



# **2014: A Beginner's Guide to Dropshipping from China**

**eBook**

**Chinavasion  
1st Edition, 2014**

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# A Beginner's Guide to Dropshipping from China

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## Preface

Dropshipping is the retail strategy of the future. With a global economy fueled by E-commerce and world-wide delivery services, people can retail goods from anywhere, to anywhere. Dropshipping makes that possible by putting products into your power even if you don't have them in your hand.

How does it do that? It works by connecting wholesalers with retailer entrepreneurs worldwide. It is a division of labor that shakes the traditional model of – you rent a space, you decorate the space, you buy the products, you open shop, you advertise and hope you can sell all your products before they are outdated and worthless.

With new products being developed in every field faster than ever before, it's becoming less and less possible to maintain this business model. For instance, say you sell phones, so you buy 100 of a new model. Over time you sell some, but then the next model comes out and you still have leftover stock. Dropshipping eliminates that risk by taking the stock out of your hands and keep it in the wholesaler's until it's time to ship to the customer's door. All you need to do is open up an online shop, create a relationship with a wholesaler and advertise. No extra staff, no stock, no inventory, etc. There's just you, your computer and a relationship with a reliable wholesaler.

Have you ever wanted to go into the online retail business, but didn't have the costs for overhead, sourcing research, employees, or shipping operations? Dropshipping is the solution to this situation. Even if you do have start up money, it can be a lucrative and hassle-free business model to follow, and you can spend your money elsewhere, on things such as marketing.

The internet is filled with illusory solutions to working from home, but dropshipping is not one of them. You can truly work from home because it does not require *you* to have a physical storefront, an inventory of your own, or a shipping operation.

All of those aspects to the business exist, of course, but they are on wholesaler's premises – out of sight, out of mind. The clincher then is to find a niche market and a reliable wholesaler for the goods that niche market demands. Your wholesaler needs to not deal in faulty products or make errors in shipping, and your niche market needs to truly be something unique. But if you do this you can make a success of yourself.

# Full Disclosure: What is Chinavasion?

Although this e-book is about dropshipping as a business strategy in general, and can be used to educate yourself whether you wish to sell clothes, toys, food products, or anything else – its funding comes from Chinavasion, a wholesaler who deal strictly in electronics.

For those who are considering or would consider retailing electronics, Chinavasion is a top notch wholesaler. Here's why:

Chinavasion's motto is 'China Prices, Western Quality' – and while it's not so hard to find China prices, it's the western quality part that can be difficult to obtain. That is why [Chinavasion](#) has a quality control team whose job is to visit sourcing locations, find reliable products, and find out the products capabilities for themselves.

In fact, they do not take the manufacturers' claims about products for granted at all – they individually test each specification and write their own report with precise details about each detail for every product that ends up on the website. Many products are turned down every day because they do not fit the high standards Chinavasion applies to its sourcing. You can be sure that the ones that do pass through this process will do what they say they do, and have the specs that they say they have.

# Chapter 1: What is Dropshipping?

## 1: What is dropshipping and how does it work?

To begin with, it would be wise to clarify a few misconceptions regarding the term “dropshipping”. There are many entrepreneurs who make the statement that they want to start a dropship business, when in fact, what they mean is they want to become a retailer who uses the best priced dropshipping products and beat competitors.<sup>1</sup>

With dropshipping, you save on setting-up and other built-in costs because you do not have concerns and responsibility about the shipping or stocking of products. The process is simplified: when you receive a customer’s order, you contact the wholesaler, and they arrange the delivery on your behalf.

Therefore, as a retailer, you are able to sell a wide variety of products without carrying *any* stock whatsoever. Dropshipping<sup>2</sup> offers a potential that makes it an extremely attractive financial proposition for new, home-based online businesses with limited funds available!

### **Sales and profit**

As in any retail business, retailers generally make their profit on the difference between the wholesale and final selling price of the product, making sourcing your products a crucial step. Dropshipping from China ensures you gain the best opportunity to make more profit with better priced products. It is also wise for retailers or agents to receive a percentage of the sales commission paid by a wholesaler.

There are different ways in which a retailer can display their products to the marketplace. These include keeping product samples for displaying to customers, or showing their range of products on a website.

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<sup>1</sup> [Wholesale Dropship Electronics Direct From China](#). Chinavasion. 2014

<sup>2</sup> Drop shipping. Wikipedia. Modified 13 January 2014

It is important that a dropshipping retailer does not reveal the origin of their wholesale source, because then the customer could contact the wholesaler directly. Therefore, it is in your interest that you find a wholesaler who you can trust and do not reveal this source to customers.

This is achievable by what is known as “blind-shipping”.<sup>3</sup> It is a procedure whereby merchandise is shipped without a return address, or displaying a customized label with the address of the retailer. It is also possible for the wholesaler to include a packing slip with the same and retailer contact information.

### **Wholesaler and products**

Two of the most important aspects regarding dropshipping are choosing the type of product(s) and the wholesaler for whom you would like to sell as a retailer. Basically, the way to do this is either by working directly with a wholesale organization, or registering with an inventory sourcing company, or agency, that gives you access to a variety of wholesale outlets. If however, you prefer the easier and more convenient method, then operate by way of an inventory sourcing company, which saves you time in researching the various sourcing options.

In general, receiving your products directly from the wholesaler can result in a higher profit margin, because there will not be any membership fees payable. It will further help you, by finding a wholesaler that not only offers a wide range of products, but also specializes in the types of products that you want to sell!

### **Marketing and promoting your products**

This is an exciting and creative stage in your business as a highly competitive dropshipping retailer, because having committed yourself to a wholesaler and products that you want to sell – it is now the time for action!

If you receive your products directly from a reliable wholesaler, then you will have a higher profit margin because you will not have to pay any membership fees.

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<sup>3</sup> Drop shipping. Wikipedia. Modified 13 January 2014

If, however, you prefer an easier and more convenient method of operating, then working with an inventory sourcing company could save you valuable time. In this case you will not need to research the various product options.<sup>4</sup>

When dealing with China dropshipping wholesalers, you are given the opportunity of being able to compete in the market with the best products at the best prices. You could, however, receive a minimum listing price, meaning that you cannot sell below this price. There are a variety of reasons for this, including making the product too cheap and reducing its value appeal and inherent cost factors.

On the other hand, you are permitted to sell your products for as much over the listed price as you wish!

## 2: Advantages & Disadvantages

As with any type of business enterprise or investment in your life, there are various advantages and disadvantages<sup>5</sup> to consider with dropshipping. However, the main influencing factor is the opportunity you have for immediately making an impression on the market with highly competitive prices. You will find that the business of dropshipping is relatively simple, as are the advantages associated with it.

Primarily, if you utilize a wholesaler as a dropshipping source, it means that you do not have to invest and carry a stock inventory of your own! Therefore, there is not the potential for you to be left holding stock that cannot be sold for whatever reason. In addition, the setting-up costs for your enterprise are considerably reduced and accordingly, so are any financial risk factors.

### **Source of investment and income**

The business of dropshipping could be compared to making an investment in your future,<sup>6</sup> as it can provide the opportunity for you to establish a source of income,

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<sup>4</sup> [Wholesale Dropship Electronics Direct from China](#). Chinavasion. 2014

<sup>5</sup> Starting a Dropshipping Business. Karen Waksman. 2014

<sup>6</sup> Starting Your Business. Andrew Youderian.

by working from home and using the Internet as your marketing and sales medium. Like any other occupation, the more you know, the better your results are!

With dropshipping you are able to focus on making a profit by doing what you do best, which is marketing your products. As you do not have to concern yourself with getting added storage space for stock, or maintaining inventory records, you can sell a variety of products without the usual time consuming and financial burdens.

### **Awareness of dropshipping**

If there are advantages with dropshipping, then it follows that there are also disadvantages. However, if you are made aware of the potential pitfalls, you are prepared and able to anticipate them. As a retailer, you would probably not hold any physical stock of the products. This means that your customers do not have the opportunity to see the items they are purchasing, which can result in a high percentage of returns. A good wholesaler, such as Chinavasion, will provide you with product images and descriptions that you can use on your website, in brochures or any other advertising media.

A customer who is not satisfied with a product will contact you as the retailer and the source they dealt with originally. However, this type of control is a particular aspect that you do not have, in the event of faulty products being delivered. This is the responsibility of the wholesaler or manufacturer, but it is possible for the wholesaler to make a mistake when shipping products, and in this respect it will be you who the customer will hold accountable. Therefore, it is essential that you find a dropshipper who offers you certain warranties on their products.

### **More pros and cons**

Competition, in the high pressured business world of today is a significant factor and it possible that there will be other retailers selling the same products as you. The main factor of dropshipping is to be prepared and ensure that the wholesaler(s) you deal with are established and reliable. Determine your profit margins, as they can vary with the total amount of the orders you submit.

The Internet is an amazing and potentially lucrative business medium, but your website must be designed to both attract an audience *and* hold their attention.

Therefore, when selecting your products, check and research their features and benefits before targeting your market!<sup>7</sup>

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<sup>7</sup> Dropshipping: Pros and Cons. Mitch Bettis. 1 June, 2006

# Chapter 2- Decide the Products You Will Sell

## 1: How do we understand markets?

Market research could be considered a guide for your business, by providing you with direction and making your journey an easier and more profitable one. In other words, it will give you an indication of whom and where your customers are and target indicators regarding their purchasing habits. These people are your target market and it is crucial that you are aware of them.<sup>8</sup>

You can gain an insight into the types of new products that could be profitable for you, with the capabilities of market research to help you. For products that are already being marketed, this type of research can determine whether they are in fact meeting the needs of customers and/or their expectations. This is a vital tool for small business owners, as it can show whether it is necessary to re-design packaging, or improve on their customer support services.

### **Creating and measuring objectives**

From the results produced by market research, you are given the capability of either creating a business and marketing plan, or measuring the success of a currently operating one. It is therefore critical that during research, the appropriate questions are asked by the right people in the correct manner! Poor or mismanaged market research could create a situation of a business being directed in the wrong direction.

There are methods of conducting market research, but the main objectives of primary research, is the gathering of data from an analysis of current sales ascertaining the effectiveness of current operating practices.<sup>9</sup> In addition, this type of research will take into account your competitors plans and provide useful information regarding them.

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<sup>8</sup> Market Research. Wikipedia. 12 February 2014

<sup>9</sup> Conducting Market Research. Entrepreneur Staff. 2010

Included in this method of research are:

- Telephone or personal interviews
- Online or mailed questionnaires
- Online or mailed surveys
- Group feedback from defined potential customers<sup>10</sup>

### **Analyzing published data**

The objective of secondary research is the analysis of published data. With this secondary data, you have the capacity to identify your competition, target segments, and determine bench-marks. Your market segments are those potential buyers who meet the criteria of your targeted demographics. They will be determined by a particular lifestyle, display a certain pattern of behavior, or be part of determined age grouping.

In the highly competitive business world of today, a small business cannot succeed unless they have knowledge of their customers and products, services provided and general market related conditions. Without proper and planned market research being conducted, there is a distinct possibility that competitors would gain a market penetrating advantage!<sup>11</sup>

### **Quantitative and qualitative data**

Within the sphere of data collection, there are two recognized categories, namely quantitative and qualitative. In the first mentioned, mathematical analysis is employed, which requires a significantly sized sample volume. The derived information can help you establish variety in your market related aspects. For example: origins of leads, length of stay on your website by visitors, and the page to which they exit.

The qualitative method requires a vastly reduced sample volume and can help you not only refine your quantitative research options, but also enable you to assess the opinions, values and beliefs of customers.

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<sup>10</sup> Ways to Get Information. StatPac Inc

<sup>11</sup> Market Research. Wikipedia

## 2: Creating your product strategy

If you are new to the business of dropshipping and the sales and marketing strategies that go along with it, then the first part of creating a product strategy is to define exactly what it means. It is the final vision of where you want your product to end its journey. This will be determined by the effort you put in to your business.

Selecting a market niche is never an easy task for any type of business, particularly gaining popularity for the product against huge online competitors like Amazon, etc. Your product strategy is the foundation that enables you to retain focus on a particular determined market segment, instead of spreading your resources across a vast and varied area, which could mean attempting to please everyone, everywhere.

### **Profit and competition**

The goal of your business efforts is to achieve business success and profit and for this to happen you need to determine the product that will attain the greatest rewards for you. Therefore, when selecting your market niche, keep this in mind, in spite of any perceived personal preferences!

If, during your research and strategizing, you reveal a niche segment that is underexploited, this could open the door to opportunity.<sup>12</sup>

### **Amazon, price and quality**

Consumers have become more discerning with experiences learned from online buying and selling. Amazon in particular has changed consumers' perspectives, causing them to expect more things, faster shipping, and better prices all on the same, easy to use platform.

Accordingly, their priorities have become directed towards value related to product quality and the price they pay for it. It will attract attention to your website if you are able to add value to them, with, for instance, personalized information and photography, which will stand-out from duller presentations.

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<sup>12</sup> Supply and Demand. Wikipedia. Modified 18 February 2014

Understanding a product and the support behind it gives value and is a foundation for creating good will and trust, which merits a higher price and will thus increase your profit.

### **Delivery to a global marketplace and product strategy**

When creating your product strategy, take into account that with the advantage of dropshipping, you can access targeted market segments worldwide. As long as you can work with the language, you can access the market. The dropshipper takes care of the rest.<sup>13</sup>

You should determine the dropshippers policy related to shipping costs, reliability and ability to resolve any product related and delivery issues. You must be aware that a failure in any one of these areas could result in a greater loss in revenue than shipping costs.

If you can find the right wholesaler, a well researched and well designed product strategy can make a critical difference between the success of your competitors' and yours. Find that niche.

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<sup>13</sup> [How Your Goods Will be Sent](#). Chinavasion. 2012

# Chapter 3 - How to Choose the Right Dropshippers for Your Online Store

## 1. Favor the big and reliable online wholesalers

Remember that there are a large variety of dropshippers available. What you have to do is find the one that best serves and suits your business interests! While there is a huge selection on the Internet waiting for you to discover them, a large percentage of them will not meet your expectations.

Your priority ought to be selecting the biggest, established and most reliable wholesalers. One way of doing this, if you have decided on the product(s) you want to sell, is by recommendations from the manufacturer. With this method, you will have assurance that the wholesaler or distributor is authorized and supports the product effectively.<sup>14</sup>

### **Wholesaler options**

There are other options available to you, for instance, a thorough, but in depth search on Google, which could prove a time consuming and frustrating exercise. Another more positive option would be to establish which online dropshipping directories are legitimate, and then access their database.

With this method you are given the capacity to search a significant number of pre-screened dropshipping companies. By now, you have probably reached the conclusion that this is a business that requires your dedication and some serious common sense if you are to make a success of it!

### **Some marketing methods for you**

To market your products to the largest possible consumer audience, you need to learn and apply some traditional online methods, such as these:

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<sup>14</sup> [Wholesale Dropship Electronics Direct From China](#). Chinavasion. 2014

- ❖ Keywords are the way to get customers to your website. For example; “Wholesale Electronics” gives you “Electronics” as the keyword, because that is where you want to direct the customer from the first page of Google and other search engine directories.
- ❖ Research gives you information on how to make your business a success. Therefore, find and make a list of the most popular dropshippers. See what other people say about them. Remember, this is a competition to win customers, so don’t just accept everything you read at face value. Some competitors will go to extreme lengths to gain customers from other companies, so make sure your research is thorough and your sources genuine.
- ❖ When you have a list of companies you believe are the most suitable, contact them by email. Make a note of how long they take to respond to you. Is it within 24 hours? Are they polite? Informative? Do they answer all your questions?
- ❖ Prepare a list of any questions for which you require information and discuss your proposed business with them, online directly. Determine their attitude towards you, their efficiency and knowledge.
- ❖ Contact their customer service and determine their performance towards you. A first class dropshipper realizes that professional customer service is a crucial part of their business and will act accordingly.
- ❖ If it is possible for you to visit their premises, do so. If not, place a small order and then check the following:
  - \* Delivery time (Good delivery = 1 day: Acceptable = 2 -3 days)
  - \* Product quality
  - \* Service effectiveness
  - \* Payment arrangements
  - \* Documentation
- ❖ Find out their social media presence and determine if they update it regularly. Look at customer comments and whether or not the company responds to them.
- ❖ View their “New Products” page and see whether they frequently release new products.<sup>15</sup>

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<sup>15</sup> How to Find a Dropshipper for Your Online Store. Matt Winn. 8 May,2013

### **The importance of a supplier**

Finding the right supplier or wholesaler is an essential aspect of dropshipping. You want an association with one who is established and supportive of the product. Keep in mind that if you enter the business of dropshipping with an unreliable wholesaler, do not anticipate being in business for very long.

Keep in mind that an initial set-up fee and a per order dropshipping fee are normal. It is a means of covering shipping and packaging costs, as well as an obstruction to non-retailers. The fees you must be wary of are recurring fees. Many of the best and reputable dropshippers do not charge any ongoing monthly sums for the privilege of doing business with them.

### **Some issues that may arise**

Insist on having a copy of your official resale certificate. Do not be surprised if you are asked for some form of proof of identity by a wholesaler before they begin negotiations with you. This is to determine that you are a retailer and not a consumer.

## **2: Reputation is the top criteria when choose suppliers**

One of the most critical factors relating to your dropshipping business is selecting the wholesaler that is best for your operation.

You must at all time keep in mind that your customers will be dealing directly with the dropshipping company because of the contact regarding shipping and any goods returned situations. It's essential that you find an established wholesaler who not only provides high quality products, but has a reputation for efficient and effective customer service and support.<sup>16</sup>

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<sup>16</sup> Reputation Remains Top Criteria When Selecting Preferred Suppliers. Yolanda Walters. 11 Dec,2012

## **Your starting point**

For anyone getting ready to launch their online dropshipping business, it is probable that you don't have an excessive amount of capital to invest in inventory. Therefore, seek out those dropshipping wholesalers who don't impose a minimum purchase order. At the same time, make note that dropshippers usually offer significant discounts on larger orders.

## **The right choices**

Somebody once came up with a saying that any publicity is good publicity. In your business of dropshipping, this is as bad as it gets because if you link to a wholesaler who delays shipments, short-supplies products, or takes shortcuts with quality, you'll find your customer base shrinking fast.

## **The right dropshipper**

If your products can only be effectively and profitably sold by an overseas wholesaler, then make a huge effort with researching their reputation. If you can, try to find one close to home.

The dropshipper you choose must deliver your products on time, in good condition, and in accordance with established terms that allow you to make a profit on every delivery. You can achieve this by effective control of your budget. In other words, you want the drop-shipper who can provide the best products, at the most affordable prices, with the best customer service and support.<sup>17</sup>

Look for the following qualifications:

- \* Your dropshippers should have an established business history
- \* Their rating on [resellerratings.com](http://resellerratings.com) should be positive.
- \* Look in forums for anyone who is involved in dropshipping with this particular company and ask their opinion.
- \* A dropshipping company should be able to show you how many items they sell in 1 month.

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<sup>17</sup> Finding the Right Wholesale Dropshippers/Suppliers/Distributors. Aqua. 29 Dec 2013

- \* Their ‘after-sales product guarantee’ should give excellent user protection
- \* Determine if they have enough stock to meet customer demands.<sup>18</sup>

### **Causes and effects in your dropshipping business**

Once the order from the customer has been received and processed by you, it is then dispatched to the drop-shipper for completion and delivery. This is where you no longer have any control of the situation and why it is *critical* that you are associated with a wholesaler who fully meets your determined criteria.

## **3: How to manage after-sales in a dropshipping business**

Like any other sales business, your dropshipping operation relies upon your ability to assess cost benefit analysis. Keep in mind the time span between the purchasing of the product and its delivery to the buyer is of paramount importance. This is critical to your customers’ happiness. The quicker they receive it, the more likely they will do business with you again.

It is a common failing, not only in the dropshipping business, but in general, that once the deal is made the sales person usually becomes invisible. **Do not do this.** If there’s an issue, let your customer know what is happening with a personalized but simple email, or, even better, a phone call. It is a sales technique that will be appreciated and remembered in the future.<sup>19</sup>

### **The after-sales comfort zone of dropshipping**

When a customer buys a dropshipped product from you, they are placing their trust and money in your care. Although you will not be delivering the goods or supporting the product, it is you that the customer is depending on. Poor service is unfortunately commonplace in the fast, quick turnover business world of today. Therefore, do something different and surprise your customers with that extra service.

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<sup>18</sup> How to Choose the Right Dropshipping Company. Manon Monsall. 30 Nov,2011

<sup>19</sup> Thinking of Dropship Selling On eBay? Daryl and Trish Evans

You will be surprised at the positive reaction you will receive, even if you are providing information of a delivery delay.

Post-sales communication in dropshipping is not only a support function; it is a means of keeping your name and the products you sell alive. Offer your customer additional and useful information about the product they purchased. This could include answering any questions, documentation, spare parts access and any item of interest related to the product they purchased from you.

Business success is contributed to by negotiation. Therefore, don't be shy in trying to negotiate with your dropshipping company for a longer 'product guarantee'. This will not only give you advantage over your competitors, but, most importantly, it will offer your customers a post-sales comfort zone in which any doubts they may have about the product, or you, are disposed of efficiently.

### **Increase customer base with referrals**

To grow your dropshipping business, you must expand your customer base and one of the oldest and proven methods of doing this, is by the referral system. Maintaining contact with your customer during the dropshipping procedure is a step in this direction. This is emphasized when the delivery is completed and you contact your customer on a follow-up call; it is the time to start the referral procedure.

Combine any telephonic communication with regular newsletters, or information about new and related products, loyalty discounts and importantly, a personalized form of address.

### **Maintaining customer satisfaction**

Customer satisfaction is your advantage over your dropshipping competitors. Regular customer surveys, conducted at regular intervals, are a method by which you are able to determine satisfaction levels. It provides you with various indications of any failures and also, what you are doing right! It can be conducted online, or to the customer's address on your data-base.

This is also a way of stimulating new business and if you offer an incentive for returning the completed forms, you will receive a regular flow of valuable information.

Everybody likes a comfort zone, so make your dropshipping customers feel secure, by giving them a post-sales one!

# Chapter 4 – Sales Channels

## 1: How to drop-ship on eBay

The art of buying and selling lies in the ability of both parties to make smart shopping choices, although, sometimes you can be lucky enough to sell or buy an item at a price that is way beyond your greatest expectations. However, the golden rule and the safest way in dropshipping, is to gain knowledge of your market and the products you are selling.

If you are considering dropshipping by way of eBay, then “Buying Guides” help to find the products you prefer. Your business is dependent on the sale of products that are shipped directly from a manufacturer or wholesaler, to your customer. The profit you make on each item is the difference between the wholesale price you pay and that which you charge the customer. There are a variety of methods by which you can reach your market, but in this instance, we are specifically considering eBay.<sup>20</sup>

### **The start-up**

The first thing you need to do is to become listed on eBay, which will involve listing fees when you create your Sellers Account. The next and crucial stage is to conduct some thorough research into wholesalers, or suppliers which provide a dropshipping facility. If you cannot for one reason or another, find appropriate wholesalers that are located in the same country as your target market, then spread your search criteria. There is a variety of established directories available to you.

One factor you must be aware of is that there are the scam artists, who pose as wholesalers or suppliers, but in effect are only middle-men. If you are required to pay a regular fee to any entity for their services, treat it as a severe warning signal!<sup>21</sup>

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<sup>20</sup> Evaluating Sales Channels. Ecommerce University

<sup>21</sup> How to Set up a Dropshipping Business on eBay. George Watts and 28 others

## **Crucial decisions**

You are going to be called on to make some decisions that will influence the success of your dropshipping business; one of them being, what to sell?

A primary factor is determining the demand for a particular product and whether the supply of it limited. Being listed on EBay provides you with various marketing and selling related advantages. You have the facility to conduct advanced searches for any product and determine those which are the best sellers and at what price. Take some time over this aspect because it can make all the difference to getting off to a great or indifferent start in your dropshipping business.

## **Linking with a wholesaler**

Once you are satisfied with the product you are going to drop-ship, the next stage is to establish an account as a retailer, with an established and reputable wholesaler. Determine whether they will provide a dropshipping service to your customers and will also identify the shipments with your customized label. This will create the impression that their order was shipped by you.

List your dropshipping products on eBay, with images and descriptions, obtainable from the wholesaler websites, or preferably, your own if you have samples. The main thing is to present a professional image, with a competitive price structure that provides you with a fair profit, after deduction of listing fees.

## **2: Useful eBay selling resources<sup>22</sup>**

On your journey with a dropshipping business the one aspect that will always be riding with you is research. During the setting-up stage and as you develop your business, this factor is sometimes forgotten, but it is crucial to your success.

Before listing your products on eBay, learn how search results for product seekers are displayed and whether your items will bring the best results with a “Fixed Priced Format” or an “Auction” type listing method. Once the listing is made, you

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<sup>22</sup> eBay Seller Center. eBay

have the advantage of a “Listing Analytics” app that details your best and not so good product performances.

### **Market trends and acceptance**

You control your dropshipping business and can influence the direction it is taking. Successful sellers utilize the tools offered by eBay that will give them an edge in the marketplace. They include analysis, tracking market trends and your related product sales performances. You can fine tune your market presence by researching and understanding the key growth factors that can make a difference and create opportunities for your dropshipping business.

It could help you with your marketing perspective, if you consider eBay as a reduced website and construct your promotional material in the same way as you would view a successful, commercial website! Creating “View Items Pages” such as those in the online search engines, could provide help for search engines to discover you. This advantage can be enhanced with the use of keywords that relate to your products and would be used in audience searches.<sup>23</sup>

### **Attract an audience**

Keep in mind that your dropshipping products are competing with a vast number of other eBay items, all screaming for “Buy Me” attention. How you display your products titles is critical to your marketing strategy and visibility, because it is the influence that is read by the eBay (Google) search engine. Determine the influencing keywords that buyers use, to search for products like yours.

A well designed and presented should clearly identify your products, sometimes with alternative descriptions. You want your products to be noticed and regarded with confidence, therefore, use brand names whenever possible, with their construction materials if relevant. Greater the volume of information you provide, more traffic will you attract.

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<sup>23</sup> eBay Seller Center. eBay

### **Be smart and professional**

Be smart and professional with any promotional and advertising space and take time with the content. Product searchers on eBay do look for keywords such as the popular, “wow”, “awesome” and “really, really” among others!

Another factor to remain aware of and where that word research applies again, is not to list products that other sellers are listing and which are not selling. Your time is a valuable commodity, so please do not waste it and energy, by trying to promote and sell anything that other sellers, apparently cannot sell! Ensure the products you do list are in the correct categories and provide the relevant information.

### **Utilize available resources**

If you are in any doubt regarding which listing category will bring the best results, use eBay’s multiple listing facility. It’s all part of utilizing available resources effectively and efficiently to gain that competitive edge.

## **3: Selling on Amazon**

One of the most widely used and successful Internet mediums for selling and buying online, is Amazon. Vast volumes of people, searching for numerous products visit this marketing media, which provides a service that makes it easy and convenient to find what they are looking for. For your business in dropshipping, you could take advantage of a system that for buyers is easy to use.<sup>24</sup>

This is an online opportunity for selling your dropshipping products, in marketplaces as diverse as Europe, United Kingdom, France, Germany, Italy and Spain. In addition, you are supported by the expertise and experience of Amazon eCommerce, which has the capacity to teach you proven techniques in how to be a successful online marketer. All you need to start is an Amazon seller account!<sup>25</sup>

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<sup>24</sup> Evaluating Sales Channels. Ecommerce University

<sup>25</sup> Dropshipping for eBay & Amazon. Skip McGrath

## **Effective online marketing**

The ambition of every online marketer is to reach the maximum number of potential buyers and to draw them into their website, and towards their products. Amazon provides you with this opportunity and also the product search and payment facilities to technically streamline your online dropshipping business, without any product listing fees!

Amazon is recognized as a trusted, secure online, convenient shopping experience by millions of Internet users. Their user-friendly designed website makes your products easier for visitors to find, within a secure environment for customers and you as a seller. You are able to sell your products on all 5 of the Amazon marketplaces, which expose them to millions of online searchers.

## **Getting started and free support**

When starting your selling venture with Amazon, it is an easy process to upload your dropshipping inventory. Following your registration, you are offered the freely available web-based tools and a desktop software application, or text files that will start you quickly on your selling path. Valuable, further assistance is given by Amazon, by them helping you to create a high quality product catalogue, which is compatible with their website.

Regardless of the size of your dropshipping business, Amazon gives you the opportunity of expanding its online presence to Europe. To encourage your international success, you are given various options that can determine the most suitable strategy for your particular business.

## **Advantages and benefits**

As an ambitious dropshipping business owner, you will want to create a well designed business sales plan. Amazon provides you with the advantage of creating new products and adding them to their European catalogue. In addition, you have the use of various feeds, spreadsheets and a variety of other tools with which to load your

inventories. Featured merchant status is a desired status to achieve, with the benefits that go with it.<sup>26</sup>

Customers prefer buying options that are convenient and user-friendly and Amazon ensure that this is what they get! With their “1-Click” buying feature, making a purchase is worry and trouble-free, which is a significant benefit for your sales chart.

### **After sales support**

One aspect of dropshipping sales that should never be ignored is customer service and support. This factor is appreciated by Amazon, who will notify you by e-mail when an order has been placed. You then simply advise your wholesaler of the details and maintain a check on their delivery to your customer.

The process is completed with payment for the order being deposited into your bank account, about which, you also receive notification by e-mail.

## **4: Dropshipping on your own online store**

There are various advantages to be gained with the dropshipping principle of selling, which include the making it easier for you to offer a wider and more varied range of products to your customers. In addition, you do not need to carry stock items and also you are able to start your business a lot quicker.

Your customers will place their orders online and as the dropshipping retailer, it is then your responsibility to place those orders with the manufacturer of the products, or with their recognized wholesaler or supplier. They will then ship the products directly to your customers. You are not expected to pay the amount due until the customer has paid for their product, which eliminates the need for you to make a substantial financial investment.<sup>27</sup>

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<sup>26</sup> 5 Reasons to Consider Dropshipping. Armando Roggio. 21 Nov, 2011

<sup>27</sup> Start Your Own Online Store Business from Home. Estorefrontguide.com

## **Challenges and reliability**

Creating a name for your business requires some thought and innovation, as does making a decision as to what products you want to sell. However, a particular challenge for anyone starting a dropshipping business, is finding a manufacturer or wholesaler who is reliable and completely trustworthy. Therefore, you would be wise to contact those who have are established and who will ship products to your customers, correctly and promptly. They must also be prepared to provide solutions for any customer service problems, relating to fulfilling the orders.

One method of tackling this challenge is to approach various manufacturers and wholesalers to determine which one best meets your product needs and operating requirements. Ensure they will accept a dropshipping agreement, for ordering small quantities when needed and negotiate for the best terms and lowest unit cost.

## **Your shop window**

Your dropshipping business will be conducted in the highly competitive environment of the Internet. Therefore, your shop window for the products you sell will be your website, which means making it as consumer appealing and user-friendly. Obtain images and pictures from your product manufacturer or wholesaler, or order product samples and take your own pictures. Be sure to include a full description of each one on your site and the correct prices, with any other relevant information.

A shopping cart is a buyer's temptation, so add one for your customers to check out and a button for those who wish to purchase by credit card. People like to know who they are dealing with, therefore, an "About" page can give benefits of buying from you. A URL is then needed, or website addresses for your online business, as well as an Internet Service Provider (ISP), who will host your website. When you approach manufacturers and wholesalers, seek their advice regarding your website, as they could provide valuable support.

## **Search engines and SEO**

Once you are satisfied with your website, submit it to various search engines. You want the best possible visibility; therefore, it could benefit you by getting a

helping hand from a search engine optimizer. They can influence your page rankings, regarding people who are searching for your particular type of products.

How you approach this stage of your business can have a prolonged affect. Getting off to a good start is not only profitable, but extremely motivating and can establish your capabilities and potential, with manufacturers and wholesalers.

# Chapter 5 – Useful Ways to Market Your Online Dropshipping Business

## 1. Market your business

Every business has a business plan of some description and the one you have created, should indicate a structured on line marketing plan for your dropshipping business. Creative, innovative marketing and promotional strategies are a huge influence in the success of your online business. It is through this media that you expand, create customer awareness of your products and open doors to opportunities.

There are many and different methods of getting your business in front of a potential buying audience. However, they vary in relation to the amount of time needed, labor intensity and their cost effectiveness. It is usual for many businesses to employ a variety of marketing strategies and operate them at the same time, founded on particular requirements and the prevailing circumstances.

### **Brand awareness**

The ultimate goal for your dropshipping business could fall under the heading of brand awareness; in other words, when somebody thinks of a product type you sell; their first thought is to contact your business! Brand awareness, gives you instant recognition, credibility and is a great referral vehicle.<sup>28</sup>

Create an innovative and easily recognizable logo that is placed on every piece of paper or any other medium in which your business is portrayed. This will include:

- your websites
- business cards
- stationary
- mail signatures

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<sup>28</sup> Building Brand Awareness. 15 Nov, 2013

- brochures

### **Direct marketing**

Direct marketing used to be associated with knocking on the doors of unsuspecting homeowners, or walking into a business and presenting your product. Although this is now a past art, the principle of one-on-one communication and product promotion is still alive and well!

The enthusiasm you have for your business and products can be a contagious entity and will be noticed in meetings with other business persons in related endeavors. This not only provides you with the opportunity to promote your own enterprise, but also to learn about those of your competitors.<sup>29</sup>

### **Mutual goals and opportunities**

Professional business people are highly aware of the need and potential for co-operation. Forming mutually beneficial partnerships in complimenting industries can be an opportunity of gaining customer referrals and creating that much needed, business awareness.

Discover from the Internet, newspapers and trade magazines, how and where you can attend networking group meetings. At these meetings, introduce yourself; explain your business and why you are different from your competition. It also gives you the opportunity to clarify what you are seeking in the way of business associations.

### **Most important people**

While it is generally worthwhile giving special offers, or handing out free samples or branded merchandise at meetings and events, never forget the most important people in your business venture; your customers! Establishing and developing personal relationships with your customers is regarded as your best form of marketing and promoting your business.<sup>30</sup>

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<sup>29</sup> Direct Mail Marketing. Experian.com

<sup>30</sup> Managing Your Customer Relationships. Marketingdonut.co.uk

A simple Birthday or Christmas card to a customer, or members of their family, can work wonders. You not only retain their loyalty to you and your business, but they will conduct marketing on your behalf, by promoting your business to everyone they have contact with. This in turn, is a never ending chain of referrals, for you!

## 2: How to improve your sales

There are many and varied concepts and theories about how to improve your sales, whether online or direct, but the crux as to whether they work or not, is always in the testing, especially on a website! An example of this is shown when if you are selling more than one product or service through your website. Instead of displaying your complete product range on your home page, in a cacophony of color, information and ads popping up all over the place, present just the one item.

It has been found that by offering fewer products in one concentrated area, but with more descriptive product content, greater sales volume was generated. Looking at it objectively, it makes sense. Customers do not want to be confused, whether in a shop or online and they haven't got the time or inclination to wade through volumes of products.<sup>31</sup>

### How to improve your sales

Better marketing means more customers and sales, with greater profit for you, therefore:

- Use the advantages given by SEO (Search Engineering Optimization)
- Benefit from an on-site SEO and an external SEO
- Display various product reviews
- Have articles written about the benefits of using your products
- Use the publicity gained from Press Releases
- Market your products with special promotions and video presentations
- Consumers want to know what other people think, so use the Social Networks
- Advertise free online with many and varied classified ads sources
- Check this informative resource: [www.moz.com](http://www.moz.com) and [www.seobook.com](http://www.seobook.com)<sup>32</sup>

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<sup>31</sup> How to Improve Your Sales. Allgold Cem and 19 others

<sup>32</sup> How You Can Use SEOmoz in Your Sales Process. Lucy Langdon. 22<sup>nd</sup> Jun, 2009

## **Sell your products not politics**

For the average buyer, they want to skip through the various sites at a fast rate of knots and will spot immediately what they are looking for. Looking at a blur of pictures with bits and pieces of information on a website, or in a poorly presented catalogue, can be for many a frustrating task.

You could at a stretch, compare this to the differences between a high class salesperson and a politician. The latter will generally waffle along seemingly pointless while the salesperson will quickly establish your needs, with the right information and create a desire to buy at the right price; result, an order!

This does not mean that you must only sell one product. Use other web pages to offer them and at the same time, try out different methods of presenting them. This is what selling anything, anywhere to anybody is all about; innovation.

## **News headlines**

The first thing that strikes you on a newspaper is the headline, which is the idea and applies equally to a sales letter. It can have a dramatic effect on your sales volume, providing an impact that makes consumers sit up and pay attention to what you have to say. It is the same type of mouse-stopper that immediately stops the surfers and the browsers in their tracks and drags them into your website.

The main criteria for any sales-marketer is to remain focused on their customers, their wants and needs. Whether online product descriptions or in a sales letter, stay focused on your site visitor and remember that the way to success with any sales content is being viewer-friendly!

## **Credibility**

Enhance your credibility and gain customer confidence by outlining your experience and credentials, as well as any other information that helps qualify you as being the best person to meet their requirements.

This is a feature that can be reinforced by customer testimonials, which should be in the form of genuine excerpts from emails or letters. They should explain how

you and your product/service helped in meeting a particular need and the benefits they received from it. This is more effective than a few words such as, “wow, what a fabulous????”

Successful selling today is high paced, challenging, but it is a profession that has always taken courage and tenacity. Look after your customers and they will look after you!

# Chapter 6 - Collect Late Payments from Customers

## 1: Don't ask, don't get

There is an old saying about those who don't ask for something, will not get it and in various instances this can be true, especially when you are waiting for overdue payments from your customers. We all know it is not fair, but it is a situation that occurs in any business environment and, you have to deal with it!

Before you even reach this stage, you should have determined that the due payment dates on your invoices and statements are clearly defined. Another factor is to have prominently displayed, the late payment policies of your company. In addition, there should be no room for misinterpretation by the customers regarding the actions that will be taken for late payments, including late fees.<sup>33</sup>

### **Keep positive in a negative situation**

In perspective, this is situation in which you do not want could find yourself on the losing side, due to heavy handed tactics. Approaching the problem with the wrong attitude will create an adverse situation, because they are going to spread it around to their family, friends, neighbors and anybody else who will listen to their tale of woe and how badly you treated them. It's bad for business and who will be the bad guy? You!

Many businesses attempt to put fear in to their late paying customers with threats of additional fees being charged. Remember, you probably went to a lot of trouble and expense to get this customer to buy from you, therefore, you would probably like to keep a positive relationship with them, despite their payment lapses. So, make sure they understand why they are being charged a late fee and be prepared to show them in detail if they ask.<sup>34</sup>

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<sup>33</sup> How to Collect Late Payment from Customers. Donna Fuscaldo, 11 Nov, 2011

<sup>34</sup> Five Rules for Collecting Late Payments. Monica Mehta. 31 Aug, 2010

## **Reasons and attitudes**

Collecting outstanding payments involves some customer psychology and this includes putting yourself in their shoes. Before you go into orbit and start blasting them with emails, phone calls and text messages, try to determine if there has been an oversight, or an emergency that has delayed the payment. Accordingly, begin with a friendly email reminder, which can be automated with available software.

It is preferable to avoid this developing into a conflict situation, so when phoning the customer, choose an appropriate time of day, especially if they are shift-workers. Another aspect to consider is customer privacy. If you don't want to really upset this customer and ruin your chances of being paid quickly, do not leave messages with family members, friends, or contact them at their workplace. This is a personal and direct matter between you, and the customer.

## **As far as you can go**

After 90 days and once you believe that you have exhausted all possible avenues for getting payment and despite all the emails and phone calls, you have still not been paid, it's time to consider the legal alternative.

If you are able, make a last ditch attempt to get them to explain why they cannot, or will not pay you. Run through the payment options that remain open to them and discuss the consequences and costs of legal action. In many instances, it revolves around pride and a genuine lack of money, so still try to reach a solution.

# Conclusion

Our goal with this book has been to educate the reader about the dropshipping, providing both an insider's look into the way the business model works, and an extensive discussion of strategies that will hopefully prove helpful to you as an entrepreneur. We will continue to release new versions of this book as we feel the business is constantly evolving, new platforms for retailing are arising, and more dropshipping companies are starting up. Look for the second edition later this year.

As dropshipping develops further as a model for E-commerce businesses, more strategies will arise, and perhaps you will be an innovator in this business one day. Dropshipping is the retail market of the future. We hope more people will recognize that and join in the business.

You truly support the global economy's development with dropshipping, and not only that, you diversify the world's wealth. Don't let gigantic retailers take over the E-commerce world. Find your niche and become the best providing for it. There are plenty available and, as mentioned in the book, you can find them anywhere in the world. That is the best part about dropshipping. You can be living anywhere and selling to anywhere. It's pure retailing freedom.

The men and women at [Chinavasion](http://Chinavasion) wish you the best in your dropshipping endeavors. We hope that if you are considering selling electronics you will check out our website. If you have any comments or suggestions for ways to improve this book, please contact [content@chinavasion.com](mailto:content@chinavasion.com) . We wish you all the best!