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There Must Be A Catch In Drop Shipping

What do you do when something seems too good to be true? There are people, sometimes called realists, who will just assume that if something seems good it has to have a catch. The world, however, could use more optimists -- people who take the time to find out just how good something can be. Is drop shipping too good to be true? You be the judge and make the verdict based on the advantages and disadvantages!

One clear benefit is the time that it frees up for you. Drop shipping streamlines your business and makes it more efficient. Gone are the days of unpacking shipments of inventory, stocking them away, and then shipping them off again to individual buyers!

Perhaps a less intuitive pro is that of a positive cash flow cycle in your business. This occurs as your customers pay you for the products they order. You then use that same money to order and send the product to the customer from the drop shipper. You are left with the difference between the retail price and the wholesale price and always having cash readily available.

While it may seem that location is irrelevant in the world of online retail, it can be a huge advantage. Drop shipping allows you to ship from a variety of locations, not just your business's primary location. Therefore, customer's orders are filled and shipped much more quickly and efficiently through drop shippers than from your home base.

Expansion. How does that sound for you and your business? If you have always wanted to include more of a variety of products in your online retail store, but haven't had the capital to support the inventory, then drop shipping has yet another great advantage for you. Rather than having to buy new products up front, you merely market them to your customer base, wait for the orders to come in, and then forward the orders to the drop shippers! Suddenly, the risk is gone and the profit remains!

Now, of course, you're wondering about what the cons are. The main disadvantage has to do with back ordering. Occasionally, a customer may put in an order for an item that it is out of stock for the drop shipper. This leads to a back order and possible lengthy delay for the customer, which could cause some dissatisfied customers. However, even this argument becomes irrelevant through staying aware of your distributor's availability for certain products.

Another aspect can be seen by some as a con or a pro. As mentioned previously, drop shipping takes the inventory out of your hands. This saves you time and energy, but can also be unsettling to those who prefer to micro-manage their business. In other words, for some it takes away the control they have over their merchandise while for others it frees up time for them to spend on improving other aspects of their retail business!

So, is drop shipping too good to be true? It's up to you to decide!

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