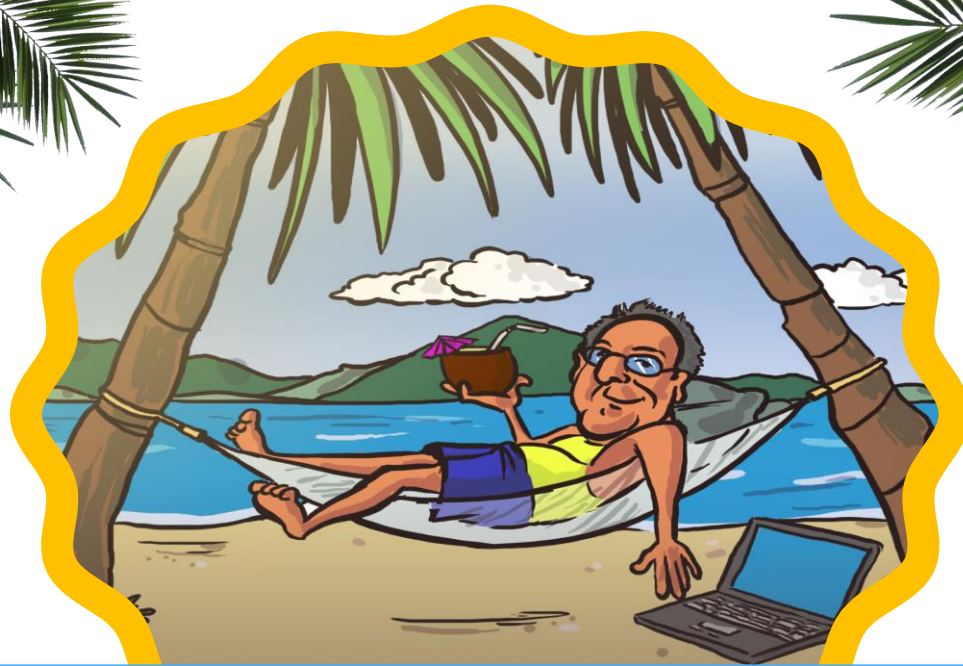


A vibrant tropical collage featuring various green leaves like monstera and ferns, and two large hibiscus flowers, one pink and one red. A central rectangular frame contains the text.

# PASSIVE PROFIT STREAMS





# PASSIVE PROFIT **STREAMS**

A collection of lush green tropical plants, including palm fronds and monstera leaves, are positioned at the top of the frame. Two thick, light-brown ropes hang down from the plants, supporting a horizontal wooden plank sign. The sign is made of several pieces of weathered wood and has the text 'MODULE 5' in white and 'ECOMMERCE' in yellow below it.

## MODULE 5

### ECOMMERCE

The world of retail has gone from “bricks and mortar” to “clicks and mortar”. Including Ecommerce into your profit stream is smart, fun and easy to do.

Let's get to work!



**PASSIVE PROFIT**  
**STREAMS**

# THE BASICS OF ECOMMERCE

Electronic commerce or “Ecommerce” is the main term used to describe any type of business, or commercial transaction which takes place over Internet.

Ecommerce covers a wide range of businesses. Just like traditional commerce, there are three main areas for e-commerce: B2B, B2C, and C2C.

## B2B

(Business to Business)  
This involves companies doing business with each other. Think Alibaba.com. They are a wholesale marketplace for global trade.

## B2C

(Business to Consumer)  
B2C consists of businesses selling to the general public through shopping cart software, without needing any human interaction. Think Amazon.com.

## C2C

(Consumer to Consumer)  
This takes place with online classified ads, forums or marketplaces where people can buy and sell goods to each other. Think Craigslist.org or Ebay.com.



# WHY CONSIDER ECOMMERCE

## SOME OF THE BENEFITS OF ECOMMERCE AS A PASSIVE PROFIT STREAM



### LIMITLESS GEOGRAPHY

Ecommerce removes your borders and opens your business up to the world.



### FREE TRAFFIC VIA SEO

Allows you to compete with the biggest brands online.



### GROWTH WITH ANALYTICS

Information from customers provides the ability to target emails, customer experience and niche improvement.



### LOWER COSTS

Ecommerce saves in real estate, personnel, marketing and inventory holding costs.



### OPEN 24/7/365

In today's world she wants to be able to shop when she wants, how she wants and where she wants. Businesses that cater to that have the best chance at success.





# TWO MAIN ECOMMERCE STRATEGIES

**01**

Sell it first and then purchase  
your inventory.



**DROPSHIPPING**



**BUY WHOLESALE  
SELL RETAIL**

**03**

Buy bulk then resell. Better  
margins but higher risk and  
hassle.

**02**

Good margins; not great  
margins.



**01**



**02**



**03**



**04**

**04**

Work directly with overseas  
manufacturers and suppliers.



# DROPSHIPPING

- Allows you to sell products without holding onto inventory.
- Sell it before you buy it.
- The difference between your wholesale cost and the sale price is your profit.
  - How to calculate your profits:
    - Your Cost = The cost to purchase the product from the supplier at wholesale pricing.
    - Your Sale Price = The price you sell the product at or the desired markup.
      - You could take each item and mark it up say 50%.
    - Your Gross Profit = Your sale price or markup price – Your wholesale cost.
    - Your Merchant Processing Fees (Average of 3%) = Sale price x Your Processing Fee
    - Net Profit = Your Gross Profit – Your Merchant Processing Fees
      - If you offer free shipping or lose money on shipping (Like \$10 Flat Rate Shipping Per Order) Factor that in as well.





# DROPSHIPPING

- Example of Dropshipping Product
  - Pretend you are selling a surge protector:
  - Your Cost = \$9.76
  - Your Sale Price = \$14.25
  - Gross Profit = \$4.49 ( $\$14.25 - \$9.76 = \$4.49$ )
  - Your Merchant Processing Fees (3% Average) = \$0.43 ( $\$14.25 \times 0.03 = \$0.43$ )
  - Net Profit = \$4.06 ( $\$4.49 - \$0.43 = \$4.06$ )
- Example of Dropshipping Product
  - Pretend you are selling a skillet:
  - Your Cost = \$13.21
  - Your Sale Price = \$29.95
  - Gross Profit = \$16.74 ( $\$29.95 - \$13.21 = \$16.74$ )
  - Your Merchant Processing Fees (3% Average) = \$0.90 ( $\$29.95 \times 0.03 = \$0.90$   
\*Round Up)
  - Net Profit = \$15.84 ( $\$16.74 - \$0.90 = \$15.84$ )
- \* Factor in shipping costs.





# DROPSHIPPING – SOURCING PRODUCTS

- You can find dropship suppliers online.
  - Google search: “Dropship Suppliers”
  - Google search: “product type + dropship”
    - Example: kitchen gadgets + dropship
    - Example: travel bags + dropship
    - Example: survival gear + dropship
  - Find products you would want to carry and call the manufacturer.
    - Visit Amazon.com or your favorite retailer.
    - Make note of the brand names you like.
    - Call and ask if they drop ship.
    - If they don’t dropship ask if they have a wholesale distributor.
- You will typically need a resellers permit.
- Avoid purchasing a dropshipping directory.
  - Better to find drop ship suppliers on your own.



# WHOLESALE INVENTORY

- You need to factor in product storage costs.
- Make sure you have room to inventory.
- Decide if you want to pay for a warehouse who will ship for you.
  - Fulfillment services.
- Typically not the best option for someone starting out in the ecommerce space.
- Amazon Fulfillment can provide you the most effective way to get your products fulfilled.
- If you are shipping products on your own you can look at Uline.com for packing and shipping supplies.





# WHOLESALE – SOURCING PRODUCTS

- Buying in bulk increases your profit margins.
- Websites you can look at to source products are:
  - Alibaba.com
    - Most popular site for sourcing products direct from China.
    - Amazing deals.
    - Offers private label opportunities. (Put your own brand name on the product.)
    - Experience in getting products shipped to you at reasonable rates.
    - Minimal inventory required for most products.
    - Requires more experience to source the products.





# WHOLESALE – SOURCING PRODUCTS

- Websites you can look at to source products are:
  - Liquidation.com
    - Typically made up from shelf pulls from major online retailers like Target, Walmart, etc.
    - Inventory not consistent at all.
    - Great for eBay sellers.
  - DHGate.com
    - Source quality products from overseas.
    - Free shipping (freight) options from China and other countries.
    - Great margins.
    - Compare to Alibaba on pricing for the same products though.
    - Less experience to make the payments.
    - Pay with a credit card like a normal online merchant.



# ECOMMERCE PLATFORMS

- **Shopify.com**
  - Increasing in popularity.
  - Mobile responsive stores out of the box.
  - Easy to manage.
  - Flexible payment gateways.
  - Quick setup.
  - Pricing model set to scale with you.
  - \$29/month
  - Charges 2% per transaction for not using their processing.
  - Security measures in place using their SSL.



# ECOMMERCE PLATFORMS

- **Bigcommerce.com**
  - Popular ecommerce solution.
  - Mobile responsive and search engine friendly pages.
  - Simple to manage.
  - Starting at \$29.95/month
  - Great support.
  - Integrates with PayPal Credit Card Processing (Powered By BrainTree)
  - Security measures in place using their SSL.





# ECOMMERCE PLATFORMS

- **Shopping Carts for Your Ecommerce Stores**
  - WooCommerce - WooThemes
    - Popular Wordpress Plugin
    - Free Plugin
    - No monthly fees.
    - SEO friendly as it is based on the Wordpress platform.
    - Perfect for those familiar with Wordpress.
    - Over 30% of online stores use WooCommerce.
    - You need to have an SSL with your web host.





# Accepting Payments – Merchant Processing

- Popular payment gateways for your ecommerce stores.
  - PayPal
    - Quickest way to get started selling online.
    - Negative is that buyers should have a PayPal account already to purchase.
    - Can cause issues if your customer does not have a PayPal account.
  - PayPal Pro
    - Allows you to accept PayPal and credit cards direct without need for customers to have a PayPal account.
    - PayPal Pro is a merchant processor.
    - Very competitive rates if not better than most merchant account providers.
    - Seamless integration with BigCommerce.





# Accepting Payments – Merchant Processing

- Popular payment gateways for your ecommerce stores.
  - Stripe
    - Stripe.com
    - No monthly fees
    - Only get charged when you earn money.
    - No refund costs
    - If you refund a transaction, Stripe will return the entire fee.
    - No hidden fees
    - Stripe has no setup fees, no monthly fees, no card storage fees.
    - Integrates with most shopping carts.





# Accepting Payments – Merchant Processing

- Popular payment gateways for your ecommerce stores.
  - PowerPay.biz
    - Good for merchants with less than perfect credit.
    - Willing to take more of a risk on your business model.
    - Compare your rates.
    - Integrates with popular Authorize.net gateway.
  - 2Checkout
    - Good for selling only a handful of products.
    - Good customer service.
    - Great solution if you do not have a PayPal account.





# Ecommerce Traffic Methods

- SEO (Search Engine Optimization)
  - Using title tags effectively for your product names.
  - Use keywords in your product descriptions, in the title of the products, and in the title tags.
  - Write unique product descriptions.
    - Don't copy/paste from the suppliers website.
  - Use manufacturer names as part of your product descriptions.
  - Have good, clean navigation.
  - Use one of the recommended shopping carts for SEO.
  - Google Keyword Planner Tool



# Ecommerce Traffic Methods

- **Blogging and Unique Content**

- Adding articles or blog posts to your website is key to get consistent traffic.
- Write informative articles based on your niche.
- Give product recommendations within the article.
- Write individual product reviews.
- For example:
  - If you sell “golf equipment” you could write articles on improving their golf game.
  - If you sell “pet products” write articles on caring for your pet.





# Ecommerce Traffic Methods

- Videos
  - Create product review videos.
  - Create informative videos demonstrating your products.
  - Create informative videos helping your target audience.
    - Golf or pet example.
  - Take your articles or blog posts and make them into videos.
  - Use manufacturer names and keywords in the title of the video.
  - Be consistent!



# Ecommerce Traffic Methods

- Paid Traffic
  - Google Adwords
    - Advertise in regular Google search engine.
  - Google Retail (Google's Shopping Ads)
    - Show up in Google's shopping ads.
  - Amazon Sponsored Products
    - Show up on Amazon's product listings.
    - Can be expensive.
    - May not profit on the first transaction.
  - Bing Ads
    - Run your ads on Bing and Yahoo Search Engines
  - YouTube Video Ads
    - Find targeted videos related to your niche and run ads on them.



# TAKE ACTION TODAY!

## KNOWLEDGE IS NOT POWER

### **"APPLIED"** KNOWLEDGE IS POWER !

1. Ecommerce has brought price and convenience to everyday lives. Be in it!
2. Test the waters with Ebay. Move on to your own site, Amazon or blog.
3. Choose your Ecommerce platform and payment gateway.
4. Integrate Ecommerce into you Blog or website. A great add-on or stand-alone.
5. As always, you need to drive traffic to your site and build your list of raving fans.

