

Wholesale Drop Shipper Sources - What to Look For, What to Look Out For

A wholesale drop shipper allows you to sell items without keeping a physical inventory. You can sell the products listed on the pages of a wholesale drop shipper's web site for more than the drop shipper is charging and keep the difference as profit. The details behind how the drop shipper supply chain works, and the pros and cons of using a wholesale drop shipper, are for another article. This article is intended to help you see the difference between the true wholesale drop shipper and the middleman, or worse the "broker network", wholesale drop shipper.

Let's start with the worst offenders and work our way up. There are companies out there portraying themselves as wholesale drop shippers but are in reality what is called a "broker network". There is a great description of this at Worldwide Brands; just click on the scam watch link on the right and look at the second entry, broker networks (this whole section has a lot of good information on the "scams" to watch out for when researching a wholesale drop shipper).

One example of a broker network is Simplx. They have a very elaborate system of steps you need to take, each one moving you away from the panacea of being a brand name wholesale drop shipper promised at their site, and into the dark and dirty depths of participating in a broker network. What you are really getting into is a commission sales situation (they require a W-9 to participate, something no real drop ship supplier would require) and a business model similar to MLM. Whatever you do, **DO NOT PAY THE APPLICATION FEE** just to find out what it is all about. With Simplx they actually lie because they will contact you without the fee (you can read about my experiences with them here). In general you should **NEVER, EVER** pay a fee just to talk with someone about what they offer. No reputable business would require this.

Now let's move on to the middle ground of the middleman. This is a drop ship source but I would not consider a middleman a **WHOLESALE** drop shipper. The middleman drop ship company positions itself between the manufacturer/distributor wholesale drop shipper and the retailer. They generally aggregate many different suppliers and present them under "one roof". Many charge a monthly fee and also have per order drop ship fees. In general you should stay away from the "evil middleman" because it is very difficult to find profitable product lines given there middleman mark up, participation fees, and per order drop ship fees. I have heard of people making money with the non wholesale drop shipper companies though, and if you have some time to kill (I wasted a work week worth of it) you may want to check out the free trial at Doba.

Finally there are the true wholesale drop shipper companies. These are manufacturers and distributors who are willing to work directly with the little Internet retail guy. You can use these sources to stock your ebay or other online store and stand to make a little profit. One that I came across after hours and hours of searching is Maxam Wholesale. Like the vast majority of legitimate wholesale drop shipper companies Maxam requires you be a business; which means you have to have a resale license and preferable a Federal Tax ID. They also require a \$100 minimum purchase for the first order to establish you are a serious retailer and not a consumer trying to buy wholesale. These restrictions are actually good indicators that you are dealing with a reputable and true wholesale drop shipper.

Like I said, it took hours to find that source. Believe me, searching for wholesale drop shipper companies using Google turns up middleman and broker network offers almost exclusively. My best sources have come from the Drop Ship Directory offered by Worldwide Brands (mentioned above). For 70 bucks I have lifetime, **DIRECT**, access to a vetted list of drop ship suppliers. You can even apply with some of the suppliers directly from within your Worldwide Brands member area; and I have always found a better acceptance rate when mentioning I am a member of Worldwide Brands.

So, stay away from the broker networks, they employ deceitful tactics right from the start and will not provide any information about what they really offer until they have extracted hundreds, maybe thousands, of dollars from your credit card(s). Be careful of the middleman (personally I'd stay away) as they eat a lot of time in sourcing very few products that can make even a slim margin. Look for direct access to wholesale drop shipper companies that do not charge a fee to access their products. And to save a lot of time, join a reputable directory list (Worldwide Brands is the only one I can't find a lot of negative feedback about) that gives you direct, referenced access to drop ship suppliers. Enjoy the search and good luck in your online retail adventure.

Source: <http://www.articlecircle.com>

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