



## How to Know if Your Product Is Infomercial-Worthy

**Sure, they can be cheesy. But they can also make you rich. Does your product have what it takes to make it in the world of direct-response TV?**

By Eric Markowitz | Dec 17, 2010

**Rodney Vincent's back pain device**, the True Back, languished on an open market for nearly a decade before he decided to make an infomercial.

"It wasn't achieving what I wanted to achieve with it," he says. "I knew I wasn't getting as many sales as I could get."

Like many inventors before him, Rodney Vincent has led somewhat of a whimsical career. Originally from the U.K., he studied architecture in school before landing a job with the Formula 1 racing team. After some time in the motor trade he became involved in the aviation business, and eventually wound up owning his own travel and tour operating company. Vincent has no formal training in anatomy, but like many entrepreneurs, he has a great sense of business acumen.

After researching his demographic and making several modifications to the product, Vincent invested heavily in an infomercial. The product, which retails for around \$70, was a hit, and within three months, he had created a \$10 million a year business.

But for every infomercial success, there's at least a few flops. There are a number of factors you should consider before spending a cent to break into the world of direct-response TV. Likewise, if you're considering taking your product to a company like Guthy-Renker, which licenses products and pays royalty fees, you'll need to explain precisely why your product will sell on an infomercial. In other words, you'll need to do your homework.

[Dig Deeper: Richard Thalheimer on Selling Through Infomercials](#)

### Is Your Product Infomercial-Worthy: Is the Price Right?

Achieving scale through an infomercial requires high start-up costs, mainly due to expensive production prices and media buying. So it's essential to understand how gross revenue—and more importantly, profit margin—will enable you to turn a profit on your invention.

One cliché that gets tossed around in the infomercial industry is the need to have a "5:1 ratio," says Michael McGahee, president of the Florida-based Excellent Marketing Results, a company that has specialized in the production of infomercials for over 25 years. The 5:1 ratio implies that you must sell it for five times what it cost to make. But it's not nearly that simple.

He explains that a \$5 product, even if it only costs \$1 to make, would never succeed on an infomercial alone because it would never sell in enough volume needed to turn a profit.

"There is no sweet spot for sale price," says McGahee. "If I run down the top products, it's everything from business opportunity, to DVDs for exercise. If anybody says to you there's a sweet spot, it's because they have a limited amount of experience."

Other infomercial experts seem to agree. Steven Marcus, who has been producing and directing infomercials for over 35 years, says it's all about careful consideration of your costs versus retail price. "The first thing I ask is what your product retails for. If they say \$20, and it wholesales for \$8, I tell them they're going to lose their shirt on television."

[Dig Deeper: What's in a 30-Minute Infomercial?](#)

### Is Your Product Infomercial-Worthy: Will it Ever Sell?

How do you know if your product is infomercial worthy? It's actually fairly simple, says McGahee. Ask the customer.

"One of the basic reasons in why we have a high batting average in our success is market research," says McGahee. "That is the No. 1, major, 24-point bold, huge, basic, point."

If you want to find out how a consumer feels about a product, go ask them, he says. However, like many aspects of entrepreneurship, you may never really know what you're going to get until you just do it. Steven Marcus recommends a cable test to try out the product's viability.

"We tell clients to do a one-to-two week network cable test, which costs about \$20,00 to \$30,000. If no one is buying in those weeks, no one is going to buy in four or eight weeks. At the end of that, if you can make a profit, you can roll out." Even if you break even, Marcus considers it a success. "You just need to tweak the offer," he says.

### [Dig Deeper: Shaking America By Storm](#)

#### **Is Your Product Infomercial-Worthy: Does it Have a Niche?**

There's a reason so many infomercials sell exercise equipment. They sell.

"Certain products do well like skin care, weight loss, exercise products, and kitchen appliance," says McGahee. "But there's got to be something different."

Mike Spacciapoli, who worked with McGahee in the mid-90's to market a line of golf clubs through infomercials, says he and his partner first tried to sell the product via more traditional channels, like golf pro shops and big box stores, but it was necessary to be able to show the customer how the clubs actually worked.

"There was some easily demonstrable technology that was propriety and that lent itself to a demonstration in pictures," Spacciapoli says.

Certain product categories will fare better than others on infomercials, but for many entrepreneurs, the infomercial serves as a vehicle for their retail promotion, much like a traditional TV advertisement.

Before launching the direct-response TV ad, Spacciapoli says it was a challenge because they were competing against much larger marketing budgets. "We smashed our heads against the wall trying to do that, and ultimately, we figured out a way to use direct response to educate the consumer."

Those who have the most success utilize the infomercial as part of their marketing mix, according to Tony Kerry, chief marketing officer of Script to Screen, a California-based infomercial production company.

"I spend a lot of time understanding what their goals are," he says. "Is the goal an independent profit center? Or is their goal to use it as a mechanism to help them get retail sales?" In a smart campaign, there are elements of both.

There are even some clever tactics to help the transition from infomercial to retail, says Steven Marcus. "Some people will sell products for \$12 to \$15 because they're looking to get into retail," he says. "Retailers know that if it's on TV for more than a few weeks it's making money, so the retailers then start calling to get the product. Let's say the [product's inventor] wants to get it in Walgreens or Walmart. They'll buy airtime in the home town of the corporate headquarters where the buyers can see it. And they see it on the air for a while, and they track down the guy with the product."

### [Dig Deeper: How to Make Your First Advertising Buy](#)

#### **Is Your Product Infomercial-Worthy: Does it Create a Solution?**

There's a bit of a contradiction in the world of direct-response TV. On one hand, a product needs to demonstrate something new or special to the potential customer. But at the same time, it needs to fall into a category that sells well on television. After all, how many ab-related devices have we seen offered on infomercials in the last 20 years?

The reality is, the product doesn't need to actually offer anything new. It just needs to tell its story well. The infomercial—whether 60 seconds, two minutes, or 28 minutes—has to set up a real problem, and create an effective solution to the problem. And to understand what types of problems people care about comes back to meticulous market research, and a firm knowledge of your demographic.

"A guy that's in pain, he does not want somebody yelling at him," says McGahee. "He's going to turn you right off. His 'wow factor' is that he's going to get his life back. But how do we know that that's what his 'wow factor' is? We ask him."

### [Dig Deeper: Making Marketing Sticky](#)

#### **Is Your Product Infomercial-Worthy: Is it Worth It?**

Rodney Vincent no longer uses infomercials to advertise his product. He says he's adopted a new strategy, which mainly involves e-commerce on the True Back website. Though his revenue went down, the reduced costs in advertising allowed him to maintain a strong profit.

"The response to infomercials is dropping," he says. "There are so many channels now that you're just hoping somebody would just click on that channel at that particular half-hour, be it day or night, and see your product there."

Many use the infomercial to stimulate initial sales of a product and then segue into retail, but it can be a costly proposition.

"It's not for the faint of heart," says Mike Spacciapoli. "If the TV gets turned on and the phone doesn't ring—you're a dead man."

### [Dig Deeper: Making the Most of Your \(Limited\) Marketing Dollars](#)