

# THE CONCEPT STAGE

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TV-04.

## **THE CONCEPT STAGE**

In this section, we will discuss what you need to know in formulating your direct response campaign. It assumes that you already know everything there is to know about your product, and that you believe your product will do well on TV, either because it has sold well elsewhere or because similar products are already doing well with DRTV.

### **1. DETERMINE WHAT YOU WANT.**

Certain fundamental questions should be answered before you continue: What do you want the viewers to do? What do you want to get out of your DRTV campaign? Do you want sales or leads? Are you better off with a lead generation DRTV spot or a sales generation infomercial?

A reminder: Whatever type of response you decide upon, that response must meet these criteria:

**BE EXPLICIT.** Tell the viewers exactly what you want them to do. Some advertisers bury their solicitation message. By becoming engrossed in highlighting the fantastic features of their product, they fail to stress what they want the TV viewers to do.

**THE RESPONSE MUST BE DIRECT.** Provide your viewers with a direct response pipeline to you. Remember, an infomercial or DRTV spot that asks viewers to visit their nearest shopping center to look for your product is not direct response advertising. An infomercial or DRTV spot requires the viewer to respond directly to you.

**THE RESPONSE MUST BE MEASURABLE.** Even if you're running a simple opinion poll, you must be able to measure the response to determine the success or failure of your product or service or of your advertising itself.

### **2. LEADS ONLY**

There are three practical reasons why you may prefer to produce a lead generating campaign as opposed to a sales generating one:

**PRODUCT FEATURES ARE TOO COMPLICATED.** If the uses of your product cannot be described in a simple, entertaining manner, you will have serious problems with a sales generation DRTV campaign.

**SEVERAL MODELS.** If your product line contains a variety of models that may confuse the viewer, you're better off sending follow-up sales material that distinguishes the features of each model.

**COSTS OVER \$100.** This Guide is more concerned with the rule rather than with the few exceptions to the rule. If you can sell a \$500 item with a sales generation infomercial or one minute DRTV spot, so for it. You are special; you deserve to be a millionaire. But you are an exception to the general rule that a DRTV product should cost no more than \$100. (One exception to the rule is offering an installment payment plan. We'll tell you more about that later.)

### 3. TWO-STEP CAMPAIGN

A lead generation DRTV spot or infomercial is always a prelude to direct mail campaign, hence the term two-step is applied to the use of a DRTV spot or infomercial to generate leads. The following usually takes place:

**THE VIEWER CALLS.** In a lead generation DRTV spot, you advertise a toll-free 800# for viewers to call to leave their name and address in order to get more information by mail. The calls are answered by live operators or by an automated voice-processing system.

**YOU SEND SALES INFORMATION.** Brochures, videos, or other forms of sales material are sent to induce the recipient to place an order. Example: NordicTrack sends an impressive combination of a video and a booklet of their product lines to people who respond to their DRTV spot.

### 4. DUAL-PURPOSE CAMPAIGNS

A lead generation infomercial is not the most efficient way to spend your advertising dollars.

Therefore, lead generation advertising should usually be in the form of standard-length DRTV spots, not infomercials. If you have already decided to use an infomercial, at least offer the viewers the opportunity to make a direct purchase. This will offset the costs of production and media.

If you do want to generate both actual sales and lead inquiries, be explicit about it. If you show only your 800 number order line, you may alienate people who want to call for additional information. On the other hand, if you ask for lead generation, you probably won't get any sales.

If at all possible, have two telephone numbers: one for sales, one for inquiries.

## 5. PRICING

DRTV advertising should not dictate the price of your product, which must be identified before you start formulating your DRTV project. However, certain factors should be considered in determining the price of your product.

**ECONOMIC VALUE.** This factor has nothing to do with your manufacturing cost. It is the perceived value of your product based on the convenience or satisfaction it is likely to provide the consumer. A \$100 toothbrush cleaner has little economic value, since a consumer would purchase a replacement tooth-brush for \$2 before investing \$100 on a toothbrush cleaner.

**SHIPPING & HANDLING.** The consumer sees this as a cost added to the price of your product. You should view it as a way to pay not only shipping costs, but also your cost of order taking. Furthermore, where possible, upsell the buyer to order overnight delivery at a premium charge.

**PAYMENT PLANS.** Payment plans for creditcard buyers come in a variety of packages, depending on the category and base price of the product. For products under \$100, plans offering 3 payments are the most common. On the high-end of the spectrum, for example, Crosswalk, and exercise machine has a plan offering 10 payments of \$49.95

Several studies indicate that the number of infomercials offering payment plans have increased threefold over the last two years. Since the single pay threshold is usually \$100, you should offer a payment plan if your purchase price is \$100 or more.

## 6. CREATING URGENCY

Try to create a sense of urgency by offering an incentive. No matter how good your product is, no matter how low the price, offering a bonus is an old strategy that usually works like a charm. Bonuses entice viewers to purchase immediately.

**TV PRICE.** You may offer a special TV price lower than the regular retail price of your product.

**PRICE BREAK.** This technique is usually effective for consumables. You can offer a 50% discount on additional quantities of the product purchased at the same time.

**FREE PRODUCT.** Offer a special item free to those who purchase through your special TV offer.

