

What next? Where to take your DR product...

By now you've probably evaluated your own product and whether it's right for DRTV. Next you need to determine if you can really make money, which includes deciding if you want to build a future retail brand or make your product a TV-exclusive.

First, let's look at a couple companies that followed both paths successfully. Proactiv® Solution is a very successful DRTV product line, with over four billion dollars in sales so far, primarily from TV and web orders. This is a pure DRTV-play item.

Certainly there are many acne treatments available on the market today. So what has made Proactiv so successful for so many years? First of all, there are a lot of people that like the product, but the really unique thing about them is their infomercial itself.

Guthy/Renker® spends millions of dollars every year for big name talent and testimonials, including Sean Combs, Vanessa Williams, Jessica Simpson, Britney Spears and many more. This is their point of difference; no matter what acne product you try, it won't be the one used by all of the stars unless it is Proactiv.

An example of a product that started with DRTV as a means to retail distribution is OxyClean®, a very successful cleaning product. OxyClean started life as a pure DRTV item, but grew into a retail brand that is now available at over 40,000 retailers in America. However, they continue to offer the product in a DRTV commercial.

Why would one company stay with DRTV and one branch into both DRTV and retail?

For Proactiv, it's clear that they found a winning formula with their infomercial model; freshen up the infomercial every so often, and continue to broaden the appeal ñ in part by appealing to the next generation of buyers — and make more money.

On the other hand, OxyClean stayed with TV and sought retail distribution. They knew that for every one person that buys a product from a direct response advertisement there are 10 to 13 that will buy the product when they can touch

and feel it. So they used the DRTV campaign not to sell product, but to drive retail sales.

In today's highly competitive retail world, many entrepreneurs have discovered that the fastest and cheapest way to get into retail is direct response. For these advertisers the goal of a DR campaign is more about breaking even and building a brand for retail sales ñ as OxyClean did. In other words, they are successful at running a major TV ad campaign that generates enough sales to cover its own costs ñ essentially a free ad campaign.

Both of these products are different examples of DR success, each with very unique characteristics and challenges. The characteristics and challenges are part of what will decide if you take your product to retail. Is there a retail market for the product, or is the market oversaturated? In the case of OxyClean, you could say there are many cleaners on the market ñ countless, really ñ but they had a very unique selling position and a product with features not found on the market ñ features that are relatively easy to explain and remember. For these reasons, the shift to retail distribution was natural.

In the case of Proactiv, you have a product system (a product with many parts) that requires a lot of explanation, demonstration of results and emotional testimonials (including celebrity testimonials) to add value and credibility to the product. Add that to the fact that Guthy/Renker is selling a higher price-point item (compared to drug store acne medication) to an audience that is, in part, unfamiliar with the product (because, each year, they have a new customer base as teenagers and young adults develop a need for the product). The nature of the product and their buyer requires them to stay on TV; it's a formula that works for them.

Don't get the impression that, because these products are wildly successful, direct response TV is without risk. The truth is that every year there are hundreds, perhaps thousands, of infomercials and short form commercials produced that fail miserably, even when their product has met the criteria that outlined in "DRTV Products."

Some of them failed because America just didn't want to buy them. Many of them failed because they were not created by people with direct response experience. Producing an infomercial or spot that can sell directly to the consumer in sufficient quantity to make money is not the same as making a branded TV spot or shooting video.

Direct selling is a learned skill that takes time and experience to master. I get calls from people all the time asking us to review a commercial or infomercial they have shot and tell them why it is not working. In most cases what we see is that the spot or show has skipped some or all of the necessary steps to achieve real direct response results. Unfortunately, in most cases the production is so far off the mark that there is nothing we can do to “fix” it, so the client has essentially thrown their money away.

The point is this: you may have a great TV product, but without the right guidance from an experienced DR firm, you run the risk of having a failure on your hands. You also run the risk of moving to retail distribution (a potentially costly and time consuming process) when you should not, or not moving to the lucrative retail world when you should.

Before shooting an infomercial or short form commercial, get your product and your potential market thoroughly evaluated by a reputable direct response authority. Check to see if this expert really knows the DRTV business and has a solid reputation of being not only successful but honest.

This process will help you better plan your product’s future, so you can have the pieces in place to make the product a long-term, money-making machine.