Can You Still Make Money Dropshipping in 2019?

The short answer is no.

April 21, 2019 6 min read

Opinions expressed by *Entrepreneur* contributors are their own.

Ecommerce continues to grow at a breakneck pace, with virtually every business and aspiring entrepreneur trying to make a buck one way or another via digital salesmanship. Nonetheless, certain ecommerce strategies are sounder than others, and some tactics like dropshipping have become less popular over time, thanks to new constraints that make it less profitable.

2019 is a year as disruptive and confusing as ever, though, making it an open question as to whether dropshipping is entirely dead or not. Many continue to assert that dropshipping is a surefire way to earn a profit. Can you still make money dropshipping in 2019?

Related: 6 Routine Mistakes People Make When Setting Up a Dropshipping Online Store

Customers simply must be a priority.

The truth of the matter is that dropshipping is only a profitable endeavor if you strive to ensure that customers are always your top priority. Far too many newcomers to ecommerce believe that dropshipping is an easy, effective way of making a quick buck, when it’s actually a deeply complex process that

requires you to stay on your toes. While dropshipping eases your workload by reducing the amount of goods you need to keep in stock, it creates additional challenges, especially when it comes to issuing refunds and ensuring customers receive gratification.

Many of those who once saw dropshipping as an outlet to business success quickly realized that they had deeply misunderstood dropshipping and paid the consequences for it. Having learned from their mistakes, some ecommerce professionals can tell you about the common dropshipping mistakes that almost cost you their business, but countless rookies will doubtlessly keep making those errors. This is because far too many who try to enlist the power of dropshipping for their business misunderstand what's needed to make it work in the first place.

You'll have to learn to grapple with high shipping cost, for instance, which is regularly recognized as a plague upon the potential profitability of any dropshipping ecommerce operation. Other shipping problems will abound, too, as you'll soon discover that such things like quality control are a total nightmare in the world of dropshipping.

Dropshipping can lack accountability.

To put it simply, dropshipping isn't nearly as secure as many who are considering it would like to believe. Given that you and your customers usually won't be interacting with your suppliers in a face-to-face manner whatsoever, it's immensely easy for either or both of you to get scammed. Sometimes, you'll simply discover that suppliers you rely upon for dropshipping really dish out low-quality products that leave consumers irritated and unsatisfied.

This is why it's imperative to only enter into valid

dropshipping agreements with suppliers you trust after undertaking extensive dropshipping training. Finding a wholesale supplier isn't always easy, and it's certainly not always cheap, but finding the right supplier is usually the key difference between a dropshipping operation that's a thriving success and one that's a miserable failure. Any budding entrepreneur seriously tugging at the leash to give dropshipping a try should review a breakdown of how to locate dropshippers and other supply-side professionals you'll need to make it in this niche market.

As always, stress honesty and efficiency above all else. Certain suppliers may try to lure you in by offering you better profit margins, but you need to understand that customers will quickly abandon your operation in droves if they're receiving shoddy products so that you can earn an extra penny or two. Ensuring that you enjoy repeat business from satisfied customers will earn you more money than luring in new, naïve customers who will make one dropshipping order before ditching your business forever.

Related: 4 Simple Strategies That Will Help You Offer Excellent Customer Service

Prepare yourself for extra homework.

Business owners should also recognize that dropshipping models require that you prepare yourself for some extra homework. Dropshipping can only work for your company if the people running the operation are constantly doing market research to find new suppliers, products and engagement models to profit off. Rather than alleviating your workload, then, it's important to recognize that dropshipping means additional hurdles will be put in front of you — though you could leverage some of that newfound work for better profits.

You'll also need to prepare yourself for new aspects of the job. Quality control is entirely out of your hands, for instance, so you'll need to establish a new method of guaranteeing that your customers aren't getting ripped off. You'll also need additional customer support representatives, as any dropshipping model is likely to result in some complexities that will baffle some consumers. The return process, for instance, is famously difficult when dropshipping is concerned; with about 30 percent of all online purchases eventually being returned, too, it's safe to say this is a problem you'll encounter sooner rather than later.

Finally, you'll discover that relying on a dropshipping model for your business doesn't always guarantee items will be in stock when your customers want them. Fulfilling customer orders in a satisfactory way is the name of the game, and you'll need a system in place for when stocks dramatically become unavailable with little warning. Seasonal changes in the business cycle, for instance, like Black Friday shopping sprees, can upend dropshipping models just as they can normal brick-and-mortar businesses.

So, is dropshipping even worth it?

Despite these difficulties, many entrepreneurs still have their hopes pinned on dropshipping because of the immensely low startup costs usually involved in the dropshipping model. Elsewhere, those who find themselves in niche industries can become deeply familiar with the supply chain of their unique market and come to dominate it entirely. Thus, dropshipping can be safely labeled as an immensely challenging business model that nonetheless holds profitable potential for those entrepreneurs keen enough to master the process.

Related: How Strategic Warehouse Multichannel Fulfillment Can Help Budding Entrepreneurs

Cutting down on shipping costs and mastering the supply chain,

for instance, has helped many dropshippers turn record profits in an otherwise cutthroat ecommerce industry. Outsourcing your shipping model, for instance, is something that’s helped ensure dropshipping is still a viable strategy well in 2019. One thing is increasingly clear – despite the ever-growing complexity of the digital marketplace, shortcuts like dropshipping will still be relied upon by clever entrepreneurs for years to come.

https://www.entrepreneur.com/article/330297