the supplier. They send you the difference between the charge for their product and the price you sell for, allowing you to make money easily with the minimum amount of risk and work.

Dropshipping is by no means a new scheme; it was in use in one way or another long before the internet was born. The internet just makes it much easier, faster, and opens up the market to more people.

If you want to learn all about dropshipping and how you can earn money easily, you've come to the right place. Thank you for downloading my

book; I hope you find it useful.

Chapter 1 – What is Dropshipping and How Does It Work?

Dropshipping is a method by which you, as a retailer, sells products to the public without actually holding on to any stock or product. When you sell a product, you send the order directly to your chosen supplier; they ship the product, process the payment, and then send you the difference between the charge they make for the product and the price you charge. You never see the product, you never handle it and you don't need to handle or process any payments. While you don't need to handle the payments, there are some suppliers that will allow you to process your own payments and even some that will allow you to contract your own shipping company. Utilizing these choices, however, defeats the purpose of choosing to run your business using dropshipping.

There are many differences between a normal ecommerce business and a business using the dropshipping model. Some of those differences include the operating margins, operational logistics, operational costs, profit velocity, and barriers to entry. Below we are going to cover each of the differences individually.

Operating Margins: The operating margin is the ratio that is used to measure a company's pricing strategy and operating efficiency. It is the measurement of the proportion of the company's revenue that is left over after paying for variable costs of production. The operating margin for a company that uses dropshipping is always going to be lower than that of a typical ecommerce company because you don't have the burden of carrying inventory or shipping product.

Operational Logistics: If you are running a business using dropshipping, you don't need to carry any inventory or ship any products, which gives you the freedom to run your store from virtually anywhere in the world. When you are running a typical ecommerce store, you need to consider the logistics of running a warehouse and replenishing your stock, as well as coordinating shipping.

Operational Costs: If you are running a traditional ecommerce business you must consider the cost of paying for your warehouse, paying for the staff to run your warehouse, paying for the stock, shipping, and handling customer service. In comparison, the cost of running a business using the dropshipping method is limited to just customer service to take orders and send them on to the wholesaler or manufacturer.

Profit Velocity: While the hands-off nature of dropshipping is incredibly attractive from an operational standpoint, carrying inventory is a much faster way to ramp up profitability. This is because the profit margins are much higher when you have the option of purchasing product in bulk from an overseas suppliers and selling them at a higher cost.

Barriers to Entry: Barriers to entry include the existence of high start-up costs and the other obstacles that prevent a new competitor from entering an industry. A company that is using dropshipping is a lot easier to copy and start up than a company that carries and ships its own stock.

A Real World Example

Let's assume that you choose to sell guitars. With a traditional store, you would need to buy in physical stock so you buy 25 guitars and store them. Then you would need to find customers who want to purchase the guitars. Let's say that you sell 3 guitars and then sales drop off. You go out of

business and end up with a room full of guitars that you can't sell and no money in your bank account. With dropshipping, life is much easier:

- You set up a website with an online store to sell guitars.
- You sell a “Silver Shadow” guitar for \$350
- You receive an order for one Silver Shadow through your online store
- That order is sent to your supplier – the manufacturer or wholesaler that you have chosen
- They charge you \$200 for the Silver Shadow plus \$10 for them to send it directly to your customer
- The supplier will pack the order and ship the Silver Shadow to your customer
- You make \$90 on the sale
- Repeat as much as you can and watch the profits grow.

In some cases, the payments will be processed by the supplier and they will send you the difference between your price and theirs, less any shipping costs.

While there are many advantages to choosing to build and run a traditional ecommerce business instead of creating a business that uses dropshipping, there are significantly less risks associated with using dropshipping. Not only are there less risks, the start-up expenses are also significantly lower which means you will begin making money from your business faster than you would from a traditionally run ecommerce store. A business that uses dropshipping is also less stressful and requires less of a time commitment than running a warehouse and carrying stock, at least until it grows to take over your full time job (and becomes your sole source of income). If for some reason you are not making any sales, or make significantly more sales than you anticipated there are also no issues with holding the stock you

can't sell, or running out of a popular product; these problems lie and are the responsibility of your supplier. If your supplier runs out of a product, you always have the option of relying on a back-up supplier.

Chapter 2 - Understanding Dropshipping

Comparing the method of dropshipping to the tradition ecommerce store has already shown some of the pros and cons to using dropshipping for your business. Below we are going to analyze the pros and cons as they apply specifically to a business using dropshipping.

Dropshipping does have a number of pros and cons to it and you need to understand these before you attempt to get involved in the business.

Understanding the following pros and cons will help you to ensure you are making the best choice for you and your business and will also make sure you aren't surprised by any of the things you encounter as you set up and begin running your business.

Pros

Less Capital

This is, without a doubt, the single biggest advantage to dropshipping. Anyone can launch their own ecommerce store without the need to have vast amounts of capital to invest thousands of dollars upfront in stock. Traditional retailing requires a person to have money tied up in inventory – dropshipping eliminates that hurdle.

With dropshipping, there is no need to make any purchases until the sale is made and the money is paid by the customer. This allows you to start your own ecommerce business today with little money in hand. In fact, there are even some platforms you can use to set up your ecommerce business absolutely free of charge. Although these options aren't usually as successful as other platforms, it is a way to make a little bit of money to put towards creating a better business model.

Easy to Get Going

Running your own ecommerce business has never been easier, especially as you no longer need to handle physical products. When you choose dropshipping, you no longer need to consider:

- Renting or managing warehouse space
- Packing orders and shipping them
- Tracking your inventory for accounting
- Handling returned items
- Handling inbound shipments
- Having to order products and managing your inventory levels

Low Overheads

The absence of need for you to rent or buy storage space or buy in stock, keeps your expenses to a minimum. Many people run their dropshipping business from their own homes using nothing more than a laptop or computer with overheads of less than \$100 each month. As your business grows, these overheads will go up but they will still be lower than owning a brick and mortar business or an online business whereby you need physical stock.

Flexibility in Location

Dropshipping can be done from anywhere so long as you have a connection to the internet. All you need to be able to do is communicate with your customers and your suppliers, and that means you can run your business from anywhere.

Good Product Selection

Since there is no requirement to purchase stock up front, you can give your potential customers a very good selection of products to choose from.

Provided your chosen suppliers stock an item, you can put it on your website for sale with no extra costs involved. This means that if you notice a particular product is rarely purchased, you can continue to have it up for sale without it taking up valuable warehouse space. This also gives you the flexibility to sell a product new to the market without the risk of it not taking off. This is especially beneficial if you are choosing to sell products that are seasonal or products that are themed off of popular trends like TV shows or movies.

Easy Scaling

When you run a traditional business, the level of business you get is directly related to the amount of work you put in. By making use of dropshipping suppliers, most of the extra work involved in processing orders is borne by them and this allows you to grow your business with less of the pain and hassle of the extra work involved. More sales always bring more work, especially in terms of customer service but using dropshipping allows you to scale the work better than a traditional business.

Although more orders are going to equate to more customer service needs, since you won't be responsible for processing the orders and shipping them, you will be able to focus on creating a good customer service model. A good customer service model is vital. Even if you are charging a little more than a brick and mortar store, people will be willing to pay for the convenience of shopping from home as long as they feel they are valued as customers.

These benefits translate to an attractive model to all merchants, whether they are beginners or long established. However, it isn't all roses; while it may be flexible and convenient, that does come at a price.

Cons

Lower Margins

This is the biggest disadvantage to dropshipping, especially when you are working in a niche that is very competitive. Because it is so easy to get going with dropshipping and because the costs are low, more and more people are setting up shop and selling at the lowest possible prices to try to bring in the money. These people invest little in starting up their business so they can afford to work on the tiniest of margins.

In many cases these merchants are likely to have very low quality websites and almost non-existent customer service but that doesn't stop potential customers from comparing prices – and, more often than not, they will go for the lowest. Because of the increase in competition, your profit margin can very easily disappear. The best way to get round this is to pick a niche that is better suited to dropshipping.

Issues with Inventory

When you run a business where you keep your own stock, it is fairly easy to track which items are in stock, low or out of stock. Yet, when you choose to dropship you are relying on other suppliers and these suppliers are not just supplying your customers – they work for other merchants as well. Thus, their inventory levels change daily. You can use systems that allow you to sync your store inventory with that of your suppliers but this doesn't always work very well and some suppliers will not support the necessary technology. This can lead to your customers feeling very frustrated when they think they are going to be able to order a product just to find out that it is actually out of stock, and they are going to have to wait a longer period for a product they have already paid for, or wait for a refund to be processed before they can purchase from another merchant.

Issues with Shipping

Most dropshippers work with several different suppliers and this means that the products you sell are sourced through several dropshippers. This model can cause issues with your shipping costs. For example, let's assume that a customer has ordered three different products from you. All of these come from different suppliers which means you incur three sets of shipping charges, one for each item. It really isn't a wise move to pass those costs on to your customers as they will assume that you are overcharging for shipping and, even if you do choose to do so, automating the cost calculations is not easy. The best way to do it is average out the shipping cost across suppliers – some you will make a bit of money on, others you will have to pay on.

This can also lead to customers feeling annoyed when they order three products from one store and all three products are sent to them individually. It also makes it more difficult for customers to feel they have control when they are tracking their orders and have three different tracking numbers. Another potential issue is the increased confusion that may arise if a customer is trying to get help with one product but has mixed up the order numbers or tracking numbers.

Issues with Suppliers

Another risk to running an online business that uses suppliers to dropship to your customers is that things can, and do, go wrong. From technical issues to miscommunication, there are going to be times when you and your dropshipping suppliers aren't on the same page.

How many times have you had to take the blame for something that clearly wasn't your fault? Even the top dropshipping suppliers will make mistakes from time to time and it is down to you to take responsibility for their mistakes and issue the apologies. If you use low quality suppliers, you will

be taking on more trouble than you can afford, with issues like items that go missing to shipments that are messed up to poor quality packaging – they may not be your fault but it is your reputation and business that will suffer.

One other thing to keep in mind while running a business with suppliers doing dropshipping is that most online retailers work with more than one product supplier. This can easily become complicated since there is no common standard for data formats. This means things from order processing, account setup, and billing can be different from one supplier to the next. This can lead to complicated and expensive relationships with the suppliers if you mix the details up from one supplier to the next. This is something to keep in mind when you are deciding your suppliers.

A quick note – dropshipping is what you are doing as the owner of the store while a dropshipper is the supplier who provides, packages and ships the products you sell.

Other Considerations

Operating a website

Starting a website to advertise the products you want to sell is going to require a small bit of knowledge. While there are platforms you can use as a non-technical person to operate your website, some basic knowledge is still going to be beneficial to you as you go through the process of setting up your website and learning to use it effectively. Having basic knowledge of how to run a website, as well as how to find any information you need to access in order to solve problems you may encounter, will make the process of running your business a lot smoother.

Understand the pricing of the domains

When you start your website, you are going to have to pay for your domain name. One thing to be aware of when you are choosing the platform to register your domain name is that the price you see advertised may not be the price you always pay. Many companies that rent our domain names charge an introductory price at first and move you up to their regular price after a certain amount of time has passed. Make sure you read the fine print and are aware of any price increases. If you can't find the information listed anywhere on their website, don't assume the price isn't an introductory price. Contact the company you are looking into and ask them if there are going to be any increases. If they say no, ask them if it is possible to get an introductory price before you begin paying the full price. An introductory price isn't a bad thing; it's just something to be aware of so you aren't caught off guard.

Negotiating the ecommerce rates

When it comes time to work out the ecommerce rates with your suppliers, you should always open the negotiations with the question “What kind of a discount can I get on this?” Only negotiate with the people who are in a position to give you a lower price, there is nothing gained by wasting your time trying to negotiate with someone who isn't authorized to make that decision.

When you are working with a new vendor, always accept their first offer, even though this probably isn't the best offer they are willing to make, since no one ever opens with their best offer. The reason you want to accept their first offer is because they will be more willing to offer you larger discounts later on in your relationship with them. You want to build the relationship with your vendor, and the best way to do that is build trust, especially when it comes to the price.

Many vendors are hesitant to give large discounts because they are worried that you are either going to tell other customers about the discount you are getting or undercut the retail price of their product. Both of these scenarios are going to create problems for your vendor. They will continue to give you better prices if you keep your discounts private and use the discount to make more money per sale as opposed to only using price to compete against your competitors.

Website Downtime

The performance of your website is very important. Most businesses rely on their hosting company to ensure their website has the highest uptime possible, but even the best web host company can't ensure 100% uptime for your website. There are many factors that can cause a website to go down, but the four main factors are planned downtime, failure of components, malicious attacks, and natural disasters.

Planned downtime happens when the host performs tasks such as a server upgrade, and hardware or software application upgrades. Once the upgrade is complete, the site becomes available again.

Occasionally a server may go down due to a component failure caused by programming errors, or malicious attacks such as viruses and file corruptions. Physical damage to the hardware components can also cause downtime. Physical damage can be caused by natural disasters such as hurricanes, tornados, flooding and fire.

Any sort of extensive downtime can be detrimental to your business. It can lead to decreased sales as well as dissatisfied customers and even a negative impact on search engine rankings.

Chapter 3 – The Blueprint

The process of setting up your online store doesn't need to be a complicated one. In fact, if you know the steps to follow, and are aware of some do's and don'ts, you can do it in a relatively short period of time without becoming overwhelmed or confused. This chapter is going to outline exactly what information you need to know before you dive into the world on running an online business that uses suppliers that dropship their products to your customers.

Selecting Your Product

Before you can even begin setting up your store, you need to know what product you are going sell in your store.

Look For Product Ideas

Without a product to sell, there is no reason to open a business. Before you begin searching for new ideas on what you should sell, start with what you already have, or how can you solve your own problems or the problems of the people you know. Some questions to ask yourself are:

- What products or niches are you interested in?
- What products are your friends passionate about?
- What issues are you having in your own life? What products would solve it?
- What sort of businesses are around your community? Can they be turned into an online concept? What businesses in your community would appeal to people outside your community?
- What products are trending in other parts of the world? Is there a demand for them in your community? Can you create a demand for them in your

community?

- If you are unsure about products, is there a particular industry you want to be involved in? What products are popular in that industry? What products from that industry would you find useful?
- What products are popular in other online stores? Is there a specialty to this product you can specialize in selling?
- What's trending on social curations sites? Is there an untapped product out there that people would love to see made available to them?

Understanding Your Market

Perhaps the most important thing to consider is your target audience (to whom you will sell your product). You aren't going to be able to run a successful business if you are selling wedding supplies and dog toys together on the same site. The same is true if you are selling cheap t-shirts next to designer clothes.

There are thousands of products and services available to consumers. This means that there are unlimited ways you can enter the marketplace. Before you can dive right in, you need to figure out who your target customers. Knowing who you are selling to will ensure you are choosing the right product for those people. Below are some tips on how to define your target market.

Remember, you can have different target markets that might fit into different niches of the product you are looking to sell. Consider the following point for each target market separately.

Choose Specific Demographics

- Age – This can be the age of the purchaser, and the age of the user if they are different.

- Gender – Like age, this can be the gender of the purchaser and user.
- Location
- Income Level
- Education Level
- Marital Status
- Occupation
- Ethnic Background

Consider The Psychographics

- Values
- Personality
- Attitudes
- Interests
- Lifestyles
- Behavior

Evaluate Your Decision

- Is there a large enough population of people who meet your criteria?
- Will the target market benefit from your product?
- Will your target market see a need for your product?
- Do you understand what drives your target market to make decisions?
- Can your target market afford your product?
- Are they easily reached with your message?

Some Other Tips When Choosing A Product:

- Know your competition
- Is the product something you are knowledgeable about if you aren't knowledgeable about the product you are going to be selling, ensure that you become knowledgeable before you dive into running the business.

Knowing the ins and outs of the products will ensure that you are able to provide effective customer service.

Choosing the supplier

The supplier you work with is one of the biggest decisions you are going to have to make when you start up your online store. The supplier you partner with has a large impact on the success of your business, and you want to make sure you choose the right one.

Before you begin searching for your supplier, there are a couple of things you need to do:

1. Make sure you can prove you are a retailer. Have your business' EIN number as well as a copy of your resale certificate.
2. Be familiar with dropshipping terminology as well as the common practices of dropshipping before you contact any potential suppliers.

Once you are familiar with dropshipping, you are ready to set out and find your supplier.

Know Your Industry

Different industries have different supply chains. If you are running a small boutique with a specific, specialized item you are going to be more successful if you partner with a manufacturer or a small local supplier. If you are going to run a larger store with many products, you are going to be looking for a supplier with a larger selection of products they are selling.

Try Manufacturers First

If you can figure out who manufactures the items you want to sell, you will be able to contact them directly to find out if they can drop ship their items.

While you can email them, calling yields faster results and allows you to get information quicker as well as to create a contact within the company.

As you contact different vendors they are going to fall into three categories:

1. They Dropship – Great news for you, ask about what they require from their partners, as well as if they have any minimum order requirements.
2. They Don't Dropship – Ask about what distributors they supply their products to, this will point you in the right direction to be able to get those products.
3. They Don't Offer Their Products For Resale – At least you know and are going to be able to try someone else.

Don't Rely On Search Engines To Find Suppliers

Most suppliers do not prioritize search engine optimization. This means you aren't going to be able to find them by running a search through Google.

- Use Trade Magazines – If you can find magazines or newsletters that are geared towards your particular industry, you are going to find suppliers looking for you. Many of these publications also have websites with past issues which can offer you more resources.

- Forums And Online Groups – If you can find a forum or online group that is specific to dropshipping or your industry, you may be able to find out what suppliers other members are using.

- Trade Shows Or Conferences – If you are able to attend a trade show or conference, you may be able to directly interact with potential suppliers.

Other Options

Curated Lists: Curated lists are available, if you pay to access them.

However, some of the entries can be outdated or obsolete.

Using Google: This can be incredibly time consuming as many suppliers aren't concerned with their online presence. If you are going to use Google to search, skip ahead to page ten or so and begin your search there.

Setting Up The Webstore

Before you begin setting up your webstore, you should have the business aspects already figured out. This includes your company name, the products you are going to be selling, and the prices for your products. The next things you are going to need are:

- A domain name and extension
- A web host
- A dedicated IP address
- A private SSL certificate
- A shopping cart script
- A payment gateway

Once you have the above things, you are ready to set up your website. You have two choices when it comes to setting you your website. You can either create a home page and other static pages (e.g., product background) or you can use your shopping cart script as a standalone for your entire website.

Building A Website

If you are choosing to build a website entirely, without using the shopping cart script, it is likely going to take more time and work. It is also going to require you to have working knowledge of HTML, styling, and CSS.

Assuming you have knowledge on these things the next steps are:

-Design: You need to have a basic idea of how you want your site to be designed before you start out. One of the first things to know is that your

font choices are limited. Next you are going to need to know which images are going to be displayed as images and which are going to be backgrounds for one of your pages.

-Preparation: You are going to need to know the measurements for your design. This includes the width and height of columns, spacing between them as well as the total of everything combined. Essentially you are going to need the dimensions of every major element on the site. You will need the minor ones too, but not until later in the set up. Next, you are going to need to develop your site using HTML and CSS.

Deployment: Once your website is designed and set up, you need to deploy it. This typically doesn't involve more than uploading it to your web server.

If you decide to use the shopping cart script as a standalone for your site, you will use the steps outlined here:

Installation: First you are going to need to install the shopping cart system. You can auto install the system if you look under the software/services section in your hosting page. There may be some minor changes depending on the host and system you choose to use, but it will be similar.

When you install the system, you will also set an installation folder. This will dictate where users are going to go when they enter your store (such as directly to the product page, or an about page etc.)

-Customization: The first thing you should do is change the logo and remove the footer graphic. You can also apply a different topic or theme to the shopping cart system if you choose to modify it. There are going to be options laid out in the shopping cart system that will take care of all of HTML and CSS for you so you won't need to do any of the coding.

Using a shopping cart system is easier, but also limits the options you have to setting up your webstore. Your options are almost endless when you know how to apply the coding to create the website you are envisioning for your business.

Setting Up The Ecommerce

A shopping cart system of some sort is essential if you are going to be processing payments through your site. Once you have set up a shopping cart system these are the next steps:

- Obtain an internet merchant account from your bank- This will enable you to accept credit card payments online
- Obtain a payment gateway account- This is an online processor which exchanges information from your customer's credit card to your internet merchant account and authorizes the credit card information
- A less expensive way to get started accepting online payments is to use PayPal which is an account based system that is available to anyone with an email to securely send and receive money with a credit card or bank account.

Things To Keep In Mind While Conducting Business

There are a few important things you are going to want to keep in mind as you embark on the journey of opening an online business using the dropshipping model.

- Customer Satisfaction – Your customer is a person, even if you never see or speak to them. Put yourself in your customer’s shoes, you want your customer to be happy and this is best done with good customer service.
- Keep An Active Mailing List. – Offer a reward, such as free shipping, for signing up and you can use their email address to send out newsletters about new product offerings and sales to keep your customers coming back.
- Don’t Oversell – No one wants to feel pressured into buying something. Pointing out the advantages to a product is great, but you don’t want to lose customers because you are pointing out the features of a product too frequently.
- Keep Customers Coming Back – Repeat visitors are a great way to increase your sales. Writing helpful articles about the products you are selling, hosting sales, and unique content will keep your customers coming back.
- Respond Quickly – When visitors to your site send you emails or fill out their information for your mailing list, it is important to respond as quickly as possible. People will remember how long it took you to respond to them and often appreciate a quick turnaround in response to an email.

Chapter 4 - Getting Your Own Dropshipping

Business Off the Ground

Starting your own dropshipping business is easier than you think and it comes with some fantastic advantages – not having to answer to anyone but yourself, reaping the rewards for the effort you put in and the flexibility to choose from where you work. Unfortunately, most people think one or more of these three things when they consider starting up their own business online:

- I don't have the time to run a business
- I don't have the money needed to run this business
- I don't have any of the skills needed to run an online business

These are nothing more than excuses. You don't need a lot of time – in fact, the most time you spend will be in setting up your online store. Once you know how to do it, you can start up and full functioning ecommerce store in less than a day.

You don't need vast amounts of money because you are not buying any stock or having to pay expensive overhead. All you need money for is the startup – the website, hosting domain name etc. and, if you shop around, you can get some great deals on these.

In terms of skill, well you do need a little but it isn't difficult to come by. Most hosting companies offer package deal that include a domain name and a website builder, complete with full instructions on how to do it. You do not need to be a computer programmer or coder anymore and, if you choose products that you can build a blog around, you can even get the website for free by using WordPress.

To begin your new business, you need one thing:

A webstore

You can't sell products online without having a webstore – this is the functioning part of the entire process of dropshipping. The webstore is the part that your customers see, where they order their products from; they don't see what goes on behind the scenes and they don't care very much either. A webstore should be easy for your customers to navigate and should also be visually friendly and welcoming. In times gone by, the only way to build a website was to be proficient at coding. While you can still build a website using coding to make it completely your own there are definitely other options. These days, the process is all but automatic and these are the steps you need to follow to set up a WordPress website (WordPress is one of the easiest to get started with):

Get your domain name and a hosting package set up.

A domain name is how potential visitors find you and your site that you have worked so hard on. Since the internet is based on IP addresses and not domain names, every web server requires a Domain Name System to translate the domain name to the IP address. A good domain name makes you much more accessible to your clients. For example, in the URL www.WordPress.com, the domain name is “WordPress.com.” “WordPress” is the main part of the domain name and the “.com” is the extension.

Some extensions include: .com for businesses, .org for organizations, .mobi for sites that are only for mobile devices, .net is used for both business and organizations and .me is used for personal projects. If you want to use a domain associated strictly with the United States, .us is available and .ca is available for Canadians.

While you can get free hosting and a low level domain name, these can cause you no end of problems. The very best way to get your website ranked on the search engines is to choose the right domain name and the right hosting package.

In terms of the domain name, you need to keep the following in mind:

- The name must be relevant to your business.
- The name must be kept simple and short
- The name must be one that people will remember
- The name must look professional

The name has to be available – most hosting sites will check domain name availability for you.

For a business, the best extension to use is .com. This is one of the most popular extensions and for this reason, it is also more expensive to register. However, if your business is recommended by word of mouth, it is most often what people are going to type in if they only know your company name. A way around this is to use a cheaper variant like .net and have your domain name flow with it in such a way it becomes part of your company name, for example, shopforyourpet.net. The rhyme and flow will allow for your extension to be part of the name when your customers are telling friends about your products.

Sometimes it is a good idea to register your business with more than one extension. For example, if your site is awesomeshirts.com, you might consider also registering awesomeshirts.net and awesomeshirts.info so the competition can't ride on your coattails by using the same domain name and a different extension. Since a domain name isn't expensive, it never hurts to play it safe, especially as your business grows. If you do this, you can purchase and park the domain. This means that the domain is yours, but

there is no content on it which protects it from being used by anyone else. It is also a good idea to do this if the domain you choose has a popularly misspelled word in it.

Once you have your domain name, you need to choose a good webhost. The domain name is nothing more than a signpost, which directs users to the server that is holding your website. This server must be capable of running what is needed for your website, in the way that you need it to be run. This is the most expensive bit of starting your own dropshipping business but you don't need to spend a fortune – look around and you will find some good deals but use these criteria to do so:

- Check user reviews but look on review sites that are independent to the host you are considering
- Make sure the host is able to run WordPress
- Check that the host runs cPanel, DirectAdmin or some other similar system as their back end. What this means is that you will be able to install WordPress with just a single click.
- Check out their customer service – user reviews will tell you what you need to know as well
- Make sure they have fast servers in the country or countries that your webstore is targeting.

Now that you have a domain name and a good hosting package set up, you can move on to the next step:

Install WordPress

WordPress is by far the easiest of platforms to build a website on, removing all of the coding out and leaving you to concentrate on the content of your website. WordPress a common site that is used by a wide variety of people such as bloggers, news outlets, Fortune 500 companies and even celebrities.

WordPress is free and can be used to run just about any type of site from a forum to a directory, as well as a coupon site, a job board, a booking system, a support desk, a place for classified ads, and of course, an online store. By choosing to use WordPress as a framework, you will be able to build your own application on top of its existing APIs and built in functionality regarding user management and security. This will allow you to create a site that is unique and easy to set up and also easily used by your customers. As I mentioned before, your host should run cPanel or DirectAdmin – cPanel is the most common and easiest to use. Part of the reason cPanel is more common is that it splits its features into categories which makes it easier to find specific features. CPanel also provides more features and plugins than DirectAdmin, which gives more choices to how you are going to set up your site. When you sign up for your host, you will receive an email giving you full instructions on how to install WordPress – for DirectAdmin, you need to click on the link that says “Installatron Applications Installer”, while in cPanel, the link will say, “Install WordPress in 1 Click”.

Click on these and follow the on-screen instructions for WordPress to be easily installed.

Installing and Configuring WordPress Themes

One of the best parts about WordPress is that you can customize what is actually a very basic framework to fit your needs. To make your website look good and appeal to potential customers you need to choose a theme and install it. A theme is nothing more than a template that is pasted over the top of WordPress and you can find a vast array of different ones – some free, some not.

While there are thousands of options for themes, you don't want just to click on the first one you see that you like and assume it is going to work for your business. There are a couple things you should consider before making a final choice on the theme you are going to use.

- Simplicity – You probably aren't going to want a theme that comes with lots of colors, complex layouts, and flashy animations. While these would be effective for some sites, a site that is trying to sell products should be kept simple and neat and allow the products to be the star of the site, not the background.

- Responsiveness – A responsive theme is one that adjusts its layout to different screen sizes and devices. Since a lot of web traffic is generated from mobile and other handheld devices, a theme that is going to respond accordingly is a huge advantage and will make navigation easier for your customers. If your theme is not responsive, you may lose customers to other web stores that do provide responsiveness.

The theme you select should also relate to the product you are going to sell, or at least not be contradictive. For example, don't use a beach theme if you are going to sell snowshoes, whereas a theme that is all in blues or greens would be appropriate for selling any products.

Choose your theme and then you can go ahead and tweak it to your personal needs. These are the main things you will want to change to make your theme truly personal to you:

- The logo – change it to your own
- General settings – This is where you will paste in the tracking code you will be given if you choose to use Google Analytics
- Side panels and sliders – if your theme has these you will want to configure them to have some content in them

- **Subscribe and Connect module** – this is where your customers will subscribe to your email list and to your social media profiles.

Your theme is now configured to look amazing and tempt potential customers to both explore the site and the products you are advertising.

Install an ecommerce Plugin

WordPress does not include webstore functionality but it does allow plugins. Choose a good ecommerce plugin – one of the best and easiest is WooCommerce but you do need a compatible theme – and install it and activate it.

You will need to configure your plugin with basic information, like currency, shipping costs, etc. Configure anything that needs to be changed but do pay attention specifically to the following:

- ***Pages***

The pages on your webstore are important for guiding your customers to the information they are looking for. There are eight pages that you are going to want to make sure your webstore has to promote optimal customer navigation.

- **Welcome:** The welcome page is used to welcome customers to your store and share any important or useful information that you feel the customer should get as an introduction.

- **About Us:** The about us page is used to give potential customers the information they want to know to convince them to choose to shop with you instead of someone else. This page should be personable detailed. It isn't enough to say you are the best at what you are offering; you should prove it.

- **Contact Us:** The contact us page is used to give customers options on how they can contact you to give you feedback or ask questions. This page can

include a contact form that can be filled out as well as an email address if they prefer to email from their email account instead of filling out the form. If you have a phone number, it is also useful to include it and the hours you can be reached at on this page.

- **New Product:** A new product page will allow your customers see the new products you are offering to encourage repeat business. Customers may come to your site just to see what new products you are offering.

- **Top Products:** Customers purchase the top products most often. You want to put products on this page that are the ones most likely to appeal to new customers and have high reviews which will encourage customers to come back and shop more.

- **Promotions:** Used to let your customers know of any promotions you are running.

- **Privacy Policy:** This is a legal notice that tells your customers how you are using the personal information they provide to your business.

- **Terms and Conditions:** This is used to govern the relationship between your customers and you; it is a legal contract. It will cover payment terms, shipping terms, and any other important information.

You can also choose to add any additional custom pages you feel fit with your webstore and increase customer usability such as information pages or news items that might pertain to your products.

Ensure that all of your pages are configured correctly – if any are missed, or if they won't work properly.

- ***Taxes***

This will depend on your country of origin but most require you to make it very clear which, if any taxes are being applied. Make sure that the plugin is

configured to show the taxes at checkout.

- ***Payment Settings***

It's fantastic when you start getting customers but it's all meaningless if you don't give them a way to pay – this only applies in cases where you will be taking the payment for your dropshipped products. Where the supplier processes the payment, this is not necessary.

- ***Shipping***

You need to let your customers know how much they can expect to pay for shipping. Even if you do not pass these costs on to your customers, you still need to configure the settings properly to ensure the customer is not being charged more or less than they should be. This also allows the customers to be aware of the charges they can expect when they complete the purchase.

Populate Your Products

By now, you should have a domain name, a hosting package and a fully functioning WordPress website. Now it's time to add in some products to sell. The next logical step is to choose your suppliers and I will get to that later. For the purposes of this, you just need to know how to add them.

Make sure that your product title is clear, not too long, and is easy to understand. It must contain some details about your product. Next, you must make sure that your product description is clear, detailed and easy to understand. Make sure your product categories are clearly labelled, as are the product type, shipping type, price, article code and any other information the customer needs to see. Dividing your products into categories is an important way to prevent overwhelming your customers. You want to ensure each category page is simple, well organized and doesn't overwhelm your customers. If a product falls into more than one

category, it can be posted more than once so the customer can find it easily regardless of where they look.

Adding images is also vital – most people will not buy without seeing what the product looks like. You can use the image that your chosen suppliers use. Ensure you don't use too many pictures, as people tend to skim and don't appreciate the visual variety if there are too many to look at. However, it is important to ensure a complete product description, as customers are more likely to remember a product that has been verbally described to them. Ensure you tell the customer how he can use your products and why it's the one he should want to buy.

Now you have chosen and registered a domain name and extension that is going to effectively guide customers to your webstore. You have been able to successfully set up your store with a theme that is simple and inviting, and the pages are laid out in a way that is user friendly and allows your customers to navigate to what they are looking for without getting frustrated.

That really is all it takes to set up a good ecommerce storefront for selling your dropship products. In the next chapter, we will look at how to choose the right products.

Chapter 5 – Choosing the Right Products

The biggest hurdle you will have to overcome is in choosing the right niche and the right products to focus your attention on. This decision is crucial to whether your dropshipping business succeeds or fails. The single biggest mistake you will make is to choose a product that is based on your own passions or personal interests, especially if you want to build up a truly successful dropshipping business – you have to supply what other people want, not what you want. Especially if you aren't the type of person to follow trends or are the type of person who is often considered to be "outside the box." I can't tell you what product to sell but I can give you some ideas on how to choose the right ones.

How to choose the right product

Without a solid product line, your business is going to have an uphill battle to become successful. With literally millions of products out there, it can seem difficult to try and figure out what you are going to sell. The product you choose can also bring up other problems you will need to work through. For example, if you are planning on selling refrigerators, shipping could become a problem. If you are selling beer, there may be legal restrictions depending where your customers live.

Market research can seem overwhelming, but it is essential to ensuring your product is going to appeal to the people you are going to be reaching with your site. If you already have an idea of what you want to sell, you can check the market trends to see how that product is currently doing on the market. If you aren't sure what you want to sell, market trends can still be useful to you. Market trends are able to give you an idea of what products people are currently buying, or have interest in buying.

Look for products that solve a problem your target audience is having. If your audience is fed up with the current product offerings, find a new and better product to offer them. It can also be a great idea to choose a product that isn't easily obtainable locally or a local product that is coveted by an area outside where it is currently available. Another suggestion is to find a product based on the interests of your target audience. This can be in the form of a new TV show or fashion trend that is starting.

This also extends to looking for an opportunity gap. If you are choosing a product that is already being sold by many different competitors, find something you can do different or better than everyone else. This can be an improved product feature, a market completely missed by your competitors or even something in your marketing strategy.

If you are going to sell a product based on something that is currently trending, ensure you are capitalizing on the trend early. At the beginning of a trend, there tend to be more people who are purchasing the product. If you get onto the bandwagon at the end of the trend, everyone else is already moving on to the next thing. Unless you think you are going to revive a dying trend, don't wait too long to capitalize on a trend in the market.

It is important to take the product turnover into consideration when you are making your choices. A product line that changes year to year is going to require a lot more time and energy to ensure that your product list is kept up-to-date and doesn't contain last year's options, which may no longer be available. A product with a lower turnover will allow you to invest in a more informative website that is going to be applicable for a longer period of time.

Don't be afraid to look at smaller product categories and niches. While there may be fewer potential customers, there is also going to be less

competition which will result in it being easier to get to the top of search engines and can be much more cost effective in terms of advertising. The right product is an instrumental component to your success, take your time and don't rush into the first product that looks good.

To build up a successful business you must be able to do one of the following:

Have Access to Exclusive Distribution or Pricing

Being able to arrange exclusive agreements for products or exclusive pricing will give you the edge to selling online without the need to buy in or make your own product. These are not easy things to arrange and you may find that you are still outpriced because other dropshippers will still sell the same or similar at wholesale prices.

If you can get exclusive distribution you need to find a way to convince your customers that the product you are selling is of better quality than the competition, especially if the competition is offering a knock off product at a lower price. This is where the "about us" page on your website becomes even more beneficial as it is a good place to share the fact you have exclusivity to the product.

Sell at the Lowest Possible Price

If you are able to offer your products at the lowest prices, you can steal customers from quite a chunk of your niche market. The biggest problem is that you are doomed to fail because you simply won't be able to realize the profits.

Low price is not always the main driving force behind a customer's decision to buy. Customers tend to want to spend their money on a product with the highest value and the lowest risk. This means that you need to

convince them that spending a little more money on your product is the better choice because there is less risk and more value to them.

Add Your Value Outside of the Price

Think in terms of providing information that complements your chosen products. A true entrepreneur will solve problems, selling products at premium prices at the same time. Make sure you offer guidance and knowledgeable advice within your specific niche. One highly effective way to add value to your products outside the price is through your customer service. If you are able to answer all your customer's questions without them having to contact you, and are able to respond quickly to any emails, it is going to make your web store stand out above the others.

Adding Value

This isn't always easy and this will work better for some niches than it will others. Look for key characteristics that will make it easy to add value with content, especially in niches that:

Have Several Components

If a product is made up of several different components, potential customers are more likely to look for information on the internet. For example, if you buy a new chair for your office, it's a simple purchase. If, on the other hand you were to buy a complete home surveillance security system, you would want to know how each part of the system works and how it all works together.

The more components and the more variety that can be offered in these components, the better the opportunity to build up your value by offering information and education on the products.

If the product you are offering falls into this category, and is also not a product line that changes every year, you have a great opportunity to build up an informative site that will help your customers understand why they should buy from you. It will also help them build trust with you since you will be providing answers to all of their questions about the product without them having to spend their time talking to someone over the phone or going into a store to speak to someone.

Are Confusing or Customizable

This goes on the same vein as above – if a product is customizable or the choice is confusing, your value come in being able to offer guidance and education on what to use where, how to use a specific product and how to customize it.

Again, if this product is from a line that isn't constantly changing, you can easily create an informative site. If the customizations are constantly changing, it may make it more difficult to build up an information hub, but depending on the product it is by no means impossible, especially if the main component of the product remains the same, since it's the information on the main component that is going to be more important than the customizations.

Require Installation or Setup

This is perhaps one of the easiest to choose – products that need to be installed or set up technically, especially if they are not easy ones. Go back to the home security system – let's say that you were choosing one and one website offered a system with a 2 page set up document and the other offered a detailed guide that ran to several pages, including troubleshooting. Which one would you buy? Offering up the most information and guidance is the best way to gain customers.

How to Add value

Adding value to your product is fairly simple and can be accomplished in several ways:

- Creating detailed buyer guides
- Creating detailed listings and product descriptions
- Creating installation guides and setup information
- Creating detailed videos showing how a particular product works
- Creating a guide or system for product compatibility

Picking the Best Customers

Even once you have established your target market or customer pool, it is important to know that there are many different demographic types within it. You want to be aware of what demographic is going to be interested in your product and how to best appeal to the demographic you want to target.

You can't lump all customers under the same umbrella – you might find that a customer who buys a small, cheaper priced item will expect you to go to the moon and back for them while a customer who purchases something more expensive will probably ask for nothing more from you than the item they are purchasing.

It is important that you target the correct demographic for your products and the following three types of customer tend to be the best ones to make your business worth running:

- **Hobbyists**

Many people have hobbies that they absolutely love doing and some will spend vast amounts of money on equipment, tools, and training. Some serious cyclists own bicycles that cost more than a small car while a keen

fisherman will spend a mind-boggling amount of money on equipment. Targeting the right hobbyist niche and being able to serve them with what they need will give you a real leg-up in business.

- **Businesses**

Business customers on the whole are a little more price-sensitive than Joe Blows on the street but they will order in much bigger quantities. Establishing a good rapport and relationship with these businesses and earning their trust will allow you to build up a long-term business that sells in much higher volumes than individual customers will buy. Your best bet is to pick a product that will apply to both businesses and to individuals.

- **Repeat Buyers**

If you can get customers who repeat order, then you are on to a good thing because you have a recurring stream of income. Selling disposable products or those that need to be frequently re-ordered allows you to rapidly grow your business and build up something that all businesses need – a loyal customer base that comes back to you time and time again

All of these types of customers can be good to have and none is really better than another. The biggest reason it is important to know where your customer fits in is so you can ensure you are able to respond to their needs in the most effective manner.

Other Considerations

There are a few other considerations you must take into account when you are choosing a product to sell:

- **Price**

You must consider your price point in relation to how the pre-sales service you provide to your customers. Most people will happily place an order

online for \$200 without the need to talk to someone on the phone first, however, if you are selling an item that costs \$1,000, your customers might not be so eager. Most will want to talk to someone about the product first, and not to just about the item but also to make sure they are dealing with a genuine store.

If you are planning on selling a high-priced product you need to make sure that you are able to offer good phone support and that means you and your staff need to be knowledgeable about your product. You also need to make sure that your profit margin is sufficient to justify that level of support. Most often, the sweet spot for product prices falls between \$50 and \$200.

- **MAP Pricing**

There are manufacturers who set a MAP (minimum advertised price) for their particular products and they will require all sellers to sell at or above a certain level. This stops price wars, which is a common problem with dropshipping, and also means that you can realize a good profit margin.

Look for manufacturers that enforce MAP pricing and your business will gain profits immensely. With all competitors selling at the same price, it will all come down to how strong and convincing your website and sales pitch is and you won't need to worry about being knocked out of the market by cheaper prices.

- **Marketing Potential**

The marketing potential of your business is the entire size of the market for your product. You want to make sure you are going to be able to get the word out about your web store to as many people within the market as possible and to do this you need to have an effective plan. A good plan will include advertising, often through free platforms.

The day you launch your new business is too late for thinking about marketing – this has to be thought about well in advance. Website promotion is the only way you will bring in new customers so set up social media pages, write articles, set up a blog and get involved in forums that are in your niche.

- **Plenty of Accessories**

Accessories are something that can be added to your product to make it more versatile, useful, or attractive. It can also be used to personalize a common product and make it more individual. If the product you choose to sell comes along with the option of accessories, it is a good idea to include as many of them as possible in your web store. Customers like to be able to make their products their own and express their individuality.

As a general retail rule of thumb, the margins on high priced items are lower than those on the lower-priced accessories that go with it. Take the humble smartphone for example; most people will shop around for the best price but when it comes to the case that goes with it, they are less likely to do that. Instead, they will buy it from the place they buy their phone. Being able to offer compatible accessories for big-ticket items will bring customers flocking in. This is especially true when you are able to find accessories that most other retailers aren't offering. This is a situation when using more than one supplier for your web store can prove to be exceptionally beneficial.

- **Low Turnover**

By now, you should know that, if you can provide information, guides, and education with your products, you are more likely to make a sale. Yet, if your chosen product is of a type that changes every year, like the smartphone, the work involved in keeping your site maintained is going to

be huge. Stick to products that don't get updated on a regular basis and keep your website going for much longer.

- **Hard to Find**

Don't be too specific here –if you can sell a product that can't be found too easily locally, you stand a better chance of reaping the rewards. If a person wanted to buy a new hoe or garden fork, they would just go down to their nearest hardware store. However, selling something a bit more specific, like falcon training equipment, for example, will bring in a certain number of customers.

- **Small is the New Large**

Most people expect free shipping these days but if you opt to sell large expensive items, you will either lose money when you have to pay the shipping or you will lose customers because they won't pay the shipping. Keeping your products small will make it easier for you to ship out free or cheap.

Picking the right niche is not easy and you need to take lots of different things into consideration first. These are the main guidelines that you need to think about when you come to picking your product

When it comes to choosing the product you want to sell in your web store, the options are endless and it can be overwhelming to begin narrowing down the options in order to find the product that is going to give you the optimal sales and profit. By putting some thought and research into the product you want to sell, you are going to ensure that you are choosing a product that is going to appeal to the customers who are in the target market you are striving to reach. Knowing the potential competition of a product will tell you if there is room in the market for you and how you can squeeze yourself in effectively.

Finding a valuable product will take some time and work. It will also take some work to find the accessories and add-ons that will best complement it. However, once you find these things, you are going to be able to put together an interesting ecommerce site and begin to turn a profit.

Once you have found your spot in the market and made a final decision on your product, the next thing you are going to have to do is find a supplier that you can rely on to have the product you need in stock and ship it out to your customers in a timely manner.

Chapter 6 – Choosing the Right Supplier

Choosing a supplier for your dropshipping business can be tricky but it may help you to know that there are a number of suppliers that have been doing this for many years. Some dominate large sectors for the market and these can be the very best way to get started in your new business because the products you sell are already recognized and have earned market respect. You may have to trade off with your profit margins or operate within restricted methods and you do need to be diligent about reading each company's terms and conditions but each of these will open a doorway through which you can start up a long-term lucrative business.

Not all dropshippers are created equally, and you want to make sure you are choosing the right supplier to ensure your business is successful. There are some things that are important for your supplier to have, and other things that are less important but will provide a greater convenience.

Some of the things that you are going to look for in a supplier include:

- Does the supplier have knowledgeable representatives;
- Does the supplier dedicate a specific person dedicated to your account with them;
- Are they invested in being technologically advanced;
- How do you submit your orders;
- Where are they located;
- Are they an organized company;
- How quickly do they ship their orders;
- How do they keep you in the loop on back orders and out of stock items;
- How quickly will they get the tracking info and order number to you;
- What payment methods do they accept; and

- What sort of fees do they charge?

When you begin looking for a supplier, it can seem difficult to find the legitimate companies and separate them from the illegitimate. There are some tricks to finding a good dropshipping supplier.

One important to keep in mind as you begin to contact suppliers is that even if they aren't the right fit for you, they could very well be the key to finding the right supplier. Always make sure to ask any supplier you contact if they may be able to point you in the right direction to contact a supplier who fits your business. Since they are in the industry, they likely have contacts that may benefit you and are usually willing to share the information.

Another way you can increase your odds of finding a good supplier to work with is to look to social media. Sometimes, you can find a lead through a family member, friend, or acquaintance who may be in the industry or know someone who is in the industry. Any lead, even if it leads to a dead end, is a good lead.

Most Commonly Used Suppliers

There are many choices in suppliers that you can work with. Keeping in mind that we want to find a supplier who is organized, has the technology to back them, and is dedicated to what they are doing, you are likely going to want to start out with a supplier that has already made a name for themselves and the products they sell as opposed to a supplier and product that aren't as well known to the general public.

Here are four of the best options:

- **Shopify**

Shopify is one of the biggest ecommerce sites on the internet today and has parts of its website dedicated only to dropshipping. Shopify gives you the

option of setting up an account and a dropshipping store and they will also help you to create a good domain name and hosting, all of which means you can be up and running in less than 30 minutes. Then you can choose your suppliers – Amazon and eBay are two of the most popular suppliers that you can link to through Shopify, allowing you to promote their products on your website.

Shopify provides an ecommerce module that is unique to them and they also offer a wide range of options for payment. This means that you can pass those options onto your customers – the wider the range of payment options, the more chance you have of bringing in customers. Shopify has been established for a long time and provides a full package, enabling you to get your business up and running easily and quickly.

Getting started is easy – just go to their website and choose from free or paid hosting – you can upgrade later on if you want to start with the free one. You will then be given full instructions on how to create your website and get started. Alternatively, you can use products from their site on your own website if it is hosted somewhere else. This lets you take the funds from your customers easily and it covers all the legal requirements that cover storage of data and personal information.

Shopify is one of the preferred options for Amazon merchants, is one of the easiest to use, and functions extremely well. It can be almost completely customized to suit you and to enable you to create a highly unique store.

To sum it up, Shopify allows you to customize to your needs, keeping you from looking the exact same as all the other online stores out there. It is a good platform to build your business on since they have done most of the work and research for you. Using either Amazon or eBay as your dropshipper for your business is a safe bet since they have both been around

for a long time and have already built up a names and reputations for themselves.

- **Private Label**

When you start your business, you should be focusing on building up a brand, one that is recognized and respected and a private label helps both you and the wholesaler or supplier you choose. The very first step in your business is sourcing the products that you want to sell, products that do not easily break and will provide buyer satisfaction.

The second step and the most important, is to get your name known, to existing customers and potential ones. The more people know your name the better your sales levels are likely to be. You can help this along by choosing manufacturers or suppliers that will send your products through Private Label. This works by allowing the customer to place their order with you, you then send it to the supplier and they dispatch the product directly to the customer.

In most cases, the return name and address will be that of your supplier but, with Private Label, it will be yours. This means that the customer will believe that the product has come from your and they will then contact you if they have any issues or questions. This allows you to build up your business name but it does rely on you using reputable suppliers and you offer a top level of customer service.

The suppliers are generally very happy to use Private Label selling because it means they do not need to be involved in any customer issues.

To summarize, a private label makes sense when you are trying to get your name out and build up your business without piggybacking on either the success of Amazon or eBay. Finding a supplier will take a little more work, since you have to do the work yourself and want to ensure you are working

with the best supplier, but often you can make a higher profit since you are taking responsibility for the customer service and are in a position to negotiate on the prices your supplier is offering.

- **Amazon FBA**

Amazon is a huge household name and FBA is their solution for anyone who's building up a business or running one that is already established. It gives you the opportunity to use Amazon's excellent reputation as a backdrop for your business without having to pay for it.

Unfortunately, this is not a service that is truly designed for dropshippers because you need to be able to send physical products to an Amazon fulfillment center – when an order come in Amazon then fulfills the order for you, using their delivery options. However, you do not need to pay out for storage space for any inventory as Amazon will store it all for you, as well as dealing with the packaging and shipping – they do charge a small fee for this.

To summarize, Amazon FBA is not the first choice for a business using dropshipping. However, it could be a good choice if you have found a good wholesale supplier who doesn't dropship but is offering a good price on the product. If you want to take advantage of those prices without having to invest in a warehouse and staff to do your shipping for you, then this could be a viable option for your business.

- **Retail Arbitrage**

This is another method that is not entirely dropshipping. Retail arbitrage is all about finding good products at the right price that you can resell for a profit. This means you need capital and you need to be affiliated with a good delivery company. This is an excellent option for use with Amazon

FBA, saving you both time and space. The trick is in finding the right products at the right price and you can use dropshipping wholesalers.

Choose the right products very carefully and never be afraid to start small. Dropshipping can work very well in connection with retail arbitrage and you could see the big bucks come rolling in.

Building Your Supply Chain

Unlike a traditional business, dropshipping does not require you to develop and maintain a supply chain. However, it does require you to nurture your vendors and suppliers. Your supplier is the one who is responsible for setting the prices, payment terms, shipping dates, and even deciding if an item is available at all. Having a good relationship with your supplier is a good way to get favorable prices, generous terms, and improved availability.

There are a few things you can do to improve the relationship you have with your supplier:

- Pay on time to build trust and become a respected customer;
- Set clear and achievable goals if they ask for an estimate on the products you expect to sell in a given time;
- Know that they have other customers and don't belong solely to you;
- Learn what they need from you when you place orders to expedite the process;
- Don't blame the representative when there is a mistake, instead, work with them to find a solution;
- Make friends with your representative, knowing someone on a personal level tends to make them more willing to help you out; and
- Train them to know what you need, such as new product images and notifications on product changes, out of stock products, and discontinued

products.

Finding the Right Suppliers and Working with Them

Before you start your search for the right suppliers one very important thing you must do is learn how to tell the difference between a real wholesale supplier and a retail store that acts as one. A real wholesaler buys their stock from the manufacturer and offers much better pricing than a retailer can.

How to Spot a Fake Dropshipping Wholesaler

In your search for a wholesaler, you will most likely come across a number of fake ones. Sadly, many of the real wholesalers are not too good at marketing and, as such, can be much harder to find. This means that the fake one will show up in your searches more than the real ones. Use the following tactics to determine whether a wholesaler is real or not:

- **Ongoing Fees**

A real wholesaler will not charge you a monthly fee for ordering from them. If you are asked for a recurring service or membership fee, it is most likely a fake wholesaler.

* Do be sure that you are not looking at a supplier directory. These are directories that contain lists of wholesalers, organized by market or product type and screened to be sure they are legitimate. These will charge fees for accessing the information, either a one-off or a monthly fee.

- **Selling to the Public**

If you want real wholesaler prices you have to apply for a wholesale account and that means you have to prove that you are running a real business and have to wait for approval before you can place an order. If

your “wholesaler” is offering wholesale prices to the general public, they are not real; they are retailers that offer products at highly inflated prices

You will come across legitimate wholesale fees, including:

- **Per-Order**

Some legitimate dropshippers charge a dropshipping fee per order, ranging from \$2 to \$5 or more. This will depend on the complexity and size of the order. This is an industry standard as packing and shipping individual orders is more expensive than shipping bulk orders.

- **Minimum Order Size**

Some wholesalers will have a minimum amount for an initial order – this is the absolute lowest amount that you must buy on your first order. This is to sort out the window-shoppers from the genuine buyers. For dropshippers, this can cause no end of complications – let’s say the wholesaler has a minimum \$500 first order and your orders are only averaging around \$150. There is little point in spending \$500 on one product just so you can open your dropshipping account so what do you do? The best thing is to explain the situation to the wholesaler and offer to pre-pay \$500 up front as a line of credit against orders. This lets you meet the minimum required amount and you won’t need to place a large order.

Finding a wholesale Supplier

Now you know how to tell a fake from a real wholesaler you can start your search for the right supplier. There are many different strategies and you will need to choose which ones work best for you:

- **Contact the Manufacturer**

This is by far the easiest way to find a genuine wholesaler. If you know which product you want to see, just call the manufacturer up and ask if they

stock it. Then ask for a list of wholesale distributors. Then, you can settle down and ring each one to see if they allow dropshipping and how you go about setting up an account with them.

- **Use Google to Search**

This might seem like a pretty obvious way but do keep a few things in mind:

- Wholesalers are not good at marketing so your search must be extensive. You may have to wade through hundreds of results before you find what you are looking for. More often than not, you aren't going to be able to find any legitimate results to your search until after you have gone through the first ten or so pages of the search results.
- They also don't have very up to date websites so don't judge them – a poorly designed out of date website doesn't necessarily mean that they can't provide you with a quality service
- You will need to use modifiers in your search terms because wholesalers don't tend to use SEO extensively. Don't just search for wholesalers, add in “reseller”, “distributor”, “warehouse”, “bulk” and “supplier”.

Be prepared to spend time on this and don't just jump at the first result or two in the search.

- **Place Your Order with the Competition**

If you are finding it hard to locate the right supplier, order from the competition. Find a supplier that looks like it dropships, and place a small order with them. When you get the package, check the return address out on Google and you will find out the identity of the original shipper. Then contact them directly.

Before You Contact the Suppliers

You have your list of suppliers and are ready to start. Before you do, you need to have everything in order:

- You must be legal and you must be able to provide proof that you are running a legitimate business. Many wholesalers will only tell approved customers what their real pricing is to make sure your business is legally set up first.
- Understand how you appear to a wholesaler is important. They are constantly contacted by those who claim to have the next great idea and business plan and are bombarded with questions before disappearing off the face of the earth. Because of this, many suppliers will not be too keen on helping you. Don't tie up their staff by asking loads of questions or asking for discounts before you make a sale; all you will get is a bad reputation and they won't want to deal with you.
- Pick up the phone and call the supplier. Not everything can be dealt with by email and most suppliers are more than happy to help you – provided you are presenting a definitive business plan and can convince them that you are genuine.

How to Find a Good Supplier

Like just about everything, every supplier is different, especially when it comes to dropshipping. The best suppliers will demonstrate some or all of these six attributes:

1. Industry Focus and Expert Staff

The best suppliers will employ sales representatives who are knowledgeable, who know the industry well and the products being sold. You need to be able to call up a rep who knows what they are talking about.

2. Dedicated Support Staff

Top quality dropshipper suppliers will assign a sales representative to you; the representative will be responsible for looking after you and helping you with any issues or questions you may have. If you don't get a dedicated rep, you will find issues take a lot longer to resolve and you will have to keep on calling to get your answers. Having a dedicated representative that is the only one you are working with will also make it easier for you to build a more personal relationship with the rep which will also benefit you.

3. Fully Invested in Technology

There are lots of good suppliers that have poor outdated websites but a truly good supplier will understand the benefits of technology and will invest in it. They will provide you with features like real-time inventory tracking, an online catalogue that is comprehensive, data fees that are customizable, and an online history for orders.

4. Use Email for Orders

This might not sound like anything too important but having to ring in every order can be time consuming, as can having to place it on the website. Using email to accept orders significantly speeds up the process.

5. Located Centrally

If you live in a big country, like the USA, it is better for you to use a dropshipper that is located fairly centrally. This means that most of your orders can be delivered to your customers within a couple of business days. If your supplier is located on a coast, it can take a week or more for the orders to make their way across the country and can cost more on shipping fees.

6. Properly Organized and Efficient

You will come across suppliers that employ highly efficient staff and have good systems that give you a service that is mostly free of errors. Others

will mess up every other order. The biggest problem is that you can't determine their competency without using them so, cumbersome though it may be, it is best to place a small test order with each of your chosen suppliers. This will tell you something of how they operate and you can find out:

- How the order process is handled by each company
- How quickly they ship out the order
- How quickly they provide you with tracking information and invoices
- The package quality when the order arrives

Payment Options

Most suppliers will take payments in one of these two ways:

- **Credit Cards**

When you are beginning your journey with a supplier, they will most likely require you to use a major credit card to pay for the order. When your business is established, you will often find that this remains the best option.

- **Net Terms**

Another common method is through net terms on invoice. This means that you will have a set number of days to pay your supplier. Net 30 terms means you have 30 days to pay for those purchased goods.

Before they allow you to use this, most suppliers will want credit references because, in essence, they are loaning you money. This is common so don't be put off if you are asked for any references.

Making sure you working with the right supplier is an integral part of your business. The wrong supplier can severely hinder your growth as a

company and can dictate whether you are successful or not. Since you never see the product, you are trusting your supplier to ensure the product is correct and gets to your customer the way it was ordered. The last thing you want to do is end up with a fake supplier, or a supplier that isn't going to follow through with the orders you send to them. This is going to leave you with less money and with a bad reputation among your customers. If you ensure that you are cautious with your selection of supplier and don't sign on with the first one you come across, you are less likely to choose a fake supplier, and you are going to set yourself up for success.

Now that you know how to find a good supplier, as well as how to identify and avoid a fake supplier, you are ready to embark on the journey of finding the supplier that is going to fit with you and your business plan. Once you have found a supplier who is going to do your dropshipping for you, you are going to be able to begin taking orders from your customers.

Chapter 7 – The Risks and Pitfalls of

Dropshipping

Approximately 50% of all startup businesses are destined to fail within the first 12 months of trading but there are ways that you can avoid becoming one of those statistics. There are many things that can be done in order to ensure you don't become another business that tried and failed. If you can identify the things that cause most businesses to fail, you will be able to avoid falling into any of those traps and be more likely to succeed.

The first way to avoid failure is through careful planning. You will go through some tough times and it certainly won't be plain sailing – this happens with established businesses as well as new ones. No matter how long you are in business, you are likely going to be constantly dealing with one problem or another; the first year is good practice for the rest of the time you are going to be in business. Having a good plan in place and approaching it from the right direction will certainly help you to find the right path through the troubles. If you do this right, your business will emerge as a strong front runner, better than you could ever have imagined. In order to be able to establish a plan that is going to work effectively and keep you in business, you need to be aware of the problems most start-up companies face that end up leaving them in a long list of unsuccessful companies. You also need to figure out how you can avoid failing at the same things suffered by countless other businesses.

Before you begin your dropshipping business you must be fully aware of the risks that are involved:

- **Supplier Reliance**

No matter how well you follow all the guides, all the instructions and source your products through several different suppliers, you are still reliant on those suppliers. They are the ones who have the stock and they are the ones who send it out to your customers within the timescale that you agree with your customers. Once your order has been passed on to the supplier, it is very much out of your hands and there is not much you can do to control how things go from there on.

Most of the time, everything will run smoothly but when it does go wrong, you are the one who is faced with an irritated customer; a customer who can do some serious damage to your reputation. It is imperative that you have a plan in place to be able to deal with irate customers on the rare occasion that your supplier runs into an issue and is unable to meet the standard expected by your customers. By already having a plan in place to compensate a dissatisfied customer, you are going to ensure you satisfy your customer before they have a chance to spread any negative reviews about your company, and instead, the customer will shift their focus to the good customer service they received. Don't plan on simply blaming the supplier. Most customers will not accept this as a good excuse for error. It is you they are trusting to make sure they receive their paid-for product. Blaming your supplier will sound like a cop out and make you untrustworthy. The best thing to do is apologize for the error and offer a way to fix it.

- **Using Many Sources**

It is vital that you have contracts with a number of suppliers to make sure that you can source your products when you need them. However, you shouldn't fall into the trap of listing every item from each different supplier on your website. If you do this, you run the risk of a customer ordering

several items, each from a different supplier, and that makes things difficult and costly.

One option is to have a different website for each different supplier and, when you do start out, try to stick with just one supplier to begin with – setting up a website does incur costs and you want to keep these down until you are established. It is possible to have more than one supplier on a single site, and allow your customers to order from either of them. However, this means that you have to be aware of the levels of stock and you will have to manually order and redirect and absorb the additional costs so that your orders can be fulfilled. A good way around this is to limit the additional listings of stock to accessories of the main product that aren't going to cost you a lot of extra money in shipping. Also, try to limit it to products that you are going to make enough money off of to cover the shipping. If you want to have more than one supplier right from the beginning, another option is to try to use suppliers that sell the same products, so you are able to use one as a backup if and when necessary. One reason you may need a backup supplier is if the product is incredibly popular and often runs out of stock.

- **Order Tracking**

You are completely reliant on your supplier to ship your orders, and you will find it difficult, if not impossible, to keep track of the product while it is being delivered by your supplier. This could cause complications because your business won't look professional and your customer can't track their order. In fact, there is every likelihood of your customers questioning the entire order because order tracking is now a normal part of every transaction. This kind of issue can cause even more problems when it is a busy time of year, such as Christmas, because this is when more parcels go missing than would normally happen.

There are a couple of different ways you can address this problem. One option is to do all of the shipping to customers on your own account. This means that the supplier would be responsible for packaging the item and contacting the shipping company you have an account with to have the product shipped to your customer. This would enable you to be able to access the tracking on every order you process and ship. While there are advantages to this, it is a time consuming process that can seem to defeat the purpose of using dropshipping to run your business.

In recent years, things have moved forward a little and there are now electronic software packages that can be used to transfer delivery information between the couriers and the suppliers. When you contact a supplier prior to signing up, ask if they have a system in place to track orders. If there is a system in place to track the orders, it will make the process of shipping to your customers much easier. If there isn't a system in place to track the orders, ask if this is something the supplier plans on implementing in the near future.

Differences in Products

When you are building up your new business you are more likely to be focused on adding on new products and building up your contacts, as well as working on your social media profile. It may not occur to you that the products you have added on to your website may have changed or even been discontinued by the supplier or manufacturer. While it is important to focus on growing your contacts, it is also important to make sure that your product offering is current and available to your customers.

If you end up selling a product to your customer that you cannot provide, you are going to have to go back to your customer and explain why they are not going to be able to have the product they thought was available. This

can leave you looking like a bit of an idiot and very embarrassed, and it can cause considerable damage to your reputation when customers receive items that are different or they don't receive their order at all. The new version of a product may be better but it could also be more expensive and a lack of focus means that the extra cost is down to you to bear, not your customer. It also may not do something that the customer wanted it for in the first place. Spending a little bit of time making sure your offerings are all current is worth saving yourself a dissatisfied customer, not to mention the money you may lose due to the error.

It is very easy to miss a piece of information like this and it can have serious consequences for your business. When you choose a supplier, make sure that you choose one who offers regular updates on their products, especially if they are changed or discontinued. If they inform you, you are likely to do something about it on your website. Having them notify you of product changes will also save you the time of having to check into each product on a regular basis. If you aren't able to find a supplier who is able to provide updates on their products, consider keeping your product offering small so you will have the time to check in on the products on a regular basis, or choosing a different product line to sell.

- **Failing to Plan Properly or Not at All**

It should be common sense that the best way to build up a successful business involves very careful planning. The more detail your plan has and the better thought out it is, the easier you will find it to deal with situations and issues that arise. However, there are two main issues connected to planning that can put your business at a very serious risk of failing:

- A failure to plan means that you cannot possibly begin to understand what issues you might come up against, which obstacles

might block your way or even knowing the best way to start. This doesn't mean instant failure; it just means that success will be much harder to come by.

- Over planning is as bad as not planning at all. One side of the coin says that you will spend so long planning that you won't find the time to trade. You will be so focused on trying to plan for every eventuality that the actual business never gets going. You can't do this and your business will fail simply because it hasn't even begun. The other side of the coin says that you will make your plan and you will start the business but you adhere so tightly to the plan that, when something happens that wasn't planned for, you don't now ow to deal with it. This means flexibility goes out of the window and sales are lost.

As well as the risks to dropshipping, there are some pretty serious pitfalls that can throw your business completely off track just at the moment you feel like things are going well. Most, if not all, of these can be avoided if you include them in your plan and are prepared:

- **Competition**

The low costs involved in starting a dropshipping business makes it an easy choice for entrepreneurs. However, it is for this particular reason that many people attempt to start their own dropship businesses and competition is harsh. In some niches, the market will become saturated to the point that you can barely make a profit. While it is important to keep your prices down to attract customers, you don't need to have the absolute lowest price on the market.

The best way to get round this is to build up your reputation and be known for providing more than just a product. You want customers to know that you offer top quality customer service and sales aftercare, as well as being knowledgeable about the products that you sell. You could also consider

offering a good shipping package which will help your customers to get their orders delivered quicker or receive a free gift which will tempt them to return to you.

Another great way to get an edge over a competitor is a good return policy. Price is not the driving force behind a customer choosing a business. Customers want a company they can trust and rely on to always provide the best of everything to them. Customers always want to ensure that you are going to protect them if they somehow end up with a subpar product or a product that isn't what they were expecting. Even if you are charging a little more than your competitors, customers will pay it if they feel your business is legitimately better than your competitors.

- **Logistics**

In order to make a good living and run a successful business with dropshipping, it is important to have a number of websites running, many different suppliers and lots of different products. However, to do all of this, you must have good logistical support. You have to make sure that all your orders are processed on time by your system so that your suppliers can do their job in time.

The best way to accomplish this is to automate all your systems. A good system will make sure that your customers' orders are being sent to the right supplier. With the way technology has progressed, a good program will be able to track the product for you and notify you if something has gone awry with an order. Knowing that there is a problem before your customer does will allow you to approach your customer with a solution instead of your customer coming to you with a problem you weren't anticipating.

Failing to do this will mean orders get missed or wrong information is given to the supplier, meaning the customer gets the wrong product. The logistics that are involved in tracking orders and processing them, especially when you have a number of orders from different locations and for different suppliers, can very easily become complicated and can end up taking a great deal of time to sort out. This stops you from being able to push the business onwards and improving your reputation and your profits.

Don't assume you can manage running multiple web stores without some sort of automated system. The only thing you will accomplish by trying to run multiple stores manually is to stress yourself out and likely end up without any businesses due to mix ups and confusion.

- **Too Much Time on Social Media**

In the same way that you can spend way too much time on the logistics side of your business, you can also spend way too much time on your social media profiles. This can be so easy to do because, much of the time, you will be talking to people. Being available on social media to answer your customer's questions is great and will encourage more people to order from you. However, this can easily go beyond the point where it stops benefitting your business and starts impeding it.

It may seem like an absurd idea that too much time interacting with your customers could create issues with your business, but it does happen. This is because if you are devoting all of your time to responding to social media, you aren't going to be spending enough time on the rest of your business. Some of the business aspect that also need your time include making sure customer orders are making it to the supplier and the products you have on your site are all current. If this is your problem, then you need to cut back and start spending time on the areas of your business that need it

and in dealing with more important issues. Have a schedule and stick to it as rigidly as possible.

- **A Means to an End**

So many people start a dropshipping business and see it as the only thing; their plans do not include moving on from the original business. In reality, dropshipping is an excellent way of starting a business with low overhead and low risk but, as it grows, it should be just a part of a more long-term plan that involves both dropshipping and holding onto your own stock.

If you stick only to dropshipping over the long term, you are forever reliant on your suppliers and the market and, if things change, you don't really have the room to change with it. What happens if your supplier goes out of business? To get to a point where you have a good level of control over your business with less risk of losing it all in an instant, you must plan for your dropshipping business to be just a part of a wider business.

- **Product Descriptions**

There are two things that many dropshippers fall foul of – the first is to copy a product description directly from the supplier or manufacturers copy and the second is to stick to short descriptions so that you can get more products listed on the website. First, long descriptions that have been copied, word for word, from the supplier or manufacturer will get you nowhere fast as the search engines will lower your ratings significantly. To optimize your search engine ratings, you want to make sure that everything you post to your site is free from plagiarism and is unique to your site. If you are not skilled in writing, there are options to ask or hire others to do the writing aspect of your business for you. You may even find that your customer will just go to your supplier, leaving you out of the loop.

Second, short descriptions won't give your customers enough information to base their decisions to buy on. Instead, use the manufacturer's description as a guide and rewrite the description. Be sure to keep it as detailed as possible. If you can, get a sample of the product, or purchase one for yourself, so you can ensure that everything in the description is accurate and doesn't leave the customer with any questions. Another thing to keep in mind while you are writing your product descriptions is to keep them readable. Bullets and line spacing are your friends, if all of the text is compacted into one paragraph, it is going to be hard for the customer to read.

Put yourself in the shoes of your customers and decide what you would want to see if you were thinking about buying one of your products. Include the information in your descriptions, using your own words, and increase how effective your description is.

- **Check out a Dropshipper**

Before you sign on the dotted line for any supplier to handle your orders and deliver your parcels, make sure you check them out properly. Confirm how long they have been trading, whether they are reputable or not, and read independent user reviews. Ensure that the supplier you are using is authorized by the manufacturer to resell their product, and that they aren't going to be sending out a knockoff version of the product to your customers.

Another thing you are going to want to do is make sure that they are actually suppliers and not dropshippers. If you were to place your orders through another dropshipper, the logistics would become a complete nightmare. As well as having no control over the pricing of your products, you won't actually be able to compete in terms of the price you offer your

customers. All you would really be doing is adding an additional cost to the product, and your customers will likely end up bypassing your company altogether since the product would be cheaper elsewhere. A good way to make sure you aren't using another dropshipping company is to ask about a physical address or a web address. If it brings you to a store that looks like yours, it's not a supplier.

Take your time and order some test products first. This will tell you what their customer service is like and what speed they work at. This is perhaps the most important part of the process and you cannot rush it. It cannot be stressed enough that the supplier you choose to dropship products to your customer is an essential part of your business and you need to ensure you are choosing someone who is going to give your business a boost and not create additional problems for you.

- **Stock Levels and Back Order Systems**

No matter which suppliers you choose to work with, they must have a stock system that you can connect to ensure levels and availability. This will make sure that your website is always up to date and stock levels and availability are always right. This means you won't have to tell your customers that they will have to wait for their item because it isn't in stock. On the same level, the last thing you want to do is start placing orders on back order. There are only really two options when it comes to a backordered item, and neither of them are great for you or your customer.

One choice is that you can keep the customer's money, and notify them that you will have the item to them when it becomes in stock. This is risky because there are laws that prevent you from keeping the customer's money beyond a certain amount of time. If that time runs up at about the same time the product becomes in stock, you could refund the cost of a product that

your customer then receives. Another option is to return the customer's money and notify them when the item is back in stock and hope they still want it.

Not only do you risk the loss of the sale, the logistics involved are a nightmare and you will struggle to deal with it. The result may well be the loss of a customer as they wait for an order that you have no control over and may well have forgotten about. This is the easiest way to damage your reputation, not something you want to do. This is why keeping your product listings current is very important.

Running an online store that uses dropshipping definitely is not without its risks and challenges. Being prepared for the challenges of working as a middle man between the customer and the supplier is absolutely essential to your success.

In order to be prepared it is important to identify all of the things that can potentially cause you to lose money and customers, ultimately shutting down your business. Some of these things, such as products being out of stock, knockoffs, and shipments getting lost are obvious. Some others, such as spending too much time on social media and not spending enough time on your product descriptions, are less obvious but still just as important to the success of your business.

Ensure that you are checking out the supplier and keep the lines of communication open with them and don't be afraid to ask them questions. Essentially they want you to choose them, and they should be willing to answer any question you have to convince you to choose them over any other supplier.

Once you have identified all of the potential downfalls and risks that may affect your business, you are going to be able to make a plan to avoid them

before they become a debilitating problem.

Conclusion

While dropshipping can give you the perfect opportunity to start up a business, especially if you have little in the way of finances and experience, it should not be seen as a get rich quick scheme. To be successful you have to approach it like you would any business opportunity – with professionalism. You must have a solid plan and you must definitely decide on achievable goals. Often, if you have one main goal, it can be helpful to split it into a series of smaller ones, goals that you can achieve on a weekly or monthly basis. This is vital if you are to see whether the business is going to be a success or not. Alternatively, if you find that you are not reaching the place you want to be in you can revise your position and all your options in comparison with your plan and how the business is progressing. You can also make changes to your plan as and when necessary.

Dropshipping is perhaps one of the most competitive of all the business models and it can be very hard to pick on the right niche and the right products without coming up against stiff competition from businesses that are already well-established. If you find yourself in this position but do not want to make changes to your niche or product lines, you need to consider the best way to approach this. There may be things that you are able to offer that your leading competitors can't provide to customers.

You can learn a lot from your competitor by looking at the sites it is active on, where it gets the most result from and what tactics it uses in terms of marketing. Study your competition hard and learn what they do right and what they do wrong – this will tell you how you can offer more or something different to what they do, something that gives your customers

value. If a person believes that they are getting more value from you, they will make their purchase from you, and in this way you can actually poach customers quite easily.

Dropshipping can offer a great way to start up a business at a low cost but it can come at a price – lower profit margins. If you are looking to be successful with just a dropshipping business, you will need to have a very large number of buying customers or a large line of products with customers buying each product. You can use social media to generate interest and you can use it, as well as their marketing method, to promote your products. Traditional marketing also works very well with a dropshipping business.

With this book, I have tried to help you gain a better understanding of dropshipping and what it involves; how anyone can start a dropshipping business. The real key to success lies in how you deal with people and the level of customer service you offer. This is what will set you apart from all the others in your niche.

One important thing you must note is to be aware of fake suppliers and scams. New entrants to the dropshipping business can easily fall prey to scammers and will soon and often lose money if they don't do the right research. If a dropshipping supplier asks for money up front or on a monthly basis, walk away as they are most likely fake and after nothing more than your money.

For every real business out there, there will be several scammers but, as you should know by now, the actual costs of starting up your business are low. All you pay for are the costs of setting up your website and hosting it. All of your stock is paid for when it is ordered, not before, and that is when the customer places an order with you.

The very best way to ensure that your dropshipping business is successful is to maintain open lines of communication, keep in contact with your customers and build up good relationships. They have to trust you if they are to come back and if they are to tell others about you. Make sure that your contact with your customers reminds them of what you can do for them, what you can offer in terms of value, as this will make sure that your name stays firmly in their minds.

You must also maintain communication with your suppliers – if you have a good relationship with them, you will find it easier to deal with any issues, such as missing or incorrect orders. You may also be given access to special price promotions, good discounts, or be given first call on stock when supply is limited.

I would like to thank you for downloading my book. I hope that it has given you the inspiration you need to see that you can start a business with little money and you can become a successful dropshipper. In spite of the stiff competition you will face, there are still profitable niches available to you and there are still products that will give you a good return. Be sure to study your niche well and know your market. While dropshipping doesn't open you up to many of the risks of traditional ecommerce businesses, it can still fall apart and end up costing you money.

With a bit of hard work and plenty of wits, you can come up with a successful business and use it as a stepping stone for the future.

