

Title:

Wholesale Information: How to Buy at Real Wholesale Prices

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Summary:

Learn how to find and buy products at real wholesale prices without being taken for a ride or over paying for your products.

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Learn how you can buy merchandise at real wholesale prices. You have to learn how wholesale prices can vary so you can know when you are buying at real wholesale prices and not what the supplier wants you to believe are wholesale prices.

Is finding products at wholesale prices difficult? The answer is no. It's not difficult. The difficult part is getting them for "real" wholesale prices.

What do I mean by "real wholesale prices"? Well, most suppliers will know in the first 20 seconds if you are a seasoned buyer or just starting out. They will price their merchandise accordingly.

If you are buying wholesale products to sell on eBay, to stores or out of your home it's all the same to them. They will have up to 10 different "wholesale prices" for the same items.

Even experienced buyers and large established business pay too much on their wholesale products. So don't expect to know more than them when it comes to buying at real bottom wholesale prices.

I got my first introduction into the wholesale product pricing in one of my first wholesale consulting gigs. I was going over the prices of their best

selling products to see the profit margins when I was impressed with just how low the price of merchandise was. Or so it seemed to me at the time.

As part of my job I visited all the wholesale trade shows around the country comparing prices. This is when I noticed large discrepancies in pricing for the same exact items.

Walking from booth to booth I was looking for a list of about 500 items in just a few product categories including small electronics, sunglasses, house wares, tools and toys. We needed anywhere from 50 to 100 different products from each category.

After some walking and more walking I found the exact same products with the same brands in different booths. The products were the same but the prices were much different, more than double, as much as 150% more in one booth compared to another, in the same trade show, sometimes the booths no more than 100 feet apart.

This was a shock to me. I thought prices would only range by 3% or a few cents. I was very wrong. Later I found out that only a few people are really manufacturers or buy direct from manufacturers. Fewer suppliers are real importers of products. Most buy from wholesalers themselves and then resell the products to other wholesalers or retailers.

Later on, when I visited current suppliers of my customer I renegotiated prices and told him I knew the "other" suppliers' prices. After a few meetings I managed to lower prices by as much as 50%. Now, to give you a good perspective, my customer had been purchasing from these suppliers for 12 years and with these new prices his profit doubled. Needless to say my customer was very happy and very surprised.

Here are some tips and techniques you can apply immediately to lower your wholesale purchasing prices.

Get to the source: What does this mean? It means you should know who the original source is for the products you are buying, especially if those products are not name brand items. For example, if you are buying t-shirts you should know who makes the t-shirts and where, who imports them, who prints the design if they have one, what is the material and who is selling it and where. Don't just buy 1,000 t-shirts because they tell you they are "good sellers". Make sure you know where they come from.

Even if you are buying closeouts you have to make sure who else sells them and

who is the source. I've bought and sold a lot of closeouts in my time and let me tell you, they are closeouts for a reason. Even popular closeout websites that claim they are selling closeouts or liquidations are expensive. I check out their prices often and they are usually wholesalers selling products for a good profit.

Knowledge will be the key to your products. If you know what you are buying and the real prices of production, transportation, warehousing you will be able to negotiate with your suppliers. If you don't, you will usually pay up to 150% more for the same items that others are buying in the same quantities.

Here are 5 questions that you can ask your wholesale supplier that will help you determine the right wholesale price:

1. What is the real retail price of the item and where does it sell for that price?
2. Who is selling it to those Retail Stores and how much profit does the store make and their supplier? This will give you an idea of how much the store pays and how much the store supplier pays.
3. What is the price per case, per pallet and per truckload? This will give you an idea of their best pricing.
4. Who is your best customer? How much do they buy per month? This will tell you who gets the best price for the product.
5. Do you manufacture or import this product? This will tell you if they are the original source for the product or, if, like you, they are a wholesaler or distributor.