

E-Commerce

Dr. Rastgoo

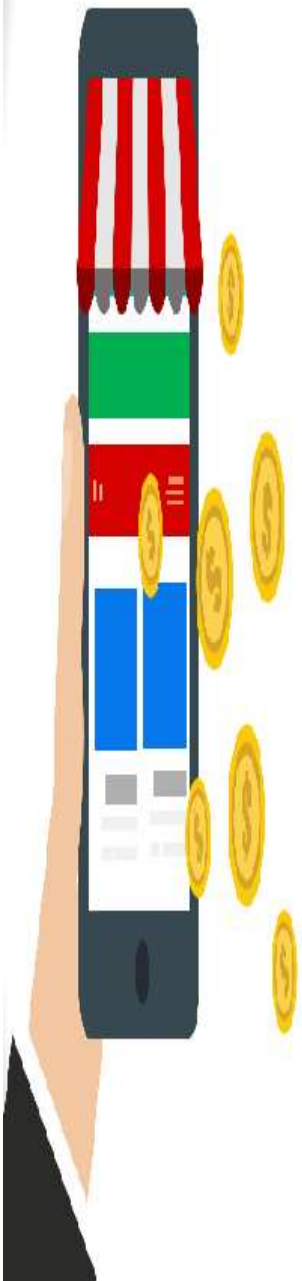


Types of Ecommerce Businesses



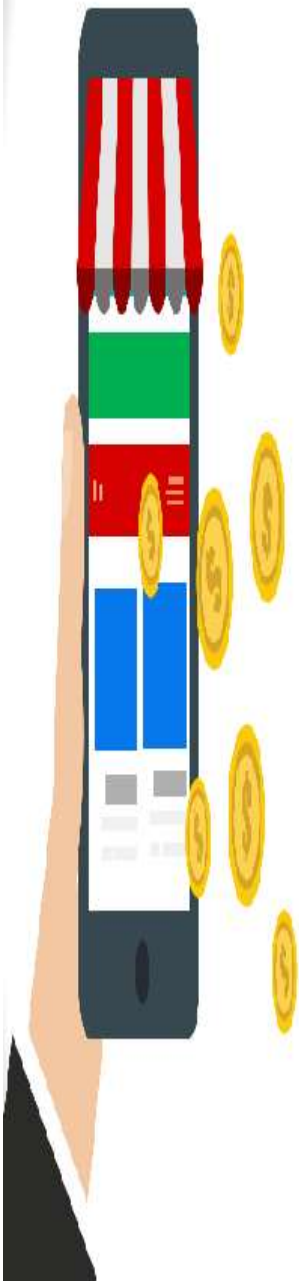
White label products in ecommerce

- White label ecommerce involves a unique partnership between **two companies** that work together to bring a single product to market.
- The manufacturer will create the white label product being sold but provide no elements of branding.



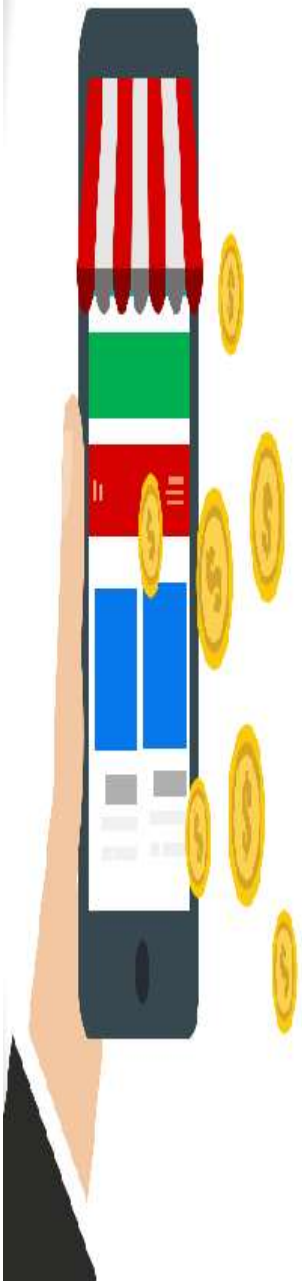
White label products in ecommerce

- White labeling means that your products will be sold and shipped as a product or brand of the wholesale vendor.
- You need to ask the vendor for their brand design that you will utilize for the packaging and product design.
- You will also be including company details in the design such as company name and logo.



What is an example of a white label product?

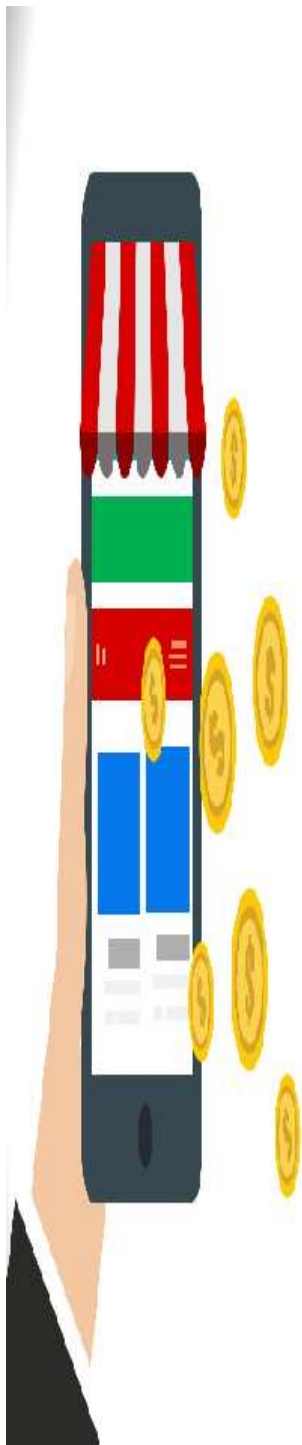
- **Software** is a common example of a white label product. A software provider will sell their product to a company or agency that then rebrands it with their logo and resells it.
- That's just one of many examples.
- You see it with **vitamin** and **supplement** companies and even things like **batteries**.



White Label Products

Manufacturer	Marketer	Customer
Produces generic products	Buys and rebrands products to make them unique	Buys directly from the marketing company





Private Labeling

VS

White Labeling

Products are manufactured exclusively for a retailers brand



Products are manufactured for multiple retailers

Retailers have the ability to modify the product to develop a unique brand



Retailers can't make changes to the product, but they can rebrand it as their own

Creating a brand identity takes time, but it will attract niche audiences

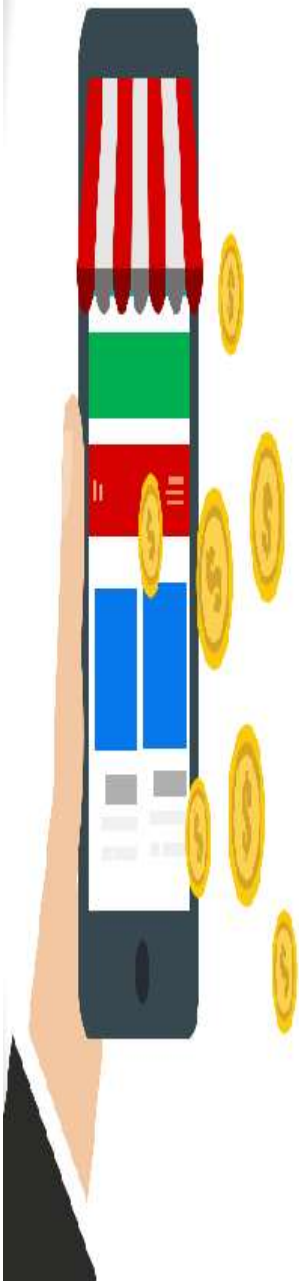


This is a fast way to enter the market, but will require more work to differentiate your brand



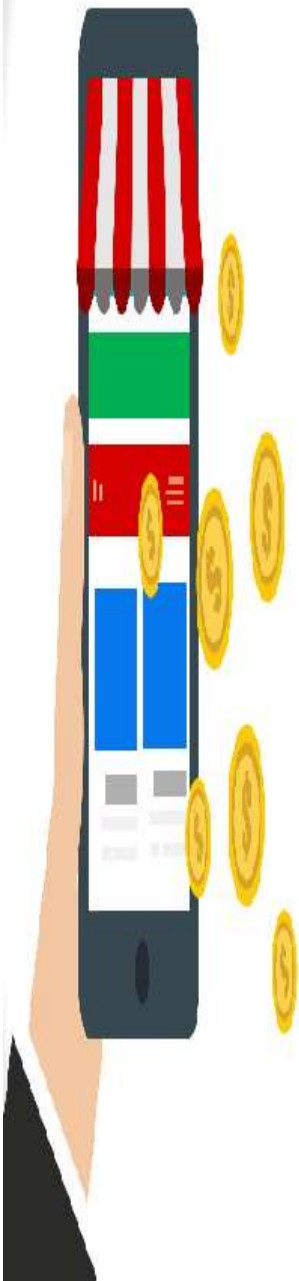
Types of Ecommerce Businesses

- Dropshipping,
- Wholesaling and Warehousing,
- Manufacturing and White Labeling,
- Subscription Ecommerce.



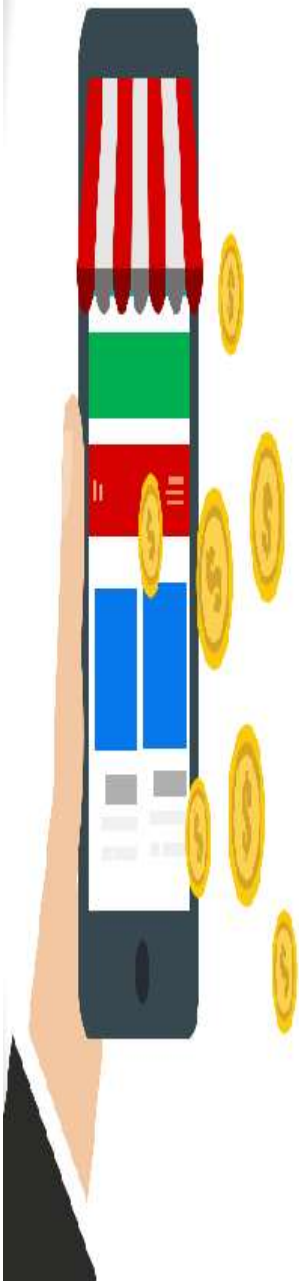
Dropshipping

- **Definition:** Move (goods) from the manufacturer directly to the retailer without going through the usual distribution channels.
- The shopping network has begun drop-shipping orders taken by telephone or over the internet!

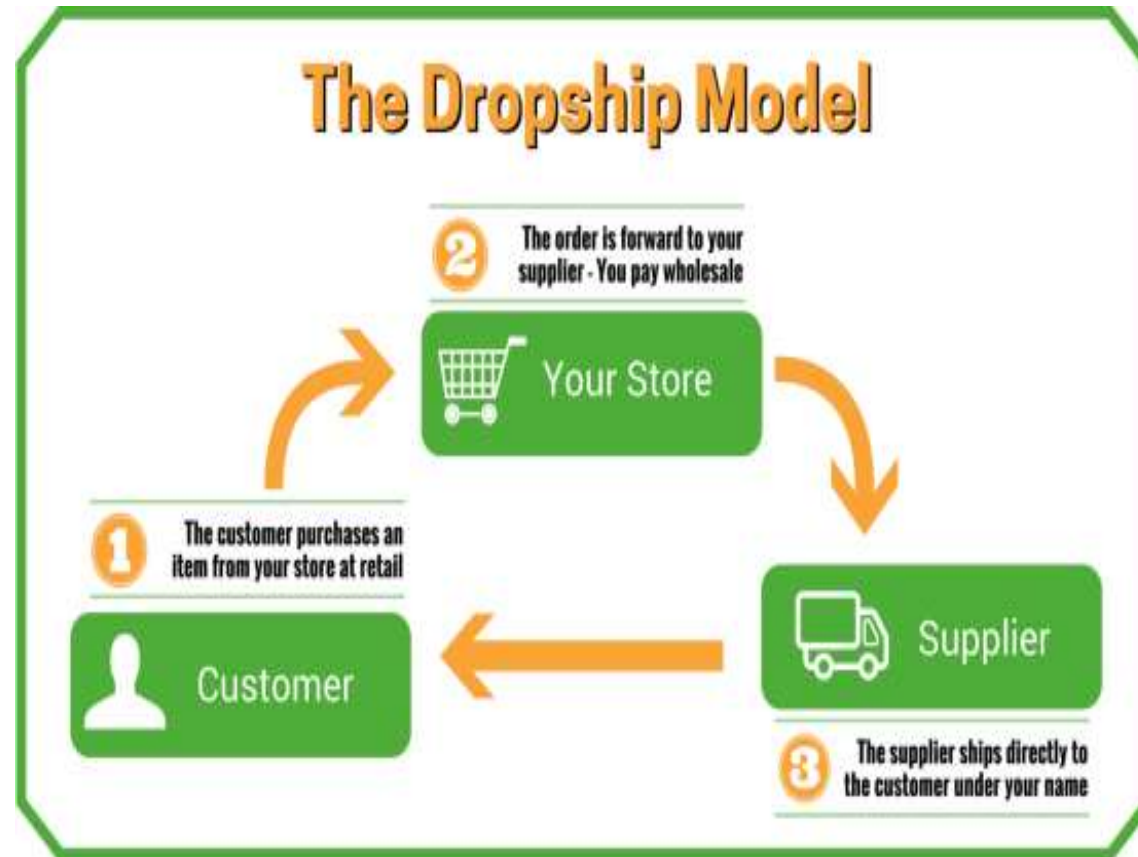


Dropshipping

- Dropshipping is one of the most successful ecommerce business models.
- Before you ponder how to start a dropshipping store, you will certainly be happy to know that with dropshipping, you never need to save merchandise.



Dropshipping



Dropshipping

HOW DOES DROPSHIPPING WORK



Dropshipping

- The dropshipping business model allows you to purchase a product once you have already made a **sale** and have been paid by the customer.
- Once you get paid, you can purchase the product from a **third-party** manufacturer or a supplier and ship the product directly to the customer.
- With the dropshipping model, the store owner don't have to worry about ever seeing or handling the inventory.



Dropshipping

- If you opt for the dropshipping business model, do ensure to quickly run through the best dropshipping **tips** for guaranteed success.
- There are many trending products to sell, however, the best dropshipping products will allow you to **scale** your ecommerce business effectively.
- There are various benefits that come along with the dropshipping business model and attracts both beginners, as well as, established entrepreneurs.
- However, this model isn't all roses and rainbows as its convenience and flexibility comes at a **price**.



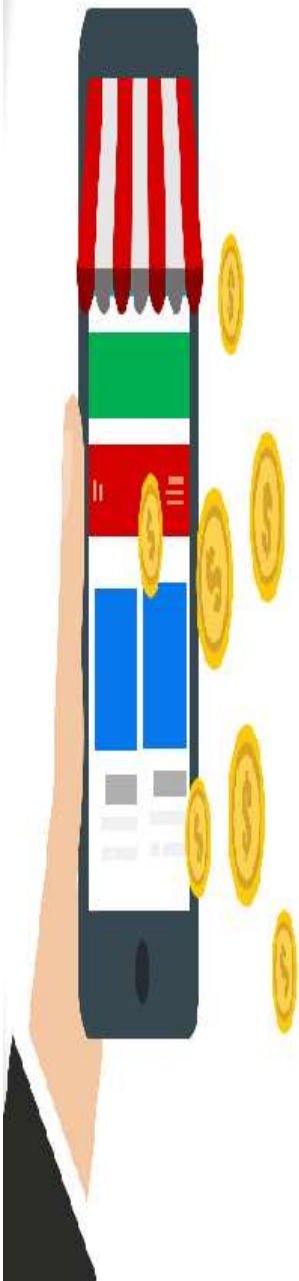
Dropshipping

- The potential products are sourced from a manufacturer and sold at a commission by the 'retailer' who never handles the product, nor holds any inventory (list).
- Once they have created their ecommerce store, they can add a **wide** selection of goods from different distributors, with no financial commitment on their part.
- The low barriers to entry lead to an **over-saturation** in many markets, with **slim** profit margins and **low-quality products** the reality.



Dropshipping

- **Shopify** and **AliExpress** services have made it possible to open your own e-commerce business in just a few hours.
- However, it takes time, networking and some exclusivity with your supplier to make drop shipping a truly profitable venture.



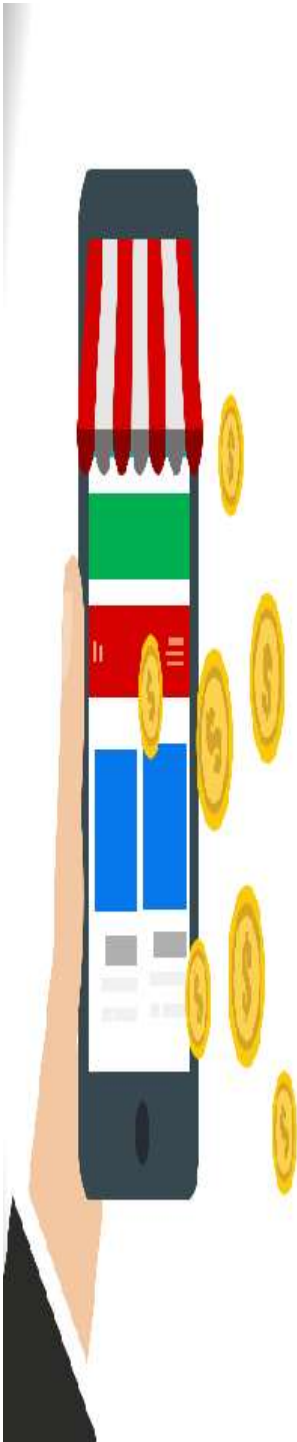
Dropshipping



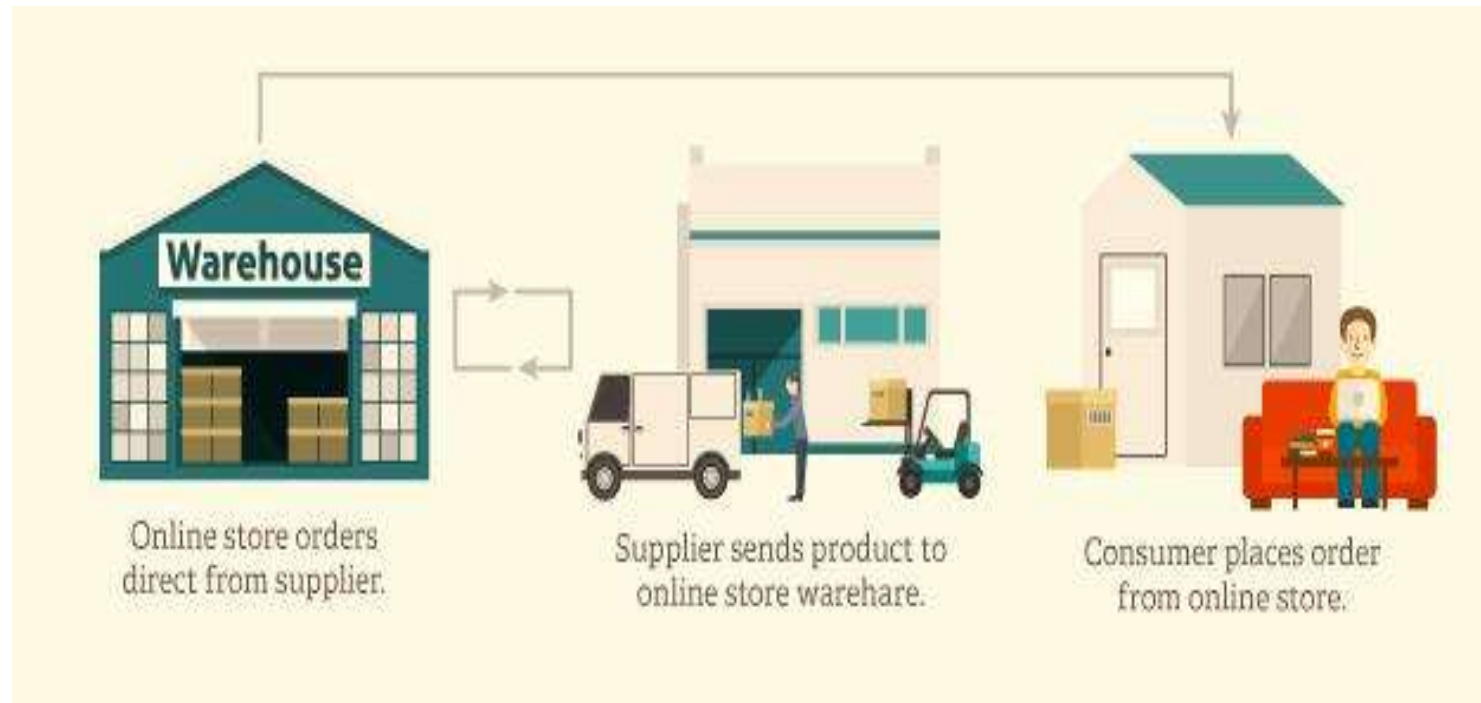
Wholesaling and Warehousing



- An interesting business model that allows you to purchase products in bulk and stock the inventory is **warehousing**.
- The wholesaling business model gets you **better** prices simply because you're buying the product in a bulk and not making a one-off purchase.

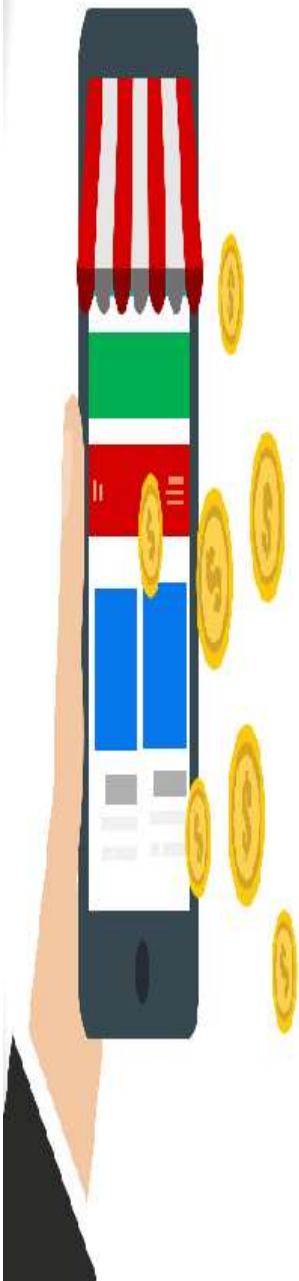


Wholesaling and Warehousing



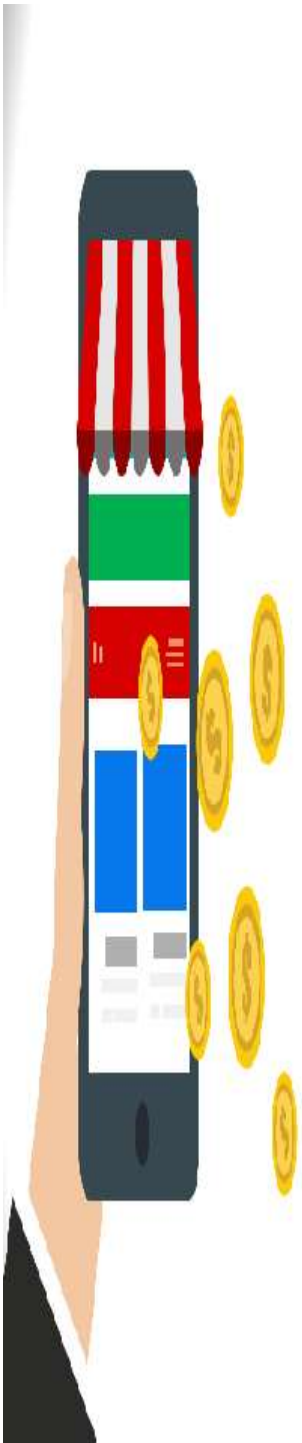
Wholesaling and Warehousing

- This **B2B** model allows the business to sell goods in a large volume.
- The wholesaler sells the goods to the retailer, who then sells it for a profit.
- You can also sell the goods individually on your website in order to enjoy a better profit margin.



Wholesaling and Warehousing

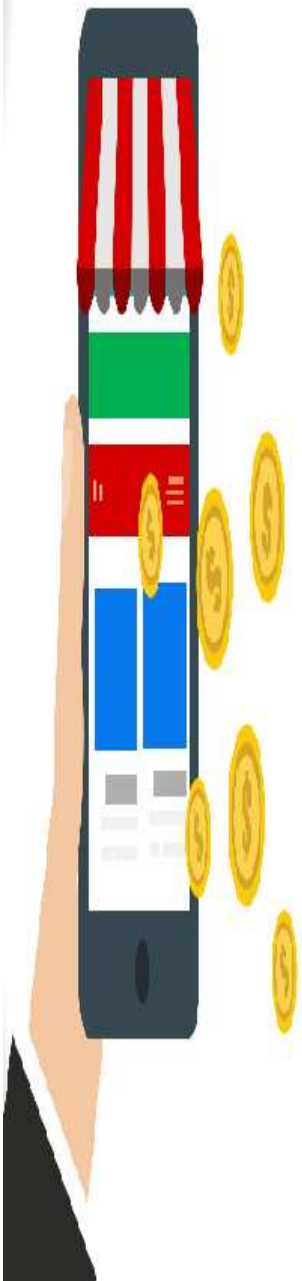
- On the down side, most wholesale businesses need to generate **enough** sales volume in order to make up for the smaller profit margins.
- The wholesaling model also requires high upfront **investments** for both purchasing and stocking of the goods.



Manufacturing and White Labeling



- The **manufacturing** business model has stood its ground since **decades**.
- This **B2B** model gets paid to create the goods.
- As far as white labeling is concerned, you aren't technically developing the product yourself.
- Instead, you're **licensing** it which allows you to put your brand's name on it as if you're the owner and creator of that product.



Manufacturing and White Labeling



- Either way, this business model allows you to remain on **top** of the product chain at all times.
- You are able to control the entire product cycle, and are always aware of what's going on with the product.
- As wholesalers purchase goods from manufacturers in bulk, you can also **dropship** your goods or white label drop-shippers to sell your products for you.



Manufacturing and White Labeling



- If you're commitment-phobic, this business model is not for you.
- With all honesty, there's no easy way to terminate a manufacturing contract.
- The manufacturing business model also demands a process to monitor and maintain quality **control**.
- It also incurs a large **investment** upfront, so you must have a **solid** financial plan.



Subscription Ecommerce



- According to the study by Hitwise Retail from 2016, subscription box businesses grew almost 3,000% from 2013 to 2016.
- That represents a tremendous opportunity this business model offers to **both ecommerce business owners** and brick-and-mortar **retailers**.
- Unlike a traditional ecommerce business where one-time transactions take place, the subscription business model allows the customer to subscribe to a **plan** in order to receive **regular deliveries** of the subscription box.



Subscription Ecommerce



- The subscription-based business model offers **two** value suggestions: **savings** and **convenience (facilities)** for customers.
- They just need to order **once** and then the products are delivered to them at **timely** intervals, usually once a month.
- This business model allows the customers to enjoy **discounts** for subscriptions.
- Many a times, the **more** plans they subscribe to, the **more** savings they can enjoy.



Subscription Ecommerce

