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# Introduction

With the advent of systems like Shopify and WooCommerce that make it easier than ever to set up an online store without vast programming knowledge or deep pockets, and the prevalence of drop shipping companies that have affordable prices, e-commerce is booming like never before.

E-commerce is one of the only systems you can use to make money online that is truly long-lasting and sustainable, and, in a profitable niche, can keep making you money for many years to come.

In fact, there are ordinary people with no business background, no advanced education, and no huge starting bank account balances who are making millions selling everyday items.

If you’re interested in starting your own online store, I recommend reading this guide from start to finish. I’ll teach you the basics, and it’s up to you to pursue it.

So let’s get started.

# Chapter 01 - Selecting a Profitable Niche

You can create the coolest, best looking, most exciting online store ever created, and fail miserably if you don’t choose a profitable niche. Niche selection is so important that it can literally make or break your success.

A good niche should:

* Have a moderate to large audience
* Have low to moderate competition
* Have buyers who are passionate about the niche
* Have products that are priced high enough to be profitable

You want to make sure there are enough people who are interested in the niche to support a good number of sales, but you don’t want the niche to be so saturated that it’s difficult to make a profit.

You want a market in which the buyers are passionate, or have a real need for the product. It’s going to be difficult to make good money selling ordinary products unless you have a very unique selling point, such as a drastically lower price, or some sort of value added selling point. You want to sell products people will be excited to buy, and that they will keep coming back for.

You want to make sure you have products that can be priced high enough to make you a good product without pricing you out of the market. You probably won’t make a lot of money selling products priced under a dollar, because you won’t be able to build a large enough market quickly enough, but a product priced at ten dollars or more would probably be enough to justify the opening of a store. Of course, there are people who have made fortunes with very inexpensive products, but it takes more volume than a beginner could likely manage.

A good starting point for niche research is to simply make a list of your own hobbies, interests, areas of knowledge, and needs. The more you know about a particular subject when you open the store, the easier it will be for you to source products people would want to buy and to find the right marketing channels to reach your core audience.

Once you have a list of at least 10-20 topics, you can begin to research them in earnest. You want to find out how many people might be interested in each potential niche, how many products are available that you could sell, and how much of a profit margin would be possible.

There are many different ways to do this, but one of the most popular ways is to check Amazon. Start by searching for individual products you might buy in a particular niche. For example, if you want to research the golf niche, search for things like golf clubs and golf balls and find out the bestseller rank for each product. This will give you a general idea of how well each product sells.

You want to be able to find at least a few products selling well enough to be in the top 10,000 in their main category, and in the top 1,000 would be even better.

Here is an example from a live Amazon listing for a particular brand of gold balls:



This product is currently #857 in its main category (Sports & Outdoors), which shows there is a strong market for golf balls, especially when I take a look at other products in the Golf Balls category. The top product in this category is #125 in Sports & Outdoors.

Now, you should be aware that strong demand within a main category might not always mean huge sales. Some categories will have fewer sales than others, of course. But this will give you a general idea if there is a market in the niche.

If you want to learn more about niche selection, I highly recommend checking out [Ecom Smart Start](https://promotelabs.com/ecommerce/). You’ll learn all about niche selection from start to finish, including dozens of broad niche topics you can use as a starting point for your brainstorming.

# Chapter 02 -Finding Your Passion

It’s not enough to choose a niche that is profitable. If you choose a niche you aren’t passionate about, or one that you find you truly dislike, your business is likely to turn into a drudgery very quickly. In fact, one of the reasons many people start a business is to get away from jobs they hate, and the last thing you want is to end up in the same position you were in before you left your job—unhappy and wanting something different.

So as you look for potential niches, try to find something that interests you and you’re passionate about. This will make it easier for you to source products, market the products, and spend the time required to make your store a success.

It’s possible that you won’t have any interests that would be profitable, but it’s highly unlikely. Even if you like some relatively obscure things, there will usually be at least a decent number of other people who are also interested in it.

# Chapter 03 - The Inside Scoop

Once you have found a niche you believe has a lot of potential for both profitability and passion, you should try to drill down even further to create the tightest niche possible.

For example, let’s say you’ve decided you want to concentrate on the outdoor hobby niche. This might include things like camping, backpacking, hiking, hunting, and fishing. But there are thousands of popular stores that specialize in this area, so it would be quite difficult to compete.

In order to have an all-encompassing store in a broad niche like this, you’d have to source thousands of products, and make sure the prices stay updated. It would be a tremendous amount of work for just one person, or even a small team.

Instead, it’s good to focus on a single area. It could be the area you are most interested in, or the one you believe will be most profitable (as long as you’re still interested in it). But it’s important to drill down to the tightest niche you can without going so tight that it would be difficult to find an audience or source products.

For example, instead of “outdoor hobbies”, you could drill down a bit to fishing. This may still be too broad, so you could drill down to fly fishing. This is pretty good, but you might even go a little further to specialize in a specific type of fly, or maybe into fly tying supplies for people who want to tie their own flies for fishing.

Keep drilling down until you reach a point when you can no longer find enough products to source or interest in the niche. You’d be surprised just how far you can go in many niches! For example, blacksocks.com specializes in—you guessed it—black socks. They also have other products that they expanded into, such as colored socks and underwear, but they started out selling black socks and have been wildly successful!

# Chapter 04 - How to Source Products?

There are three main ways you can source products for your e-commerce store:

1. You can use a drop shipper
2. You can buy through a wholesale company or the manufacturer
3. You can create the products yourself

Each method has its own pros and cons, and no single method is the best method for every single store, so let’s talk about those factors so you can decide the best way to source products for your store.

## 4.1 Drop Shipping

In case you’re not familiar with drop shipping, the way it works is that you take orders on your store, and once someone orders from you and pays you, you go to the drop shipper’s website and order the product. The product is sent directly to the buyer from the drop shipper, and you keep the difference as your profit.

Let’s say you are selling a snow globe for $10. The drop shipper charges $5 for that snow globe. Your customer pays you $10, plus whatever shipping cost you charge. Then you go buy the product from the drop shipper for $5 and you keep $5 in profit.

There are also systems you can use that will automate the ordering process for you, such as plugins for major e-commerce platforms like WooCommerce and Shopify.

The major benefit of this method is that you don’t have to pay upfront for merchandise, so you can pretty much start your store for free, minus the cost of a domain name, hosting, etc. Additionally, you don’t have to deal with having warehouse space to store the merchandise, or dealing with packing and shipping.

But the drawback is that you lose a lot of control, which can cause issues at times. For example, you won’t be able to ensure that the correct product is sent to your customer, and you won’t be able to control the shipping speed.

## 4.2 Buying Wholesale

The most common method of sourcing products for most stores, both online and offline, is buying wholesale from the manufacturer or from a wholesaler that acts as a middleman.

You’ll generally get better prices buying wholesale than from a drop shipper, because most drop shippers are middlemen who must mark up wholesale prices to make a profit. This is one of the biggest benefits to this particular method of sourcing.

You’ll also have more control, because you can be certain you’re sending the right product to the customer, and you can control how it is packed and shipped. This results in fewer returns.

However, you’ll need to have warehouse space to store the products, a system to manage inventory, and time to package and ship all the products to your buyers.

Additionally, many people cannot afford the substantial cash outlay of buying inventory upfront. This is one reason why many online stores start with drop shipping.

## 4.3 Creating Your Own Products

The final way of sourcing products is to make them yourself. If you have a hobby you love, such as making jewelry or painting, you can create all of your products. You can also create a prototype for a product and search for companies to manufacture the product for you. This can be prohibitively expensive for many, but it’s a fantastic way to have a unique product.

There are many benefits to this, such as having a product no one else has, which can increase sales. But there are a few drawbacks, too.

For example, it can be quite expensive to make your own products. If you make them by hand, you still have to purchase materials. If you get a company to produce the products, you run into huge startup costs.

Having your own unique products will almost always be the best option IF you can afford it, but you can always build your brand on drop shipping or wholesale products and move into your own stuff later.

# Chapter 05 -Marketing Your Store

*“If you build it, they will come.”*

You’ve probably heard that quote before, right? It comes from the 1989 movie *Field of Dreams*, starting Kevin Costner.

A lot of people seem to live by that mantra, with books, blogs, websites, YouTube channels, online stores… just about anything you can think of in the business world.

But unless you are very lucky, people aren’t just going to magically find your store and start buying from you. You have to get out there and bring in visitors.

Let’s talk about a few cool ways you can market your store as a beginner.

## 5.1 Have A USP

It’s very important that your store have a USP—a Unique Selling Point, or Unique Selling Proposition. This is something that sets your store apart from all, or at least most, of your competition, and gives people a reason to shop with you instead of someone else.

If you’re selling a very unique product, that alone is your USP. However, if you’re selling something that is available at many other stores, you need something that will set you apart.

Here are a few suggestions:

* **Free shipping** – This may or may not be possible based on your profit margins, or you may have to include free shipping only with a purchase over a certain dollar amount, but this is a great way to get people to order from you instead of your competition.
* **Specialize** – We talked about the importance of drilling down as far as possible in a niche, and that’s because it can really set you apart from the competition. It’s a great USP.
* **Include bonuses** – People love getting stuff for free. Including bonuses with purchase, even small bonuses, can be a great way to boost customer loyalty, gain repeat purchases, and attract people to your store. Shops that are well known for this include Fingerhut and Baker Creek Heirloom Seeds.
* **Create bundles** – Bundlesare a great way to set yourself apart from the competition. Let’s say you have a shop selling kits for building model cars. You could have a beginner’s model building kit that contains everything someone might need to get started in the hobby, including things like a basic paint set, brushes, craft knives, etc. You could then advertise this specific kit in order to get people to visit your store, where they are likely to purchase other items.
* **Differ your business model** – A lot of people change their business model from the standard shopping cart type website to a subscription model, bundle model, or some other model. Just be sure whatever type of model you choose is suitable for YOUR market before you invest too much time and money into it.

Don’t create a USP just for the sake of having one. Make sure it is suitable for your market and adds true value to the experience for your customer.

## 5.2 Social Media

You probably already know how powerful social media can be for marketing purposes, but you might not know which sites would be most effective, or how to use each site for the most traffic and the best quality traffic. So let’s talk a little about some of the popular networks, and how you can use them to get traffic AND sales.

### Facebook

Facebook is one of the most well-known social media platforms in the world. According to Statista, Facebook has over 2 billion monthly active users. Not just 2 billion accounts, but **active users**! They also have one of the most diverse audiences, with a greater number of mature users in addition to younger users.

Marketing on Facebook can happen in three major ways:

* Facebook pages
* Facebook groups
* Facebook ads

It’s a good idea to set up a Facebook page for your business so you can start building your brand’s presence there, but aside from using it for paid marketing, I wouldn’t focus too much attention on the page itself. This is because Facebook has changed the way posts on pages appear on people’s newsfeeds, resulting in far fewer views.

Instead, focus most of your efforts on building a Facebook GROUP. Group posts are seen much more often, and groups also inspire more interaction than pages. Inside your group, you can hold members-only contests, giveaways, and more. This will encourage more people to join your group and be active in it.

You still need a page for advertising purposes, because Facebook ads require this. And you can still post to the page regularly. But you should focus more effort on building your group in order to take advantage of the free traffic they can bring.

Facebook is probably the best overall social media platform for marketers, because the group function is incredibly powerful when used correctly, and because they have the most diverse audience when it comes to balance between the genders as well as covering the majority of age ranges and other demographics.

### Instagram

Instagram has a user base that is mostly under 35, but they do still have a lot of users in other age ranges, too. This makes them another platform that is fairly diverse, but it is skewed to a mostly younger audience.

Instagram has recently been building a reputation as another great place for marketing, because they have been working on their format in order to make it much more productive to advertisers without upsetting its core user base.

Because it’s highly visual in nature, it makes it easy to market products by showing photos and videos that appeal to your market, and you can even demonstrate the product’s use.

One thing that makes Instagram so powerful is that users are 58 times more likely to share a post than Facebook users, and 120 times more likely to do the same than Twitter users.

Instagram has also added a paid ad system that has been getting a lot of positive feedback. It’s great for building brand awareness and engagement, but since the platform doesn’t allow clickable links, it’s not as effective for direct selling.

### Pinterest

Pinterest isn’t really considered a social network by a lot of people. It does have a social aspect, because you share content, which is viewed and shared by other people, and you can like and comment. However, it’s not as robust in the social area as other networks. But we’ll include it here because it does work quite similarly to social networks.

Pinterest is widely considered one of the most effective platforms not only for getting traffic, but for getting sales, too. Analytics have shown Pinterest to be far more effective than most other platforms when it comes to marketing products.

Pinterest has a paid advertising system, too, and many marketers have found it to be remarkably powerful for generating sales. The targeting is robust, and you can reach exactly the people you want to reach with exactly the products they are looking for.

### Other Social Networks

There are other networks that may or may not work for you, depending on your market and how you use them. For example, Twitter works very well for some people, and not so well for others. Snapchat can be excellent for younger, more tech-savvy markets, but possibly not as well for others.

It’s a good idea to have a presence on many different networks, but don’t spend too much time on them unless you really believe they have potential for YOUR market.

For example, LinkedIn advertising is reported to be quite effective, but it works mainly for a B2B audience, or when you’re selling something that relates to education or job hunting.

If you want more in depth information on marketing your e-commerce store, check out [Ecom Smart Start](https://promotelabs.com/ecommerce/). You’ll learn a lot more ways to market your store to get the most traffic possible.

# Conclusion

If you’ve always wanted to open your own online store, but didn’t think you could make it happen, I hope you’ve changed your mind. It’s a lot easier than you probably thought to get started.

In this guide, we’ve talked about how to choose a niche market, how to source products, and how to market your store. We’ve covered a lot of information, but there’s still a lot we can’t possibly cover in a short report like this one.

If you want more detailed information on how to set up and run your e-commerce store, I highly recommend [Ecom Smart Start](https://promotelabs.com/ecommerce/).

You’ll learn such cool tactics as how to craft descriptions for your products that will turn tire-kickers into paying customers, how to get more stuff done quicker, how to use paid advertising effectively, and tons more.

I wish you the best of luck with your new store!

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