

Title:

The Value of Drop Shipping

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348

Summary:

Most retailers agree drop shipping is a huge time saver. But is it a money saver as well? It is often said that time is money. But just what is the true value of drop shipping?

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Article Body:

by Stuart Lisonbee

Most retailers agree: drop shipping, if used properly, is a huge time and labor saver.

But is it a money saver as well? It is often said that time is money. But just what is the true value of drop shipping?

We will attempt to answer that question in this article from a scientific approach, using logic to come to a conclusion as to what the value of drop shipping is for you.

The value of time is different for everybody. For Bill Gates, an hour of his time is so valuable you probably wouldn't ever be able to pay him enough for his time.

Sometimes here at Doba, we bring on interns. Usually they work without pay. What does the intern consider to be the value of their time? They are giving of their time, and getting no money in return. They consider their pay not as a present monetary figure, but as experience gained, which will in turn makes them more valuable to other companies. Thus it could be said that an intern is considering the value of their time as something that will be paid off in the future.

If I were to invest in the stock market, I would probably spend a good amount of time researching various stocks before deciding on what to invest my money in. I

would then wait for a (perhaps very long) period of time before cashing out my stocks.

In such a case, I'm investing my time in the hopes of getting a future payoff for it. If I consider my time to be worth \$50/hour, then my goal would be to get a \$50 future return for every hour I spend doing research.

When using drop shipping to run part or all of your retail business, you save time by having somebody else track inventory as well as pull and package orders. Additionally, you don't spend any time running to the post office to have orders shipped.

In part 2 of this article, we'll discuss the actual monetary value of the time we just talked about.