

THE WHOLESALE FORMULA

Module 3 – Super Targeting

Hey, welcome back. In this video, we are going to cover our most effective scouting method, super targeting. Super targeting has become our primary method of scouting because it allows us to find more quality leads faster than any other scouting method. Not only that, our account acceptance rate is also higher using this method, meaning that we're more likely to be approved by brand owners. It's a win-win. So let's dive in.

What is super targeting? Super targeting is a form of scouting in which the purpose is to find competitors that carry inventory ideal to our goals. Early on, we noticed that certain sellers seemed to be carrying some of the same items as us. As we were approved for new accounts, we would be surprised to see those very same sellers were already carrying those brands. It felt like we were riding their coattails at every step.

This was purely by accident at the time. We simply didn't realize how to take advantage of this. What we eventually learned was that those sellers had very similar product ranges to our own. So, it finally clicked for us that we should be looking for sellers and not products. When we're able to find sellers who have the exact range of products that we're looking to carry, we find a plethora of quality leads. This makes scouting so much faster and easier. I mean, if they are always selling the right products, doesn't it make sense to just sell the same products that they're selling? Why get there by chance when you can get there by working off of their actual inventory?

Our goal has always been to add profitable products and continue to grow our catalog, and this method allows us to do that at an exponential rate. Not only that, we get the huge bonus of avoiding their mistakes. Effectively, we are able to cherry-pick the best of the best products that they carry. That makes sense, right?

So moving on, how does super targeting work? Like I said earlier, what we're trying to accomplish is finding sellers just like us. We are looking for sellers that are not too small, nor too big. Through our experience, we noticed that if we track competitors who are too small, we ran into a lot of arbitrage sellers, which primarily means that they sell mass market products and brands and are taking advantage of market inefficiencies. As the market balances and catches up, these products are short lived and generally Amazon rejoins the party with a healthy inventory.

Then, when we track competitors who were too large, a good portion of their inventory simply didn't the margin or velocity that we required. These larger sellers usually run much more lean and on thinner margins. We're certainly not in any way suggesting that you shouldn't carry products carried by larger sellers. These sellers do carry lots of goldmine products as well. Just know that you can expect to find less leads compared to your ideal seller.

So, what does the ideal seller look like? To answer that, we need to look at seller feedback. As you're scouting, regardless of the method, and you come across a quality lead, you would then look at the seller of that product. When you click on the name of the seller, you'll be taken to the seller's profile where you can see their feedback. Here you can view the feedback for that seller and the past 30 days, 90 days, et cetera. The one that we care about is 30 days. We are looking for sellers who have between 200 and 800 feedback in those past 30 days. This identifies sellers who are using the wholesale model. Even very large RA sellers rarely get to 200 feedback per month. And the cap of 800 prevents us from dealing with mega sellers. What we found is that these leads were not only more profitable, but we also were more likely to be approved for those accounts.

Just as important as finding the sellers is keeping track of them. Remember our handy TWF scouting and sourcing spreadsheet? There's a sheet in it devoted to super targeting. Let's check it out real quick. Once we have our workbook open, the sheet at the bottom labeled Competitors to Target is where we want to look. Now that we have that open, you can see that there are four columns. When adding a new seller to the sheet, you'll want to add the following four pieces of information: seller name, seller URL, seller ID, and date inventory last scouted.

Let's walk through a live example, and I'll show you exactly how to put all of this together. Let's say that we used Amazon filtering along with some Jungle Scout filtering, plus a little Leaf Sourcing, and we find ourselves looking at this fine product. After confirming that this product passes our four-point checklist, we then decide to implement super targeting.

So let's look at the other sellers. We click the link that takes us to a list of all of the other sellers. Let's start by reviewing the feedback of the first prime seller. This takes us to their profile page. Again, we're looking for sellers with 200 to 800 feedback within the past 30 days. This seller qualifies, so our next step is to add them into our Competitors to Target spreadsheet.

To do that, we need their seller name, which was Bois Blanc Supply. Next, we need the seller URL, which you can find here where it says Bois Blanc Supply storefront. We can just copy the link address like so. This will allow us to quickly navigate back to their storefront for later review. Finally, we need the seller ID. This is their merchant ID. We need this because it is possible for a seller to change their seller name, but they cannot change their merchant ID. The marketplace ID is located in the URL of both the storefront and the seller profile page. The ID is located in the URL between merchant equals and the ampersand. Just plug all three of those into your spreadsheet and now you have everything that you need to start tracking that seller.

The fourth column is for you to be able to keep track of the last time their inventory has been scouted. We do this periodically and rescan inventories for new products. You can now view that seller's entire inventory anytime you want, regardless of whether they change their storefront name. Just paste their URL into your address bar and, boom, you can view their store.

Now I'm going to show you how we are able to scout a seller's inventory quickly and easily to find great leads. One frustrating thing about trying to scout leads from a seller's inventory is the way Amazon displays the product links. When you click on a product in a seller's inventory, Amazon takes you to that seller's offerings of that product only. It does not show you the other seller's offerings and it does not display to you the true public buy box. That means when you click on a product link in their inventory to see the public version of the listing, you have to delete everything after the ASIN and the URL and then hit enter. As you can see, this now shows us all the other offerings and the true buy box price.

Because Amazon displays the links this way, it also means that when you run Jungle Scout in a seller's inventory and click the product link, it also displays in this fashion. Also, altering the URL like this can be a bit annoying and time-consuming. Luckily, we have found a software that will not only scan a seller's full inventory at once and display the links correctly, it also provides all the information we need to run on a four-point checklist at a quick glance. That software is called Tactical Arbitrage Wholesale. Let me show you how it works.

For our scouting purposes, I want to be clear that we have a wholesale membership plan. At the time of this recording, all TWF students are entitled to a 20% lifetime discount. The way this works is that when you sign up for your Tactical Arbitrage Wholesale account, you have the option to enter a discount code. Tac Arb has provided us with unique one-time use codes that you should have received via email. If you have not received your code, please request one by emailing us at dan@thewholesaleformula.com.

After you've signed up and created an account, it's time to log in. First, we have to prove we are not a robot. To do this, we must answer a simple math question. After we log in, we see the dashboard. From there, we're going to click wholesale search in the navigation pane. This opens a dropdown menu, and we will click wholesale search again.

Now, I know there's a lot going on here, but it's actually pretty easy to use. First, we're going to click on the box that says import manifest. And from this dropdown, we can select scan seller products. When we do that, a new input box pops up where we place a seller ID. I'm going to paste a seller ID of a seller who fits our Super Targeting criteria. Then, I'm going to click search. Once I do that, you can see that Tac Arb is now performing a search.

After the search is complete, we now click view data. We can now analyze each and every product carried by the seller we searched. So let me walk you through how we view the results. As you can see, there is quite a bit of data here for us to view.

Now, these are not columns that you would see by default after performing your first search. These are the ones that we currently review, but you can select whatever data you would like. To edit the columns, click manage columns. Here you can show and hide the columns you want to see. At this time, you can pause the video and take a screenshot of our settings if you'd like to start out using that same configuration.

Something you should know here is that you can change the order in which the columns are displayed. You can click and drag them here like this, or you can close the window and click and drag them here, too. Also, they're sticky, which means Tac Arb will remember the order for your future searches. That's pretty cool, right?

Now let's walk through the data that we are interested in. The in stock column tells us if the item is currently in stock on Amazon. The next column shows us the Amazon title followed by the main product image. After that, we have the main category, followed by brand, and then the ASIN. Here we have Amazon UPC/EAN. Sometimes, it can be useful to have a UPC of the product handy.

The next column, labeled buy box, displays the type of seller that's currently in the buy box, whether it's FBA, merchant fulfilled, or Amazon. The next column, Amazon sales and in stock, is really cool. The results you will see here are out of stock, yes, and never. Out of stock means that they have carried it before, but do not currently have any inventory. This could be a product where Amazon is temporarily out of stock or it can be a product where they've never planned to carry it again. So just because a product shows up as Amazon is out of stock, don't rule them out as potential opportunity. Yes, obviously means Amazon sales the product and has stock, so the product likely no longer fits our four-point check. Finally, never means that Amazon has never carried the product.

The next two columns are also very valuable, as they will show you the average price over the past 30 and 90 days. This is great because it allows you to see if the price has been stable. The next column Amazon shows us is Amazon net after fees. If you hover the cursor over the green bubble, you can see the breakdown of fees. Next, we have Amazon in stock 30 days. This shows us the percentage of time that Amazon was in stock on the product in the last 30 days.

After that, we have new sellers, which is the number of sellers who have an offer of the product in new condition. What's cool is we can see and put our cursor over this little box and it will show us how many FBA sellers are considered to be competitive. Now, that's what's super important here is that you have to make this dropdown at the top labeled competitive range from the buy box and make sure that it's set at 2%. This ensures that calculating the number of competitive sellers set the same way that we do.

After that, we have estimated monthly sales. Tactical Arbitrage uses their own algorithm to determine sales per month, and it's different than Jungle Scout's. We find that Tactical Arbitrage estimates are generally more conservative than Jungle Scout's. We are fine using Tactical Arbitrage estimates and sales per month for initial research on the four-point check here, but when we do further analysis using the 21-point check system to further qualify and rank leads, we like to use Jungle Scout estimates because that's what we found to be most accurate in our own business. You'll learn more about the 21-point check system in the next video.

Next, we have sales rank and average sales rank over the past 90 days. The latter lets us know if the product has had a stable sales rank. I should also mention that Tactical Arbitrage estimated monthly sales numbers are based on the 30-day average sales rank, not the current sales rank for the product, which we find to be pretty cool.

Lastly, we have one of the most useful columns, and that's the Keepa graph for each product. It defaults to view the past 90 days, but you can view up to a full year inside the web app. You can also click the graph to view it on keepa.com if you want to see the lifetime view.

Now, let's show you how we filter the products from here for the four-point check. We don't want to see products that are sold by Amazon, so we go to the Amazon sales and in stock column and deselect yes and click apply. Next, we go to the Amazon buy box price column and apply our next filter. We don't want to see items that sell for less than \$20, so we apply the filter so that the product we see are \$20 and up. Finally, we want to eliminate any private label products that we can, so we go to the filter under the new sellers column and set it to a minimum of three and hit apply. Now we can easily scroll through and evaluate leads.

Again, by hovering over the green box and the new sellers column, we can see the number of competitive sellers. If we add ourselves as an additional seller, we can then quickly do the math based on the estimated monthly sales to find our own estimated monthly sales equity. Any of the products that fit the four-point check go on to the spreadsheet. From there, we can use those products to super target even more.

By having all of this valuable data in one place has truly been a game changer in our business. This allows us to find hundreds of qualified leads every single day. To get Tactical Arbitrage for yourself, as we mentioned earlier, at the time of this recording, all TWF students are entitled to a 20% lifetime discount. The way this works is that when you sign up for your Tactical Arbitrage Wholesale account, you have the option to enter a discount code. Tac Arb has provided us with unique one-time use codes that you should have received via email. If you have not received your code, please request one by emailing us at dan@thewholesaleformula.com.

All right, you've now learned the most important aspect of scouting, finding competitors to emulate. By tracking the right competitors, you save a ton of time, as the leads are much more plentiful. Be sure to take some time to practice using super targeting. Mastering the scouting technique will be invaluable to your business going forward. That wraps it up for this video. Thanks for watching, and I'll see you soon.