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## Non Profits Buying in the Profit World Online

If you have downloaded this white paper, then you have an understanding of how the Internet works. In 2010, 13% of all retail transactions will take place through the Internet, which is a noteworthy rise from the 3% of transactions in 1999. So if you are a nonprofit organization using the Internet to find the products you need to support your causes, you are definitely ahead of the curve and a trend setter.

Since the beginning of time, buyers have always intended to acquire goods at a low cost and this is what drives competition. On the Internet, competition is even more intense because comparing products and prices from one company to the next is only a click away, whereas in the traditional shopping experience, customers need to go from showroom to showroom to compare which is time consuming, let alone being quite tiring.

Currently there are 3 levels of distribution on the Internet:

1. **Manufacturer** - This is the company that actually makes the products. They are not set up to supply individual organizations with smaller quantities of their products. They ship by truckload either directly to chain organizations that have central warehousing that can hold large quantities of goods or they ship to wholesalers and distributors who put the products in their warehouses and sell in smaller quantities. Manufacturers usually have Internet sites that provide information about their products, but do not give pricing unless you can take a truckload of goods.
2. **Wholesaler & Distributor** - This is the middleman who provides the service to the manufacturer of dealing with smaller accounts. Whereas a manufacturer is not interested in checking the credit worthiness of small accounts or worry about the shipments and tracking of these accounts, the wholesaler has built these functions into their business model. Wholesalers have the infrastructure to stock a lot of products and to take, fill and process orders from all sizes of nonprofits. Their model has the warehouse space, sales networks, computers and tracking systems to provide the proper customer service.
3. **Online Retailer** - This is the final link of the online supply chain to get goods to the consumer shopping over the Internet. Neither the manufacturer or the wholesaler is set up to sell individual products to consumers and this has created an entire business on the Internet much like there are brick and mortar stores for consumers to shop in their own neighborhoods.

Non profits need to pass by the online retailers and find the true wholesalers and distributors using the Internet. Most wholesalers will require you to submit the organizations 501(c)(3) tax exempt number, so have it handy when shopping through the Internet.

So how do you quickly find the right product at the right price that you can purchase from a trusted site? Keep in mind that you want to bypass the online retailers, so using shopping comparison sites like Shopzilla.com or Shop.com which compares retail pricing not wholesale pricing is not where to go, so you waste valuable time on retail price comparison sites.

1. Use the major search engines like Google or Yahoo and the up and coming Bing. But don't search for a generic term like "blankets" because they will just return to you a bunch of retail sites which becomes very frustrating. Always search for at least 3 words and if you have "wholesale" or "bulk" in your search more than likely it will get you closer to the distributors who can sell the goods by the case at much lower prices. For instance, putting in the search term on Bing.com "wholesale fleece blankets", shows on the front page 5 different Internet sites where goods can be bought by the case at substantial savings giving nonprofits more money to stretch their budgets to support their causes.
2. There are several wholesale portals that pull together the top sites giving you the ability to find the suppliers you need in one place. Go to [wholesalecentral.com](http://wholesalecentral.com) or [wholesalehub.com](http://wholesalehub.com) or [toptenwholesale.com](http://toptenwholesale.com) to find a listing of online distributors.

Even though you are on the cutting edge if you are a nonprofit organization using the Internet to source your needs, you still need to do your homework on the supplier before spending your organizations hard earned donations. The Internet can be a very cold place to do business. You have no idea who may be on the other side of the screen when looking at products. Can you trust them? Will they ship what is promised? Can you talk to them or do they only take email? So to protect your organization, your first order should be a test order to see if the supplier is who they say they are. Once received as promised, then you can get serious with this online supplier. If it is the right supplier, your job will be made easier for years to come.

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