

Meeting Insights - Learning Database

Auto-extracted from meeting notes and team discussions

Last Updated: 2026-01-13 **Sources:** Kickoff Meeting (Jan 5), Progress Meeting 1 (Jan 7), Progress Meeting 2 (Jan 9)

Todd's Decision Criteria

Margin Requirements

- **16% margin** = Good for established items (preferred target)
- **15% margin** = Minimum acceptable (validated by 15-product analysis)
- **Below 15%** = Not viable for ongoing business
- **Exception:** New launches may go negative initially (ACoS 60%, TACoS 30%) if market validated
- **Recovery timeline:** Transition from paid to organic over 60-90 days

Price Point Preferences

- **Primary target:** \$50+ retail price points
- **Rationale:** Better profitability, less competition at higher price points
- **Lower prices:** Attract more sellers (lower barriers to entry)
- **Validation:** Retail sales data from Canadian Tire, Walmart strongly weighted

Risk Tolerance

- Willing to accept negative margins temporarily for aggressive launches
- Requires data validation before investment
- Prioritizes data-driven decisions over arbitrary factory deadlines
- Avoids repeating past mistakes (3-year unprofitable inflatable castle venture)
- Insurance costs major concern (trampolines, children's inflatables problematic)

Strategic Priorities

1. **Supply chain consistency** over quick wins (must maintain stock)
 2. **Year-round items** over pure seasonal (deeper inventory safer)
 3. **FBA over FBM** (critical for buy box, 60% success factor)
 4. **Brand exclusivity** via Amazon Brand Registry (protect pricing)
 5. **Retail relationships** valued (B2B Amazon Business opportunity)
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Product Viability Patterns

Volume Economics (Critical Learning)

- **Small batch (24 units):** High per-unit landed cost → unacceptable margins
- **Full container (700 units):** ~50% reduction in per-unit cost → viable margins
- **Freight allocation method matters:**
 - **Cubic volume:** Penalizes bulky items
 - **Flat rate:** $\$3,500 \div 700 = \$5/\text{unit}$ (dramatically improves bulky item margins)
 - **Recommendation:** Use flat rate for mixed small containers

Success Indicators

1. **Supply gap in market** (Pump Filter: strong opportunity)
2. **Existing listing with reviews** (106 reviews @ 4.6 stars = credibility)
3. **Weak competitor listings** (poor SEO, weak images = opportunity)
4. **Brand recognition** (Coleman \$5M/year validates market)
5. **Complementary to existing sales** (pump for pools already sold)
6. **Destination purchase** (customers seek specific item)

Failure Indicators

1. **Brand approval blocked** (Coleman: cannot proceed without authorization)
2. **Highly competitive market** (few brands dominate)
3. **Pricing disadvantage** (competitors have built-in features we lack)
4. **Insurance prohibitive** (trampolines require \$5M liability)

5. **Wrong voltage/specification** (110v vs 220v critical)
 6. **Stockout risk** (kills algorithm recognition, very hard to recover)
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Amazon-Specific Learnings

FBA vs FBM

- **FBA strongly favored** by Amazon algorithm for buy box
- **Prime eligibility** critical competitive advantage
- **FBM listings:** Lower buy box win rate, lower conversion
- **Strategy:** Convert FBM listings to FBA for 60% improvement (Product 58498 pattern)

Ranking Dynamics

- **First page (top 10) captures ~90% of sales**
- **Position 1-3:** ~60% of clicks
- **Position 4-10:** ~30% of clicks
- **Beyond page 1:** Minimal traffic (<2%)
- **Mobile users:** Especially unlikely to scroll deep

Honeymoon Period (Critical for New Launches)

- **Duration:** 60-90 days of extra traffic
- **Purpose:** Amazon gathers performance data on new listings
- **Strategy:** Heavy initial marketing investment to capitalize
- **When to create new vs use existing:**
 - Existing listing with good reviews (106+) → optimize and use
 - Existing listing abandoned/poor quality → create new with new UPC
 - No existing listing → launch new and capitalize on honeymoon

Keyword Strategy

- **Keywords are fundamental** to entire Amazon ecosystem
- **Title:** Most important (highest weight)
- **Bullet points:** Secondary important

- **Description:** Supporting
- **Not just for PPC:** Organic search, algorithm, customer discovery
- **Canada vs US:** 10x smaller search volumes, proportionally less competition

Visual Presentation

- **Photos communicate value** better than specs
- **Parents see:** Construction quality, safety features, adjustability in images
- **Justifies premium pricing** more than spec sheets
- **Listing optimization:** Prioritize high-quality images showing differentiation

Stockout Prevention

- **Never run out of inventory** - kills keyword ranking
 - **Algorithm stops recognizing listing** when out of stock
 - **Very hard to reestablish position**
 - **Strategy:** Maintain continuous inventory even in small quantities
 - **Advantage:** Ability to order 24 units keeps high-ticket items active
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Seasonality Patterns

Pool Equipment (70-80% of sales May-August)

- **Peak season:** May-August
- **Off-season strategy:** Keep listings active, limited advertising 2-4 weeks before peak
- **Purpose:** "Spark" algorithm, maintain recognition
- **Inventory approach:** Bring less inventory for pure summer items, minimize investment until validated

Year-Round Items

- **Inventory strategy:** Go deeper, safer investment
- **Algorithm benefit:** Maintains keyword recognition continuously
- **Preferred by Todd:** Lower risk profile

Launch Timing

- **April launch ideal** for seasonal products (ahead of May-August peak)
 - **Chinese New Year impact:** February affects production scheduling
 - **Container timing:** Critical to hit seasonal window
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Competitive Analysis Methodology

Data Dive Best Practices

- **Dive credits:** 1,000/month maximum, use strategically
- **Ideal competitor count:** 10-15 for Canadian market (7-15 minimum)
- **Hero keyword:** Use for focused apples-to-apples comparison
- **Competitor strength classification:**
 - Very Strong: 96%+ keywords on page 1, thousands of reviews
 - Strong: Well-established, good performance
 - Moderate: Average, room for competition
 - Weak: Poor listings, limited optimization
- **Look for gaps:** Blank keyword fields = opportunity to rank

Opportunity Identification

- **Weak competitor listings:** Poor images, inadequate descriptions, limited keywords
 - **Wrong audience targeting:** Adult vs kids products mislabeled
 - **Supply gaps:** Specific items unavailable in market
 - **Premium construction:** Better features justify higher prices (adjustable headrests, better padding)
 - **Brand name poor execution:** Big brands (Little Tikes) with terrible Amazon SEO
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Pricing Strategy

Multi-Channel Management

- **Walmart 2P price conflicts** with Amazon pricing
- **Strategy:** Use coupons to lower customer price without changing list price
- **Benefit:** Win buy box while maintaining price parity with Canadian Tire/Walmart
- **Important:** Protect retail relationships
- **Coupon mechanics:** Amazon calculates fees on post-coupon price, \$0.60 coupon fee per transaction

Competitive Positioning

- **Average market price** as anchor (e.g., \$110 for trampolines)
 - **Cheap competitors** (\$60-80) create pricing floor
 - **Premium justified** by visible quality (photos show construction, safety features)
 - **High-ticket items** (\$249 pump filter) viable if supply gap exists
 - **Canadian Tire pricing** used as reference (Amazon may penalize if significantly higher)
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Market Dynamics

Amazon Canada vs US

- **Population:** ~38M (Canada) vs ~330M (US) = 10x difference
- **Search volumes:** ~10% of US equivalent
- **Traffic:** 250 units/month (Canada) vs 1,200 units/month (US) typical
- **Competition:** Generally less than US (not all US sellers active in Canada)
- **Opportunity:** Less competition but smaller market

Chinese Seller Competition

- **Market share:** 50%+ of third-party sellers
- **DDP shipments:** Undervalue or reclassify to avoid tariffs
- **Pricing pressure:** Creates unfair advantage for legitimate sellers
- **Challenge:** Operating above board costs more

Logistics and Freight

Shipping Methods

- **DDP (Delivered Duty Paid):** Factory handles freight and duties to 3PL
- **DAP (Delivered at Place):** Separate payment for duties and customs
- **Best Way limitation:** Cannot ship DDP (not KARM-registered)
- **Todd/Douae:** Properly set up with KARM for customs

Container Economics

- **40ft high cube:** \$5,800 (recent quote)
- **20ft standard:** Quote pending
- **FCL vs LCL:** Even half of 20ft container sometimes cheaper than LCL
- **Capacity example:** ~700 units of trampolines in full container
- **Cost allocation:** Flat rate (\$5/unit) vs cubic volume (varies by item)

3PL and Fulfillment

- **Partner:** Triumph Logistics (Etobicoke)
 - **Customs broker:** CH Robinson
 - **Amazon fulfillment:** UPS (Amazon preferred partner)
 - **FBA critical:** Must allocate funds for FBA conversion to win buy box
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Business Model Insights

Wholesale vs Private Label

- **Lower MOQ:** Few hundred units vs thousands
- **Faster market entry:** No custom development
- **Numbers work more easily:** Lower initial investment
- **Critical challenge:** Must maintain reliable replenishment
- **Risk:** Stockouts after building momentum

Brand Registry Importance

- **Best Way shutting down** unauthorized sellers in US and Canada
- **Official listings** can lock down brand exclusivity
- **Prevents:** Price undercutting by unauthorized sellers
- **Process:** Requires trademark registration and brand approval

B2B Amazon Business Opportunity

- **Small retail customers** can order via Amazon Business
 - **Benefits:** External traffic (Amazon rewards with better organic ranking)
 - **Maintains:** Retail relationships while creating revenue channel
 - **Tracking:** Affiliate links available
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Product Selection Logic

Todd's 120-Item Initial Selection

1. **New products for 2026** - Get ahead of retail cycle
2. **Complementary products** - Known demand (pump for pools already sold)
3. **Coleman brand products** - Obligation to supply small/medium customers, #1 camping brand

Validation Approach

- **Retail sales data** validates market (\$5M Coleman annual sales not speculation)
 - **Competitor revenue** as indicator of actual buying activity
 - **Focus on current items** first before expanding SKU count
 - **Over 1,000 items** in Best Way catalog (future expansion potential)
 - **Private label opportunities** with 10 different factories
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Common Mistakes to Avoid

1. **Rushing decisions to meet factory deadlines** (sacrifices thorough validation)

2. **Evaluating viability on small-batch costs** (24 units misleading)
 3. **Not factoring full container economics** (700 units changes everything)
 4. **Ignoring FBA conversion importance** (60% success factor)
 5. **Copying retail categorization** (Amazon is keyword-driven, not department-driven)
 6. **Allowing stockouts** (kills algorithm recognition, very hard to recover)
 7. **Using cubic freight allocation for bulky items** (flat rate dramatically better)
 8. **Underestimating visual presentation** (photos > specs on Amazon)
 9. **Not securing brand exclusivity** (unauthorized sellers undercut pricing)
 10. **Proceeding without brand approval** (Coleman situation = total blocker)
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Continuous Learning Triggers

Update this file when: - New meetings with Todd reveal decision patterns - Product launch results validate or contradict predictions - Margin thresholds adjusted based on market conditions - New competitive intelligence gathered - Todd provides feedback on recommendations - Market dynamics shift (seasonality, competition, pricing)

Next review: After next 3 products analyzed (62322, 90716, 60310)