

How to Drop Ship your eBay Auctions

Are You Getting the Product to Your Customer the Easy Way or the Hard Way?

Here you are, hoping to own an eBay business, and earn a full time living with it. You can surely make that dream come true – even without products of your own to sell. Your garage is empty, nothing to offer for sale on eBay. Well, eBay provides you with a way to make a good living selling goods at auction, and you don't even need a lot of start up capital.

This is made possible by utilizing the services of drop shippers. Drop shippers send merchandise to your customers on your behalf. This will allow you to offer a wide variety of stock in your eBay store, without needing to warehouse all of those products! Drop shipping can be a life saver, if done right.

All you have to do is prepare your auction, and sell the product before officially buying it. You then pass the customer's information on to the drop shipping company. The drop shipper does the rest by shipping the parcel direct to the customer, with your name on the label. The buyer thinks he is receiving it direct from you. The drop shipper will package, label, and ship the products that you sell, allowing you more time to set up even more auctions, for greater profits.

Of course, there is a price to pay for this great service. You can't expect to make as much profit as if you were handling the shipping yourself. It's equivalent to having an employee that you pay to do the work. So your profit markups are harder to attain. Depending on the item you are selling, a markup of about 10% should be about right, but you should do some research to see if the item is selling for a lower price in another eBay auction, or through other online sources.

Let's be clear: the drop shipper is the wholesaler you are buying from. As they get to know you, and your volume of business increases, don't expect to get the best prices. But in time you will. You must establish a relationship with several drop shipping companies in order to work with them successfully. In the beginning, most companies will require you to pay for the items that your customers order before they are shipped. You need to fill orders in a timely manner, so you need to pay for the items with a credit card for speedy service. If you don't have a credit card, forget about it. Eventually, you will be able to have the drop shipper fill your orders, and then bill you for them later.

When setting up your eBay auction, make sure the reserve price is set higher than the price that the drop shipper will be charging you for the item. The idea, of course, is to earn a profit, but at least try to break even until you become more experienced at selling through drop shippers.

Having an eBay business using the drop shipping method, eliminates the financial risk involved. The product is always sold before you pay the drop shipper for the item. So your only risk is from the occasional return, or non-payment. This is one of the few businesses where you have a chance to make a profit before paying for the products sold at auction!

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About the Author

Fred Farah is a successful business man bringing you valuable advice about [eBay Auctions at Best Affiliate Products](#). My goal is to help you succeed, and there's enough good information here to give you a running head-start setting up an online business using eBay Auctions.