

Title:

Drop Shipping Increases Profits

Word Count:

414

Summary:

You would like to increase your income by selling other peoples` products but you just don`t have the money to stock inventory.

On the other hand, perhaps you have lots of your own product and would like to increase your sales, but you don`t have a lot of money for advertising.

The solution to both problems may lie in drop shipping.

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Keywords:

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Article Body:

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The solution to both problems may lie in drop shipping.

1. Sell Products You Don`t Own

You would like to sell a variety of products but you don`t have very much money. Don`t worry! Your customers will supply you with the necessary capital. You don`t have to stock inventory. You can drop ship orders.

For example, you receive a credit card order for a product retailing for one hundred dollars plus five dollars shipping. You now turn around and fax (or e-mail or phone) your order to your dropship supplier. You pay the fifty dollar

wholesale product cost plus five dollars shipping using your own credit card.

Your dropship supplier now ships the order to your customer. With no investment in inventory, your gross profit equals fifty dollars.

## 2. Sell Products You Do Own

Would you like more sales of your own products? Consider drop shipping your products for other dealers.

As an example, you may have a product that sells for one hundred dollars plus shipping. Every time you sell that product yourself, you will have a sale of one hundred dollars. However, how many one hundred dollar sales can you make personally?

Now consider the situation where you offer your dealers a wholesale price of fifty dollars. You could have hundreds or thousands of persons selling for you.

It is true that each product sale now only brings you only fifty dollars in sales. However, these are sales that you wouldn't otherwise have. What would it cost you to obtain these sales through traditional advertising channels? Would your advertising even bring you the desired results?

Keep in mind that with this drop shipping arrangement, you pay only for results. When a dealer retails your product for one hundred dollars, he is really receiving a fifty dollar profit for selling your product; you could view it as a sales commission. You receive only fifty dollars per product sale but sell way more than without drop shipping. You ship directly to the customer for your dealer.

So, whether you sell other peoples' products or your own, drop shipping can increase your sales, preserve capital, and maximize business profits.