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Within three months of starting with Teikametrics, we had our best month ever in terms of both profits and sales.”

THOMAS KALTER
 President & Owner at TK Distribution



TK Distribution Success Story

About TK Distribution

In 2017, Thomas Kalter opened an Amazon store to supplement his commercial lighting business. At the time, this was viewed solely as a small, side income stream he could operate out of his home. But within a matter of months, sales had grown, Amazon had offered to handle fulfillment, and the sheer scale of the business’ growth necessitated moving into a more traditional office-warehouse space.

By late 2019, Kalter was employing a full-time team and the revenue coming from the Amazon side of the business had surpassed that of the commercial side. But to grow further, Kalter knew he needed to intelligently invest in advertising, as his limited experience with Amazon’s advertising platform meant that his initial efforts weren’t dramatically moving the needle.

The Challenge

When he started out using Amazon advertising, Kalter had relied on Amazon-sponsored tutorials and auto-campaigns. The results were mixed. While he did manage to hold ACOS (Advertising Cost of Sales) down to a respectable 6%, the corresponding boost to his overall sales remained low.

Like a lot of new marketers, Kalter was struggling to turn advertising investments into business growth. Lack of confidence kept his ad spend low, but that also limited any resulting sales lift. Kalter needed a controlled method of scaling of advertising, but he didn’t have an expansive budget to work with, and he was loath to spend even more time on Amazon ads. Kalter found himself in the classic conundrum of wanting more from less.

Then he discovered Teikametrics on social media — and he liked what he saw. The company’s promise of automated and optimized Amazon advertising was exactly what he’d been looking for. After doing plenty of due diligence, Kalter and TK Distribution became a Teikametrics client. Despite some initial skepticism around committing the investment, Kalter saw his sales begin to trend upwards, and within three months, TK Distribution’s revenues and profits had climbed to an all-time high.



The Solution

How did Teikametrics manage to supercharge TK Distribution’s sales?

The winning formula for Amazon revolves around pairing advanced technology with proven techniques for success. One of these strategic levers is bidding to value - a kind of "golden equation" for Amazon Advertising [**Price X Conversion Rate X Efficiency Target = Value**]. Applying that formula to TK Distribution's Sponsored Products ads commercial lighting ads helped him better reach the Amazon customers who were most likely to make a purchase as a result of encountering his brand. And with AI-enabled analytics handling keyword and pricing research, Kalter was able to free up more of his time for friends, family, and football — secure in the knowledge that Teikametrics’ machine learning tools were taking care of business.

Importantly, Teikametrics did not just offer a one-size-fits-all ad-tech solution — it offered a genuine partnership. Kalter had weekly calls with Teikametrics’ Amazon advertising gurus, who kept him abreast of new trends and developments, while handling most of the heavy lifting for him in areas including strategic alignment, campaign alignment, ownership of metrics, and product lifecycle optimization. With Teikametrics monitoring and continuously optimizing his ad strategy, Kalter could turn his attention to his business operations and supplier partnerships, secure in the knowledge that his Amazon ads and sales were in safe hands.

Top tips from TK Distribution

- Invest in yourself.** Sometimes, a little extra ad spending can deliver a major boost to your overall profits.
- Aim higher.** Don't resign your Amazon business to solely a side project - work to realize its full potential.
- Pick your battles.** Running an Amazon business doesn't have to be a slog. Find ways to automate the painful stuff, and focus on the parts of your business that you love.

The Results

Following TK Distribution bringing on Teikametrics in 2019, the company saw sales jump 72% year-over-year, reaching around \$4 million in total. Using Teikametrics also saved between 30 and 40 hours of work each month (a whole week!) while watching ACOS taper lower and sales climb higher.

On the back of those strong sales, TK Distribution secured deals with new manufacturers and significantly expanded its inventory. With Teikametrics’ help, Kalter was able to integrate these new products into the company’s advertising strategy with minimal effort, confident that his advertising and sales strategies were scaling alongside his growing business.

Now that TK Distribution is succeeding on Amazon, Kalter is turning his attention to other platforms such as Instagram and Walmart, with plans to expand to those channels over the coming months. Kalter is especially excited about Walmart, considering Teikametrics’ recent expansion into Walmart Sponsored Products. With his Amazon project humming along nicely, Kalter and TK Distribution has dozens of extra hours now available each month, and plenty of additional profit to work with.

Total Ad Sales and Total Ad Spend

June 2019 - February 2020

