

12 Killer Dropshipping SECRETS for eBay Sellers

**How to profit and effectively implement drop
shipping in your eBay business**

By Mike Enos



www.PlatinumPowerSeller.com

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About the author:



Hi, My name is Mike Enos. As a Platinum powerseller, I have sold \$25,000+ a month on eBay. I sell fulltime on eBay professionally and make a **GREAT** living from it.. It is a wonderful business, especially since I run it out of my house. Having a great wife, a 4 year old boy and a 7 month old girl, it is wonderful to be able to provide for their material needs while being at home with them.

If you check out my feedback rating, you'll see that I have over a 5300+ rating at almost 100% praise. (Hey nobody's perfect :-)

I gave 3 presentations on sourcing product at **eBay LIVE 2003** in Orlando, Florida. Perhaps, you were among the **thousands that attended one or more of my presentations**. The room was jammed solid, and hundreds had to be turned away from the Thursday presentation. Sorry, if you were turned away :-)

I even had my picture taken during that presentation and put in the WASHINGTON POST. (That's me on stage)



Mike Enos giving first of three eBay LIVE 2003 presentations.

Photo copyright Washington Post. [Click Here for web article](#)

Quite simply, I'm the real thing. In other words, what I'm sharing with you works, because I use it everyday. I encourage you to stop by www.PlatinumPowerSeller.com to see how else we can assist you in developing a successful eBay business.

Purpose:

Without a doubt, the most popular question that I ever receive as an eBay power seller is "where do you find you items to sell on eBay?". EVERYONE wants to know where they can find a steady supply of profitable merchandise to sell on the eBay auctions.

The purpose of this special report is to help you learn how using drop shippers can help you to reaching that goal.

As someone who sells between \$20,000 - \$30,000 EACH month on eBay, high know how difficult it is to find a steady supply of merchandise that can be sold on eBay for a decent profit.

I have to admit that for nearly one year I avoided using drop shipping, even though I was sure then I could benefit from it!

Why? I can answer that in one word.

BACKORDERED!

That word would put shivers up my spine! A few times I had oversold an item, and had to deal with the nightmare that followed. I had people who went completely nuts when I told them I was out of stock. I offered to promptly return their money. That was not an option! People gave me negatives, contacted PayPal and eBay accusing me of fraud. Oh... what a mess to clean up!

Needless to say, this was not something that I wanted to experience over and over again. I knew that if this problem arises from me and my inventory, no doubt it would also occur with other distributors and their inventory.

This made me quite leery about using drop shipping. Perhaps you feel the same way!

What really drove me nuts, was knowing all of the advantages that do come from dropshipping:

- No Inventory
- No Warehousing Required
- No Packaging
- No Shipping

I **KNEW** that I was missing **BIG PROFITS** because I wasn't implementing drop shipping in my business!

The problem of backorders was so big to me that it literally was a stumbling block that I could not get past.

Still, my brain wouldn't forget about it. I have a problem solving brain. It puts problems on the "back burner" and just lets them simmer until finally it comes up with a solution.

You never know when, where, or how. But sooner or later it figures out either a solution or at least an effective work around.

It hit me one day while just working on my computer plowing through my emails. It just appeared out of nowhere.

I just jumped up and said "No way!! It can't be that easy!" My office manager Jocelyn had no idea what was going on. She probably figured that I had once again just gone off of the deep end.

At last a simple solution to the problem of drop shipping backorders had been found. The road block that had held me back from vacuuming up eBay profits had at last been conquered! Sweet!

Once I got started with drop shipping, experience has also taught me some valuable lessons. They are included in the dozen (actually 13) drop shipping secrets below.

My goal is that these points will benefit you in your business as they have mine.

Take Care,

A handwritten signature in black ink that reads "Mike". The letters are cursive and slightly slanted to the right.

Mike Enos

www.PlatinumPowerSeller.com

P.S. For the BEST list of Dropshippers available, then you MUST MUST MUST CLICK HERE

12 Killer Dropshipping Advantages for eBay Sellers

Welcome to the special report. The purpose is to say how drop shipping merchandise to eBay customers can add more profit to your bottom line.

As mentioned in the previous section, my biggest problem fear about dropshipping was **BACKORDERS**. An impatient eBay buyer and an out of stock distributor mix like water and oil.

My solution is to use a **hybrid** version of drop shipping.

The idea is to make sure that you always have at least one or two of the item to sell.

There are multiple plays to set it up. The simplest method is to simply purchase two of the items, and have them shipped by you. Once an order comes in, you have it drop shipped to the customer **FROM YOUR DISTRIBUTOR**. You **do not** use your stock until the distributor is backordered.

As soon as you find out that the distributor is backordered, here is what you do.

1. Contact your second distributor to see if he has the item in stock. Make sure to get quantity levels and plan accordingly. (See solution #4 below)
2. If your backup distributor has enough stock then don't worry about.
3. If your backup distributor does not have enough stock, and you cannot locate any more stock, then it's time to act!
 - a. If you have any more scheduled auctions, make sure they do not post.
 - b. If you have auctions running, end them early. Depending on how many of the items you have in your own personal stock will determine whether you have to shut down every auction or not. If you had any bids that would have been successful, AND you have the item on hand, then let it run. If you don't have stock on hand, then make sure to save the person's eBay ID.
 - c. Contact that bidder (who's bid on an auction ended early) and explain that *"the item has been selling so well, and is such a great deal that you*

are temporarily out of stock. Would you like me to contact you once I have it back in stock? "

4. Now that you are no longer overcommitted, you are out of the danger zone.

I have an electronics hardware and a computer software background, and a common term used is a "buffer". A buffer is used to move something whether physical or electronic data between two points moving at different speeds.

Your buffer gives you the chance to react to your distributor being out of stock.

There are various ways to building your buffer, and we will discuss that next.

Note: The following suggestions are methods that I have successfully used in my business. Depending on the distributors that you select, the amount of merchandise that you purchase, the value, weight, size, type, etc of the item may limit the effectiveness or availability of these solutions. If you are ordering \$100 per month from a distributor, don't expect the service that a \$5000 per month customer would receive 😊

I give no guarantees that this information will benefit you. You use any information contained within at your own risk, and I am not responsible for the results.

Solution #1 **Keep Item At Distributor's Warehouse.**

One of the items that I sell on eBay is a heavy appliance. Each weighs about 50 pounds and measures 16" wide x 16" deep x 24" tall. At the time of this writing, I sold over 500 of these. When I first started selling them I actually purchased two lots of 144 (288) total at one time. They came on 16 tall pallets. It was so much work and took so much space to get these in my warehouse (aka Garage 😊) and I had to rent additional storage space.

Plus, I had to pay twice to ship the items. Freight was about \$16.00 each, and the labor expense was huge too! Hmmmm..... what to do. I had received paperwork from the distributor. According to the pricelist the minimum order was \$5000 (about 100 units). I didn't want to invest so much on just one item.

Once I was almost sold out, I call the distributor and asked whether I would be able to buy just a pallet at a time, which cost \$1200 AND have him dropship them for me. He agreed. I pay him a \$5.00 dropship fee, use his warehouse for free, and save the \$16.00 freight charged. I don't get the exercise I use to but that's okay 😊

Keypoint: Remember EVERYTHING IS negotiable. Don't be afraid to ask!

This distributor is a factory authorized repair center. So, his product is available in limited quantity. They get the item, refurbish it and put it on a pallet. Someone had bought up the rest of an item that I was interested in, so I learned to pre purchase a pallet or more from him.

Summary points: Use your distributor's warehouse whenever possible and avoid shipping heavy items twice.

Solution #2 **Negotiate your drop ship fee.**

I sell DVD players for automobiles. I purchase 90 percent of these from one dropshipper. When I first started using him, my dropship fee was \$5.00 per item. As my sales helped propel my rep to "Salesman of the month", I was able to get the dropship fee reduced to \$2.00 per item. It really adds up!

Sometimes it may be worthwhile to **not** drop ship an item! This is especially true for a low-cost and/or low weight item. For example, I know someone who sells wedding bands. His cost is about 12.00 each. In the beginning he was paying a \$5.00 dropship fee for each ring. He now buys six at a time, and ships them out himself. It takes about three

minutes to package and label it, and there is a great reduction in time in comparison to supplying each individual address to the dropshipper.

Solution #3 Have your own inventory.

Remember, you don't have to have a distributor **ALWAYS** drop ship for you. Sometimes it may be worthwhile to purchase a quantity of the item and stock it locally. Some distributors offer FREE shipping with a minimum order size. Be sure to ask your distributor what their free shipping policy is.

If you can buy a small quantity of an item which is light, easy to ship, and doesn't take much space, and you get free shipping, it may be worthwhile to invest in a small supply. If your distributor charges \$5.00 per item, and you ship five each day, that is \$25.00 that could go toward paying employee to do that work (and other work) for you!

When first starting out, you'll want to tie up as little cash as possible in inventory. But, as you grow your eBay business, you'll need to think of techniques like the above.

Solution #4 Have multiple distributors lined up.

No doubt you have heard the expression "*Don't put all your eggs in the same basket*". Very good practical advice. If you have an item that you are moving a good quantity of, it will be worth your while to line up a secondary distributor. Give the bulk of your sales to the smaller more aggressive company. Use the monstrous corporate mega-distributor as a backup. Whoever gives you the best service should get the best part of your business.

Solution #5 Ask for special treatment.

As you develop a good relationship with your supplier, don't be afraid to ask for preferential treatment. For example, my rep will call me whenever they receive a new item in. If it looks like a good item, I will immediately purchased a sample and test it out. If you get online with a product and it is "hot", you have a great advantage in comparison to others.

My reps will also call me when they are running low on an item that I sell. This quite often allows me to avoid the backorder problem.

Quite often manufacturers will run promotions to help push a certain item. Sometimes they offer a rebate, or bundle something else with the product, or offer some other incentive. "Train" your rep to keep you posted on these.

How do you get your rep to give you special treatment?

Two easy ways:

1. **Ask for it.** Go-ahead just ask him. "Can you keep you posted about any promotions you come across?" , "I'm looking for a widget that cost between \$\$ and \$\$\$, can you call me when you come across one like that?"
2. **Buy stuff.** If your rep keeps calling you with genuinely good deals and you never buy anything, don't expect him to keep calling you.

Keypoint: Remember, business is a two-way street. If you make your rep's job easy (by purchasing product) , he will make your job easy (by finding you great deals)

Solution #6 Use competition for your favor.

Most distributors will match the price of an item offered by a competitor. For example, one item I purchase cost \$99.99 from one distributor, but \$109.99 from another. The more expensive distributor may offer additional perks, (which is why their price is 10% more). It may be free shipping, free merchandise, promotional points, whatever.

What you do is call the more expensive distributor and get them to match the price of the no-frills distributor, and you still get the perks. If you have a good relationship with your rep, he will normally be glad to do this, because that is his job.

Solution #7 Ask your rep to call when stock levels are low.

Let your rep know how paranoid you are about backorders. That backorders are tools of the devil, and that you want no part of them. Ask him to "*Please keep me informed on the stocking level of this item. Can you let me know when you are running low? If it looks like this item will be backordered for awhile, then I will purchase the last ones to make sure I have some stock*"

Let's think about this. If you have an item that is selling at a steady clip, say three a day, and your distributor calls and says "Mike, I only have a dozen left and we're not scheduled to get more in for at least two weeks", you've got to jump on it and immediately buy the rest up.

If the item is "hot", and hard to find, you have just blocked out your competition. Raise the price, sell the stock, and pat yourself on the back for making such a great decision.

Solution #8 Ask your distributor to raise their stocking level.

If it seems that your distributor is repeatedly running out of stock of an item that you sell often, simply ask them to raise their stocking level. Even though distributors use software to help control their inventory, stocking levels are still set by hand. A stocking level simply tells the computer "Hey, when I have less than six of these stock, I want you to order two dozen more".

Tell your rep, *"Hey, I'm moving XX many a week, and you keep running out. Now, I have to go to your competition to buy my stock, when I would rather buy it from you."*

What do you think your rep will do once you get off the phone? That's right raise the stocking level.

Keypoint: Most people do not like to work. Ask someone to pick up a large rock for you and they will give you the evil eye and walk away. Tell them there is a gold coin under the rock for them, and they will not only pick up the rock with a smile, but ask what else they can do for you 😊

Tell a person how they will benefit from helping you and you will get whatever you want!

Solution #9 Get to know your sales rep.

Get to know your sales rep. Deal with **ONLY** him/her if possible. Chances are they get a commission or sales review. If they know they can move big \$\$\$ of merchandise FAST through you then you can get preferential treatment.

If he isn't available, then leave a voice mail telling him *"I want to work with you. You always take good care of me and do a great job"*. Now... if the company doesn't have a commission or bonus program in place, then this might not work that well.

If you feel that your being treated as a number, not as an individual, then you may want to make this your backup company, while searching for a more service oriented distributor.

Solution #10 Let your sales rep know you appreciate their help.

When is the last time somebody called you to thank you for the job you did? Now compare that with the last time somebody called to complain about something. Big differences isn't it.

Now, if your sales rep really does his job, then let him know. Tell him on the phone, send a "Thank You" card, anything to let them know you appreciate them.

Keypoint: If the sales rep is not doing a GREAT job, then skip this whole section. Never reward substandard behavior, unless that is what you always want to receive.

If he really goes to bat for you, then call his boss and tell him what great searching added receiving from your sales rep.

Note: I do not recommend calling his boss **UNLESS** you are really doing a good amount of business with the company. Until that is the case, just thank your rep by sending a thank you card.

In this busy world, we are all expected to do twelve hours of work in an eight-hour day. If someone knows that their work is genuinely appreciated by you, then chances are you'll get better service than someone who has a complaint and never takes the time to commend good service.

Solution #11 Do NOT nickel and dime your distributors over pricing.

A common complaint of distributors about eBay sellers is that they are always begging for a price cut of a few bucks so they can't beat their competition. **Don't do this!** It drives distributors nuts and makes them want to change their phone number and not tell you.

There is no quicker way of getting a distributor **to not want to deal with you** than trying to beat them out of a few bucks!

Instead, do the opposite. Make yourself stand ABOVE your competition. Say something like *"If I prepay for (However Many), what can you do for me?"* Chances are your competition is only buying 1 at a time. Buy 6 -12 at a time and you are now your sales rep new superstar, and you will **ALSO** save money!

Solution #12 How do deal with everyone else on eBay selling the same item for almost no profit.

Admittedly, it can be difficult to find a unique item on eBay where the profits have not been squeezed to death.

Sometimes I am just amazed at how little profit some ebay sellers are willing to accept for their auctions. For example, selling a \$99.99 item for \$108.00! After fees and labor they must be poorer in the afternoon than they were in the morning!

How do you deal with it?

Well, it is better just to find a more profitable, less competitive item to sell. That is the optimum solution.

Next time though, here is something to try:

1. **Don't** cut your price! If you can't make a decent profit, then don't bother with it.
2. **Raise your price**, but give FREE S/H. Sometimes this works.
3. **Bundle**. Add something valuable that is low cost or free. Ie... someone buys a garden pond, find an ebook on "How to start a garden pond" or write an ebook report "Where to buy garden pond fish for 99 cents". In your auction ad let them know that the bonus **is NOT AVAILABLE ANYWHERE ELSE ON EBAY!**
4. **Kit**. Instead of selling the individual item, make a kit out of it. This works especially well with electronics and their associated cables, carrying case, add ons, etc.. Take a look at eBay under "digital camcorder", you will find a bunch of sellers that include lenses and carrying cases, and tapes, etc.. For

some reason, computer cables are very expensive authority when you buy them retail. For example, a USB cable can cost you \$20 at Staples, but only \$2.00 on eBay. So bundle the cable, or some other hard to find locally (or expensive to find locally) item with your product. You might make only a little profit with the main item while making the majority profit with the rest of the kit.

Well there you have it. 12 secrets to make drop shipping work for your eBay business. I hope that you have found this special report beneficial.



What is www.PlatinumPowerSeller.com

I sell on eBay as a fulltime business. It is how I provide for my family. Getting to the level where I sell \$20,000 - \$30,000 EACH month out of my home (without working 24 hours a day) has been a challenge.

Working from home is AWESOME! I think everyone should have the opportunity to have their own home based business where they can provide for their family while being with them during the day!

For that reason, I started www.PlatinumPowerSeller.com to share my secrets and experience. I do this through eBooks (Check out my Wholesale SECRETS book at the website to see where I spent nearly \$200,000 in the last year and a half) . I also offer training and mentoring as well as software tools.

If you have enjoyed this special report, then you will find MUCH MORE information in my **FREE** eBay newsletter. It is chock full of real world practical experience.

If you have not already signed up, then don't wait. Go to www.PlatinumPowerSeller.com and signup now!

eBay has opened the opportunity for people to have their own successful home based business.

If this information has helped you see how drop shipping can be an effective tool in growing your eBay business, then I have done my job.

Take Care,

Mike Enos

P.S. For the BEST list of Dropshippers available, then you MUST MUST MUST visit this website [CLICK HERE](#)