

# HOW DROPSHIPPING WORKS?

## WHAT IS DROPSHIPPING?

Dropshipping is a retail fulfillment method where you don't need to stock products. Instead, you partner with suppliers who handle inventory and shipment. Your job? Focus on marketing and sales. Beauty of Dropshipping

- No need for inventory storage
- Location Independence
- Low upfront cost
- Focus on marketing & Sales

## THE DROPSHIPPING PROCESS

1

The customer places an order with the retailer

2

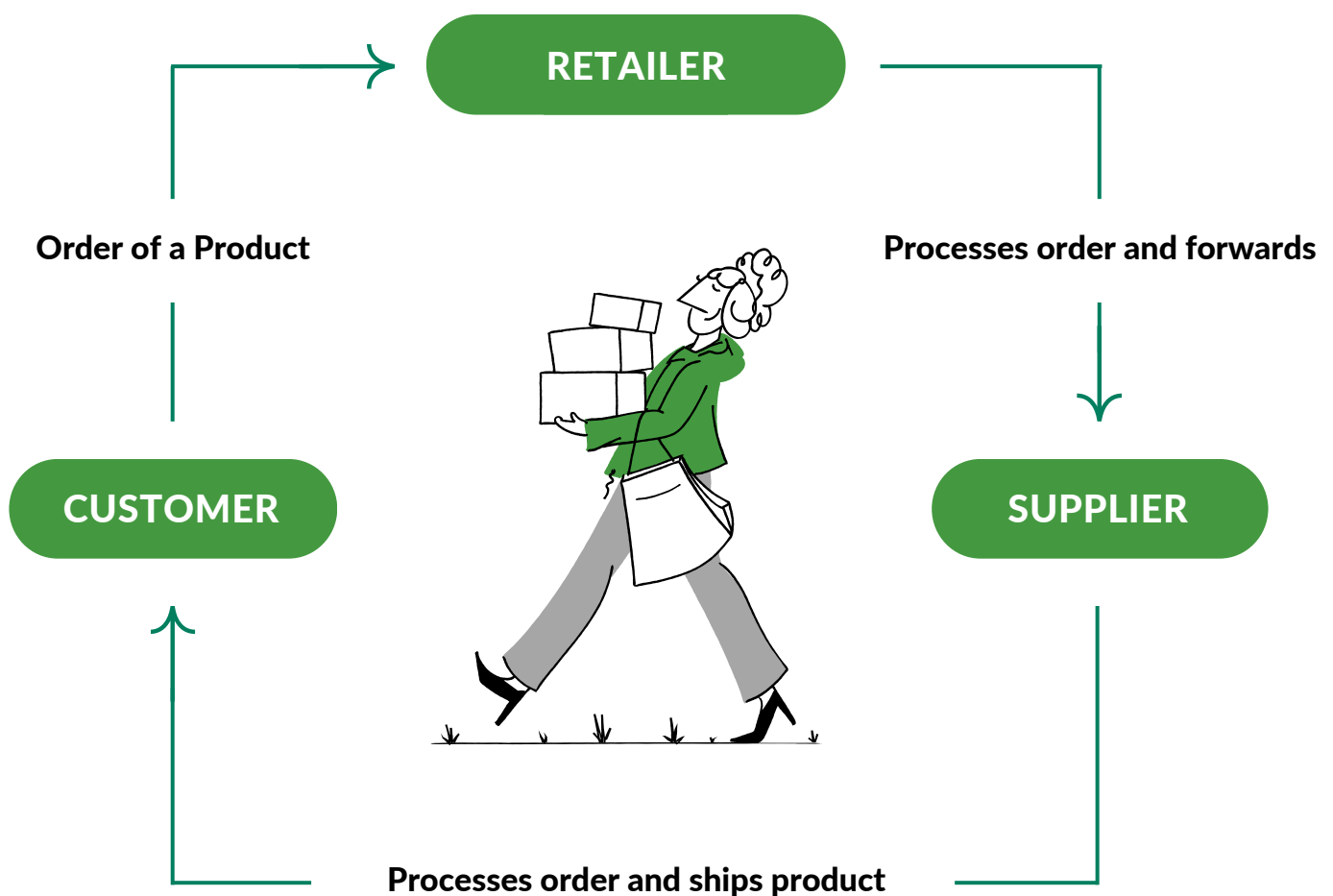
Retailers process orders and forward them to suppliers.

3

The supplier fulfills the order in their warehouse.

4

The supplier ships the order to the customer.



If the customer is satisfied with the product they receive, all is well. The retailer should use customer relationship management (CRM) software to cultivate the relationship and encourage future orders.

# PROS AND CONS OF DROPSHIPPING

## PROS

- Lower startup costs
- Easy to start
- No inventory management
- Flexibility in business operations
- Flexibility in product offerings
- Scalability

## CONS

- High competition
- Less control over inventory and shipping
- Low margins
- Limited customizations
- Challenging customer support