

# Drop Shipping: The Good, The Bad, The Ugly

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Drop shipping is widely known by know and many people are doing it. However, there is still an opportunity to make money from it. This article will serve as a guideline where people can refer to when deciding whether they want to commit their time and effort to this opportunity. For those who don't know, Drop shipping is a method in which the retailer does not keep any inventory. However, they take orders and transfer them directly to the manufacturer/wholesaler who then ships the products directly to the customers! To get started you'll want to create a [Shopify](#) account which allows you to create an amazing online shop! Furthermore, clicking the link will allow you to get a 14-day free trial! This means you could have your website up and running before you even pay a cent!

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## Pros

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### Low Start-Up Costs

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Probably the biggest reason why people start a drop shipping website is due to the low start-up costs. Many businesses have to worry about massive overhead along with start-up costs that can be an upwards of \$1,000! However, with drop shipping, your main worry will be keeping the website up and running! This typically would not cost too much either! As for the equipment you need, all you'll need is a slightly good computer, an internet connection, dedication, and effort!



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## Low Barrier To Entry

When you hear that almost anyone can do drop shipping, it's true for the most part. This money making method does not require any prerequisite skill sets. Furthermore, you do not have a boss which means you do not have to answer to anybody. This is one reason why this method of earning money got so popular among millennials! There is technically no age restriction when it comes to drop shipping which means that if you're in high school, you can still do it! In college and have orders to fulfill? You can do it in between class. This also means that you won't need a college degree to get started!

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## Little To No Inventory

Drop shipping requires you to be the middle man between the customer and seller! This means that you'll be holding no inventory of your own. Holding no inventory not only saves you space but money as well. You will not have to worry about packing and shipping the items because it is all done for you. Just think if you were to actually hold the inventory that you sell. You'd have to worry about your stock running low or running out which can lead to potential lost revenue. This is why drop shipping is handy, it allows you to earn money with zero inventory costs!

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## Quick To Start

Depending on the business, the time it takes to actually get it up and running can take over 6 months! If the business requires space, loans, hiring, and construction, that 6 months goes out the window. However, since drop shipping is a home-based computer which needs no employees or loans, that time is significantly shortened! The most time-consuming part of starting a drop shipping business is building the website though [Shopify!](#)

If you're not already knowledgeable on constructing websites this may take some time to learn. Furthermore, the business most likely would not get customers immediately. This means a great deal of time will be dedicated to marketing your website. This way you'll be able to get a steady stream of customers! I can't give you an exact time limit but there are people who have gotten their websites up and ready in just over a week!

## Cons

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### Small Profit Margins

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A lot of people are probably wondering how much money they can make from drop shipping and there is really no definitive answer. If your store sells a lot then you will make a considerable amount. However, if your website is not processing that many orders, your profit margins will be small. This is due to the fact that you won't be able to get bulk pricing.



Most people know that when purchasing inventory, you'll typically pay less when buying supplies in bulk. However, since drop shipping works on a per order basis, you'll be purchasing items individually. You can adjust the price to whatever you want on your site (charge \$20 more than the wholesale price). However, you're going to want to keep your prices competitive to constantly acquire sales!

### No Control Over Support/Customer Service

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This con can really be a pain because it is one of the aspects that you have the least control over. You will have very minimal control over the orders that are fulfilled. That being said, if the manufacturer messes up the order in any way, that blame will now be on you and your company. This can lead to many complaints and lost customers! Furthermore, you'll have very little avenues to take in terms of correcting the situation. If a customer requires compensation, that may come out of your pocket!

### Possibly Run Out Of Stock

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Since you will not have control or possession over the inventory, there is always the possibility of running out of stock. This can be a major headache because it can be unexpected and happen to your most profitable items! Therefore, even though you save a

ton of money on inventory costs, there are major downsides to not storing your own inventory.

## Saturated

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Since there is a low barrier to entry, minimal start-up costs, inventory costs, and start-up time, everyone under the sun is trying to get a piece of the drop shipping pie. This means that there are many people out there doing the same thing as you! Furthermore, since you're selling items, you will have to worry about competitive pricing! The best way to counter this is to stay competitive, market well, have a nice looking website and dominate a less saturated niche!

## Is Drop Shipping Right For You?

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Drop shipping is right for you is based on a few factors that must be looked at. Will you be able to dedicate enough time and effort? Are you willing to learn something very new? Will you be able to stay up to date and compete against all those people who will be trying to take your sales? Furthermore, it may take a while to start generating income which means it may be a bumpy ride at the beginning! To conclude, the only person who will know if it is right is you! Do your due diligence and make the smartest decision based on your lifestyle and dedication!