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Generated on 15/11/2026 00:41

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Dropshipping explained: how it works and what it asks of your shop

Platforms & Getting Started

CODE	VERSION	COUNTRY · LANGUAGE
RLX-INT-KB-4992	v2026.10.10	International · English

MozOut International
RLX Holdings (Pty) Ltd. · Group RLX Holdings
Tax no. (SARS) 943 907 6234 · Registration no. (CIPC) 2025/667953/07

https://www.my.mozout.com/knowledgebase/4992

Dropshipping explained: how it works and what it asks of your shop

Platforms & Getting Started Created on **October 10, 2026** 3 min read



In **dropshipping** you sell, but you do not hold the product: when an order comes in, you pass it to a supplier, who ships directly to the customer. It looks like a way to sell with no stock and no investment, and in part it is; but the customer sees *your* shop, and everything that goes wrong (delays, faults, quality) is charged to you. This article explains the mechanics and what your shop needs.

How it works, step by step

1. **You pick the products** from a supplier's catalogue and publish them on your shop at your price.
2. **The customer buys and pays you.** The money lands in your shop, through the payment methods you have.
3. **You pass the order to the supplier** and pay them their price (by hand, by plugin or by automation).
4. **The supplier ships** directly to the customer and gives you a tracking number.
5. **You send the tracking** to the customer and handle returns and complaints. The difference between what you received and what you paid is your margin.

What weighs, and what you need

Topic	What it means
Delivery times	They are the supplier's. If goods come from far away, they take long, and the customer blames you. Write the real time on the shop.

Topic	What it means
Quality	You do not see the product before it leaves. Ask for a sample and buy it yourself before selling it.
Stock	The supplier can sell out without telling you. Your shop can sell what no longer exists. See **stock in WooCommerce**.
Returns	Who accepts them? Find out whether the supplier does and on what terms before you promise the customer anything: **returns policy**.
Margin	After the supplier's price, the payment method fees and the postage, what is left? Do the sum before you publish.
Tax and customs	If the product crosses borders, there are import rules and taxes. Ask your accountant.

What this asks of the server

Dropshipping puts weight on the shop in two ways: **large catalogues** imported in one go (see **importing products from CSV** and **shops with thousands of products that are slow**) and **automations** that pass orders to the supplier and bring stock back. Those can run on a VPS of yours with n8n (**n8n and WordPress**). We host the shop; we are not the supplier, and we do not install third-party plugins.

The supplier is not an excuse.
To the customer and to the law, the seller is you. If the supplier disappears, your shop is left with paid orders and nothing to ship. Have more than one supplier for the best sellers and a reply ready for the customer.

Start with few products
you know well, and buy them yourself, to see the real packaging and timing. A small shop where everything works beats a huge one where nothing is confirmed.

NEED A HAND?

Building a dropshipping shop and wondering whether the plan is enough? Tell us how many products you plan to import and we will work it out with you.

Open a support ticket →

SEE ALSO

- Opening an online shop without starting from nothing
- Importing and exporting products with a CSV file
- Marketplace or your own shop

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