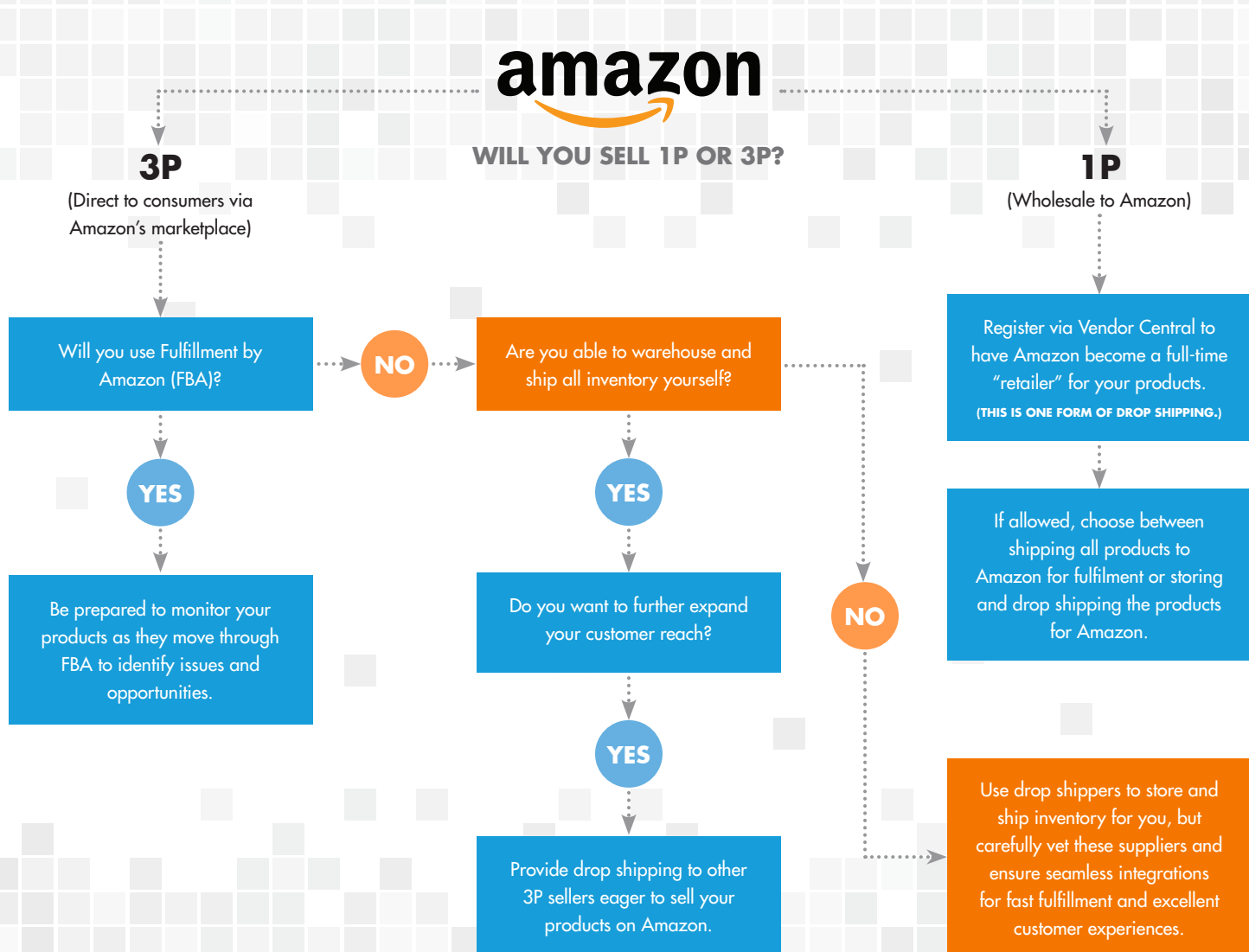


QUICK-TIPS REFERENCE GUIDE FOR E-Commerce Drop Shipping

Are you thinking of entering a new drop ship partnership? Before you can realize the full potential of e-commerce drop shipping, you'll need to weigh all options. That includes whether you will act as a drop shipper yourself or leverage third-party drop shippers for your advantage.

Here's what a thorough thought process will look like as a retailer or brand determines how to approach its relationship with Amazon.

WHAT DOES DROP SHIPPING LOOK LIKE ON AMAZON?



AMAZON MARKETPLACE

VS.

AMAZON VENDOR CENTRAL

When selling third party (3P) on Amazon, retailers and brands have the option of leveraging drop shippers when fulfilling orders. For example, a retailer or brand might use third-party drop shippers to expand inventory without incurring additional warehousing costs. Or, on the other end, a manufacturing brand may decide to provide drop shipping to third-party retailers as a way to get its products in front of more customers.

When using or providing drop shipping, be prepared to:

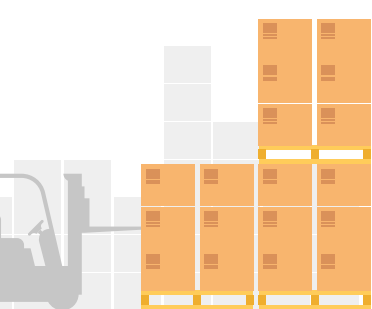
- ✓ Streamline the order fulfillment process
- ✓ Maintain consistent customer experiences
- ✓ Create a central location for order fulfillment
- ✓ Improve speed of shipment to customers through reliable integrations

When selling first party (1P) to Amazon, retailers and brands act as vendors. By selling products in bulk to Amazon (which then becomes the "retailer"), their products gain access to a large and established customer base. Vendors may send their inventory to Amazon to store and ship or, if allowed, serve as a drop shipper for Amazon.

When using Vendor Central, you must be prepared to:

- ✓ Validate all product data to meet Vendor Central requirements
- ✓ Optimize all product data for a great customer experience
- ✓ Manage merchandising opportunities to drive sales
- ✓ Regularly review analytics to keep pace with marketplace trends

THE DROP SHIP MODEL IS ALSO WIDELY USED ON...



Walmart

Requires vendors to provide their own fulfillment solutions and have a process in place that ensures customers have positive experiences when buying through Walmart.

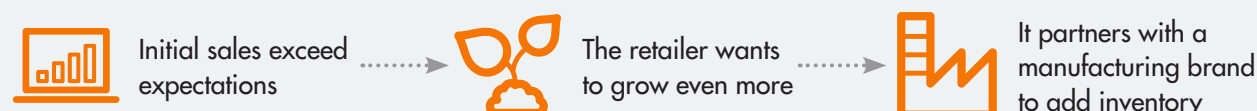
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Requires vendors to keep detailed documentation of fulfillment centers and inventory.

Each marketplace retailer has its own set of requirements that brands and retailers must be prepared to meet when using a drop ship model to fulfill orders.

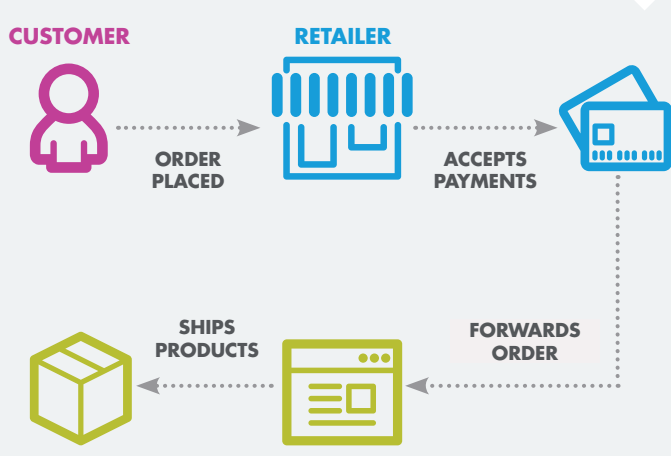
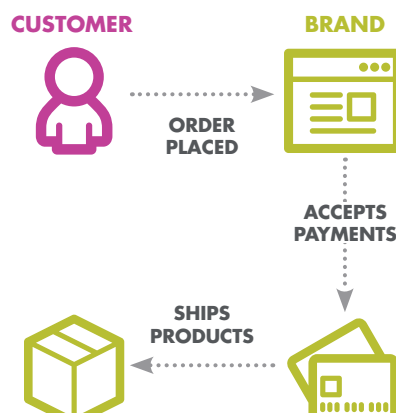
A COMMON DROP SHIP SCENARIO...

A RETAILER EXPANDS TO A NEW MARKETPLACE



THE BRAND HAS ITS OWN MARKETPLACE STOREFRONT, BUT AGREES TO DROP SHIP ON BEHALF OF THE RETAILER

- When an order is placed with the brand, the brand accepts payment, packages and ships the product
- The customer interacts directly with the brand for questions, exchanges and returns



OR...

- When an order is placed with the retailer, the retailer accepts payment and forwards the order to the brand
- The brand ships the product — this time with the retailer's information on the packaging
- The customer never interacts with the brand, turning instead to the retailer for questions, exchanges and returns

DUE TO THE COMPLEX NATURE OF DROP SHIPPING ON MARKETPLACES, IT'S ESSENTIAL TO HAVE TECHNOLOGY CAPABLE OF:

- 1 Creating seamless integrations between brand, retailer and marketplace
- 2 Automating product data management and feeds
- 3 Consolidating operations used to support multiple marketplaces

- 4 Supporting fast fulfillments

For more insight you can use to maximize drop shipping opportunities, get the free eBook: **Special Delivery: Understanding the E-Commerce Essentials of Drop Shipping**

GET EBOOK