

Pros & Cons Of Print On Demand Instead Of Drop Shipping

What is the difference between the two?

What is Drop Shipping?

Drop shipping is a method of retail fulfilment, used by many on their own stores, Ebay, Etsy or other retail websites. It is choosing a product from a third party and selling them to customers, once sales are made this is then sent directly from the third party to the customer with the merchant (you) never seeing or handling the product.

What is Print on Demand?

Print on Demand is also a method of retail fulfilment, where the merchant decides what the graphic or print looks like on the merchandise. These are often sold in the merchant stores, Ebay or Amazon, and are sent directly from the third-party supplier directly to the customer.

Advantages of Drop Shipping:

- No Inventory – you don't need to Stock any of your products as once a customer has made an order you will then place with your supplier, this means the start-up cost is significantly lower.
- More product Variety – you can list multiple items because you haven't spent so much money stocking one product. You can offer so many varieties of products or other products entirely with Drop shipping.
- Low risk – Unsold products is money lost for the seller, with this method there won't be any items unsold, minimising your Risk.
- All packaging and postage is taken care of – this is paid for by your customer so there is no cost to you and you don't need to handle any inventory.
- No minimum order – with your supplier there isn't a minimum order, so you can get started with selling one product.

Disadvantages of Drop Shipping:

- Less Control – Passing the shipping process to a 3rd party means you lose some control. If the drop shipper makes an error with the product or

postage, then that reflects on your business. Therefore, it is vital to have a close relationship with your drop shipper.

- Stock reliability – the amount of stock you have relies on your drop shipper. If, suddenly, they are low on stock and you are selling a huge amount then you may not be able to make any more sales.
- Higher pricing – Because you haven't bought a lot of stock your prices may not be as competitive as they would be.
- Product pictures – if a customer asks you for a unique photo of your product then you can't provide one.

Advantages of Print on Demand

- No Inventory – As with Drop shipping you don't need to keep stock of your products, which in turn means no warehouse fees or labour when moving the products.
- It's a great business for the creative – anybody with a design background can get involved with producing products of their own.
- Making unique products – every product created will be unique and by you. This means you can decide exactly what the product looks like, and on multiple options like Mugs, T-Shirts, Hoodies etc.
- Low Minimum order – the minimum order with a lot of these products is 1, which means it's a lot easier for you to make sales.
- You can select a niche for your products to be in – sales will come easier as you can find a niche that is suitable to your design, this makes it a lot easier for advertising.

Disadvantages of Print on Demand

- Pricing – although you can set your own prices to sell at, the prices are set by the Print on Demand seller with no room for negotiation. This means that no matter what you will always have a standard cost per product to pay.
- You must make sure your Niche has a market – if you choose products that no one wants then it is a waste of your time, and if you have spent money on advertising then a waste of money too.

Conclusion

In summary of the two I hope you understand that they are both good business models, but it really depends on the type of product you want to sell. If you are looking at selling large quantities of products and scaling your business with minimal demographic research, then Drop shipping would be right for you. But if you have a number of people with certain interests, hobbies or careers then Print on Demand is perfect. You can target these people and more often than not if it is something they can relate to then they will purchase your products. Also, if you don't have a target audience but know who you want to grow one and sell to them this is easily obtainable through Facebook Ads.