

Secrets to Finding Merchandise to Sell Online



by Nick Hawks–The eCommerce Guy
www.12teachyou.com



**The most asked question I get is...
Where do you buy your stuff that's for
sale online?**

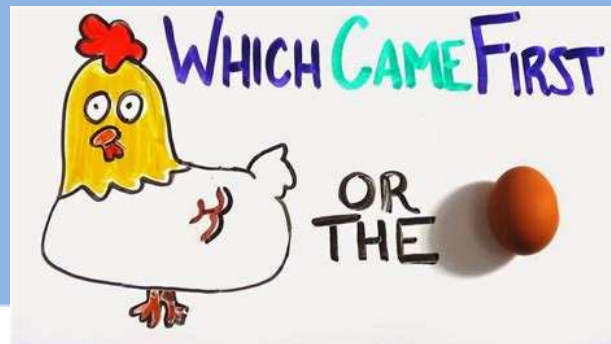


That's the million dollar question - isn't it !!!!!



But First Remember

- The two most important aspects of sourcing.
 - Maybe in no particular order.
 - But one may be more important than the other.
1. Supply & Demand = Does enough people want this product.
 2. Sourcing = Where can I buy the product cheap enough to be competitive in the marketplace.





- **There are several different ways to source merchandise for resale.**
- **Some require proof of a business.**
- **Storage space may be needed.**
- **Some have more risk than others.**



Lots of Different Sources of Merchandise

- Make = Etsy I offer a class on Etsy
- Manufacture
- Wholesale/Affiliate
- Drop Shippers
- Foreign Sources
- Liquidators



I'm going to focus these



LIQUIDATION VS. WHOLESALE

What's the Difference?



Liquidation



Wholesale

- There is often confusion on how liquidation and wholesale differ (or if they do at all).
- In fact, there is a huge difference between the two.
- I'll provide an overview of both liquidation and wholesale so you can make the most informed decision on securing the inventory that is right for your business.

What is Wholesale?

- Wholesale is the sale of goods and merchandise to resellers and businesses.
- The wholesale price is usually fixed and the amount of product can vary substantially.
- The goods are usually sold – by the wholesaler – in bulk quantities with the intention of being resold by the purchaser.
- Something else to note: true wholesaling is generally not available to small businesses.

- Wholesalers frequently purchase [liquidation bulk lots](#) from large liquidators, break those lots apart, and then repack and redistribute them in smaller lots to smaller retailers and resellers.
- Often by the time the smaller retailer or reseller gets it, the merchandise has been through multiple middlemen and price markups.
- The transfer of goods isn't nearly as direct!

QUANTITY DISCOUNT

WHOLE





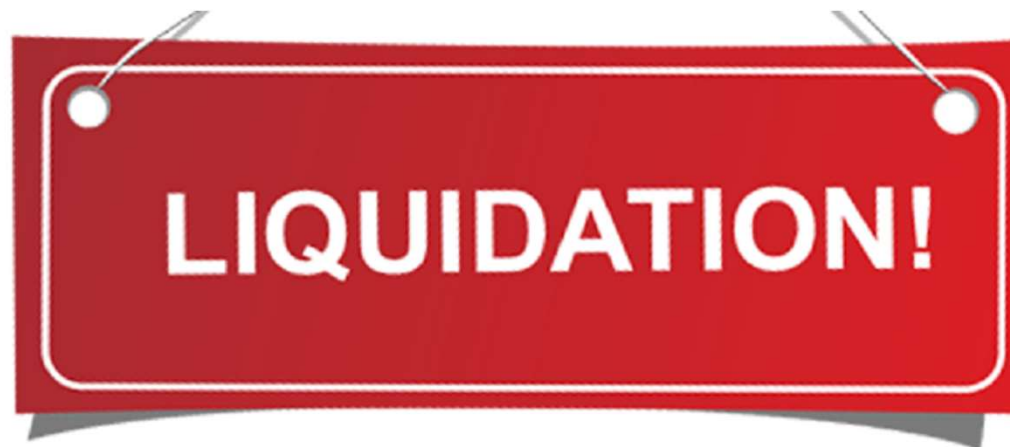
What is Liquidation?

- **Liquidation** typically means a big box stores are trying to turn excess, overstock, or obsolete goods into cash, quickly.
- For retailers, this merchandise costs money because
 - 1) the goods depreciate with age
 - 2) they take up space in the warehouse
 - 3) they tie up capital.
- Most retailers will end up selling – aka liquidating – 95 percent of this excess inventory on the secondary market.
- It's a common practice, too! Liquidation is becoming a part of most retailers' reverse logistics strategy.
- Not only does liquidating allow retailers to free up warehouse space and make way for new inventory, but retailers get to recoup some of their losses, for example, on out-of-season inventory.

Liquidation in the Past Versus Now

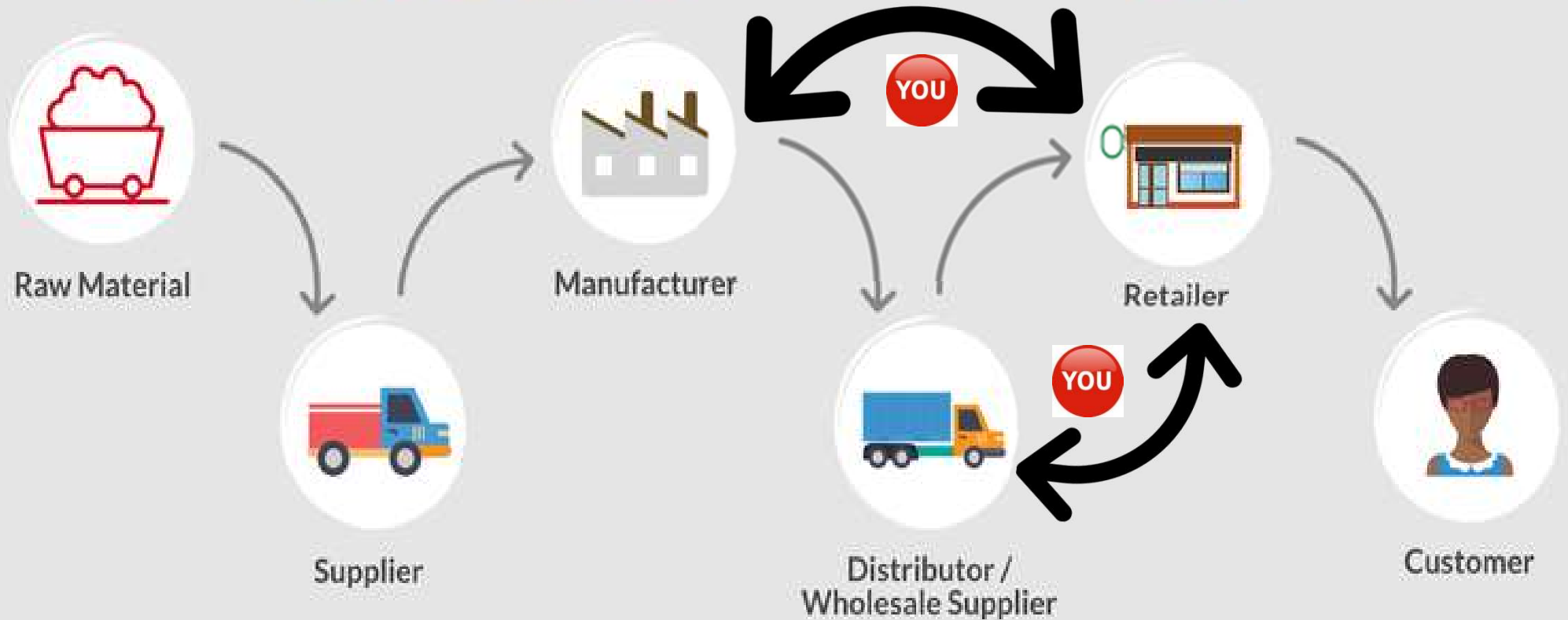
- Historically, large retailers and manufacturers have sold this liquidation inventory in bulk (and at a loss) through negotiated transactions with a handful of buyers (wholesalers).
- These sales are generally at prices well below retail MSRP.

- Over the past few years, however, a shift has taken place. Many retailers are bypassing traditional liquidation methods and launching customized B2B [online auction marketplaces](#) that connect excess merchandise directly to business buyers.
- This creates a level playing field for all buyers, big and small, to compete for the inventory.
- Why? Because small business liquidation buyers now have access to highly discounted inventory that they were previously unable to buy without a middleman.
- What's more, the inventory is generally listed at a fraction of MSRP and buyers only pay what they want in an auction setup!



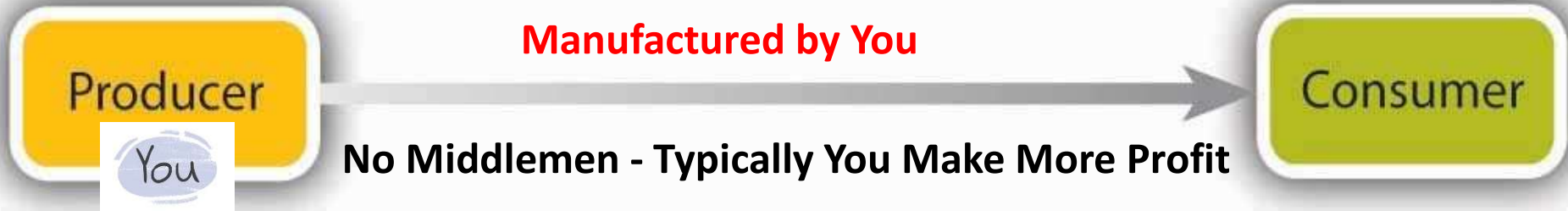
You See Lot's of Middlemen in almost any Business Venture

Product Supply Chain

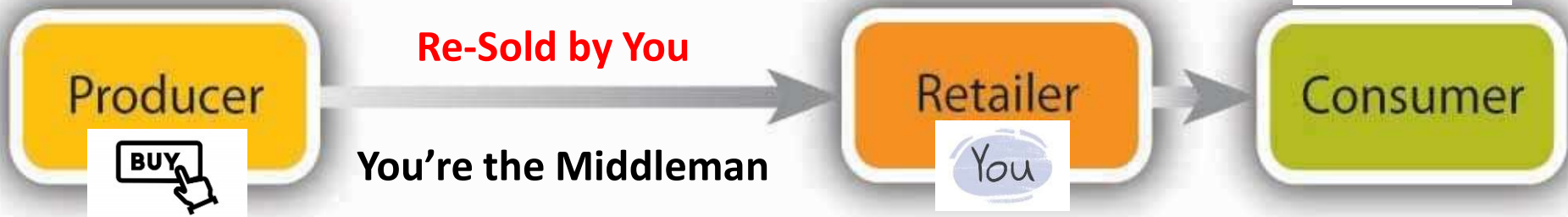


Where Do You want to be in this Scenario?

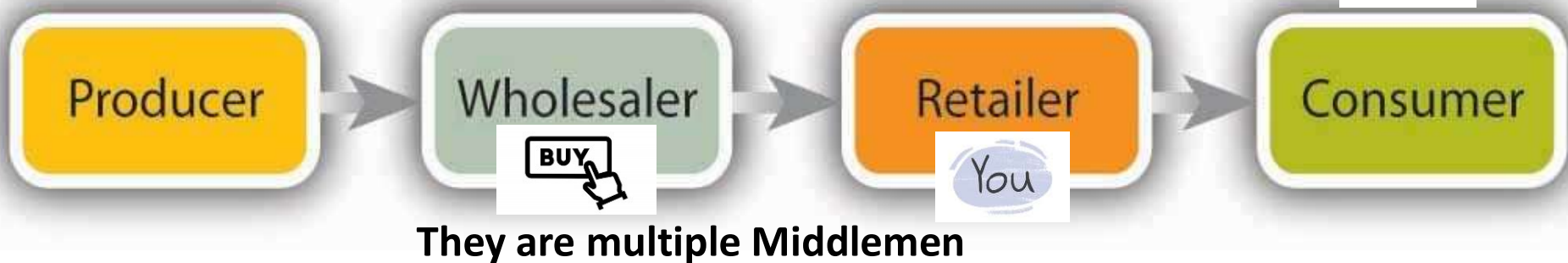
Selling Directly to Consumers



Selling through Retailers



Selling through Wholesalers



Wholesale



Order Wholesale

I am not endorsing or recommending any product or service in this presentation. Products or services shown are examples only.

Lots of Choices with Wholesale

MILLIONS of Wholesale Products!



QUANTITY DISCOUNT

WHOLE SALE

Pros & Cons of Wholesale/Affiliate

+Pros

Reliable Source

Selling Established Products

Discounted Price

Affiliate Company Ads

-Cons

Price control

Minimum purchase

Business License

MAP Pricing

- The margins for wholesale are typically good compared to dropshipping, but not as profitable as manufacturing.
- This method might be considered a safe middle ground between manufacturing and dropshipping.
- Wholesaling will require the purchase of inventory with no guarantee that you can see it.
- Perhaps the greatest risk comes from figuring out how to differentiate yourself from the many other retailers selling the same products.

MAP PRICING VS. MSRP:

What's the Difference?

MAP = the minimum price a manufacturer sets for the reseller, below which the seller cannot advertise their products

THE PRICE YOU PAY



ITEM	ITEM DESCRIPTION	WHOLE SALE PRICE	
YC 100	Yin-care®'s Herbal Wash 100 ml	\$16.00	\$24.00
YC ORAL	Yin-care® Supreme Oral Care	\$13.95	\$21.99
ALT 120	Altigen™	\$29.99	\$39.99
YC COMBO PK	Yin-care®'s Herbal Wash 180 ml PLUS Applicator	\$30	\$47

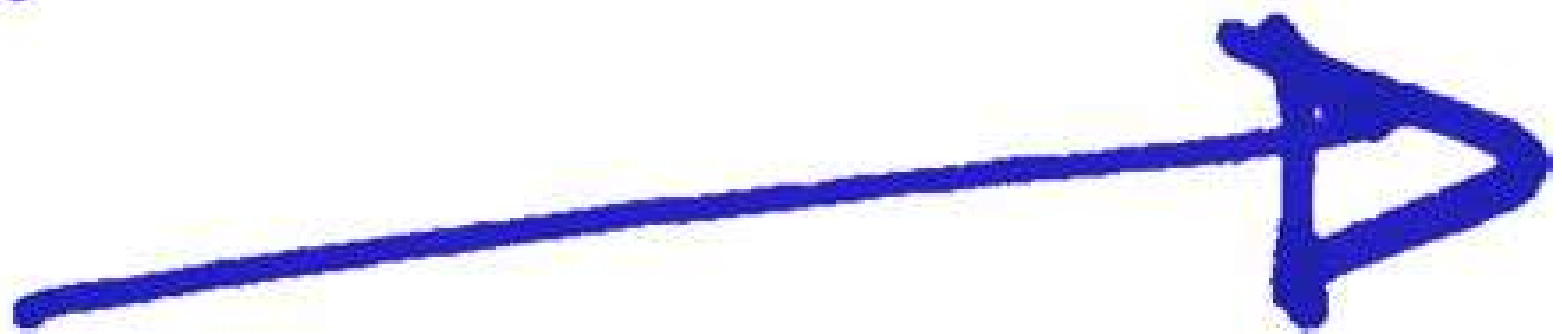
Examples of Wholesalers

- <http://www.wholesale101.com/>
- <http://www.discountwholesalersinc.com/>
- <https://www.wholesalecentral.com/index.htm>
- <https://orotexliquidation.com/clothing/plus-size/>



NEXT

PLEASE





What is liquidation?

1. Liquidators are usually companies that are buying in bulk from big box stores, items that are either overstock, discontinued, rebranded, last years models etc...
2. Some big box stores may contract with an auction company to liquidate their overstock merchandise.

Liquidators



- **Be careful when choosing a liquidator.**
- **Some have high or hidden fees to join them.**
- **Some can be scams.**
- **Some require a wholesale or business license.**

ONLINE SCAMS



- It has been suggested that over half of all online wholesale & liquidation websites are scams.
- They will sometime even create a separate website where they presume to be an unaffiliated review site.



SCAM!



BETTER SAFE THAN SORRY

Pros & Cons of Liquidation

+Pros

High Profit Margins

Constant Source

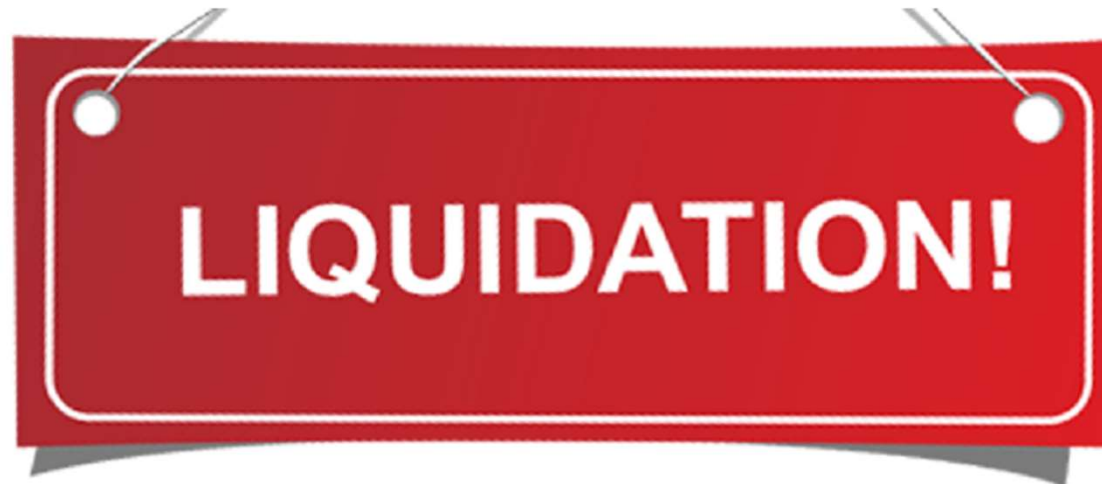
Name Brands

-Cons

Limited Inventory

Returns = Problems

Competition



Examples of Liquidators

- <http://bstock.com/marketplaces/>
- <https://www.directliquidation.com/>
- <https://www.bulq.com/>
- <http://www.liquidation.com/>
- <https://www.learnliquidation.com/liquidation-warehouse-north-carolina/>



**One of the Best Ways I Have Found to
Discover Liquidators for Free !!!!!**



<http://www.auctionzip.com/>

Auction Zip

How to use

Auction Zip

Find Auctions Anywhere!

As a reseller

30 Miles Zip Code All Categories Keywords [Search Auctions](#)

- All Categories
- Antiques-Household-Collectibles
- Agricultural-Farm
- Automobiles
- Commercial-Industrial
- Real Estate (General)
- Benefit-Charity
- Heavy Equipment
- Online Bidding
- New Merchandise
- Storage Auctions
- Wholesale Auctions
- Real Estate (Farm)
- Real Estate (Land)
- Real Estate (Commercial)
- Real Estate (Residential)



Coins & Currency
Auctions
7, 11 AM EST

[View Auction »](#)

Can't make the auction?
Bid on thousands of items!

[View Online Auctions »](#)

[Advertise with AuctionZip »](#)



COWAN'S AUCTIONS

Advertising & Toys
Timed Online Bidsquare Auction
February 23 - March 6

Category Home Pages [View all »](#)

Antique Auctions	Jewelry Auctions
Automobile Auctions	Liquidation Auctions
Coin & Currency	Military Auctions
Commercial Auctions	Real Estate Auctions
Golf Auctions	Restaurant Equipment
Ephemera Auctions	Sports Memorabilia

State Home Pages

Alabama	Iowa	N. Dakota	S. Dakota
Alaska	Kansas	Nebraska	South West States
Arkansas	Kentucky	New England States	Tennessee
California	Louisiana	New Jersey	Texas
Canada 	Maryland	New York	Virginia
Delaware	Michigan	North West States	West Virginia



WSM WESTERN SALES MANAGEMENT
—auctioneers— **LIVE PUBLIC AUCTION**
Since 1911

They even have a mobile app.





WHAT IS DROPSHIPPING
AND HOW DOES
IT WORK?



Dropshipping can be confusing

How Dropshipping Works



Pros & Cons of Drop Shipping

+Pros

No inventory to store

No startup cost

No Shipping

Great for Test Marketing

Low Risk

-Cons

Lots of Competition

Low profit margins

Out of Stock

Arrives Late or Damaged



There's an old saying in the business world!!!





- When going with a dropshipping business model, you can either work directly with manufacturers (who offer dropshipping) by contacting them directly or you can work with a dropship aggregator like [WorldWide Brands](#).
- An aggregator works with hundreds of manufacturers and makes it easy to sell thousands of types of products without the need yourself to maintain relationships with each individual manufacturer.



- **Keep in mind, that although these aggregators make it easier to sell a variety of products, they take a cut of your already slim dropshipping margins.**
- **Additionally, many will make you pay a yearly “membership” or “sign up” fee of a few hundred dollars. You usually can’t even see the products or margins on the products they have to offer until you pay that fee.**

Examples of Drop Shippers

- <http://www.worldwidebrands.com/>
- <https://www.shopify.com/blog/dropshipping-websites>
- <https://www.buy2bee.us/en/>

**What Is
A Good
Dropshipping
Profit Margin?**



#DROP
SHIPPING





GLOBAL SOURCING

INCLUDE STRATEGY LABOR EFFICIENCIES PROVIDE SUPPLY ACROSS SERVICES QUALITY PROCUREMENT LOW-COST KEY LOW ECONOMIES

SUPPLIERS ASSOCIATED WITH PRODUCT MONITORING DISADVANTAGES RISK

MULTINATIONAL EXAMPLES ORGANIZATIONS COUNTRIES

INDIA COMMON ORGANIZATION

TECHNOLOGIES INTERNATIONAL STRATEGIC



GOING GLOBAL

Pros & Cons of Global Sourcing

+Pros

High Profit Margins

Constant Source

Name Brands

Easy to Private Label

-Cons

Slow Shipping

Scare Factor

No Returns

Quality Control



Foreign Sources

- **China**



<http://www.alibaba.com/>

- **India**





Wholesale Profit Margins – 50%-75%

Liquidation Profit Margins – 75%-95%

Dropshipping Profit Margins – 15%-20%

Foreign Sources Profit Margins – 75%-90%



- **After seeing all those different choices you may be asking yourself which products do I buy?**
- **I have an answer for that question.**



Research Tools



**eBay has a free research tool
to help you make money.**

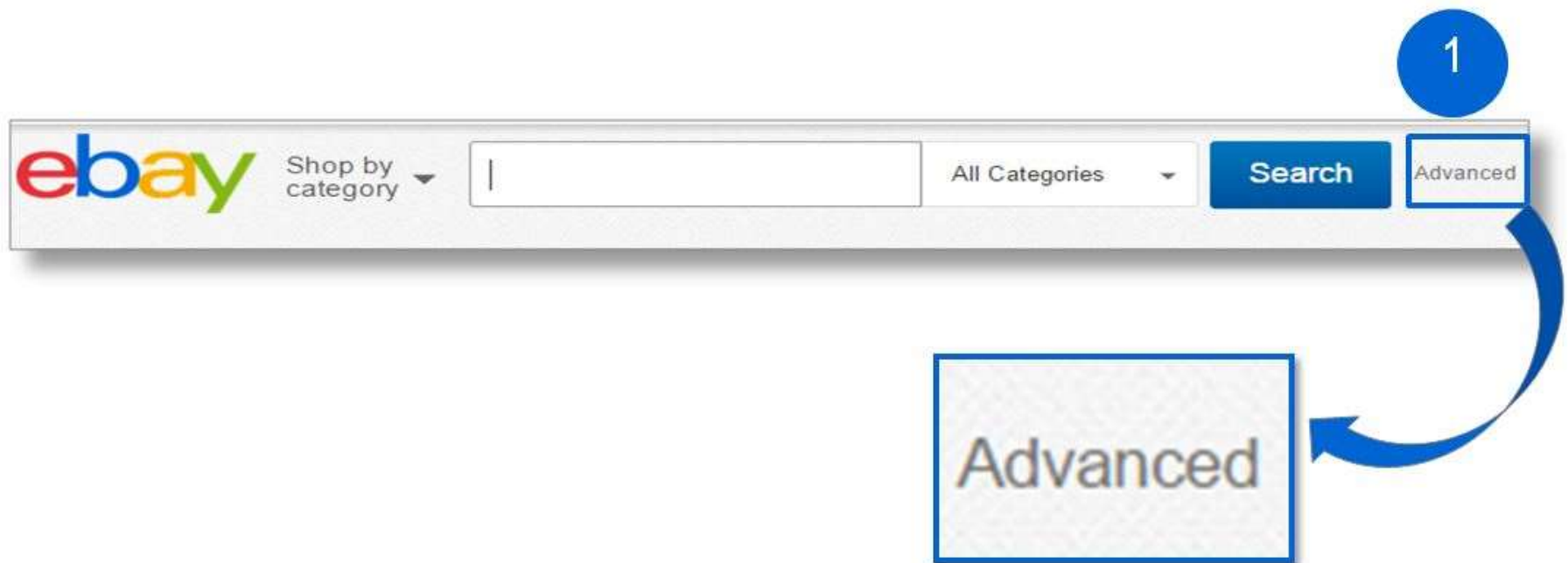


I teach a series of eBay University classes !!!!



SOLD LISTINGS RESEARCH

1. Click **Advanced**.





SOLD LISTING RESEARCH

2. Type in keywords

Panasonic Lumix LX5

Daily Deals | Sell | Help & Contact My eBay

Advanced Search

Home > Buy > Advanced Search

Advanced Search Followed Searches Go

Items

- Find Items
- On eBay Motors
- By seller
- By item number

Store

Find Items 2

Enter keywords or item number All words, any order

Exclude words from your search

See general search tips or using advanced search options

In this category:

Search including

- Title and description
- Completed listings
- Sold listings

Find a member
Find contact information



FILTERING FOR SOLD LISTINGS ONLY

Search including

- Title and description
- Completed listings
- Sold listings

ebay Advanced Search

Home > Buy > **Advanced Search**

Advanced Search

Items

- On eBay Motors
- By seller
- By item number

Stores

- Items in stores
- Find Stores

Members

- Find a member
- Find contact information

Find Items

Enter keywords or item number

Panasonic Lumix LX5 All words, any order

Exclude words from your search

View general search tips or using advanced search options:

Items category:

Categories

Search

Search including

- Title and description
- Completed listings
- Sold listings

3



MATCHING SOLD LISTINGS

- 4. Limit results by sub category
- 5. Compare Sold items!

4

Categories

Cameras & Photo
Digital Cameras

Megapixels

10.0 to 11.9 MP (140)
Not Specified (3)

Brand

Leica (1)
Panasonic (78)

Type

Point & Shoot (72)
Not Specified (6)

Optical Zoom

2-5x (71)

5

All Listings Auction Buy It Now

Sort: Price + Shipping: highest first View: [Grid]

78 results for panasonic lumix lx5 Follow this search Shipping to 95125

Used Sold listings Clear All

Panasonic LUMIX DMC-LX5 10...	Panasonic LUMIX DMC-LX5 10...	Panasonic LUMIX DMC-LX5 Co...
\$235.00 Buy It Now Oct-23 05:26	\$215.00 Buy It Now Sep-01 09:05	\$217.50 27 bids Aug-30 13:25

Search results for Panasonic Lumix LX5 camera. The page shows a grid of listings with images, titles, and prices. A blue arrow points from the main search results to this detailed view.

Panasonic LUMIX DMC-LX5 10...	Panasonic LUMIX DMC-LX5 10...	Panasonic LUMIX DMC-LX5 Co...
\$235.00 Buy It Now Oct-23 05:26	\$215.00 Buy It Now Sep-01 09:05	\$217.50 27 bids Aug-30 13:25



COMPARING SIMILAR SOLD ITEMS

Comparison Points:		
✓	Title	Search Keywords
✓	Final Price	Current Market Value
✓	Shipping	Charged or Free?
✓	Format	Auction vs. Buy It Now?
✓	Photos	Number & Quality
✓	Description	Critical Item Details
✓	Item Specifics	eBay & Seller Supplied



Panasonic LUMIX DMC-LX5 10.1 MP Digital Camera - Black

\$235.00 Buy It Now Oct-23 05:26

+\$11.55 shipping

[View similar active items](#)

[Sell one like this](#)

WorthPoint is another option for research on antiques and collectibles, but it isn't free.

The logo for WorthPoint is centered on a light beige background. It features the word "WorthPoint" in a large, dark brown serif font, with a small "TM" trademark symbol to the upper right of the "t". Below the main text, the tagline "Get the Most from Your Antiques & Collectibles" is written in a smaller, lighter brown serif font.

WorthPointTM
Get the Most from Your Antiques & Collectibles

The leading online resource for value information on art, antiques and collectibles gathered from 350 data sources.

What's it Worth?

WorthPoint Makes It Easy to Find Out.


WorthPoint offers all the tools necessary to find value and price your art, antiques and collectibles easily and quickly, including:

- Our award-winning **Worthopedia™** – the ultimate online price guide with more than 350 million “sold for” prices with item details and images.
- **WorthPoint Digital Library** – a collection of more than 4,600 articles and 1,000 books written by category experts.
- **The WorthPoint Insider** eNewsletter brings a collection of current, and relevant news and articles about antiques, collecting and what's trending to your inbox every week.



Subscriptions start at \$19.99 per month and go up from there.

- [WorthPoint YouTube Video](#)

 WorthPoint® Sign In

WorthPoint Helps You Find the Value of Your Antiques & Collectibles. Get Started for FREE.

Pick your product! Free for 7 days or 7 price lookups. You'll only be billed if you continue the service without cancelling.

<i>Value It</i>	<i>Research It</i>	<i>All Access</i>
Worthopedia Price Guide	Marks & Library	Worthopedia + Marks & Library
The ultimate price guide with over 300 million prices including details and images.	Your identification and origin research guide: 100,000+ identifiers and online books.	Both WorthPoint products combined! Complete access for the best price.
<input checked="" type="radio"/> \$19.99 a month after free trial <input type="radio"/> \$199.99 a year after free trial \$16.67 a month - SAVE \$39.89	<input checked="" type="radio"/> \$22.99 a month after free trial <input type="radio"/> \$256.99 a year after free trial \$21.42 a month - SAVE \$18.89	<input checked="" type="radio"/> \$39.99 a month after free trial <input type="radio"/> \$439.99 a year after free trial \$36.67 a month - SAVE \$39.89
Get Started Now	Get Started Now	Get Started Now
		<i>Best Value</i>

**My favorite research tool is
Terapeak**



Terapeak used to be \$20 per month, but is now free on eBay.



[Products](#) ▾

[Pricing](#)

[Services](#) ▾

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[Login](#) ↗

Terapeakers make more money on eBay than you!

Terapeak allows you to make better buying and selling decisions by providing you with pricing intelligence from the past 365 days on eBay. Terapeakers use this wealth of information to improve their sourcing, listing, and understanding of buyer behavior.



**TRY TERAPEAK FOR
7 DAYS NOW**

Learn about Terapeak's Analytics Platform for
eCommerce in 30 seconds

Some of the best tools for researching eBay & Amazon sales history.



Back to Product Opportunity Explorer
Product Opportunity Explorer Learn More
Explore customer demand for new product ideas

Find opportunities by categories

Niche Details
Learn more about this niche and its potential for new products
Last updated on 7/30/2022

 funny oven mitts In United States	Sales Potential Score*** 5/10	Search Volume* 98,244
Is this Niche helpful?   	# of Top Clicked Products** 78	Average Price \$16.23
		100-250

OMG!



<https://www.terapeak.com/>

 **MUST WATCH!** 
PRODUCT OPPORTUNITY EXPLORER

Hot Research

eBay.com



Views



Hot Categories

Sales Rank	Category Name	Hot	Success
803	Health & Beauty > Nail Care, Manicure & Pedicure > Acrylic Powders & Liquids	Very Hot	93.22%
488	Business & Industrial > Printing & Graphic Arts > Screen & Specialty Printing > Heat Transfer > Iron on Paper	Super Hot	91.57%
622	Home & Garden > Yard, Garden & Outdoor Living > Plants, Seeds & Bulbs > Plants & Seedlings > Bushes & Shrubs	Super Hot	88.89%
479	Home & Garden > Yard, Garden & Outdoor Living > Plants, Seeds & Bulbs > Seeds & Bulbs > Perennial Seeds	Very Hot	88.36%
909	Home & Garden > Yard, Garden & Outdoor Living > Plants, Seeds & Bulbs > Seeds & Bulbs > Vine Seeds	Very Hot	88.24%
846	Baby > Feeding > Formula Coupons	Hot	86.92%
871	Health & Beauty > Salon & Spa Equipment > Styling Capes & Gowns	Hot	85.56%
339	Business & Industrial > MRO & Industrial Supply > Fasteners & Hardware > Magnets	Hot	85.46%
888	Pet Supplies > Fish & Aquariums > CO2 Equipment	Hot	84.51%
197	Specialty Services > Other Specialty Services	Hot	83.42%
473	Consumer Electronics > Vehicle Electronics & GPS > Car Audio & Video Installation > Fuses & Fuse Holders	Hot	82.46%
564	Sporting Goods > Golf > Golf Club Components > Other Golf Club Components	Hot	82.04%
628	Pet Supplies > Fish & Aquariums > Live Invertebrates	Hot	82.02%
687	Sporting Goods > Fishing > Baits, Lures & Flies > Fly Tying Vises & Tools	Hot	81.01%
201	Pet Supplies > Fish & Aquariums > Coral & Live Rock	Hot	80.94%
102	Health & Beauty > Vitamins & Dietary Supplements > Weight Management > Meal Replacement Drinks	Hot	80.05%

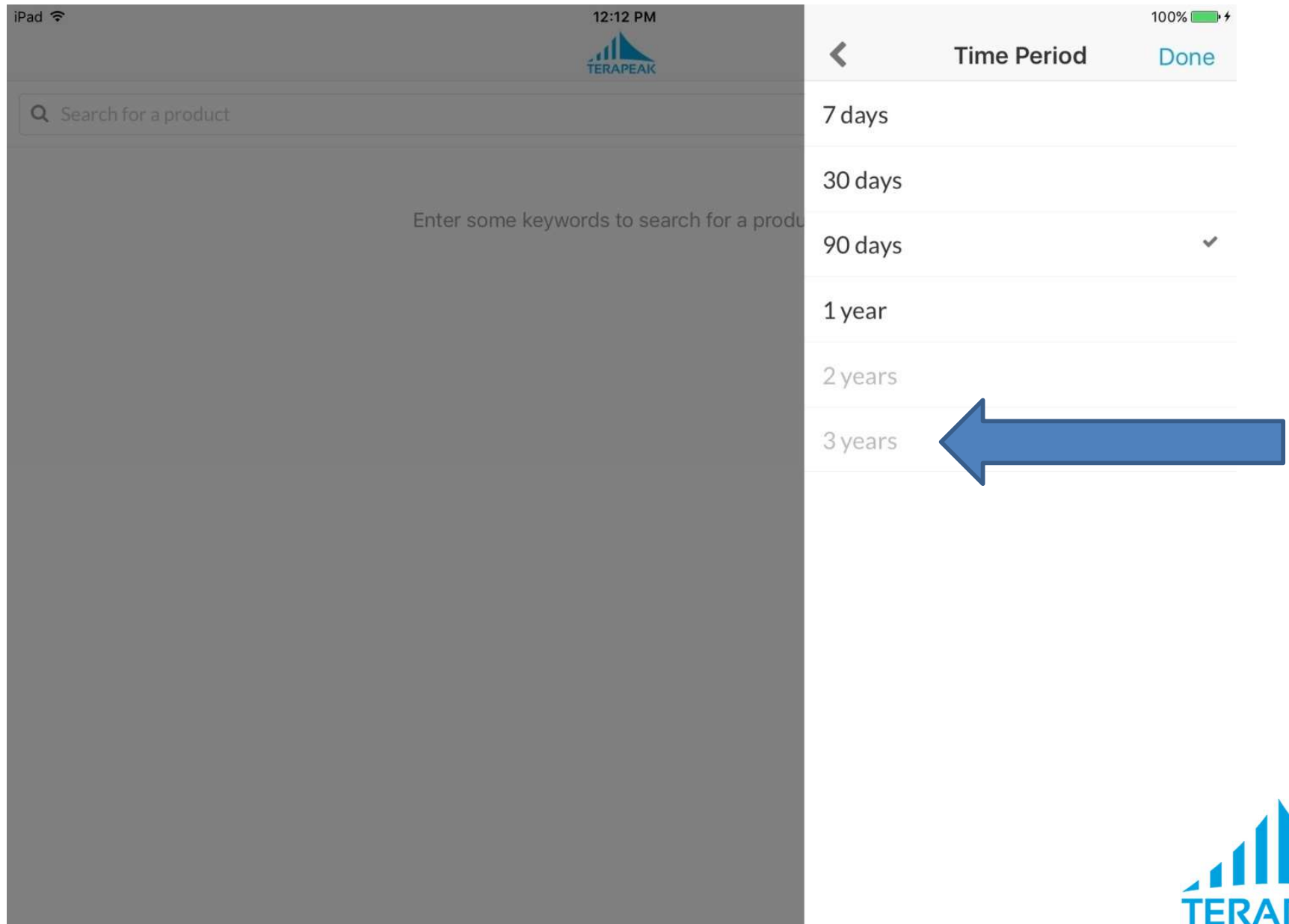
The mobile app is now built into eBay for researching on the go !!!!

Terapeak Sourcing Insights

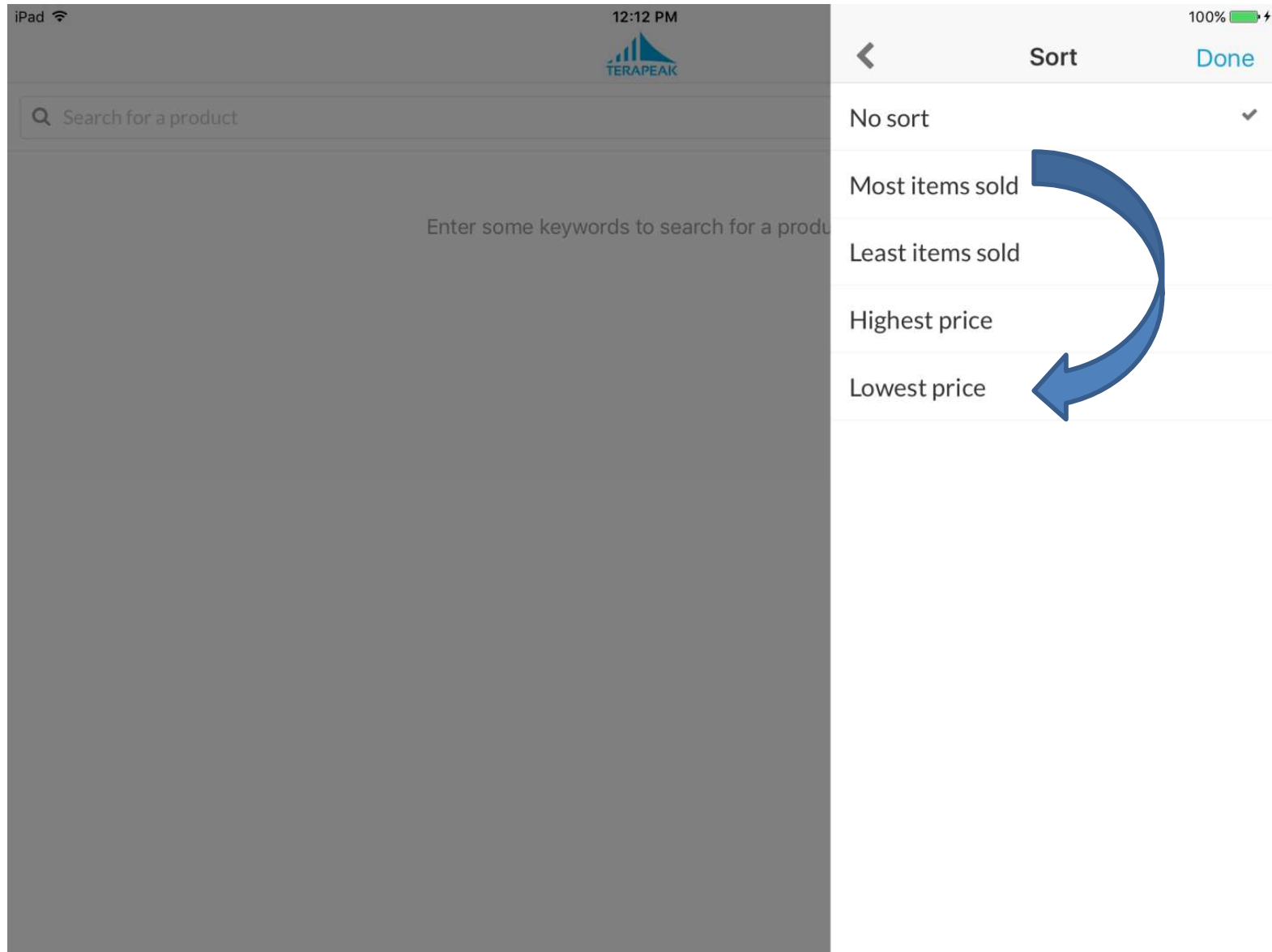
- Access real-world sales data for every eBay Category
- Analyze markets, categories, and product performance to find out what to sell next
- Identify top item specific combination to get detailed insights into buyer demand and market inventory gaps
- Available to qualifying seller store subscribers



Up to 3 years of past sales data !!!



**You can sort sales in many different ways also.
From most to least sold or highest price to
lowest price.**



Remember My Initial Question

- The two most important things to remember.
 - **In no particular order.**
 - **One is as important as the other.**
1. **Supply & Demand = Does anybody want this product.**
 2. **Sourcing = Where can I source the product cheap enough to be competitive online.**



Thanks for coming and don't forget I offer many other Ecommerce and social media small business classes.

**see my schedule of classes at
www.12teachyou.com**