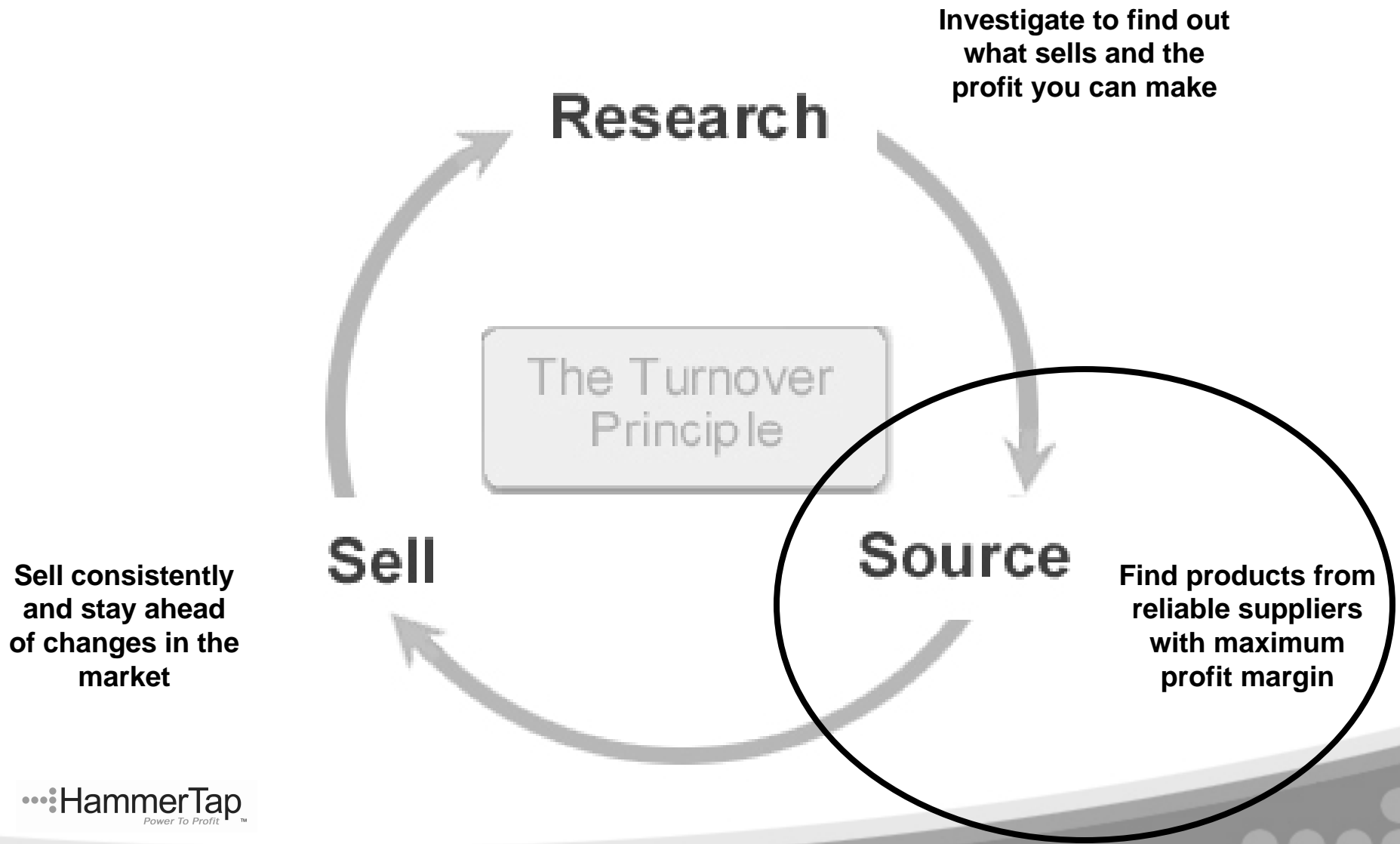


The Turnover Principle

Step Two:

Product Sourcing

The Turnover Principle



What are the Best Products to Sell?

Certain product characteristics make products easier to sell online (including eBay). Some of them are:

- Items that are light and easy to ship
- Items that not perishable or extremely fragile
- Items that can be clearly described without having to be seen and held
- Items that have little or no competition already from large online companies. These items are sometimes labeled as “niche” items.
- Information that is downloaded (e-book or software)

Tips For Selecting the Best Products to Sell

- ***Expand Slowly and Cautiously***
 - Some sellers on eBay readily attempt to sell anything you can imagine, however, it is often more profitable to focus in on something that you can specialize in and do better than any other seller.
- ***Gauge Product Demand***
 - Demand is the key to eBay business profitability.
 - Timing is extremely important.
 - Learning to pick a hot product before it becomes hot is a valuable skill that comes from knowing that market. (Research, Research, Research!)
 - High demand and low supply translate into higher prices. As demand increases, supply will eventually overtake it and prices will gradually move downward. At the end of a product's popularity, liquidation stock in the market will cause prices to basically bottom-out. This will happen very fast, often in a matter of weeks not months or years.

Tips For Selecting the Best Products to Sell Cont.

- ***Gauge Product Supply***
 - A careful analysis of the competitive landscape is always important before jumping into a new market. If the market is already saturated with sellers who have better pricing and access to product than you, you may want to look elsewhere for more profitable business ventures
- ***Marketability***
 - Clearly it won't matter what products you sell if your customers aren't buying.
- ***Profit Margin***
 - The best selling products won't earn a seller much if their margin is too small.
- ***Some questions to keep in mind while selecting products for resale.***
 - Would you buy it and use it yourself?
 - Can you see yourself getting excited about this product or service?
 - Would you sell it to someone you know?
 - Is there a real need for the product in today's market?

Product Sourcing: Move slowly, use caution!

- Once you've done your homework, you are ready to find a source for products. According to Robin Cowie of Worldwide Brands, "Product sourcing is the process of **researching and locating** REAL manufacturers and authorized wholesale distributors that will work with online retailers."
- Researching in this case is referring to finding a reliable and trustworthy source for products. Part of your search criteria should be ensuring the validity and credibility of many "so-called" sourcing companies out there.
- Avoid middle-men posing as wholesalers who cut into potential profit

Sourcing: Where to Start?

- Start with easy-to-use drop-shipping to test markets and products.
- Use renewable sources to consistently deliver the right product at the right price.
- Grow your profit margin by using sourcing techniques that deliver larger profits.
- Offer a diverse product line that complements your primary products and allows you to cross-sell and up-sell.
- Use multiple product sources to optimize product mix, profitability, and flexibility.

Product Sourcing Options

There are several options available when looking for sources for your products. Some of these options include:

- Drop shipping
- Local sourcing
- Light bulk wholesalers
- Importing
- Liquidation sales

Remember: Each of these options has clearly defined pros and cons, and the use of each should depend upon your business strategy!



Product Sourcing Formula

With all of these sourcing options available, how do you create a balance of each to maximize sales and profitability?

Start with Drop Shipping

- To test product ideas

Include Light Bulk Wholesalers

- To increase your profit margins

Include Importing

- To further increase profit margins

Include Liquidation

- To offer loss leaders and limited-time offers

Robin Cowie, Worldwide Brands

Sourcing Locally Can Yield Some Great Products

Local Sourcing

- Local sourcing is finding products (typically used) from local sources such as estate and yard sales, thrift shops, and local outlet stores.
- This is a good place to start but it is very limited.

Use Your Local Library

- It can be a great place to find product sources.
- Ask for more information at the reference desk.

Network with Local Retailers

- If you find local retailers that carry the products you want to sell on eBay, ask the business owner if he/she would help you get in touch with vendors.
- Find the products you would like to market and get the names of the manufacturers. You can then look them up at your library and/or perhaps the internet.



Takeaways of the Turnover Principle:

Correct Implementation of the Turnover Principle will allow an eBay seller to:

- Remove the guesswork from selling successfully on eBay
- Understand the market they compete in or hope to compete in
- Make and implement effective strategic decisions
- Develop on-target business plans & strategies

***Researching, sourcing and selling is to
remove the chaos of running an eBay
business and replace it with sound
strategies!***



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