

FREE GUIDE · 2026 EDITION

The Beginner's Guide to Dropshipping

How to pick a niche, find products that sell, price for profit and launch your first store in 30 days. Written for people starting from zero.



Contents

01	What dropshipping is and how the money moves	3
02	Is dropshipping still worth it in 2026?	4
03	Choosing a niche you can actually sell in	5
04	Finding and validating winning products	6
05	Choosing suppliers and placing test orders	7
06	Pricing and margins (worked example)	8
07	Building your store	9
08	Getting your first sales	10
09	Running the business day to day	11
10	Your 30-day launch plan	12
11	Beginner mistakes and glossary	13

How to use this guide

Read it once start to finish. It takes about 40 minutes. Then go back to the chapter you're working on and use the checklists as you go. Every chapter ends with something you can do today, because reading about dropshipping is easy and starting is the part most people skip.

The numbers in this guide are real examples, not promises. Fees change, ad costs change, and your product will behave differently from ours. Treat the worked examples as a template: swap in your own costs and see if the business still makes sense.

What you need before you start

- A budget of roughly \$300 to \$1,000 (most of it goes on ads, not the store)
- 5 to 10 hours a week for the first month
- A payment method for your store platform and ad accounts
- A separate email address and, ideally, a separate bank account for the business

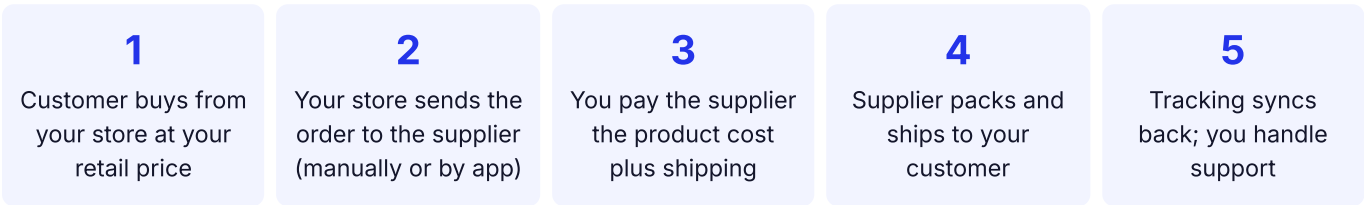
This guide is general education, not legal, tax or financial advice. Check the rules where you live before you register a business or collect sales tax.

What dropshipping is and how the money moves

Dropshipping is a retail model where you sell products you don't stock. A supplier holds the inventory and ships each order straight to your customer.

You own the shop, the brand, the product pages and the marketing. The supplier owns the warehouse. When someone buys from you, you pay the supplier the wholesale price and keep the difference. That's the whole model.

The order flow, step by step



Where the money goes on a typical \$35 order

Beginners usually look at "sell for \$35, buy for \$10" and think they make \$25. They don't. Here's a realistic split for a product sold through a Shopify store with paid ads:

Line	Amount	Notes
Customer pays	\$34.99	Free shipping offered
Product cost	-\$9.40	Paid to the supplier
Shipping to customer	-\$4.10	Paid to the supplier
Payment processing	-\$1.31	About 2.9% + \$0.30
Apps (per-order share)	-\$0.50	Reviews, email, upsell apps
Ad cost per order	-\$12.00	The big unknown
What you keep	\$7.68	About 22% net margin

Ad cost is the line that makes or breaks the business. Two stores selling the same product can have opposite outcomes purely because one gets customers for \$8 and the other pays \$25. Most of this guide is about keeping that number under control.

Dropshipping vs other ecommerce models

Model	Upfront cost	Margin	Control
Dropshipping	Low, no stock	15-30% net	Low over shipping and packaging
Wholesale / own inventory	High, buy stock first	Higher per unit	Full control
Print on demand	Low	Thinner	Design is yours, product is generic
Private label	Highest (MOQs)	Best long term	Full brand control

Is dropshipping still worth it in 2026?

Yes, if you treat it like a retail business with thin margins. No, if you expect a store to run itself after a weekend of setup.

The easy era is gone. Ads cost more than they did in 2019, customers expect faster delivery, and anyone can copy your product in an afternoon. What still works: picking products with a clear "why buy now" hook, using suppliers with reliable shipping times, and testing ads on a small budget before scaling.

What's in your favour

- No inventory risk. If a product flops you've lost ad spend, not a garage full of stock.
- Cheap to test. You can trial five products in a month for a few hundred dollars.
- Location independent. A laptop and a decent connection is enough.
- US and EU suppliers now ship in 2 to 7 days, which closes the gap with Amazon.

What works against you

- Thin margins. A 20% net margin is a good result, not a bad one.
- You don't control quality or packaging. Your supplier's mistakes become your refunds.
- Competition copies winners fast.
- Payment processors and ad platforms can hold funds or ban accounts if refunds spike.

A realistic starting budget

Item	First month	Can you skip it?
Store platform (e.g. Shopify)	\$1 - \$40	No. Look for the trial offer.
Domain name	\$10 - \$20	No, it builds trust
Apps (reviews, email)	\$0 - \$50	Mostly. Start on free plans.
Test orders / samples	\$30 - \$80	Never skip this
Ad testing budget	\$250 - \$800	Only if you go fully organic
Product research tool	Varies	You can start manually
Typical total	\$300 - \$1,000	

Who tends to do well

People who enjoy testing and reading numbers. If you like the idea of looking at a spreadsheet every morning and asking "why did my cost per purchase jump yesterday?", you'll be fine. If you want to design a brand and never touch an ad account, look at print on demand or hire help for marketing from day one.

Be wary of

Courses and "done for you" stores sold with screenshots of revenue. Revenue isn't profit. Ask what the ad spend, refunds and product costs were before believing any number.

Do this today

Write down why you're starting ("extra \$1,000 a month" and "a brand to sell in three years" lead to different choices). Then set a test budget you can afford to lose and a review date. For most beginners that's \$500 and 30 days.

Choosing a niche you can actually sell in

A niche is a group of customers with a shared problem or passion, not a product category. "Kitchen" is a category. "People who meal prep for the week on Sunday" is a niche.

You don't need to love the niche. You need to understand it well enough to write ads that make the buyer think "that's me". Niches with strong identities (dog owners, home baristas, new parents, anglers, gym beginners) make ad targeting and copywriting far easier than broad general stores.

The niche scorecard

Score each idea 1 to 5 on these six points. Anything under 20 out of 30, drop it.

Criterion	What a 5 looks like
Passion or pain	Buyers spend on it without being asked twice (pets, babies, hobbies, back pain)
Price room	Products can sell for \$25 to \$80, leaving space for ad costs
Shipping friendly	Small, light, not fragile, no batteries or liquids
Repeat or add-on potential	Accessories, refills or a second product the same buyer wants
Not dominated by big brands	Buyers don't default to one name they already trust
Content-friendly	The product looks good in a 15-second video

Niches that fit beginners well

- **Pet accessories:** emotional purchases, easy to demo on video, lots of add-ons.
- **Home organisation:** clear before-and-after visuals, low return rates.
- **Fitness at home:** resistance bands, mobility tools, recovery gear.
- **Car accessories:** practical, giftable, a broad audience.
- **Jewellery and accessories:** high perceived value and light to ship, but very competitive.

Niches to avoid on your first store

- Anything with health claims (supplements, medical devices). Ad platforms restrict them heavily.
- Branded or licensed goods you can't prove you're allowed to sell.
- Large furniture and anything fragile. Shipping costs and breakage destroy margin.
- Electronics with batteries from unknown factories. High defect rates, shipping restrictions.

Do this today

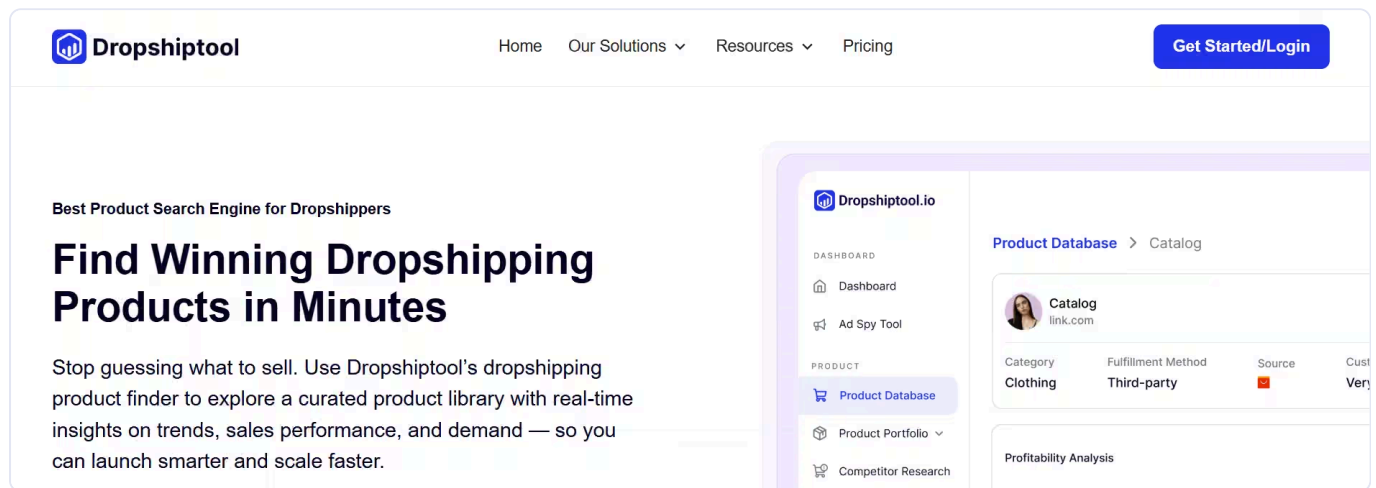
List ten niche ideas, score them with the table above and keep the top three. You'll test products from these in Chapter 4.

Finding and validating winning products

A "winning product" is simply one that sells profitably through ads or content. You find them by looking at what is already selling, then checking you can sell it cheaper, better or to a different audience.

Four places to look

1. **Ad libraries.** The Meta Ad Library and TikTok Creative Center show live ads. An ad that has run for weeks with fresh variations is usually profitable.
2. **Competitor stores.** Find Shopify stores in your niche and see what they push on the home page and in their ads. A sales tracker shows which products actually move.
3. **Marketplaces.** Amazon Best Sellers, AliExpress order counts and eBay sold listings show demand at different price points.
4. **Product databases.** Tools that collect trending products with sales estimates save hours of scrolling.



Dropshiptool's Product Database lets you filter trending products by niche, price and estimated sales.

The validation checklist

Before you spend a cent on ads, a product should pass at least seven of these:

- ☐ Solves a clear problem or creates a clear "want" within 3 seconds of video
- ☐ Retail price of 3x your landed cost (product + shipping) or more
- ☐ Not easily found in local stores at the same price
- ☐ At least one other store is running ads for it now (proof of demand)
- ☐ Not so saturated that every second ad in your feed shows it
- ☐ Available from at least two suppliers, so you have a backup
- ☐ Ships in under 10 days to your main market (under 7 is better)
- ☐ Supplier reviews mention accurate sizing and decent packaging
- ☐ You can think of three different ad angles for it
- ☐ Low return risk: no sizing guesswork, no fragile parts

Do this today

Pick 10 candidate products from your top three niches. Run each through the checklist and keep the best three for test orders.

Choosing suppliers and placing test orders

Your supplier is your warehouse, your packing team and your delivery partner. Pick them like you'd pick an employee.

The main supplier routes

Route	Typical delivery to US	Product cost	Best for
AliExpress (via an app such as AliDrop)	7-20 days, faster with local warehouses	Lowest	Cheap testing, huge range
US/EU suppliers (e.g. Spocket)	2-7 days	Higher	Brand-style stores, fewer refund requests
Agents and fulfilment platforms (e.g. CJdropshipping)	5-15 days	Low to mid	Scaling a proven product, custom packaging
Private agent / factory	Depends on setup	Lowest at volume	Products already doing 30+ orders a day

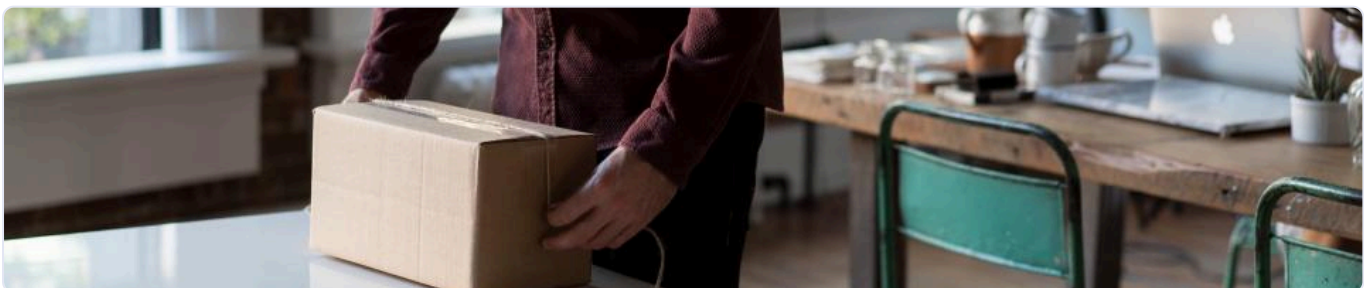
A common path: test on AliExpress or Spocket, then move a proven winner to an agent once you're shipping enough volume to negotiate.

How to judge a supplier

- ☐ Store rating of 95% positive or higher, and a store open for at least a year
- ☐ Recent reviews with customer photos that match the listing
- ☐ Clear processing time (how long before it ships) as well as shipping time
- ☐ Responds to a message within 24 hours
- ☐ Offers tracking that works with your store's tracking page
- ☐ Willing to leave out invoices and promotional inserts in the parcel

Placing test orders

Order your top two or three products to your own address, the same way a customer would. Time it. Note the packaging, the smell, the stitching, whether the colour matches the photos. Take your own photos and short videos while you're at it: original content outperforms supplier images in ads.



Test orders show you exactly what your customer receives, including packaging.

Do this today

Message three suppliers for your top product. Ask for processing time, shipping time to your main market and whether they offer blank packaging. Their answers (and speed) tell you a lot.

Pricing and margins

Price for the ad cost you'll actually pay, not the margin you wish you had. The easiest way is to work backwards from your break-even cost per purchase.

Worked example: a pet grooming glove

Suppose you find a pet hair removal glove. The supplier charges \$9.40 plus \$4.10 shipping to the US. You plan to sell it at \$34.99 with free shipping.

Step	Calculation	Result
1. Landed cost	\$9.40 product + \$4.10 shipping	\$13.50
2. Payment fees	2.9% x \$34.99 + \$0.30	\$1.31
3. App and misc. cost per order	Estimate	\$0.50
4. Total cost before ads	\$13.50 + \$1.31 + \$0.50	\$15.31
5. Break-even CPA	\$34.99 - \$15.31	\$19.68
6. Break-even ROAS	\$34.99 / \$19.68	1.78

Break-even CPA is the most you can pay in ads for one sale before you lose money: here, \$19.68. Break-even ROAS is the same thing expressed as "revenue per \$1 of ad spend". Below 1.78, every sale loses money.

What different ad costs mean

Cost per purchase	Profit per order	Net margin	Verdict
\$8	\$11.68	33%	Scale it
\$12	\$7.68	22%	Healthy
\$16	\$3.68	11%	Fix the offer or creative
\$22	-\$2.32	-7%	Losing money

Three ways to raise profit without new traffic

- **Bundles.** "Buy 2, save 15%" on a \$34.99 item lifts the average order to around \$59 while ad cost per order stays roughly the same.
- **Charm and anchor pricing.** Show a compare-at price only if it's genuine. Customers and regulators notice fake discounts.
- **Post-purchase upsell.** A \$9 add-on offered after checkout converts at a meaningful rate for impulse products.

Rule of thumb

If the retail price isn't at least 2.5 to 3 times your landed cost, the product probably can't survive paid ads. Either find a cheaper supplier or a different product.

Building your store

Your store has one job: convince a stranger from an ad that it's safe to give you their card details. Clean beats clever.

Platform choice

Shopify is the default for dropshipping because almost every supplier app, review app and ad integration supports it. WooCommerce is cheaper if you're comfortable with WordPress hosting. Wix and BigCommerce work but have fewer dropshipping integrations. For a first store, pick Shopify unless you have a strong reason not to.

Store setup checklist

Must-have pages

- ☐ Home page with your hero product above the fold
- ☐ Product page with real photos, video and specs
- ☐ Shipping policy with honest delivery times
- ☐ Refund and returns policy
- ☐ Contact page with an email you check daily
- ☐ About page: who you are and why the store exists
- ☐ Privacy policy and terms of service
- ☐ Order tracking page

Settings people forget

- ☐ Custom domain connected (not myshopify.com)
- ☐ Payment methods tested with a real order
- ☐ Shipping rates match your supplier's costs
- ☐ Taxes configured for where you're registered
- ☐ Meta pixel and TikTok pixel installed and firing
- ☐ Abandoned checkout email turned on
- ☐ Store loads in under 3 seconds on mobile
- ☐ Favicon, logo and branded order emails

The product page that sells

1. **Headline that states the outcome.** "Remove pet hair in one stroke" beats "Pet Grooming Glove 2.0".
2. **A short video or GIF** in the first two images.
3. **Three to five benefit bullets**, each tied to a real feature.
4. **Delivery estimate near the button** ("Arrives in 4-7 days").
5. **Social proof:** reviews with photos from real buyers once you have them. Never invent reviews.
6. **FAQ block** covering sizing, delivery, returns.

Steal like a pro

Look at what themes successful competitors use (Dropshiptool has a free Shopify Theme Detector) and how they lay out product pages. Copy the structure, never the text or images.

Getting your first sales

Traffic is the business. Pick one channel, learn it properly, and only add a second once the first is profitable.

Choosing your first channel

Channel	Cost to start	Speed	Good fit when
TikTok organic	Free (your time)	Slow, unpredictable	Product is visual and you can post daily
TikTok ads	\$20-\$50/day	Fast	Impulse products, under-35 audience
Meta ads (Facebook/Instagram)	\$20-\$50/day	Fast	Broad audiences, 25+ buyers, gifts
Google Shopping	\$15-\$30/day	Medium	People already search for the product
Influencers	Free product or fee	Medium	Niche with active creators

A simple ad test structure

1. Make 3 to 5 short videos (15-30 seconds), each with a different hook in the first 2 seconds.
2. Launch one campaign with a daily budget of around 1x your break-even CPA per ad set.
3. Let it run 3 days without touching it. Early data is noisy.
4. Kill ads that spent 1.5x your break-even CPA with no purchase.
5. Keep ads below break-even CPA and make new variations of the winning hook.
6. Raise budgets by 20-30% every couple of days, not by doubling overnight.

The metrics that matter

- **Hook rate / thumb-stop rate:** share of viewers who watch past 3 seconds. Low means fix the opening.
- **CTR (link click-through rate):** under about 1% usually means the ad doesn't create enough curiosity.
- **Add-to-cart rate:** low with good CTR points to the product page or price.
- **CPA and ROAS:** compare against the break-even numbers from Chapter 6.

The screenshot displays the Dropshiptool website interface. At the top, there's a navigation bar with links for Home, Our Solutions, Resources, and Pricing, along with a 'Get Started/Login' button. The main content area features a large heading 'Track Competitor Sales & Find Winning Products' with a subtext explaining the tool's purpose: 'Add Shopify stores and products to Sales Tracker to effectively track sales. Ensuring you spot the next big opportunity before others.' A 'Try for Free' button is prominently displayed. To the right, a sidebar shows a 'My Trackings' section with a 'Products' tab selected, displaying a catalog entry for 'Clothing' with a 'Third-party' fulfillment method. Below this, there's a 'Profitability Analysis' section.

Tracking competitor store sales shows which products and offers are working before you spend on ads.

Running the business day to day

After launch the work shifts from building to operating: orders, emails, refunds and numbers. A simple daily routine keeps small problems small.

A 30-minute daily routine

- ☐ Check new orders were sent to the supplier and paid
- ☐ Check tracking on orders older than 5 days; chase anything without movement
- ☐ Answer every customer email within 24 hours
- ☐ Review yesterday's ad spend, CPA and ROAS against break-even
- ☐ Note refunds and the reason for each one

Customer service that prevents chargebacks

Most chargebacks start as an unanswered email. When a customer asks "where is my order?", reply with the tracking link, the expected delivery date and a line of reassurance. If a parcel is clearly lost, refund or reship before the customer goes to their bank. One chargeback costs you the sale, a dispute fee and a mark against your payment account.

Returns and refunds

Decide your policy before your first sale. Many dropshippers refund low-cost items without asking for the product back, because return shipping to China costs more than the item. For higher-priced products, ask for photos of the problem first, then decide between a refund, a partial refund or a replacement.

Taxes and paperwork

- Register a business when you start making regular sales. In the US many people start as a sole proprietor or LLC.
- Sales tax rules depend on where your customers are. In the US, states set "economic nexus" thresholds. Shopify and similar platforms can calculate and collect tax for you.
- Selling into the EU or UK means VAT applies to most consumer sales. Check the import rules for parcels from outside the region.
- Keep every receipt: supplier payments, ad invoices, app subscriptions. They're deductible business costs in most countries.

Watch your refund rate

If refunds go above roughly 5% of orders, stop scaling and find the cause: slow shipping, misleading photos, sizing, or a bad batch from the supplier.

Your 30-day launch plan

Thirty days from zero to a tested store. Follow it in order. If you fall behind, push dates back rather than skipping steps.

Days	Focus	Tasks
1-2	Goals and budget	Set test budget, review date and income goal. Open a business email and bank account.
3-5	Niche research	List 10 niches, score them, keep the top 3 (Chapter 3).
6-9	Product research	Shortlist 10 products from ad libraries, competitor stores and product databases. Validate with the checklist (Chapter 4).
10-11	Suppliers	Contact 3 suppliers per product. Order samples of your top 2-3 products.
12-13	Pricing	Build your margin sheet. Calculate break-even CPA and ROAS (Chapter 6).
14-18	Store build	Set up the platform, theme, domain, policies, pixels and payment. Write product pages.
19-20	Content	Film 5 short videos with your samples. Write 3 hooks per product.
21	Pre-launch QA	Place a real test order on your own store. Check emails, tracking, mobile speed.
22-24	Launch ads	Start the test campaign (Chapter 8). Don't touch it for 72 hours.
25-27	First cuts	Kill losing ads. Make 3 new variations of the best hook. Answer every email.
28-29	Optimise	Add a bundle or upsell. Fix the weakest step in the funnel (CTR, add-to-cart or checkout).
30	Review	Compare results with break-even. Decide: scale, adjust or test the next product.

The day-30 decision

- **CPA below break-even:** raise budget 20-30% every two days and keep making new creatives.
- **CPA within 20% of break-even:** fix the offer (bundle, price, page) before giving up.
- **No sales after 1.5-2x break-even spend per product:** move on to product two. Most winners aren't the first product tested.

Beginner mistakes and glossary

Ten mistakes we see every week

1. Building a store for two weeks before checking if anyone wants the product.
2. Pricing at 2x cost and finding out ads cost more than the margin.
3. Skipping test orders, then getting refund requests for items that look nothing like the photos.
4. Using supplier photos and videos in ads that 50 other stores already run.
5. Killing ads after one day, or letting losers run for two weeks.
6. Promising 3-day delivery when the supplier needs 12.
7. Ignoring customer emails until they turn into chargebacks.
8. Testing ten products at once with \$10 each. Test fewer, properly.
9. Doubling budgets overnight on a winning ad and breaking the campaign.
10. Not tracking profit daily. Revenue screenshots don't pay bills.

Glossary

AOV (average order value)

Total revenue divided by number of orders.

Break-even CPA

The most you can spend on ads per sale without losing money.

Chargeback

A customer disputing a payment through their bank instead of asking you for a refund.

CPA (cost per acquisition)

Ad spend divided by number of purchases.

CTR (click-through rate)

Share of people who saw an ad and clicked it.

Landed cost

Product cost plus shipping to the customer.

Processing time

Days between an order and the supplier handing it to the carrier.

ROAS (return on ad spend)

Revenue divided by ad spend. A ROAS of 2 means \$2 in sales per \$1 of ads.

Winning product

A product that sells profitably through ads or content at scale.

Find your first winning product faster

Dropshiptool shows you what's already selling, so you test products with proof of demand instead of guesses.

- Sales Tracker: see real sales of any Shopify store
- Product Database and weekly Product Portfolio of winning products
- Ad Spy for Facebook and TikTok ads
- Competitor Research and a free Shopify Theme Detector

Start free at dropshiptool.io