

Dropshipping



This image is of course comedy. Dropshipping thankfully has nothing at all to do with shipping containers being dropped from mid air. Nice try, MidJourney.

Dropshipping is a method of connecting online buyers directly with distributors or manufacturers. The orders get sent to the distributor, who sends the product to the customer directly.

The dropshipper just makes the sale happen and get the advantage of wholesale pricing without the hassles of handling products: You don't have to handle any inventory, shipping, warehousing or distribution.

This business model has now been around for at least a decade, however it seems to be going from strength to strength.

What you might not know is just how absolutely **insane** the potential is at the top end:

How These Brothers Made \$200 Million Dropshipping

<https://www.youtube.com/watch?v=HB2lnlGRdZI>

How Luke Belmar Made \$42 Million In His 20's

<https://www.youtube.com/watch?v=RmstKweXJaE>

[He started as an immigrant to the USA with \$200 in his pocket...]

How He Makes \$3.2 Million/Year In His 20s

<https://www.youtube.com/watch?v=J3anKm-7Nfs>

Zero to a Million Dollar Business in a Month

<https://www.youtube.com/watch?v=OA4ATYe5KMA>

<https://www.youtube.com/watch?v=7Zv6ulU7o7M>

[This guy. Talk about making moves! Fantastic video editing too.]

(All of these guys either made their first fortune or all of their fortune via drop shipping.)

Now these are of course extreme outlier stories and very atypical results.

There's also a ton of competition in this space. But it shows the potential at the high end for someone hyper-driven, smart and focused.

And yes - this is a business model that can work for a mobile or remote lifestyle, because you are not dealing with a "bricks and mortar" business at all. It's all online.

Fundamentals

There are lots of ways to do dropshipping but a classic model is to set up a [Shopify](#) store, then use an app such as [DSers](#) to source products from [Aliexpress](#) that can be dropshipped, and then list them in the Shopify store (there are apps such as [Oberlo](#) that allows you to 'import' the products from Aliexpress into Shopify).

You then promote the products with ads such as [Facebook Ads](#) – or perhaps a strong social media following if you have one.

The first thing you will notice about Aliexpress is that the very same products you see in retail for much higher prices are often available on Aliexpress for a fraction of the price! You will also see numerous versions of what appears to be the same product available from different suppliers and here you are into the crazy “rabbit hole” of competitive manufacturing.

Detailed tutorials:

<https://www.shopify.com/blog/117607173-the-definitive-guide-to-dropshipping-with-aliexpress>

<https://dropshipping.com/article/dropshipping-with-aliexpress/>

Positive Return On Investment (The Holy Grail)

The goal of all this is of course to bring in sufficient sales that all your costs are covered, with some profit left over. This is where the real skill comes in.

It's simple to understand how this business model functions but actually making it profitable takes some real finesse – and “The devil is in the details”: Understanding how to create a winning Facebook Ad and target it to the right audience; understanding how to give your products’ “landing pages” maximum appeal; increasing the AOV (average order value) and more are all skills that can take months to master.

Campaign Testing

A common acronym among ecommerce pros is ABT: Always Be Testing.

Drop shipping pros place a lot of emphasis on **finding the winning products**. As can be seen from the tutorials (linked at the end of this section), much of their time is spent in hunting for winning products from the vast ocean of consumer goods.

This involves first market research and then **testing** to see whether a product sells. Testing is typically done with a small-scale ad spend and it's expected that there will be more losers than winners – especially to begin with. Persistence is needed and skill in creating a winning campaign is something that will grow over time.

On losing campaigns, the ads are turned off as soon as the fact that it is established that it is not a winner. Giving them 3 days to “self optimize” is often recommended. And then the process of finding new products to test repeats.

On winning campaigns, the ad spend is **gradually** dialed up, keeping a close eye

on the stats to make sure that the product is staying profitable. There are also various methods of **campaign optimization** such as for example testing different images and **ad copy**.

In major ecommerce platforms **everything is tested**. For example, Amazon's extreme success was no accident. Page layouts and site features are tested continually and **hyper-optimized** to a high level.

You can quickly see that the sheer number of things that could be tested could get completely overwhelming, so it's important to focus on the things that make a **big difference** first. Just testing fresh products, images and ad copy gives you a ton of things to do and it's important to get those right before moving on to fine tuning.

The dropshippers seen in the 'hall of fame' examples above (and in the further tutorials at the end) will have built up a large number of winning products and may be spending a huge amount on ads. It's like having a machine that if you put in 2 dollars, 3 comes out; you are going to want to feed that machine as much money as you can!

Once you find a winning campaign it can sometimes start making money from day 1 – however most campaigns won't stay profitable forever. After a certain amount of time, the audiences are saturated with ads for a given product and so it's uncommon to see products that run for years in dropshipping.

General Stores Or Niche Stores?

In Shopify terminology, a **general store** is one that sells assorted / random items, whereas a **niche store** is one that is themed towards a certain audience group or product category. So for example a kitchenware store is a niche store. A store for survival gear is another niche store.

Either can work but it also depends on your own knowledge and other "assets"

in the space. For example if you have a recipe blog, then a kitchenware Shopify store is potentially a great add-on because you can promote it directly. If you have special knowledge of a certain product category, then it makes sense to work within that field. If you are looking to just “test stuff” and find a product that sells, then a general store format is a good way to go.

Scaling Up

The first goal should be to get one product up and running and profitable. It makes much more sense to do this than to fill a store with 200 products without any idea of what will sell.

Once you have a successful product, you can scale up.

Now that you have done it all yourself, you are in a position to be able to hire and train others. The overall concept is just the same as with Youtube Automation - only with Ecom stores instead of Youtube channels. Or both, of course, if you are really on a mission... don't forget to read the chapter on **replacing yourself**.

Can You Do Dropshipping On Etsy?

Short answer: Yes, with caveats. Etsy is a platform that promotes handmade goods, however if the products are “created on demand” rather than pre-manufactured, then they are allowed!

Detailed answer: <https://dropshipping.com/article/etsy-dropshipping/>

Created on demand of course includes **print on demand**, which I covered in depth in my other course [Auto Pilot Ca\\$h](#) (Module #6)

Top Tutorials

I've given you an overview but in order to get good it's advisable to study directly with sellers who have had big success. Fortunately there are tons of these and while some of them are (of course) selling hyper-expensive courses, there are many excellent free tutorials available on Youtube.

I've made a curated collection for you. These mentors seem super solid and have a track record of big wins:

How I Made \$3M Dropshipping As A COMPLETE Beginner in 2023

<https://www.youtube.com/watch?v=xocINKCStaY>

[amazing quality tutorial, legit insights.]

How I Made \$50K Dropshipping As A COMPLETE Beginner in 2023

<https://www.youtube.com/watch?v=Y2U0ZAYrEVM>

[Detailed insight into the inner workings and obstacles of a real Shopify business that started in March 2023]

The Only Shopify Dropshipping Guide You Will Ever Need (FOR BEGINNERS)

<https://www.youtube.com/watch?v=piYZO1RdESM>

How Luke Belmar Made \$16,000,000 With This Dropshipping Strategy

<https://www.youtube.com/watch?v=qg6o4cwQHs>

[Digging deeper into Luke's drop shipping strategy. He can veer a bit philosophical sometimes, but he drops some actual actionable gold nuggets in this interview... amazing]

How to Start Dropshipping 2023 (Ultimate Beginners Guide)

<https://www.youtube.com/watch?v=EHxGkCWRX8>

\$0-\$10M My First Year Shopify Dropshipping | How to find winning products

https://www.youtube.com/watch?v=A_P2tiV-CdE

[Tutorial in how he is doing over \$1M a month in revenue at around 30% profit margin. He reloads the screen so you can see the numbers are not fake. Mind blown. This is surely the world's most lucrative business...]

These 15 Dropshipping Stores Make \$1,000,000 (drops key insights!)

<https://www.youtube.com/watch?v=8mEHTjqolx8>

\$1.2m in 30 days with dropshipping | How to design a one product Shopify Store (step-by-step)

<https://www.youtube.com/watch?v=Q2RmQE9WuQc>

\$0-\$2.2m in 60 days with Shopify Dropshipping | How to build a high converting one product store

https://www.youtube.com/watch?v=I_Z0oCrtIK4

My \$4997 Shopify Dropshipping Course *YOURS FREE* (7 hour free tutorial from an ecommerce multimillionaire!)

<https://www.youtube.com/watch?v=4-eJkls3Yg>

I Flew To LA to Interview The \$30M Dropshipping God

https://www.youtube.com/watch?v=8XT03_xGYzE

Top 10 Winning Shopify Dropshipping Products to Sell in September 2023

<https://www.youtube.com/watch?v=U7181RWN2Gw>

Training Program: I encourage people to learn as much as they can for free before committing to any sort of mentorship program. But I found one guy who looks super solid. I don't know him personally or have any affiliation; but his materials give off 'the right vibe' to me. He's made 8 figures with Shopify stores:

<https://www.instagram.com/yengub/>