

DROPSHIPPING 101

The Ultimate Business Model That Lets You Sell Huge Inventories Without Lifting a Finger



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Introduction

What is the perfect business model?

Of course that will all depend on who you ask and on your personal preferences.

But it is definitely very possible to make an especially strong argument for dropshipping. This is a business model that has huge advantages over selling your own products, over becoming an affiliate marketer and certainly over making money from adverts. It has all the strengths of each and none of the downsides of any of them.

This is a business model that allows you to work from home and earn passive income, while at the same time building a big brand for yourself and selling *real* physical products.

So why isn't everyone getting involved in dropshipping already? Why do so many people still choose to make money as an affiliate marketer instead?

The answer is simple: a lot of people still don't know what dropshipping is, or how to get involved in it. Of course this book is going to change all that and help you to understand what dropshipping is, why it's so beneficial and how to get started with it.

By the end, you will be running your own dropshipping business – making money by selling products with *your* branding on and without having to spend any money upfront or take any form of financial risk.

Didn't I say it was the perfect business model?



CHAPTER 1

WHAT IS DROPSHIPPING?

Chapter 1: What is Dropshipping?

Dropshipping is technically a 'fulfilment model'. Fulfilment in a business term of course means delivery, so in this sense, dropshipping is the manner in which orders are delivered to customers.

Normally, selling a physical product means that you need to buy numerous items and then sell them at an inflated price. The way you would normally do this is as a reseller. Here, you would buy wholesale items (inventory bought in bulk at a discounted price) and you would then sell it on at an inflated cost and keep the difference (your profit margin).

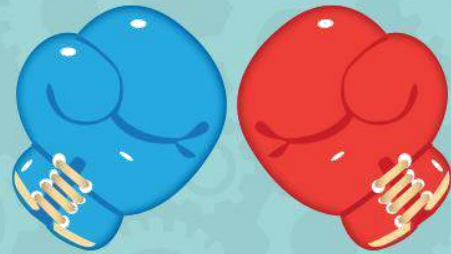
The problem with this model is that you need to make a big investment in the stock first of all and then that you have to deliver the products to your customers. This means you're taking a financial risk by ordering the stock in advance (if you make zero sales, then you'll have lost out on a lot of cash). At the same time, it means you need to not only pay for the shipping but also handle all the administrative tasks. You'll need to constantly take stock of your inventory and you'll need to refund customers for deliveries that don't arrive.

In short, it's a lot to take on for an individual hoping to run a business from home in their spare time.

Dropshipping changes this because now the wholesaler is handling delivery *and* they don't require you to order in bulk.

So simple: you list the items for sale in your online store just like you normally would and then, when a customer orders them, you pass that sale on directly to the wholesaler. They then send out the product on your behalf and make sure it reaches the buyer and you get the money!

Dropshipping vs Affiliate Marketing



Dropshipping vs Affiliate Marketing

This might sound very similar to affiliate marketing but there are a few key differences. For starters, the amount of money you earn will tend to be higher than affiliate marketing. When you operate as a reseller, the usual pricing method is something called ‘keystone pricing’. Keystone pricing essentially means that the amount you’re selling the product for is 2x the amount you pay the manufacturers. This is one of the most common conventions for this type of business and to all extents and purposes, dropshipping businesses *are* resellers.

The other big benefit of dropshipping over affiliate marketing is that you don’t have mention the existence of the dropshipping business at all. In other words, the customer never knows that it’s not *you* who is selling the product. You’re not sending them to another website where they can checkout and sell the product – you’re just selling them the product as though it were your own and forgetting about it. This is fantastic because it means that your business looks much more professional and because you’re no longer sending visitors *away* from your brand in order to make the sales!



CHAPTER 2

THE BIG ADVANTAGES OF DROPSHIPPING

Chapter 2: The Big Advantages of Dropshipping

Hopefully, you can already see some of the big advantages of dropshipping. There are many more besides though too, which we will delve into here...



The Ability to Sell Physical Products

Working as an affiliate marketer will often mean that you have to sell digital products in order to get the big profit margins. While it's true that you can get 75% and upward from affiliate networks like JVZoo, this will normally mean that you're limited to selling ebooks and online courses. This can be an effective way to run a business model but it is also sometimes quite restricting. While digital products have many advantages, their appeal is not as broad as it is for physical products.

For example, if you try and sell a digital product to your grandma, you'll probably have difficulty. The same *probably* goes for your Mum. And most likely your Dad.

And it also goes for *most* of your peers in reality! In fact, the main kind of person willing to spend lots of money on an ebook or online course is going to be someone who is already quite familiar with technology. The person most likely to buy from you of all is probably *other digital marketers* looking for more ways to make money online. And as you're probably aware, these are a savvy bunch who aren't easily going to have the wool pulled over their eyes!

That, and they've already had people online try to sell them just about every digital product in existence. How many times have you seen ads on Facebook for 'make money at home' schemes?

It's just a very crowded market with a limited potential audience.

Clothes on the other hand are something you can sell to anyone! And then there's all the rest: stuff like technology, toys or fitness supplements. Suddenly, you can sell things that average people really *need* and that makes a massive difference!



Flexibility

Another benefit of selling physical products is the huge amount of flexibility it gives you. We've already seen that you'll have a lot more flexibility in terms of the types of things you can sell but of course this will also extend to drastically increase your flexibility in terms of the *way* you sell.

For starters, you suddenly have pretty much limitless niches that you can choose from (industries) and then there are the many different ways of selling those areas.

Because right now, if you're the 'internet marketing type', then you're probably imagining the ways that you can sell products from your website or your mailing list. You're probably thinking about content marketing, establishing your authority in your subject area... etc. etc.

But that's not the only way you can make money from a dropshipping business. Did you know for example, that many of the products being sold on eBay are actually being dropshipped? This means that you can save yourself the trouble of building an audience and creating a website – just find a product you like, create a listing and you're good to go!

Even big companies like Home Depot and Sears reportedly use dropshipping on some of their less popular products – so you know it must be a good model!

With dropshipping you also have total control over the way you sell the product. That means it's up to you if you want to introduce a limited time discount, or if you want to bundle multiple items together in order to offer special deals etc.

This can all help you to make a lot more sales and it's *not* an option you would have available to you if you were acting as an affiliate. In that scenario, the product owner would set the price and you would have no option other than to go along with it.



Reduced Risk

We've already seen that you can reduce the risk by dropshipping. There's less risk than reselling here but also *far* less risk than selling your own product. That's because creating your own product would involve the lengthy and stressful process of designing the product specifications, working with factories and then spending lots of money on materials etc. None of this is to say it's not possible – it's just a huge amount of risk!

With dropshipping, you don't have any of this risk because you're not spending upfront investment. You simply find the product you want to sell and then promote it!

But there's another way that you can reduce risk with dropshipping too – which is by picking a product that's *already* highly popular! By finding products that you know are already selling very well and that are very in-vogue, you can completely minimize the possibility that your product won't sell. Now you're selling products that sell in droves – you just need to find the people that are buying and make it easy for them!

Branding – How to Run Your Dropshipping Business and Strengthen Your Brand



Branding – How to Run Your Dropshipping Business and Strengthen Your Brand

Perhaps the biggest advantage of the dropshipping business model though, is one that many people don't even consider.

As mentioned, dropshipping has the benefit of allowing you to keep the actual manufacturer/fulfilment company as a silent partner. They will send out the products on your behalf but as far as the customer is aware, they bought it directly from you. This has the massive benefit of meaning that you're not sending visitors *away* from your website.

This is a massive deal as a digital marketer. If you've been working in this business a while, then you should have a good idea of just how *hard* it is to attract customers to your website and your business. This is what you'll spend most of your time doing working online and you'll probably find it takes up much of your effort.

If you're an affiliate marketer, then you're bringing those visitors to your website so that you can sell products that other companies created. This then means that when they buy those products, they have to *leave* your website and thereby disengage with your brand.

Which brand are they more likely to remember and visit in future? The guy who recommended the product to them? Or the company that actually *sold* it to them? And when they want more of the same thing, where are they going to go in future?

And now consider this: how can they buy *more* products from you during the same session, if you are actively sending them away from your site? Instead of being able to offer a smorgasbord of products that you handpicked, you're now simply telling them to go somewhere else to buy *one* item.

With a dropshipping business you no longer have this problem. Now you can offer *all* the items you have for sale on your website from one spot and let your customers choose as many as they want and *then* continue to buy from you!

But that's not even the best part...

White Label Dropshipping

The best part is that in some cases, the products you sell will even be able to have your company name *on them*. This is called 'white label' dropshipping, with the white label essentially describing the packaging or the branding.

Let's say you want to sell a supplement like creatine from your fitness website. With a white label service, the product will be developed with packaging that *literally* consists of a pot and a white label attached. That white label can then have your branding printed right on it, meaning that to all extents and purposes this is now your own product. In many cases, you can even choose the 'blend' of ingredients that go into the product. In other words, if you're selling a supplement like a vitamin tablet, you can select all the vitamins and minerals yourself and then add your own logo.

If you don't sell a single item, then you have lost nothing. But if you sell lots, then you'll be making a profit at the same time as building your own brand and your own market presence.



CHAPTER 3

**THE CHALLENGE OF DROPSHIPPING
– FINDING PARTNERS**

Chapter 3: The Challenge of Dropshipping – Finding Partners

The big challenge when it comes to dropshipping though, is finding a dropshipper! This is very clearly a business model that has more benefits for the marketer and so of course not everyone is going to be eager to offer their services. How do you go about finding a dropshipper when they're in such short supply?

There are a number of options. But with any digital business, we tend to prefer keeping things simple and cheap.

In this case, the best place for you to start is by looking at websites that act as directories for dropshippers, wholesalers and manufacturers.

One great site that will do this is Alibaba (www.alibaba.com). Another good one is World Wide Brands (www.worldwidebrands.com). The latter is probably preferable as this *specifically* features dropshipping companies and has a large number of advantages for dropshipping businesses. For example, you can use this site to make sure that you are dealing with the *real* wholesaler. What does that mean? It means that you can avoid making the mistake of signing up to sell products that someone else is dropshipping to *you* – and thereby scraping profit from. This is a common practice and one to be careful of when starting out.

World Wide Brands is perfect if you plan on finding a dropshipping manufacturer quickly and selling their products on eBay or Amazon. The only product with this plan is that there's a fairly hefty sign-up fee. Currently, it costs \$249. Okay, so that's not astronomical and this is a *lifetime* membership. But if you were attracted to dropshipping initially because you wanted a business model with zero overhead, then it might be a little off-putting. Especially as your breakeven point has now been pushed back rather.

Another option is to try ThomsaNet.com (www.thomasnet.com), which like Alibaba has a selection of different types of manufacturers and wholesalers selling different types of products and different types of services. Makers Row (www.makersrow.com) might also be worth checking out. Some other paid options include SaleHoo and Doba. A great free choice is WholesaleCentral.

Failing that, another good strategy is just to search Google. When you know the type of product you want to sell, just try searching for that product on Google with the word 'dropshippers' and your location. If you're hoping to sell clothing in the UK for example, then you can just search for 'clothing

dropshippers UK'. Doing this right now brings up 'Fashion Dropshippers.com' which seems to do exactly what we're looking for, as well as several others.

Or perhaps you're looking for a white label supplement dropshipper in the US? In that case, we can search 'white label supplement dropshipping US'. This time, we find 'Norax Supplements', which lets us do exactly that. It's a pretty simple and straightforward method and there are more and more businesses like this springing up all the time to meet demand! Norax will handle formulation, production and fulfilment on your behalf, making things nice and simple.

The third and final strategy for finding your online dropshippers is just to contact the companies you like directly. Find manufacturers for products you'd like to sell and drop them an email. Better yet, try messaging them via LinkedIn or a similar avenue and see if you can get them to respond that way (this way, your message will stand out from their crowded inbox). You can even visit stores in person and ask the owner if you could have the contact details for the company that sold them X product (this works best for smaller, privately owned stores of course!).

If the company doesn't already offer the dropshipping services you're looking for, then just explain to them the benefits and why you would like the opportunity to sell their products in this manner. In many cases, they will acquiesce and you'll be able to start selling a product that other online retailers don't have access to.

Another tip for finding manufacturers that you can email directly is to look on eBay. Search for a product you'd like to sell and if you notice there are lots of people selling the exact same item, then this is a sign that they're using a dropshipper. It should then be a relatively simple matter for you to track down that original manufacturer and contact them so that you can try and do business with them yourself.

Note that many wholesalers and manufacturers don't have a great online presence. This means it can be necessary to really dig deep in Google, or to try looking at trade magazines and papers instead in order to find your potential partners.



Crucial Tips for Finding and Working With Dropshippers

Crucial Tips for Finding and Working With Dropshippers

Resale Certificate

Not all, but many dropping companies will want proof that you're a real retailer and not a consumer before they do business with you. Their concern is that consumers will simply claim to be dropshippers or resellers so that they can get items for cheap.

To provide this proof, you might need an EIN number for your business (you can find that here: <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>) and you might need a resale certificate (which you can learn about here: <http://www.wisegeek.org/what-is-a-resale-certificate.htm>).

If you're going to speak in person, then it can also be a good idea to familiarise yourself with all the terminology regarding dropshipping so that you don't sound like an amateur!

Look Out for Fake Dropshippers

When choosing dropshippers, there are a number of businesses that you need to look out for that are not really 'dropshippers' in the truest sense of the word. You need to avoid these companies, as they won't always get you the best deals and they might not be able to offer you the same kind of value as other organizations.

Be aware of companies that want ongoing fees – which real dropshippers don't require. Likewise, be careful of companies that also sell directly to the public. These companies often aren't really dropshippers, so much as resellers that are just trying to trick you into making a bulk order.

Some Things to Expect

While monthly fees and direct commercial sales are warning signs, there are a few caveats and requirements that you *may* need to go along with. We've already seen that many dropshipping companies will require you to provide a resale certificate and likewise, you might find that you need to apply for an account before you can begin using their services – which will normally involve filling out a form and explaining the nature of your business etc.

You might also find that some companies require you to place a minimum order for your first sale. This is another strategy that they can use to drive away commercial customers, as well as merchants that are just 'window shopping' and that may not use their products in future. So for example, you might have a minimum first order of \$500 – which is a little bit contrary to the entire concept of dropshipping as you'll now have a bunch of inventory sitting around and the potential risk of losing that upfront investment.

So what can you do? The best advice is to ask if you can use this initial expense as credit. Pay the first \$500 and then use that amount in order to offset future sales until they've paid the amount off. Drop them an email or speak in person to discuss this option.

Choosing the Company

A lot of people just starting out are going to be very eager to find a partner to work with and will feel privileged when they get a positive response to their enquiry. It's an exciting feeling and certainly a compliment being given the go ahead to sell on behalf of a manufacturer.

But at the same time, you also need to be a bit discriminating in your choice. Don't just go for the first company that is willing to work with you – make sure that they're actually up to scratch!

One thing to be careful of is quality control and this regard, you often get what you pay for! Be sure to ask the company what quality control measures they have in place in order to prevent problems like defective products and faults. Likewise, speak with them regarding their delivery times and packaging. Remember that your reputation is going to be riding on the quality of their products and service, so you need to ensure that you're happy with it!

Another tip in this regard is to *always* ask for a sample of the product. If you have demonstrated their ability to sell and they truly are a big business, then they should see it as a very small investment to see a sample of what they're selling. And if they won't, then order a product yourself as a customer. You really don't want to put your name to anything that you haven't personally checked out first!



CHAPTER 4

CHOOSING A NICHE AND AN INDUSTRY

Chapter 4: Choosing a Niche and an Industry

Now you have the basic idea of how dropshipping works and how you need to get started, you can begin to think about how you're going to build your own business. This all begins with choosing your product and choosing your industry/niche.

The product of course is going to be the item that you intend to sell and this is going to be dictated by the industry or niche that you choose to enter.

An industry or niche of course is the subject matter that you intend to write on and the industry that you want to operate your business in. This is important: this choice is going to impact everything from the price of your products, to the type of person you'll be selling to, to the type of businesses you'll be working with.



How to Choose Your Niche

The reason we call it a 'niche' when talking about an online business, is that a niche is a particular category. This is not only your subject matter but also the type of person that is going to be reading your content. It's very important that you choose this correctly because the niche will affect the size of your potential audience.

When you choose a subject matter, you want it to be one with a 'niche appeal'. This means that it is aimed at a particular type of person who is specifically interested in that type of thing. An example of a niche might be 'knitting'. If you have a blog about knitting and you sell knitting paraphernalia, then only people who are interested in knitting are going to read your blog and buy from you. This way, you have cut out a niche for yourself rather than trying to appeal to everyone and that in turn means you have drastically reduced the amount of competition that you're facing. Now you don't need to compete with the biggest companies on

the net and you'll find that paying for things like AdWords advertising is considerably more affordable than it would be for a more general topic. Likewise, getting to the top of Google for relevant keywords like 'buy knitting gear' online is going to be *far* easier than trying to get a general ecommerce keyword like 'shop online'. The latter would put you against mega-companies like Amazon and pretty much every other online business on the net!

But the problem with choosing a niche topic is that sometimes it can be *too* narrow, to the point where nobody is interested in buying from you. If your niche is 'puppies with three legs', then you're going to have a very small number of amputee puppy owners who can buy from you. You'll find it relatively easy to dominate the search engines and to be the number one supplier of products in that area. However, once you've sold to all 200 readers... you've pretty much reached the limit of what you can sell.

On the other hand, a niche like 'fitness' may be considered too broad. 'Buy fitness clothes online' is a hugely popular search term that companies like Men's Health, Under Armor and Bodybuilding.com. Ranking for search terms like 'how to build muscle' is even going to be very difficult.

The perfect niche or industry then is one with a broad appeal but that still gives you a unique 'twist'. This way, you'll be able to appeal to a lot of people but you'll also be able to avoid directly competing with the biggest competitors. This will also give you a better 'route to market' – which is a term that describes any direct access you might have to your target audience. An example of a route to market for example would be a forum that is dedicated to the subject matter you're writing about, or an industry magazine.



These Are the Perfect Niches to Pick...

With all this in mind, how do you find the perfect niche for you?

There are a few things to consider...

Your Current Niche

A lot of people reading this are going to already have a blog or a website. In that case, the best niche is obviously going to be the one that you're *already* in. All you need to do then, is simply pick a product that your current readership will enjoy. You should already have their trust, so all that's left to do is offer them products and explain how and why they can benefit from them.

An area of Interest

This will often align with that last point – but you should always pick a niche that you find personally interesting. This makes a gigantic difference to the quality of the content you put out, to your ability to pick the best products and more.

Remember, as a blog owner, you're going to be required to write thousands of lines of content on this subject in order to demonstrate your expertise and gain the trust of your visitors (see the relevant chapter). If you don't know anything about the niche, then this is going to come across in your writing and you're going to find it a very dull job.

On the other hand, if you have a legitimate love of the niche you're writing in, then you'll find it no chore to write all that content and you'll meanwhile find it much easier to wow your readers with what you know. What's more, you'll have a better idea of how to pick a truly great product that will stand out and attract your audience. You'll have your finger on the pulse!

Niches Where You Have an Upper Hand

Again, this relates directly to the previous two examples in many cases. Suffice to say, that most of us will have contacts and advantages in some niches that give us an edge. Perhaps for example, you happen to know the owner of a very big fitness website, or of a very big fitness magazine. Knowing this person will thereby make it much easier for you to get a cheaper advert, or maybe even an article, inside the magazine. Now you can reach out to that audience directly and hopefully sell more product.

Have a long think about your lists of contacts and friends and then consider finding a product that will let you make the most of those advantages!

Niches With a Strong Value Proposition

If you look at affiliate marketing, digital products and internet marketing as a whole, you'll notice that certain niches stand out as being by far the most popular. Those are:

- Fitness
- Making money
- Dating

Why are these the most popular niches? On the one hand, it's because they have the broadest appeal.

But the biggest reason is that they offer the best 'value proposition'. A value proposition is basically the way in which your business is able to offer value. This is the way that your products can change people's lives. What is the *end result* of owning your product?

If you're selling a hair dryer, then what you're really selling is convenience and dry hair! If you're selling clothes, then what you're really selling is the ability to feel good about yourself, to look sexy and hopefully to thrive in your career and in dating as a result.

This is what sells.

Try and sell a book about cats and you're really not offering much beyond a few hours of entertainment.

But sell a book about making money and you're selling a dream.

By choosing a product that can really change people's lives, you are providing much more value – even if the manufacturing costs stay the same. This lets you charge more and make more money as a result! And it basically comes down to the niche.

Combining Niches and Finding Sub-Niches

In order to tick all these boxes, one strategy you can use is to target a sub niche; a niche within a niche. An example of this is targeting a specific type of person within the fitness niche. How about 'fitness for the over 50s'? Or 'dieting for the diabetic'? You could even do 'strength training for martial artists'. In this latter example, you've actually combined two separate niches in order to offer something truly unique and interesting!



CHAPTER 5

CHOOSING THE PERFECT PRODUCT

Chapter 5: Choosing the Perfect Product

Now you have your niche, the next thing to do is to pick an actual *product*. From here, you can then find the manufacturer to help you provide that.

The important thing here is that there should always be a clear synergy between your branding, your ethos and your product. That is to say that you should have a real affinity with the product and be selling it as an extension of your mission statement.

What you *mustn't* do, is to simply find whatever the first product is that you can sell within your niche. An example might be to create a fitness website, build an audience and then try and sell a really basic protein shake that is already well-known.

Can this work? Sure. But why *would* people bother to buy from you when there are countless other sites where they can find the same thing? Or when they can even buy it from their local high street? Likewise, if you are selling a product that is obviously not your own and that is so generic then it can actually hurt your trustworthiness. It's clear you're trying to make money – which isn't a bad thing in itself – but you're not offering any unique value in return. You're just saying 'oh yeah, and why not buy this generic product while you're here?'.

On the other hand, if you can find a product that is somewhat new, somewhat different and that mirrors your *personal* approach to fitness, to business or to whatever your niche is, then you can sell something that you really believe in and can get excited about. And this is something that will come across and make itself apparent for your visitors too. This is one reason why it can be so great to have a hand in helping designing the product – as with a supplement for example where you get to choose the ingredients.

Similarly, you can make money from selling a product that is a little lesser known and that you find particularly interesting and exciting. The best brands will be the ones that can grow with you: find a company that is doing something new and exciting and express that you'd like to work with them. From there, you can then focus on growing and building your business and this will help you to form a real relationship that's mutually beneficial and that your customers can appreciate too.

More Factors to Consider



More Factors to Consider

Of course there are many smaller considerations to keep in mind when selling your products. Should you sell a consumable, or should you sell something that will last a long time? Should you sell a product that is very expensive? Or one that is very affordable?

On the chapter on ecommerce and pricing, we'll discuss this in more detail. But suffice to say that it can make a lot of sense to sell multiple products in future, as that way, you'll be able to benefit from multiple different types of business model and you'll be able to draw in a wider range of buyers. Having a range of prices means that you can cater to people with all kinds of budgets and build some loyal customers that might increase their average spend with you over time.

For example, a cheap consumable has the distinct advantage of being something that will keep your visitors coming back. If you sell protein shake for instance, then your buyers will probably want this about once every month. If you provide a reliable service and appealing prices, then this is an excellent way to get repeat business and to have a recurring income – which in turn will be highly convenient by letting you make more concrete plans for your budgeting etc.

Another option is to run a 'box' business. These are businesses that sell selections of products on a recurring basis. Someone will subscribe to your business for instance and then you will send them a package containing a set number of products each month. This could be a range of different items, or it could be one thing.

Loot Crate for example, is a business that sends pop culture merchandise to comicbook and games fans. Part of the fun of this service is that they never know exactly what they're going to get, but it will always be something interesting and exciting. Then again, you also get men's grooming services that send the same selection of consumable razors, shaving foams etc. each month.

This is a different way to create your dropshipping business and one that allows you to add some real extra value and also to promote the products of your partners in an exciting way.

There are many other ways you can add value too – whether it's providing freebies (like some kind of PDF), offering the best discounts, or somehow upgrading the product you're offering before it reaches the customer.

Whatever you decide, the big question to ask yourself is: what value are *you* providing? What are you offering on top of the products themselves? How are you providing value not only for the customers but also for the suppliers? What advantage do they get by coming to you instead of going to Amazon?

What Types of Products Will Sell?

Finally, you of course need to ask yourself what types of products will sell well. And this is particularly important when you first start out and perhaps only have one item to begin with. If you're going to begin your store with just one item, then it is *highly* important that this one item be something that will sell well and get your business off to the best start.

And the best way to do this is to pick something that has a very clear function and that is easy to explain. Solve a problem that your visitors have. What is it that people in this niche need? And how can you solve that issue for them? If you can answer this, then you should have no problem selling your first item as long as it is well made and as long as you're persuasive enough to make it sound amazing.



CHAPTER 6

CREATING YOUR BRAND AND BUILDING
YOUR AUDIENCE

Chapter 6: Creating Your Brand and Building Your Audience

If you already have a website and an audience, then you can skip this chapter. Otherwise, it's crucial that you keep reading in order to ensure that your brand is aligned with your business model and the product you're selling.

A good place to start is by asking what exactly a brand *is*. A brand is much more than just a logo and is rather an ethos – a mission statement and an approach to business. That logo simply tells people that the product or service they're receiving adheres to the same standards as whatever else they have used from you in the past.

You start your brand by choosing *why* it is that you do whatever it is you do. Why should people care about your business? How are you different from other companies offering the same thing? How do you want the world to change, as a result of your business being a part of it?

This is what allows a company like Apple to capture the imaginations of billions of people and to create such loyal customers. Apple isn't just about selling hardware – it's about making beautiful hardware that feels *personal* and that is aimed very much at creative, rule-breaking individuals as opposed to big businesses. When the first Apple computer was released, the only competition was IBM and by taking this stance, Apple was able to differentiate itself a *lot* and get a lot of excited followers as a result.

The same goes for many businesses that are setting out to create a greener planet. These companies are doing something more than just making money – and their fans love them for it. This is enough to make people choose their products instead of the same products offered by another business. And this ethos means that people know *instantly* that the service is aimed at people *like them*.

So ask yourself what the driving motivation behind your business is. You're a fitness company? Okay. But what is it that you really believe in? WHY is fitness important to you and to your customers?

Do you think that people are happier when they're well? Do you want to help the average person to have a more fulfilled life thanks to a healthy lifestyle and diet?

Or do you love the idea of becoming more powerful? Are you all about building strength and speed and challenging the limits of human potential?

These two companies might sell the exact same product but the way they go about it is completely different. And if you can convey this mission statement, then you'll find that the right type of customer will go absolutely nuts for your brand. That's the kind of customer whose vision is aligned with yours.

Don't try and appeal to everyone – that will never work. Instead, try to appeal to *apple more* to the right kind of person.



Creating Your Logo

One way to do this is through your logo and your web design. The objective of a great logo is to communicate what your business is all about. You are trying to tell people what you sell and why you sell it *as soon* as they look at your business.

Say your company was all about health and natural products, then you might make a logo that had a tree in it, or a heart. It would probably be green in color and have an uplifting, healthy -sounding name.

Conversely, if your business is all about punishing workouts in the gym, then your logo might include a picture of a dumbbell and have the word 'iron' in it somewhere. The idea is that the combination of your logo, company name and perhaps blog posts is enough to tell any visitor to your site right away that this is a company that's aimed squarely at them and that they're going to love. This should also extend throughout your site design.

Meanwhile, make sure that your logo is designed using a vector file (meaning that it's made in Illustrator or a similar piece of software that keeps it easy for you to edit and resize) and avoid using clichés. Once again, this is a good place to invest a little of your own money upfront – it will pay off to a massive degree in the long term.

Building Your Audience and Creating Trust



Building Your Audience and Creating Trust

The mistake a lot of people make is to try and sell right away. This can work sometimes but it is not generally the best way to build trust, grow an audience and ultimately secure the best long term profits. That's because it's somewhat similar to walking up to an attractive stranger in a bar and asking if they want to come home with you. 99.99% of the time, this will be met with a slap! Most people prefer to get to know the person propositioning them at least a *little* bit at first!

So instead, you need to try and introduce yourself properly and let the person feel they know you and can trust you first. This is the exact same for a business when you're trying to sell something – imagine approaching a stranger in the street and asking if they want to buy from you!

This is the basic concept of content marketing – to build an audience of people who love your content and who trust your opinion so that you can convince them to buy the products you recommend and so that you can keep bringing people back to your site time and again, giving yourself multiple opportunities to make a sale.

The way you do this is to start by writing high quality content and to post this to a blog on a regular basis. The more you write and the more you research your subject matter and make it different and interesting, the fast you will build a dedicated audience that you can sell to. Demonstrate that you really know what you're talking about, that you only recommend things that you genuinely believe in and that your audience can trust you to be a resource for more useful ideas and information.

Likewise, try to build your mailing list and social media presence. Incorporate your brand strongly on all of your social media pages and in anything else you create, so that people will know they're dealing with the same business. Getting someone to follow you on social media when they think they might be interested in your brand, is far easier than getting them to buy a product from you and actually spend money! Your social media

accounts will meanwhile help you to bring *more* new customers to your site by letting people share with their network. You can help this too by providing social sharing buttons that will let people easily 'Like' your content on Facebook or 'Tweet' it to Twitter.

Only once you have generated a big audience of people regularly coming to your site, should you then start thinking about introducing products to your page. If you have really created a brand you believe in and if you've been providing *real value* in your content, then you should find that you have true fans. And true fans will be desperate to buy your products when you start selling them!

More Ways to Promote Your Products

Of course, there are many additional methods you can use to send more customers to your products and to market your store.

One option is to create your own affiliate program and to encourage more people to help market your items. Another method is to pay for advertising – whether this is a pay-per-click campaign through Google AdWords, or whether it is an advert on Facebook that is highly targeted to your specific demographic. This works well in scenarios where you're selling from eBay or Amazon and aren't trying to build up an audience.

If you're going to pay for advertising though, then you need to calculate the LCV (Lifetime Customer Value) of each customer. This will allow you to ensure that whatever you spend on your ads, you are making more back and thus seeing strong ROI.



CHAPTER 7

**BUILDING AN ECOMMERCE STORE AND
MAKING YOUR PRODUCTS FLY OFF THE
DIGITAL SHELVES**

Chapter 7: Building an Ecommerce Store and Making Your Products Fly Off the Digital Shelves

But to take this next step, you're going to need to make another new addition to your business.

Once you've chosen your product and niche and built an audience, the next step is to create your own ecommerce store. This is an online storefront where you can show your different items and encourage sales.

Being successful here is a matter of choosing the right design to begin with but also thinking about how you're going to arrange and price your items to help them move. This ultimately comes down to a lot of psychology



Creating Your Ecommerce Store

When it comes to ecommerce website design, there is a single overriding goal which isn't always true of regular site design. Of course, that objective is always to try and increase sales and increase profits (this is probably actually *more* important). Of course you also want it to look attractive, to be functional and easy to use and to represent your brand in the right manner but all of this is really just in *service* of creating a web design that helps you to make more sales. This means that every single element in your site design should be encouraging more sales and pointing users in that direction.

The old adage here is that good design should 'communicate' and not 'decorate'. If an element of your design isn't somehow getting people to keep browsing your store or click 'buy', then it has no place in your design.

If you use the right development company or a good ecommerce builder/template, then you should find that the experience and expertise of the professionals informs their decisions and results in the best possible turnover and profits for you. In this regard it is *always* worth spending a little more on a professional theme or on a proper development company. Unless you're a professional designer yourself, then you won't be able to compete with an entire organization made up of experts who have the very best tools and the most experience. And *any* lack of professionalism in your site design is going to reduce the trust in your brand and make visitors less likely to buy. An ecommerce store, more than any other design needs to look professional and have a sense of polish and sheen.

The easiest way for most digital marketers to create their own ecommerce store will usually be to use a WordPress theme like WooCommerce. WooCommerce is a theme/plugin that will transform an entire WordPress site into an online store. This makes managing your store just as easy as managing any WordPress website. You can still get a professional design for your site meanwhile, by hiring a team of professional designers to create your theme for you, or by buying one that you really like the looks of and that you think will fit your brand.

There are other options too. For example, Shopify gives you a 'hosted' ecommerce platform. This means that the site will be located off of your server, just like a profile on Facebook for example. You then send your customers to that page, where they can shop through your multiple products. This can help make things a little simpler and easier to run, but it does ultimately mean that you lose a *little* of the freedom and flexibility in terms of how you want to design and run the site.

Either way though, choosing a well-known platform such as one of these – or Magento or BigCommerce – will mean that you can find a large amount of support, free themes, plugins and more to help you sell. Some of these features can be incredibly useful – such as the ability to add widgets right on your blog that promote your top items for example. Don't steer away from these big players then

Pricing and Placement to Boost Sales

Using these methods will help you to generate more sales by having a professional looking and performing website. Nevertheless, it is still always useful to understand the theory and principles behind it so that you can continue to implement best practices yourself – especially when it comes to aspects that fall outside the realm of design such as price.

Here's how the right combination of pricing, positioning and design can help to make your items sell more effectively.

Contrast

Contrast can of course be aesthetic and making choices such as using red 'buy' buttons against a white background is a great way to make particular elements stand out and get more clicks. (This also comes down to color psychology but we won't go into any of this right now...).

The other type of contrast though refers to the way that you position items next to one another, with the objective being to place expensive items next to cheap ones. Why? Because this makes the cheap items appear even more affordable and the expensive items appear even more premium.

Say you have a \$10 tie next to a \$50 tie. Someone who wants the very best tie might be all the more impressed by your premium offer, knowing that it's five times more expensive than the cheapest product. Meanwhile, someone who doesn't have as much money to spend and who feels guilty about buying a new tie can convince themselves that the \$10 tie is a great deal. They can compromise and convince themselves they're being sensible by choosing the cheap tie. They've 'saved' \$40 even though they're still buying something they might not have otherwise. This way, the right pricing can really help to sweeten a good deal and good ecommerce website design should take full advantage of that.

Selling One Cheap Item

Earlier on in this book, we described just why it was so important to have multiple ranges of prices in order to attract a range of different types of buyers. When we looked at contrast meanwhile, we saw that varying price could be used to make items look like an even better bargain, or like they're of even higher quality.

But another very important reason to have cheaper items as well as more expensive ones, is that this can be a great way to build trust. If someone has never bought from you before, then they might feel concerned that the products won't arrive or they won't be as-advertised. Even if they read your content and they like it, they have no guarantee that what you're selling is going to be high quality – or even that the site will be secure from data leaks. Thus, they aren't going to want to spend £1,000 the first time they ever do business with you!

But if you have an item that costs \$5 – and that is a product people will know – then someone might make that purchase because it's a small risk to take. Now you can demonstrate the quality of your service and save their details, making it *much* easier to sell bigger items in future!

The Hunt is On

Another tip is to think about your top sellers and your smallest sellers and use this to inform the design of your store. This is something that physical stores do a lot – they'll place their biggest drawers right at the back of their stores. This way, people will come in to buy the thing they want, but to get there, they'll have to pass through all of the smaller items you're also selling along the way and hopefully they might buy something.

Meanwhile, if you have items that aren't selling at all, then you can find inventive ways to make the most of this. Packing it in as a free incentive for example or selling it at a *very* discounted rate as a way to bring more people into your online store. This is less important for a dropshipping business model of course though, as there is no downside to being left with excess stock.

POS and Upselling

What's important to consider when looking at ecommerce website design, is that in order to make a sale you have to overcome certain psychological barriers. This is actually often the most important step in making a sale.

These psychological barriers include such things as customers not wanting to spend any money and *not being bothered* to go through the process of checking out.

Good ecommerce website development should take this into account first and foremost by making it as easy as possible for customers to make purchases. This is why Amazon's 'buy with one click' feature is so instrumental to their success.

At the same time, webmasters need to make the most of customers who have already overcome *some* of these barriers. When a customer commits to buy *any* item on your site, they will instantly become much more susceptible to increasing their order. Why? Because they've already *decided* to make a purchase.

This is why physical retailers use POS (Point Of Sale) displays that sell extra items while customers are in the queue. It's so easy for them to add extra things to their basket that it would be foolish to miss this opportunity. ecommerce sites can do the exact same thing by adding making it easy to add extra purchases *at* the checkout.

Similar is 'upselling' where you give your buyers the opportunity to upgrade their order once they're already buying. Once they've committed to buy, tell them how for just \$10 more they could have the

very *best* service or product instead of the cheaper but ultimately inferior option they're currently buying. It's the smart decision after all!

Bundling

Sometimes a buyer will want some of your items but will not all of them. Other times they will want to combine multiple items but won't want to pay for extra shipping or to pay full price when they're essentially buying in bulk.

Thus, letting your customers combine their items into a single large order can often encourage more sales and is known as 'bundling'. What's great about bundling is that it can also be used to sell additional items that they perhaps wouldn't otherwise have bought. Adding extra items to bundled packages is also a great way to shift unsold stock.



CHAPTER 8

**PERSUASIVE WRITING FOR
INCREASING SALES**

Chapter 8: Persuasive Writing for Increasing Sales

One aspect that can help you to boost your sales is so big and so important that it needs its entire own chapter. That is your persuasive writing. This is what you'll use to sell your individual items in their store listing but it's also what you'll use on a 'sales page' to promote items that are of a particular high value and that you really want to shift.

Catch Attention

The first and most important tip is to capture the attention of your readers as quickly as you can. This means you should use a bold statement, perhaps capitals and you should address the reader directly.

'Now YOU Can Get the Body You Want'

Works much better than:

'A quick workout for burning fat'

Asking a question is also a common and effective method, because it forces the reader to engage with the text by thinking about the answer. Hence:

'Are you sick of feeling tired and unfit?'

The problem with this, is that it can seem a little too obvious as an 'in your face' marketing technique. An even better strategy then is to use a narrative structure for your opening. In other words, structure your text like a story. That way, people will want to know what happens next and the text will seem inherently much more interesting.

This is true because we are so used to reading stories. We have been listening to stories for centuries and as a result, they're always an effective tool for getting people to listen. They're also easier to make emotionally resonant.

A great opening then might be:

'I was unhappy with my body and looking for answers. Little did I know the solution would lie in an ingredient found in most diets already...'

Use Headers and Enable Skimming

The reason this point is so important, is that most people are in a huge hurry – especially online. Attention spans are short and no one wants to wait around to read a huge ream of text that’s just trying to sell them something.

Another way around this issue is to make your text skimmable. A good way to do this, is to use lots of headings that use lengthy descriptions. Ideally, a visitor should be able to *just* read your headings and still understand the entire pitch.

Personal Interest

Addressing the reader directly is particularly useful because we have evolved to pay attention to things that we think concern us. At the same time though, you should also take this further by thinking of more ways that you can make your text personal. In particular, this means using a personal interest story - explaining how your product works by saying how it has helped someone else, or even you. This works much better because it means that the reader will be able to imagine how it is going to affect their life, and because they'll be more likely to connect with what you're offering on an emotional level.

Earlier in this book, we discussed the importance of the ‘value proposition’. This is something you should always keep in mind when selling. How do you make the product applicable to the reader? How do you give it emotional weight? Try to get them to imagine what life will be like once they *have* your product and this will make them want it more.

Addressing Concerns

When someone reads your text they are going to know you're trying to persuade them and so be on the defensive. They'll thus be thinking of all the reasons that what you're saying probably isn't true, but you can combat this by addressing each concern in your text. Try and second guess what the reader might be thinking and then explain why this needn't be a concern. If it's a CV you're worried about, then try to give examples of the things your skills and experience are useful for and why you're better than the other candidates.

This also means trying to come up with solutions to the most common ‘barriers to sale’. These are the psychological barriers that prevent people wanting to buy – such as the risk element. We’ve already seen one way you can get around that, by selling products from a trustworthy site and by selling cheaper items first.

Another tip is to make sure you have a full money back guarantee. This is something that people won't often use but knowing it is there will help you make many more sales. You can also try to combat 'buyers' remorse', which means taking away the feeling of guilt people get by spending money. Using the contrast technique is one way to account for this, another is to describe your product as an investment.

Conclusion

Ultimately, the best way to start building your dropshipping business is to start by selling a product from your site and then to experiment and grow from there. The exact strategies you use are going to depend hugely on the nature of your website, your audience and your goals. It's up to you to find your way, to see what works and to tweak and evolve your business over time.

Hopefully, this guide has given you all the tools you need to get started. You should now have a strong idea of how a dropshipping business works and how to get started and you should now have a grasp on how to encourage products to grow, how to choose items that are likely to sell and how to find the right market and audience for what you're selling.

Once you begin selling physical products to your audience, you'll unlock the kinds of profits that you just can't get as an affiliate. And all without taking any significant risks or spending much money at all...

A Managed Cloud Hosting Platform Where Teams Can Build, Deploy, Scale
& Manage Phenomenal Web Applications

