

SHOPIFY DROPSHIPPING MASTERY

MAKE BIG MONEY WITH DROPSHIPPING AND SHOPIFY!



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Introduction

Shopify has been a hugely popular system for a number of years, making it easy for people to start their own online shops without needing to know a lot of complicated technical stuff.

The trouble is that not everyone has the money to invest upfront buying stock for their website, which is one of the biggest things that scared people off from the Shopify platform.

Fortunately, you can start and run your own Shopify store without having to spend a single penny upfront on stock for it. How? Dropshipping.

Dropshipping makes it easy to stock a store without a huge upfront investment, and it has a number of other benefits, as well.

Keep in mind that dropshipping does have a few drawbacks, which will also be discussed in this guide. But there are some ways to mitigate those drawbacks, and you'll read about some of those, too.

If you're ready to learn how you can make money with your own shop without spending a dime on inventory, you're going to want to read this guide front to back.

So let's get started.

What Is Dropshipping?

For those of you who don't know what dropshipping is, let me give you a brief explanation.

In essence, dropshipping is a way for individuals or companies to sell products without keeping any inventory by shipping products directly to the customers from the manufacturers or a reseller.

Let's say you want to open a shop selling pet supplies, but you don't have any money for inventory, nor do you want to deal with the hassles of keeping inventory and shipping products yourself. So you contact a company that offers dropshipping, get a list of their products, and add them to your Shopify store.

When a customer places an order from your shop, you simply process the order by placing an order with the dropshipper and having it sent directly to the customer. You never have to touch the product at all, because it's sent straight to the consumer from the warehouse.

This works beautifully if you can find a reliable dropshipping company, because all you have to do is act as a go-between by facilitating the sale and having it sent to the customer. The customer pays you first, and you use the money they paid you to order the product. You don't have to have any money at all, beyond paying for your domain and Shopify's fee, to get started.

It's win-win!

Benefits of Dropshipping

Dropshipping has a number of benefits other than just saving you from needing a large upfront investment for inventory. Let's take a look at a few of the biggest benefits.

- **Little To No Startup Capital Required** – The most obvious benefit of using dropshipping is the fact that you don't need to pay for inventory upfront, so you can start your store even if you're on a shoestring budget.
- **Less Work Involved** – With traditional retail methods, you must keep inventory, remember to restock products before you run out, handle packaging and shipping products, deal with returns, and more. With dropshipping, you just pass the order on to the manufacturer or distributor and your work is done.
- **Lower Overhead** – When you stock your own inventory, you must have space for that inventory, which often means renting warehouse space and/or office space. Even if you keep your inventory in your home, you'll need to set aside space for it and spend time managing it, plus you must buy things like shelving to hold the products.
- **Flexibility** – Rather than be tethered to a specific location, which would be necessary if you kept your own inventory, you can operate a dropshipping business from pretty much anywhere in the world as long as you have a computer and reliable internet connectivity.

- **Wider Availability** – Because you don't need to spend money upfront, you'll have more products that you can offer your customers than you might in the beginning if you were purchasing inventory upfront.
- **Scalability** – Your business will also be able to scale upward more quickly if you use dropshipping, because adding new inventory is as simple as listing it on your shop. You can scale almost endlessly as long as you can find appropriate products.

As you can see, there are some pretty big advantages to using dropshipping over traditional retail, but there are also a few disadvantages to be aware of, which we will discuss in the next section.

Drawbacks of Dropshipping

Of course, like anything, there are also some drawbacks to using dropshipping for your shop. Let's take a look at a few of the biggest problems you might encounter when using dropshipping.

- **Delivery & Inventory Issues** – Because you're relying on someone else to ship your items, you may run into problems where the company you're using to dropship your merchandise doesn't deliver on time, or they run out of inventory and don't let you know in time. This can hurt your reputation, because customers bought from you, not the dropshipper. Ultimately, this falls back on you, because you trusted the company to deliver. You'll have to apologize, take responsibility, and offer a refund or other compensation to your customers.
- **Shipping Issues** – If you're using more than one supplier, you may run into issues with shipping costs. For example, if a customer orders several products from you and each one happens to be from a different supplier, you'd have to pay several different shipping charges. You cannot pass that cost onto the customer, because they've already paid you for shipping when they placed their order. For this reason, it's a good idea to stick with a single supplier, at least in the beginning.
- **Low Profit Margins** – The profit margin on a lot of products, such as consumer electronics, is already incredibly low. It can be difficult to make enough profit, even if you're buying wholesale and paying for inventory upfront. When you're using a dropshipping supplier, your margins will likely be even lower,

because you won't be buying in bulk, thus you'll be unable to take advantage of bulk wholesale pricing.

Dropshipping isn't perfect. If you're looking to start a business that will leave you rolling in dough without a care in the world, it's probably not the right method for you. There's always something stressful happening when it comes to dropshipping... always something frustrating going on that needs to be addressed.

But if you don't have a lot of money and you're certain you want to own your own online shop, dropshipping is probably your best option. You can always stock your own inventory in the future. Dropshipping is simply a stepping stone.

Understanding Dropshipping

We talked a little about how dropshipping works, but there are a few additional things you should know about how the system works before you decide if you want to use it for your business.

There are three members of the dropshipping supply chain that you need to know about:

- **Manufacturers** – They create the products, but usually don't sell directly to the public. Some rare manufacturers may offer dropshipping, but generally they will go through a wholesaler instead.
- **Wholesalers** – They facilitate the retail process by acting as a middleman. They buy at the lowest possible price from the manufacturer, and sell at a slight markup to retailers. They may offer dropshipping.
- **Retailers** – Retailers buy from wholesalers, or sometimes manufacturers. They sell to the public, typically at rather large markups. They may also use dropshipping as their product source.

Any of these may actually be a dropshipper, but wholesalers are the most likely to offer it. The best source for dropshipping would be at the manufacturer level, because you will get the best prices, however most manufacturers know they can just sell their products to wholesalers without all the hassles of dropshipping, so it's not easy to find manufacturers who will dropship.

You can also find retailers who will dropship, but you would have to charge more than they do to make a profit, and you won't find as many buyers at those higher prices.

Most dropshippers will be pretty much invisible to the consumer. They will usually ship the products in your name, often with your logo and return address on the package, so it appears as though your company shipped the product to the customer.

Of course, you'll have to deal with the occasional return, but in that case you'll simply work with the dropshipper to make whatever corrections are necessary.

Dropshipping Scams

Because so many people dream of starting their own store and don't have the funds to buy inventory upfront, there are a lot of scammers that prey on those people.

Fortunately, these places are usually easy to spot. Here are a few ways you can spot the scams and avoid them.

- **Monthly Fees** – Stay away from companies that require a monthly fee for “membership”. Legitimate dropshippers will **never** charge you a monthly fee for access. Often, companies that charge a monthly fee are really just directories of potential dropshippers. And if they claim to be a dropshipper rather than a directory, they are not an honest company.
- **Retail Prices** – Be sure to check out the company's prices to ensure they are lower than retail. If they are selling at retail, you should avoid them.
- **Selling to the Public** – If a dropshipper is legitimate, they will usually require you to apply for a wholesale account and be approved. If they sell directly to the public, they are really just a retailer masquerading as a wholesale dropshipper.

There are many reputable dropshippers out there. Just be aware that scams exist, and be careful about which companies you do business with.

Finding a Dropshipper

Finding a dropshipper that is legitimate, has fair prices, and is reliable can be tricky. It can take **weeks** or even **months** of research to find those few gems that will be reliable enough to base your business on and have prices that allow you to make a decent profit. It could mean calling hundreds of companies, waiting on hold for long periods of time, and asking endless questions.

For this reason, most people choose to use a dropshipping directory to find companies with which to do business.

Be aware that most directories do charge a fee for their services, but a good directory is worth the cost, as it can save you a great deal of time and frustration.

Here are a few of the more popular directories:

>> <http://www.worldwidebrands.com> (\$299 for lifetime access)

>> <http://www.salehoo.com> (\$67 per year)

>> <http://www.doba.com> (\$60 per month)

>> <http://www.wholesalecentral.com> (free)

Even if you're using one of these directories, you should still carefully vet any company you're considering working with. Bad companies can occasionally slip through the cracks.

Getting Set Up

Before you get started, you'll need a few things to be in order. For example, you will need a business license, tax ID number, and potentially corporate or LLC documentation to prove you are a legitimate company that is truly seeking a business relationship rather than an individual looking to buy stuff for their personal needs at wholesale prices.

You will probably want to start building some credit for your company as soon as possible, because this will allow you to get NET 30 payment terms, which means you will be able to pay for merchandise 30 days after the initial order.

Until then, you might want to front some money into an account with your dropshipper in the event they have minimum orders. For example, if they require a \$300 minimum order, and your average order is only \$50, you could put \$300 into your account in order to meet their minimum and have products shipped as needed. This is often enough for companies that have a minimum order requirement.

You could also wait until you have \$300 worth of orders and submit them all at once, but if you're just getting started and not getting a lot of orders, this could delay shipments to customers so long that they get tired of waiting and ask for a refund.

You'll also need a domain name and a Shopify account. Your domain name should be as short as possible, catchy, and memorable. Forget having keywords in your domain. That doesn't work as well as it used to

for SEO purposes, and it will make it harder for your customers to remember your website later.

Instead, try to find something your customers will remember. Think of some of the most interesting brand names you can, and use those as examples.

Here are some examples:

- Nike (their company isn't named Cool Athletic Shoes)
- Chipotle (not known as Fresh Tex-Mex Food)
- Coca-Cola (not called Sugary Carbonated Beverage)
- Dominos (they aren't called Hot Pizza Delivered)

Your shop needs a great name, so it's worth the time to think of a really cool brand name and get a nice logo created for it.

Here is a checklist of things you'll need before you begin:

- Business license
- Business structure (such as LLC or corporation)
- Tax ID number (you can request an EIN online from the IRS)
- Business checking account (not personal)
- Paypal account (to accept payments)
- Business credit card or debit card (for making payments)
- Business telephone number
- Business email (ideally @yourdomain.com)
- Shopify account
- Domain name

When you're ready to set up your store, you can check out Shopify's easy instructions to help you get started.

>> <https://help.shopify.com/>

You'll find all the instructions you need to set up your shop at that link, and you'll be happy to find out that it's incredibly easy to set up and manage your shop! Most people can get a simple store set up in a weekend, and even if you plan on offering several hundred products, it should take you more than a few days to add everything to your store.

For domain registration, NameCheap is a great option. They are affordable and have great customer service. Don't forget to Google their latest coupon! They have a new one each month and it will save you a little money on every domain you buy.

>> <http://www.namecheap.com>

Avoiding Problems

Problems will arise in dropshipping, but that's true of any business you can think of. Fortunately, dealing with most of these issues is relatively simple.

Shipping Errors

One of the most common problems that may arise is when your dropshipping company screws up. Maybe they fail to ship your customer's order quickly, or they send the wrong item.

When this happens, it's important to accept responsibility, apologize to the customer, and try to make it right. For example, you might offer a discount off their next order, or include some sort of freebie for the customer. You could also offer to refund the shipping fee, or offer free expedited shipping on the replacement product.

Yes, this could cause you to make less profit on the order. It might even cause you to lose money on the deal. But remember, this wasn't the customer's fault. Ultimately it is your responsibility, because you chose that particular dropshipping company.

You should definitely make sure the dropshipper pays to fix the issue, such as sending a new item to the customer if the wrong item was sent, but you're probably on your own for any upgrades you give the customer.

Be prepared to switch to a different supplier if the one you choose seems to have problems too often. For this reason, it's a good idea to

find several suppliers before you even open your store in case you need to switch quickly. It's also a good idea to use multiple suppliers in case one runs out of a particular item so another company can seamlessly pick up the slack.

Inventory Issues

Inventory management is another potential problem. Many suppliers will use companies such as Ordoro or eCommHub to manage their inventory, allowing you to sync your own inventory with theirs, but not every company uses one of these.

If possible, find companies that do use an inventory management program that can easily help you sync your inventory. This won't completely eliminate inventory issues, but it will help.

>> <http://www.ordoro.com>

>> <http://www.ecommhub.com>

Fraud

You may have to deal with fraudulent orders from time to time, but if you're accepting PayPal, they will generally handle any type of fraud for you. If you ship an item and have proof of delivery, you'll be protected by their Seller Protection Policy if the customer tries to get their money back. They also have a system that checks for fraud when a customer uses a credit card to pay.

If you suspect fraud, just give the customer a call or email them. Be friendly and courteous, and just tell them you're calling to verify their order and their shipping address to make sure you have the right one.

If you cannot get in touch with the customer within a reasonable period of time, you might consider canceling their order and issuing a refund. If the customer contacts you after their order was canceled, just explain you attempted to contact them to verify their order and their contact information did not work. Apologize, and tell them they can place their order again.

Always be sure to have tracking information for every package so you can prove it was delivered. You don't want to give anyone a chance to get their money back on legitimate purchases simply because you can't prove the item was delivered.

Conclusion

Dropshipping is a fantastic way to make money without needing to spend a ton of money upfront on inventory. Not only that, but you won't have to worry about renting a warehouse, tracking inventory, packing and shipping, and a lot of the other hassles that come along with standard retail.

When you combine the power of dropshipping with the ease of use that comes with making your shop with Shopify, you'll be able to get an entire store online in just a few days.

While dropshipping does have its share of drawbacks, most of them can be avoided or minimized by knowing exactly how dropshipping works, and the ways we've talked about to make sure you aren't scammed and to get the most possible profit from your store.

If you've been wanting to start your own store for a long time, but you didn't think you could afford it, you are now armed with the knowledge you need to do it. Using this information, you CAN have a shop online in just a few days.

All you have to do now is get started!

I wish you the best of luck, and I hope you will take action to get your store open today!

Resources

Here are links to some of the resources found in this guide.

Patreon (Monthly Support)

>> <https://www.patreon.com/>

Image Sharing Sites That Pay

>> <http://www.101img.com>

>> <http://www.imgrock.net>

>> <http://www.uplimg.com>

>> <http://www.imgmaze.com>

>> <http://www.imagescash.com>

Social Media Representation

>> <http://www.interactivesponsor.com/>

>> <http://viralnation.com/influencer-talent-agency/>

>> <http://cycle.media/>

>> <http://www.socialyte.co/#discover-influential-storytellers>

Create Your Own Products

>> <http://www.cafepress.com>

>> <http://www.zazzle.com>

>> <http://www.teespring.com>

>> <http://www.teechip.com>

Information Product Marketplaces

>> <http://www.clickbank.com>

>> <http://www.jvzoo.com>

Dropshipping Directories

>> <http://www.worldwidebrands.com> (\$299 for lifetime access)

>> <http://www.salehoo.com> (\$67 per year)

>> <http://www.doba.com> (\$60 per month)

>> <http://www.wholesalecentral.com> (free)

Inventory Tracking

>> <http://www.ordoro.com>

>> <http://www.ecommhub.com>

Shopify Documentation

>> <https://help.shopify.com/>

Domain Registration

>> <http://www.namecheap.com>