

Getting started in e-commerce

RETAILING online has seen huge growth in the affiliate sales sector due to the trackable, data-driven nature of online sales. For many popular products, there are hundreds of websites and apps that provide product reviews, that feature a link to a retail website.

The model is that if a visitor to the review website buys from the retailer, the owner of the review website earns a commission fee on the sale.

While there are always some ethical concerns that consumers might not be clear about, affiliate programmes often encourage transparency in their policies.

A common model for aspiring retailers to follow is:

Launch an affiliate website and earn commissions on sales

Change to a drop-shipping model and earn a higher profit margin than the previous commission percentage.

Buy stock of the products you focus on and sell them directly

Looking at this from a high-level view, it's about risk. There's no large outlay required for being an affiliate, as you don't have to order stock. You can launch quickly and without a huge marketing push, grow slowly and profitably.

Eventually, the popularity of

your service (as a product supplier may see it) will give you clout to negotiate with companies who will ship products for you for a fixed amount.

Following this, you may have the necessary financials to order and manage stock to ship yourself (and employ staff to do this).

The main point here is that the affiliate-to-drop-shipper-to-retailer is a model built to scale, purely and simply.

Sourcing products

Depending on your point of view, the products you sell and the market you enter, will determine your success. That's not necessarily true – if you're looking to sell products in high volume, then you should be building to scale.

If you want to sell lower volume, higher value goods then scale, at least in e-commerce terms, might not be so important. If you're considering following the affiliate-to-retailer model, a lot of product research would come from the programmes you're involved in.

If "Product X" is very popular, then you may be tempted to sell it.

If "Niche Y" features many related products whose combined popularity is high it will be an attractive market to enter.

If you're using offline suppliers



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of your products, using tools such as Google Trends, Amazon Best Sellers and Ebay Trending Collections will indicate products that are currently popular.

Scaling warehousing and fulfilment

Fulfilment and storage are a cost. You have to ship items, and you have to store them to start with. Unless you're living in a space with a lot of room, you'll need some kind of warehousing facility.

A scalable way to tackle this is to use self-storage companies. Self-

storage is flexible – you don't have to buy into a never-ending contract for a huge unit, and you can increase or decrease size as you go.

It's important to think about the type of storage you need – My Storage Pod has an infographic on indoor self-storage versus container storage that shows some important things to take into consideration.

Marketplaces versus Owned Websites

It's very tempting to think big and start big but the key to starting a business you want to scale is to

get the processes right and think about market penetration. One of the quickest routes to market is to use a platform that already has a qualified customer base.

Online, that can mean becoming a seller on Amazon or eBay. The other option is to create your own e-commerce store.

These marketplaces have already done the marketing for you – you only have to list products and provide service whereas with a website you're taking on a larger amount of work – although this may bring greater returns. — www.careerealism.com