

eBay® Workshops 2007

A 2007 Collection of Product Sourcing Workshops written for the eBay® Community by Worldwide Brands.

WORKSHOP TITLES:

- From Hobby to Home Business
- How to Compete in a Crowded Market
- What is the difference between Liquidation, Closeouts, and Surplus
- Understanding the Basics to Importing Physical Products to Sell
- Building Supplier Relationships is Very Important Especially for the Holiday Season

Letter from Colette Marshall

Hello!

eBay® provides a great community atmosphere where sellers can learn from each other about a variety of topics related to selling on eBay®. The community workshops are just one example of the great resource you have as a seller on eBay®. As an eBay® Certified Solution Provider, Worldwide Brands hosts several workshops throughout each year on product sourcing topics. The workshops are a combination of course material with an interactive question and answer session.



This ebook is an illustrated collection of the Worldwide Brands online workshops from 2007. At the end of each workshop, there is a link to the archived eBay® workshop where you can learn from the questions of other sellers in the question and answer session. The lessons learned apply to all levels of selling online whether it is through auctions, stores or other sites.

As a community, we can all help each other grow our businesses stronger and faster. Worldwide Brands strives to do exactly that for our customers through our Wholesaler Database and through the free educational material that we can offer to sellers online. Please feel free to share this free ebook with your extended community.

Thanks for being part of our eCommerce community!
Enjoy and see you at the next workshop!

Colette Marshall
Business Development Manager
WorldwideBrands.com

About this eBook:

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About the Authors:

Since 1999, Worldwide Brands has been researching, locating and certifying real Factory Authorized Wholesalers that are willing to work with online retailers and we continue to do so each and every day! Along with building what has become the internet's most trusted Source for locating REAL Wholesalers, Worldwide Brands are also the writers and hosts of the Entrepreneur eBiz & Product Sourcing Show, the Official Product Sourcing Editors for eBay Radio, the Product Sourcing columnists for Entrepreneur.com, and the ONLY Publishers of Product Sourcing information Certified by eBay. We are THE Product Sourcing Experts! Visit our website for more FREE information at www.WorldwideBrands.com



From Hobby to Home Business

Many eBay sellers start out selling online using items they find locally such as in their attic or at a yard sale. But how do you take the hobby of selling on eBay and create a profitable business? Colette Marshall, Business Development Manager for Product Sourcing Experts WorldwideBrands.com, will explain the different sourcing methods and how to take your hobby and build it into a business.

eBay Sellers are very resourceful eCommerce entrepreneurs. Yes, you read that correctly. The keyword is **entrepreneur**. The definition of Entrepreneur as defined by Dictionary.com is “a person who organizes and manages any enterprise, esp. a business, usually with considerable initiative and risk.”

Does that sound like you? Every seller becomes an entrepreneur and starts a business with their very first listing. Beginning sellers often will find that they start out by selling products from their attics, local garage sales, or even items from friends who were giving things away or just throwing them out. Have you found yourself getting excited about making a profit on a single item that you knew was a great deal from that yard sale next door? Now, what if that single item was repeatable, renewable, and constantly made you a profit...now you're talking business. Today, I'm going to talk about the first steps to making your eBay hobby a well rounded business. Let's go over the basics first.

What are the Common methods of Local Sourcing?

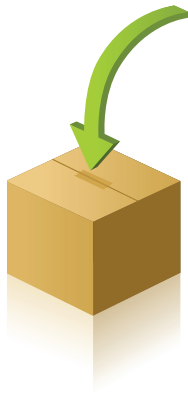
Here are some of the common methods that eBay entrepreneurs start using. For many sellers local sourcing is an ideal method, however, normally local sourcing is a time consuming process, it doesn't have renewable sources, and has inconsistent profit margins:

- Attic/Local Household Items
- Garage/Yard/Estate Sales
- Local Merchants
- Thrift Stores
- Pawn Shops
- Discount Markets
- Flea Markets
- Factory Outlets
- Local Small Town Fairs
- Local Storage Unit Auctions
- Postal Auctions Local
- Liquidators

What is Product Sourcing?

“Product Sourcing” is simply the act of finding and qualifying those rare genuine wholesale suppliers who are willing to work with small, home-based Internet Business Owners. Learning about and fine-tuning your Product Sourcing is a great way to minimize your costs, and maximize your profits. Effective Product Sourcing will save you money. It’s a critical part of the success of ANY retail business, be it online, physical, or by any other business method.

Product Sourcing Methods



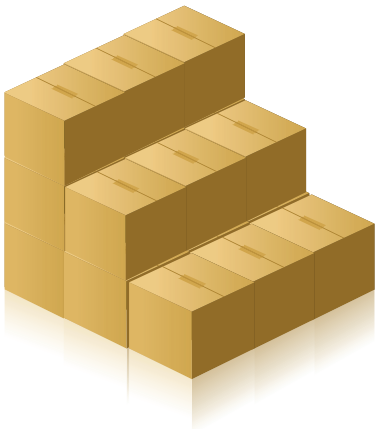
Drop Ship:

A product sourcing method where the supplier will send products one at a time directly to your customer from their warehouse. The seller does not have to maintain an inventory or handle shipping. The seller however does handle the collection of the money from the customer and pays the supplier for the product purchased. “Blind” Drop Shipping refers to suppliers placing labels and inventory slips on the shipment with your company logo. Not all suppliers will have blind drop shipping as an option.



Light Bulk:

Light Bulk is a term invented by us here at Worldwide Brands. A product sourcing method where the seller purchases from a wholesaler in quantities less than \$500. These quantities are ideal for storing in a garage or a storage unit. The seller manages all interactions with the customer and the product from collecting the payment, and handling the inventory, to shipping to the customer. Since eBay sellers are very familiar with shipping process already, many sellers will go straight into using Light bulk wholesale combined with a few drop-shipped items.



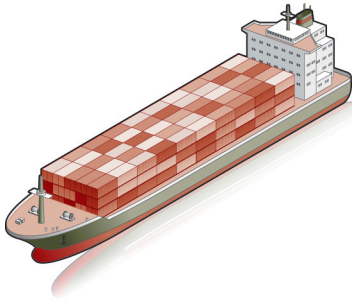
General Wholesale/Large Volume:

An extension of Light Bulk, however the quantity of product is much higher. The larger the quantity purchased directly from the wholesaler the higher the discounts received by the seller. When a retailer buys in really large volumes the supplier will add discounts and have different wholesale pricing structures depending on how much money the retailer is willing to spend. This is normal with all suppliers. The more money the retailer spends on inventory... the more discounts they get...the more discounts they get...the cheaper they can sell the product!



Liquidation:

A product sourcing method where a seller can source commercial surplus inventory and closeout products through wholesalers. Liquidations are normally conducted through auctions and bulk lot purchases.



Importing:

Sourcing products from international countries. Importing can be done individually or through wholesalers that handle the importing procedures.

If you're interested in learning visually about product sourcing basics, Worldwide Brands has a free educational video course available at www.worldwidebrands.com/productsourcingvideo

The steps to taking your Hobby and molding a Business:

1

Register your business - If you're not setup as a business yet, that's the first place to start. Here are some recommend companies to use for setting up your business: www.bizfilings.com , www.myllic.com, or www.incorporateabusiness.com. When the process is complete, you will have an EIN (Federal Identification Number) to use with your future business requirements. If you're an international seller, you can either register your business within your own country or discuss registering a US division with any of the companies I've listed above.

2

Obtain a sales tax id – a genuine US wholesaler will request to have a sales tax id on file. Every state has a different method for registering for a sales tax id. They will all require your social security number (if you're a sole proprietor) or an EIN. For a quick listing to all the states sales tax divisions, visit [www.worldwidebrands.com resource center](http://www.worldwidebrands.com/resourcecenter)

3

Find what the Marketplace Needs and Sell that!

How to I decide what to sell? Research is the key factor in deciding what to sell. What tends to happen is people pick products they like without researching first to see if that item is something people are buying and whether they (the seller) can compete with the current competition. In general, find what a market wants to buy and then find the source for it. In other words, research what keywords people are typing into eBay and general search

engines and sell products that relate to those keywords that generate a high demand and have low competition.

4

Find a Wholesaler for a Renewable Source of your Product idea - Make sure you're not sourcing from Middlemen

Unfortunately, a common mistake made when sellers decide to start purchasing wholesale products to resell, they often get caught in the trap of the "evil middleman scenario".

The Product Supply Chain is how a product gets from the manufacturer to the end consumer, your Customer. When it's working the way it should, it goes like this:

Manufacturer -> Wholesaler -> Retailer -> Consumer

Many people have the mistaken impression that the second link in the Chain, the wholesaler, is a Middleman, because they are in the middle, between the manufacturer, and you, the retailer.

That's not true. The Wholesaler, the second link in the Product Supply Chain is there for a very important reason; manufacturers don't have the infrastructure to actually sell and deliver small numbers of their products directly to you, the retailer. Real wholesalers provide that infrastructure (warehouses, order systems, delivery trucks, account representatives, etc.) for the manufacturer.

So, link two, the wholesaler, is a legitimate wholesale supplier, not a Middleman.

Here's an example of where an illegitimate Middleman fits into that Supply Chain:



A Middleman is someone who takes your place in the Product Supply Chain, and bumps you down a link. They try to make you believe they are Link Two in the Chain (a wholesaler), when they are really Link Three (a retailer). Sometimes, it's worse than that. You could end up dealing with a fake supplier who is actually three or four links down the Chain.

How does that affect you? It hits you where it hurts. Right in the profit margin.

For every link you, the retailer, drop down in that chain, your “wholesale” prices go up, and you earn smaller profits.

You need to be buying your products from a REAL wholesale supplier that works directly with the product manufacturer; otherwise, your profit margin will suffer.

5

Develop your Supplier relations – Start by setting up an account

Wholesalers have a variety of different methods for setting up an account including email, fax, phone, or website account . It's a very simple and quick process.

Here are some tips when talking with suppliers:

- Have your sales tax id, business name, and EIN available
- Make sure when you're talking with them that there are no screaming kids or loud noises creating distractions in the background. You want to present yourself as a professional business.
- Provide Hours of Operation and a main contact for your supplier representative. I know that many of you work 24/7 but you need to list a reasonable 9-5 time slot (for example) that suppliers know that they can reach you at.

6

Purchase a sample of the product

It's always good to purchase a sample of the product to have on hand especially if you're going to use the dropshipping model. Some suppliers will send you a sample of the product free of charge when you setup the account. You can use this purchase to test your supplier and get familiar with the process. When you receive the product, check the packaging and how the label reads. It's important to understand what the customer is going to experience.

7

Take video and images of the product or use the suppliers' provided images and start Listing!

To summarize, I've gone through the basic steps of taking your hobby and starting a business. At Worldwide Brands, we have a free e-book that goes into all these steps in depth; this book is called "[Starting Your Internet Business Right!](#)".

Any remaining questions from this workshop can be answered for by reading our free material at www.WorldwideBrands.com, calling our toll-free Customer Service Line, or emailing our Customer Service Department. The contact information is on our site.

Our company, Worldwide Brands' full-time staff is dedicated to finding the wholesale suppliers that you can use all the methods of product sourcing with. We also publish all the results of years of Research in our Wholesaler Database. There is a free preview available if you'd like to explore what's available within our database.

Thank you very much for being here today, and thanks to eBay for providing this Workshop so that we could talk, and help each other learn more about becoming eBay entrepreneurs!

[Review Questions & Answers Session](#)

How to Compete in a Crowded Market

Many eBay sellers ask how they can optimize their sales before and after they find a product to sell on eBay. Colette Marshall, Business Development Manager for Product Sourcing Experts WorldwideBrands.com, will show sellers how to use different Product Sourcing techniques to gain a competitive edge, in any marketplace, and earn the highest profit margins possible.

Many eBay sellers ask how they can optimize their sales before and after they find a product to sell on eBay. Using multiple sourcing techniques is a key factor to maximize your profit margins. Once you identify a product that sells well within your market, then having renewable sources through a variety of methods puts you a step above the competition. The technique is to identify how you can use all these methods together to make the most profitable model for your business.

The Basics

Before I go into some product sourcing tips, I'd like to make sure we all have a good definition of some basic terminology:

What is Product Sourcing?

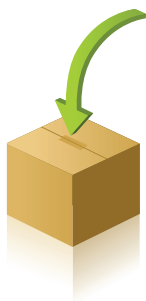
"Product Sourcing" is simply the act of finding and qualifying those rare genuine wholesale suppliers who are willing to work with small, home-based Internet Business Owners. Learning about and fine-tuning your Product Sourcing is a great way to minimize your costs, and maximize your profits. Effective Product Sourcing will save you money. It's a critical part of the success of ANY retail business, be it online, physical, or any other business method.

The 6 Most Common Methods of Sourcing Products



Local Sourcing:

The seller finds products from local sources such as Home, Garage Sales, Thrift Shops & Outlet Stores.



Drop Ship:

A product sourcing method where the supplier will send products one at a time directly to your customer from their warehouse. The seller does not have to maintain an inventory or handle shipping. The seller however does handle the collection of the money from the customer and pays the supplier for the product purchased.



Light Bulk:

Light Bulk is a term invented by us here at Worldwide Brands.

A product sourcing method where the seller purchases from a wholesaler in quantities less than \$500. Quantities are ideal for storing in a garage or a storage unit. The seller manages all interactions with the customer and the product from collecting the payment to handling the inventory to shipping to the customer.



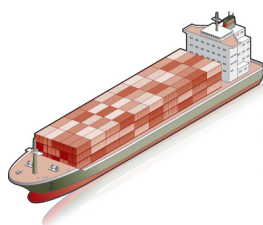
General Wholesale/Large Volume:

An extension of Light Bulk however the quantity of product is much higher. The larger the quantity purchased directly from the wholesaler the higher discounts received by the seller. When a retailer buys in really large volumes the supplier will add discounts and different wholesale pricing structures depending on how much money the retailer is willing to spend. This is normal with all suppliers. The more money the retailer spends on inventory... the more discounts they get...the more discounts they get...the cheaper they can sell the product!



Liquidation:

A product sourcing method where a seller can source commercial surplus inventory and closeout products through wholesalers.



Importing:

Sourcing products from international countries. Importing can be done individually or through wholesalers that handle the importing procedures.

If you're interested in learning visually about product sourcing basics, Worldwide Brands has a free educational video course available at www.worldwidebrands.com/productsourcingvideo

How to Compete:

Tip #1

Find RENEWABLE product sources

Local Sourcing is a great way to get started selling online. It can generate some money, but it is not a steady income. Many eBay sellers start out with this method of sourcing products. It works for small to medium-sized business on eBay. But there are only so many hours in a day and local sourcing is a time consuming process. The sources are also not renewable. Your inventory is constantly changing and you continually need to research the products found. To begin to transition from a few bucks to a steady stream of money coming in from online sales, you really need a steady source for the products. That's where suppliers come in. When you work directly with real Wholesalers, you do your market research and find the products that are selling really well...then you keep selling them over and over and over because you have a source for those products. You continue to do that with other product lines and you can really start to see some serious income.

Tip #2

Find unique and different products through product sourcing

"But what product can I sell that is renewable?" – I'm sure this is the next question running through your head. The answer is pretty much anything and everything. Many of the products that you find locally can also be found in some shape or form through a wholesaler. However, there are a lot more unique products available through supplier sources that aren't found through local sources. Everything from name brand products to niche products can be sourced from wholesalers.

Tip #3

Find what the Marketplace Needs and Sell that!

How to I decide what to sell? Research is the key factor in deciding what to sell. What tends to happen is people pick products they like without researching first to see if that item is something people are buying and whether they (the seller) can compete with the current competition.

In general, find what a market wants to buy and then find the source for it. In other words, research what keywords people are typing into eBay and general search engines and sell products that relate to those keywords that generate a high demand and have low competition.

Tip #4

Make sure you're not buying from Middleman

Unfortunately, a common mistake made when sellers decide to start purchasing wholesale products to resell they often get caught in the trap of the "evil middleman scenario".

The Product Supply Chain is how a product gets from the manufacturer to the end consumer, your Customer. When it's working

the way it should, it goes like this:

Manufacturer -> Wholesaler -> Retailer -> Consumer

Many people have the mistaken impression that the second link in the Chain, the wholesaler, is a Middleman, because they are in the middle, between the manufacturer, and you, the retailer.

That's not true. The Wholesaler, the second link in the Product Supply Chain is there for a very important reason; manufacturers don't have the infrastructure to actually sell and deliver small numbers of their products directly to you, the retailer. Real wholesalers provide that infrastructure (warehouses, order systems, delivery trucks, account representatives, etc.) for the manufacturer.

So, link two, the wholesaler, is a legitimate wholesale supplier, not a Middleman.

Here's an example of where an illegitimate Middleman fits into that Supply Chain:

Manufacturer -> Wholesaler -> MIDDLEMAN -> Retailer -> Consumer

A Middleman is someone who takes your place in the Product Supply Chain, and bumps you down a link. They try to make you believe they are Link Two in the Chain (a wholesaler), when they are really Link Three (a retailer). Sometimes, it's worse than that. You could end up dealing with a fake supplier who is actually three or four links down the Chain.

How does that effect you? It hits you where it hurts. Right in the profit margin. For every link you, the retailer, drop down in that Chain, your "wholesale" prices go up, and you earn smaller profits.

You need to be buying your products from a REAL wholesale supplier that works directly with the product manufacturer. Otherwise, your profit margin will suffer.

Now that you've decide what to sell, you've avoided the evil middleman, the next step is to start using different product sourcing techniques to enhance customer experience and increase profit margin.

Tip #5

Use Drop shipping to test a product, a supplier, and add to your product line

Drop Shipping works well, but has its limits. The benefit is that the seller does not have to manage the inventory, but the seller is completely relying on the supplier for on-time delivery and the safe handling of the product. Because the supplier is selling in 1 or 2 increments, there is no additional wholesale discount available which

results in the profit margin being slim. Drop Shipping should be a part of your Product Sourcing, but not all of it. Use Drop shipping to test a product in the marketplace. If the product starts selling well, start buying bulk quantities to take advantage of those wholesale discounts. Drop shipping is also a great way to test a supplier and get used to the process of setting up an account. Drop shipping is also a great way to add to your product line those larger, heavier items that you don't want to handle or ship. Let those guys with the cool forklifts do the heavy work!

Tip #6

Buy in larger bulk to get even more wholesale discounts and increase the profit margins

Bulk Wholesaling works well, but most wholesalers have very high minimum orders. Supplementing your Product Sourcing with Light Bulk (low minimum order) wholesalers should be a part of your Sourcing efforts. General Wholesaling works well as an expansion tool. When your Drop Shipping and Light Bulk Sourcing identifies products that sell well, you work with General Wholesalers to get larger quantities of those products at better pricing, and increase your profit margin.

Tip #7

Use Liquidation and Importing to enhance customer experience

Liquidation and Importing Products is a great way to enhance customer experience, cross sell products, upsell products, and use for loss leaders. For example, if you sell dresses and you find a bulk lot of dress shoes at an affordable price from a liquidator or liquidation auction, you can create combination packages that you can sell to a customer. Maybe you found some beautiful earrings that you imported from China that go perfectly with that dress that a customer just bought. You could provide these as a free gift to your customer when you send them their purchase. Make sure to add a label that says your sellers name or your eBay stores name so that they know where to find you again.

Some products can be used as loss leaders. You will sell them at very low cost but the customer is guided to your other auctions or your eBay store and can see all the other great products you have to offer.

Tip #8

Develop and Build a strong relationship with your supplier

Above all, remember to build a relationship with your supplier. Act professionally when you email them or contact them. Remember, they're a business too. Don't be afraid to pick up the phone and call them and ask those questions that are important to you. When you can show your supplier that you can drive sales of their product and that you are a real business, they're going to be more inclined to offer you those better discounts and those special deals on new inventory.

More Free information

There is a tremendous amount of FREE information on all the subjects I covered here today, on our web site at www.WorldwideBrands.com. Any questions the subjects in this Workshop leave you with are answered there for free, either by reading our free material, calling our toll-free Customer Service Line, or emailing our Customer Service Department. Contact info is on our site.

Our company, Worldwide Brands' full-time staff is dedicated to find the wholesale suppliers that you can use all the methods of product sourcing with. We also publish all the results of years of Research in our Wholesaler Database. There is a free preview available if you'd like to explore what's available within our database.

Thank you very much for being here today, and thanks to eBay for providing this Workshop so that we could talk, and help each other learn more about Ecommerce!

[Review Questions & Answers Session](#)

What is the difference between Liquidation, Closeouts, and Surplus?

Using liquidation products is a great way to enhance customer experience and find great unique ways to increase your profit margins. Product Sourcing Experts, WorldwideBrands.com, and leading industry experts, Liquidation.com, will explain the basics of the key elements to liquidation and how to use it appropriately with your listings.

Many eBay sellers underestimate the power of selling liquidated products. Often, I hear that the hesitation to sell liquidated products is because they are damaged or are limited items, but that depends on the source of those liquidated products. There are some challenges inherent in building a profitable business with secondary market merchandise, but the benefits easily outweigh those challenges. Here are just a few examples of using secondary market merchandise for your auctions other than just regular listings:

- **Product up sells:**
Example: When you're selling garden accessories for example, maybe you have a unique garden toolbox that you found through a liquidator that you could up sell along with that product.
- **Package Deals**
Example: Combine accessories with a clothing purchase as a package to bring more value to what the customer is purchasing
- **Special Bonuses**
Example: Maybe you want to offer a special bonus with your Buy It Now offer or send a special bonus with the purchase a customer just made tagged with your eBay store name or eBay Seller name so that the customer remembers who you are.
- **Enhancing Customer Experience**
Example: Increasing customer experience and value is very important on eBay. You can use liquidated products to offer a special gift to your customers or give them added value to their purchase by sending them something that they weren't expecting.
- **Great one time deals**
- **Limited Time only Promotions**

What is Liquidation or Secondary market merchandise and where is it mainly sourced from?

The supply chain generally consists of Manufacturer, Distributor, Retailer and the end user. The factors that drive products to the secondary market are return policies, product innovation, regulatory policies, and standard surplus. From all of these, secondary merchandise products can be the result of:



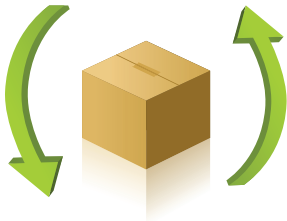
Overstock:

Manufacturer, Distributor, or retailer has excess inventory. The product is in new condition but due to quantity, they still have an abundance of product on the shelves.



Discontinued / End of Life / Shelf pull:

All products have a life cycle. Manufacturers are always producing the latest version of the product and the distributor is always stocking the latest version of the product. The excess inventory on the warehouse shelves needs to be liquidated to make room for the new version of the products.



Recycled / Refurbished / Warranty Replacement:

Customers return products for many reasons. Sometimes a product is returned due to minor malfunctions. The Manufacturer can easily repair these with new parts and the product is very close to brand new again, but they can not resell it as brand new so they become secondary market merchandise.



Customer returns:

Customer Returns will vary in condition. After the Holiday season customers bring unwanted merchandise back to the stores and those stores can't resell those products as new so they will hand the excess inventory over to liquidators. These products are still in very good condition and sellable, but for the brick and mortar stores this is overhead that they need to liquidate as fast as possible so they can concentrate on the new products on the shelves.



Scrap:

For all segments of the supply chain, there are products that would be considered not sellable to the primary end user because of a scratches or dents. These products, however at a much lower price, can be resold as a quality product.

Big Box retailers, leading e-retailers, Department store chains, service companies, manufacturers, distributors, and Federal, state and local governments at some point will liquidate inventory and the conditions will vary from excellent to very poor. Overstock, discontinued and shelf pulls will be the best condition. Refurbished, Scrap, and recycled products is where you find the most damaged goods. Keep in mind that all bulk lots are subject to having some damaged goods but the majority of products are in brand new condition.

Locating Quality Sources of Secondary Market Products



Local Liquidators:

In your local area, there are small time liquidators who get inventory from local stores such as furniture and unique niche products. This a great source for smaller amounts of product.



Business to Business Marketplaces:

Business to Business marketplaces that possess established relationships with key seller organizations are the first avenue that larger retailers will send their liquidated product to. For example, [Liquidation.com](https://www.liquidation.com) is a marketplace where professional buyers can source commercial surplus inventory and government surplus assets in an online environment. Their wide variety of product categories includes apparel, computers, electronics, house wares, industrial equipment, vehicles, and more.

Within Worldwide Brands, we have researched a large number of wholesalers that work within the liquidation industry. You can find these resources within our Wholesaler Database. Remember, we have a full research team that researches suppliers within all methods of product sourcing including drop shipping, light bulk, large volume, liquidation, and importing.

How are liquidated products normally purchased?

Liquidators typically don't drop ship, but there are a few who will. The majority of liquidators will sell their products in bulk lot auctions. Bulk lots are sold by the truckload, pallet, or small package and normally as is. Within a bulk order, there will be some product that will not meet your standards. As a best practice, the bulk orders that you purchase need to have quality checks because conditions range from new in a box to customer returns and used.

What are some key tips that will help you buy and sell secondary market merchandise?

- **Source quality merchandise that is attractive to your customer and target market**
- **Avoid impulse purchases**
- **Avoid buying too deep in any given SKU**
- **Develop targeted merchandising strategies**
- **Since you're buying in bulk, make sure to know the impact of shipping on total costs**

- **Make sure when purchasing bulk liquidated items to check the condition codes of the merchandise (New vs. Used vs. Returns)**
- **Check the rate of innovation in certain product categories.**
For example: you may have a difficult time selling certain electronics when there is no longer support from the manufacturer of that product because they no longer produce the model.
- **As with any product sourcing method, start slow, buy conservatively in the beginning, test the marketplace, and grow as fast as desired**

Worldwide Brands and [Liquidation.com](http://www.Liquidation.com) have learned many more tips over the years by working with suppliers and our customers. To summarize, we've gone through the basic elements of liquidation and provided you the explanation of some key terms and tips with buying and selling secondary market merchandise.

Any remaining questions from this workshop can be answered for by reading our free material at <http://www.worldwidebrands.com>. Our company, Worldwide Brands' full-time staff is dedicated to finding the wholesale suppliers that you can use all the methods of product sourcing with. We also publish all the results of our years of Research in our Wholesaler Database. There is a Free Preview available if you'd like to explore what's available within our database at <http://www.worldwidebrands.com>.

Thank you to Julie Davis from Liquidation.com for joining us today to answer questions. You can also find answers to your questions at www.Liquidation.com.

Thank you very much for being here today, and thanks to eBay for providing this Workshop so that we could talk, and help each other learn more about becoming successful eBay entrepreneurs!

[Review Questions & Answers Session](#)

Understanding the Basics to Importing Physical Products to Sell

Using importing as one of your product sourcing methods is a method to stepping yourself above your competition. Colette Marshall from Product Sourcing Experts WorldwideBrands.com, will explain importing basics and answer some of the common questions surrounding importing products.

So let's start with #1 question that sellers often don't realize,

WHY import products?

The simplest answer is Pricing and profits. Because labor costs are lower in most countries outside the United States, you'll find that lower labor costs leads to lower manufacturing costs and overall operating costs. Lower manufacturing and operating costs leads to lower price points that the manufacturers can offer. This in turn leads to lower prices that a seller can offer to compete in a competitive marketplace or an increase in profit margin due to lower wholesale cost. Good pricing also increases innovation.

The next question sellers normally ask is

WHERE to I find reliable overseas manufacturers?

As communication overseas has become easier over the years, so have the means for finding reliable suppliers. The three most common methods of finding international manufacturers are through trade magazines, trade shows, and the internet.

Trade Magazines will provide you with information in a particular category where suppliers will advertise the goods that they manufacture from finished goods to unfinished goods. To find some good trade magazines for products found in China, visit www.globalsources.com. Their categories include Electronics, Underwear & Swimwear, Gifts & Home, and more.

Just like Domestic trade shows give you the opportunity to meet suppliers in person and to get a hands on experience with their products, International Trade Shows also provide you with this opportunity. As you build your importing business, it also gives you the opportunity to visit the factories in person. ChinaSourcingFairs in October and April of each year is example of a large international tradeshow that you can meet a large number of Chinese manufacturers. There are also US and European tradeshow that you can attend that will have suppliers from other countries represented. By attending international trade shows you can identify new trends and new ideas.

You can also be a step ahead of your competition or identify some of the opposition that you may have in the marketplace.

The internet is much more difficult place to find reliable supplier sources. Whatever tool you find for finding suppliers on the internet, you will want to verify that the company behind the database or directory has a qualification process for confirming the validity of the manufacturer. WorldwideBrands.com offers you the ability to buy imports directly, and we also research international suppliers. We also recommend a company like Global Sources, because we know that they have a process where they visit factories a minimum of three times before they will allow them to be a part of their database.

As a seller the next question you should be asking is,

HOW can I guarantee quality products?

Quality Control is a keyword that needs to be a focus for all sellers who import products. There are three options that you have for guaranteeing quality:

1

Supplier provides quality control – In your negotiations with the supplier you need to make sure that there is a quality inspection process implemented not only for the final product but also for the unfinished goods. For example, if your product consists of multiple part assemblies, you want to make sure there is an inspection process for each assembly.

2

Hire a 3rd party to handle quality control – Hiring a third party to visit the factory and conduct random inspections may cost you a few hundred dollars but it's a method to making sure that quality control is always top notch. Keep in mind that you will need to be able to specify the exact pass/fail criteria for your product (s).

3

Do it yourself - If you plan to do the quality control yourself, then it is recommended that you plan to visit the factory so that you can inspect the quality control process yourself. Normally in this case your orders will be much larger, and you definitely want to plan to be at the production for the 1st production run review. Your relationship with your supplier needs to be very strong so that you can solve any issues at the beginning of the process instead of at the end when delivery is expected.

Remember as the seller, you are also responsible for making sure that all government regulations are met with your product. To get an idea of some of the regulations that are required for your product idea, take a look at similar products and see what regulations are listed in the manuals and on the product boxes. You can also ask the supplier if they currently export to the US or other countries that you are interested in selling to. In your process plan, make sure to include receiving inspection to check product when it arrives at your storage location so that you can find product damaged in shipping or product that was not inspected properly before shipment.

WHO handles shipping the products from the manufacturer through customs to its final destination?

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WHAT are the first steps to getting started?

Understand your product – Whether you're sourcing a new product from overseas or you are sourcing a current product that you carry from overseas, make sure to understand your marketplace and your product. Sales volume, lead times, market trends, government regulations, customer expectations, customs requirements are just a few examples that will drive when you make import purchases and how you confirm the highest quality products.

Learn about payment terms and shipping options – Take the time to learn about incoterms and what the options are for shipping arrangements before you start talking with international manufacturers. The International Chamber of Commerce has many books that have been published about a variety of topics on importing including incoterms.

Start with sample orders – When you've decided what products you want to import, start with a small sample order. A sample product purchase will give you the ability to understand the importing process from ordering to payment to shipments. As you develop your relationship with your supplier, increase your order quantity as needed. Don't forget though to keep in mind other manufacturers and continually research the trends in the marketplace to identify new niches and project sales appropriately.

To summarize, I've gone through the basic questions asked about importing that you need to understand before you start using this step as one of your multiple methods of product sourcing. If you are not ready for importing, then at WorldwideBrands.com, we offer many other resources for helping you understand other product sourcing options from free e-books to video.

Our company, Worldwide Brands' full-time staff is dedicated to finding the wholesale suppliers that you can take advantage of all the methods of product sourcing from drop shipping to importing. We also publish all the results of years of Research in our Wholesaler Database. There is a free preview available if you'd like to explore what's available within our database.

Thank you very much for being here today, and thanks to eBay for providing this Workshop so that we could talk, and help each other learn more about becoming eBay entrepreneurs!

Review Questions & Answers Session

Building Supplier Relationships is Very Important Especially for the Holiday Season

Building Supplier Relationships is very important for growing your business, increasing your profit margins, and especially for preparing for the Holiday Season. Colette Marshall, Business Development Manager for Product Sourcing Experts WorldwideBrands.com, will explain the key elements in improving your supplier communications and using those skills to prepare for the holiday season with your supplier.

Having a direct relationship with your supplier is a key aspect to your business. Building that relationship with that supplier is the next key step. A professional relationship with your supplier will help you expand and grow your business faster and will make the growing pain minimal. Today, I'm going to discuss 3 main areas of supplier relationships: Creating a solid foundation, building on that solid foundation, and then holiday season pains.

Creating a Solid foundation

In the beginning, there are a number of ways that you can find a wholesaler. The recommended method is to find the market that you want to sell to, discover what they need, research it, and then find that supplier to source it. Worldwide Brands has over 7 years of experience in finding genuine, factory direct wholesalers that will work with online retailers including eBay sellers. As an eBay Certified Solutions Provider, we've developed a complete Wholesaler Database with a built-in market research function, to help you with the process of researching and identifying a product idea, and then finding a supplier to source it. You can also research wholesalers yourself.

For the purposes of this workshop, I'm going to assume that you have found the supplier that you want to work with and you know that they will work with you as online seller and will allow their products to be sold on eBay.

Setup your account with the supplier

True manufacturers and Factory direct wholesalers will always request for you to set up an account with them. Remember, this is a business for both of you. The supplier wants to move product in and out of their warehouses as fast as possible. They need certain information for billing purposes as well as shipping purposes.

Common Items on Account Setup form:

Business Name And Tax id

In order to work with a GENUINE Wholesale Supplier, you DO need a State Registered Business Name and Tax ID. It has nothing to do with where you sell; it's who you BUY FROM. REAL Wholesalers are required by law to keep your Tax ID on file and must have proof that YOU are a legitimate retailer. If you are working with someone who says they are a Wholesaler but they DO NOT ask for your Registered Business Name & Tax ID then there is a 99% chance that they are NOT a genuine Wholesaler!

If you do not have a Registered Business Name and Tax ID then do not worry. Those items are NOT that hard to get. Just contact your local County Clerks Office and they will direct you (usually to a State Website) where you can easily file online and be registered within a few days (and sometimes even sooner!)

As an International Retailer, you would not be required to provide a Tax ID as that is for US residents only. You will still need to provide proof that you are a legitimate business. This means you will have to provide a Registered Business Name to the Suppliers you want to work with. If you need help getting legal, you should contact your local city hall or government agency. They should have details on where to go and what to do to become a Registered Business in your location. You can also locate information online as to what you need to obtain in your country to setup a legal business. Keep in mind that not all suppliers can work with international retailers because of trade and export agreements that they have with their manufacturers regarding selling outside the US.

Business Address, Phone, Fax, Hours of Operation, Length of Time in Business

A supplier needs to know when the best times to contact you. In addition, they want to know that you are a real business as well that they can rely on to sell their products. Whenever you call a supplier, make sure that you don't have loud pets in the background or kids screaming in your other ear. Another recommendation is not to call from your cellular phone. It doesn't sound very professional when your cell phone keeps cutting out. When you're working from home, you need to keep in mind that the distracting noises in the background can give you an unprofessional image. A professional business would not have these distracting noises in the background.

Trade and Bank references, Dunn & Bradstreet number (business credit reporting agency)

Some wholesalers will request for bank references to confirm your business' account legitimacy. This is especially true when you are purchasing large bulk or requesting 30 day terms. A supplier needs reassurances of payment like any other business.

Physical Storefront

Some wholesalers will request photographs of your physical storefront. Generally, these wholesalers will not work with online retailers, because they carry high dollar brand name items that they are restricted to where retailers can resell these products. If you're requested for a storefront photograph, be honest and explain that you are an online retailer who sells on the eBay platform. They will let you know which products within their catalog you will be able to sell or they will let you know at that time whether the account setup process can continue. It's better to be shutdown early, than have your account shutdown later in the middle of an auction.

Be Patient and Plan for a delay in account setup

Submitting an application can be done via phone, website, email or fax. Through our wholesaler database, we have a direct application process as well. We recommend 7-10 days before contacting the supplier about the status of your account setup. Some suppliers will set up your account within 24 hours; others have a much longer process due to their size and account review process. Make sure to plan for a delay in getting your account details. Don't expect to be setup and ready to start selling the next day for every supplier.

Get a Representative name, email address, telephone number and fax number

Make sure when starting that your communications with your supplier that you get all the necessary information of who your account representative is and how you can contact them if you need to. This will make it easier when you have questions about an order that shipped or did not ship, or the current status on inventory.

Build on that Foundation

Once your account is setup there are some key factors that you need to make sure to do before you start listing products. Here are the top tips to help develop your relationship with your supplier:

1

Read the Suppliers Policies and Procedures

The wholesaler's policies and procedures will always detail how to submit orders and send payments. Make sure to read through the supplier's procedures instead of calling and asking basic questions on how to submit orders.

2

Know the Suppliers Ordering Process and How it effects your advertised shipping time to your customer.

In the supplier's procedures, they will indicate the shipping time. Make sure to read this and take note of it. You don't want to list a product that will "Ship next day" when the actual time frame is 24-48 hours. In addition, suppliers will not ship your product unless they have received payment for the product especially with dropshipping. If you send an email request late evening and then they send you an invoice for payment the next day but you don't send a payment until late the following evening, your shipment is going to be delayed even more. Make sure to account for all this in the time you state in your auction listing.

3

Don't constantly contact the supplier for every little question

Instead of picking up the phone every time you have a question, compile a list of questions and send an email to your representative. Remember, suppliers are in the business of getting your products out the door as fast as possible. They don't always have a full-time customer service team.

4

Be sure to receive the supplier's newsletter if they offer one and make sure to read it

Many suppliers provide a newsletter that will detail upcoming specials and new products. They'll also list important information about your accounts or any events that may impact shipping of your orders. Make sure to sign up for the Supplier's newsletter and read it thoroughly. Also, keep watch of the supplier's website for updated information.

5

Know what the supplier's current inventory stats are to avoid back orders and delays in shipping. (most of the time they offer real time inventory on their website)

Unless you have exclusive rights to the sale of a product, there are other sellers that the supplier is feeding from their inventory. Always make sure to check a supplier's inventory statistics so that you can avoid back orders and delays in shipping. If you're drop shipping your products, we always recommend that you purchase some of your product to have on hand in case of an out of stock situation occurs so that you can still fulfill the order.

6

Plan Ahead and share your plans with your supplier.

If you want to run a sale or special and you expect a large volume of orders, let your supplier representative know. This way if the supplier can decide when they need to submit a larger order to the manufacturer to replace the product or order sooner to make sure that with the lead time they will not have an out of stock situation.

7

Request Samples of product from your supplier

Samples of product are sometimes offered at account setup, but as a new account, suppliers may want to see your order potential first. Once you've shown that you can deliver consistent orders, ask your representative if you can have samples of other products that you're interested in selling. Suppliers are always happy to help increase sales.

Preparing for the Holiday Season

Suppliers are always several months ahead of Sellers in their plans for the holiday season. By June, most suppliers have already completed their research and set their orders for the holiday season with their manufacturers. They spend June and July working on clearing out old inventory to make way for the new shipments. **Holiday Season has already begun!** As a seller, here are some tips for planning for the holiday season:

- For June and July, all sellers should be researching and testing what they want to sell for the holiday season.
- Communicate your plans with your suppliers so that they can make sure their inventory includes the items that you want to sell, but also make sure to check out the catalogs and the available inventory at that time. You don't want waste time researching a product that you won't be able to supply in the end.

- Identify trends, keywords, and Set Marketing to Prepare for Holiday Season (ie. Keywords, optimization for the products)
- Talk with suppliers about their planned product lines & closeout inventory
- Test now for Titles, Description, Images
- Streamline the Ordering Process so that there are no delays in shipping orders due to non payments or missed emails.

There are many more tips that we've learned over the years with working with suppliers and our customers. To summarize, I've gone through the basic steps and tips for starting and building a relationship with your supplier.

Any remaining questions from this workshop can be answered for by reading our free material at www.WorldwideBrands.com , calling our toll-free Customer Service Line, or emailing our Customer Service Department. The contact information is on our site.

Our company, Worldwide Brands' full-time staff is dedicated to finding the wholesale suppliers that you can use all the methods of product sourcing with. We also publish all the results of our years of Research in our Wholesaler Database. There is a [Free Preview](#) available if you'd like to explore what's available within our database.

Thank you very much for being here today, and thanks to eBay for providing this Workshop so that we could talk, and help each other learn more about becoming successful eBay entrepreneurs!

[Review Questions & Answers Session](#)